



# **Burlington Economic Development Organizational Review**

## **Part A Report (Draft)**

October 2019



## Table of Contents

|           |                                                                    |           |
|-----------|--------------------------------------------------------------------|-----------|
| <b>1.</b> | <b>Introduction .....</b>                                          | <b>2</b>  |
| 1.1       | Purpose of the Report .....                                        | 2         |
| 1.2       | Key Objectives.....                                                | 3         |
| 1.3       | Project Phases.....                                                | 4         |
| 1.4       | 2013 BEDC Review of Governance and Structure.....                  | 4         |
| <b>2.</b> | <b>Burlington Economic Development Corporation Overview .....</b>  | <b>5</b>  |
| 2.1       | Current Operations .....                                           | 6         |
| 2.2       | 2020 Performance Management Plan .....                             | 12        |
| 2.3       | COVID-19 Activities.....                                           | 13        |
| <b>3.</b> | <b>Stakeholder Input .....</b>                                     | <b>15</b> |
| 3.1       | Business Survey Results.....                                       | 16        |
| 3.2       | Interviews Summary .....                                           | 18        |
| <b>4.</b> | <b>Economic Development Models and Considerations .....</b>        | <b>20</b> |
| 4.1       | Evaluating Internal Municipal Models & External Corporations ..... | 21        |
| 4.2       | Comparing Functions and Typologies .....                           | 24        |
| 4.3       | Strategic Directions for Burlington.....                           | 26        |
| <b>5.</b> | <b>Recommendations.....</b>                                        | <b>29</b> |
| 5.1       | Role of BEDC Board of Directors .....                              | 29        |
| 5.2       | Improvements to Delivery Model .....                               | 30        |
| 5.3       | Program Delivery .....                                             | 30        |

### **Appendices (provided under separate cover)**

**Appendix I: Burlington Business Survey**

**Appendix II: Cost-Benefit Analysis of TechPlace Business Model**

**Appendix III: Case Study Review of Economic Development Organizations**

**Appendix IV: Deep Dive Review of Internal and External Economic Development Models**



# 1. Introduction

Burlington Economic Development Corporation (BEDC) is a non-profit, private-public partnership established in 1994 to work with the private and public sectors to promote economic growth in Burlington. BEDC's primary goal is to create a positive business environment that encourages new investment, supports Burlington's existing business community, and facilitates opportunities for local growth and prosperity. BEDC is often Burlington's first point of contact for companies and investors seeking assistance, advice, and localized business solutions. The key objectives for BEDC as set out by its Articles of Incorporation and By-laws are to:

- promote economic development in the City of Burlington with the cooperation and participation of the community by encouraging, facilitating and supporting community strategic planning and increasing self-reliance, investment and job creation within the community;
- promote and encourage business activity, industrial and commercial development and employment in the City of Burlington;
- promote the development of training and retraining programs to meet the needs of businesses in the City of Burlington;
- provide practical business advice and assistance to small business in the City of Burlington;
- assist new entrepreneurs and new small-scale businesses to become established in the City of Burlington;
- encourage business retention and expansion as well as attracting new investment in the City of Burlington;
- assist and cooperate with any individual, corporation, business or other body or organization having similar objects and operating now or at any time in the future in the City of Burlington;
- promote and support policies and activities designed to ensure the continuing availability of serviced employment land in the City of Burlington; and
- participate in activities and transactions designed to provide for a sufficient supply of serviced employment lands in the City of Burlington.

BEDC is currently governed by an 11-member Board of Directors composed of the Mayor, a Council appointee, City Manager and eight business community representatives. The Board oversees the development and implementation of BEDC's Strategic Plan providing insights from the business and stakeholder community's perspective. Business representatives on the Board of Directors are selected through an open process designed to recruit experienced business executives to serve a three-year term. The Board ensures BEDC stays focused on key business issues for the community and delivers on its mandate to support companies to start up, locate and grow in Burlington.

## 1.1 Purpose of the Report

Burlington City Council recently approved 2018-2022 Burlington's Plan From Vision to Focus. Contained within that plan is *Focus Area 1: Increasing Economic Prosperity and Community Responsive Growth*. Key actions mandated in the plan include the City working effectively with the Burlington Economic



Development Corporation to create and implement strategies that focus on:

1. Creating jobs and achieving a long term economic vision for the City
2. Reducing commercial and industrial office vacancies and reducing barriers to the attraction of businesses

The purpose of this project is to review and report on the efficiency, effectiveness and optimal structure of the Burlington Economic Development Corporation (and TechPlace) in achieving the City's business retention and attraction goals, including but not limited to bringing BEDC in-house under the City Manager. The larger project also includes a review of the opportunities and optimal structure associated with the creation of a Municipal Development Corporation to support the City's business attraction and retention goals and reflects any changes in economic development functions arising from the provincial Regional Review as of the date of this report.

The Economic Development Strategic Review (Part A of the project) provides an examination of the current structure, business model, governance, processes, and role for BEDC (including role related to TechPlace) with a particular emphasis on economic development strategy and an assessment of potential models from comparable municipalities with both internal and external departmental structures. This report will be provided to council in August 2020.

The Municipal Development Corporation (MDC) Review (Part B of the project) includes an examination of the history of BMDC's development, its current and potential land development and city-building support role, strategic opportunities in land development (including risks, ROI, economic and financial opportunities, sample case studies and city-building implications), and consideration of a strategic BMDC model that incorporates asset optimization. Report for the MDC is anticipated this summer.

A final report on Part B to Council is expected in the Fall of 2020.

## 1.2 Key Objectives

MDB Insight was retained by the City of Burlington and BEDC in December 2019 to undertake the Economic Development Strategic Review (Part A) with the following primary objectives:

- Conduct a strategic review of Burlington Economic Development Corporation and provide a current state business model and business processes related to integrated economic/business development supported by BEDC and the City
- Review and analyze examples of other municipalities including the advantages and disadvantages and structures of internal economic development vs. external independent economic development corporations
- Consider the role of economic development and BEDC, in supporting the start-up and scale-up of companies and the different approaches taken by municipal economic development to support Innovation & Entrepreneurship
- Provide recommendations for economic development in Burlington include gaps and focus areas for the City's economic development strategy moving forward and the best business model to achieve these objectives.

It should be noted that the study does not attempt to quantify staffing levels or resources allocated to BEDC, nor does it consider the reporting structure of a municipal economic development department.



Further work will need to be undertaken by BEDC and the City of Burlington to determine economic development priorities and recommendations from this report and the resources that will be needed to implement new directions.

## 1.3 Project Phases

The process for completing the Part A Report is outlined below. A Steering Committee consisting of the Mayor, City Manager, two members of Council, the BEDC Board Chair and the BEDC Executive Director has overseen the work of the consulting team with input from the BEDC Board of Directors, City Staff and the stakeholder community.

**Figure 1 – Study Process**



## 1.4 2013 BEDC Review of Governance and Structure

In 2013, the City of Burlington approved a revised mandate for the Burlington Economic Development Corporation to take a more direct, active, and strategic role in the short term and long-term development and marketing of the City's employment districts. BEDC's goal at that time was to double the City's industrial/commercial/institutional tax revenue over 20 years by focusing on business intensification.

BEDC and the City recognized that to achieve this vision, the organization needed a new structure and governance model. A report prepared by Millier Dickinson Blais in the same year recommended the creation of a new corporate mandate that combined BEDC's established functions related to investment marketing and business support with land development and asset enhancement activities. A recommendation for the creation of a Municipal Development Corporation was adopted by the Board of Directors in June 2013.

Commensurate with the shift in the mandate for BEDC, the Board also recognized that its governance model and composition would also have to change. KPMG was retained to provide advice and recommendations on the governance model including the mandate of the Board, the structure of the Board, the composition and skill requirements of the Board and the Chair and Director responsibilities.

### 1.4.1 Key Findings and Recommendations

While the decision related to the creation of a Municipal Development Corporation was ultimately not supported by City Administration or Council, BEDC and its Board moved forward with the recommendations for a change in its governance model. This included reducing the number of Board members to 11. However, the following recommendations were not adopted:

- The Mayor of the City of Burlington identified as the sole elected official to sit on the BEDC Board of Directors.



- The City Manager and the General Manager of Development and Infrastructure for the City of Burlington were to sit as ex-officio members.

Instead, up to three City Council representatives could be appointed to the BEDC board along with the City Manager. Along with these key recommendations, the KPMG Report also laid out the roles and responsibilities for the Board Chair and Directors and drafted a Director Competency Matrix to aid in the recruitment of future Board members that could in turn help to foster BEDC's short and long term success consistent with its mandated objectives and accountability to the City of Burlington and the local community. These recommendations were adopted.

## 2. Burlington Economic Development Corporation Overview

As the champion of Burlington's brand and the delivery model for economic development expertise in the City, BEDC has developed several high-level objectives for operations as evidenced in the Burlington Economic Development Strategic Plan 2018-2022: Our Vision for Growth. The Strategic Plan currently aligns with the overarching City of Burlington 2015-2040 Strategic Plan and the Burlington Economic Vision 2025.

