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Sent: Tuesday, June 29, 2021 10:36 AM
Subject: Regional Council Decision - York Region 2021 Economic Development Update

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On June 24, 2021 Regional Council made the following decision:

1. The Regional Clerk circulate this report to the Ministry of Economic Development, Job Creation and Trade, the local municipalities, Toronto Global and ventureLAB.

The original staff report is attached for your information.

Please contact Jonathan Wheatle, Director of Economic Strategy at 1-877-464-9675 ext. 71503 if you have any questions with respect to this matter.

Regards,

Christopher Raynor | Regional Clerk, Office of the Regional Clerk, Corporate Services

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Our Mission: Working together to serve our thriving communities – today and tomorrow

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
June 10, 2021

Report of the Commissioner of Corporate Services and Chief Planner

York Region 2021 Economic Development Update

1. Recommendation

The Regional Clerk circulate this report to the Ministry of Economic Development, Job Creation and Trade, the local municipalities, Toronto Global and ventureLAB.

2. Summary

This report provides an update on the economic development activities in the Region and highlights programs specific to COVID-19 recovery.

Key Points:

- Core economic development and business advisory services continue to be delivered
- COVID-19 has had a significant adverse impact on York Region's economy
- Small businesses in accommodation and food services; arts, entertainment and recreation; personal services; retail; and information and cultural services have been hardest hit
- Assistance to businesses for COVID-19 recovery is being delivered through the York Region Business Recovery Support Partnership
- The size and diversity of the business community in the Region provides a strong base for continued recovery

3. Background

Business support, job growth and talent attraction are priorities for York Region's economic vitality

Business and job growth are fundamental to the Region's economic vitality and quality of life. Attracting and retaining a variety of high-quality jobs across a broad range of sectors promotes economic resilience and helps ensure that those living in York Region can work where they live. This is a goal reflected in strategic guiding documents of Council, including Vision 2051, the York Region Official Plan and the Strategic Plan.

The Council approved 2020-2023 Economic Development Action Plan guides economic development activities of the Region. It outlines three primary pillars of program development: business, innovation and talent which supports the Region's economy. It aims to continue to create an environment that promotes innovation and growth.

Delivery of business advisory services and economic development initiatives have continued throughout the pandemic

York Region Economic Strategy remains engaged with the local business community providing a range of advisory services and initiatives delivered in collaboration with local municipalities and other service delivery partners. Advisory services to established companies augment and extend the reach of local-municipal corporate call programs.

The York Small Business Enterprise Centre (YSBEC) serves the small business community in the Region's northern six municipalities – Aurora, East Gwillimbury, Georgina, King, Newmarket, and Whitchurch-Stouffville with advisory services and resources. In partnership with the Ministry of Economic Development, Job Creation and Trade, and in collaboration with the small business centres located in Markham, Vaughan and Richmond Hill, the YSBEC delivers small business support services and targeted entrepreneurship programs, including Starter Company Plus and Summer Company.

Other deliverables are enabled by relationships with organizations including Toronto Global for Foreign Direct Investment attraction as well as ventureLAB, the Workforce Planning Board, York University and Seneca College for innovation and talent support collaborations. An update on activities with the York Region Arts Council and on ventureLAB was received by Council in [March 2021](#) and [April 2021](#) respectively.

Implementation of the Region's [Agriculture and Agri-Food Strategy](#), endorsed by Council in [October 2017](#), is on track. With the support of the [Agriculture and Agri-Food Advisory Committee](#) nearly 90% of the actions are underway, planned or completed. These include showcasing agricultural innovators/champions in the Region, implementing a local food education campaign, supporting an agri-food asset mapping project, and launching the first ever York Region Food & Beverage Food Accelerator Program. Details are contained within the 2020 Agriculture and Agri-food Strategy Update report also on this Council agenda.

York Region established the Business Recovery Support Partnership to support businesses during the COVID-19 pandemic

The COVID-19 pandemic had a significant impact on the global, Canadian, Provincial and York Region economy. More than ever, this highlighted the need for partnerships in delivery of the Region's Economic Development Action Plan. On [April 30, 2020](#) York Region launched the Business Recovery Support Partnership (BRSP) focused on pandemic related support for the business community.

