

Burlington Economic Development Corporation Delegation on Endress & Hauser Limited (PD-04-19)

Context

In line with the City of Burlington Strategic Plan 2015-2040 and Workplan 2018-22 Burlington's Plan: From Vision to Focus, Burlington Economic Development Corporation (BEDC) has developed a strategic plan to support companies to locate, start and grow in Burlington. The BEDC Strategic Plan and Action Plan focuses on enhancing the growth prospects of our existing companies and bringing new high-value firms to the community. BEDC supports business by:

1. Keeping Burlington competitive
2. Attracting and growing innovative companies
3. Developing an attractive 21st century city

The key deliverables for BEDC's Strategic Plan are:

- 15,000 new knowledge-based jobs to Burlington by 2040,
- An increase in the City of Burlington's ICI Assessment Base by \$500 million over five years, and
- A strong and diverse regional economy as measured by our economic indicators.

Further information on BEDC's Strategic Plan can be found at <http://bedc.ca/wp-content/uploads/2018/02/BEDC-Strategic-Plan-2018-2022.pdf>

A core part of BEDC's resources are focused on providing a strong customer service experience, demonstrated through managing more than 300 business support requests per year. Our aim is to provide businesses with the support, information and resources they need to locate in Burlington and continue to grow here. Endress+Hauser is an example of one of the many businesses BEDC provided strong business support to in 2018. Endress+Hauser's decision to establish their new Canadian headquarters in Burlington highlights how BEDC is effectively retaining businesses and attracting new investment to our community. Like many businesses considering locating in Burlington, BEDC supported Endress+Hauser in building a strong business case to locate in Burlington, as well as find and purchase the ideal site. BEDC also continues to provide ongoing support as they move through the development and relocation process.

Background BEDC & Endress+Hauser a Brief Timeline

Endress+Hauser is a global leader in measurement instrumentation, services and solutions for industrial process engineering. They provide process solutions for flow, level, pressure, analytics, temperature, recording and digital communications optimizing processes in terms of economic efficiency, safety and environmental impact. Their customers come from various industries, including chemical, food & beverage, life sciences, power & energy, primaries & metal, oil & gas, and water & wastewater.

Although the company is global, their North American headquarters has been located in Burlington since 1990, and they have undergone multiple expansions since this time. They currently employ approximately 80 people in high-skilled, high-paying engineering and administrative positions. With the attraction of the new expanded Head Office this number will rise to 120, and potentially even higher as they continue to grow.

BEDC began working with Endress+Hauser in 2018 when they initiated a site selection process. The company retained a site selection firm to complete a competitive analysis of locations across the US and Canada to narrow in on a new head office location. Based on the specific needs of Endress+Hauser, BEDC developed a customized business case for consideration. The business case outlined the advantages of Burlington compared to other locations. Priority areas focused on cost competitiveness, talent accessibility, quality of life and the features of specific employment sites available in Burlington. A copy of the Endress+Hauser Business Case Package can be found in the Appendix. BEDC then met with Endress+Hauser's North American executive team, project team, legal team and site selection consultants to pitch our business case on why they should choose Burlington for their new headquarters. Extensive follow up took place to address any concerns and ensure Endress+Hauser knew Burlington was "open for business" and was ready to support them in reinvesting in Burlington and locating their new headquarters here. In December 2018, BEDC was informed that we were successful, and Endress+Hauser had made the decision to locate their headquarters in Burlington at 1224 International Boulevard. Since December 2018, BEDC has continued to work with Endress+Hauser on an ongoing basis to support the purchase and severance of the land, as well as answer questions throughout the site plan submission process. A development consultation with the Department of City Building took place on April 1, 2019, and Endress+Hauser are currently waiting for additional comments until the sale of the newly severed land is finalized. City of Burlington staff, including the Department of City Building, Capital Works and Transportation, have been very supportive of Endress+Hauser to-date as they prepare to submit their site plan.

Economic Impact of Endress+Hauser and Connectivity to Red Tape Red Carpet (RTRC) Taskforce

Endress+Hauser's new Canadian Head Office will:

- Retain the 80 existing employees in Burlington;
- Create over 40 new jobs;
- Create 48,000 square feet of Industrial Commercial and Institutional (ICI) space;
- Generate approximately \$800,000 in DC's; and
- Has the potential to add over \$100,000 in Commercial property taxes annually following construction.

Endress+Hauser's new Canadian Head Office directly contributes to the 2018-22 Burlington's Plan: From Vision to Focus and BEDC Strategic Plan goals in the following ways:

- Increase employment by 1,000 jobs;
- Attract 10 companies to Burlington annually;
- Add 100,000 square feet of industrial supply; and
- Create over \$100 Million in ICI assessment value annually.

Additionally, Endress+Hauser will provide high-quality jobs that support Burlington residents to live and work in their community, thus directly contributing to the target of a 23% increase in residents working and living in Burlington by 2025. BEDC sees the attraction of a high-value employer like Endress+Hauser to be an ideal opportunity to roll out the red carpet and cut the red tape through a potential pilot initiative associated with the Red Tape Red Carpet (RTRC) Taskforce. As part of the pilot initiative, we would be able to ensure a smooth development process that allows companies investing in Burlington to get in the ground faster and more effortlessly, as well as demonstrate to other companies considering Burlington that we are indeed “open for business”.

Response to RFP for Economic Development Incentives & Competitiveness



October 24, 2018

Prepared for
Ginovus on behalf of
Endress & Hauser



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29 GROWTH SUPPORT

Endress+Hauser is both an industry and Burlington success story. With operations spanning the continent, Endress+Hauser has grown to be a leader in the instrumentation and process automation industries.

Endress+Hauser has identified a nearby site, located at 1224 International Boulevard, which can provide them with the dedicated location they need to achieve their goal as a Centre of Excellence within the Endress+Hauser family. Burlington is located within the Toronto Region, the 4th largest metro area in North America with a total population of 7.7 million people in 2016. The Toronto Region is poised for growth and is expected to add more than 3 million people by 2041. A significant part of this growth is expected within the west part of the region, with the local area around Burlington expected to nearly double to 1 million people. With convenient access to the region's commuter GO Train, businesses in Burlington benefit from exceptional access to talent throughout the entire Toronto Region and beyond. Investments around Burlington's GO Train station mobility hubs will provide Endress+Hauser with direct and easy access to this talent from any of the targeted local locations.

Endress+Hauser proposes to continue to grow in Burlington. Based on the information provided, Endress+Hauser will be able to access numerous funding opportunities with the Province of Ontario and the Federal Government..

Endress+Hauser has been supported extensively as it pursues global success. Our world-ranked McMaster University provides talent and R & D capacity. Mohawk College can work with Endress+Hauser to provide a broad range of technical talent to support operations and manufacturing.

