



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Economic Development Financial Update and Future Strategic Direction Staff Report to Council

Report Number: 2021-14

Department(s): Economic Development

Author(s): Chris Kallio, Economic Development Officer

Meeting Date: March 22, 2021

Recommendations

1. That the report entitled Economic Development Financial Update and Future Strategic Direction dated March 22, 2021 be received; and,
2. That the 2021 – 2024 Draft Economic Development Strategy reflect a balance between a continuance of pandemic related support programs and draft strategy directions developed pre-pandemic; with the amended strategy coming forward for approval in principle at the April Committee of the Whole; and
3. That Staff pursue partnerships with York Region, the Chamber of Commerce and other community partners to support the most efficient and effective continuance of the new programs developed during the pandemic to support the local business community in their recovery efforts; and,
4. That Staff utilize the funds earmarked in the 2021 budget process for business support to offset 2021 patio set up/take down logistics, waive patio fees, licensing fees, other related business support fees throughout the community as identified, support continuance of the Shop Local program, and provide non-retail businesses with consulting advisory services that identify senior government funding programs to support their business growth; and,
5. That the CAO be authorized to approve the hiring of a paid placement from a recognized graduate level program or equivalent if determined necessary to support economic development efforts over the next 12 months, to be funded from the existing economic development reserve fund.

Purpose

This report provides an update on the approved 2021 budget amount of \$50,000-\$100,000 to support small business in Newmarket. Related to this, it offers recommendations for continuing a level of micro and small support services implemented by Economic Development during Covid-19, resourcing requirements, and impact on the 2021-2024 Economic Development Strategy.

Background

Economic Development's overall work plan is guided by Council's Strategic Priorities as well as the Economic Development Strategy, the latest covering the 2016-2020 time period. Since the fall of 2019, staff worked closely with NEDAC, Council, and the business community to begin the process of developing a 2021-2024 Economic Development strategy, which is expected to be presented to Council shortly.

Core staff complement within Economic Development consists of the Economic Development Officer, Business Development Specialist, and Administrative Assistant, all under the direction of the Commissioner of Community Services. Pre-Covid 19, staff focused on a range of activities including investment attraction, developer/ICI realtor and Foreign Trade office liaison, local and external partnership development, Business retention and expansion (BRE) including an ongoing corporate visitation program, and over the past 3 years, an ambitious "Marketing the corridors" campaign intended to raise the profile of Newmarket as a preferred destination for residential and commercial intensification within the GTA. The department also allocates significant resources to downtown development, including management of the successful Financial Incentive Program and staff support for the Main Street District BIA.

While the above provide descriptions of general focus areas within Economic development, they do not capture the scope of work required to successfully advance each of these, and which keeps the department working at full capacity. Covid-19 added a new and unexpected element to existing workloads, and forced a major pivot of department focus towards servicing the micro and small business community being impacted by the pandemic.

Since March 2020, the Economic Development Resiliency Action Plan (EDRAP), which included the Business Assistance Concierge (BAC) program, the Mentorship Access program (MAP), Choose Local directory, an expanded patio program, and other initiatives intended to support local businesses was launched. Redeployment of staff resources on a part-time basis from other departments to meet these challenges was welcome, but the singular focus required to support small and micro businesses over the past year meant existing "macro-economic" initiatives, as indicated above, were mostly deferred.

The micro and small business support service established within Economic Development has provided local businesses with an information/referral point of contact to help them navigate the pandemic, in particular during the first six months when senior government programs were being continually introduced and/or modified. As programs stabilized, local businesses became more familiar with their funding eligibility and application requirements. This, combined with the emergence of several external organizations providing similar information referral services, resulted in declining but still notable demand in the latter half of the year, which has continued into the first quarter of 2021.

In summary, the quick mobilization of the EDRAP provided many local businesses a much needed point of contact during the most challenging times of the pandemic, with Economic Development directly assisting over 100 local businesses through this program. The department also established a current email distribution list of over 1,500 businesses through the use of our internal CRM, which enables us to effectively communicate with the business community on a wide range of issues as we move forward.

Discussion

Economic development could not have met the challenge of responding to the pandemic without the support of part-time redeployed staff made available to the department. Several staff remain engaged in a number of ongoing programs/marketing campaigns, but they will no longer be available to Economic Development as they transition back to regular duties to meet growing needs within their respective departments.

Maintaining connections through pro-active follow up with micro and small businesses should also continue, and staff are exploring opportunities to free up resources by fully or partially offload these services to external partners with a specific mandate to deliver small business services.

