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BROCKVILLE
official plan

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In Association with:



ECONOMIC DEVELOPMENT STRATEGY

ADOPTED BY COUNCIL, MARCH 23, 2010

A foreword from the consultants on Best Practices in Economic Development

"Best Practices" are regarded as the most effective (best results) and most efficient (least amount of effort or cost) methods to accomplish a particular objective. A given best practice is applicable to particular conditions and may have to be modified or adapted for similar, but not identical circumstances. In addition, a best practice can, and should, evolve to become better as improvements are discovered.

In this document for the City of Brockville, the consultants have founded all elements in their view of current best practices in economic development. These have been compiled over two decades through extensive research by the consultants of the global discipline of economic development, as well as hands-on practice by the consultants.

"We are a unique Community and we want a unique plan" Most Communities regard themselves as being unique and, taken overall, this is true, due to the permutations and combinations of the people who live there. Often, civic pride demands that we recognise this uniqueness and declare that this will be the foundation for future prosperity. This can be deployed to aid economic development, but only in certain respects.

Most Communities are Unique - a combination of:

- People
- Geographic positioning
- Landscape
- Natural resources
- Etc.

Uniqueness in terms of *socio-economic development* is different:



Socioeconomic Development is a '*harsh*' filter.

If the economy is founded upon demonstrable advantages which are apparent to the outside observer, then these are more readily deployed in attracting external investment. For example, some communities had been built around forestry and minerals, because those resources existed in those regions. Other communities have used the proximity of agricultural land, waterways, highways, and so on, as their basis for prosperity. Still others used the proximity of major markets to build their economies. Those with major tourist attractions leverage this advantage to create prosperity.

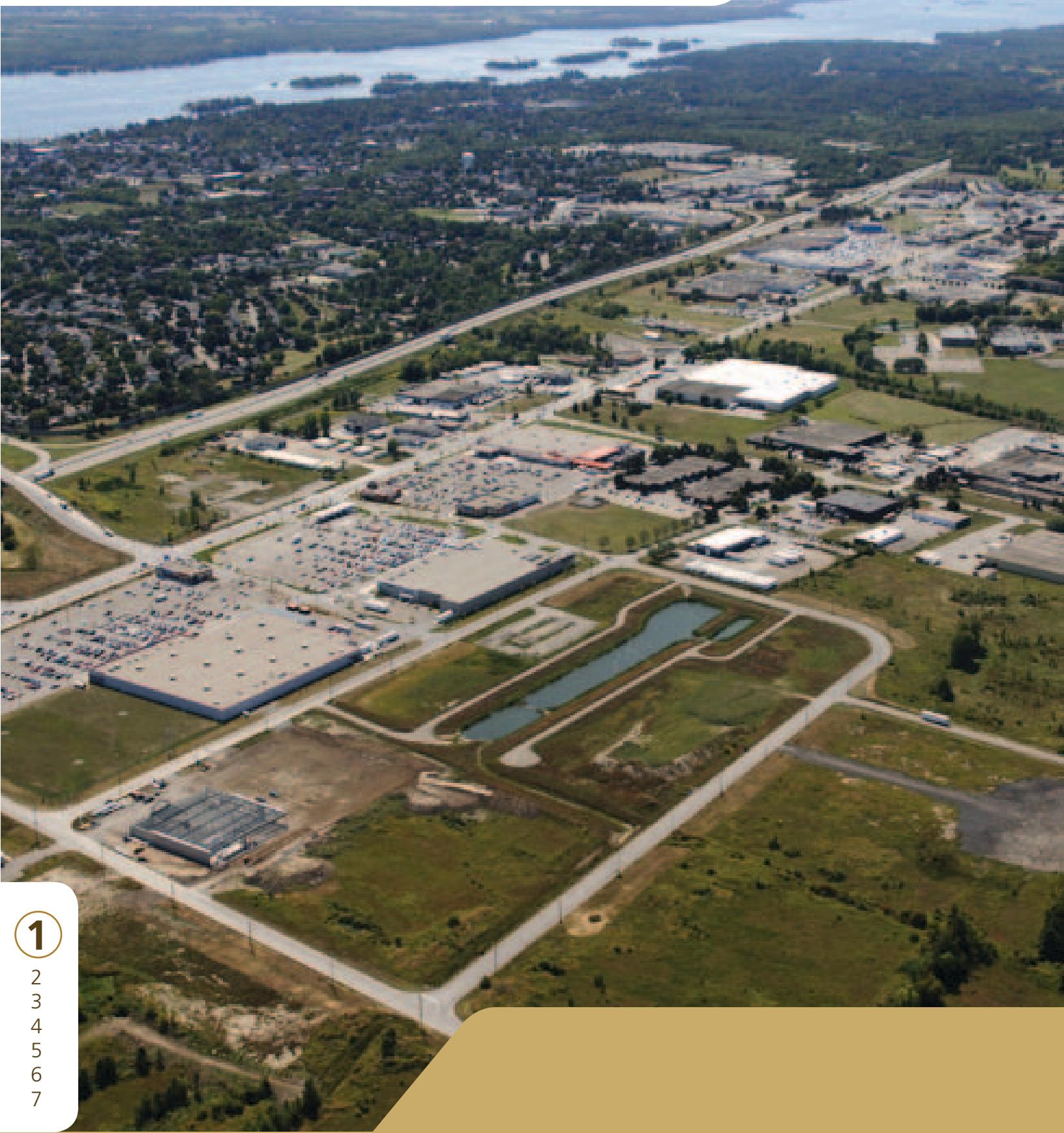
All of these factors are obvious to the outside investor but none of them pertain to the nature of the Community and people. When attracting outside investors, the community must look to what is important to the investor and not what civic pride states should be important. As a result, all strategies focused on the same external investor, must be so tailored and, therefore, will tend to look similar. The processes, tools and mechanisms, being directed towards similar objectives as most other jurisdictions, must, therefore, be similar.

Just as a doctor may prescribe the most effective treatment for all patients, the results of the treatment will depend much more on the discipline with which the patient follows the prescription. Similarly, a tool in the hands of a skilled craftsman will produce a different result than in the hands of a layperson. What the consultants on this project have provided is far less important to the future prosperity of Brockville than the support of the Community, the commitment of the City to follow the disciplines recommended and the proper resourcing to gain the benefits of investing in

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1 INTRODUCTION



The City of Brockville is in the process of preparing a new Official Plan. An Official Plan is a statutory document which sets out the land use policy direction for long-term growth and development in the City of Brockville for the next 20 years. In addition to direction from the City's Community Strategy Plan to prepare a new Official Plan, the existing Plan is over 20 years old, which exceeds its defined planning horizon. As such, the City initiated the process to create a new Plan. To inform policy in the new Plan, three strategies have been prepared:

- » Land Use and Growth Management Strategy;
- » Downtown and Waterfront Master Plan and Urban Design Strategy; and
- » Economic Development Strategy.

Concurrent with the Official Plan, the City is also undertaking an Integrated Community Sustainability Plan (ICSP), which will direct policy by establishing a set of sustainability goals and targets. These goals and targets will ensure overall interaction between the three strategies, the Community Strategic Plan adopted in April of 2009, other municipal plans, strategies and documents, and with the City's decision-making process. The process to develop the ICSP is ongoing and has progressed towards a Discussion Paper on Integrated Community Sustainability.

As part of the development of the new Official Plan, the City of Brockville has created an ongoing Socioeconomic Development Mission to maintain and achieve economic prosperity within the Community. The word 'socio' is a reminder that the economy is not an end in itself but a means to an end: the well-being of the Community, now and into the future. Economic Development is a crucial tool in the development of a prosperous local economy, and in the expansion of a diverse tax base for the municipality. Global, national, and local economic changes are occurring at a rapid pace and Brockville must act now in order to be in the best possible position for the future. This means taking advantage of the opportunities of the future as well as weathering the challenges of the present.

1.1 BROCKVILLE OFFICIAL PLAN PROJECT – OVERVIEW

The City of Brockville and its 22,900 residents (Watson & Associates, 2009) have initiated the process to create a new Official Plan. This new Official Plan is intended to guide land use and development for a 20-year time horizon beginning to the year 2031.

The City of Brockville Official Plan program presents an exciting opportunity for Council, City staff, and the community to be involved in shaping their own future by helping to guide the planning foundation and direction of the City for the next 20 years. The Official Plan project is in response to the evolving Provincial policy initiatives such as the Provincial Policy Statement and amendments to the *Planning Act*, detailed in the Land Use & Growth Management Strategy.

The development of the Official Plan requires specific analysis and consultation to determine the most effective policies to guide change over the next 20 years. The Official Plan project is organized into three phases

Figure 1. Phase I involves a comprehensive approach by preparing several key studies denoted above which will provide the Foundation for the new Official Plan. Phase II of the project will integrate the results of Phase I leading to the preparation of the Land Use and Growth Management Study. Phase III will integrate results from Phases I and II, culminating in the preparation of the Official Plan. The Official Plan is expected to be ready for adoption by City Council in late spring/early summer of 2010 and will then be forwarded to the Ontario Minister of Municipal Affairs and Housing for approval.