The key objectives of BEDC's Strategic Plan 2018-2022 are to sustain Burlington's competitiveness, attract and grow innovative companies, and develop an attractive 21<sup>st</sup>-century city. The strategic pillars that support these objectives include:

- **Land Readiness and Intensification**
  - Implement a development-ready land strategy
  - Support the development of Mobility Hubs and Employment Land intensification
  - Build strong value-added relationships with our landowner, developer and realtor communities
  - Analyze, communicate and advocate on key issues affecting Burlington's competitiveness
- **Business Growth & Entrepreneurship**
  - Leverage TechPlace to develop partnerships and programming to support the start and scale-up of businesses in Burlington
  - Increase connectivity between Burlington's businesses and talent pool
  - Support the growth and development of regional business and industry clusters
- **A Business Attractive Brand**
  - Develop and promote a business brand for Burlington
  - Support businesses in making Burlington the home of their GTHA West offices
  - Target and attract growth companies to Burlington



- **A 21<sup>st</sup> Century Organization**

- Monitor and communicate key business and economic trends
- Be transparent and communicate key actions, activities and outcomes
- Be a 21<sup>st</sup>-century organization that operates at the speed of business

Key outcomes articulated in the Strategic Plan for BEDC include:

- The attraction or creation of 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
- A strong and diverse regional economy as measured by economic indicators

## **2.1 Current Operations**

### **2.1.1 Organizational Structure**

As noted previously, the impetus for the current BEDC organizational structure was the 2013 BEDC Structural Review of Development Corporations report which called for the creation of a new corporate mandate. The core focus was to enable BEDC to enhance the value of City-owned properties and acquire lands to further the City's investment readiness and competitiveness. Furthermore, the 2013 KPMG Burlington Economic Development Corporation Review of Governance & Structure recommended that the BEDC Board be structured as an Independent Executive Board with a "single owner" structure, the Corporation of the City of Burlington. It was further recommended that the City Council appoint all Board Members and Chairs. The Board would also include the Mayor as the sole elected official. These recommendations for the 2013 report by KPMG were not adopted.

The BEDC Board of Directors meets up to ten times per year. It oversees the development of BEDC's Strategic Plan and operations, providing insights from the business community. Current BEDC Board members are experienced in fields including real estate, academia, public policy, telecommunications, economics, and finance. The Burlington Economic Development Corporation (BEDC) Board of Directors along with the Burlington Economic Development's Board's Innovation and Entrepreneurship Sub-Committee provide strategic oversight of TechPlace.

The governance review suggested the BEDC Board form four committees, namely, audit and risk management, finance and corporate governance, real estate investment and development and economic development with expertise in legal, finance, planning, engineering, sales and marketing, among others. Currently, there are seven committees, including finance, HR and governance, strategic planning, innovation and entrepreneurship, land development, mobility hubs, and marketing and business attraction. As part of the TechPlace review that was undertaken as a component of Part A of the report, it was noted that skills and experience related to entrepreneurship and innovation may be a gap with the current BEDC Board of Directors and may impact the effectiveness of programming and service delivery, particularly as it relates to TechPlace operations.

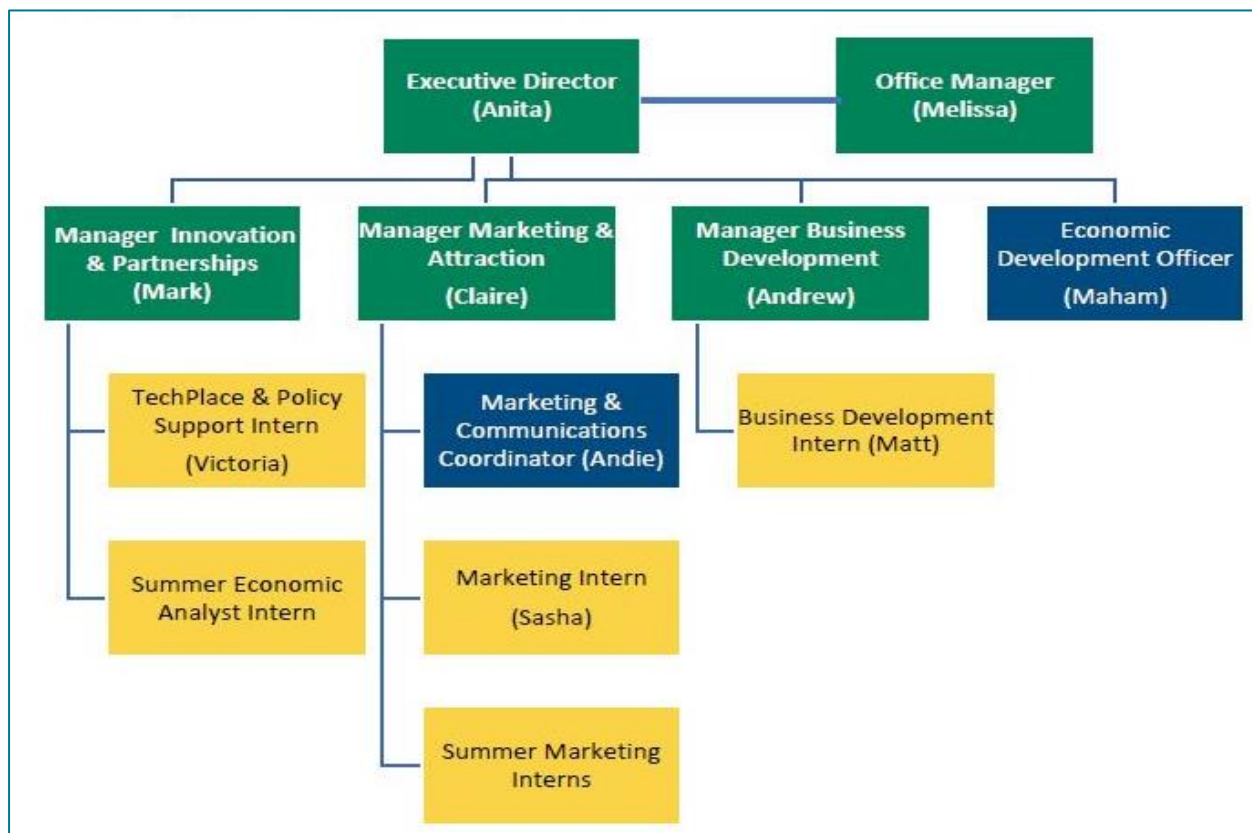
As of the timing of this report, the BEDC's team is made of six full-time staff, including the Executive Director and three Managers responsible for specific focus areas, namely Innovation and Partnerships, Business Development and Marketing and Attraction. A further six staff are on contract positions based on the annual performance management plan. The Executive Director manages the day-to-day activities



of the BEDC's operations and BEDC staff and provides key support to strategic planning and reporting. The Executive Director keeps the Board Chair apprised of BEDC operations and reports to board members through board meetings but does not work directly with board members. The team also includes an economic development officer, a marketing and communications coordinator, a TechPlace and policy support intern and three summer interns. BEDC's current Organizational Structure is illustrated in Figure 2.

It should be noted that the Manager of Innovation and Partnerships is responsible for the strategic direction and operations of TechPlace, including programming development, partnerships, start-up attraction and sponsorships. While the position is full-time, TechPlace direction and operations are conducted part-time. In the original business case, the Manager role was anticipated to be a full-time position. However, as per the BEDC Board direction, TechPlace was directed to reduce staff resources and more effectively leverage the partnership with Haltech. It was envisioned that the Manager of Innovation and Partnerships thus spend approximately 50% of available time on TechPlace by the end of 2019 with the balance of time spent on other BEDC activities.

**Figure 2: BEDC's Organizational Structure, 2020<sup>1</sup>**



## 2.1.2 Funding and Financing

As of 2020, Burlington Economic Development budget is \$2,045,622 with the City of Burlington being

<sup>1</sup> Source: Strategic Planning Overview and 2020 Performance Management Plan



the major contributor. BEDC saw its budget increase by 12% from \$1.82 million in 2019 to the current budget. The City contribution in 2020 is \$1,391,990; a 2% increase from 2019.

Based on ongoing input from stakeholders, BEDC continues to revise its focus and tactics to ensure that resources are utilized effectively. This includes developing a business brand and a marketing strategy that attracts business to Burlington. Business attraction, branding, marketing and communications will be a significant focus for Burlington Economic Development in 2020/2021 with the development of the Burlington One Brand.

The Burlington One Brand project is to create a single, unified brand that speaks to one city, one story. The total budget for Phase 1 and 2 of the One Brand project is \$250,000.

As priorities shift so too has the utilization of resources and associated funding. While approximately 25% of BEDC's 2019 budget was focussed on land readiness and intensification, only 9% of the 2020 budget has been allocated to the same. Resources allocated for the Business Attractive Brand has increased from 37% in 2019 to 44% of BEDC'S 2020 budget. The remainder of BEDC's 2020 budget is allocated to business growth and entrepreneurship (24%) and a 21st-century organization (22%).

Land readiness and intensification for 2019 focused on Official Plan implementation, a Mobility Hubs implementation plan, activating large vacant employment sites at Bronte Meadows and 1200 King, resolving MTO issues that affect employment lands along the QEW and seeking direction from Council to develop a Brownfield Focus Community Improvement Plan (CIP). The primary goal of the CIP is to stimulate brownfield redevelopment to generate intensification and employment growth in Burlington, particularly on employment lands. The support and direction for the CIP were provided for in City, Regional and Provincial policies.

### **2.1.3 Programming and Services**

The primary focus for BEDC's programming and service delivery has been land readiness and intensification, business growth and entrepreneurship, and the development of a business attractive brand. The corporation works directly with key partners in Team Burlington which includes the City of Burlington, Burlington Chamber of Commerce, Tourism Burlington, Burlington Downtown Business Association, and Aldershot Village BIA to create a positive business environment and support businesses to start, locate and grow in Burlington.