The Toronto Region, including Kitchener, Waterloo and Hamilton, has one of the greatest talent pools in North America, ranking consistently in the Top 3 for technical talent. This is combined with operating costs which are lower than major US markets and one of the most competitive corporate tax structures in the world. In addition, Canada's favourable Immigration Policy provides further opportunity for Endress+Hauser to attract global talent.

The City of Burlington, the Federal and Provincial Governments, and all of our local partners are committed to supporting Endress+Hauser in its pursuit of growth and success.

Letter from Mayor Elect Marianne Meed Ward

Ms. Leslie Wagner
Ginovus Consulting Group
9 Municipal Drive
Suite One
Fishers, Indiana 46038

Dear Ms. Wagner:

On behalf of the City of Burlington, I would like to offer my full support behind Burlington Economic Development Corporation's bid to retain Endress+Hauser in Burlington, Ontario.

Investing your roots in Burlington means you are offering your valuable employees a lifestyle that's coveted by many around the world.

In Burlington, a perfect balance of urban living and rural tranquillity is at our fingertips. We are a beautiful waterfront community surrounded by the Niagara Escarpment, a UNESCO World Biosphere Reserve. Our city is the safest region in all of Canada and an ideal place to grow a family with an active social scene for every age group.

The future is full of potential in Burlington. The City's 25 year Strategic Plan guides Burlington toward a walkable, bikeable and transit friendly city that continues to welcome residents to a vibrant community while maintaining and celebrating our small town charm.

We know selecting the top-notch candidates to advance your business to the next level is a priority. Burlington has a vast pool of skilled talent. We are surrounded by world-class academic institutions that produce over 100,000 graduates annually, concentrating specifically in the areas of engineering, business, health sciences, digital media, and technology.

Our residents are well educated. Seventy-two percent of adults in Burlington have a post-secondary education. Not to mention, the access to a highly qualified labour force available in Halton and Niagara Regions, Hamilton, Toronto, Mississauga, and many other centres.

Burlington offers a competitive business climate. Businesses can access our talent at a fraction of the wage cost compared to any other top tech market in North America. On top of that, savings of up to USD \$18 million per year is possible in employee benefits and health care by choosing to locate in Canada.

Endress+Hauser is a staple of Burlington. I am proud and honoured that over 80 employees have embraced Burlington as a part of their family. I hope that they will continue their life journey in our city, enjoying the enriched and active lifestyle that is unique to Burlington residents.

The City of Burlington is committed to working closely with you and your team to support Endress+Hauser's success in Burlington, Ontario.

Please accept my warmest regards.

Sincerely,

Marianne Meed Ward
Mayor Elect, City of Burlington

SCOPE OF PROPOSAL

Based on the RFI issued by Ginovus we understand:

- Endress+Hauser is experiencing significant growth with a strong business plan to continue it's growth within the next few years.
- Their current facility, located at 1075 Sutton Dr., does not fit their projected growth over the coming years
- Endress+Hauser is looking for an economic development partner to join them in their next phase of corporate development, outlined in a business retention and attraction proposal

Based on further information provided by Ginovus we understand:

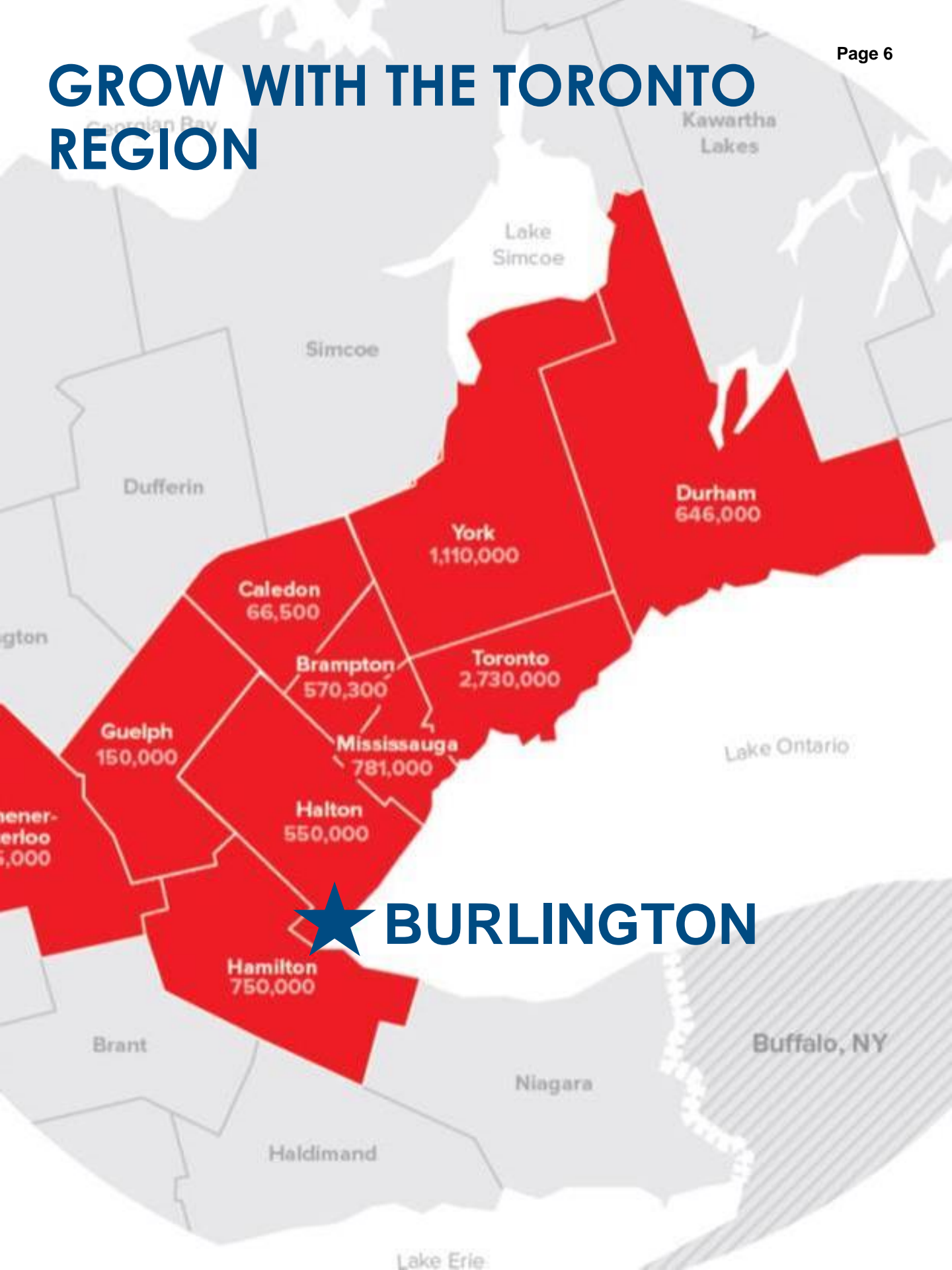
- Endress+Hauser is currently in the process of considering developing on the land parcel located at 1224 International Boulevard
- Cost Competitiveness, Operational Efficiencies, Talent Acquisition and Talent Retention are key issues for Endress+Hauser in supporting growth.