The focus of the project is to establish a strategy for the management of change in the City of Brockville. The primary objectives include:

- » Identify opportunities for growth in the City;
- » Incorporate policies into the new Official Plan that are clear, environmentally progressive, and promote a sustainable and healthy community;
- » Evaluate employment lands with the view to accommodate growth and respond to emerging employment trends;
- » Maintain an appropriate balance of residential to non-residential land uses;

- » Conform to provincial initiatives, particularly the Provincial Policy Statement;
- » Establish a framework for urban design guidelines and architectural control policies, and incorporate an urban design plan for the downtown and waterfront area;
- » Enhance policies to support cultural and built heritage;
- » Incorporate policies which focus on the public use of the waterfront and expansion of the parks, trails, and open space systems;
- » Build on efforts to revitalize the community, such as the Community Improvement Plans;
- » Make provisions in the Official Plan to address recent amendments to the *Planning Act* including matters such as complete applications requirements, development permit systems, public meeting requirements, etc.; and
- » Establish a framework for a socio-economic development mission and strategies which will provide recommendations related to land use and development.

1.2 FOUNDATIONS

As identified in **Figure 1**, the first phase of the Official Plan Project provided the technical background and the development of emerging planning themes as shown in **Figure 2**. The second phase involved the development of three interrelated strategies, which will inform policy in the new Official Plan and Integrated Community Sustainability Plan to be completed in the final phase.

The Foundation Report, adopted by Council on June 23, 2009, brought together a set of recommendations to move towards the completion of the detailed strategies. The recommendations were based on input received from Council, the community, and City staff. These strategies, will assist in developing policy in the new Official Plan.

Figure 1 | Official Plan Project Process

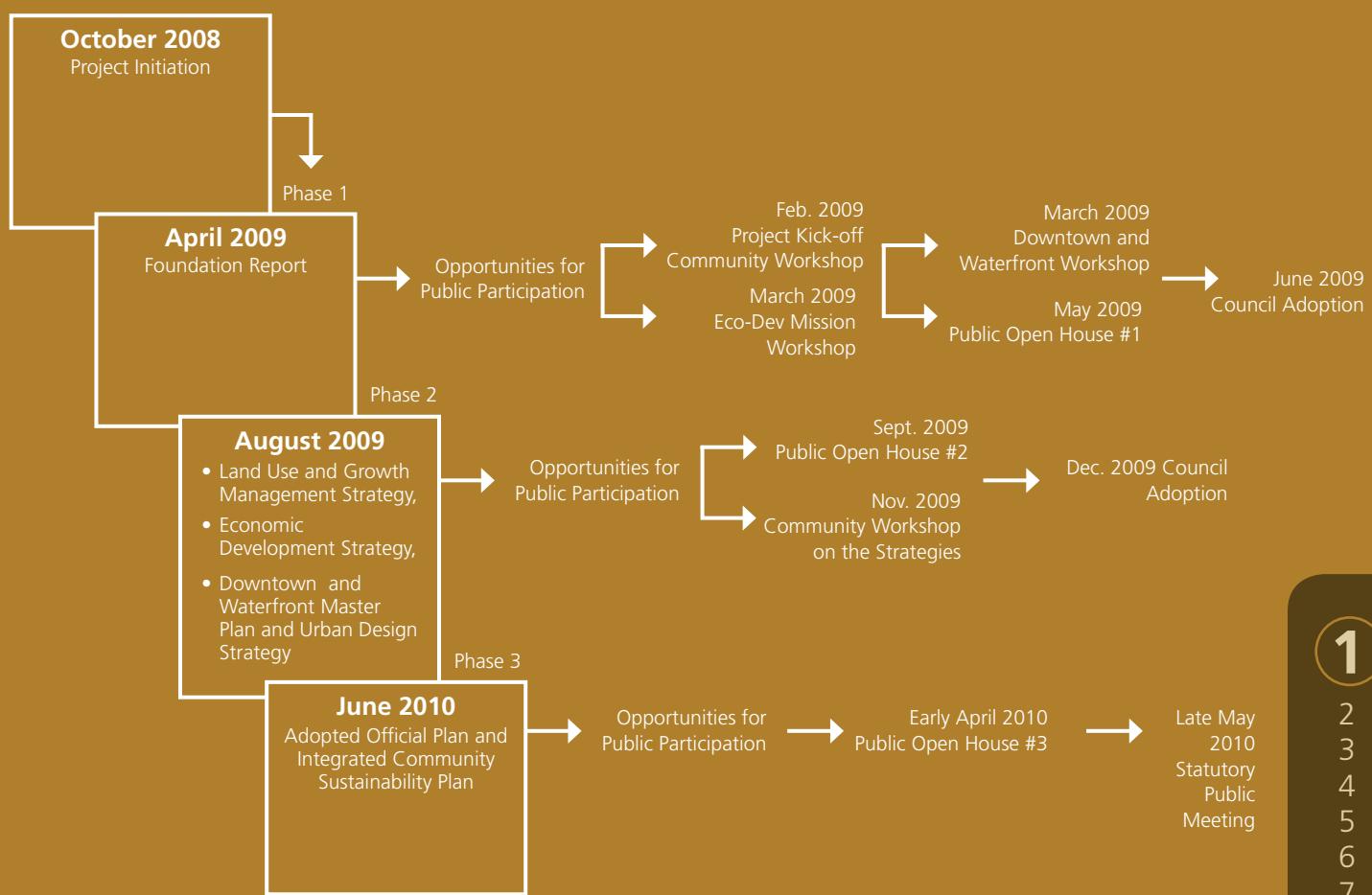
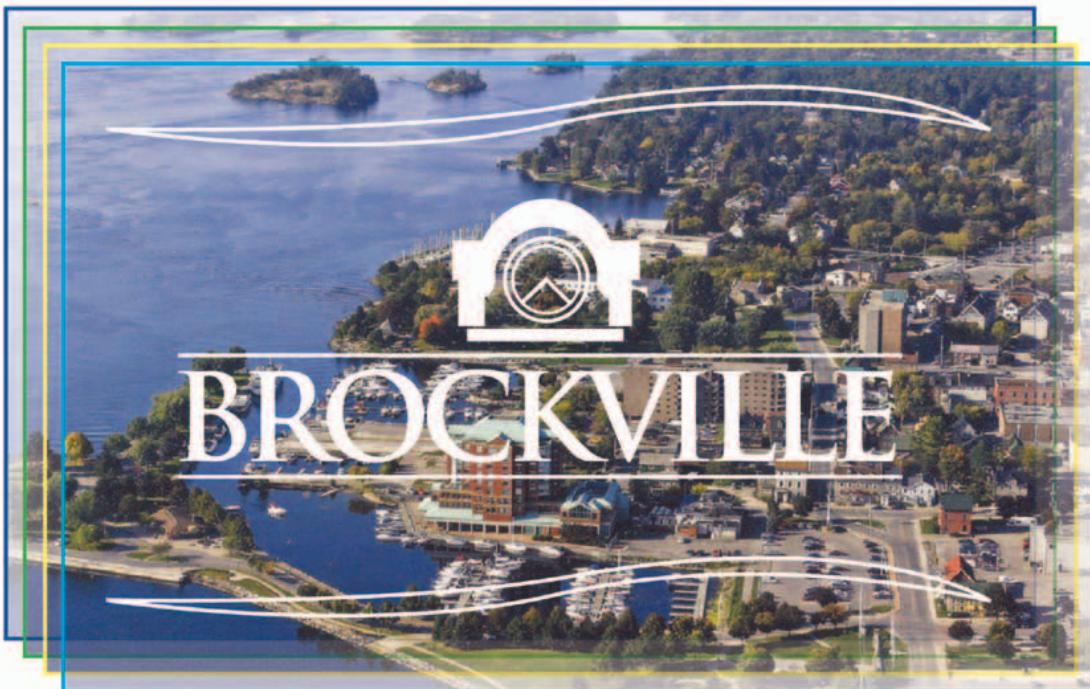


Figure 2 | Emerging Planning Themes

emerging community planning themes



□ *quality of amenities & services*

- Connect trails, streets and open spaces, increasing the 'walkability' of the City.
- Promote active and accessible transportation choices – improve transit, cycling, and walking trails.
- Upgrade and expand crucial physical infrastructure in the City.
- Maintain and enhance core community services, including health care, recreation, and social services.
- Undertake significant upgrades to water-based access and services on the River.
- Provide a large number of activities for all ages on the waterfront.

□ *sustainability of the City*

- Reduce energy consumption and provide alternative and more sustainable energy solutions.
- Address the greening of the community – tree planting, landscaping, and vegetation retention.
- Balance the use of the City's Islands.
- Protect and enhance natural areas, parks, and open spaces.
- Provide strong planning and municipal leadership.
- Maintain and improve cleanliness and safety within the City.