Reverting back to Economic Development core staffing levels will strain our ability to deliver, on an ongoing basis, successful “legacy” programs created during the pandemic. For example, in 2020, the Town’s Economic Development, GIS and Communications teams came together to launch the #ChooseNewmarket campaign and contest. The campaign was incredibly well received by both businesses and the community. The total campaign cost to Economic Development was \$7,500 including two photoshoots, all media buys and the prizes.

Planning is underway to build on the Choose Local campaign success by continuing it throughout 2021. In doing so, staff intend to strike a balance that amplifies the economic impact while maintaining a responsible approach to Town resources. Programming in 2021 will include on-going social media advertising throughout the year, and creating blog posts highlighting “Choose Newmarket Champions” that feature residents and organizations prioritizing local spending during the pandemic.

Staff will also run two Choose Newmarket social media contests similar to the one run for the 2020 holiday season. The first is targeted for the May long weekend to highlight patio season, taking advantage of the expanding opportunities to support local, and the second, during the holiday gift giving season beginning in November.

An Augmented Reality project is also underway in the downtown core that will require staff marketing resources once launched later this spring.

Concurrently, staff also need to re-engage on the pre-pandemic macro-economic initiatives that took a back seat to the new pandemic support activities of the past year. Business, developer and ICI realtor inquiries are rebounding as some semblance of economic normalcy appears on the horizon. Our extensive network of partner organizations and agencies are also becoming more active. Additional staff time commitments are required to re-establish our presence within the global community and build upon our growing reputation as a great place to live and work within the GTA.

Finally, Economic Development has been preparing a 2021-2024 Economic Development strategy that will be presented to Council this spring. Based on consultations with Council, NEDAC, and the business community via the Community Economic Development summit held the first week of March, 2020, staff intended to deliver the new strategy by mid-year, 2020. Covid derailed our planned schedule while also forcing staff to review the initiatives proposed within the draft strategy for relevancy in today's business climate and ability to deliver.

Three main themes are featured in the 2021-2024 Economic Development strategy: Attraction and Marketing, Building an Entrepreneurial Ecosystem, and Community Vibrancy. Subject to Council endorsement once the entire plan is presented, these will remain the primary focus areas moving forward. Early drafts of the strategy propose numerous initiatives to advance each of these over the next four years, however, some items will need to be reduced in scope or removed from this planning period to better align with resourcing capabilities. The ultimate goal is to balance the delivery of new, high-value projects emanating from the EDRAP, re-establishing pre-pandemic macro-economic development initiatives, and new action items proposed in the upcoming Economic Development strategy.

During 2021 budget deliberations, Council also approved a financial contribution of \$50,000-\$100,000 for direct small business support, to be funded from the Economic Development reserve. Staff have identified a number of areas where these funds might be allocated and which do not contravene the bonusing provisions of the Municipal Act. These include marketing support for the expanded, year-round Choose Local program, offsetting Town costs for the 2021 patio program, waiving of various permit fees and charges, and specialized consulting support for non-retail businesses to advance their growth. Staff continue to explore additional supports that maximize benefits to small businesses.

Delivering the existing pre-pandemic program, legacy pandemic-related projects, and new Economic Development strategy-related initiatives, will be an ambitious undertaking. It is therefore recommended that if necessary, core staff be supplemented by the addition of a one year, senior level post-secondary placement position to alleviate some of the expected work pressures.

Conclusion

This report addresses a number of inter-related items intended to advance the economic progress of Newmarket. Subject to Council's direction on the recommendations proposed, staff intend to present the 2021-2024 Economic Development Strategy at the April 12, 2021 Committee of the Whole meeting.

Business Plan and Strategic Plan Linkages

This report aligns with the Town's "Well Beyond the Ordinary" Mission and the recommendations contained within it specifically advance three Council Strategic Priorities:

- Economic Leadership and Job Creation
- Extraordinary Places and Spaces
- Vibrancy on the Yonge, Davis and Mulock

Consultation

Members of Council, the Newmarket Economic Development Advisory Committee (NEDAC) and representatives from the business and development community were consulted during the development of the 2021-2024 Economic Development strategy and were kept apprised of Covid-related initiatives implemented.

Human Resource Considerations

Ongoing review of the work plan and resourcing will be conducted, with the potential that a senior-level post secondary student may be hired for up to one year to support implementation.

Budget Impact

Any funding required for recommendations contained in this report will come from the Economic Development reserve and therefore have no impact on the operating budget.

Attachments

None

Approval

Chris Kallio, Economic Development Officer, Community Services

Ian McDougall, Commissioner, Community Services

Contact

Chris Kallio, Economic Development Officer, ckallio@newmarket.ca