

City of Guelph - *Prosperity 2020*



Phase 2: Strategic Directions for Economic Development and Tourism



In association with:
Lynn Morrow Consulting

March, 2010

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Phase 2: Strategic Directions for Economic Development and Tourism

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EXECUTIVE SUMMARY

Prosperity 2020 – Strategic Directions for Economic Development and Tourism has been prepared in response to Goal 3 of the City of Guelph’s Corporate Strategic Plan: to build “ A diverse and prosperous local economy”. The Corporate Strategic Plan itself provides the City’s road map to achieving its vision “*To be the City that makes a difference...Acting locally and globally to improve the lives of residents, the broader community and the world.*”

Prosperity 2020 defines the strategic directions recommended to sustain and enhance Guelph’s position as a competitive and prosperous location for private and public sector investment over the period to 2020. It has been developed through a process of baseline analysis, stakeholder consultation, discussion and synthesis. The first has been documented in an accompanying Phase 1: Economic Base Analysis Report. Consultation has included workshops with stakeholder groups and discussions with the Guelph Economic Development Advisory Committee, City Council and senior staff, and the Mayor’s Task Force on the Economy. A survey of business people’s views was distributed to over 900 firms, and elicited 144 responses. This input and analysis form the foundations for the directions recommended for *Prosperity 2020*.

The Urgent Need for Action and Investment

A number of factors both external and internal to Guelph bring urgency to the need for the City to act on new strategic directions for economic development and tourism. In essence, investment in economic development and tourism targets the creation of future revenue streams to the public and private sectors, available for re-investment in other programs and in compounding employment growth. Globalization and economic change are making the world an ever-more competitive place. As other localities invest in economic development and tourism, so must Guelph, if only to maintain its competitive profile and position.

The rapid rate of change in the external environment demands a rapid response to improving Guelph’s position in the global marketplace. Inaction, or slower or partial responses to action needs will only mean that Guelph falls behind, and becomes less capable of achieving its aspirations.



Emerging trends and local issues argue Guelph has significant work to do to improve its competitiveness. The City is not seen as particularly welcoming or friendly to business. It is not top-of-mind as a centre for business or innovation as compared to, for example, a Waterloo or Markham. With a number of entities engaged in business development in different sectors and no clear divisions of responsibility, senior governments are unsure as to where to direct enquiries or initiatives. Guelph becomes a more difficult and less compelling place in which to invest as a result.

The rate of change and the competitive demands of the external environment, and the contrast between where Guelph needs to be and where it is today means the City has to move quickly to transform itself. Further investment in and focussed efforts towards economic development and tourism are urgently required if the City is to achieve its vision and economic objectives.

Guelph Today



The Economic Base Analysis identified sources of competitive advantage and disadvantage for the City. The former includes many assets with which to support further development of Guelph's economy:

- Commitment to leadership, innovation and sustainability;
- Location and accessibility;
- Available employment land;
- A well-educated, skilled and lower cost labour force;
- Presence of the University of Guelph and Conestoga College;
- Emergence of more diverse industrial sectors; and
- Civic and tourism assets.



The City's economic potential is also constrained by several competitive disadvantages:

- An employment structure and labour force with very heavy concentrations in the struggling manufacturing sector and in education;
- Employment growth lags population growth;
- Higher tax and impending (2014) Development Charges costs;
- Lagging ethnic diversity;
- Limited reach of tourism assets; and,
- Onerous City requirements on top of the growing set of other regulatory hurdles.

Strategic Directions

Consideration of the above issues, trends and needs resulted in initial drafts of a set of strategic directions with which to achieve the City’s vision and objectives. These were refined through further discussion with City Council and senior staff, and with the Guelph Economic Development Advisory Committee and the Mayor’s Task Force on the Economy.

The recommended strategic directions for economic development and tourism define one over-arching goal and seven areas of supporting focus, as summarized graphically on the next page. They are organized as discrete but nonetheless mutually reinforcing directions. Each has supporting goals and objectives, and recommended initiatives to guide subsequent development of more specific implementing action plans. Most require new levels of engagement and collaboration with partners and stakeholders both within and beyond the City of Guelph. The recommended strategic directions are:

GOAL: DIVERSIFY GUELPH'S ECONOMY

STRATEGIC DIRECTIONS:

- 1.1 *Focus Investment and Growth: target sustainable competitive advantage in selected business sectors;***
- 1.2 *Re-position Guelph: as a premier business investment location;***
- 1.3 *Invest in People and Ideas: make Guelph a community of choice for talent of the future;***
- 1.4 *Invest in Hard and Green Infrastructure: support and maximize economic benefit;***
- 1.5 *Invest in Tourism: develop new tourism products and experiences and establish a destination marketing presence;***
- 1.6 *Invest in the Downtown: target icon status for a vibrant, transit connected, mixed use centre; and***
- 1.7 *Strengthen Governance, Profile and Reach: clarify responsibilities, collaborate with partners and reach out to more distant markets.***

Figure A: Prosperity 2020 – Strategic Directions for Economic Development and Tourism

DIVERSIFY GUELPH'S ECONOMY



* Related studies or initiatives that are already underway

Priorities

The elements supporting the recommended strategic directions are prioritized on the basis of their relative importance, urgency and required effort or investment. Highest priority elements occur in five of the seven directions, and are most concentrated in strengthening governance, profile and reach (Direction 7), as follows:



1. Focus Investment and Growth:

- 1.1 Focus economic development investment on growth sectors.

2. Re-position Guelph:

- 2.1 Identify and implement "business friendly" initiatives; and
- 2.2 Establish a one-window approval process with clear timelines.

5. Invest in Tourism:

- 5.1 Define an effective tourism management model for Guelph in the context of a larger Regional Tourism Organization.

6. Invest in the Downtown:

- 6.1 Target the Downtown as a preferred location for new University or College space requirements; and
- 6.2 Promote the Downtown as a strong location for information and technology businesses.

7. Strengthen Governance, Profile and Reach:

- 7.1 Restructure/re-purpose the City's Economic Development Advisory Committee;
- 7.2 Establish protocols to define lead agencies and responsibilities;
- 7.3 Establish new regional economic development partnerships and business cluster initiatives; and
- 7.4 Increase collaborative engagement with senior government and other organizations.

The full set of prioritized elements are summarized in Figure B. Several of the directions include elements recommending the integration of successes and new directions back into City branding and marketing materials. These are seen as ongoing efforts that should occur as a matter of course in annual planning cycles, and so do not have a particular priority attached to them.

It should also be stressed that the recommended priorities will need to be assessed by staff, and that an apparently low priority score (e.g., on element 4.1) should not be taken to imply that the City does not have to invest today to (for example) make employment lands available when the market needs them.

Next Steps

To implement the Strategic Directions for Economic Development and Tourism , it is recommended that staff be directed to develop a detailed business / work plan that would:

- Define detailed action plans / tasks to implement the recommended strategic directions in accordance with the suggested priorities;
- Identify appropriate timelines to implement the recommended strategic directions;
- Identify the respective role(s) and responsibilities of both the City of Guelph and other organizations (internal and external) to implement the recommended strategic directions;
- Identify resources (financial and human) necessary; and,
- Establish performance measures to ensure the strategy is a success.

Defining action plans to implement the recommended directions, in accordance with the suggested priorities, is expected to give a strong push to Guelph’s progress towards its vision *“to be the city that makes a difference...acting locally and globally to improve the lives of residents, the broader community and the world,”* and its supporting goal, to develop *“a diverse and prosperous local economy.”*

Its successful implementation will require commitment, focussed action and investment of both cash and thought into how best to leverage the many assets, on-going programs and creative energies already present in the City.

Success will also require community support and better alignment of City services and approval processes to reduce barriers to and foster synergies in economic development and tourism.

PHASE 2: STRATEGIC DIRECTIONS FOR ECONOMIC DEVELOPMENT AND TOURISM

Figure B: Prosperity 2020 – Priorities

Recommended Direction	Prioritization			
	Priority Rating	Importance	Timing	Effort
1.1 Focus economic development investment on growth sectors	A	1	1	1
2.1 Identify and implement "business friendly" initiatives	A	1	1	1
2.2 Establish a one-window approval process with clear timelines	A	1	1	1
5.1 Define an effective tourism management model for Guelph in the context of a larger Regional Tourism Organization	A	1	1	1
6.5 Target the Downtown as a preferred location for new University or College space requirements	A	1	1	1
6.6 Promote the Downtown as a strong location for information and technology businesses	A	1	1	1
7.1 Restructure/re-purpose the City's Economic Development Advisory Committee	A	1	1	1
7.2 Establish protocols to define lead agencies and responsibilities	A	1	1	1
7.4 Establish new regional economic development partnerships and business cluster initiatives	A	1	1	1
7.5 Increase collaborative engagement with senior government and other organizations	A	1	1	1
1.2 Develop detailed sector strategies	B	1	2	1
1.4 Support transitions in manufacturing	B	1	2	1
2.5 Articulate the importance and benefits of strong business investment	B	2	1	1
2.6 Re-frame debate in Guelph to focus on common interests, paths and action forward	B	2	1	1
3.3 Promote and facilitate a stronger Community College presence in Guelph	B	1	1	2
5.5 Collaborate with the University of Guelph to leverage tourism infrastructure and programs	B	1	2	1
6.1 Continue to follow through on the City's investments in improving the Downtown	B	1	1	2
6.4 Identify and promote potential residential development sites Downtown	B	1	2	1
7.3 Determine how to best structure marketing, development and local coordination efforts and implement the preferred solution	B	1	2	1

Figure B: Prosperity 2020 – Priorities (continued)

Recommended Direction	Prioritization			
	Priority Rating	Importance	Timing	Effort
1.3 Establish commercialization and capitalization networks	C	1	2	2
2.3 Develop and implement a Business Retention and Expansion Program (BR+E)	C	1	2	2
3.1 Establish a Guelph Workforce Development Council	C	1	2	2
3.2 Identify Workforce Development Strategies	C	1	2	2
3.4 Support and celebrate risk-taking and entrepreneurship in science, business and the arts	C	2	2	1
3.5 Implement best practice models for small business and innovation support	C	1	2	2
4.2 Identify, prioritize and promote investment in community infrastructure	C	1	1	3
4.3 Promote the adoption of Community Energy Plan initiatives by business	C	1	2	2
4.4 Investigate programs and incentives to support the adoption of LEED standards on employment lands	C	2	2	1
5.2 Develop programs and projects building on themes identified in the Premier-ranked Tourist Destination Project and in which Guelph can achieve sustainable competitive advantage	C	1	2	2
5.3 Brand and position Guelph with assistance and input from tourism industry partners and stakeholders	C	1	2	2
5.6 Promote the importance of tourism to the City	C	2	2	1
6.2 Market the Downtown to attract and retain business and jobs	C	2	2	1
7.6 Establish how to expand on the City's brand to best promote Guelph	C	2	2	1
7.7 Increase Guelph's profile to business through greater use of the web and social media	C	2	2	1
4.1 Implement the recommendations of the Guelph Employment Lands Strategy	D	2	2	3
5.4 Develop sector-specific marketing strategies	D	2	2	2
6.3 Program the Downtown to enhance its role as a centre of civic life	D	2	2	2
1.5 Feed success stories back into messaging and imagery supporting the City's brand				
2.7 Incorporate demonstrations of "business friendliness" into City branding and marketing				
3.6 Feed success stories back into messaging and imagery supporting the City's brand				
4.5 Incorporate achievements in infrastructure development into economic development and tourism marketing				
6.7 Celebrate and promote successes in the Downtown				

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1.0

INTRODUCTION

In 2007 the City of Guelph adopted an ambitious vision—*“To be the City that makes a difference...Acting locally and globally to improve the lives of residents, the broader community and the world.”* - a vision that underpins the *Prosperity 2020* initiative.

The City’s 2007 Corporate Strategic Plan describes six goals. Goal 3 targets *“a diverse and prosperous local economy.”* To achieve that goal and its strategic objectives, the city committed to defining an Economic Development and Tourism Strategy, called *Prosperity 2020*. *Prosperity 2020* is about sustaining and enhancing the City of Guelph’s position as a competitive and prosperous location for private and public sector investment.

Economic change and a rapidly evolving competitive landscape have brought Guelph to a crossroads. The City must reassess its competitive position and prepare a strategy for finding a new economic equilibrium within the *Prosperity 2020* timeline.



Looking back, Guelph has been very successful in attracting private and public investment to the City. Automotive parts suppliers and other manufacturers established themselves and flourished. The University of Guelph developed into a Canadian institution with global reach, offering exceptional research and programs in agriculture management and animal, food and environmental sciences. If past successes were a reasonable predictor of the future, Guelph would emerge from this economic recession well positioned to attract the private and public investment required to prosper. Growth forecasts call for the City to accommodate approximately 1,300 jobs and 2,150 new residents per year during the implementation of *Prosperity 2020*.

But today's economy gives no guarantees. As is often stated, the pace of change is accelerating, and so is the speed with which competitors move. Ensuring that the forecast employment growth occurs, and optimizing its benefits to the City, demands that Guelph do everything it can to actively shape the conditions that will sustain growth. This demands that the *Prosperity 2020* Strategy is visionary and transformational. It must define the path forward to 2020 and beyond. Ultimately, the Strategy must define economic objectives, prioritize strategic initiatives, and identify the contributions expected of key stakeholders.



1.1 Objectives

The objectives of this Strategy are to:

- Bring synthesis and structure to the key issues, challenges and opportunities confronting Guelph, as identified through the Phase 1 Economic Base Analysis and stakeholder consultation;
- Outline the directions, goals and objectives proposed for strategic response to these conditions; and

- Outline an implementation plan that prioritizes actions over a ten year time period.

In order to bring high level guidance to the *Prosperity 2020* strategy, the Mayor’s Task Force on the Economy (MTF) was established by Mayor Karen Farbridge. The MTF is a small cross-section of community leaders representing the private, non-profit and public sectors. The MTF is challenged to ensure *Prosperity 2020* fulfills four principles:

1. Ensure Guelph takes full advantage of our economic, educational and cultural strengths, assets, resources and opportunities to create an enhanced knowledge-based economy;
2. Identify ways to build on Guelph’s reputation in order to attract new businesses, diversify, build resilience for periods of economic volatility, and position Guelph as the place to invest when the economy recovers;
3. Identify strategies to recruit, retain, and develop talented people and support entrepreneurship to fuel our economy; and
4. Demonstrate a sense of urgency, bring leaders together, and recognize that intelligence sharing is key to our economic future.

Further articulation of the MTF’s Statement of Principles, and the list of Task Force members are provided in Appendix A.

1.2 Report Structure

The remainder of the report is divided into four sections, organized as follows:

Section 2.0 – Need for Action and Investment in Economic Development presents the leading global trends affecting the economy, presents perceptions of Guelph and stresses the important need to act and invest in economic development.