□ *the community and people*

- Be inclusive and consultative.
- Maintain the "Small City Feel".
- Celebrate heritage and culture.
- Provide a diverse housing choice – available, accessible, and affordable.
- Promote the City's strong architectural identity and excellence in urban design, which is unique in Eastern Ontario.
- Retain and attract young people to ensure the City's sustained viability into the future.

□ *the City's economy*

- Protect and enhance the vibrancy of the downtown and street life.
- Protect and enhance the waterfront as an active and publicly accessible place.
- Continue to develop tourism amenities and a tourism industry.
- Maintain a strong and diverse employment base, particularly with exposure close to Hwy 401.
- Redevelop underutilized sites south of the 401 to reinvigorate the core of the City.
- Position St. Lawrence College and other key learning assets and facilities to be the centre of excellence for technology, entrepreneurship, and research and development.

1.3 STRATEGIES

Phase two of the Official Plan project includes the preparation of three strategies. The three strategies are:

- » The Downtown and Waterfront Master Plan and Urban Design Strategy;
- » The Economic Development Strategy; and
- » This Land Use and Growth Management Strategy.

The three strategies are described in **Figure 3**. In addition, the City is currently undertaking an Integrated Community Sustainability Plan, as described in Section 1.4.

1.3.1 DOWNTOWN & WATERFRONT MASTER PLAN & URBAN DESIGN STRATEGY

The quality, history, accessibility and present design of the City's waterfront and downtown all contribute to the notion of the waterfront and the downtown as having cultural heritage significance. The Strategy takes into consideration criteria and issues that are important to the City of Brockville, will be used to shape the development of policy in the downtown and the waterfront areas. In particular, the Strategy proposes alternative locations for a number of water-based activities to alleviate the growing needs of visitors, promote and maintain connectivity between and determine the use of the downtown and the waterfront area, as well as promote the downtown and waterfront as areas for living, working, and as a tourism destination. This strategy also addresses the sequence of parks and open spaces along the waterfront, and the future use of the Reynolds lands. The review also

examines the juxtaposition between the need for high density development and existing urban fabric and heritage elements which have characterized the charm of Brockville.

1.3.2 ECONOMIC DEVELOPMENT STRATEGY

With an eye on prosperity, the Economic Development Strategy charts the future economy of the City of Brockville and influences the land use planning direction for the Official Plan. Defined by the key values of the Community, the Socio-Economic Mission defines the long-term direction of economic development to ensure, at all times, compatibility with these values. Flexibility in strategies is essential and they must be adjusted frequently according to the economic conditions that prevail; this is especially crucial in the present economic turbulence. The Strategies also support the goals of the Socio-Economic Mission and which enables the City to pursue various avenues of sustainable economic growth, both in the short-term and long-term, as conditions change. This results in effective steps being taken to implement the Socio-Economic Mission. Partnerships between the public and private sector will be crucial – the City, in conjunction with senior levels of government, will work with the private sector to create conditions for appropriate economic expansion and growth of developing businesses and employment within those optimized conditions.

Figure 3 | Planning Strategies



1.4 INTEGRATED COMMUNITY SUSTAINABILITY PLAN

1.3.3 LAND USE & GROWTH MANAGEMENT STRATEGY

This Land Use and Growth Management Strategy (LU&GMS) builds on the recommendations from the Foundation Report and identifies recommended planning policy directions and a structure for growth and development for the City of Brockville. It is developed on the basis of a local, contextually-appropriate, appreciation of Provincial planning policy. This Report also provides recommendations regarding growth, servicing, transportation, and land use, all of which will assist in providing policy direction in the Official Plan.

Planning at the official plan level is carried out within a framework established by both Provincial legislation and the primary policy documents prepared by the Province of Ontario. Provincial policy is implemented by the Brockville Official Plan as illustrated in [Figure 4](#). The City's Official Plan is then implemented by a series of planning tools established in its Official Plan such as a zoning by-law and development control.

The Provincial land use policy regime is established through the *Planning Act* and the Provincial Policy Statement (PPS).

The Community Sustainability Strategy prepared in the Foundation Report recommended that "the City could support principles of sustainability, consider long-term needs and impacts of decision making, and ensure that planning is holistic as a result of integrated decision making and goal setting by undertaking an Integrated Community Sustainability Plan".

Integrated Community Sustainability Plans (ICSPs) are defined in Ontario's 2005 Federal Gas Tax (FGT) Agreement as long-term plans developed in consultation with community members that provide direction for the community to realize sustainability objectives, including environmental, cultural, social and economic objectives.

While ICSPs are not required to be prepared by municipalities in Ontario where an Official Plan is in place, the ICSP will be prepared in order to demonstrate that the City of Brockville is engaged in initiatives that support municipal sustainability. It will also ensure that the City has access to federal funds for municipal infrastructure projects and sustainability planning initiatives in the future.

Figure 4 | Ontario's Planning Framework



1.5 PUBLIC CONSULTATION

The process to develop a new Official Plan for the City of Brockville has involved a significantly high degree of public consultation. To date, there has been a high level of public interest and involvement in this initiative, which has been achieved through a high number of public consultation events and workshops which provide numerous opportunities for residents, business owners, and interested parties to participate in the process.

Foundation Workshops

The first major event of this open and transparent public consultation process was on February 26, 2009, when the first Community Forum Workshop was held to provide a background of the Official Plan program, and obtain initial comments from the public. Workshop participants were asked to comment on what they value about Brockville, issues and challenges facing the City, and the visions for the future. Over 100 participants attended this workshop, and provided insightful thoughts and ideas on how to plan for the future of Brockville.

An Economic Development Workshop was held on March 3, 2009, where participants contributed to identify community values through the lens of the economy. More than 60 people attended this workshop and provided comments that identified economic issues, including the lack of small businesses in the City, the need to increase transit, walkability and provide live/work opportunities, add more hotels downtown, and increase sustainability.

A workshop focusing on the City's Downtown and Waterfront was held on March 4, 2009. The workshop focused around eleven different sectors within the downtown and waterfront area, where community members and interested parties shared their thoughts on the future of the sectors in the Downtown and

Waterfront area. Approximately 150 people attended this meeting, and attracted meaningful and thought-provoking discussion on a vital area of Brockville. Community members commented on the need to enhance and expand recreational uses along the waterfront and promote commercial, residential, recreational and institutional uses in the Downtown. Heritage and tourism were also major topics of discussion in the workshop.

Ensuring an inclusive, meaningful, proactive and responsive public consultation process has been one of the most important aspects in the development of the City's new Official Plan. The initial community workshops provided an opportunity to gain a necessary and important understanding of key issues facing the communities of Brockville, and provided a critical component in establishing the Foundation Report, which is comprised of several background reports and emerging planning themes that surfaced from the public workshops.

The first of two Public Open Houses was held on May 25, 2009, to allow for public comments to be received on the Foundation Report, including emerging planning themes, economic development, transportation, servicing, urban design, the waterfront and downtown, and future growth. Through extensive dialogue and discussion with community members, key areas of interest and concern emerged, including the need for an accessible and barrier-free access to the waterfront, promoting mixed-use development throughout the downtown, increasing public green space, encouraging the heritage feel to the City and promoting high quality architecture, maintaining and preserving St. Lawrence Park, promoting development north of Water Street, and maintaining river views from the downtown area. All public comments were considered in the revisions to the Foundations Report. The Report was adopted by Council on June 23, 2009.

Strategy Workshops

The second Public Open House was held on September 9, 2009 with the purpose of introducing and discussing the three Strategy documents that were developed from the necessary comments and feedback provided by the community. The three Strategies include:

- » the Economic Development Strategy;
- » the Land Use and Growth Management Strategy;
- » the Downtown and Waterfront Master Plan and Urban Design Strategy; and
- » the preliminary discussion paper on the Integrated Community Sustainability Plan.

Over 80 participants attended the Open House, where they were asked to review the display boards and provide any questions, comments or concerns with respect to the Strategy documents or the overall project. This was accomplished by writing comments on colour-coordinated post-it notes and attaching them directly on the display boards. Comments and suggestions provided for the Economic Development Strategy included improving and expanding on Brockville's Farmer's Market, seeking out regional partnerships to increase the City's market exposure,

and proposing methods to attract business and industry to the area. Comments on the Land Use and Growth Management Strategy included concerns about servicing development, expansions to the City development lands, connectivity to rail corridors and traffic.

Comments on the Downtown and Waterfront Master Plan and Urban Design Strategy pertained to the reconfiguration of Water Street, re-use/re-development of older buildings, tourist attraction and proposed new development in the downtown.

Comments on the Integrated Community Sustainability Plan stressed the importance to reduce energy dependence and seek alternative energy sources, including "Food" as an action area and providing more information on the timing of completion of certain action items.