Based on this understanding, BEDC has structured our RFP response around four key areas for consideration:

1. Growing within the Toronto Region
2. Developing in Burlington
3. Canada & Toronto Region Competitiveness
4. Toronto Region Talent Advantage

We have begun engagement with several of our partners in order to determine how we can continue working with Endress+Hauser to ensure their success in our community. If you have any questions, or concerns, please feel free to reach out at any time and we would be happy to assist.

GROW WITH THE TORONTO REGION



GROW WITH THE TORONTO REGION

448 Million

Consumers in NAFTA

\$16.5 Trillion

GDP in NAFTA

47%

Foreign-born population in
Toronto Region

180,000

Burlington's Population

100,000

New Canadian Immigrants
that land in Toronto Region
every year



14,000

Burlington Businesses

4.1 Million

People in the Toronto regional
labour market

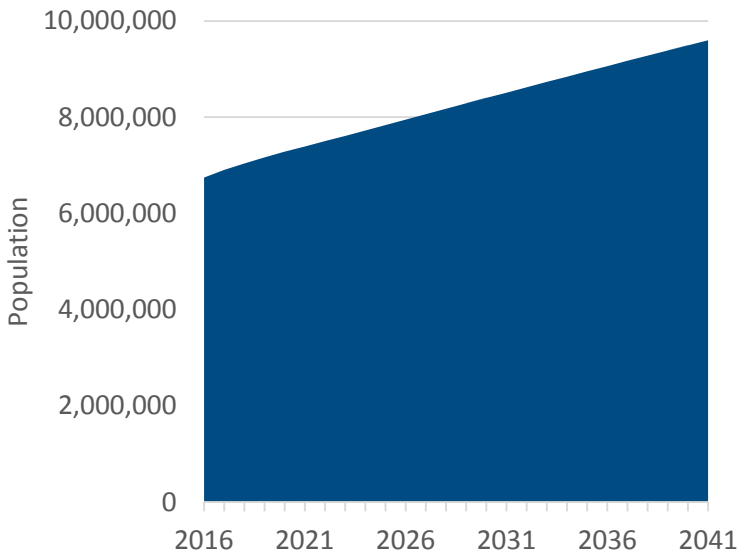
130 Million

People within a 500 mile
radius

Endress+Hauser will be in a prime location within North America with a diverse, growing talent base and easy access to its Canadian & US markets.

GROW WITH THE TORONTO REGION

Greater Toronto Area Growth Projections



The Toronto Region is expected to grow from 7.7 to 11 million by 2041.

Burlington has approved a 25 year Strategic Plan and is expecting to intensify and “Grow Bold” around our three GO Transit mobility hub stations building 21st century live-work-play communities.

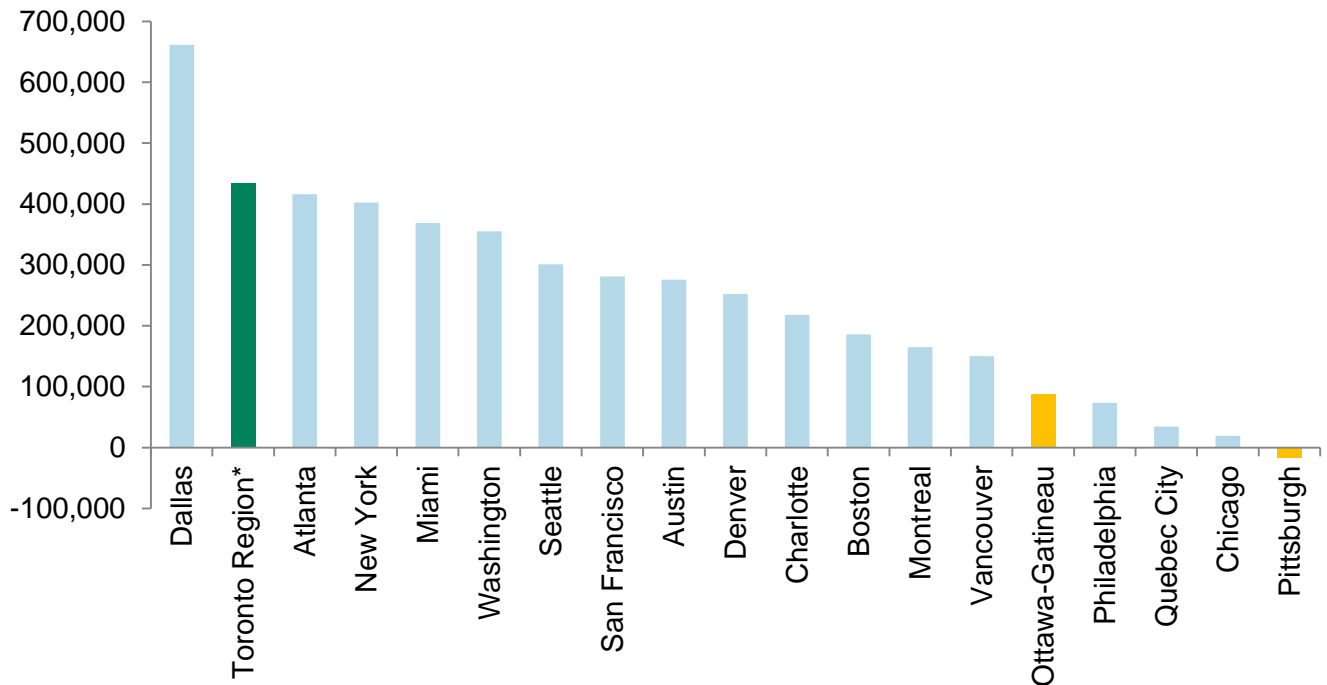
Burlington’s Mobility Hubs



Endress & Hauser will be positioned to access a talent pool of over 11 million people by 2041 through Burlington’s three GO Transit Mobility Hubs with 15 minute all day train access to the Toronto Region.