Section 3.0 – Foundations for Economic Development and Tourism presents key findings of the ‘Phase 1 Economic Base Analysis Report’ as well as a summary of the stakeholder consultations, as the foundations for defining the economic development and tourism strategic directions for the City of Guelph.

Section 4.0 – Strategic Directions for Economic Development and Tourism presents the goals, objectives and strategic directions Guelph, as supported by the consultants’ synthesis of the key issues/ opportunities that must be addressed by the City.

Section 5.0 – Implementation Plan identifies and recommends priorities for strategy implementation.

2.0

THE NEED FOR ACTION AND INVESTMENT IN ECONOMIC DEVELOPMENT AND TOURISM

A number of factors both external and internal to Guelph bring urgency to the need for the City to act on a new economic development and tourism strategy. In essence, economic development is an investment in future revenues to the public and private sectors, available for re-investment in other programs and in compounding employment growth. Globalization and economic change are making the world an ever-more competitive place. As other localities invest in economic development, so must Guelph, if only to maintain its competitive profile and position. The rapid rate of change in the external environment demands a rapid response to improving Guelph's position in the global marketplace. Inaction, or slower or partial responses to action needs will only mean that Guelph falls behind, and becomes less capable of achieving its aspirations.

2.1 The Importance of Economic Development and Tourism

Economic development can be simply defined as investment in efforts to retain and attract employers, attract tourist visitors, and increase local employment and prosperity. It is considered important because the role and contributions of trade and business in a community are central to its viability, vitality and sustainability. Economic wealth is created through the production of goods, services and ideas that can be sold to buyers in other locations. Tourist attraction brings dollars earned elsewhere into the community. The income produced is distributed through and supports the larger economy, its tax payments to local and senior governments, and their respective re-distributions.

The role of trade and business in a community can be lost in the noise of other pressures and imperatives. It is fundamentally important to community vitality for a number of reasons:

- It generates wealth and employment, opportunities for work for the un- or under-employed, and for youth who might prefer to stay in their home community;
- Its contributions to the municipal tax levy lessen the tax burden on residential rate-payers. In Guelph, business accounts for 14% of total tax assessment but provides 35% of total tax revenue. A richer revenue base enhances the community's range of choices between tax reductions and investment in fulfilling other requirements and aspirations for, for example, better social, recreational or cultural programs that feed back into community health and attractiveness to business and tourists;
- Its corporate and individual philanthropy is vital to community, social and cultural institutions and programs, whether for sports league sponsorships and promotional profiles, membership in community service clubs, United Appeal drives or support for the arts.

Economic development is fundamentally focussed on attracting and retaining business and institutions in a community, and on making the community a compelling place to be for employers and for the labour pools they depend on. It is competitive in that other communities have similar goals and are investing to realize them. Success in economic development will accrue to those communities best able to create a compelling set of reasons for business, institutions and talent to stay or locate there. As the economy evolves, success will accrue to those places offering competitive advantage for the employment sectors expected to grow into the next economic cycle or era.



Tourism development focuses on creating a compelling mix of attractions and supporting services, and targeted marketing programs, to increase visitation to the community. It too is competitive in that there are many destination options and many communities investing in trying to attract the same tourists. Success not only creates new revenues, but exposes visitors to Guelph's attractiveness as a place to live or invest, and supports facilities and events that enhance residents' own quality of life (e.g., performance venues, entertainment options).

Investment in economic development generates returns to the community, both directly and indirectly. Direct returns flow from new business attraction, retention of existing, and growth by both – all contributing to the City’s employment and assessment bases and better opportunities for all residents. Indirect returns accrue from such outcomes as improved live-work commuting relationships, attendant reductions in carbon footprints, and improved quality of life.

2.2 The External Operating Environment

Evolution in the operating environment external to Guelph is heightening the need for focussed action and investment by the City. Some of the more challenging factors are outlined below.

Globalization of capital and information flows is resulting in competition on a global scale – competitors are everywhere, and decisions about new business locations can consider any number of alternatives around the globe. As well, the western world’s growing dependence upon the talent pool migrating from developing countries means places are also competing for selection by migrants as a preferred destination.

Globalization further means that wealth creation in the developed world will need to rely more and more on adding value through innovation and the commercialization of intellectual capital. Production, even in service and knowledge-based industries, is moving to lowest cost locations in the developing world. The rate of change is itself accelerating, meaning that the speed with which business and other actors must move to position themselves is accelerating as well. Guelph must move at the same pace or fall behind.

The movement to sustainability and “green industry” and the number of places around the world targeting being “the greenest” also means that if Guelph is to stand out as a place making a difference, and being a preferred location for business and talent, it must select niches in which it can distinguish itself and dominate. The rate at which other places are advancing their positions increases the pressure on Guelph to be advancing its own, quickly.

City-regions (vs. nations or states or provinces or individual municipalities) are becoming a more important scale at which clusters and competitive advantage are created. Integration and collaboration with entities engaged in promoting and improving advantage at that scale is becoming a more important part of local municipal economic development efforts. Guelph needs to be aligning itself with these regional entities.

As senior governments are getting more engaged with innovation and commercialization and flowing greater amounts of funding in support, competition for these funds is itself increasing. Those locales or clusters which demonstrate a better ability to leverage that funding will be seen as lower risk, better return bets. They will inevitably attract more funding, and the talent and value added growth that will follow. Guelph needs to ensure it is on the ‘A’ list.

The tourism marketing framework in Ontario is in a state of transition. A new geography of Regional Tourism Organizations has been defined as an outcome of the province’s 2009 Tourism Competitiveness Study. The make-up and nature of the entities managing tourism development in Guelph’s region is still being defined through 2010. Guelph must ensure that its own needs are met through this evolution.

As other locales invest in economic development to attract growth, new business, new labour pools and new visitors, Guelph must do the same just to maintain its position. Standing out as a preferred destination for investment, location and travel decisions requires greater investment and commitment to execution of focused strategies. Given constrained resources, it also requires efficiency, integration and collaboration to ensure that money spent fulfils multiple objectives, as effectively as possible.

2.3 Perceptions of Guelph

Against the backdrop described above, observations emerging from stakeholder consultations through the course of this and the recently completed Strategic Plan for the Guelph Agri-Innovation Cluster are pointing to trends and issues that argue Guelph has significant work to do to improve its competitiveness. Most of these are described in Section 4 of the Strategy document. Those that highlight the need for action now are outlined below.

Guelph’s population has been growing at a faster rate than its employment growth since 2001. As a proxy for assessment growth, this indicates that the relative tax burden is shifting more to the residential ratepayer. The outcome is that choices about investing in social, recreational and cultural programs become more constrained, as does the municipal corporation’s ability to invest in quality of life for its constituents.

Further, Guelph is not seen as particularly welcoming or friendly to business. Its profile is more of a green and granola-esque City, as likely to oppose vs. welcome new businesses. It is not top-of-mind as a centre for business or innovation as

compared to, for example, a Waterloo or Markham. The University and its sports events is the only tourist attraction pulling visitors from beyond local markets.

Similarly, with a number of entities in Guelph engaged in business development in different sectors and no clear divisions of responsibility, senior governments are unsure as to where to direct enquiries or initiatives. Guelph becomes a more difficult and less compelling place in which to invest as a result.

2.4 Need for Action and Investment

The rate of change and the competitive demands of the external environment, and the contrast between where Guelph needs to be and where it is means the City has to move quickly to transform itself. The strategy recommended for achieving this transformation is described in Section 4. Its successful implementation will require commitment, focussed action and investment of both cash and thought into how best to leverage the many assets, on-going programs and creative energies already present in the City.

Success will also require community support and better alignment of City services and approval processes to reduce barriers to and foster synergies in economic development and tourism.

2.0 THE NEED FOR ACTION AND INVESTMENT IN ECONOMIC DEVELOPMENT AND TOURISM

3.0

FOUNDATIONS FOR ECONOMIC DEVELOPMENT AND TOURISM

Definition of *Prosperity 2020*'s Strategic Directions for Economic Development and Tourism has been preceded and informed by a Phase 1 Economic Base Analysis and a stakeholder consultation program. The Phase 1 report describes and interprets the context and foundations shaping economic growth prospects for the City. It identifies the business sectors driving economic growth to 2006 (most current Census information), those expected to continue to do so into the future, and the City's competitive advantages and disadvantages.

Stakeholder consultation provided insight and wisdom from Guelph's community leaders and other key stakeholders as input to the formulation of directions and strategy for *Prosperity 2020*. It included input from focused dialogue—with the Guelph Economic Development Advisory Committee (GEDAC), the Mayor's Task Force on the Economy, Council and Senior Staff, three stakeholder workshops, and an online survey sent out to over 900 business leaders.

Key points and messages from these two streams of effort are summarized below.

3.1 Economic Base Analysis

Baseline Conditions provide insights into the current employment structure and growth prospects in Guelph:

3.1.1 Baseline Conditions

Regional Employment

Statistics Canada data for July 2009 show the unemployment rate to have risen in the Kitchener-Waterloo-Barrie Economic Region, which includes Guelph, over the previous year. The unemployment rate rose from 5.9% in July 2008 to 9.3% in 2009. Notwithstanding this increase, the region still had a 2009 rate lower than the 9.8% recorded for the province as a whole, but higher than the national rate of 8.6%.

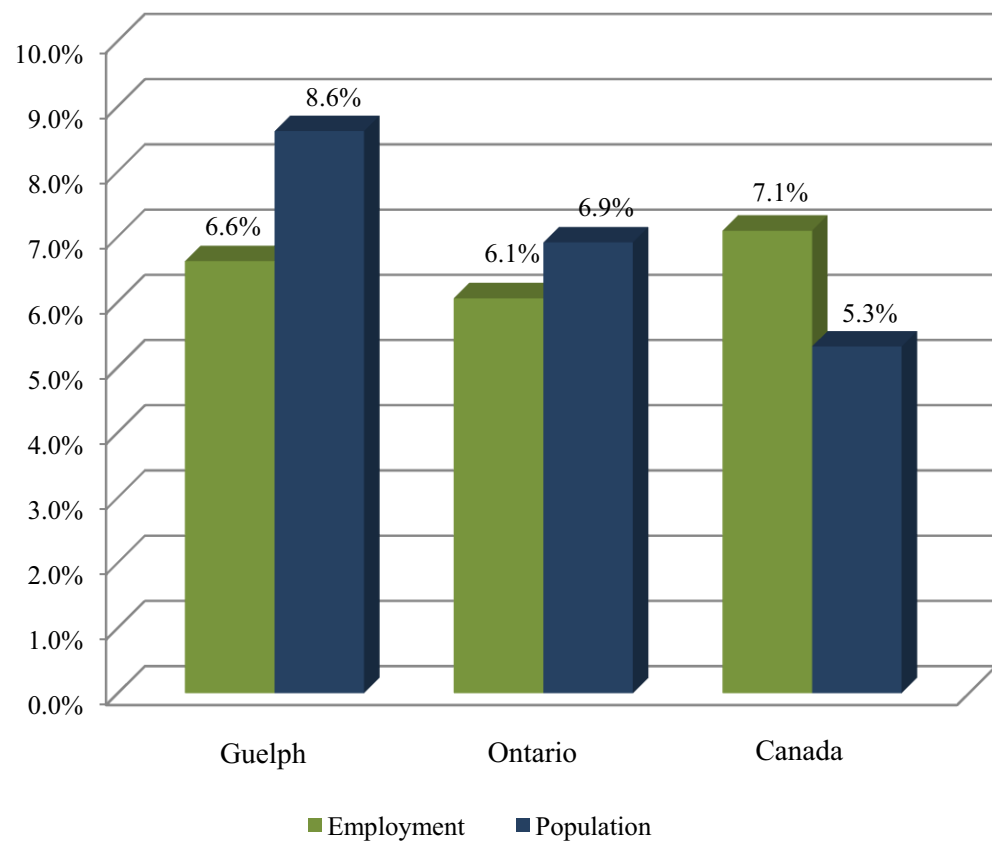
Much of the rise in unemployment has been driven by contraction in the construction, manufacturing and building and other support services (e.g. appraisal services) industries and the increase in unemployed youth between the ages of 15 to 24 years of age.

Guelph's Future Growth Expectations and Recent Experience

In 2006, 119,950 people lived in Guelph and 66,460 jobs were located in the City. By 2031, the City's population and employment are forecast to increase to 175,000 residents (46% increase over the period) 100,390 jobs (51% increase over the period).

Over the 2001 to 2006 period, Guelph saw its population grow by 8.6%, versus employment growth of a lesser 6.6% (Figure 3.1).

Figure 3.1: Population versus Employment Growth, 2001 – 2006



Source: Statistics Canada, 2006.

Employment Structure

Activity rates indicate the relative strength of employment in a community compared to its population. An activity rate of 0.5 is a target figure for many municipalities as it shows the community to have one job for every two residents. Guelph's activity rate is 0.55, significantly higher than Ontario's 0.440 and Canada's 0.439.

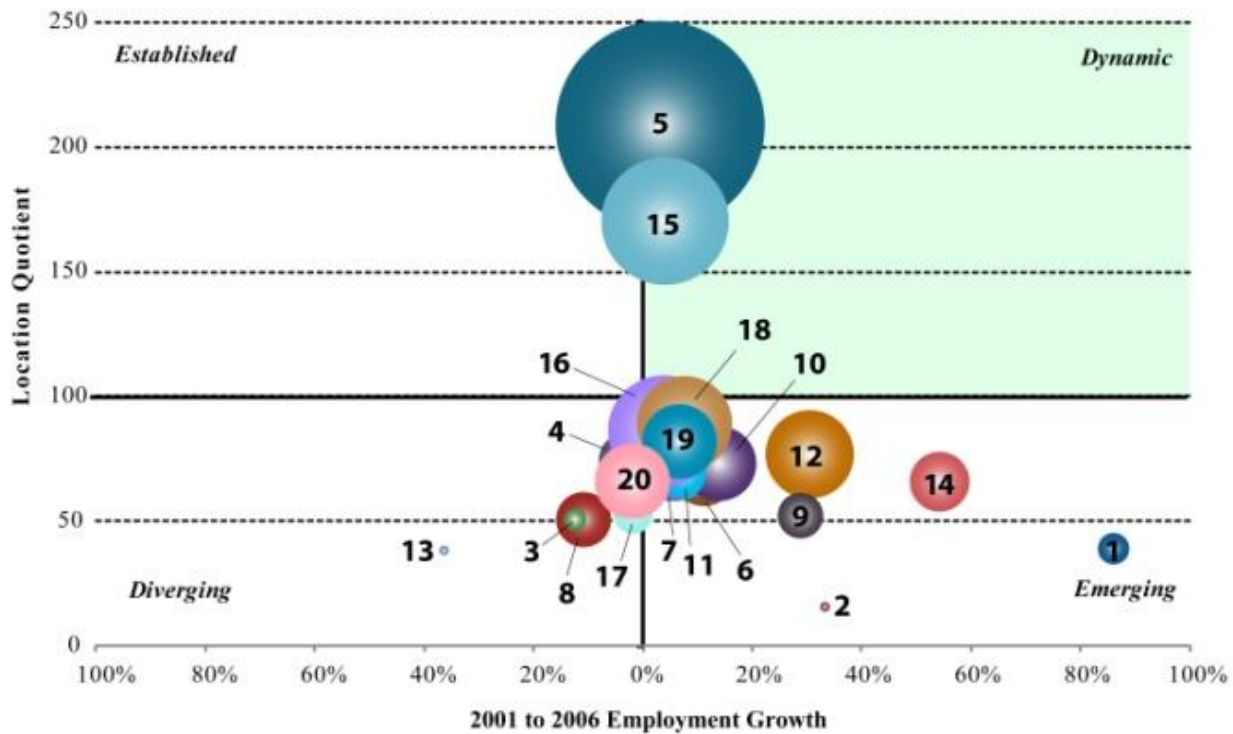
A comparison of Guelph's employment structure to that of Ontario, coupled with analysis of employment growth rates by sector over the 2001 – 2006 period highlights areas of employment concentration and growth in the City (see Figure 3.1). Guelph has very high proportions of its total employment concentrated in the Manufacturing and Educational Services sectors. These respectively provide 31% and 12% of employment in the City, or more than 2.1 and 1.7 times the provincial average.