As a follow-up to the second Open House, a Public Workshop was held on November 9, 2009 to discuss the draft Economic Development Strategy, draft Land Use and Growth Management Strategy, and the draft Downtown and Waterfront Master Plan and Urban Design Strategy. Participants were able to review



display boards containing information on the draft Strategy documents. They were then asked to choose two of the three Strategies they were most interested in and participate in facilitated group discussions that focused on the specific strategy document.

Concerns included the need for additional boating/recreational opportunities (i.e. new docks and diving spots), building heights in the Downtown and the concern over the potential for a high rise skyline of the City, the need for a comprehensive business plan for the Downtown and economic incentives that attract sustainable development, the need to encourage and support affordable housing opportunities, and the need to build and expand the Brock Trail. Participants also focused on what they liked and did not want to see changed in the Strategy documents, including encouraging more people to live downtown, promoting revitalization and public access to the waterfront, the realignment of Water Street and the use of the tunnel area, encouraging an on-street cycling network, and attracting institutional uses to the downtown area.

Throughout the initiative, many participants have acknowledged and commented on the extensive public consultation process that has been undertaken to develop Brockville's new Official Plan. The input

that has been received so far in the project process has been extensive. In less than one year, seven consultation exercises have been held in order to provide a framework for the development of the Official Plan. The public forums, meetings, open houses and workshops that have been held have been well attended by various communities in Brockville, has brought key issues and concerns to the surface, and has painted a vivid picture of how these communities of Brockville want their City to look, function and evolve.



1.6 THE PROCESS USED IN THE ECONOMIC DEVELOPMENT STRATEGY

This initiative was based upon an analysis of the current economic advantages and disadvantages of Brockville. This was derived from sources such as Statistics Canada, the Area Development magazine's annual list of jurisdictional competitive factors and the relative economic advantages compared to competing jurisdictions. The assessment took into account the geographic location relative to marketplaces, transportation links, raw materials, physical and legislated restrictions, and the workforce. To these were added the outcomes of the Community Consultation process that was used to define the core Values of the Community and which then translate into the boundaries for acceptable economic development activities. Essentially, this process combines the two terms 'socio-' and 'economic' The Mission Statement for Socioeconomic Development in Brockville was then formed, under which various Strategies were developed in order to meet the Mission goals.

“To create an economy that is sustainable and diverse, respecting Brockville’s unique environment and values”

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— Brockville Socioeconomic Development Mission Statement

1.7 COMMUNITY VALUES & THE SOCIOECONOMIC DEVELOPMENT MISSION STATEMENT

The development of Brockville's economy should reflect the Values of the Community. That is, it should increase the overall prosperity, but not at the cost of destroying those aspects of the Community that are held most dear. This balance must be entirely in the hands of the Community. The Values were derived through a Public Workshop held on March 3, 2009, enhanced by correspondence with various individuals and groups within the Community.

From this large body of input, the Values of the Community of Brockville may be summarized as:

- » Respect for the environment: the air, the land, and the water.
- » Respect for the existing ambiance and pleasant surrounds of the Community; these should be enhanced, rather than radically changed.
- » An insistence that development be appropriate to the location within the Community. While many industries are welcomed, they should not be located to harm, for example, the Tourism Sector, or to interfere materially with the pleasant living spaces.
- » A desire to increase local employment opportunities that are well-paying and sustainable, and that will encourage young families to locate and remain in Brockville.

The Community Consultation process also generated many ideas. The current pressures of the regional and global economies were also noted and the Current Strategies were designed with these in mind. As the economy evolves, these thrusts can be amended or replaced with new strategies to fit best with the opportunities and pressures of future economic conditions. In this manner, the integrity of the Mission is maintained, yet new approaches can be taken; such flexibility is the underpinning of strategic success.

1.8 STRATEGIC DIRECTIONS

Strategies for current consideration and action to be led by the Economic Development Office, in partnership with the private sector, both business and not-for-profit organizations, focus on the following areas:

- » Retention and Expansion of Existing Businesses
- » Business Attraction Strategy
- » Expanding the Tourism Sector
- » Entrepreneur Attraction
- » Workforce Development

Specific implementation activities will take the form of an Economic Investment Action Plan. Where taxpayer's dollars must be invested in economic development, all ventures must be accompanied with strong rationales in order to justify the investment and describe the risks associated with the projected return on that investment. Finally, mechanisms to encourage ongoing Community input and participation have been identified; the City alone cannot create the economy and the Community itself must be a driving force.

“ More Strategies have failed in their execution than have ever faltered in their development; the imperative is to convert inertia into momentum.”

1.9 INTEGRATION OF THIS INITIATIVE WITH THE ICSP

As noted, the Economic Development Mission is being created in association with the preparation of the City's Integrated Community Sustainability Plan (ICSP). ICSPs are defined in Ontario's 2005 Federal Gas Tax (FGT) Agreement as long-term plans developed in consultation with community members that provide direction for the community to realize sustainability objectives, including environmental, cultural, social and economic objectives.

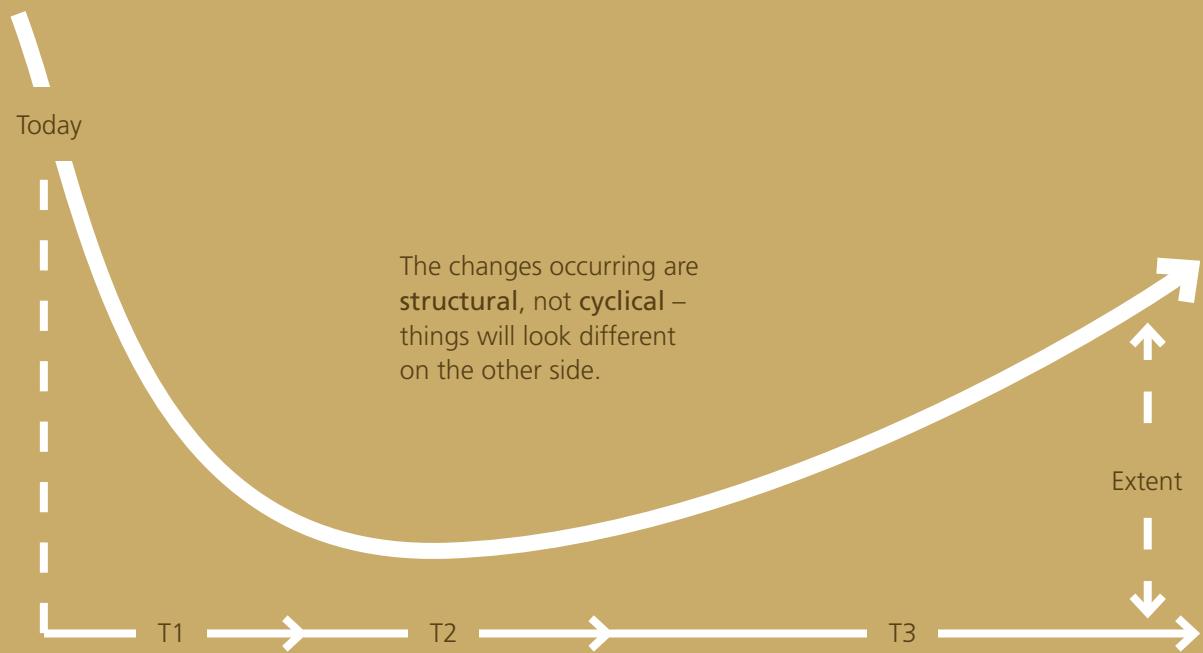
The ICSP process is guiding the preparation of a number of municipal strategy and policy documents including the new Official Plan. The ICSP will establish a set of goals and targets related to sustainability and will ensure that these goals and targets are integrated with each other, within municipal plans, strategies and documents, and with the City's decision making process.

While ICSPs are not required to be prepared by municipalities in Ontario where an Official Plan is in place, the ICSP will be prepared in order to demonstrate that the City of Brockville is engaged in initiatives that support municipal sustainability. It will also ensure that the City has access to federal funds for municipal infrastructure projects and sustainability planning initiatives in the future.