Members of the Partnership include:

- York Region's Economic Strategy Division
- Nine local municipal economic development teams

- Nine Chambers of Commerce/Boards of Trade
- York Region Business Coalition
- Workforce Planning Board of York Region
- ventureLAB
- Seneca College
- York University

The BRSP has four subgroups of focus:

- Agri-food
- Business advisory
- Crisis response supply chain
- Tourism arts and culture

Together the partners collaborated on activities that were complementary to the [federal](#) and [provincial](#) responses to the pandemic. Outcomes from the work done through the partnership were shared in the [January 2021](#) Council memo.

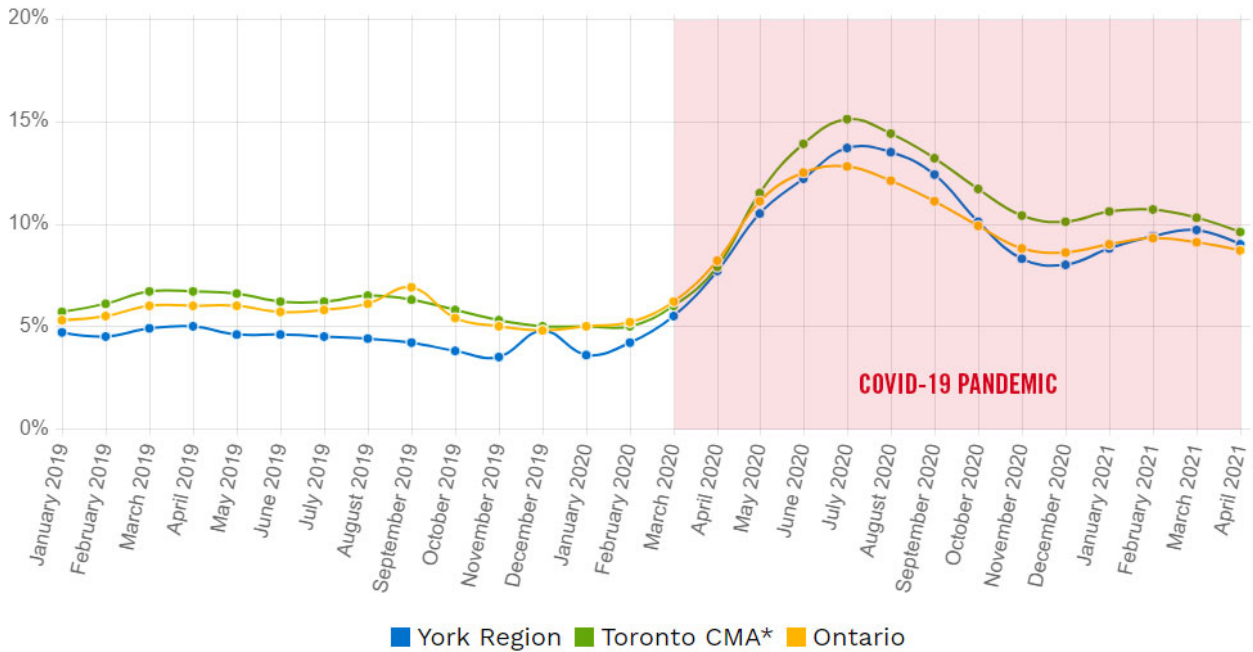
In 2021, this ongoing partnership continues to be important for providing targeted business support as businesses look to survive during and thrive after COVID-19.

4. Analysis

The COVID-19 pandemic continues to have significant impact on the economy in York Region

The economic crisis and closures resulting from the COVID-19 pandemic led to unusually high unemployment rates in York Region, reaching a peak of 13.7% by July 2020 compared to an average of about 4.5% in 2019 pre-pandemic. While the Region's unemployment rate decreased to 8% by December 2020 it climbed again to 9.7% in March 2021 due to a new round of closures and lockdowns, decreasing slightly to 9% in April.

Chart 1
Unemployment Rates (%) | January 2019 - April 2021*



* Source: Statistics Canada, Labour Force Characteristics, 3-month moving average, unadjusted for seasonality, April 2021

** CMA - Census Metropolitan Area

As the COVID-19 pandemic continues into 2021, the business community across the Greater Toronto Area, including in York Region, remains deeply impacted. Shrinking output and employment in industries deemed non-essential during peak waves of the pandemic, or still affected by physical distancing, continue to weigh on York Region's economy.