While employment in a number of industry sectors is increasing in Guelph, the four with the highest growth rates between 2001 and 2006 were:

- Administrative and Support, Waste Management and Remediation Services Industries;
- Agriculture, Forestry, Fishing and Hunting Industries, driven largely by support activities for agriculture;
- Professional, Scientific and Technical Services Industries; and
- Information and Cultural Industries which include publishing and telecommunications companies and internet service providers.

The growth rates for the latter two are particularly interesting in that the former is an especially important part of any technology-related cluster and the second a leading example of growth into new communications content and delivery services. Both are core “knowledge industries”.

Figure 3.2: Employment Concentration and Growth Relationships



- 1. Agriculture, forestry, fishing and hunting
 - 2. Mining and oil & gas extraction (i.e. aggregate extraction)
 - 3. Utilities
 - 4. Construction
 - 5. Manufacturing
 - 6. Wholesale trade
 - 7. Retail trade
 - 8. Transportation and warehousing
 - 9. Information and cultural industries
 - 10. Finance and insurance
 - 11. Real estate and rental and leasing
 - 12. Professional, scientific and technical services
 - 13. Management of companies and enterprises
 - 14. Administrative and support, waste management and remediation services
 - 15. Educational services
 - 16. Health care and social assistance
 - 17. Arts, entertainment and recreation
 - 18. Accommodation and food services
 - 19. Other services (except public administration)
 - 20. Public administration
- High Growth and High Location Quotient Quadrant

Commuting Patterns

Three-quarters of the jobs held by Guelph’s labour force (75%) are located in the City. The highest percentages by sector occur in the Accommodation and Food Services (87%) and Retail Trade (82%) industries. Lower percentages occur in the City’s Wholesale Trade (50%) and Transportation and Warehousing (54%) industries. Labour force jobs located in Guelph for both the Manufacturing and Educational Services sectors are at the 80% level.

Labour Force Education Levels

Educational achievement differentiates Guelph from other communities. Of Guelph's population aged 15 years +, 15% have a Bachelor's degree. An additional 10% have a university degree above a Bachelor's. The comparative figures for Ontario are 13% and 8% respectively, and 12% and 7% for Canada.

Ethnic Diversity

While ethnic origins in Guelph have high representation by people citing heritage in the British or Western European countries, common source regions for new immigrants to Canada are Asian and Pacific Rim countries. Only 14% of Guelph's residents are considered visible minorities, significantly less than the 23% recorded for the Province of Ontario in 2006 and the 16% recorded for Canada.

Investment

Building permit activity indicates the City's success in attracting investment in the residential, commercial/industrial and institutional sectors. Guelph has accommodated substantial residential investment, with construction values ranging from \$126.7 to \$142.8 million annually over a the 2005 – 2008 period.

Private and public sector investment in non-residential sectors has been more variable. Industrial construction was \$63.2 million in 2007 and \$19.3 million in 2006. Commercial construction was very strong in 2006 at \$90.2 million. In the following two years commercial investment was approximately half of the 2006 value. Institutional construction was very strong in 2005 at \$86.6 million and strong again in 2008 at \$69.2 million.

In relation to other communities, Guelph has lower industrial development charges (DC's) over the short term; however, the City will lose this cost advantage during the implementation of *Prosperity 2020*. The industrial DC of \$44.32 per sq.m. has been frozen to March 1, 2011 and will then increase in increments to \$106.65 by 2014. Currently, Guelph has lower industrial development charge rates in comparison to Kitchener, Waterloo and Cambridge.

The City has a higher industrial tax rate than its neighbours and receives 35% of its tax revenue from the industrial/commercial tax base. Looking at the balance between the City's residential and industrial/commercial assessment base, Guelph's balance is very similar to neighbouring Kitchener and Waterloo at 85% residential and 15% commercial/industrial.

Guelph/Wellington County Tourism Sector

The Premier-ranked Tourist Destination report (P-rTD) concluded that Guelph and Wellington County together are still an emerging tourist destination. The University of Guelph was identified as a core attraction that can attract visitors from a long-haul market of five hours or more travel time, primarily through sporting events drawing visitors from across Ontario and Canada.

As described in the Baseline analysis report, travel statistics for 2007 show slightly more than 2.2 million people from Canada, the U.S.A. and other countries took overnight or same-day trips to Wellington County (including Guelph), representing about 2% of the total volume of tourism in the province. In 2007, about one-quarter (0.6 million or 27%) of all trips were made for “pleasure” and more than two-thirds (67%) were made to “visit friends and relatives.” Visitors to Wellington County spent in excess of \$188.0 million on transportation, accommodation, food and beverage, recreation / entertainment and retail.



The P-rTD study recommended that tourism development in the region target the following sectors for further growth:

- Outdoor/Nature/Scenic;
- Downtown Heritage;
- Entertainment/Sports;
- Festivals and Events;
- Campus/Educational; and,
- Agri-tourism (including Culinary Tourism).

Guelph has also enjoyed success in attracting the film industry to shoots in the City and its surrounding communities. In addition to their direct revenue and local employment benefits, success in attracting shoots to the City can also build free publicity, elevate the iconic status of local features and scenes, and help attract production support services employment.

3.1.2 Operating Context

The Operating Context describes the City of Guelph’s employment lands structure, servicing infrastructure plans to accommodate growth, and transportation network improvement plans for the movement of people and goods.

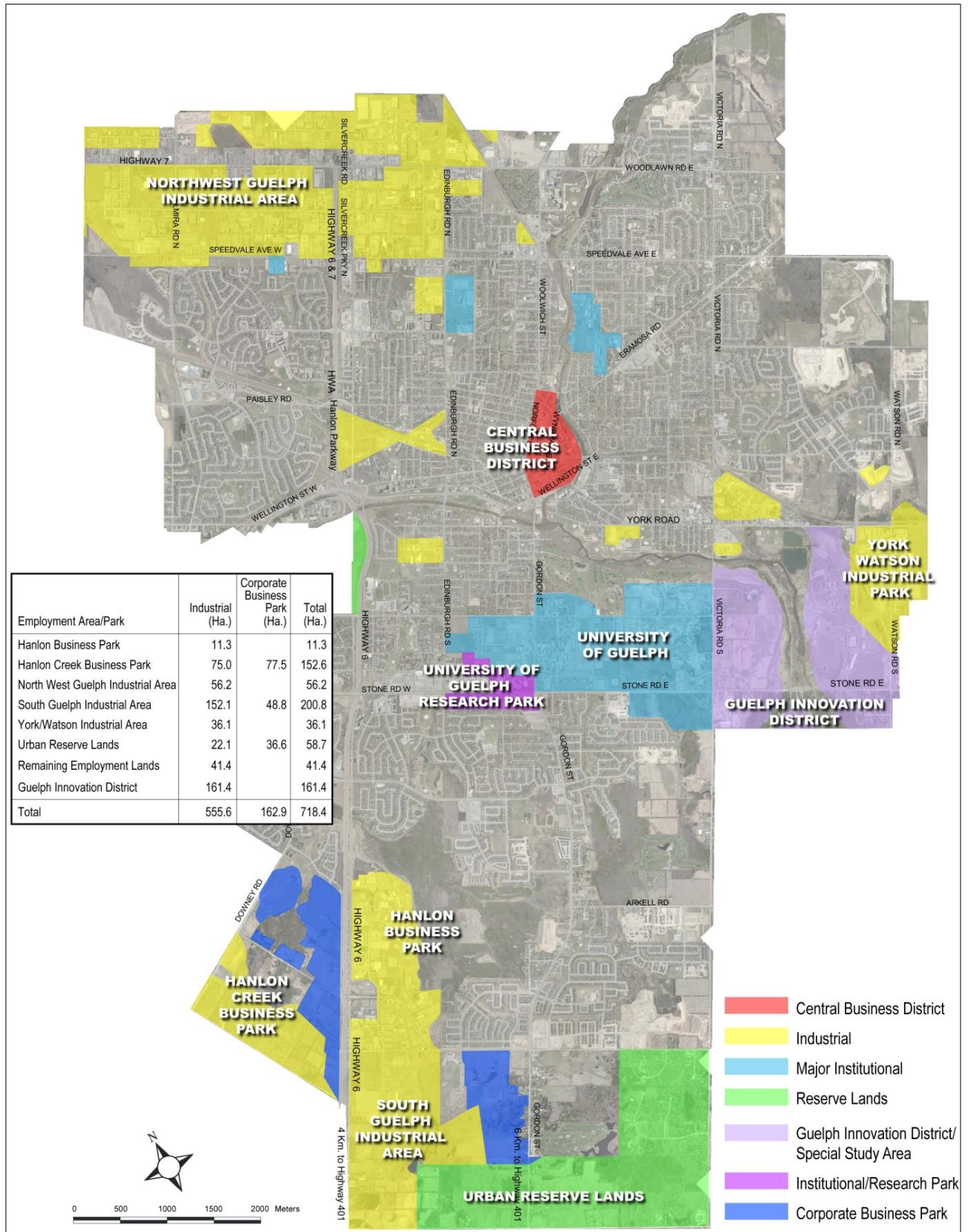
The City of Guelph has seven core employment areas. It has a net vacant developable employment land supply of 718 hectares of which the largest tracts are found in the South Guelph Industrial Area (48 hectares serviced), the proposed Guelph Innovation District (161 hectares not yet serviced) and the new Hanlon Creek Business Park (153 hectares scheduled to be serviced) (Figure 3.3).

Ongoing investment in municipal servicing infrastructure will be required if further employment growth is to occur. However, planned investments in water and wastewater treatment and distribution capacity indicate the City of Guelph is well positioned to service future growth areas during the implementation of *Prosperity 2020*.

Guelph benefits from a variety of transportation modes and is serviced by road, rail and air. The City has good access to Toronto Pearson International Airport and to the Waterloo Region International Airport. Guelph also has the City-owned Guelph Junction Railway providing freight service to local business. GO Transit is carrying out an EA study for extending GO rail service to Guelph and Kitchener.

Currently, transportation infrastructure improvements are contemplated by both the City and the province. Over the longer term, consideration of new transportation corridors linking the GTA to Guelph, and the Niagara region to the GTA possibly in proximity to Guelph indicate the city could come to enjoy a new strategic position at the nexus of these linkages.

Figure 3.3: Guelph's Employment Lands



3.1.3 Competitive Advantages and Disadvantages

Observations about Guelph’s competitive advantages and disadvantages indicated by the economic base analysis are that:

1. Guelph has many assets “in place” or in hand to support further development of its economy. These competitive advantages include:
 - Commitment to leadership, innovation and sustainability;
 - Location and accessibility;
 - Available employment land;
 - Well educated, skilled and lower cost labour force;
 - Presence of educational services sector;
 - Emergence of more diverse industrial sectors; and
 - Civic and tourism assets.

2. Guelph’s economic potential is also constrained by several competitive disadvantages:
 - Concentration in employment structure and the labour force;
 - Lagging employment growth;
 - Higher tax and impending (2014) Development Charges costs;
 - Lagging ethnic diversity;
 - Limited reach of tourism assets; and,
 - Onerous City requirements on top of the growing set of other regulatory hurdles.

3.2 Consultation Summary

The following sets out highlights drawn from the consultations based on common themes and consistent messages. These are extrapolated from the Consultation Summary Report, which includes a more fulsome overview of key messages, stakeholders’ perceptions of Guelph’s strengths and weaknesses, and the opportunities and challenges Guelph faces and participants’ vision of what Guelph should look like if the strategy is successful.



3.2.1 Key Messages

All stakeholders acknowledged the challenges posed by the current economy and the need for Guelph to diversify and move toward a more global marketplace.

Stakeholders recognized the nature of manufacturing and distribution is changing and manufacturing jobs of the future will be very different than today's jobs. We heard about the need to diversify and grow the manufacturing sector and about a gap in high end service jobs.

Stakeholders also spoke about the need to accelerate growth in partnerships. We heard about a disconnect among the province, business community and educational institutes and the need to build a common understanding and to align goals and objectives.

Consistently, stakeholders told us Guelph's economy was resilient with three strong sectors underpinning it—education (University of Guelph), government (federal and provincial presence) and industrial sectors. While participants said this diversity would help Guelph weather any economic downturn, we heard the industrial sector, which is currently skewed to the automobile sector needs to expand beyond a single primary firm. Some thought there is a disproportionate emphasis on manufacturing and educational services to the detriment of small business. However, the importance of the University of Guelph and to a lesser extent Conestoga College satellite campus to leverage opportunities was clear.

While there were variations among participants in each consultation there was considerable consistency about critical challenges: downtown revitalization, brand identity, infrastructure capacity, little appreciation for the role of business in the community, lack of commercialization, underutilized river system and lake, lack of local buzz, no unified tourism voice, no destination marketing fund, lack of demand generating attractions and high-end products, signature festivals and events, sustainable funding for festivals and events and things to see and do for children, reliance on Visiting Friends and Relatives market, absence of a festival and events policy and plan and long-term marketing plan and Guelph's absence in the global marketplace.