GROW WITH THE TORONTO REGION

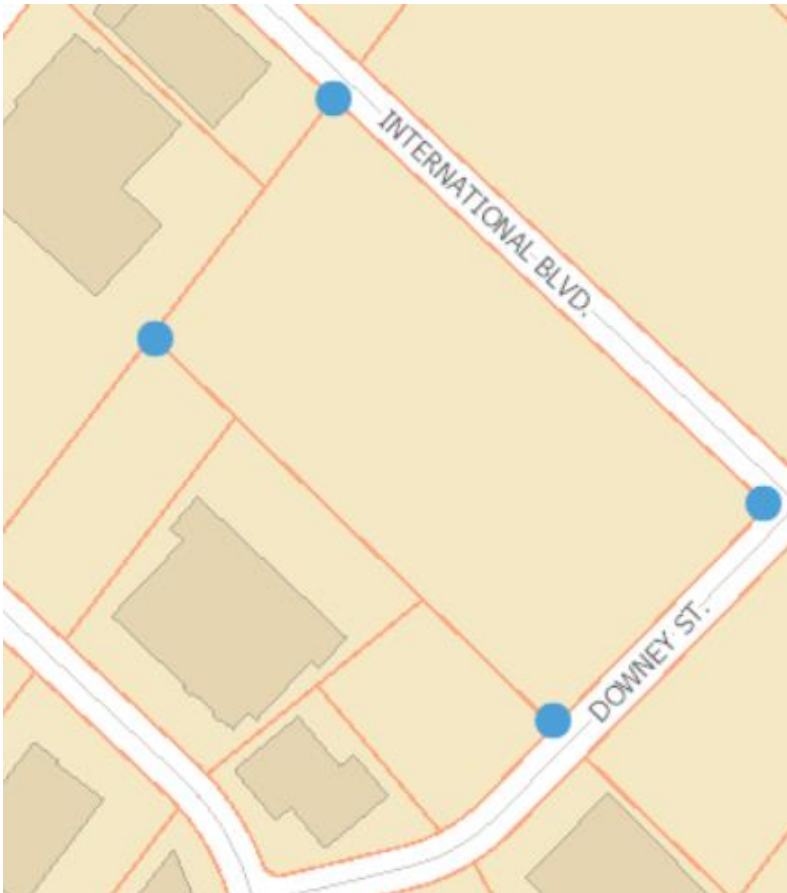
POPULATION CHANGE, 2011-2016



- **The Toronto Region has a total population of 7.7 million and will grow to over 11 million over the next 20 years.**
 - Within the Toronto Region, the local area surrounding Burlington will almost double its population to over one million people.
- **Over the last five years alone, the Toronto Region added 433,540 people – second only to Dallas in North America.**

Source: Statistics Canada (2016), U.S. Census Bureau (2016)

Zoning-1224 International Blvd.



GE1 Zoning

Allows for nearly all industrial and business uses.

9.2 Acres

Total area for the site.

Servicing
located
nearby

Endress+Hauser conforms perfectly to General Employment 1 zoning (GE1) that is designated on 1224 International Boulevard.

DEVELOPING IN BURLINGTON

Development Charges

Non-Residential Rates (Per Square Metre)

	Retail		Non-Retail	
City of Burlington	\$	127.46	\$	81.57
Region of Halton				
Built Boundary	\$	327.027	\$	92.627
Greenfield	\$	365.546	\$	131.146
Rural ¹	\$	295.852	\$	61.452
Education				
Halton District School Board		\$11.95		\$11.95
Halton Catholic District School Board		\$6.24		\$6.24
Total Education		\$18.19		\$18.19

Total Payable

Built Boundary	\$	472.677	\$	192.387
Greenfield	\$	511.196	\$	230.906
Rural ¹	\$	441.502	\$	161.212

Note - figures adjusted for rounding

Built
Boundary

Non-Retail

\$192.387/SqM

To determine the Development Charges for the site's potential development multiply the non-retail built boundary rate by the GFA (gross floor area) of your potential site.

CANADA & TORONTO REGION COMPETITIVENESS

A cost-competitive environment is a key element for achieving ambitious international growth plans.

The federal and provincial governments have been working hand in glove over the last decade to implement policies that ensure the Toronto region has a talent and cost advantage over similar US cities.

These cost advantages apply across key sectors, from services to engineering, and translate into substantial savings that will expedite an ability to scale in meaningful ways.

PROGRAMS & INCENTIVES

Canada & Ontario offer a number of funding programs that could contribute from \$5.9 to \$12.9 million in offsetting growth of Endress & Hauser operations.

LABOUR

If labour costs were the only evaluation criteria, Canada would win. Toronto Region salaries are competitive in every category with substantial advantages in labour availability and retention versus other regions.

This package compares average salaries across a number of different positions and seniority levels in a variety of job categories showing Toronto's clear technical talent advantage.

HEALTH CARE

Salaries are only part of the equation. Labour cost savings are amplified significantly by our lower employee benefit costs, which are 3 times lower here than in the U.S. Whereas U.S. employers pay an average of 37% of payroll to health care and benefits, Canadian employers only pay an average of 25% to cover those same costs.

GLOBAL TALENT ADVANTAGE

The GTA is a top destination for talent with over 40,000 people holding an engineering-related degree and thousands more graduating each year.

The Province of Ontario has committed to increasing the number of STEM-related graduates by 25% to 50,000 per year over the next 5 years.

In addition, Canada's Global Skills Strategy creates smooth and efficient channels for importing the global talent Endress+Hauser needs in Canada.