While all sectors have been impacted by the pandemic, small businesses have been the hardest hit

Business surveys and statistics from multiple sources including Statistics Canada, Canadian Federation of Independent Businesses, Conference Board of Canada, Ontario Chamber of Commerce and the Workforce Planning Board of York Region, point to small businesses being hardest hit. This was most evident in the accommodation and food services; arts, entertainment and recreation; personal services; retail and; information and cultural services sectors.

In York Region small businesses with 1-19 employees make up the majority (89%) of the business community or more than 48,000 businesses. Hardest hit sectors make up 25% of these businesses.

According to Statistics Canada, 43% of workers in the Toronto Census Metropolitan Area (which includes York Region) were still working from home as of March 2021. The employment change in key knowledge-based sectors that were able to shift to work from home such as professional, scientific and technical services or finance and insurance has

been less pronounced and, in some cases, positive. A notable impact on these sectors is related to the commercial office real estate market. While York Region has yet to see a substantial increase in office vacancy rates, market uncertainty remains as office tenants are starting to make decisions on post-pandemic space needs and models.

In the case of other services sectors such as retail, warehousing and distribution and real estate rental and leasing, the impact of the pandemic has been uneven with some sub-sectors seeing increased activity due to a shift in consumer needs or preferences. In the manufacturing sector, while a complete economic and trade shutdown early in the pandemic had a significant impact on employment levels in the first half of 2020, Statistics Canada data suggests that manufacturing employment across Ontario has since rebounded.

Targeted advisory projects and initiatives facilitate business community recovery

Targeted support initiatives were important in 2020 and are again being undertaken in 2021 aimed at facilitating COVID-19 recovery in highly impacted sectors. These activities will complement [federal](#) and [provincial](#) programs.

A key project is a partnership with Canada's national supply chain industry association (Supply Chain Canada). This is a project to identify the pandemic's impact on the supply chain of local manufacturing businesses, learn how they responded, assess the state of readiness and uncover plans to address future disruptions.

Between January and March 2021 a short-form study of interviews and surveys was undertaken with about 30 manufacturers in York Region in the automotive, food & beverage, life sciences, building materials and electronics/ electrical sectors. It resulted in a "Building Supply Chain Resilience" white paper with recommendations for manufacturers and governments for managing manufacturing supply chain risks and business continuity in the face of future external economic shocks. The study has been made publicly available on the www.YorkLink.ca website.

In [June 2020](#) Council approved \$500,000 in support for small businesses leveraging the Innovation Investment Fund. This project is on track with \$480,000 already disbursed to the Small Business Centres for business support and to Whitchurch-Stouffville for a Community Improvement Plan (CIP). In addition to this, in January 2021 the York Small Business Enterprise Centre (YSBEC) launched the Northern York Region Professional Services Access program. This provides specialized advisory services with experts from a variety of business services including legal, sales, marketing and accounting.

Other activities will be developed based on feedback and input from members of the BRSP.

Economic research and analysis activities will continue to prioritize COVID-19 economic impact and recovery data

The Economic Strategy division routinely undertakes economic and business research and analysis to inform and guide business advisory services, business investment and attraction marketing, partner support and economic development strategic planning. Staff also provide

on-demand support to local municipal economic development offices with regional business data needs as well as to external economic development stakeholders.

Research initiatives include tracking information on third-party COVID-19 economic impact surveys and studies and monthly reporting of York Region's Labour Force Survey indicators via the [economic development Newsletter](#). The team also conducted a study of the impact of COVID-19 on York Region's commercial office and industrial real estate market. The study revealed that while some employers may be shifting to work-from-home on a long term basis, office market in York Region has yet to see a substantial increase in vacancy rates and fared relatively better than other GTA jurisdictions. The full impact of the pandemic on the local office market, however, may take years to play out. On the industrial side, York Region's real estate market continued to show strength in 2020, driven by increased demand for warehousing and distribution space as a result of COVID-19 impact on e-commerce and logistics.