Similarly across all stakeholder groups, competitive advantages were seen in the strength of Guelph's agriculture sector, its critical mass of entrepreneurs, the local agri-food and innovation network and presence of the University of Guelph, access to labour and employment lands, Guelph's unique festivals and events, its strong arts and cultural presence and extensive trail systems, its highly educated

labour force, attractive quality of life, lower development charges than neighbouring communities, and proximity to major transportation routes.

Any list of opportunities to enhance competitiveness always included location, presence of the University of Guelph and the Conestoga College satellite campus, growth in “knowledge economy” industry sectors, potential “hub” relationship with the surrounding area, transportation corridor to link the northwest GTA with Guelph, continued investment in Guelph by private and public sector employers and strong agricultural presence to create a platform for culinary and agricultural related tourism.

When asked about challenges participants consistently told us about the current economic environment, lack of economic diversity with Guelph’s high concentration of employment in the manufacturing sector, strong competition in other jurisdictions that are well funded and organized, disconnect between public’s perception of being “green” and science, perception that Guelph is an over processed and business unfriendly location, industry fracture/self interest and the lack of cross sector fertilization/alignment across organizations.

Downtown Revitalization is Needed

With a great deal of agreement workshop participants and survey respondents indicated critical concerns with Guelph’s downtown. About 58 per cent of survey respondents indicated that downtown revitalization is Guelph’s most pressing infrastructure need. Participants in all workshops said addressing downtown issues should be a priority.

Brand Identity is Missing

While participants said Guelph has lots of assets and a range of products, it is not perceived to have a brand identity. Participants said that Guelph has no brand as a manufacturing centre, no profile. Its business success stories are just not being told. Similar concerns were expressed regarding Guelph’s profile in the tourism marketplace – while the City has many assets, there is no unifying brand.

Strong Innovation Presence

Guelph has a strong agriculture presence—from the university’s advanced research, local farms and the Saturday market to restaurants offering locally grown product—but participants told us no platform has been built to brand or market this.



Participants indicated that Guelph has a huge opportunity in advanced manufacturing and as a hub for food and should work to become identified as a Centre of Excellence in Agri-Technologies and Food Technologies and Environmental Technologies.

Lack of Commercialization

While Guelph is rich in innovation and entrepreneurs, stakeholders said it needs to get better at leveraging ideas into products that create economic growth and jobs. There is a lack of commercialization and R&D is just not transferring to profit.

Participants suggested Guelph needs to understand what drives investment to create jobs and to attract members of the international community to Guelph to help lure international investment.

Access to Labour and Employment Lands

Stakeholders were clear: Guelph has a significant advantage with its ready access to labour and employment lands as well as its relatively low development charges. Participants told us employers are aware of the available labour in the area and this is an advantage that Guelph needs to market.

Location, Location, Location

We heard from workshop participants that Guelph’s location is a huge advantage—easy access to markets, GTA municipalities, Pearson Airport and the Technology Triangle and with access to both CN and CP rail facilities. However, transportation infrastructure is needed such as trans-loading rail facility and trucking facilities, which tend to bring resident opposition.

From a tourism perspective, participants suggested positioning the City as a “hub” or “gateway” to other area destinations, many of which are Guelph’s competitors.

Lots of Competition

Guelph has lots of competition, especially from the U.S.; as a result participants said the City’s strengths are enough to enter the competition but not necessarily strong enough to win it. Some participants said that this is exasperated by organizations within Guelph competing against each other.

From a tourism perspective, we heard that everyplace is a competitor and Guelph’s competitors tend to be more tourism ready. As well, a number of these other communities have Destination Marketing Funds and can market themselves. The tourism marketplace is noisy and Guelph’s voice is just not heard. Every community is marketing itself and Guelph must find its voice to compete. Participants agreed that Guelph needs to define its own culture, not duplicate other communities.

On all fronts, participants told us Guelph needs to be better positioned in the marketplace. This requires understanding what the City really wants to do/be; understanding commercialization and the implications for the city and working with existing entrepreneurs to grow the sector. It also means working with identified regional strengths.

Guelph needs to build local buzz, which will help to draw foreign direct investment, participants told us. This may include a local brochure to communicate its technology success stories; or getting advanced manufacturers more engaged through organizations such as the Guelph Partnership for Innovation, Bioenterprise and the Ontario BioAuto Council.

Beyond Open for Business

Everyone agreed the City needs to be seen as truly open for business and proactively engaged in attracting and retaining business. Guelph needs to develop a reputation as a business friendly city. Unfortunately, participants said, it is the negative messages that get communicated (e.g. protestor activity in the Hanlon Creek Business Park) and this further delays the development process.

Participants indicated the importance of helping the public understand the role of business in the community and its contribution to community sustainability. Some participants thought this would help to mitigate local opposition to growth.

Diverse Mix of Potential Tourism Assets But Missing Product

Participants indicated a need for product development and for packaging and bundling of tourism product. We heard there are few signature events or attractions that draw people to Guelph from beyond the GTA and visiting families and friends market. It was also noted that the City's tourism assets are geared towards adults, with very little for children to see or do.

Assets, Events, Festivals Not Well Marketed or Understood

We heard that festivals and events are locally successful but disparate events lack cohesion and don't build synergy off each other. Long - term sustainable funding is a major problem for Guelph as with most area attractions and festivals and events, but there is no festivals and events strategy and the City's tourism budget is minimal.

No Unified Voice for Tourism

Participants argued that Guelph needs a unified voice for tourism. The industry is not working together collaboratively and not advocating for the City and telling its story. It needs to partner, collaborate and be cohesive within its own region; build on each other’s products. In terms of branding it is Guelph.

Community Engagement Needed

Participants said an integrated approach to community and tourism needs to be developed. The community does not understand tourism and its benefits and the City needs to be able to show people the return on investment that tourism brings.

4.0

STRATEGIC DIRECTIONS FOR ECONOMIC DEVELOPMENT AND TOURISM

This section turns to the synthesis of challenges and strategic directions for Prosperity 2020. These are the consultants' distillation of the issues considered most critical to the City's future, and the responses recommended to address them, in alignment with the City's Vision and Corporate Strategic Plan, and the Mayor's Task Force's Statement of Principles.

The strategic directions for economic development and tourism define one overarching goal and seven areas of supporting focus. They are organized as discrete but nonetheless mutually reinforcing directions, stated as cryptic calls for action. Each has supporting goals and objectives, and recommended initiatives to guide subsequent development of more specific implementing action plans. Most require new levels of engagement and collaboration with partners and stakeholders both within and beyond the City of Guelph. The recommended strategic directions are:

GOAL: DIVERSIFY GUELPH'S ECONOMY

STRATEGIC DIRECTIONS:

1. ***Focus Investment and Growth:*** target sustainable competitive advantage in selected business sectors;
2. ***Re-position Guelph:*** as a premier business investment location;
3. ***Invest in People and Ideas:*** make Guelph a community of choice for talent of the future;
4. ***Invest in Hard and Green Infrastructure:*** support and maximize economic benefit;
5. ***Invest in Tourism:*** develop new tourism products and experiences and establish a destination marketing presence;

6. *Invest in the Downtown: target icon status for a vibrant, transit connected, mixed use centre; and*
7. *Strengthen Governance, Profile and Reach: clarify responsibilities, collaborate with partners and reach out to more distant markets.*

They are summarized graphically in Figure 4.1, and described in the remainder of this section, following discussion of the over-arching goal. Each direction is addressed by first summarizing the issues and challenges making responses imperative, then outlining the directions considered most effective to pursue. Connections back to issues identified in the Economic Base report and consultations or to best practises are identified. Recommended priorities and suggested responsibilities for implementation are presented in Section 5.

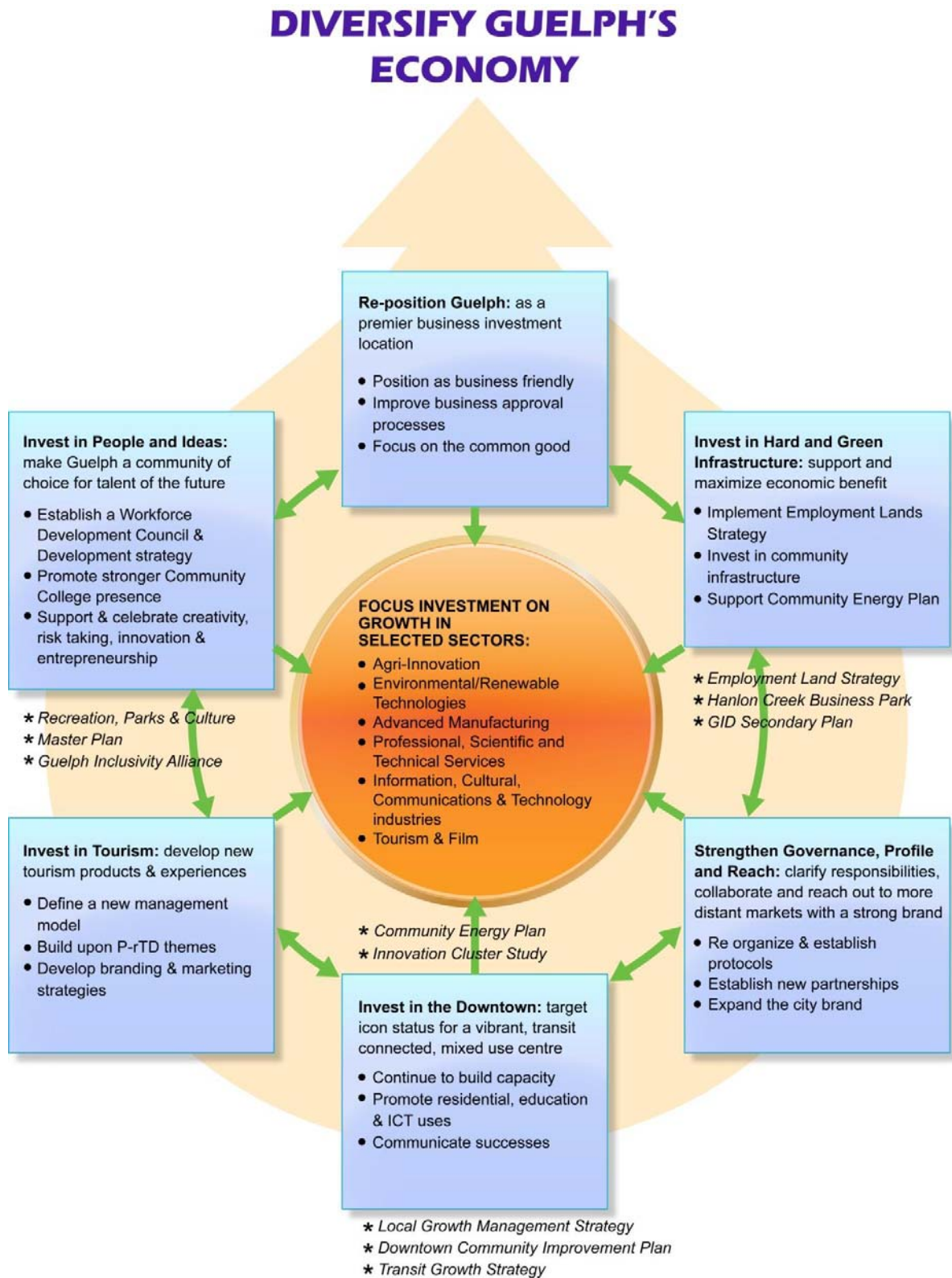
Diversifying Guelph's Economy

As described in the preceding section, and as commonly recognized in all consultation sessions, over 40% of employment in Guelph is concentrated in the manufacturing and education sectors. Both epitomize the high knowledge, skill, pay scale and value-added employment that every municipality is anxious to attract. Manufacturing comprises 30% of total employment, and is undergoing dramatic re-structuring and job losses. In Guelph it is concentrated in the auto sector, and dominated by a single very successful employer.

Notwithstanding their benefits to date, these concentrations represent a potentially high risk factor for Guelph as the larger economy continues to evolve.

Reducing this risk requires that strengths in the concentrated sectors be maintained, and complemented by additional growth in other sectors. The directions that follow identify target sectors for growth, and the strategic building blocks considered necessary to enable that effort, and sustained success in fulfilling the City's economic, environmental, social and cultural objectives.

Figure 4.1: Prosperity 2020 – Strategic Directions for Economic Development and Tourism



* Related studies or initiatives that are already underway

4.1 Focus Investment and Growth

Employment growth to and past the 2020 horizon must target sectors that bring more diversification to the City’s economic portfolio, and align with corporate and other strategic objectives. It must also target areas in which Guelph already has, or can reasonably expect to achieve, sustainable competitive advantage. Guelph has positioned itself as a potential leader in benefitting from the surge in interest in “being green” through its adoption of its Vision statement *“To be the city that makes a difference...Acting locally and globally to improve the lives of residents, the broader community and the world”* and its Community Energy Plan.

However, communities everywhere are also targeting growth in green sectors, and by virtue of earlier starts, greater mass or bigger profiles are arguably already ahead of Guelph. Guelph must act with urgency, focus and speed if it is to carve out a competitive space for itself in crowded markets.

STRATEGIC DIRECTION:

Focus Investment and Growth: target sustainable competitive advantage in selected business sectors.

GOAL:

By 2020, Guelph’s strengths in manufacturing and education are balanced by growth in the selected business sectors.

OBJECTIVES:

- Reduce Guelph’s current dependence on the manufacturing and education business sectors:
- Direct the City’s limited resources to targeted investment in growth in sectors with the highest potential return to the community; and
- Increase the number of businesses in each of the selected business sectors, along with their accompanying employment and assessment growth.

RECOMMENDATIONS:

- 1.1 Focus economic development investment efforts on growth sectors in which Guelph can maintain current and establish new sustainable competitive advantage:

- Agri-Innovation, as recommended and described in the Strategic Plan for the Guelph Agri-Innovation Cluster study¹;
 - Environmental/Renewable Technologies, in furtherance of the City’s Community Energy Plan, to take advantage of new market opportunities created by the Ontario Green Energy Act and to leverage current capabilities in design and manufacturing;
 - Advanced Manufacturing, a core component of Guelph’s current strength in manufacturing, and a foundation for diversification into new growth sectors;
 - Professional, Scientific and Technical Services, a key “knowledge” sector in support of innovation and cluster development, and one in which Guelph can leverage significant growth;;
 - Information, Cultural, Communications and Technology industries, another key “knowledge” sector, generating media content and telecommunications delivery services and also already experiencing a high growth rate in Guelph; and
 - Tourism and Film, which already generate employment, revenue and quality of life benefits for the City, and have additional growth potential.
- 1.2 Undertake the development of more detailed sector strategies for each of the selected business sectors including a business attraction and retention program and marketing and communications plan, and including definition of a “green” niche that Guelph can grow into a position of dominance as quickly as possible.
- 1.3 Investigate and establish commercialization and capitalization networks for target sectors to support the conversion of ideas to new products and businesses.
- 1.4 Support the community’s existing manufacturers in the transition from existing product lines into new products and services with an emphasis in the agri-innovation and environmental technologies/renewable energy sectors.
- 1.5 Celebrate and promote success in each of the identified sectors, both locally and externally, through a communications/public relations program to further support the City’s brand.