BEDC's initiatives are complemented by a range of external partners, including Halton Region Economic Development, which manages the relationship with Toronto Global who deliver Foreign Direct Investment (FDI) attraction services for the Toronto region. The Halton Small Business Enterprise Centre also provides support for main-street entrepreneurs and small business while the Halton Global Business Centre supports businesses in accessing foreign markets. Haltech provides programming and supports services to technology-focused entrepreneurs with a scalable business model. BEDC programming and services are further outlined below:

#### **Land Readiness and Intensification**

Recognizing the limited supply of vacant shovel ready with which to target employment growth, BEDC actively engages with landowners, regulatory bodies, service providers and other stakeholders to establish a 50-hectare supply of land that can be developed in 18-24 months. Key deliverables include supporting the MTO Block Planning Exercise to receive 'approval in concept' for vacant employment lands that require MTO approval. BEDC has also developed creative solutions to finding space, including



a database of off-market opportunities and activating land through severances and other means.

Similarly, Burlington has an ageing building stock. BEDC is working the City's planning staff to advance the implementation of a Community Improvement Plan that would encourage redevelopment of ageing, underutilized sites.

### **Business Retention and Expansion**

BEDC's business retention and expansion programming are aligned with the Business Growth and Entrepreneurship pillar. The organization supports existing business interested in expanding operations by connecting them to real estate agents, developers, designers and builders to ensure that the needs of businesses are met. As part of the business retention program, BEDC is also involved in addressing issues such as export development, financial assistance, employee hiring and training and research and development, among others. BEDC's Corporate Care Program involves visiting the top 50 Burlington companies each year to assist them with their business growth. Also, BEDC administers a Top 500 businesses calling program which is completed via telephone over a 3-year rolling period. Currently, Business Retention & Expansion efforts are focused in on 7 key clusters outlined below with joint programming taking place between Burlington and Milton Economic Development to support the retention and growth of the Food & Beverage Processing sector.

- Traditional Manufacturing – Food & Beverage Processing
- Advanced Manufacturing
- Business & Professional Services
- Clean Tech
- Information Technology
- Biomedical & Life Sciences
- Creative Industries

BEDC works with local and regional partners to host educational and networking events, such as the Economic Forecast Breakfast and the Golden Horseshoe Manufacturing Network. Also, BEDC supports better transportation connectivity to employers in coordination with the City of Burlington Department of Transportation, Burlington Transit and Hamilton Transit through engaging partners on delivering more direct transit linkages for major employers.

In 2019, the City of Burlington initiated the Red Tape Red Carpet Task Force to identify and eliminate barriers to growth and new business attraction in Burlington. The recommendations resulting from this initiative are reflected in BEDC's 2020 Performance Management Plan.

### **Entrepreneurship & Mainstreet Growth**

Recognizing the importance of entrepreneurial growth to the local economy and the need for a supportive start-up and scale-up ecosystem, BEDC opened TechPlace in 2017. The organization was created with the vision of supporting start-ups and entrepreneurs across all industries, expanding access to entrepreneurship programming and supporting entrepreneurs and start-ups at every stage of their business to grow. TechPlace was initially designed to support Burlington's Strategic Plan 2015-2040. As part of this effort, Burlington Economic Development Corporation developed an Innovation and Entrepreneurship Strategy in 2016 that involved ecosystem and asset mapping, stakeholder engagement



and research and data analysis. The result of this work revealed a gap and a clear need to have a physical space to help build a successful entrepreneurial ecosystem in the region.

TechPlace co-locates with strategic partners such as Haltech and Angel One Investor Network to leverage the programming and services provided by these organizations. TechPlace supports over 400 endorsed users. Haltech is a Regional Innovation Centre (RIC) supporting start-up and scale-up technology innovators and entrepreneurs in Halton Region. HalTech provides curated programming and peer-to-peer services unique to the needs of the Burlington-based businesses. Both Haltech and Angel One provide in-kind sponsorship to TechPlace, which allows them to use TechPlace offices at no charge. Post-secondary education institutions occasionally collaborate with business and entrepreneurship related programming. To date, this support is generally provided by McMaster University and Mohawk College.

BEDC is also involved in supporting Main Street businesses through partnerships with Halton Small Business Centre, the Business Development Bank of Canada and local BIAs. The Halton Small Business Centre acts as the primary point of contact for these small businesses and entrepreneurs.

### Investment Attraction

Investment attraction and related services are delivered by BEDC as part of the mandate for the “Business Attractive Brand” pillar. TechPlace’s Soft Landing Program serves as a primary sales tool for attracting new businesses looking to locate in Burlington. The Soft Landing Program enables companies to establish a base of operations at TechPlace for up to a year, allowing them to incorporate, begin hiring locally and establish a Canadian management and sales team. In 2019 the BEDC Board and City Council approved a new proactive Investment Attractions Strategy focused on the following niche clusters. Throughout 2019 BEDC built relationships with Toronto Global and the Ontario Investment Office to generate leads in these clusters. Also, new agreements to generate leads were entered into with Latam Startups and the Federation of Canadian Brazilian Businesses

- Advanced Manufacturing – Robotics & Process Engineering, Additive & Composite Manufacturing
- Business & Professional Services – Regional Head Offices
- Clean Tech – Water & Waste Water Technology
- Information Technology – Smart Tech, Sensors, Software & Property Tech
- Biomedical & Life Sciences – Cannabis HQ & R&D
- Creative Industries – Film & Television Production

BEDC also works with more than 250 businesses a year to provide business support that includes site selection, the development process, and interactive data tools. BEDC tracks these businesses using a CRM tool called Salesforce and uses the resulting information to add value to decision-making, decrease response time and improve customer service.

While Halton Region previously supported Foreign Direct Investment (FDI) attraction, this role has been evolved to be undertaken by the lower-tier municipalities in coordination with Toronto Global. In addition to active lead generation, BEDC works with the real estate and development community to support companies with site selection and the development process, ensure key areas of policy and



advocacy are aligned with business community needs and provide local market insights and interactive data tools. These interactions are tracked through BEDC's CRM tools.

BEDC is also involved in supporting businesses through Business Support Requests (BSRs) including location/relocation assistance, expansion, co-marketing, market analysis and intelligence and business seminars and workshops.

### **Marketing**

BEDC's efforts at "Brand and Promotion" are part of the "Business Attractive Brand" pillar. This includes the use of a newsletter, social media, website, original content, print media and proactive outreach. BEDC estimates that it engages over 1,000 business through BEDC and partnership events. Other initiatives include targeted marketing and employment attraction by co-marketing with landowners, developers, and brokers. Events such as the Halton Real Estate Forum, the Bay Area Economic Summit, OCE Discovery, ProDev, and the Intelligent Community Forum are key opportunities identified by BEDC to showcase Burlington at external events.

BEDC had planned the development of a new business brand and marketing strategy for the organization in 2019. As noted, this has since shifted to the creation of a 'One Brand for Burlington' which BEDC will lead in partnership with the City of Burlington and Tourism Burlington in 2020/2021.

### **Workforce Availability and Development**

At present, BEDC plays a limited role as it relates to workforce availability and development. BEDC facilitates connections between industry and education partners such as The Centre for Skills Development and Training, Halton Industry Education Council, and McMaster University and Mohawk College. It also partners with McMaster University and Mohawk College on specific events for talent and research and development. Programs such as the Career Crawl with Mohawk College are key events that connect students to employers within the community. As the impact of COVID-19 becomes more widely understood, this role may need to expand to address the issues and challenges facing local businesses.

In the past workforce development was a focus area for BEDC through programs such as jobsBurlington.ca, Next Generation Manufacturing and FreshInsights Consulting. The focus on workforce development was reduced significantly following direction through the 2013 Governance Review. The Fresh Insights program was a notable success in the workforce development area which ran from 2011-2016 and built a reputation in the community for providing high- quality support to small and medium businesses while developing the careers of recent graduates. The FreshInsights program was placed on pause in 2016 to refocus resources on Innovation & Entrepreneurship through TechPlace. The program may be worth revisiting as part of a future workforce strategy.

### **Advocacy and Policy**

BEDC actively engages with the Department of City Building to ease business constraints, including environmental legislation, MTO constraints, By-Law 2020 compliance, the Ontario Building Code, and other development issues. MTO approvals are often slow and are a common barrier mentioned by many businesses. The approval is required on 78% of Burlington's employment-zoned lands. Given these considerations, BEDC prepared a policy paper outlining the challenges with the Ministry of Transportation (MTO) Permit Control Areas and met with the Minister of Transportation. The result was a \$1.4 million block planning exercise to receive approval in concept of development sites from the MTO.



Similarly, BEDC is engaging stakeholders and businesses to conduct in-depth research on the future of the office, retail and industrial markets in the GTA to help develop an employment vision for the GO Mobility Hubs. This work will help form the basis of a future Burlington business brand and employment strategy, as well as being a key input for the City of Burlington Mobility Hubs team in developing the GO Mobility Hubs vision.

Other key initiatives include the Ontario Film and Television Credit, which provides a production credit for businesses outside of the Greater Toronto Area and working with Halton Region to repurpose the old landfill site in Aldershot to support business relocations.