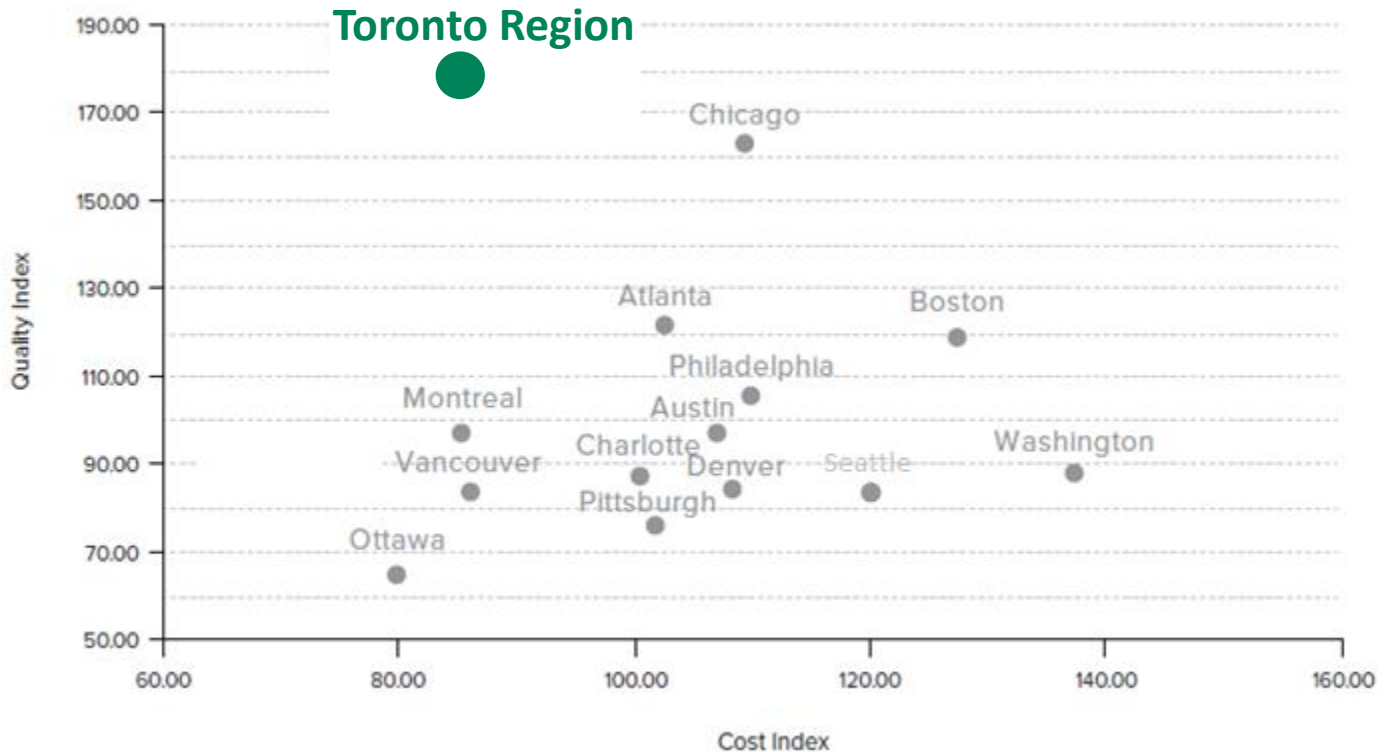
EXCHANGE RATE

The lower value of the Canadian dollar decreases operating costs and makes the cost of doing business in the Toronto Region favourable for American companies.

Cost of doing business in the Toronto Region is up to 30% less than the US with up to \$31 million in funding available.

CANADA & TORONTO REGION COMPETITIVENESS

LOW-COST, HIGH-QUALITY BUSINESS ENVIRONMENT



In the case of the Toronto Region, lower costs do not equate with lower quality. The Toronto Region offers the highest quality for the lowest cost when compared to other prominent cities in the U.S.

Source: fDi Benchmark (2017) — based on an operation with 5,000 employees (across various positions) and 500,000 square feet of office space.

CANADA & TORONTO REGION COMPETITIVENESS

FEDERAL & PROVINCIAL INCENTIVES SUMMARY

Based on several general assumptions that can be seen below, the top 5 Federal and Provincial programs that could act as incentives to support growth can be seen below. This list is by no means exhaustive and represents only the largest programs we believe Endress+Hauser could benefit from. Many of these programs are stackable meaning that multiple funds can be assigned against the same project to provide an even greater level of incentives.

All of the funding amounts below assume that only part of the costs outlined may be eligible for funding. Depending on the scope of the expansion, this means these estimates may include less than a quarter of the staff costs that are eligible for funding. A more detailed breakdown of potential funding can be developed with Endress+Hauser that may result in higher funding scenarios.

Program	Potential Funding(CAD)
Canada's Strategic Investment Fund (SIF)	\$3-10 Million
Ontario's Jobs & Prosperity Fund (JPF)	\$2 Million
Canada Ontario Job Grant (COJG)	Up to \$900,000

Canada & Ontario offer a number of funding programs that could contribute from CAD \$5.9 to \$12.9 million to Endress+Hauser's growth.

CANADA & TORONTO REGION COMPETITIVENESS

FEDERAL & PROVINCIAL INCENTIVES SUMMARY

Program Name	Description	Approvals & Form	Funding Amount
Canada's Strategic Innovation Fund	Introduced in July 2017, the USD \$1.05 billion Strategic Innovation Fund represents a shift in Canadian industrial policy. Supporting innovation and attracting foreign direct investment are key components of the program.	<ul style="list-style-type: none"> 2 Phase Application 9-12 Months Approval Grant or loan (or combination) 	<ul style="list-style-type: none"> Estimate CAD \$3-10 Million
Ontario's Jobs & Prosperity Fund (JPF)	The JPF program supports major investments in Ontario, prioritizing projects that drive innovation, productivity and export development across the Ontario economy.	<ul style="list-style-type: none"> 2 Phase Application 9-12 Months Approval Grant or loan (or combination) 	<ul style="list-style-type: none"> Estimate CAD \$2 Million
Canada-Ontario Job Grant	Direct financial support to employers purchasing training for their employees. Available to businesses with a plan to deliver short-term training to employees.	<ul style="list-style-type: none"> Simple application form Minimum 12 business days processing time Grant 	<ul style="list-style-type: none"> Estimate CAD \$900,000
Federal & Provincial Stackable R&D Tax Incentive Programs	<p>Tax incentive programs that encourage Canadian companies to conduct research and development in Canada that will lead to innovative products or processes.</p> <p>Canada's SR&ED program is among the most generous tax incentives for R&D in the industrialized world.</p>	<ul style="list-style-type: none"> Credits are filed at tax return time Income tax credits (combination of repayable and non-repayable) 	<ul style="list-style-type: none"> A Canadian-controlled private corporation can earn a refundable ITC at the rate of 35% on SR&ED expenditures, up to a maximum threshold of CAD \$3 million and 15% on expenditures over this threshold.
Canada Global Skills Strategy	Supports businesses to attract the global talent they need to succeed in the global marketplace.	<ul style="list-style-type: none"> 2 week work permit processing Dedicated Service Channel with Immigration Refugee and Citizenship Canada (IRCC) Account Manager Short duration work permit exemption for highly skilled workers 	<ul style="list-style-type: none"> NA

CANADA & TORONTO REGION COMPETITIVENESS

PROGRAM BREAKDOWN – STRATEGIC INVESTMENT FUND (SIF)

Potential CAD \$3-10 Million Funding

Program Highlights

- Investment streams available
 1. [R&D and Commercialization Stream](#)
 2. [Firm Expansion and Growth Stream](#)
 3. [Investment Attraction and Reinvestment Stream](#)
 4. [Collaborative Technology Development and Demonstration Stream](#)
- Maximum up to 50% of eligible project costs.
- Eligible costs include:
 - direct labour
 - overhead subcontracts and consultants
 - direct materials and equipment
 - other direct costs
 - land and buildings
- Funding available as conditionally or unconditionally repayable, non repayable or a combination.
- Can be stacked with other funding with certain limitations.

Program Approval

- Two-phase approval process includes due diligence and benefits assessment.
- 9-12 month approval process from receipt of completed application.

Potential Funding Scenario

Assuming a total project cost of \$20 million, the total funding would range from approximately \$3 million to \$10 million.

**Funding scenarios are based on the assumptions that there are 90 employees within the facility, and the total project cost- if eligible- would be approximately \$20 million CAD. Funding is not guaranteed, and would need to be sent to go through an approval process.

CANADA & TORONTO REGION COMPETITIVENESS

PROGRAM BREAKDOWN – JOBS & PROSPERITY FUND (JPF)

Potential CAD \$2 million in Funding

Program Highlights

- Minimum project size of \$10 Million, funding typically in the range of 10% of eligible costs with scope to increase for exceptional projects.
- Activity must be incremental, i.e. project activities must be above current company activity (and not ongoing operations).
- Eligible costs include:
 - Project facility modifications/upgrades required for the project
 - Purchase of equipment and machinery
 - One-time labour costs, such as for research, development and design related to the project
 - Training costs directly attributable to the project
- Funding available as a grant, loan or combination of grant/loan.
- Typically reimbursed after defrayal of eligible costs but upfront grant may be negotiated.
- Can be stacked with other funding with certain limitations.