¹ Hickling Arthurs Low. 2009. *Strategic Plan for the Guelph Agri-Innovation Cluster*. Prepared for the Corporation of the City of Guelph.

4.2 Re-Position Guelph

Discussions in the consultation sessions revealed the perception that the importance of business to wealth creation, to employment, the tax base, support for the arts and the City’s ability to fund services for the community is not generally understood or appreciated by residential ratepayers or by City Hall. Business prefers to locate where it is welcomed and has confidence its needs are understood and provided for. Unlike many of its competitors, Guelph does not have in place a formal Business Retention and Expansion (or BR+E) program, to engage with the local business community, understand its aspirations and needs, any issues with the way the City is doing things, and gain related intelligence and insights.

Civic discourse in Guelph was also described as fractured among a number of different interests and viewpoints, with no over-arching focus on points of agreement on what is best for the larger community as a whole.

A new perspective on community is required, one that recognizes that:

- “Sustainability” requires economic, social, cultural and environmental health, i.e., a management focus on a “quadruple bottom line” vs. single issue-dominated decision-making; and
- A true sense of community at the City scale requires agreement on common interests and how best to serve them.

The focus of this direction is therefore on supporting target sector job growth through improving Guelph’s attractiveness to current and potential new employers as a place to operate a business, in a context of meeting social, cultural and environmental objectives at the same time.

STRATEGIC DIRECTION:

Re-position Guelph in the Market Place: as a premier business investment location.

GOAL:

Guelph is widely recognized by the business community as being a “best location for business, and providing a supportive and welcoming economic climate while managing all four of the economic, social, cultural and environmental pillars supporting sustainable development.

OBJECTIVES:

- Improve upon Guelph’s current perception and reputation as being a difficult location to establish and operate a business;
- Improve City business approval processes and communicate these improvements to the broader business community;
- Develop a community focus on common interests, directions and actions for the future; and
- Promote the importance and benefits of a strong business sector to the overall community.

RECOMMENDATIONS:

- 2.1 Identify and implement initiatives, programs and actions designed to support and position Guelph as being more “business friendly”.
- 2.2 Establish a one-window, integrated municipal approval process complete with clearly defined requirements and timelines that is competitive with those of other municipalities.
- 2.3 Support the development and growth of existing local business through the introduction and delivery of an effective Business Retention and Expansion (BR+E) program.
- 2.4 Articulate the importance and benefits of strong business investment in Guelph to the broader Guelph community, through a communications/public relations program.
- 2.5 Develop a strategy to re-frame debate in Guelph to build a focus on common interests, and paths and action forward.
- 2.6 Incorporate successes in establishing a “business friendly” profile into all economic development communications.

4.3 Invest in People and Ideas

It is broadly recognized that Canada’s ability to maintain its wealth will depend on attracting a steady stream of talented workers from other countries, and integrating them into our workforce as productively as possible. As noted in the Phase 1 report, while the City’s population may include a significant proportion of migrants to Canada, it is home to a lower proportion of visible minorities than the (Toronto-driven) average for the province.

Guelph needs to become a destination both compelling and welcoming to migrating talent, a need recognized and being responded to by the Guelph Inclusivity Alliance and City efforts to position Guelph as an immigration gateway.

Accreditation, labour training and re-training opportunities, and access to focused or specialized skills development are critical to attracting immigrant talent, retaining skilled labour in transition, and attracting /supporting business growth.

The University of Guelph and an expanded presence by Conestoga College have a critical role in ensuring people have access to developing specialized knowledge and skills.

Creativity is itself the talent that underlies both artistic expression and the development of new ideas and concepts in science and business. Popular concepts like “the creative economy” highlight linkages between developing vibrant places and attracting creative talent. Guelph must also position itself as a place that nourishes and celebrates creativity in all its forms. There is an axiom that “80% of new business growth is home grown” i.e., that it comes from creativity by people and business already in the community. The challenge is to put in place programs that can best support this growth, particularly if it is driven by new product innovation. There is significant senior government funding support for such small business, innovation and commercialization support programs.



Guelph needs to support job growth through: attracting and fully utilizing the skills of new migrants to Canada; increasing the range of access to education and training programs and their fit with economic needs; improving support mechanisms for growing enterprises, innovation and commercialization; and creating a climate that celebrates creativity in the arts, sciences, business and community service.

STRATEGIC DIRECTION:

Invest in People and Ideas: make Guelph a community of choice for talent of the future.

GOAL:

Guelph is recognized as a leading community for its solutions to workforce development and nurturing creativity and entrepreneurship.

OBJECTIVES:

- Improve Guelph’s ability to provide business employers with potential employees with the right skill sets at the right time;
- Improve workforce skills to the benefit of talent, business and the local economy as a whole; and
- Enhance support for the further growth of small business and entrepreneurship in the community.

RECOMMENDATIONS:

- 3.1 Establish a Guelph Workforce Development Council consisting of business, education and government partners from the community to identify and develop workforce development strategies for the future.
- 3.2 Develop through the Workforce Development Council a Guelph Workforce Development Strategy that will:
 - Position Guelph as an immigration gateway for new migrant talent and facilitate their integration into the local work force;
 - Enhance the skills-base of the existing work force through improvements in basic employability skills and up-skilling targeted toward the selected business sectors;
 - Realize the potential of people with post secondary degrees for the benefit of the community; and
 - Align courses, programs and curricula at the secondary and post secondary levels with the needs of local businesses, particularly in support of the selected business sectors.
- 3.3 Promote and facilitate a stronger community college presence in Guelph with a focus on providing for centres of excellence and curricula targeted to Guelph’s selected business sectors.
- 3.4 Support and celebrate a culture of creativity, risk taking and entrepreneurship in support of micro and small business growth, innovation and commercialization.
- 3.5 Investigate and implement best practice models of small business/innovation support such as the “Accelerator Centre” model in Waterloo and the “Innovation Synergy Centre” model in Markham.
- 3.6 Incorporate success stories into the City’s branding and marketing.

4.4 Invest in Hard and Green Infrastructure



As described in Section 6.0 of the Phase 1 Report, Guelph has plans in place to ensure that services will be available to enable a steady supply of serviced lands. Consultation sessions identified past issues with the City’s ability to bring serviced lands to market, or its “shovel-readiness”. Guelph needs to ensure it continues to have a ready supply of serviced employment lands, with strong access to road, rail, water and air transportation networks, and to high capacity communication services.

Similarly, the City and its partners need to sustain its commitment to putting in place other infrastructure elements such as the Guelph Innovation District and new cultural facilities.

“Green” infrastructure encompasses both hard assets (e.g., district energy plants, heat recovery from sewer installations, etc.) and such softer examples as water and energy conservation/efficiency programs, trail systems, tree canopy enhancement programs, a “pollenator”, bio-fuel substitution programs, etc. Investment in such infrastructure is considered important to economic development for several reasons:

- It creates investment streams that can help support new product and expertise development and business growth;
- It creates assets which improve quality of life, sustainability and community attractiveness to new talent or green industry; and
- It substantiates Guelph’s branding as the city that makes a difference.

Guelph needs to support job growth by putting in place the infrastructure necessary to support it, with sufficient lead time to drive demand.

STRATEGIC DIRECTION:

Invest in Hard and Green Infrastructure: support and maximize economic benefit.

GOAL:

Support business competitiveness through the provision and management of local and regional infrastructure.

OBJECTIVES:

- Ensure that the City has at all times a sufficient supply of “shovel-ready” employment lands available to accommodate forecasted demand;

- Invest in and support improvement to local and regional infrastructure in line with their potential economic development impacts; and
- Enhance and encourage the sustainable use of “green” infrastructure in the community and by individual businesses.

RECOMMENDATIONS:

- 4.1 Implement the recommendations contained within the Guelph Employment Lands Strategy including:
 - Re-development and promotion of brownfield sites;
 - Servicing and marketing of the Hanlon Creek Business Park; and,
 - Planning, servicing and marketing of the Guelph Innovation District.
- 4.2 Identify, prioritize and promote investment in community infrastructure including transportation linkages, municipal and other utility services, broadband and fibre-optic connectivity and hard and soft “green” infrastructure assets.
- 4.3 Support the goals of Guelph’s Community Energy Plan through promoting the adoption and incorporation of its recommendations by businesses in the City.
- 4.4 Investigate the introduction of local programs and incentives to support the incorporation of a minimum LEED building standard on Guelph’s employment lands.
- 4.5 Incorporate successes in creating and implementing new infrastructure initiatives into all economic development and tourism marketing and communications.

4.5 Invest in Tourism

The contributions of tourism to Guelph’s economy and cultural life are not fully understood. The industry makes a substantial contribution to the City economy, across such sectors as accommodations and food services, recreation and entertainment, retail, and in attendance at cultural and sports events. Recent expansion of the accommodations base has brought more capacity than demand to fill it at current levels of visitation. More overnight visits to Guelph must be generated, which will require new product development, packaging and infrastructure (e.g., signs, kiosks).

The Premier-ranked Tourist Destination study concluded that Guelph/Wellington’s tourism product typically draws visitors from within a two-hour drive or less, and is weighted to experiences geared towards adults. While

some collaboration in tourism occurs, there is today no one organization fulfilling a destination marketing and management function (a DMMO) in Guelph, Guelph-Wellington or a larger regional geography. There is uncertainty around the nature or structure of such entities pending conclusion of the Regional Tourism Organization definition process through 2010.

Consultation stakeholders do not perceive Guelph as having a distinct tourism brand, which makes the City more difficult to sell as a compelling destination. The City needs to attract and support job growth by increasing Guelph’s attractiveness and profile to short and longer haul visitors.



STRATEGIC DIRECTION:

Invest in Tourism: develop new tourism products and experiences and establish a destination marketing presence.

GOAL:

By 2020, Guelph has maximized its tourism potential.

OBJECTIVES:

- Grow investment, jobs and job training in Guelph’s tourism and hospitality sector.
- Develop and nurture a “Culture of Tourism” where the importance and benefits of tourism are widely recognized within the community as an economic development driver.
- Establish a clear direction guiding the development of products and investment in tourism programs and infrastructure.
- Build collaborative relationships with public and private sector partners in tourism and hospitality.
- Increase investment in marketing and promotion of Guelph as visitor destination of choice.

RECOMMENDATIONS:

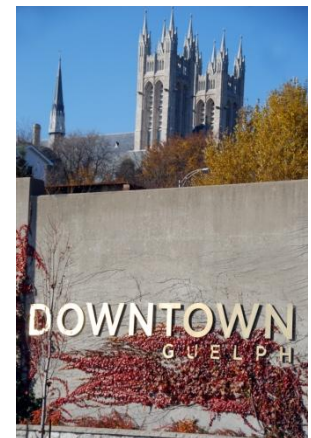
- 5.1 Define an effective model for leading Guelph’s tourism development and marketing efforts in the context of a larger Regional Tourism Organization.
- 5.2 Develop programs and projects in market sectors in which Guelph can maintain and establish new sustainable competitive advantage, which complement Guelph’s current tourism product mix and build on the key themes identified in the Premier-ranked Tourist Destination Project.
- 5.3 Branding and position Guelph with assistance and input from tourism industry partners and stakeholders.
- 5.4 Develop sector-specific marketing strategies for each of the identified and selected market sectors and segments, including downtown Guelph.
- 5.5 Collaborate with the University of Guelph to leverage tourism infrastructure and programs.
- 5.6 Promote the importance and benefits of tourism investment in Guelph to position Guelph in the minds of residents and businesses.

4.6 Invest in the Downtown

Downtown Guelph is a critical asset and the subject of significant planning efforts by the City. As described in the Phase 1 Report, there is in place today a Downtown Development Strategy and plans are proceeding to establish a Downtown Community Improvement Plan (CIP). Planning policies under the Provincial Growth Plan mandate substantial increases to the population and employment densities within the Downtown Urban Growth Centre. These increases will intensify residential land uses and provide a more vibrant commercial area. A Secondary Planning process is underway to define how this is to be achieved.

Notwithstanding these efforts, the consultation sessions revealed a perception that the Downtown is not viewed as a particularly attractive or safe destination, and that more needs to be done to fix its problems. The area is both disconnected from the Speed River, a major community asset, and rich with heritage architecture, wide streets, iconic streetscapes, transportation links, civic and other institutions and retail and office space with potential to house more small businesses, and to attract the community and tourists to the Downtown as a compact, walkable destination. The Downtown is also emerging as a destination for the City’s growing information technology sector.

The vitality of the Downtown and its importance to economic development and tourism objectives stems from its role as a symbol of what the whole of Guelph is



(i.e., vibrant and attractive, or not so), for its strength as a higher density employment location, and as a place which generates both civic pride, and attraction to new residents and talent at executive and lower levels. The municipal focus on improving the Downtown, its vitality and its contribution to achieving City-wide economic development efforts must remain a top priority, with more elements added to the tool kit.

STRATEGIC DIRECTION:

Invest in the Downtown: target icon status for a vibrant, transit-connected, mixed use centre.

GOAL:

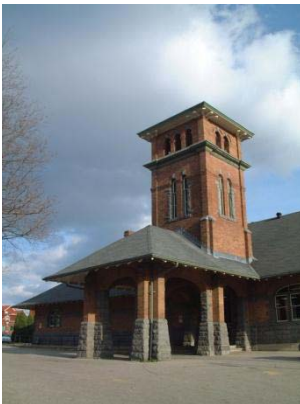
Downtown Guelph is seen as a vibrant and preferred location for both business and people.

OBJECTIVES:

- Provide an economic climate that supports increased business investment in downtown Guelph;
- Increase the number and quality of jobs in downtown Guelph;
- Increase the number of people that call downtown Guelph home; and
- Position downtown Guelph as the centre-piece of the broader community.

RECOMMENDATIONS:

- 6.1 Continue to follow through on the various City and other outside initiatives and programs currently underway to build capacity in downtown Guelph.
- 6.2 Develop and implement a marketing and communications program to attract and retain business and jobs in downtown Guelph.
- 6.3 Incorporate programming elements to enhance the downtown's role as a centre of civic life.
- 6.4 Identify potential locations for new residential development in downtown Guelph and promote these to the marketplace.
- 6.5 Target downtown Guelph as a desirable and preferred location for new University or Community College space requirements with preferred programs and curricula related to the City's targeted business sectors.
- 6.6 Build on the current mass of information and communications technology employers in the downtown by promoting it as a strong location for further growth.
- 6.7 Celebrate and promote successes in downtown Guelph through a communications/public relations program. Incorporate success stories into City branding materials.