#### **2.1.4 Reporting Relationships with City of Burlington**

In addition to the foregoing, BEDC routinely seeks direction on key priorities from Council for incorporation into the economic development strategy and annual priorities for BEDC's Performance Management Plan. The Corporation engages with the City of Burlington Council in several ways. These include:

- Bi-weekly meetings between the Executive Director, Mayor and City Manager
- Up to 10 meetings per year with the Mayor and Council Appointed BEDC Board of Directors, to review BEDC strategy and performance, key projects and key business support
- An annual meeting with all Members of Council, before finalizing BEDC's annual Performance Management Plan to discuss and incorporate key priorities
- Bi-Annual update reports to all Members of Council on progress against key priorities
- Quarterly one-on-one meetings with all Members of Council to review BEDC performance, incorporate emerging Council priorities and review key business support files in wards
- Updates on an ad hoc basis on the development and resolution of business issues in individual wards to all Members of Council
- Minimum quarterly reports to Committees of Council on progress in cutting Red Tape and rolling out the Red Caret (RTRC) and Covid-19
- Ad hoc updates to Committees of Council on key initiatives managed by BEDC such as post-secondary attraction
- The Executive Director participates in the Developing Complete Communities (DCC) committee monthly focusing on Community, Planning, Regulation and Mobility initiatives in the City of Burlington and upcoming reporting to council
- BEDC does not currently participate in the key leadership teams at the City of Burlington including the Strategy and Risk Team (SRT) and Burlington Leadership Team (BLT)

BEDC is also a key resource in supporting Members of Council to resolve business issues in their ward. Companies connected to BEDC by a Councillor or the Mayor are supported with their business issues, and updates are provided as to the support provided and resolution of an issue.

## **2.2 2020 Performance Management Plan**

BEDC's strategic focus for 2020 includes leading the One Brand for Burlington and the evolution of the



marketing strategy in support of the organization's investment attraction goals. As noted previously, the recommendations of the Red Tape Red Carpet Taskforce have been integrated into the 2020 Plan in several key areas including shifting deliverables for the downtown vision, more coordinated marketing & communications, new advocacy approaches, integrated customer service as well as a BEDC organizational governance review, and the reconsideration of an MDC. Key projects and deliverables for 2020 are detailed below:

### **Land Readiness & Intensification**

- Community Improvement Plan (CIP) – Approval by Council of a Brownfield CIP and development of a long-term work plan for sequencing of a comprehensive CIP Strategy for Burlington.
- Municipal Development Corporation (MDC) – Champion and support the development of an MDC for Burlington.

### **Business Growth & Entrepreneurship**

- TechPlace Business Model – Revise the business model of TechPlace in conjunction with the results of the Governance Review.

### **Business Attractive Brand**

- One Brand – One Brand for Burlington to be developed in 2020 and launched in Q1 2021.
- Investment Attraction – Continued focus on key priority investment sectors and building Burlington's marketing strategy, infrastructure, assets, and policies to attract companies to the city.
- GO Corridor Vision and Master Planning – Completion of GO Corridor visioning and public engagement, with integration into long-term Area Secondary Planning and Implementation.
- Institutional Attraction – Continued support for the attraction of a post-secondary institution to Burlington.

### **21<sup>st</sup> Century Organization**

- Governance Review – Support the review of Burlington Economic Development and implement recommendations to position Burlington for economic prosperity.
- Integrated Customer Service Experience – Support the implementation of a streamlined customer service process implemented in conjunction with the City of Burlington.

## **2.3 COVID-19 Activities**

As the COVID-19 pandemic continues, BEDC has undertaken strategic measures to reassess the work plan and priorities to support local businesses. BEDC has been working in close coordination with their Team Burlington partners to implement several COVID-19 response activities. Notable initiatives include:

### **Business Retention & Expansion (BR&E) Strategy and Entrepreneurship Support**

- Business Outreach – BEDC has revised their Summer and General Calling programs that connect with key local businesses to ensure they occur over a digital medium and all questions are better tailored to respond to COVID-19 business needs and challenges. Business support activities have been



focused on delivering timely information to businesses including virtual business support forums and a comprehensive one-stop-shop COVID-19 business resource web page.

- GTA Economic Development Alliance – BEDC was integral in creating and leading this partnership of over 20 municipalities to increase collaboration and pool resources to support the regional economy recover from the pandemic. The group has identified four key pillars for collaboration to support business risk mitigation and getting back to business once the Province lifts the state of emergency declaration. They include research, advocacy, programming, and innovation.
- Burlington Economic Recovery Network (BERN) – BEDC in collaboration with Team Burlington launched BERN to support the business community on recovery planning and cutting red tape to ensure sectors can rebound as quickly as possible. Initial findings were presented to Council on June 9 with key outcomes, including the creation of guiding principals, a critical action path and creation of working groups for sector engagement.
- TechPlace – BEDC has been working on refocusing TechPlace to include more business retention & support activities. This includes providing weekly updates on virtual programming and converting meeting rooms to LaunchPad offices to accommodate companies affected by COVID-19. TechPlace has also been used as a soft landing to host virtual business delegations (e.g. TechPlace signed an agreement with The Federation of Canadian-Brazilian Businesses) with several businesses interested in the region.
- Post-secondary – Continued negotiations with confidential post-secondary partners to locate/expand their presence in Burlington.

### Land Readiness & Intensification

- Brownfield Community Improvement Plan (CIP) – Progress has been made on this project with key strategic directions being approved during the May 12 Committee of Council. BEDC is also examining the potential for an accelerated CIP to support businesses facing disruption due to COVID-19.
- Official Plan – The “Taking a Closer Look at the Downtown” project (Scoped Re-examination of the Adopted Official Plan) is set to resume with recommendations to Council scheduled for October 2020.
- Online Development Applications Processing – The City of Burlington will begin accepting and processing development applications via an online digital platform in the coming weeks. This program was paused during the COVID-19 crisis and has been a significant barrier to new business opportunities.

### Business Attractive Brand

- Investment Attraction – BEDC has worked in partnership with Toronto Global and the Ontario Investment Office on the new investment attraction strategy in 2019 and are currently working with them to understand new digital lead generation strategies and changes needed in a post-COVID-19 world. Development of a new website has been prioritized to assist with digital lead generation.
- A campaign targeting downtown Toronto offices with upcoming lease expirations that may be suitable to the Burlington office market is in the planning stage.
- One Brand – BEDC issued an RFP for an agency to support the development of the One Brand in coordination with the City of Burlington and Tourism Burlington and the contract has been awarded.



The Economic Development website will be completed by the agency in 2020 with the One Brand work is expected to commence before June 2022.

- Marketing & Communications – BEDC has refocused Marcomms on delivering timely business support information to businesses and focused advocacy on business issues to the federal and provincial government.
- Red Tape Red Carpet (RTRC) – BEDC has continued to work with the City of Burlington to implement the 22 recommendations with an update to Council provided in May. Priorities have been altered to focus on accelerating digital planning submissions, increased digital business attraction activities, and focusing on COVID-19 business support services.

### 21<sup>st</sup> Century Organisation

- Integrated Customer Service Experience – BEDC is working with the City of Burlington to implement their service redesign to ensure it is updated as per new COVID-19 requirements. The redesign focused on ensuring consistent policy, updated training practices and physical distancing requirements.
- Governance review – BEDC is continuing implementing a government review project with findings to be presented in June.

## 3. Stakeholder Input

An important objective for the organizational review was to understand the perspectives of local business leaders and stakeholders that interact with Burlington Economic Development Corporation (BEDC) and TechPlace staff and invite input on any required changes or improvements that may impact the current delivery model. A comprehensive consultation process was conducted between February and May of this year.

In total, 33 Interviews were conducted with a wide range of stakeholders including the Mayor, Members of Council, BEDC Board Members and key City staff, partner organizations such as Halton Region Economic Development, Burlington Chamber of Commerce, Angel One and Haltech along with select employers in the community. A random business survey was administered that engaged a further 81 businesses from various sectors including advanced manufacturing, business and professional services and construction (excludes retail). The results of the business survey are provided as Appendix I. Key insights are provided in the next section.

As part of the cost-benefit analysis of TechPlace, a governance review e-forum was conducted in March 2020 that attracted 13 participants. The session provided an opportunity for business and community stakeholders to offer input into the role of BEDC in TechPlace and further an understanding of TechPlace as a delivery model for supporting the start-up and scale-up of companies. Interviews were also conducted with all the LaunchPad graduates, and a survey was conducted with the TechPlace User



Group that attracted 26 participants<sup>2</sup>.

The consultations focused on stakeholders' impressions of:

- the current business climate in Burlington
- opportunities and challenges that BEDC and the City need to address to achieve economic prosperity
- accountability and transparency considerations as it relates to BEDC operations
- the role and effectiveness of economic development agencies
- perceptions of BEDC and TechPlace

Specific responses have been aggregated in the form of general themes and presented here. The findings of the consultation were used to inform the recommendations on the efficiency, effectiveness and optimal structure of BEDC and TechPlace in achieving the city's business attraction and retention goals.

It should be noted that BEDC has not been consulted in the development of the Part A Report except for the Executive Director and the Manager of Innovation and Partnerships. A staff workshop is planned for July 2020.

### 3.1 Business Survey Results

Of the 81 businesses surveyed for this study<sup>3</sup>, the majority are satisfied with the city of Burlington as a place to own and operate their business; 49% businesses indicated 'very satisfied' while 42% indicated 'somewhat satisfied'. Businesses have a strong appreciation of Burlington as a place to do businesses; 63 (78%) businesses said that they would recommend the city to another business looking to expand or relocate.