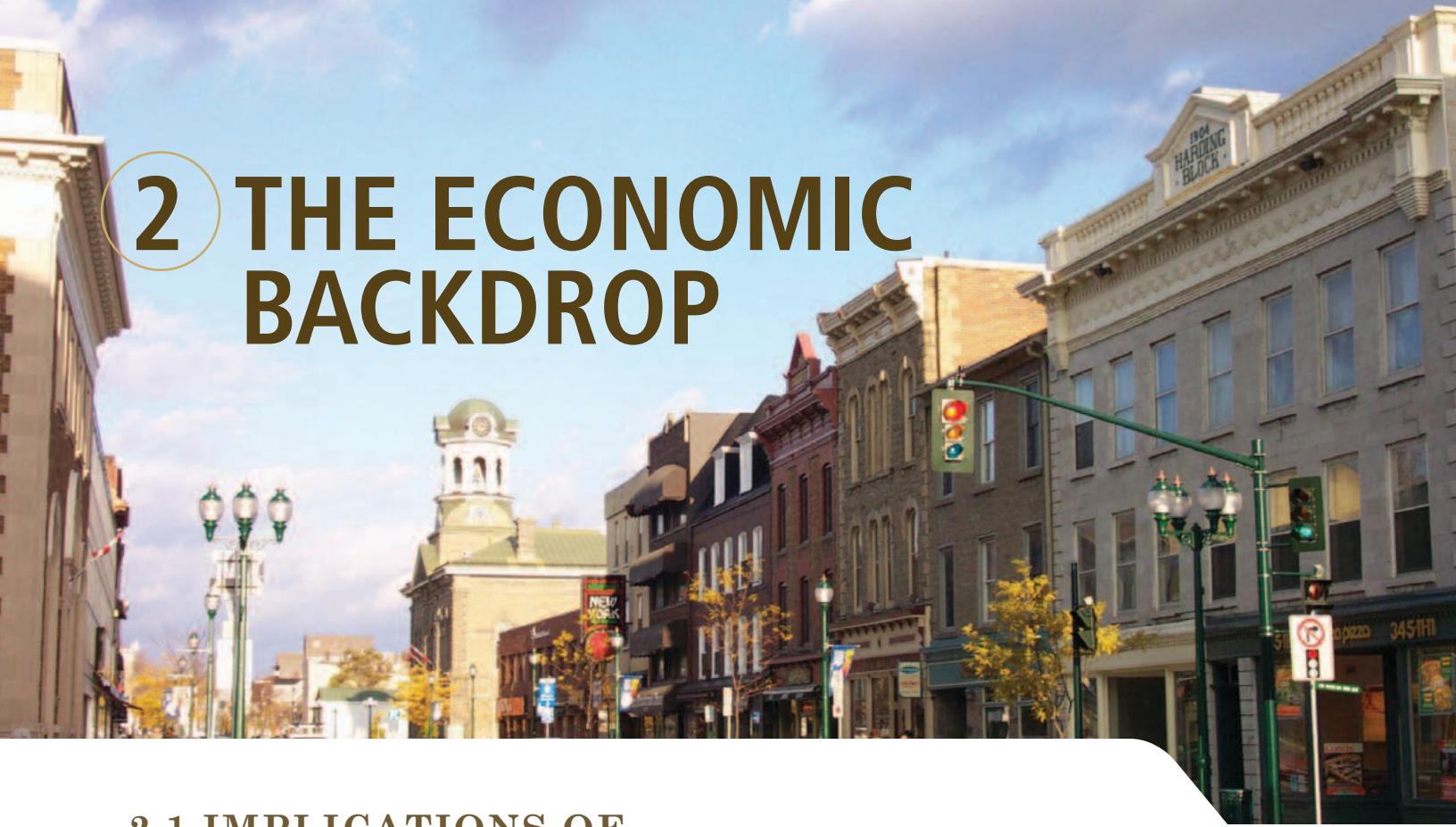
The process to develop the ICSP is ongoing and has progressed towards a draft Integrated Community Sustainability Strategy, which begins to identify some of the City's draft goals and targets related to sustainability. The draft goals and targets that specifically address the City's economy have been included in Section 3 of this Strategy document in order to recognize the need to further integrate these goals and targets with the other recommended Strategies in Section 3 and the Economic Investment Action Plan in Section 4 as the initiative progresses.

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Figure 5



2 THE ECONOMIC BACKDROP



2.1 IMPLICATIONS OF THE GLOBAL ECONOMIC CRISIS ON THE FUTURE ECONOMY

CURRENT ECONOMIC TURBULENCE

In 2007 and 2008, changes in significant economic factors occurred which are having, and will continue to have, a profound impact on the economy of Ontario. While the effects differ in severity, depending upon the individual nature of each regional economy, the trends are the same.

Many observers had predicted that 2008 would see the resumption of strong manufacturing growth in Ontario, since a lower dollar, greatly reduced oil prices and other improvements had been predicted for this year, compared to 2007. These factors did not materialize in full and, in the first half of 2008, all forecasters were revising their projections downward. This downward trend in forecasting economic activity has continued into 2009 due now to the severe global recession, with most short-term projections being swept aside regularly, by lower than expected actual performance.

T1: The downturn has been, and will continue to be sharp, for a period 'T1". No-one knows exactly when

period T1 will end, but estimates range from the fall of 2009 through the summer of 2010.

T2: This is a period of plateau and some stability. After T1 ends, T2 could be a short period only, say 6 to 12 months.

T3: An indeterminate period and the gradient of the upslope is likely to be much less than the down-slope of T1. One falls down a hill much faster than when climbing it. Ontario has lagged the U.S. in losses, and will similarly lag in recovery. It is feasible that the extent of T3 may never reach the peaks achieved before the downturn or, the way to achieve that same, or greater extent, will be different than the means by which the pre-downturn peak was achieved.

The longer the time of 'T1+T2+T3', the greater the change that will occur in the Ontario economy, especially within manufacturing, since many of these assembly line jobs will go to China and similar emerging economies.

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Figure 6 | Comparing the early 90's with circa 2008/9

Early 90's	Circa 2008/9
Recession in effect	Recession in effect, perhaps a long one
Canadian dollar at US \$0.85 to \$0.88 Boosted to meet NAFTA requirements	Canadian dollar at US \$0.75 to \$1.00 Due to low U.S. dollar
The economic factors above are often 'cyclical' in nature. The economic factors below are 'Forces of Restructuring'.	
Elimination of tariff border means that multinational subsidiaries are no longer needed. Estimates of over 300,000 multinational jobs lost in Ontario. Partially recovered through the growth of the small Canadian company.	BRIC (Brazil, Russia, India, China) countries, reasonably, wish to grow their own economies. New capabilities and capacities in the BRIC countries enable them to supply many products and services globally at a lower cost
'Auto Pact' (1965) saved the Canadian industry and, for the most part, exceeded the expected 10:1 rule of market share. Large-scale plants had already been built providing 'par economies of scale'.	Big 3 in decline. Remains to be seen: Big 2 or Big 1?

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Figure 6 compares 2008/9 to previous economic turbulence, the introduction of the 'Canada-U.S. Free Trade Agreement (CUSTA) of 1988 and the North American Free Trade Agreement (NAFTA) in 1992. The effects of such changes take time to ripple through an economy.

The term 'cyclical change' in an economy refers to a temporary change (often a down-turn following a period of growth, which is then followed by

another period of growth). While there may be some rationalization of industry in this process, for the most part, that industry or economy is much the same structurally, at the start and end of the cyclical change. While the temporary decline has been painful, if the workforce can weather the downturn for sufficient time, then the employment prospects for similarly-capable workers may be as good, if not better, than before.

In a structural (or secular) change, all such bets are off and these can occur for many reasons. Within a single industry, Eastman Kodak of Rochester (NY) is a good example. The company gave that city a commanding, long-standing share of the conventional photographic material industry. Yet this was no guarantee of advantage when Kodak failed to adjust quickly to the revolution of the digital image. While the company today does have a large market share in digital camera sales, these devices are not made in Rochester, or in North America. Essentially, the structure of this industry changed. Automotive suppliers to the 'Big Three' are affected similarly while vendors to firms such as Honda and Toyota, although declines have been seen, are relatively well off.

As the Canadian dollar rises in value against the U.S. dollar, the relative cost of Canadian products and services also rises, when viewed from south of the border. This reduces the cost competitiveness of these Canadian products and services compared to domestic U.S. competition. Further, Canada also becomes relatively more expensive as a foreign investment location in comparison to the U.S. Such a rise in value started in mid-2003, with the recent peak occurring in 2008. The Canadian dollar has since fallen to more normal levels versus the U.S. currency (between \$0.80 and \$0.90), albeit still at least 30% above the values of 2002.

The price of oil tends to rise inversely with the value of the U.S. dollar, since the commodity is priced in that currency. Canada is an oil-producing country and this has a further effect, since the Canadian dollar also tends to rise against the U.S. dollar in proportion to the price of oil. The price of oil affects the cost of operations in many industries, directly or indirectly, thus impacting the growth of these user industries.

In addition, companies in Ontario have seen stiff product competition from overseas and, for certain products, they are electing to take this alternative themselves by purchasing more standardized product from, for example, China, while continuing custom and fast turn-around work locally. This is a very common trend in many industries in North America but it is by no means new; simply, the conditions are right for an accelerated, broader-ranging transference of the labour content from North America to the emerging industrial nations. Most company owners do not do this lightly, since they are aware of the impacts on the local

employees. Yet, without such action, they believe that their firms would fail anyway, putting all out of work.