Program Approval

- Two-phase internal approval process that includes third-party due diligence (technical and financial).
- 9-12 month approval process from receipt of completed application.

Potential Funding Scenario

Assuming a total project cost of \$20 million, the total funding would be approximately \$2 million.

**Funding scenarios are based on the assumptions that there are 90 employees within the facility, and the total project cost- if eligible- would be approximately \$20 million CAD. Funding is not guaranteed, and would need to be sent to go through an approval process.

CANADA & TORONTO

REGION COMPETITIVENESS

PROGRAM BREAKDOWN – CANADA ONTARIO JOB GRANT (COJG)

Potential CAD \$900,000 Funding

Program Highlights

The Canada-Ontario Job Grant provides direct financial support to individual employers who wish to purchase training for their employees.

- Available to deliver short-term training to existing and new employees.
- Up to \$10,000 in government support per person for training costs, provided that:
 - the employer contributes 50% total costs (for large employers); and
 - training is delivered by an eligible, third-party trainer.

Program Approval

- Simple application form by employer direct application to Ministry.
- Minimum of 12 business days to be processed.

Potential Funding Scenario*

Assuming hiring and retraining 90 employees, the total funding could be up to \$900,000 CAD.

*COJG supports are not stackable with JPF training funding; costs not funded may be included on a JPF funding application

**Funding scenarios are based on the assumptions that there are 90 employees within the facility, and the total project cost- if eligible- would be approximately \$20 million CAD. Funding is not guaranteed, and would need to be sent to go through an approval process.

CANADA & TORONTO REGION COMPETITIVENESS

PROGRAM BREAKDOWN – TAX CREDITS

Up to CAD \$3 Million Tax Credit

Program Highlights – SR&ED

Scientific Research and Experimental Development (SR&ED) Program is a tax incentive program that encourages Canadian businesses to conduct research and development in Canada.

- Combined with provincial R&D programs, this can reduce company after-tax cost of every \$100 in R&D spending to between \$37 and \$61.
- Incentives include a mix of both refundable and non-refundable tax credits. Non-refundable tax credits can be carried forward for 20 years.
- No minimum or maximum spend required on R&D and no increase in incremental spend required.
- More costs qualify for R&D incentives in Canada than in the United States – including wages, materials, overhead and contract expenses.

Program Highlights – OITC

The Ontario Innovation Tax Credit is a refundable tax credit for qualified expenditures on scientific research and experimental development performed in Ontario.

- The tax credit applies in addition to credits under the SR&ED program.
- The tax credit has an expenditure limit of \$3 million per year and the current tax credit rate is 8%.

Further Information

SR&ED: <https://www.canada.ca/en/revenue-agency/services/scientific-research-experimental-development-tax-incentive-program.html>

OITC: <https://www.fin.gov.on.ca/en/credit/oitc/index.html>

CANADA & TORONTO REGION COMPETITIVENESS

PROGRAM BREAKDOWN – GLOBAL SKILLS STRATEGY

Streamlined access to Global Talent

Program Highlights

Supports businesses to attract the global talent they need to succeed in the global marketplace through three core offerings:

- Global Talent Stream - faster work permit processing:
 - 2 week processing for work permits and associated visas for select foreign talent;
 - Includes immediate family members and dependents.
- Dedicated Service Channel with Immigration Refugee and Citizenship Canada (IRCC) Account Manager:
 - Expert on immigration processes and options for company;
 - Serves as a coordinating point of contact to support smooth processing and communication.
- Short duration work permit exemptions:
 - Highly-skilled workers who need to come to Canada for a very short term assignment and researchers taking part in short-duration research projects being conducted in Canada no longer require a work permit.