Businesses were asked about their levels of satisfaction with economic development programs and services in Burlington. As shown in Table 1, businesses are highly satisfied with the marketing and promotion of Burlington, business retention and expansion (BR+E) and investment attraction activities. Factors with a comparatively higher dissatisfaction rate include downtown revitalization, advocating for industry needs at multiple government levels, support for workforce development, support programs for small businesses and entrepreneurs and real estate development assistance.

**Table 1: Satisfaction Level of Various Economic Development Programs & Services in Burlington**

| Economic Development Programs & Services in Burlington | Very satisfied | Somewhat satisfied | Somewhat dissatisfied | Very dissatisfied | DK/NA |
|--------------------------------------------------------|----------------|--------------------|-----------------------|-------------------|-------|
| Marketing & promotion of Burlington                    | 25%            | 44%                | 9%                    | 4%                | 19%   |
| Downtown revitalization                                | 16%            | 25%                | 14%                   | 16%               | 30%   |
| Business retention & expansion (BR+E)                  | 14%            | 43%                | 7%                    | 7%                | 28%   |
| Support for knowledge industries & innovation          | 14%            | 31%                | 6%                    | 7%                | 42%   |

<sup>2</sup>A stakeholder analysis of TechPlace is included in the Cost-Benefit of TechPlace Business Model as per Appendix II.

<sup>3</sup> Telephone Survey was conducted in mid to late May 2020



| Economic Development Programs & Services in Burlington | Very satisfied | Somewhat satisfied | Somewhat dissatisfied | Very dissatisfied | DK/NA |
|--------------------------------------------------------|----------------|--------------------|-----------------------|-------------------|-------|
| Support for the scale-up of businesses                 | 12%            | 31%                | 7%                    | 10%               | 40%   |
| Support for workforce development                      | 11%            | 26%                | 15%                   | 12%               | 36%   |
| Support for small businesses & entrepreneurs           | 10%            | 26%                | 16%                   | 10%               | 38%   |
| Advocating for industry needs                          | 7%             | 28%                | 17%                   | 11%               | 36%   |
| Investment attraction                                  | 7%             | 43%                | 9%                    | 6%                | 35%   |
| Real estate development assistance                     | 4%             | 20%                | 10%                   | 15%               | 52%   |

Source: CATI survey, MDB Insight, 2020

When asked if businesses have engaged with BEDC and TechPlace for their business needs within the last five years, 71 (88%) businesses surveyed indicated that they have not engaged with BEDC while almost 96% of all businesses surveyed have not engaged with TechPlace. This may suggest a lack of profile for BEDC and TechPlace within the local business community. It could also suggest that most of those surveyed are in the established stage (business has reached maturity) and would not routinely engage with BEDC.

However, when asked if they knew who to contact to address business concerns, only 12 (15%) businesses responded in the affirmative. This suggests the need for an expanded BR+E effort by BEDC and a more effective marketing strategy to educate businesses on the programs and services that are available. Businesses highlighted the need for programming that ensures the availability of a skilled local workforce, advocacy for favourable purchase or lease rates and a timely development approvals process. Businesses also identified the need for a well-developed business supply chain. These factors were identified as some of the top factors that would influence their decision to expand business/operations in Burlington. Relatedly, 20 (28%) businesses identified that the planning and approvals process was a barrier to developing their business or organization. The recently launched Red Tape Red Carpet Task Force is intended to address and eliminate where possible the barriers to business growth and support business retention and attraction efforts.

Respondents were also asked to respond to statements that compared an internal department vs. and external economic development corporation model. Approximately 53 (65%) businesses agreed with a statement that an internal model would afford a higher level of accountability to residents and businesses while 51 (63%) businesses agreed with the statement that an external economic development corporation model would be perceived as better by the private sector. Only 24 (30%) businesses agree with the statement that an internal economic development model would offer greater speed in processing development permits. 49 (60%) businesses suggested that an external model would be a better advocate for businesses and offer greater ability to develop partnerships and funding applications.

Given the timing of the survey, it was not surprising to see results that suggested a considerable number of businesses are being impacted by the COVID-19 pandemic. Of those businesses surveyed, approximately 23 (28%) businesses indicated a slight decrease in sales, 32 (40%) businesses indicated a significant decrease in sales and 7 firms suggested their businesses are in a state of crisis. Over 50% of businesses surveyed indicated that they would like to be contacted by BEDC to discuss business support as part of their economic recovery planning.



## 3.2 Interviews Summary

### 3.2.1 Perceived Challenges and Programming Gaps

Burlington, like many communities across the GTHA, faces challenges concerning its ability to grow its business base and attract the types of business investment it desires to maintain a diverse economy. Numerous stakeholders mentioned:

- The shortage of high-quality development-ready employment lands
- Workforce challenges where people who live in the community do not work there
- Housing affordability and transportation challenges limit the attraction of younger talent
- The high cost of land is exacerbated by the bureaucracy and timing for development approvals
- The value proposition of TechPlace is not clear

Perceptions of cumbersome land-use planning permissions and building permitting delays – common restraints in any community – were mentioned several times by interviewees. The development of a concierge service to fast track approvals was also supported, but the need to have planning staff on board with the opportunities to redevelop and reposition available shovel ready lands was seen as essential.

Some respondents recommended BEDC get more involved in strategic issues such public transit, housing development and red tape reduction, while others acknowledged that setting parameters for BEDC would be more beneficial, taking the political pressure off staff and use of resources.

The lack of a clear value proposition around TechPlace was another core theme from the stakeholder consultations. There was confusion around the difference between the Chamber of Commerce, TechPlace and Haltech. Many interviewees indicated that they are not aware of the programming of TechPlace. Furthermore, stakeholders also mentioned that the overall return on investment (ROI) is not well understood and communicated.

Interviewees also suggested the need for better boundaries between BEDC and the City of Burlington. While there should be a collaboration, BEDC should be treated as independent and not simply an extension of City Hall.

Several interviewees suggested more targeting of industry sector growth would assist in attracting new investment to Burlington, but most agreed that focusing on existing businesses and ensuring they are supported is a higher priority for the city.

Challenges around the development of local employment lands were mentioned several times, with interviewees suggesting investment attraction is severely hampered by the lack of high-quality land, landowners not wishing to develop parcels for employment uses, and the vision and timeframes to develop lands around the city's mobility hubs and in the city's downtown. Many respondents felt that BEDC had a role to play in activating the portfolio of lands available, but there was no consensus on whether BEDC should actively manage the sale, development, or disposition of development land.

### 3.2.2 Build on Existing Positive Relationships and Partnerships

Most interviewees supported the continuation of the BEDC as a stand-alone, arms-length organization.



Several were open to considering an internal model if there was a compelling reason to do so. BEDC was lauded for the positive relationships and partnerships it has built with City departments and the business community in recent years. A continued focus on strengthening these partnerships, particularly external stakeholders, was viewed as creating exponential benefits for the community. Positive descriptors most often mentioned concerning BEDC, include:

- Supportive, accommodating, excellent data analysis
- Staff very professional, excellent customer service, proactive in trying to work with businesses, city staff and Council
- Regular and frequent contact between BEDC Executive Director and senior staff within the Administration and Members of Council
- Able to anticipate changes and challenges and pivot quickly, freedom to advance new ideas and initiatives – ‘they think outside the box’
- Demonstrated thought leadership when compared to peer communities in the GTHA

Respondents also described the perceived open lines of communication between City staff and BEDC representatives, to the point of active involvement in pre-consultation meetings for development applications. Opportunities to build on these strengths include:

- Leverage the talent of BEDC Board Members more effectively to improve collaboration with the business community and discussion of strategic issues
- Promote the mandate and work of BEDC more widely and consider expanding the client base to include not just target sectors but all businesses in the community
- Explore changes to organizational by-laws to reduce the number of politicians on the Board of Directors
- Exploring opportunities to better leverage TechPlace as a vehicle for investment attraction and increasing collaboration with other regional partners (e.g. Haltech).

### **3.2.3 Focus on Growth of Existing Businesses**

The importance of a well-marketed and consistent approach to business retention and expansion (BR+E) programming by BEDC was reinforced numerous times by interviewees. Suggestions for change included:

- Broader engagement with the business community to increase awareness of the support services they can access particularly around COVID-19. Promotion of the networking and mentorship services offered through TechPlace was also considered important as the business community felt they had limited understanding of TechPlace’s purpose and value.
- Knowledge of the local economy and connections between companies are considered very valuable assets for BEDC, suggesting the organization was best positioned to facilitate the local supply chain growth
- Renew efforts to better connect entrepreneurs from across the region with available programs and services (e.g. TechPlace and Haltech)
- Provide a concierge service for developers throughout the development approvals process



- Link key performance indicators to the BEDC mandate and Burlington Economic Development Strategic Plan 2018-2022 and effectively communicate the return on investment to the wider business and stakeholder community

### **3.2.4 Strong Relationships and Ongoing Communication is Key**

While stakeholders expressed the need to develop an overarching Burlington brand and showcase the city's leadership for this vision, most respondents emphasised the importance of strong relationships and communication, and of communicating a message that BEDC and the City of Burlington are there to support the business community in good times and bad.

Helping to facilitate introductions, navigating funding programs and regulations, providing relevant community data and supporting partner organizations – these occur during face to face interactions with businesses or involvement with a particular strategic initiative. Interviewees believed that by championing good customer service, the long-term vision of a progressive and accommodating city could be reinforced one client at a time.