For Canadian firms, there is an added incentive to use off-shore sourcing since it provides an element of 'natural hedging' against the severe excursions in the Canada-U.S. currency exchange rate. Most off-shore sourcing can be arranged in U.S. dollar terms and any fluctuations in revenue experienced by Canadian firms, when selling to the U.S., is then offset, to some extent, by the reduction in input costs from this outsourced content. Total insulation from cross-border currency fluctuations can be obtained only by actually locating in the market country and, in many cases, this is the U.S. Falling just short of that, buying material and assemblies in U.S. dollars, from newly emerging industrialised countries such as China and India, is the alternative low-cost strategy.

“ There is a bulldozer of change sweeping the planet.

If you don’t become part of the bulldozer, you become part of the road.”

— Futurist Frank Ogden

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2.2 IMPLICATIONS FOR LOCAL ECONOMIES

Once the current job losses have ceased and the economy has stabilized, the trauma of the recent economic turbulence will cause people to be more cautious in their spending. Further, the perceived loss in wealth, caused by the reduction in the value of investments and property, will add to this effect. Some implications are

Personal debt reduction will be of greater importance than consumption. A natural defensive move

Household savings rates will increase and these will materialize in instruments that are believed to be more secure. People will place security ahead of spectacular gains.

If housing prices rebound only slowly the decline experienced in home equity value has an indirect effect on consumer spending. The line of credit held by many, and which is secured by the equity in their home, has moved closer to the point of peril. While equity has reduced in lock-step with market value, the debt has remained rock solid, and many homeowners will be attempting to reduce this as part of their debt repayment strategy. They perceive that a failure to do so may result in the lender calling the loan, with no ability to repay other than, possibly, the forced sale of the family home.

Since their residence will have decreased in value, many homeowners will not sell as readily, perceiving that they should wait for a market rebound in order not to lose value. Consequently, they may elect to make renovations to create a 'new environment', at the same time increasing the value of their property, which they hope later to recoup. In this case, they can put the realtor sales commission to good use by investing in high-return renovations, such as kitchens, the bathroom and street appearance improvements.

Consumption patterns may change and value will replace 'status' consumption. If the product is adequate and reasonably priced, then the logo or label will matter less. The deep discounts that many retailers were forced to offer recently in order to liquidate inventories and pay suppliers, may become the norm, as consumers seek the best value. Discounters such as Wal-Mart and the ubiquitous 'dollar stores' will see a higher level of

patronage, while the brand specialist stores that thrive on prestige labels and higher margins, may fade from the scene.

Quality, second-hand goods will increase in value in the minds of many, since the 'profit' is perceived to have been paid for by the original purchaser. Goodwill, and similar stores, will increase in popularity, while 'e-Bay' will also see an increase in traffic.

Large ticket items such as vehicles and major appliances will be repaired and enjoy an extended service 'life'.

The number of retail outlets will decrease as stores seek to broaden their offerings in order to attract a wider range of Customers and achieve higher levels of overall sales to offset their considerable fixed costs.

While one or more of the 'Big Three' North American automakers will survive, all three will likely be reduced in size to varying degrees and, consequently, employ fewer people.

2.2.1 THE CONSTRUCTION INDUSTRY IS MULTI-FACETED

In commercial construction markets, declines in office-based employment – i.e., the finance, insurance and real estate sector, plus business services such as legal, accounting and architectural – will raise office vacancy rates and lower rents, reducing capital spending prospects.

Retail construction will be hampered by weaker job markets and lower homebuilding activity.

Warehouse construction depends upon consumer spending and manufacturing; both of those sectors are, and will be, challenged.

Institutional construction and medical facility construction is an ongoing requirement on account of the ageing of the post-war baby boom generation. These will also be helped by government infrastructure spending, designed to help boost the economy.

Facility construction at the level of higher education may be warranted by increases in enrolments at universities and community colleges. Remaining in the education system is one way to weather the recession;



it is also a response to the need for more training and higher learning, to compete in what has become an internationally competitive job market.

Engineering construction is where the bulk of government's infrastructure spending will occur in 2009 and 2010. Three of the largest upcoming projects will be in the field of transportation: (1) the Yonge Street subway line northerly extension; (2) the Highway 407 easterly extension; and (3) the rapid transit railway line from Union Station to Pearson Airport.

Other than in population-driven, essential services, few employers are predicting increases in demand for particular skill sets at this time, or in the near future. The demand will return in some fashion, but there is no degree of certainty as to when, or the precise shifts that will occur in the types of future skill requirements.

The rate of re-hiring will be cautious, as is often the case after a recession. The difference this time is that the concept of unfettered growth is no longer credible and this may cause employers to look for contract, or limited term employees, until they are more certain that they will need them for the long term. This trend had been growing before the recent global economic crisis.

The term 'global economy' has been used over the past two decades but, to date, has meant, largely, that the Western World sold goods and services to the Third World. The present economic downturn is expected to trigger a permanent, structural change, creating a true global economy and one for which we have not prepared. In many sectors, most especially where lower levels of education had sufficed, and the work is labour

intensive, it is now the turn of the Third World to sell to the Western World.

» In those industries dependent upon the health of external markets (exporters), the rate of employment growth is not predicted, due to the uncertainty regarding the global economy. This is not a case of extremes, in which the worst case is a total loss of an industry sector. Rather, the rate of growth, the re-absorption of laid-off workers (formally skilled and otherwise), the creation of new markets and revenues and the need for, and rate of hiring, to fill future vacancies, is uncertain today.

A case in point is the manufacturing sector, which is largely export dependent, either directly or through the supply to Customers who are, in turn, export dependent. Automotive manufacturing is the classic case, with a multi-tiered supply chain. Jobs that had required lower levels of education and skills training for assembly line work, but which had paid reasonably well at \$20 per hour or more, have been disappearing. This trend will continue and a rebound in the economy will not replace these jobs in terms of quantity nor rates of pay ('quality'), in most cases.

Much base-level manufacturing has been and will continue to be, outsourced to the emerging countries that, in the last decade or more, have developed an ability to produce mass volumes of products, or product components, at the required quality levels and a much lower cost. The rate at which these countries increase their capabilities will outstrip the more slowly rising wage levels in these economies.

2.3 IMPLICATIONS FOR FUTURE OCCUPATION TRENDS

» Local population dependent jobs will continue to see increased demand but in two distinct categories. Increases in population and the large cohort of ageing ‘baby-boomers’ will ensure the growth of essential service occupations. These will be focused on personal care and professional services such as physicians, nurses, and other health care professions, as well as lawyers and similar non-medical professions.

Concurrently, while still the wealthiest cohort that the world has ever seen, these same ‘boomers’ are now much less likely to spend in the previous profligate manner on discretionary items. In particular, laid off workers from the manufacturing sector may find work in lower-paying service jobs, but they will then have little discretionary money available. This, in turn, will affect employment in the retail sector at all levels.

Further, while builders and contractors may be suffering from the housing downturn, many tradespersons are starting their own businesses in the field of renovation. Boomers, perceiving that they will lose value by selling their houses, are opting, to some extent, to renovate. Six percent realty commissions on a \$400,000 house can also buy renovations that add value to an eventual sale, as well as refreshing the current living environment. Further, government grants to improve household eco-efficiency make such projects much more attractive and, once, more, add future value.

Despite the day-to-day uncertainty in the economy, in the longer-term, most industries are expected to resume previously established growth patterns.

For example, industries which are dependent upon the local population for their market will tend to grow, more or less, with that local population. Local services and retail are the prime example; the more ‘essential’ they are, the more the more that their growth will correlate with population growth. This effect is most likely in the larger regions, such as the GTA, with many diverse economic drivers.

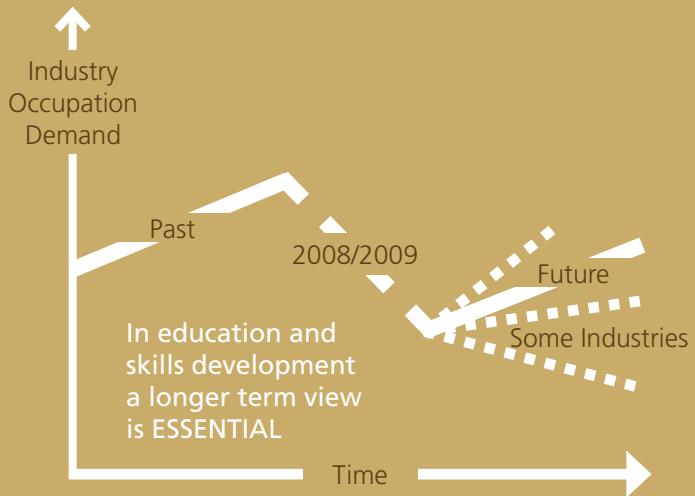
Industries with a high dependency on external markets, especially those exporting outside of Ontario, will be more influenced by direct or indirect demand from those external markets. The projections are less predictable in such cases.