Program Approval

Global Talent Stream – referral by designated partner

Dedicated Service Channel - referral by designated partner

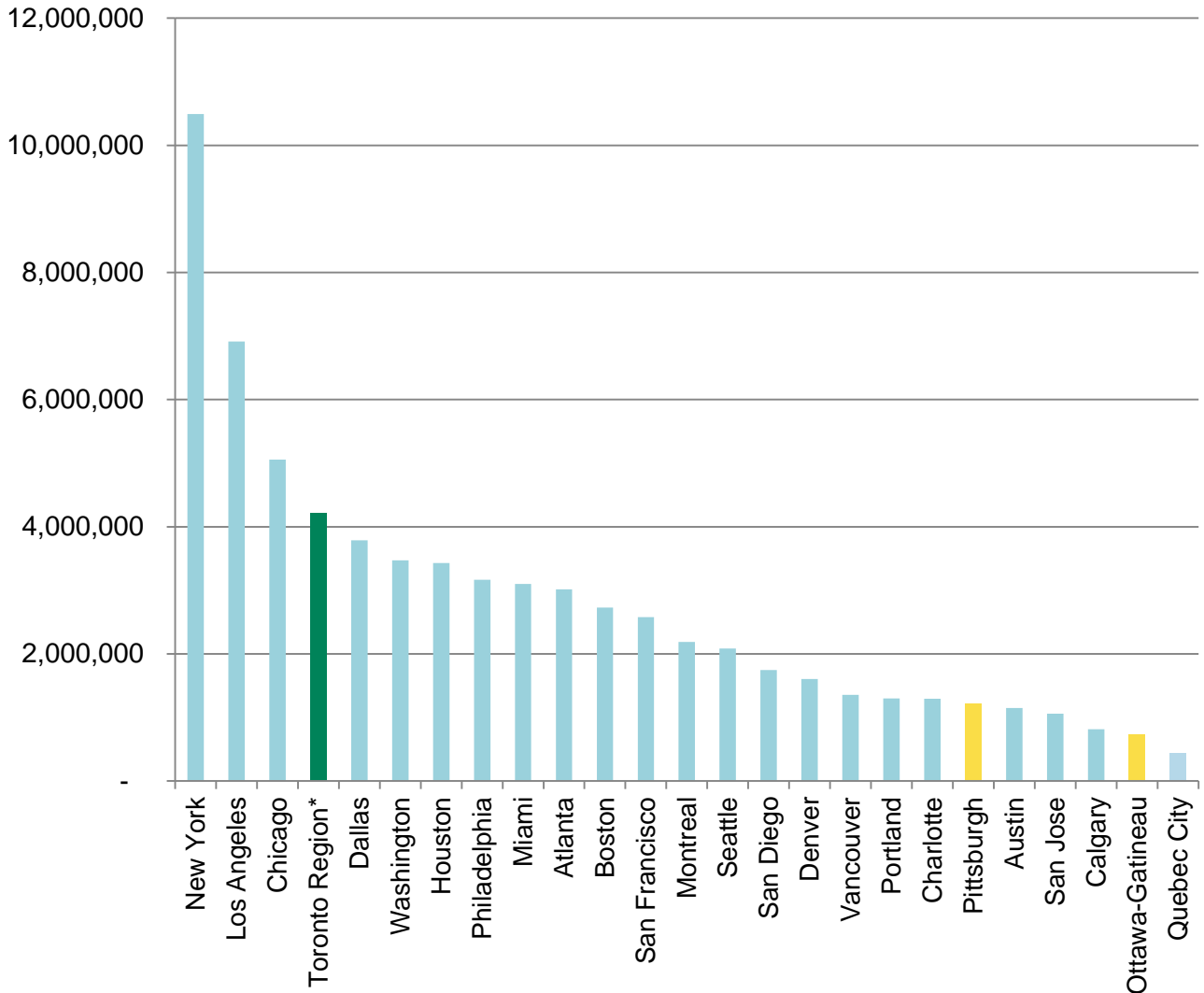
TORONTO REGION TALENT ADVANTAGE

Toronto Region's excellent transportation infrastructure means 7.7 Million people and over 10 post-secondary institutions are accessible to Endress+Hauser



TORONTO REGION TALENT ADVANTAGE

TOTAL LABOUR FORCE ACCESSIBLE



Source: Statistics Canada (2016), U.S. Census Bureau (2016)

The Toronto Region provides quality talent in large numbers to meet even the most demanding employee growth requirements.

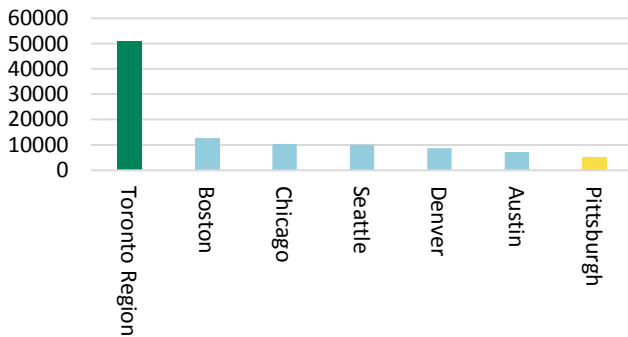
TORONTO REGION TALENT ADVANTAGE

One of the most robust technical talent pools in North America

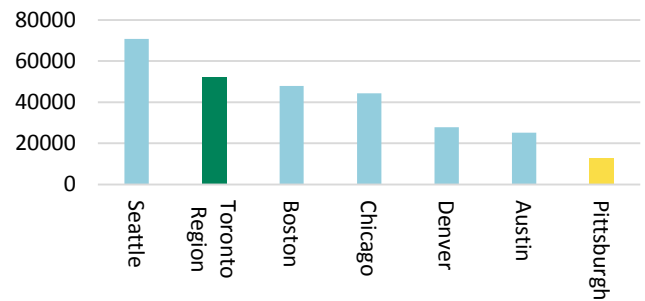
TALENT AVAILABILITY

The Toronto Region is a top employer in North America of technology-related talent including software developers and programmers, computer, support database and systems personnel, computer and information systems managers, and technology-engineer professionals.

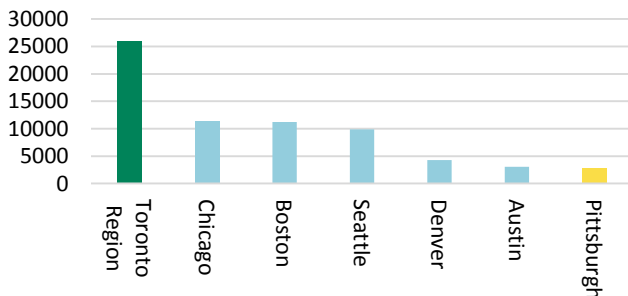
Technology Engineering-Related Employment, 2016



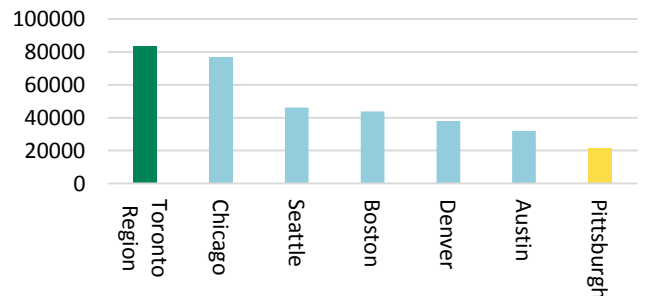
Software Developers and Programmers Employment, 2016



Computer and Information Systems Managers Employment, 2016



Computer, Support Database and Systems Employment, 2016



Source: CBRE (See Labor Force Data – CBRE Occupations) and Mercer Labor Data

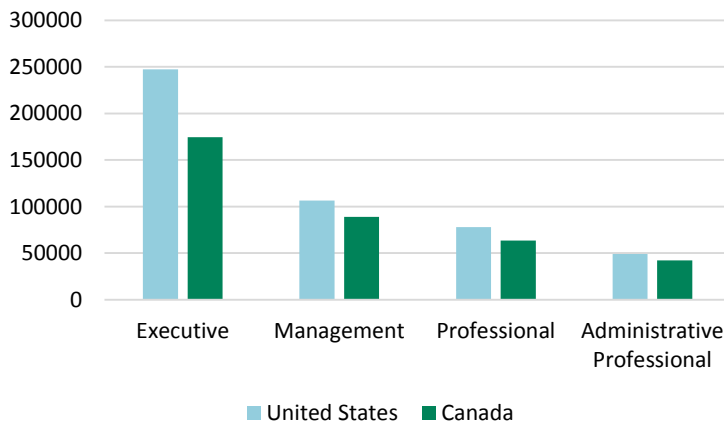
TORONTO REGION TALENT ADVANTAGE

Endress+Hauser can save millions in annual compensation and training costs

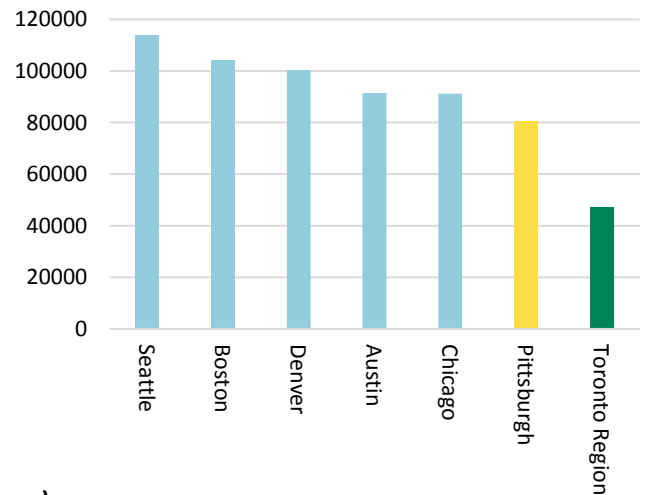
TALENT ACQUISITION & RETENTION

Not only does the Toronto Region have world-class talent, but it's available at highly competitive rates. Given Endress+Hauser's need for specialized technical talent, competitive rates for wages are absolutely essential. Wages for tech talent are up to 58% more competitive in the Toronto Region compared to competing U.S. jurisdictions. Additionally, workers in the Toronto Region tend towards longer employment tenures, which saves recruitment and retraining costs.