More active engagement of the business community (in collaboration or partnership with other agencies or organizations) was seen as the most effective way for BEDC and the City of Burlington to demonstrate their commitment to the city's business community. Interviewees acknowledged the challenge of focusing on the larger businesses that may create significant job growth as opposed to the entrepreneurial or start-up community which has a longer time horizon for employment growth and may need different support through the earlier stages of its business cycle.

## **4. Economic Development Models and Considerations**

As noted earlier, the current objectives for BEDC are outlined in its Articles of Incorporation and Bylaws. The organization is focused on the implementation of a 2018-2022 Strategic Plan and a 10-year Economic Vision for the city that has both been approved by the BEDC Board of Directors and Council. While standalone economic strategies, they are also fully integrated into the City of Burlington's 2015-2040 Strategic Plan.

However, the launch of the Red Tape Red Carpet (RTRC) Task Force in 2019 which had as its intent to identify and eliminate barriers to growth and new business attraction in Burlington, has provided an opportunity to review the efficiency, effectiveness and optimal structure of the BEDC/TechPlace operations in achieving the city's business attraction and retention goals, including but not limited to bringing BEDC internal under the City Manager.

A review of the differences between an external corporation model and an internal municipal department model has been documented in several reports shared by BEDC as part of the preparation of the Part A report. For that reason, this report provides an overview of the operational characteristics of each delivery model before presenting the research into the economic development programming and services delivered by a select number of Ontario communities that share similar characteristics with



the City of Burlington.

## 4.1 Evaluating Internal Municipal Models & External Corporations

A review of economic development service delivery models was undertaken as a two-step process with the overall objective to gain an understanding of the key attributes of an internal economic development office/department and an external corporation, as it relates to their economic development functions and operational characteristics.

An initial evaluation was completed of 6 communities (Appendix III) – Ajax, Mississauga, and Vaughan (internal departments) and Kingston (KEDCO), London (LEDC), and Peterborough (PKEDC) as external organizations. Consideration was given to current economic development strategies, strategic and business plans, municipal websites, operating budgets and performance metrics.

Based on these results and the input provided by the Steering Committee a more detailed analysis of City of Mississauga Economic Development Office, the Town of Ajax Economic Development Office, and the City of London Economic Development Corporation was completed which included in-depth interviews with senior staff. The detailed analysis completed for these communities is provided in Appendix IV.

The following table provides a high-level overview of the general operational characteristics exhibited by external and internal economic development delivery models. Pros and cons can be attributed to both models and it is worth noting there is considerable opportunity for overlap based on programming and staffing. While economic development as units of local government is the most prevalent model in Ontario, research conducted by the University of Waterloo suggests that neither model has been determined to be superior as the importance of context, community characteristics and priorities have to be recognized. Accountability is often the key consideration in favour of an internal economic development model, but the decision comes down to whether a community wants to be involved directly in the operation of an economic development department or whether a board of directors comprised of members of the private and public sectors would be more appropriate. This decision ultimately rests with Council.

The insights presented here are based on original research conducted by MDB Insight and informed by a literature review of research conducted by leading practitioners in the field.

**Table 2: Comparison of Operational Characteristics of Internal and External Economic Development Models<sup>4</sup>**

| Operational Characteristics | External Model                                                                                                                                                                                                                     | Internal Model                                                                                                                                                                                                                   |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Governance                  | External corporations are often governed by a Board of Directors. The number and skills of Board members vary in composition depending on the community. Members could include large and small business owners in various sectors, | Internal municipal models are formally governed by the elected Council and Mayor. The Council governing approach is considered beneficial due to the network access provided by the well-connected councillors. However, Council |

<sup>4</sup>Source: MDB Insight, 2020. Parker, P., & Donaher, E. (2012). Comparing economic development corporation and internal department models: Service delivery in Southern Ontario. *Papers in Canadian Economic Development*, 13. Thompson, S. (2010). Delivery models of local economic development: An analysis of internal and external models in Ontario. *Papers in Canadian Economic Development*, 12, 85-109.



| Operational Characteristics   | External Model                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Internal Model                                                                                                                                                                                                                                                                                                   |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               | industry association representatives, and education, labour, and municipal partners. A strong and dedicated board with good representation from different parts of the region, sectors, gender and ethnicities is identified as a key factor for success.                                                                                                                                                                                                                                                           | members who do not have an understanding of economic development may be detrimental. Moreover, depending on the community economic development department buried under another reporting department (i.e. Planning & Development), have the potential to fall off the radar for Council.                         |
| Administration                | Board of Directors sets policy, and staff members are employees of the corporation. The administration is handled by corporation staff with Council providing limited input on business plan and activities. Corporations ensure that economic development priorities are affected by political influence. However, political representation on the Board may act as a hindrance. Furthermore, roles, responsibilities and expectations need to be outlined to ensure that Board Members govern rather than manage. | The policy is set by the Council, and staff members are employees of the municipality. The administration is streamlined through integration with council meetings, thereby eliminating the need for board meetings and the associated administration. Council has direct input on business plan and activities. |
| Reporting Relationships       | Staff members report to the Board of Directors often through a General Manager/Chief Executive Officer (CEO).                                                                                                                                                                                                                                                                                                                                                                                                       | Economic development departments report through a chain of command, to the Chief Administrative Officer or City Manager. Some internal models have staff supported by an Advisory Board or Committee of Council.                                                                                                 |
| Accountability                | Policy and direction set by the Board may not always align with the Council, which can lead to conflict. Coordination may also be affected due to varying priorities of organisations represented on the Board. There is a perception of less accountability among external corporations, leading to decision making that benefits certain businesses or priorities.                                                                                                                                                | Staff members are accountable to the Council for the delivery of economic development programming. Municipal departments generally garner more public attention and therefore may be held more accountable than external organisations.                                                                          |
| Advisory committees           | Are common in external models. The presence of advisory committees ensures greater alignment with the private sector.                                                                                                                                                                                                                                                                                                                                                                                               | Are common in internal models. Similar to the structure in external models, advisory committees play essential roles in ensuring alignment with the private sector and advocacy. However, the structure is challenged by the potential for conflict between the views of the Committee and Council.              |
| Alignment with Private sector | An external corporation has the benefit of being more closely aligned with business and industry. The increased alignment with the private sector is often identified as a pro for external corporations compared to internal departments.                                                                                                                                                                                                                                                                          | Private sector influence in the internal model is structurally limited, as the ultimate financial and decision-making authority lies with the Council.                                                                                                                                                           |
| Autonomy                      | External corporations ensure that decision-making is separated from the political process. A corporation offers autonomy and provides the ability to operate with a minimum of bureaucracy.                                                                                                                                                                                                                                                                                                                         | The lack of separation in reporting structure may result in economic development becoming a special projects department or having to take on projects that do not fit with any other department such as capital projects, municipal real estate matters and tenancy agreements.                                  |



| Operational Characteristics          | External Model                                                                                                                                                                                                                                                                                                                                                                                                                     | Internal Model                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Decision-making                      | Ability to work with a minimum of bureaucracy in an environment ensures fast-paced decision-making. However, some decisions, such as re-zoning or grant applications often require council involvement and other levels of government. In such cases, decision making timelines are often the same in both models.                                                                                                                 | Structured decision-making framework involving committee/council processes tend to be more bureaucratic and have more formal procedures and layers, resulting in slower processes and longer timelines. However, internal municipal departments often have stronger relationships with the Mayor or Council and depending on the strength of the relationship can result in seamless and fast decision making. |
| Adaptable/Flexibility                | External agencies allow for greater flexibility. With less stringent requirements and procedures, external service delivery allows for faster, creative, proactive, and nimble decision-making when compared to the internal model. The ability of BEDC to pivot procedures as a result of COVID-19 is one such example. The adaptability of external corporations can be attributed to the autonomy of staff for decision-making. | While external corporations are more flexible than internal corporations, speed and flexibility may be counter to accountability and transparency. Internal models are more attuned to 'working for the greater good' compared to corporations.                                                                                                                                                                |
| Risk-taking                          | Related to higher flexibility, external corporations are often more assertive and taking risks when it comes to business or marketing decisions. Corporations may choose to pivot faster and respond to new opportunities as they arise.                                                                                                                                                                                           | Internal processes are more prone to additional checks and balances to limit risky decisions or to control aggressive marketing.                                                                                                                                                                                                                                                                               |
| Internal Coordination/ Collaboration | External corporations are often viewed as an outside body and are comparatively disconnected to the City and municipal departments. However, there are instances where city staff have co-located with an external corporation.                                                                                                                                                                                                    | Internal models allow for greater alignment with Council and closer collaboration and coordination with other municipal departments. It also allows for greater access to city resources and coordination of projects across departments.                                                                                                                                                                      |
| Communication to Business Community  | Related to the view that external corporations are external to the City, local businesses often do not have a great understanding of corporations and are unaware of the services they provide.                                                                                                                                                                                                                                    | Strong internal models can have a good relationship with the business community. Business retention and expansion is a core priority of such offices/departments.                                                                                                                                                                                                                                              |
| Marketing                            | Marketing within a corporation is often primarily focused on economic performance and related metrics associated with economic development and tourism and less on overall community branding.                                                                                                                                                                                                                                     | Internal models allow for greater involvement in communications and marketing.                                                                                                                                                                                                                                                                                                                                 |
| Funding & Financing                  | The Board of Directors is accountable for the funding. The majority of this funding is from the municipality. Budget surplus or debt from one fiscal year stay with the corporation and are automatically carried to the next.                                                                                                                                                                                                     | The municipality provides funding with less expectation for staff to source private-sector funding. Financial overruns are covered by savings in other departments.                                                                                                                                                                                                                                            |
| Performance Metrics                  | External corporations often have more stringent performance indicators which are more likely to be made available to the public in the form of an Annual Report.                                                                                                                                                                                                                                                                   | Internal models have more latitude in choosing performance measures and steering clear of the metrics that do not reflect favourably on the department.                                                                                                                                                                                                                                                        |