2.3.1 REPETITIVE MANUFACTURING ASSEMBLY LINE JOBS

These jobs will diminish. There had been a definite trend in this direction over the past decade but the current economic turbulence will trigger a steeper decline. This will not be reversed once the economy recovers and the implications are significant, both directly and indirectly

Although manufacturing is under pressure today in Ontario, few predict that it will disappear entirely. What is forecasted is that manufacturing industries will be transformed from the presently familiar enterprises, employing many lesser educated and informally skilled

Figure 7 | Industry Occupation Demand Growth Patterns



When growth returns, many industries will create demand along the same 'slope' as they had before the downturn. Some industries will see lower growth rates and may continue to decline, and this may be especially true of certain occupations within these industries

persons working on relatively repetitive short-cycle tasks, into companies that are increasingly knowledge-driven in all aspects of daily operation. Such operations require a labour force with the necessary fluidity and flexibility to cope with an ever-increasing rate of change. Most people are quite able to adjust to this but, without appropriate education, skills and the necessary attitude and capacity to adapt, existing workers will have a hard time finding employment, and thriving, in this new wave of manufacturing industries.

The 'older manufacturing' of the latter part of the last century enabled those with 'informal' skills and a lower level of education to earn higher rates of pay than those with similar qualifications working in many service jobs. This high volume, commodity type production, is being 'transferred' rapidly to the newly emerging industrial giants overseas. The 'new' manufacturing' of North America will be hard put to find places for these same people and will be seeking those with levels of education and formal qualifications that, in the minds of the companies, are synonymous with knowledge workers and the mental agility to rapidly comprehend, internalize and effect change. The significant message of today, while not surprising, is that low education equals low pay, or no pay.

2.3.2 OCCUPATIONS BEYOND THE ASSEMBLY LINE

- » Some of the associated professionals and skilled workers in manufacturing will also lose their jobs, since the plants will have moved to the emerging economies such as China and India. A number of managers will be retained to coordinate the sourcing of the parts from elsewhere. In effect, there is still a production line but it is no longer in the same building. Most multinational companies have long had centralised control functions and distributed manufacturing; this is no more than a change of address and telephone area code.
While those professionals who are laid off will have an easier time finding work, due to their education and transferrable experience, it may well be in a different field and at lower pay, at least initially.
- » A large portion of the consuming public will have less disposable income. This will have a significant domino effect on many parts of the economy,

since losses here will ripple through individual households, as well as into many other sectors that have relied upon prosperity to fuel local consumer goods and services purchasing.

- » Essential products and services in the population-dependent occupations will do relatively well as the population grows, since people will still need these products and services.
- » Discretionary spending, such as retail, will diminish, especially for high-ticket and prestige items. Despite the growth of the population, occupations in the retail sector will grow at a slower rate compared to previous forecasts, due to the lower levels of discretionary funds in the households.
- » Many subcontractors in the construction trades will turn towards renovations as an alternative source of income.

2.3.3 PENT-UP DEMAND IN THE RECOVERY

Complicating the alignment of required skills with available workforce, will be the pent-up demand for employment opportunities:

There will be an initial surplus of older, experienced people to take up the emerging positions, if companies will hire them at their age.

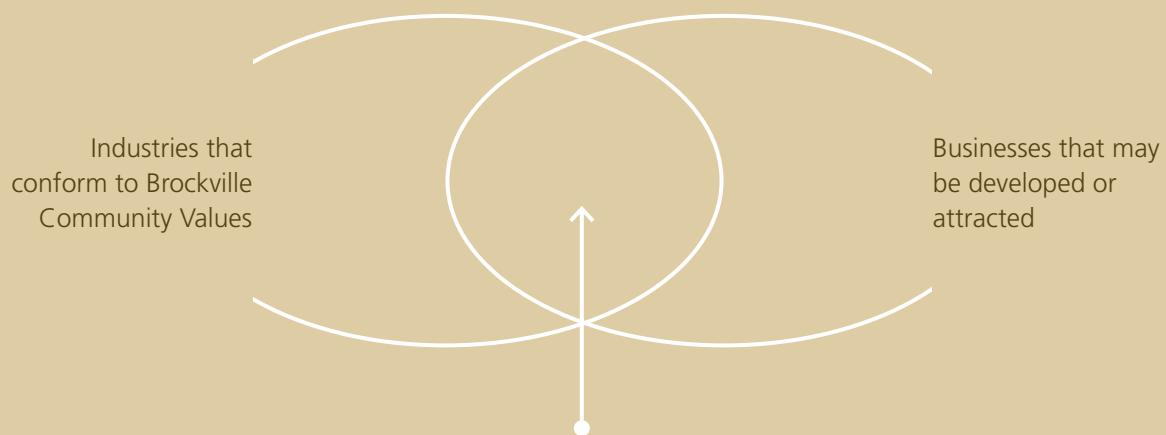
Retirees may have to dip in and out of the work force, especially if their retirement funds were too heavily invested in stocks. Workers 55 and over may have to work longer than they had planned, as they see the date at which they can afford to retire recede before them. There will be more temporary, no-benefits, contract workers, composed of those of working-age who had lost their jobs as well as from 'retirees' now unable to afford to retire.

Layoffs are becoming a more common management tool. Companies may now cut staff in anticipation of a possible strain on cash flow, as opposed to after such an operational constraint has actually occurred.

Tighter credit and lowered asset values will make it harder for students to pay for further education. They may need to take intermittent semesters off and work full time to make ends meet. This will, once more, add to the demand for already scarce jobs.



Figure 8



The KEY is to identify the intersection of those opportunities that conform to Community Values AND those that may be developed based upon jurisdictional advantages in the prevailing economic climate. The Strategies identified below are designed to meet these Mission requirements.

3

RECOMMENDED STRATEGIES



3.1 RETENTION AND EXPANSION OF EXISTING BUSINESSES

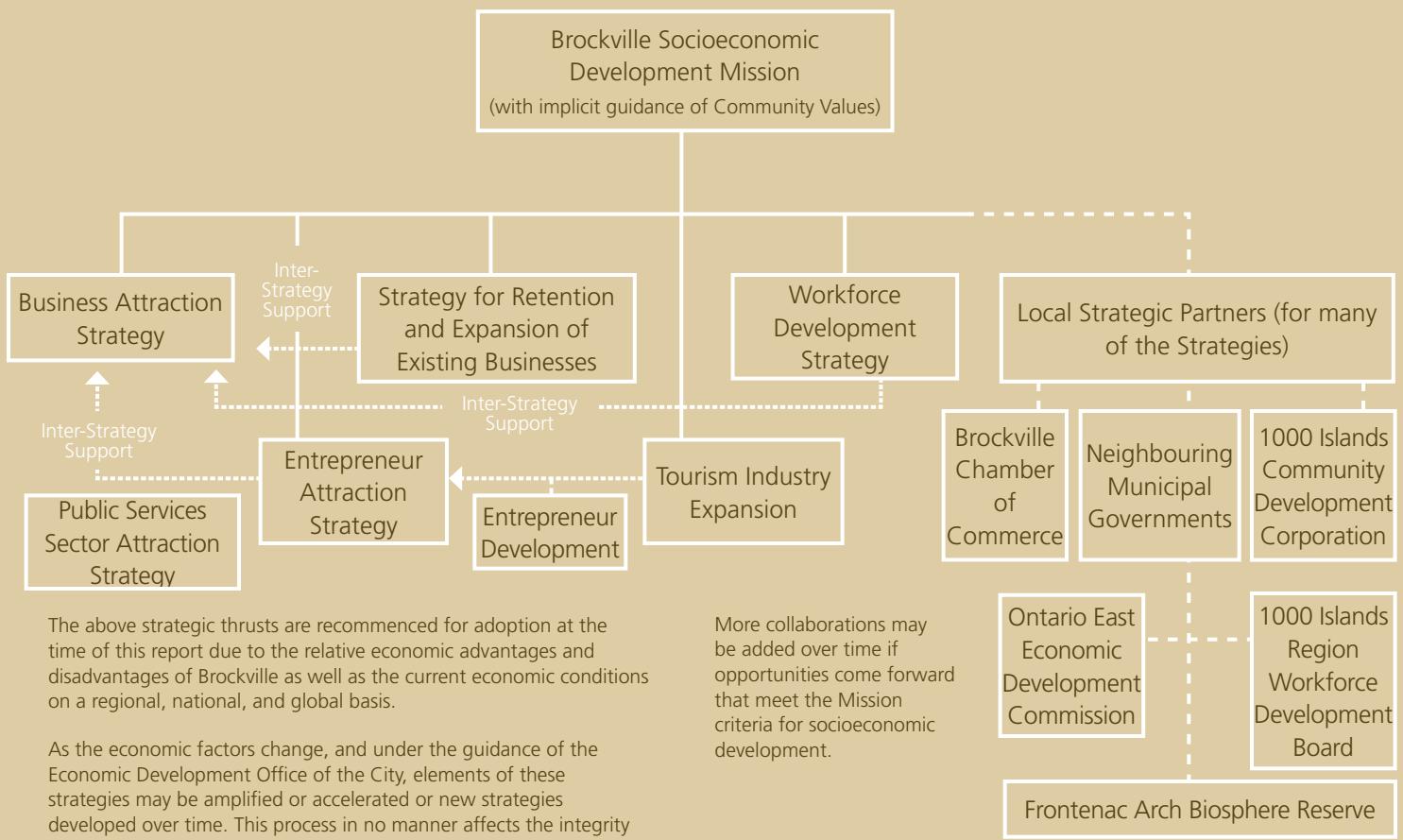
Based upon the Mission description, Strategies have been created to achieve the Mission Objectives. **Although most appropriate for the present economic circumstances, these are not 'cast in concrete'. As economic circumstances change, the City should revisit the strategies to determine if adjustments are needed.** Adjustments to the Mission are much less likely unless the nature of the Community and residents changes to a large degree. The effort applied and the success of execution in each will have the greatest impact on the economic prosperity of Brockville.