Annual Compensation by Position Class, Median Wage, Annual, \$USD



Tech Talent Wages by Market, \$USD



Median Job Tenure for High-Tech Industries (in years)

NAICS	Industry	Toronto Region	United States
333	Machinery manufacturing	5.7	5.5
334	Computers and electronic products	9.1	5.3
335	Electrical equipment and appliances	6.5	4.7
336	Transportation equipment	10.1	6.1

Source: 1. Mercer Wage Data. 2. Government of Ontario 3. Labour Force Survey, Statistics Canada; Bureau of Labour Statistics, Current Population Survey

Note: Toronto Region is defined as combined Toronto, Oshawa, and Hamilton CMAs.

TORONTO REGION TALENT ADVANTAGE

Over ten post secondary institutions offer access to talent & research within an hour drive

POST-SECONDARY ADVANTAGE

Recent Graduate Rates

Over 100,000 students graduate from Ontario universities and colleges each year, concentrating specifically in the areas of engineering, business, health sciences, digital media, and technology.

International Access

Over 62,000 international students were educated at Ontario Universities in 2016-17, giving Ontario talent an experiential advantage.

An Educated Labour Force

In Burlington, 72% of adults have a post-secondary education and 36% have a university degree. Not to mention, Burlington companies also have access to talent across the Toronto Region.

Innovation Partnerships = Low Cost Research & Development Costs for Endress+Hauser

Our academic partnerships are established and highly collaborative. Our universities and colleges have world class research centres and are built on strong industry and academic partnerships. Mohawk College iDeaWORKS is a positive example of how Burlington's established partnerships can greatly assist Endress+Hauser. This collaborative centre takes innovative ideas and then, through new knowledge and research, figures out how they can be applied for business. This allows Endress+Hauser a cost effective platform to test and try out new initiatives and solve business and technical challenges.



TORONTO REGION TALENT ADVANTAGE

Highly skilled workforce

Ontarians are among the best-educated people in the world. 67% of the population have a post-secondary degree - a higher percentage than any other country in the OECD.

When you break down the number of higher education degrees by programs of relevance based on the hiring requirements of technology intensive businesses, the Toronto Region excels.

Higher Education Degrees by Specialization

	Architecture, Engineering & other STEM fields	Computers, Mathematics & Statistics	Business
New York	855,268	301,265	1,162,741
Los Angeles	528,701	141,484	613,869
Toronto Region*	460,120 (3rd)	111,810 (5th)	364,590 (6th)
Chicago	419,188	128,440	559,129
Houston	325,277	61,543	345,653
San Francisco	313,411	131,827	296,780
Dallas	291,889	102,691	433,134
Boston	286,570	89,627	301,397
Philadelphia	276,538	73,115	327,636
Atlanta	244,212	88,661	395,689
Seattle	233,817	90,342	193,319
San Jose	208,410	91,552	111,904
Montréal	207,830	36,060	190,540
Vancouver	154,800	31,675	116,060
Denver	145,734	43,323	194,148
Pittsburgh	120,342	30,291	124,127
Austin	104,230	36,915	118,976
Charlotte	90,462	31,892	156,289
Ottawa-Gatineau	79,050	19,855	50,835
Quebec City	36,450	5,985	33,220

Source: Statistics Canada Census (2016), U.S. Census Bureau, American Community Survey (2016)

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In the last year alone, Ontario
graduated 40,000 STEM students.

UNIVERSITY ENROLMENT & CONFERMENT IN THE TORONTO REGION

Engineering

	Total Enrolment	Total Degrees Conferred
2016	33,579	NA
2015	31,475	5875*
2014	29,799	5664
2013	27,947	5510
2012	27,089	5049

Math

	Total Enrolment	Total Degrees Conferred
2016	9,203	NA
2015	8,196	1,610*
2014	7,349	1,650
2013	6,818	1,564
2012	6,503	1,397

Computer Science

	Total Enrolment	Total Degrees Conferred
2016	9,835	NA
2015	8,723	1,327*
2014	8,003	1,295
2013	7,056	1,212
2012	5,364	1,039

Business

	Total Enrolment	Total Degrees Conferred
2016	40,357	NA
2015	39,213	8,790*
2014	37,988	9,132
2013	37,191	9,210
2012	35,247	8,978

Source: Ministry of Advanced Skills & Education, Common University Data Ontario (2017)

Universities include: University of Toronto, Ontario College of Arts and Design University, Ryerson University, University of Ontario Institute of Technology, York University, University of Waterloo, Wilfrid Laurier University, University of Guelph, McMaster University

*University of Guelph not reporting

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R&D ENVIRONMENT

Ontario Highlights

- The Toronto Region is Canada's largest centre for research and education, containing 35% of all R&D conducted in Canada.
- Federal and Ontario provincial R&D tax credits combine to offer Ontario the lowest costs in the G7 for R&D intensive sectors, with up to a 10.7% advantage over the U.S.
- Ontario companies can reduce \$100 in R&D expenditures to an after-tax cost of \$57, or \$39 for small businesses.

Top Talent

- 24 of the province's colleges offer automation and robotics-related programs.
- 14 universities offer industrial engineering degrees.
- Four universities offer mechatronics programs.
- Apprenticeship programs are offered for more than 150 skilled trades in multiple sectors, including construction, manufacturing and automotive.

Spotlight – McMaster University

McMaster University is an award-winning university housing highly acclaimed Schools of Engineering, Medicine and Business located 15 minutes from Endress+Hauser in Burlington.

The McMaster Manufacturing Research Institute (MMRI) is one of the largest manufacturing institutes in the country, with six research labs including a Robotics and Manufacturing Research Laboratory.

- 11 Bachelors and Masters programs related to Automation and Robotics
- Masters of Engineering in Manufacturing
 - Masters of Engineering Design - Product Design, Sustainable Infrastructure & Process Systems Design & Operation Options.

GROWING Endress+Hauser IN BURLINGTON

We believe Endress+Hauser has benefitted greatly from its prime location in Burlington taking advantage of access to markets, talent and funding. BEDC is here to support you in the expansion and development process. When you decide to expand your facility we at the BEDC can provide you with the following benefits to support Endress+Hauser's growth:

- Connectivity to partners and programs in the federal and provincial government with up to \$12.9 million in funding available;
- Support from Global Affairs Canada and Ontario Investment Office;
- Support with building and planning approvals with various levels of government; and
- Access to post-secondary institutions to build talent and R&D partnerships.

We stand ready to assist the Ginovus team in moving Endress+Hauser's business growth plans forward.



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