4.7 Strengthen Governance, Profile and Reach

In the context of the Greater Toronto Area, the Greater Golden Horseshoe and broader southern Ontario, Guelph is a significant but less than dominant centre. With global development trends highlighting the importance of large scale city regions (vs. nations) as economic entities, and despite notable exceptions, Guelph does not have, and will forever be challenged to achieve, a global profile by itself.

At the same time, discussions with staff and comments advanced in consultation sessions identify that:

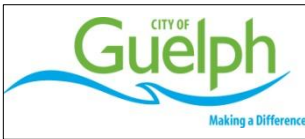
- On the one hand, the City is somewhat insular, and could play a more active role in regional partnerships; but,
- On the other, despite there being a number of agencies engaged in economic development-related activity, there is no clear lead office or mechanism by which agency efforts can be best focused and coordinated.

This is at a time in which there are a number of provincial and federal funding programs in support of innovation and the commercialization of ideas, most of which are structured through evolving regional organizational frameworks (e.g., Regional Innovation Networks or “RIN’s”, including the Guelph Partnership for Innovation (or “GPI”). The Federal Economic Development Agency for Southern Ontario (FedDev Ontario) is a new initiative formally launched in August, 2009. FedDev Ontario will provide tools for regional partners to build on their strengths and position Southern Ontario to succeed in the knowledge-based economy. With \$1 billion of funding over five years, its future focus will be on creating a leading-edge manufacturing sector; supporting innovation and commercialization; and sustaining community economic development activities.

Various regional development partnerships and/or sector cluster initiatives also exist or are being considered (e.g., the Toronto Food Cluster, the GTMA’s EN2 Energy and Environment initiative, Canada’s Technology Triangle). Their geographies touch on Guelph.

Guelph needs to extend its “reach” – its ability to get products to and attract buyers and capital from more distant markets. The City needs to do everything it can to find presence on provincial to global stages and markets with a clear identity, and clear points of contact, protocols and lines of communication so that senior government funding agencies and other outside entities know exactly who to contact to further mutual objectives.

Today, the City’s Economic Development and Tourism Services department seeks advice from an Economic Development Advisory Committee that, regardless of the strengths of its members, is not structured in a way that connects organizations which would otherwise be expected to be complementing one-another. A more effective means of coordination, consensus-building and gaining commitment to action is required for Guelph to improve the effectiveness of its various economic development and tourism efforts.



Ultimately, selling Guelph to the outside world requires that the City leverage its “Making a Difference” brand to embrace a number of attributes and key messages. Despite the investment in developing this brand, consultation stakeholders do not perceive the City as having a strong brand – a well known identity that captures what Guelph stands for or offers to its residents, businesses or visitors. This makes the City difficult to sell as a compelling destination to migrating talent and to businesses seeking places to expand or locate in.

Guelph needs to extend its brand to position itself as a compelling destination for making a life and succeeding in business. To maximize its clarity and impact, the City should use the one “Making a Difference” brand and tag line as the core element in all City marketing efforts, including economic development and tourism. The City’s branding and marketing efforts also need to recognize that the nature of marketing communications is itself evolving rapidly, particularly as it intersects the use of technology, social media and reaching the young.

In short, Guelph needs to strengthen governance of the multi-stakeholder economic development effort in the City, increase its profile as a compelling place in which to live, work and invest, and do so with a clear definition of what it has to sell.

STRATEGIC DIRECTION:

Strengthen Governance, Profile and Reach: clarify responsibilities, collaborate with partners and reach out to more distant markets with a strong brand.

GOAL:

By 2020, Guelph has a clearly organized set of economic development functions and has achieved a higher global presence and profile.

OBJECTIVES:

- Guelph is recognized as having and presents a single, unified and strong voice and brand in the marketplace.
- Increase Guelph’s reach into national and international marketplaces as a business destination of choice.
- Extend and leverage Guelph’s limited human and financial resources through increased collaboration and partnerships with other regional partners and other external organizations.

RECOMMENDATIONS:

- 7.1 Restructure the City’s Economic Development Advisory Committee so that it is comprised of representatives of other agencies engaged in economic development in Guelph, with executive authority to commit their respective organizations to courses of action collaboratively developed around the advisory table.
- 7.2 Establish protocols to define lead agencies and responsibilities for engaging with senior governments and other external stakeholders.
- 7.3 Determine how to best structure the marketing, development and local coordination efforts in economic development across regional, municipal and other local organizations.
- 7.4 Establish new regional economic development partnerships and business sector cluster initiatives, particularly in support of the City’s targeted growth sectors.
- 7.5 Increase collaborative engagement with Federal and Provincial government ministries contacts and other key business sector organizations to heighten Guelph’s profile as a preferred location for investment.
- 7.6 Establish how to expand on the current City brand to incorporate economic development and tourism marketing elements to promote Guelph in national and international marketplaces.
- 7.7 Increase Guelph’s profile to business through the greater use of the web including the use of social media applications.

5.0

IMPLEMENTATION PLAN

Implementing Prosperity 2020's Strategic Directions for Economic Development and Tourism will require action and investment. The realities of constrained resources and multiple stakeholders require guidance on recommended priorities, as addressed in this section.

5.1 Prosperity 2020 - Priorities

Recommended priorities for implementation of the strategic directions are presented in Figure 5.1, which summarizes the supporting elements for each direction (e.g., element 1.1 in direction 1.0), and colour codes their respective priorities. Priorities are recommended based on judgements of each element's rating on three dimensions¹:

Importance – the impact the element recommendation is expected to have on the City's ability to achieve the diversification goal and on its respective direction. It is rated on a three point scale from “High” (1 point) to “Low” (3 points);

Timing – the judged urgency or recommended sequencing of the element, where the short term (Year 1) is rated at 1 point and subsequent horizons are rated at 2 points;

Effort/Investment – the judged level of effort or investment considered necessary to implement the element, where a lower effort/cost is rated at 1 point and higher effort or cost is rated at 3 points.

The respective points ratings are then summed, and overall priority classed as ‘A’ (highest priority, lowest point rating) to ‘D’ (lower priority, higher points rating) and colour coded accordingly. Several of the directions include elements recommending the integration of successes and new directions back into City branding and marketing materials. These are seen as ongoing efforts that should

¹ After the rating scheme presented in the *Strategic Plan for the Guelph Agri-Innovation Cluster* study by Hickling Arthurs Low, December 2009.

occur as a matter of course in annual planning cycles, and so do not have a particular priority attached to them.

It should also be stressed that the recommended priorities will need to be assessed by staff, and that an apparently low priority score (e.g., on element 4.1) should not be taken to imply that the City does not have to invest today to (for example) make employment lands available when the market needs them.

5.2 Next Steps

To implement the Strategic Directions for Economic Development and Tourism , it is recommended that staff be directed to develop a detailed business / work plan that would:

- Define detailed action plans / tasks to implement the recommended strategic directions in accordance with the suggested priorities;
- Identify appropriate timelines to implement the recommended strategic directions;
- Identify the respective role(s) and responsibilities of both the City of Guelph and other organizations (internal and external) to implement the recommended strategic directions;
- Identify resources (financial and human) necessary; and,
- Establish performance measures to ensure the strategy is a success.

Defining action plans to implement the recommended directions, in accordance with the suggested priorities, is expected to give a strong push to Guelph’s progress towards its vision *“to be the city that makes a difference...acting locally and globally to improve the lives of residents, the broader community and the world,”* and its supporting goal, to develop *“a diverse and prosperous local economy.”*

PHASE 2: STRATEGIC DIRECTIONS FOR ECONOMIC DEVELOPMENT AND TOURISM

Figure 5.1: Prosperity 2020 – Priorities

Recommended Direction	Prioritization			
	Priority Rating	Importance	Timing	Effort
1.0 Focus investment and growth: target sustainable competitive advantage in selected business sectors.				
1.1 Focus economic development investment on growth sectors	A	1	1	1
1.2 Develop detailed sector strategies	B	1	2	1
1.3 Establish commercialization and capitalization networks	C	1	2	2
1.4 Support transitions in manufacturing	B	1	2	1
1.5 Feed success stories back into messaging and imagery supporting the City's brand				
2.0 Re-position Guelph: as a premier business investment location.				
2.1 Identify and implement "business friendly" initiatives	A	1	1	1
2.2 Establish a one-window approval process with clear timelines	A	1	1	1
2.3 Develop and implement a Business Retention and Expansion Program (BR+E)	C	1	2	2
2.5 Articulate the importance and benefits of strong business investment	B	2	1	1
2.6 Re-frame debate in Guelph to focus on common interests, paths and action forward	B	2	1	1
2.7 Incorporate demonstrations of "business friendliness" into City branding and marketing				
3.0 Invest in people and ideas: make Guelph a community of choice for talent of the future.				
3.1 Establish a Guelph Workforce Development Council	C	1	2	2
3.2 Identify Workforce Development Strategies	C	1	2	2
3.3 Promote and facilitate a stronger Community College presence in Guelph	B	1	1	2
3.4 Support and celebrate risk-taking and entrepreneurship in science, business and the arts	C	2	2	1
3.5 Implement best practice models for small business and innovation support	C	1	2	2
3.6 Feed success stories back into messaging and imagery supporting the City's brand				

Figure 5.1: Prosperity 2020 – Priorities (continued)

Recommended Direction		Prioritization			
		Priority Rating	Importance	Timing	Effort
4.0	Invest in hard and green infrastructure to maximize economic benefit.				
4.1	Implement the recommendations of the Guelph Employment Lands Strategy	D	2	2	3
4.2	Identify, prioritize and promote investment in community infrastructure	C	1	1	3
4.3	Promote the adoption of Community Energy Plan initiatives by business	C	1	2	2
4.4	Investigate programs and incentives to support the adoption of LEED standards on employment lands	C	2	2	1
4.5	Incorporate achievements in infrastructure development into economic development and tourism marketing				
5.0	Invest in tourism: develop new products and experiences and establish a destination marketing presence.				
5.1	Define an effective tourism management model for Guelph in the context of a larger Regional Tourism Organization	A	1	1	1
5.2	Develop programs and projects building on themes identified in the Premier-ranked Tourist Destination Project and in which Guelph can achieve sustainable competitive advantage	C	1	2	2
5.3	Brand and position Guelph with assistance and input from tourism industry partners and stakeholders	C	1	2	2
5.4	Develop sector-specific marketing strategies	D	2	2	2
5.5	Collaborate with the University of Guelph to leverage tourism infrastructure and programs	B	1	2	1
5.6	Promote the importance of tourism to the City	C	2	2	1

Figure 5.1: Prosperity 2020 – Priorities (continued)

Recommended Direction		Prioritization			
		Priority Rating	Importance	Timing	Effort
6.0	Invest in the Downtown: target icon status for a vibrant, transit connected, mixed use centre.				
6.1	Continue to follow through on the City's investments in improving the Downtown	B	1	1	2
6.2	Market the Downtown to attract and retain business and jobs	C	2	2	1
6.3	Program the Downtown to enhance its role as a centre of civic life	D	2	2	2
6.4	Identify and promote potential residential development sites Downtown	B	1	2	1
6.5	Target the Downtown as a preferred location for new University or College space requirements	A	1	1	1
6.6	Promote the Downtown as a strong location for information and technology businesses	A	1	1	1
6.7	Celebrate and promote successes in the Downtown				
7.0	Strengthen governance, profile and reach: by clarifying responsibilities, collaborating and reaching out to more distant markets with a clear brand.				
7.1	Restructure/re-purpose the City's Economic Development Advisory Committee	A	1	1	1
7.2	Establish protocols to define lead agencies and responsibilities	A	1	1	1
7.3	Determine how to best structure marketing, development and local coordination efforts and implement the preferred solution	B	1	2	1
7.4	Establish new regional economic development partnerships and business cluster initiatives	A	1	1	1
7.5	Increase collaborative engagement with senior government and other organizations	A	1	1	1
7.6	Establish how to expand on the City's brand to best promote Guelph	C	2	2	1
7.7	Increase Guelph's profile to business through greater use of the web and social media	C	2	2	1

APPENDIX A

Mayor's Task Force on the Economy Statement of Principles

Mayor's Task Force on the Economy Statement of Principles

The City of Guelph is developing a new economic development and tourism strategy called *Prosperity 2020*.

Prosperity 2020 will be a transformational plan that will uphold Guelph's vision of being "the city that makes a difference" while supporting the City's strategic goal of having "a diverse and prosperous local economy." It will reflect the community's commitment to economic, social, and environmental sustainability.

As part of the process to develop *Prosperity 2020*, a Mayor's Task Force on the Economy has been established. We are a small cross-section of community leaders representing the private, non-profit and public sectors.

We understand our role is *not* to identify the strategic priorities for Guelph, but rather, our role is to draw upon our collective experiences to help articulate the opportunities that need to be considered by those creating *Prosperity 2020*.

This is our challenge.

1. Guelph is well positioned as an excellent place to live and work.

***Prosperity 2020* must ensure Guelph takes full advantage of our economic, educational and cultural strengths, assets, resources and opportunities to create an enhanced knowledge-based economy.**

Opportunities to do this include:

- Becoming an acknowledged Centre of Excellence in sectors in which Guelph has particular strength, such as agriculture and agri-food; biotechnology; information technology; and advanced manufacturing so that Guelph can attract investment, jobs, and government funding
- Building an integrated system to commercialize research and innovation and increase the skills of entrepreneurs while attracting global investors
- Promoting Guelph's character, culture, and tourism assets to make the city a magnet for the world's best and brightest and generate jobs and investment
- Leveraging Guelph's reputation as a green city; leadership in energy, waste and water management; and commitment to triple bottom line thinking as competitive advantages in attracting knowledge-based and green jobs.

2. Guelph is known as a leader in many areas.

***Prosperity 2020* must identify ways to build on Guelph's reputation in order to attract new businesses, diversify, build resilience for periods of economic volatility, and position Guelph as the place to invest when the economy recovers.**

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Opportunities to do this include:

- Investing in and promoting Guelph's transportation networks, excellent infrastructure, and well-managed land supply
- Ensuring the municipal government's customer service is exceptional, that its approvals processes are efficient, and its tax rates and development charges offer good value for the investment
- Successfully transitioning to a "post Places to Grow" city, with 40% of growth directed in the downtown and built-up areas instead of greenfields.

3. Guelph has a highly skilled and educated pool of talent.

Prosperity 2020 must identify strategies to recruit, retain, and develop talented people and support entrepreneurship to fuel our economy.

Opportunities to do this include:

- Enhancing our first-class educational system from early childhood through to college and university
- Becoming a recognized leader in attracting skilled new Canadians, recognizing that net workforce growth will be driven by immigration
- Investing in human capital by supporting leadership development and educational opportunities in academic and skilled trade fields, recognizing that for every two people retiring in Canada, there will be less than one person to take their place.