Regional economic development marketing and communications through York Link supports economic recovery and business growth

York Region's 2020-2023 Economic Development Action Plan calls for expanding the [York Link](#) marketing platform to communicate with the local business community and continuously promote York Region as a leading destination for business, innovation, and talent. The York Link marketing platform was originally focused on promoting York Region as a destination of choice for knowledge-based employers in and around the Region's centres and corridors. Since January 2021, York Link was expanded to be the primary information source for York Region's Economic Strategy division. It promotes the Region as the place "Where Talent and Opportunity Intersect" and includes the [Innovation Portal](#), York Small Business Enterprise Centre and Agriculture & Agri-Food sector webpages.

York Link continues to provide awareness during the COVID-19 pandemic. It is a recognized brand within the business and economic development community across the GTA with over 25,000 followers across four social media channels, 2 million content views annually and 15,000 e-newsletter subscribers. Together with York.ca, communication through the York Link website, social media channels and the newsletter provide the business community with key information during COVID-19 to help find support.

Targeted promotional initiatives support strategic industry sectors in York Region

Marketing and promotion of the local technology sector remains a priority considering York Region's position as home to the second largest cluster of Information and Communications Technology companies in the Greater Toronto Area, Ontario and Canada. In April 2021, York Region participated in the 'Collision From Home' virtual technology conference through a [Masterclass](#) activation. York Region's 30-minute production featured subject matter experts from across the Region highlighting the advantages of the Greater Toronto Area and York Region, the local start-up support ecosystem, and corporate considerations for setting up a local business.

Support for innovation and talent attraction continues to be a priority for continued economic growth in York Region

York Region recognizes the importance of innovation in ensuring economic prosperity. This is exemplified by Council supporting the expansion of the York University campus in Markham and ongoing funding of ventureLAB.

In 2019, the York Region Innovation Investment Reserve Fund was established to support transformational projects of regional significance, such as new post-secondary training and research facilities, research institutions, centres of excellence or transformative infrastructure projects directly related to innovation and utilization of new technologies. An initial investment of \$1,000,000 was approved by Council for 2019 and 2020.

York Region is actively engaged with delivery of the [York Region Food and Beverage Accelerator](#) program at [YSpace](#) – York University’s entrepreneurship hub, and the [Seneca HELIX](#) on campus incubator. Since 2019, ventureLAB has been engaged as the delivery partner for the [York Region Entrepreneurship and Innovation Fund](#), which drives innovation and entrepreneurship throughout the Region by supporting high potential initiatives from early stage start-ups, accelerators, incubators and community partners. Outcomes from the partnership with ventureLAB are included in the [April 2021 Council report](#). The report highlighted Tech Undivided and the Hardware Catalyst Initiative as significant programs receiving Federal support and delivering impact in the community.

York Region also developed an [Innovation Portal](#) that serves as an online hub for York Region’s innovation and start-up network. The Portal includes start-up resources, events, stories on business leaders and additional exciting news from the innovation network in York Region. The Portal includes a job board delivered in collaboration with the Workforce Planning Board of York Region. The Region is the designated referral partner for the Federal government’s Global Skills Program and will continue to assist local companies attract highly skilled international talent.

5. Financial

All costs associated with program delivery are included in the approved Planning and Economic Development Branch budget, except the Innovation Investment Fund which has been approved by Council and established as a corporate reserve account.

The Planning and Economic Development budget and Innovation Investment Fund will be used to leverage funding from other levels of government and other public and private partners to maximize results and economic impact

6. Local Impact

Local municipalities are key delivery partners of the Region’s Economic Strategy program. The goals and actions developed in the 2020-2023 Economic Development Action Plan are

designed to complement local strategies, initiatives, and messaging. Several local municipalities have updated economic development plans.

The Region and local economic development offices meet multiple times per year and work together on program development, delivery of events and joint client servicing when appropriate.

7. Conclusion

While the COVID-19 pandemic is having a negative impact on the Canadian, Ontario and York Region economies, the Region continues to be an attractive place for residents and businesses to locate and invest. The Region, in partnership with local municipalities and other economic delivery partners will continue to deliver core business supportive programs.

During COVID-19, the BRSP will continue to be a vehicle for developing programs and sharing activities to benefit businesses across the Region.

For more information on this report, please contact Jonathan Wheatle, Director of Economic Strategy at 1-877-464-9675 ext. 71503. Accessible formats or communication supports are available upon request.

Recommended by:



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May 28, 2021
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