## 4.2 Comparing Functions and Typologies

It is understood that the mandate and programming and services provided by local economic development departments and organisations are highly dependent on the local community's goals and objectives. However, there is considerable overlap in the provision of key economic development functions, such as business retention and expansion, workforce development, innovation and entrepreneurship and investment attraction (Table 3). For example, Ajax and Mississauga in addressing business priorities identified the need to position Business Retention and Expansion (BR+E) as a core function. Along with targeted BR+E initiatives, both municipalities have required that staff involved in BR+E support have a private sector sales background. Mississauga created a new Business Investment & Client Services Manager position reflecting the need for an investment sales team that more directly aligns with the needs of businesses. In contrast, LEDC's BR+E program while a core function is shared equally among all members of their team. It was acknowledged that distributing BR+E activities across all team members may require additional resources, time and training requirements. Burlington's current BR+E efforts are comparable in many ways to each of the three communities. This includes a corporate care program, the attention to a range of similar issues as emerged from the Red Tape Red Carpet Task Force and the use of a customer relations management (CRM) platform.

The approach to workforce development also varies across each of the municipal departments/offices and external corporations. Similar to BEDC, the Ajax Economic Development Office, maintains strong relationships with workforce development partners and post-secondary institutions. While there is no dedicated staff for workforce development in Mississauga, it is an overarching consideration in all of their economic development efforts, including sector development, small business growth and investment attraction. Specific initiatives have emerged based on these activities.

LEDC has focused on workforce development as a core activity and has had a dedicated staff resource since 2005. LEDC provides direct support to businesses, including market intelligence and funding supports for incoming or expanding companies. The corporation plays a critical role in the attraction and sourcing of talent for large industrial employers, including hosting job fairs and facilitating connections to employment agencies or other talent pools. London's major post-secondary institutions (Western University and Fanshawe College) are represented on LEDC's Board and play a significant role in this effort.

Innovation and Entrepreneurship is a central function of Ajax, Burlington and Mississauga economic development activities. While all three communities have varying levels of economic development opportunity and community assets to support this opportunity, the recognition that the innovation and entrepreneurial economy is critical to economic growth has led all three municipalities to undertake targeted innovation initiatives.

Innovation Village is Ajax's plan to transform the community into a technology hub for artificial intelligence, cybersecurity and robotics. Entrepreneurship in Ajax is largely supported by the Business Advisory Centre of Durham Region with the Town providing referral and event support. The City of Mississauga in recognising that innovation in the community occurs in large corporations took targeted actions to 'marry' entrepreneurship and innovation activity through the reimagined Mississauga Business Enterprise Centre (MBEC). Mississauga also recalibrated its efforts to differentiate between the support needed for small and main street businesses and innovative and high growth businesses with the recognition that these types of businesses at times may need the same kinds of supports.



The organic growth of London's innovation ecosystem and the presence of Western University has provided considerable local momentum in innovation and entrepreneurship development. As a result, LEDC has not had to play a direct or leading role in this type of economic development activity. LEDC has a good relationship with its post-secondary institution partners and acts as a facilitator to connect angel investors and other funding organisations to support the innovation ecosystem and broader business community. They support the broader innovation ecosystem on an as-needed basis.

Traditional investment attraction in Ajax, as it relates to foreign direct investment (FDI), is conducted in large part by the upper-tier municipality with support from Toronto Global. The Town's role in investment attraction is primarily in responding to investment needs as opposed to actively engaging in generating investment inquiries. In contrast, Mississauga is directly involved in FDI. While much of this form of economic growth is organic given the city's location, proximity to the airport etc., the city's BR+E and investment attraction portfolio has targeted performance measures aimed at securing ongoing investment. Burlington's Investment Attraction model began a transition from a model similar to Ajax in 2018 towards a Mississauga model in 2019 following board and council discussions on investment attraction.

LEDC's investment attraction and BR+E activities are closely aligned as they focus on industry cluster development and supply chain development. In addition to LEDC's investment attraction outreach through attendance at international tradeshows, LEDC also aligns with other membership-based investment attraction alliances to leverage their resources. Burlington began attending international tradeshows in 2019 in coordination with the Ontario Investment Office and exploring international lead generation partnerships to bring investment delegations to Burlington.

Ajax, Burlington and London all have some involvement in land development functions including sale transactions and lease agreement support, licensing, encroachment and other real property matters. Ajax does not actively purchase and service lands for sale but advocates and facilitates long term industrial land strategy development and infrastructure improvements. The City of London owns lands while LEDC helps manage it. LEDC is unique in its facilitation of land development; two City industrial land staff are co-located with LEDC. This integration between LEDC and the City allows for greater coordination of development approvals, investment attraction activity and site location activities.



**Table 3: Matrix of Economic Development Functions**

| Functions                                                                          | Internal |             | External   |        |
|------------------------------------------------------------------------------------|----------|-------------|------------|--------|
|                                                                                    | Ajax     | Mississauga | Burlington | London |
| Business Retention and Expansion                                                   | ✓✓✓      | ✓✓✓         | ✓✓✓        | ✓✓✓    |
| Workforce Development                                                              | ✓        | ✓✓✓         | ✓          | ✓✓✓    |
| Innovation and Entrepreneurship                                                    | ✓✓✓      | ✓✓✓         | ✓✓✓        | x      |
| Investment Attraction                                                              | ✓        | ✓✓✓         | ✓✓✓        | ✓✓     |
| Land Development                                                                   | ✓✓       | ✓           | ✓✓         | ✓✓     |
| ✓✓✓ = Core Function    ✓✓ = Facilitate    ✓ = Support    x = Not Directly Involved |          |             |            |        |

## 4.3 Strategic Directions for Burlington

Based on available literature that has compared the various economic development delivery models in Ontario, there is evidence to suggest that an internal department model can be more effective in some areas of operation (e.g. alignment with Council priorities, less expectation for sourcing additional funding, integration within the administration), while an external model can be more effective in other ways (e.g. greater flexibility and opportunity for innovation, ability to separate decision making from the political process, nimble decision making) but there are contradictory views on which areas of operation are most affected and which model is superior based on the scale and resources that are available. One key takeaway from the broader research findings, however, is the need for effective performance metrics that demonstrate the ability of either model to deliver on its mandate.

As of the timing of the Part A Report, there is no overarching evidence that suggests that BEDC as an external organization model is less effective than an internal departmental model based on current programming and service delivery. Stakeholders commented that the leadership demonstrated by BEDC was unique among its peer communities in the GTA particularly as it relates to its response to COVID-19. It was also observed that there was considerable overlap of economic development function when reviewing the internal municipal models (Ajax and Mississauga) and the external corporation model (London). All the communities reviewed agreed on the need for effective governance and reporting structures, accountability to Council, and strong communications and performance management plans.

However, based on the review and stakeholder input several factors should be considered to help strengthen BEDC's governance and operations.

### 4.3.1 Revise the BEDC Board Structure

The Board of Directors provide strategic guidance to management and oversee the activities of a corporation. To provide effective strategic input, Boards need a solid understanding of the mandate, activities, risks, assets, and resources of the corporation. The effectiveness of a Board is dependent on



both the board structure and processes and on the quality of the directors.

Like BEDC, LEDC operates with a Board with well-defined roles and responsibilities, efficient use of committees and Board and Director assessments. BEDC should look to build out its board of directors with professionals knowledgeable in the sectors of the economy being targeted for growth particularly innovation and entrepreneurship. Industry representatives on the Board create opportunities for a valuable exchange of ideas between BEDC and the business community which better informs programs and services that support them. To ensure the Board's role in policymaking, strategic planning, and performance monitoring is shielded from political influence, there is a need to limit the role of politicians.

Post-secondary institutions also need to play a more active role on the Board. This is particularly relevant with the shift towards technology-based employment, the anticipated shortages in workers likely to face many industries in the future and the need to attract a younger and skilled workforce. The board structure of LEDC is seen as a best practice with regards to workforce development. The skills matrix and corresponding Board structure of LEDC have evolved over the years with an increasing focus on workforce priorities. The inclusion of London's major post-secondary institutions (Western University and Fanshawe College) and the local Workforce Board has enabled the corporation to better support networking, workforce recruitment and the retention of recent graduates. Repositioning the Board competencies and industry skills would offer additional guidance to BEDC as it expands its role in targeted sector growth and investment attraction.

#### 4.3.2 Foster a Sales Culture

A strong sales culture is one of the most important elements of a customer service-oriented organization. It drives buy-in, professional development, and team dynamics. As BEDC continues to focus on business attraction efforts, branding, and marketing and communications, there is a corresponding need to develop a sales culture that enables reactive and proactive programming. Proactive programming by BEDC includes tracking businesses through CRM tools to add more value, improve customer service, and decrease customer support response times. As part of the recommendations of the Red Tape Red Carpet Taskforce, BEDC is shifting deliverables for integrated customer service. This includes creating an internal business concierge role (Customer Experience Manager) in collaboration with the City of Burlington. In fostering a sales culture, BEDC needs to ensure the following are included in integrated customer service with the City of Burlington:

- **Measure Outcomes** – Targeted metrics that measure outcomes will help assess the efficiency and effectiveness of customer service measures
- **Hire Accordingly** – Ensure staff have the relevant industry sector experience with skills in marketing, management and sales.