4. Guelph has committed leaders in the private, public, and not-for-profit sectors.

Prosperity 2020 must demonstrate a sense of urgency, bring leaders together, and recognize that intelligence sharing is key to our economic future.

Opportunities to do this include:

- Building partnerships with local, regional, provincial, national and international governments; business; educators; community organizations and citizens
- Ensuring a responsive and accountable governance that establishes priorities, seeks the highest return on investment, and monitors performance against benchmarks
- Developing Centres of Excellence that are aligned with local, provincial, and national objectives and distinguish Guelph as a national and international leader.

Our challenge to those charged with the creation of *Prosperity 2020* is to identify strategies that will capture these opportunities, and then to set priority to those strategies based on the resources available within the community to implement them.

We also ask the authors of *Prosperity 2020* to identify key indicators that will allow us to measure our success in creating jobs, generating wealth and establishing the foundations of a strong and resilient local economy.

Members of the Mayor's Task Force on the Economy include: Mayor Karen Farbridge; Guelph MP Frank Valeriote; Guelph MPP Liz Sandals; Alastair Summerlee, President, University of Guelph; Mark Goldberg, President, GlobalTox International Consultants Inc.; Mike Bouk, Executive Director, Ag Energy Co-operative; Michael Annable, industry representative; Lloyd Longfield, President, Guelph Chamber of Commerce; Kevin Hall, Vice President (Research), University of Guelph; Dave Smardon, President/Director, BioEnterprise Corporation; Don Drone, Director of Education, Wellington Catholic District School Board; and Kathy Bardswick, President & CEO, The Co-operators Group Ltd.

APPENDIX B

Phase 1: Economic Base Analysis Summary

**EXECUTIVE
SUMMARY**

Prosperity 2020 is about sustaining and enhancing the City of Guelph's position as a competitive and prosperous location for private and public sector investment. This Phase 1: Economic Base Analysis Report lays the foundation for Guelph's Economic Development and Tourism Strategy.

In 2007 the City of Guelph adopted an ambitious vision—“*To be the city that makes a difference...Acting locally and globally to improve the lives of residents, the broader community and the world.*”—a vision that underpins the Prosperity 2020 initiative.

The city's Strategic Plan describes six goals, one of which targets “*a diverse and prosperous local economy.*” To implement that goal and its strategic objectives, the city committed to defining an Economic Development and Tourism Strategy, called *Prosperity 2020*. A consulting team comprised of Malone Given Parsons Ltd. and Lynn Morrow Consulting was retained to prepare the Strategy. The study process will generate two key deliverables:

- Phase 1: Economic Base Analysis Report; and
- Phase 2: Economic Development & Tourism Strategy.

Phase 1 is intended to describe and assess the context and foundations shaping economic growth prospects for the City of Guelph. It identifies the business sectors driving economic growth to 2006 (most current Census information), those expected to continue to do so into the future, and the City's competitive advantages and disadvantages.

The Phase 2 Economic Development & Tourism Strategy will provide direction, priorities and performance measures for the transformation of Guelph's economy over the next decade and beyond.

In order to bring high level guidance to the completion of the Prosperity 2020 strategy, Mayor Farbridge struck the Mayor's Task Force on the Economy. The Task Force (or MTF) is a small cross-section of community leaders representing the private, non-profit and public sectors. It will review the output from the study at key milestones, to ensure that it is fulfilling four principles:

1. *Ensure Guelph takes full advantage of its economic, educational and cultural strengths, assets, resources and opportunities to create an enhanced knowledge-based economy;*
2. *Identify ways to build on Guelph's reputation in order to attract new businesses, diversify, build resilience for periods of economic volatility, and position Guelph as the place to invest when the economy recovers;*

3. *Identify strategies to recruit, retain, and develop talented people and support entrepreneurship to fuel our economy; and*
4. *Demonstrate a sense of urgency, bring leaders together, and recognize that intelligence sharing is key to our economic future.*

These principles have helped shape the scope of work in Phase 1, and will inform the strategies to be developed in Phase 2.

The Importance of Economic Development

It is helpful to ground Prosperity 2020 in a discussion of why economic development is important, and in the guidance offered by some emerging concepts.

Economic development is fundamentally focussed on attracting and retaining business and institutions in a community, and on making the community a compelling place to be for employers and for the labour pools they depend on. It is important because of the importance of business to community viability and vitality, through the generation of employment, wealth, contributions to tax revenues and philanthropy. Economic development is also competitive, in that other communities have similar goals and are investing to realize them.

Success in economic development will accrue to those communities best able to create a compelling set of reasons for business and institutions to stay or locate there. As the economy evolves at an accelerating rate, success will accrue to those places offering competitive advantage for the employment sectors expected to grow into the next economic cycle or era.

Municipal investment in economic development has traditionally focussed on several areas. Three others have been emerging to define a broader set of tools: Cluster initiatives, attracting the “creative class” and building a “creative economy”, and a focus on downtown placemaking.

Consideration of future directions for economic development in Guelph must consider both the “traditional” and emerging approaches to economic development.

Setting the Context

Prosperity 2020 is not being developed in a vacuum. Provincial and local policy directions, initiatives and studies will help to frame the context for the Strategy.

In addition to the City’s Strategic Plan, Local Growth Management Strategy and Community Energy Plan, the provincial Places to Grow Growth Plan for the Greater Golden Horseshoe and the Guelph/Wellington County Premier-ranked Tourist Destination report provide key policy advice.

The City of Guelph has initiated a number of economic development and tourism planning projects:

- Phase 2 – Employment Lands Strategy;
- Guelph Innovation District Land Use Secondary Plan;
- Guelph Innovation District Life Science and Innovation Cluster in Agri-Technologies and Environmental Technologies Study;
- Hanlon Creek Business Park;
- City of Guelph Transit Growth Strategy;
- City of Guelph Recreation, Parks and Culture Master Plan;
- Downtown Community Improvement Plan; and
- *Guelph Inclusivity Alliance*.

The available research findings and adopted strategies will be considered as *Prosperity 2020* is formulated. *Integration with these strategies and initiatives will be important to defining and implementing the Economic Development and Tourism Strategy.*

Among its initiatives the City has targeted three key sectors as bringing added value to the local economy and a strategic advantage to Guelph:

- Advanced Manufacturing;
- Agri-Food and Innovation; and
- Environmental Technologies.

**Growth
Expectations**

Several trends operating at global and more local scales will influence Guelph's future economic prosperity:

- *Globalization and shifting economic and demographic patterns;*
- *Green/clean technologies growth; and*
- *Diverging trends in agricultural production.*

The City can benefit from understanding these trends and strategically positioning itself or partnering with the appropriate regional economic development players to leverage Guelph's assets.

Economic growth expectations at the global, national and provincial levels indicate an expectation for economic growth to recover from the current recession in 2010.

Regional Employment - Statistics Canada July 2009 data indicate the labour force has expanded and unemployment in the region has risen over the previous year. The data describe the Kitchener-Waterloo-Barrie Economic Region, which includes Guelph, to have a labour force of 713,400 people and an unemployment rate of 9.3%. In July 2008, this region had a labour force of 702,400 people and an unemployment rate of 5.9%.

CITY OF GUELPH – PROSPERITY 2020

Economic Base Analysis Report

Comparatively, the Province's unemployment rate increased from 6.8% in July 2008 to 9.8% in July 2009 and Canada's unemployment rate increased from 6.0% to 8.6% during the same time period.¹

Much of the rise in unemployment has been driven by contraction in the construction, manufacturing and building and other support services (e.g. appraisal services) industries and the increase in unemployed youth between the ages of 15 to 24 years of age.

The City of Guelph's population and employment are forecast to increase to 175,000 residents and 100,390 jobs by 2031.

Baseline Conditions

Baseline Conditions provide insights into the current employment structure and growth prospects in Guelph. Among the elements reviewed are:

- Employment structure;
- Commuting patterns, or live-work relationship, to determine the City's net employment position;
- Labour force education levels;
- Ethnic diversity;
- Affordability based on household income levels and average house prices;
- Wellington Country tourism sector size, character and visitor spending; and
- Past investments contributing to the City's attractiveness as a place to do business based on building permit activity, industrial and commercial development charges and tax rates and a comparison of the residential and commercial/industrial assessment base.

Employment Structure

An activity rate indicates the relative strength of employment in a community - *Guelph's activity rate is 0.554, significantly higher than Ontario's 0.440 and Canada's 0.439.*

A comparison of Guelph's employment structure to that of Ontario and Canada highlights areas of employment concentration. Compared to the province and Canada Guelph has significantly higher proportions of employment in Manufacturing and Educational Services.

The Transportation and Warehousing and Information and Cultural sectors have proportionately fewer jobs in Guelph than Ontario and Canada. The lower employment in information and cultural industries and its contributions to other sectors and community vibrancy indicates a possible candidate for an attraction strategy.

¹ Statistics Canada (2009), *Labour Market Information – July 12 to 18, 2009*, Catalogue No. 71-001-X, pp.44 & 46.

While a number of industry sectors are emerging in Guelph, the four with the highest employment growth rates between 2001 and 2006 were:

- Administrative and Support, Waste Management and Remediation Services Industry;
- Professional, Scientific and Technical Services Industry;
- Agriculture, Forestry, Fishing and Hunting Industry, which is driven largely by support activities for agriculture; and
- Information and Cultural Industry, which includes publishing, telecommunications companies and internet service providers.

Commuting Patterns

A very high percentage of Guelph residents are employed in the City as compared to other communities in the Greater Golden Horseshoe. Over three-quarters (75.3%) of Guelph residents (47,355 people) are employed in jobs within the City.

Three-quarters of Guelph residents working in manufacturing or in Educational Services are employed in the City. The highest percentages by sector of Guelph residents employed in the City are working in Accommodation and Food Services (86.6%) and Retail Trade (82.3%). Lower percentages of Guelph residents are employed in the City's Wholesale Trade (50.4%) and Transportation and Warehousing (54.3%) industries.

The number of people working from home in Guelph totalled 3,600. Many of these were employed in the Professional, Scientific and Technical Services (920 people) and Health Care and Social Assistance (575 people) employment sectors.

Labour Force Education Levels

Labour force skill sets differentiate Guelph from other communities. Of Guelph's population aged 15 years +, 15% have a Bachelor's degree and an additional 10% have a university degree above a Bachelor's. By comparison, the proportion of this population with a Bachelor's degree and a university degree above a Bachelor's degree is 13% and 8% for Ontario residents and 12% and 7% of Canadians respectively.

Ethnic Diversity

Since Canada's future population growth will be driven by immigration, consideration will need to be given to establishing and enhancing immigrant support networks in Guelph. While ethnic origins in Guelph have high representation by people citing heritage in the British or Western European countries, common source regions for new immigrants to Canada are Asian and Pacific Rim countries. Only 14% of Guelph's residents are

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Economic Base Analysis Report

considered visible minorities, significantly less than the 23% recorded for the Province of Ontario in 2006 and the 16% recorded for Canada.

Affordability

Household income levels provide an indication of spending capacity in terms of housing, retail and personal expenditures and the presence of household poverty in a community. Guelph has a higher percentage of households (25%) in the \$100,000 or more and (29%) in the \$60,000 to \$99,999 income brackets than Ontario or Canada. Poverty rates are lower in Guelph than the Province.

The average cost of purchasing a house in Guelph is slightly higher when compared to neighbouring communities such as the Kitchener and Waterloo area.

Wellington County Tourism Sector

The Premier-ranked Tourist Destination report (P-rTD) determined that Wellington County, which includes Guelph, is an emerging tourist destination. However, considerable investment in planning for the future of the sector on a regional basis is required to grow the economic value of the sector. The University of Guelph was identified in the P-rTD report as the only core attraction that can attract visitors from a long-haul market of five hour or more travel time, primarily through sporting events drawing visitors from across Ontario and Canada.

More recent information from Statistics Canada² (2007) shows slightly more than 2.2 million people from Canada, the U.S.A. and other countries took overnight or same-day trips to Wellington County, representing about 2% of the total volume of tourism in the province. The most common source region for Wellington County tourists/visitors is from the Greater Toronto Area. In 2007, residents of the City of Toronto and Peel and York regions accounted for 41% of all visitors. Wellington County residents themselves accounted for 8% of visits.

In 2007, about one-quarter (0.6 million or 27%) of all trips were made for “pleasure” and more than two-thirds (67%) were made to “visit friends and relatives.”

In 2006, Wellington County’s total person nights reached approximately 2.3 million. In 2007, total person nights decreased to 2.0 million (-13%). In 2007, visitors to Wellington County spent in excess of \$188.0 million on transportation, accommodation, food and beverage, recreation / entertainment and retail—a decrease of nearly 6% from 2006.

² Statistics Canada (2008). *Travel Survey of Residents of Canada and International Travel Survey 2007*.

Investment

Building permit activity indicates the City's success in attracting investment in the residential, commercial/industrial and institutional sectors. Guelph has accommodated substantial residential investment, with construction values ranging from \$126.7 to \$142.8 million annually over a four year time period (2005-2008).

Private and public sector investment has been more variable. Industrial construction was \$63.2 million in 2007 and \$19.3 million in 2006. Commercial construction was very strong in 2006 at \$90.2 million. In the following two years commercial investment was approximately half of the 2006 value. Institutional construction was very strong in 2005 at \$86.6 million and strong again in 2008 at \$69.2 million.

In relation to other communities, Guelph has lower industrial development charges over the short term; however, the City will lose this cost advantage during the implementation of *Prosperity 2020*. The industrial development charge of \$44.32 per sq.m. has been frozen to March 1, 2011 and will then increase in increments to \$106.65 by 2014. Currently, Guelph has lower industrial development charge rates in comparison to Kitchener, Waterloo and Cambridge.

The City has a higher industrial tax rate than its neighbours. Looking at the balance between the City's residential and industrial/commercial assessment base, Guelph is very similar to neighbouring Kitchener and Waterloo with 85% residential and 15% commercial/industrial. Guelph receives 35% of its tax revenue from the industrial/commercial tax base.

Operating Context

The Operating Context describes the City of Guelph's employment lands structure, servicing infrastructure plans to accommodate growth and transportation network improvement plans for the movement of people and goods.

The City of Guelph has seven core employment areas:

- Northwest Guelph Industrial Area;
- Hanlon Business Park;
- Hanlon Creek Business Park;
- South Guelph Industrial Area;
- York-Watson Industrial Park;
- Guelph Innovation District;
- University of Guelph Research Park; and
- Remaining employment lands *and brownfields sites* throughout the City.

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Guelph has a net vacant developable employment land supply of 718 hectares of which the largest tracts are found in the South Guelph Industrial Area (200 hectares, 48 hectares serviced and market ready), the proposed Guelph Innovation District (161 hectares, not serviced and market ready) and the new Hanlon Creek Business Park (153 hectares, not serviced and market ready).

Investment in municipal servicing infrastructure will be required if further employment growth is to occur. However, planned investments in water and wastewater treatment and distribution capacity indicate the City of Guelph is well positioned to service future growth areas during the implementation of *Prosperity 2020*.

The City's commitment to the Community Energy Plan will have implications for the utilities infrastructure capacity and create business opportunities. Energy efficiencies created through building design, conservation, redistributed energy in industrial processes and [potentially] district heating networks will help support residential and industrial/commercial growth in a sustainable manner.

Guelph benefits from a variety of transportation modes and is serviced by road, rail and air. GO Transit is carrying out an EA study for extending GO rail service to Guelph and Kitchener. This study is to determine the demand for rail service and identify station locations, layover facilities and track improvements between Georgetown and Kitchener over a planning horizon of 2011 to 2031. *The existing passenger rail train station in Downtown Guelph is Guelph Council's preferred location for the new Guelph GO station.*

Currently, transportation infrastructure improvements are contemplated by both the City and the province. Consideration of new transportation corridors linking the GTA to Guelph, and the Niagara region to the GTA possibly in proximity to Guelph indicate the city could come to enjoy a new strategic position at the nexus of these linkages.

Competitive Advantages & Disadvantages

Preliminary observations about competitive advantages and disadvantages indicated by the growth expectations, baseline conditions and operating context described in this Phase 1 Report will be augmented by a synthesis of insights gained through the study's consultations to provide the foundation for development of the strategy itself, in Phase 2 of the *Prosperity 2020* study.

Guelph has many assets “in place” or in hand to support further development of its economy. These competitive advantages include:

Commitment to Leadership, Innovation and Sustainability

- A City committed to forging a leadership role in making a difference to the lives of its residents, the broader community and the world;
- Commitment to create a Guelph Innovation District to build on the City's agriculture, life science and environmental management strengths;
- An agri-food and innovation network committed to growing local firms; and
- Municipal commitment to supporting innovation and sustainability in managing water and energy resources and distribution, and to exploring how its current and future citizens, visitors and businesses can be best served by municipal services.

Location and Accessibility

- A location outside the GTA Greenbelt and between the major urban markets and research and production centres of both the GTA and Waterloo Region;
- Location in a larger region with vibrant economic growth, attractive rural and tourism assets and a variety of agencies with which to collaborate on reaching strategic objectives;
- Good highway connection to the 401, proximity to three airports, rail service from two national and one local goods movement providers;
- Bus and potential GO Train transit connections to the GTA and Waterloo Region; and
- Provincial study of one transportation corridor and identification of another that could position Guelph at the nexus of major linkages to the GTA, Waterloo Region, Niagara and the U.S.

Available Employment Land

- A substantial vacant land base in several employment lands/business park locations in the City; with available supply running out in adjacent municipalities to the west and in the east (which have higher land values);
- Lower industrial development charges than neighbouring communities; and
- Municipal infrastructure plans in place to increase the capacity of water, wastewater and roads to accommodate further employment and population growth.

Well Educated, Skilled and Lower Cost Labour Force

- Highly educated labour force; supporting major local and regional presence in the manufacturing, education and government services sectors;

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- Lower wage costs compared to cities in the Greater Toronto Area;
- A population base younger than the average for the province or nation, perhaps indicating a smaller exposure to the labour force supply impacts expected from retirements by aging baby boomers; and
- A large component of the labour force that lives and works in the same City.

Presence of Educational Services Sector

- A large Educational Services sector, including the University of Guelph, administrative offices of the Upper Grand District and Wellington Catholic District School Boards and a satellite campus for Conestoga College;
- Strong programs at the University of Guelph in agricultural management, animal and food sciences, environmental management and tourism management that can support growth in targeted industries; and
- Programs tailored to the manufacturing and transportation industries at the Conestoga College campus.

Emergence of Diverse Industrial Sectors

- Diversity in the “knowledge economy” industry sectors experiencing significant employment growth since 2001, including the *administrative and support, waste management and remediation services*, professional, scientific and technical services, and agricultural support sectors;
- Assets in place to benefit from consumer interest in buying local and/or green products and business interest in greening production processes; and
- Continued investment in Guelph locations by private and public sector employers.

Civic and Tourism Assets

- Strong and growing base of assets with which to engage residents of and visitors to Guelph, particularly in the Guelph Downtown, cultural festivals and events and the University of Guelph.

Guelph’s economic potential could also be constrained by several competitive disadvantages:

Concentration and Lack of Diversity in Employment Structure and the Labour Force

- The City’s concentration of employment in the manufacturing sector makes its economic base more exposed to restructuring in that sector;

- Guelph's relative lack of ethnic diversity may make the City less attractive to the talent required to sustain economic productivity into the future; and
- Underrepresentation in some industry sectors reduces Guelph's resilience to economic shocks, and, with respect to the information and cultural sector and the arts, entertainment and recreation sector could constrain attractiveness to tourists and to companies needing support from those sectors.

Lagging Employment Growth

- *Guelph's employment growth rate has not kept up with the national rate, or with the City's residential growth rate.* This constrains the base for future growth, and shifts the municipal tax burden to the residential base.

Higher Costs

- Higher costs for *purchasing* a home than in neighbouring Kitchener and Cambridge; and
- Guelph has higher industrial tax rates than in neighbouring municipalities.

Limited Reach of Tourism Assets

- Tourism assets that, with the exception of the University of Guelph, do not attract many visitors beyond the Visiting Friends and Relatives (VFR) and short haul (two hour drive and under) markets.

Next Steps

Completion of the Economic Base Analysis report is a significant milestone in the formulation of the *Prosperity 2020* Economic Development and Tourism Strategy. *Our next step is to craft and confirm with the Mayor's Task Force strategic directions that will diversify and strengthen Guelph's economic and tourism base. These strategic directions will be grounded in the Mayor's Task Force's four key principles.*

Building on the consultations with the business community, the directions will focus on:

- Fostering economic development and tourism;
- Identifying opportunities for external contributions to implement the initiatives;
- *Setting priorities for those directions and strategies based on the resources available to implement them;*
- Identifying Economic Development Advisory Committee and staff roles and functions; and
- Defining key performance measurements for tracking implementation progress.

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Economic Base Analysis Report

APPENDIX C

Consultation Summary

**APPENDIX C:
CONSULTATION
SUMMARY**

The stakeholder consultation provided insight and wisdom from Guelph's community leaders and other key stakeholders as input to the formulation of directions and strategy for *Prosperity 2020*. It included input from focused dialogue—with the Guelph Economic Development Advisory Committee (GEDAC), Mayor's Task Force on the Economy, Council and Senior Staff—three stakeholder workshops and an online survey sent out to over 900 business leaders.

While no two consultations were alike, respondents were frank, discussion was animated and some common threads were evident. The following sets out highlights drawn from the consultations based on common themes and consistent messages. These are extrapolated from the Consultation Summary Report, which includes a more fulsome overview of key messages, stakeholders' perceptions of Guelph's strengths and weaknesses, and the opportunities and challenges Guelph faces and participants' vision of what Guelph should look like if the strategy is successful.

Key Messages

All stakeholders acknowledged the challenges posed by the current economy and the need for Guelph to diversify and move toward a more global marketplace.

Stakeholders recognized the nature of manufacturing and distribution is changing and manufacturing jobs of the future will be very different than today's jobs. We heard about the need to diversify and grow the manufacturing sector and about a gap in high end service jobs.

Stakeholders also spoke about the need to accelerate growth in partnerships. We heard about a disconnect among the province, business community and educational institutes and the need to build a common understanding and to align goals and objectives.

Consistently, stakeholders told us Guelph's economy was resilient with three strong sectors underpinning it—education (University of Guelph), government (federal and provincial presence) and industrial sectors. While participants said this diversity would help Guelph weather any economic downturn, we heard the industrial sector, which is currently skewed to the automobile sector needs to expand beyond a single primary firm. Some thought there is a disproportionate emphasis on manufacturing and educational services to the detriment of small business. However, the importance of the University of Guelph and to a lesser extent Conestoga College satellite campus to leverage opportunities was clear.

While there were variations among participants in each consultation there was considerable consistency about critical challenges: downtown revitalization, brand identity, infrastructure capacity, little appreciation for the role of business in the community lack of commercialization, underutilized river system and lake, lack of local buzz, no unified tourism voice, no destination marketing fund, lack of demand generating attractions and high-end products, signature festivals and events, sustainable funding for festivals and events and things to see and do for children, reliance on Visiting Friends and Relatives market, absence of a festival and events policy and plan and long-term marketing plan and Guelph's absence in the global marketplace.

Similarly across all stakeholder groups, competitive advantages were seen in the strength of Guelph's agriculture sector, its critical mass of entrepreneurs, the local agri-food and innovation network and presence of the University of Guelph, access to labour and employment lands, Guelph's unique festivals and events, its strong arts and cultural presence and extensive trail systems, its highly educated labour force, attractive quality of life, lower development charges than neighbouring communities, and proximity to major transportation routes.

Any list of opportunities to enhance competitiveness always included location, presence of the University of Guelph and the Conestoga College satellite campus, growth in "knowledge economy" industry sectors, potential "hub" relationship with the surrounding area, transportation corridor to link the northwest GTA with Guelph, continued investment in Guelph by private and public sector employers and strong agricultural presence to create a platform for culinary and agricultural related tourism.

When asked about challenges participants consistently told us about the current economic environment, lack of economic diversity with Guelph's high concentration of employment in the manufacturing sector, strong competition in other jurisdictions that are well funded and organized, disconnect between public's perception of being "green" and science, perception that Guelph is an over processed and business unfriendly location, industry fracture/self interest and the lack of cross sector fertilization/alignment across organizations.

Downtown Revitalization is Needed

With a great deal of agreement workshop participants and survey respondents indicated critical concerns with Guelph's downtown. About 58 per cent of survey respondents indicated that downtown revitalization is Guelph's most pressing infrastructure need. Participants in all workshops said addressing downtown issues should be a priority.

Brand Identity is Missing

While participants said Guelph has lots of assets and a range of products, it is not perceived to have a brand identity. Participants said that Guelph has no brand as a manufacturing centre, no profile. Its business success stories are just not being told. Similar concerns were expressed regarding Guelph's profile in the tourism marketplace – while the City has many assets, there is no unifying brand.

Strong Innovation Presence

Guelph has a strong agriculture presence—from the university's advanced research, local farms and the Saturday market to restaurants offering locally grown product—but participants told us no platform has been built to brand or market this.

Participants indicated that Guelph has a huge opportunity in advanced manufacturing and as a hub for food and should work to become identified as a Centre of Excellence in Agri-Technologies and Food Technologies and Environmental Technologies.

Lack of Commercialization

While Guelph is rich in innovation and entrepreneurs, stakeholders said it needs to get better at leveraging ideas into products that create economic growth and jobs. There is a lack of commercialization and R&D is just not transferring to profit.

Participants suggested Guelph needs to understand what drives investment to create jobs and to attract members of the international community to Guelph to help lure international investment.

Access to Labour and Employment Lands

Stakeholders were clear: Guelph has a significant advantage with its ready access to labour and employment lands as well as its relatively low development charges. Participants told us employers are aware of the available labour in the area and this is an advantage that Guelph needs to market.

Location, Location, Location

We heard from workshop participants that Guelph's location is a huge advantage—easy access to markets, GTA municipalities, Pearson Airport and the Technology Triangle and with access to both CN and CP rail facilities. However, transportation infrastructure is needed such as trans-loading rail facility and trucking facilities, which tend to bring resident opposition.

From a tourism perspective, participants suggested positioning the City as a “hub” or “gateway” to other area destinations, many of which are Guelph’s competitors.

Lots of Competition

Guelph has lots of competition, especially from the U.S.; as a result participants said the City’s strengths are enough to enter the competition but not necessarily strong enough to win it. Some participants said that this is exasperated by organizations within Guelph competing against each other.

From a tourism perspective, we heard that everyplace is a competitor and Guelph’s competitors tend to be more tourism ready. As well, a number of these other communities have Destination Marketing Funds and can market themselves. The tourism marketplace is noisy and Guelph’s voice is just not heard. Every community is marketing itself and Guelph must find its voice to compete. Participants agreed that Guelph needs to define its own culture, not duplicate other communities.

On all fronts, participants told us Guelph needs to be better positioned in the marketplace. This requires understanding what the City really wants to do/be; understanding commercialization and the implications for the city and working with existing entrepreneurs to grow the sector. It also means working with identified regional strengths.

Guelph needs to build local buzz, which will help to draw foreign direct investment, participants told us. This may include a local brochure to communicate its technology success stories; or getting advanced manufacturers more engaged through organizations such as the Guelph Partnership for Innovation, BioEnterprise and the Ontario BioAuto Council.

Beyond Open for Business

Everyone agreed the City needs to be seen as truly open for business and proactively engaged in attracting and retaining business. Guelph needs to develop a reputation as a business friendly city. Unfortunately, participants said, it is the negative messages that get communicated (e.g. Hanlon Creek Business Park) and this further delays the development process.

Participants indicated the importance of helping the public understand the role of business in the community and its contribution to community sustainability. Some participants thought this would help to mitigate local opposition to growth.

Diverse Mix of Potential Tourism Assets But Missing Product

Participants indicated a need for product development and for packaging and bundling of tourism product. We heard there are few signature events or attractions that draw people to Guelph from beyond the GTA and visiting families and friends market. It was also noted that the City's tourism assets are geared towards adults, with very little for children to see or do.

Assets, Events, Festivals Not Well Marketed or Understood

We heard that festivals and events are locally successful but disparate events lack cohesion and don't build synergy off each other. Long-term sustainable funding is a major problem for Guelph as with most area attractions and festivals and events, but there is no festivals and events strategy and the City's tourism budget is minimal.

No Unified Voice for Tourism

Participants argued that Guelph needs a unified voice for tourism. The industry is not working together collaboratively and not advocating for the City and telling its story. It needs to partner, collaborate and be cohesive within its own region.

Community Engagement Needed

Participants said an integrated approach to community and tourism needs to be developed. The community does not understand tourism and its benefits and the City needs to be able to show people the return on investment that tourism brings.

Conclusion

While Guelph has its challenges, the foundation is in place to enhance its prosperity to 2020. First and foremost it has to now build the pieces and mechanisms to target competitive niches and diversify its economic base. It needs to give consideration to:

- Improving the commercialization process;
- Defining a brand;
- Defining its environmental technologies, agri-science and advanced manufacturing strengths;
- Aligning the community with shared goals.

The City must decide which combination of competitive strengths to brand and what its role will be in tourism.

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