#### 4.3.3 Expand Economic Development Programming

As evidenced through the review of economic development models, there is a need to expand Business Retention and Expansion (BR+E) and Innovation and Entrepreneurship activities. Improvements to business support, retention and expansion programming will result in improved relationships with local businesses, encourage existing business to stay and grow in the community, strengthen partnerships between business owners and provide opportunities for better collaboration with local stakeholders.



BR+E and Innovation and Entrepreneurship is a core function of many economic development agencies including the ones reviewed here. Ajax, Mississauga and London all have economic development staff with industry sales experience. Furthermore, Mississauga's Starter Company PLUS Program supported by the Mississauga Business Enterprise Centre (MBEC) provides small business owners with an opportunity to receive training and business skills development, along with mentorship and a program grants. The BR+E functions are currently the mandate of Halton Regional Economic Development for small business and main street entrepreneurs.

In addition to the Corporate Care program and hosting educational and networking events to support the retention and expansion of existing businesses, BEDC should look to increase opportunities to interact or engage with local businesses. Results of the business survey suggest that businesses are not generally aware of available programming and many of those surveyed suggested they would like to engage with BEDC concerning their business recovery strategies. The Corporation should also continue to leverage the opportunities provided by TechPlace. TechPlace is currently attracting a broad spectrum of technology-based companies, and while successful in meeting the resident business quotas, there is still an opportunity to be more responsive to the needs of businesses.

#### **4.3.4 Ensure Continued Focus on Branding, Marketing & Communications**

Stakeholder input suggests a lack of awareness of BEDC and TechPlace programming. Of the 81 businesses engaged through the businesses survey, 71 (88%) businesses indicated that they have not engaged with BEDC while 96% of all businesses have not engaged with TechPlace. And while they agreed that BEDC was doing an excellent job of investment attraction and marketing the community they were generally unaware of the broader programs and services that could help to support their businesses. Respondents also suggested that BEDC could be more effective in supporting the local business community by advocating for efficient development approvals processes, enabling red tape reduction and advocating local business needs with all levels of government.

A key consideration to improving business and stakeholder knowledge of the city's broader economic opportunities is a stronger marketing and communication plan that focuses on improved story-telling and the leadership towards creating an economic vision for the city. Burlington Economic Development will lead the One Brand for Burlington and the continued evolution of a Marketing Strategy in support of the city's investment attraction goals. As part of this rebranding effort, BEDC should look to communicate the city's value proposition and the return on investment (ROI) for both BEDC and TechPlace. Success stories, key initiatives, strategic investment, programming and KPIs should be reflected in the branding and communications produced by BEDC and TechPlace.

#### **4.3.5 Foster Stronger Connections with Key Partners**

BEDC's 2020 Performance Management Plan reflects the organization's continuing approach to advocacy for key business support policies at the local, regional, provincial, and federal levels. BEDC has built positive relationships and partnerships with City departments, external stakeholders and the city's business community. However, opportunities exist for greater collaboration and cooperation with local and external partners that can assist in improving the city's overall competitiveness. This may include a closer partnership with the Chamber of Commerce, BIAs and Halton Region SBEC to support small businesses and the city's Main Street areas, increased collaboration with organizations that support entrepreneurship and innovation, greater inter-municipal cooperation on workforce-related issues, collaboration with Halton Region to develop a companion CIP program and continued collaboration with



senior levels of government in support of infrastructure investment.

## 5. Recommendations

### 5.1 Role of BEDC Board of Directors

#### Skills Matrix

1. Review and refine the BEDC Board of Directors' skills matrix no less than every four years to reflect shifts in requirements for strategic oversight and industry experience. Ensure that key sectors of the economy are reflected along with skills and expertise in financial/accounting, human resources, legal and governance, marketing and communications, risk management, strategic planning, customer experience strategy and real estate
  - a. Consider recruiting a technology industry leader who understands the local and regional innovation and entrepreneurship ecosystem. The new Director should bring recent management expertise as well as serial entrepreneurship in scalable business models to help inform TechPlace programming.
  - b. Consider recruiting expertise in education and workforce training with an active representative of a post-secondary institution.
  - c. Consider recruiting partner organizations that can speak to and partner on the issues and opportunities associated with the growth and development of the local economy (e.g. Chamber of Commerce, Haltech, Angel One, etc.)
  - d. Consider recruiting an industry expert in areas of digital transformation (DT) strategy (including business process redesign required for DT) and customer experience strategy to support a full integration of these areas, along with with the development of the new "One Brand", into an enhanced economic and business development process for the BEDC and the City
  - e. Ensure a balance of gender representation on the Board of Directors and 10+ years of professional experience

#### Governance

2. Reduce the number of politicians on the BEDC Board to one, as per the recommendations in the 2013 KPMG Report
3. Continue to conduct an annual strategic planning session with the Board of Directors
4. Ensure each Board meeting is structured to afford an adequate amount of time to have strategic conversations and provide input to strategic initiatives and priorities
5. Review the Board of Directors committee structure to ensure a clear term of reference and defined roles and responsibilities. Identify opportunities to reduce the number of committees and commitment of time by Board members



6. Consider developing joint City of Burlington and BEDC Task Forces, with specific Terms of Reference (purpose, objectives, timelines, Board and BEDC staff reps. etc.) to be approved by the Board, in order to take advantage of specific expertise of Board Members on the implementation of major strategic initiatives as identified in the BEDC and City of Burlington strategic plans.

## 5.2 Improvements to Delivery Model

### Engaging with the City of Burlington

7. Continue to meet independently with each member of Council (biannual) to discuss issues and initiatives relevant to their ward and the ongoing activities of BEDC. Ensure the participation of a BEDC Board Director in these meetings.
8. Conduct an annual strategy session with Council in conjunction with the preparation of BEDC's Performance Management Plan.
  - a. Develop an agreed-upon set of KPIs that reflect the overall performance of the organization. Refine KPIs no less than every 4 years in conjunction with a review of the Board of Directors' skills matrix.
9. Continue to meet regularly (i.e. biweekly) with the Mayor and City Manager to discuss ongoing BEDC strategic priorities and BEDC/City service delivery integration opportunities and issues including status of Red Tape Red Carpet action items
10. Continue with the utilize of BEDC's performance management dashboard to track and report on quarterly performance. Consider the development of a City Balanced Scorecard to improve focus on Council's strategic priorities and enable BEDC to more effectively illustrate the progress that is being made in support of related objectives using both financial and non-financial measures. Targets should reflect a realistic level of performance to the move priorities forward.
  - a. Progress towards strategic objectives and initiatives should be reported on to Council twice over the term using a Balanced Scorecard Report and through reporting by staff (using the legislative agenda) as it relates to strategic initiatives.
11. Integrate BEDC into strategic discussions on the future of the Burlington, city initiatives and reporting structures to allow for input on key economic issues.
  - a. Integrate BEDC into Strategic Planning with Council and Senior Management at the City of Burlington for consideration of economic issues and opportunities
  - b. Consider integrating BEDC into SRT and/or BLT

## 5.3 Program Delivery

### Increased Support for Local Businesses

12. Enhance Business Satisfaction Surveys to improve understanding of the needs and priorities of local businesses.



- a. The survey should reflect a focus for serviced clusters including Advanced Manufacturing, Food and Beverage and ICT/Creative Industries.
  - b. Leverage the GTA Economic Development Alliance partnership to understand best practices in support of BR+E programming.
13. Building on the COVID-19 programming with Team Burlington, continue to support main street businesses in their transformation to digital platforms in coordination with Halton SBEC and Haltech.
14. In partnership with the Burlington Chamber of Commerce, maintain and regularly update an online directory of local businesses searchable by key sectors.
15. Review BEDC's corporate calling program with the intent to include high value and high growth firms.

## **Innovation and Entrepreneurship**

16. Implement the recommendations contained in the TechPlace cost-benefit analysis report and in particular:
- a. Employ a full-time industry or innovation specialist to oversee TechPlace operations.
  - b. Promote the value proposition and ROI of TechPlace to the broader business and stakeholder community. Include success stories and testimonials as an element of the overall marketing and messaging.

## **Investment Attraction**

17. As identified in the Red Tape Red Carpet Task Force, explore the establishment of a venture capital fund to support business attraction efforts.
18. Advocate for the creation of a regional CIP that supports Burlington's efforts to reposition existing and underutilized employment areas and target sector employment.
19. Explore the feasibility of engaging business or sector-based business consultants to support business attraction and expansion efforts.

## **Marketing and Communications**

20. Continue to improve the quality of the BEDC Annual Report and showcase the performance of the local economy including success stories and strategic initiatives that support the growth of the city.
21. Establish and manage the development of the City of Burlington's image and brand
- a. Develop a comprehensive marketing plan for the City of Burlington and promotional development organizations including BEDC and TechPlace, including digital strategies, earned media, and third party recognition
  - b. Better integrate marketing between BEDC and the City of Burlington including full access to creative services support to support efficient and cost-effective delivery of marketing
22. Provide a regular forum for the Burlington community to identify the important quality of life and economic improvement issues.