Brockville has been fortunate to have a number of larger multinational subsidiary plants employing hundreds of people. Retaining these can be critical since the departure of one will have a significant impact on the employment base directly as well as negatively impacting the local suppliers to these larger firms. The expansion of such plants can have a similar positive effect and increase the future demand for land but smaller, incremental gains can also occur through the expansion of locally based small and medium-sized enterprises.

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Figure 9 | Overview of Recommended Current Strategies for the Brockville Socioeconomic Mission



A 'Business Retention and Expansion' program (BR&E) is a funded economic development tool, developed by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) to aid rural communities in improving the local economy and local job creation. This would be an excellent starting point from which to gain an understanding of the challenges facing local industry and how the City, and others, can assist in removing barriers, encouraging retention and business growth.

The BR&E program structure involves the development of a task force and volunteers that visit companies to gather data based upon tried and tested parameters developed under this OMAFRA program. The data is then analyzed and the information used to assist in developing and achieving goals that will help build on existing opportunities as well as help make business connections with other businesses and new

opportunities. In addition, such visitation programs are an excellent method by which to learn how well the City puts forward an 'open for business' atmosphere. This vital impression is difficult to judge from within most City organizations and the feedback, taken in context, can help to correct activities and postures that, inadvertently, have an unwelcoming effect.

In a supporting role the Brockville Chamber of Commerce and the 1000 Islands Community Futures Development Corporation would be appropriate local partners in this activity.

'Business Retention and Expansion' is not a 'once in five years' activity. It must be carried out continuously through frequent contact with businesses and related organizations across Brockville. A visitation schedule should be developed to ensure that this discipline is maintained on a consistent basis.

3.2 BUSINESS ATTRACTION

This strategy can bring significant employment rewards as well as diversifying the tax base. It is no surprise that it is also the most difficult to execute successfully, since it requires a congruence of conditions for success, such as:

- » The economy itself must be stable and provide confidence – credit availability, secure customers, secure suppliers and so on.
- » Brockville must be able to demonstrate jurisdictional advantages that are above those of competing jurisdictions. The geographic limit of this competition may be very local or continent-wide, depending upon the nature of the business involved.
- » Target firms that grow their businesses through physical plant expansion in local areas, rather than concentrating in one or two major locations.
- » Often from medium size companies looking to expand.
- » In more rare cases from multinational corporations that see a major local advantage such as jurisdictional and labour costs, raw material availability or, occasionally, market proximity.

3.2.1 REALISTIC TARGET SECTORS

It is vital to be realistic about what can be achieved in the present economic environment and act accordingly. Attracting any industry directly that does not already have a foothold, or a fundamental reason to be in a community, is always a challenge. In the present economic environment regionally (and beyond) this would be even more difficult to accomplish.

Some food processing operations require large volumes of water. This water is returned to the City in a state that requires treatment before being emptied to the environment. The City of Brockville is at or near capacity to handle such outgoing water loads but this situation will improve in the future.

While business attraction is a primary responsibility of the City, the private sector should be seconded as needed to assist as Ambassadors and to provide references.

3.3 TOURISM INDUSTRY EXPANSION

3.3.1 CREATION OF EVENTS

The pleasant environment, the bio-sphere and similar more natural attractions are the strengths of Brockville. Leveraging upon these requires that additional tourist attractions appeal to the same demographic. Events, erected on a Friday and torn down on a Sunday, are not eye sores. The key is to develop these in concert with the uniqueness of the City and surrounding region; in other words, 'not just another Highland Games'. Partnering with the Chamber and others may result in the identification of such events over time.

Brockville has a very attractive entrance way just before settling into downtown. The heritage homes and views across the waterway are also some of the most attractive in Ontario. The hill leading down to the water can be used to good effect in creating some spectacular images for promotional purposes; San Francisco views sometimes use this feature, especially with telephoto lenses.

Tourism should be one means of economic development in every Community that can attract the outside visitor. However, it is unwise to rely solely upon tourism to drive an economy, most especially when attempting to 'replace' manufacturing jobs. While the owners of local tourism establishments will reap incremental revenues, the employees of such businesses are often compensated at the minimum wage level. Further, unless year-round visitor attraction is achieved, this work is only available for 60%-70% of the year. Most manufacturing assembly line jobs have netted twice that amount or more on an annual basis.

Rather than possibly unsightly permanent attractions, multiple local events can be developed that, once finished, are packed away for the year, leaving little impact on the local landscape. Those impressed with the Community will return for future events, as well as consider the possibility of taking up permanent residency.

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3.3.2 MARKETING OF THE CITY FOR 'ENTREPRENEUR ATTRACTION' AND TOURISM INDUSTRY EXPANSION

The fundamental marketing can be developed and provided by the City, and some senior government assistance may be available.

The Chamber of Commerce, Business Improvement Area, as well as individual businesses should form part of the marketing development team in order to promote a consistent theme to be adopted by all.

Coordination of events would be valuable and the promotion should be cast widely.

The existing cultural industries can also play a major role and benefit from participation at the same time, through increased 'traffic'.

A webpage or, better still, a website dedicated to 'people attraction', would be valuable. Prince Edward County is exemplary in this aspect of their marketing.

3.3.3 DOWNTOWN REVITALIZATION AND FAÇADE IMPROVEMENTS IN TOURIST AREAS

This can have an immediate 'wow' impact on first-time visitors and combines well with the street café and cultural industries concepts. Historical Site designations also help to stir interest. Community Improvement Plans may be of value here. Also the Community Futures Development Corporation 'Access to Capital' program may be of value.

3.3.4 PARTNERING BETWEEN BUSINESSES

Partnering between businesses (cross-promotions and similar mutual events) can bring mutual benefits. Coordination of multiple events should not be seen as competition but rather as a collaborative opportunity from which many may benefit.

3.3.5 CULTURAL INDUSTRIES

The development of Cultural Industries can serve as an attractor for the 'target tourist' and this can encourage tourists to consider taking up residence and, potentially, start businesses locally.

3.3.6 ECO-TOURISM

Much potential and consideration should be given to eco-tourism as a major thrust.

The development of an effective Tourism Marketing Plan and associated materials is an important element in this strategy.

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3.4 ENTREPRENEUR ATTRACTION

Tourism is also the 'Advanced Guard' in attracting Entrepreneurial Residents. This is a special case of 'Business Attraction'. The quality of life in Brockville is used to attract entrepreneurial residents who may then start businesses. While such businesses may take many years to develop into sizeable enterprises, ultimately they may create a demand for additional employment lands.

By no means are entrepreneurs confined to the cohort of the 'Baby Boomer'. However, Statistics Canada and other commentators have documented the demographics of the Baby Boomers and how this has had a profound effect on the out-migration from cities to rural locations, especially in Central Canada.

In Canada, those in the 50-65 age group control 50% of the wealth in Canada, their residential property is valued at over \$230 billion and they have a combined net worth estimated to be over \$550 billion.

Members of this demographic group are usually at the peak of their income earning cycle, have low fixed

expenses and, as a rule, no mortgage. They have often moved out of the 'family' home and prefer either condominium/townhouse living or living in rural settings.

They may have retired officially but want to continue to take an active part in their investments and may start up a new business. They are often entrepreneurs of some form.

Disposable Time = Total time LESS time at work
LESS time spent travelling to and from work

Irritability Index = Time spent in traffic

These demographics describe a large cohort that is mobile and which may wish to spend more time in rural settings. These same people may also want to stay in touch with the larger urban centres from a cultural and entertainment point of view. Lifestyle is a major attractor for those

owners that appreciate this characteristic. Such owners will consider this as a benefit for not only themselves but for their employees. In particular, firms employing highly skilled and well-paid employees are always concerned that they may be attracted elsewhere by other similar firms that are located in more ideal surroundings or who can offer a very desirable life-style. By locating in such a pleasant environment, with the amenities and culture desired, such employee retention becomes a reality.

Brockville offers locales where this may be achieved. The end goal of attracting residents to live in Brockville and, potentially, start businesses, requires an enhanced Tourism Sector in order to highlight the City. It is necessary to create an ambience where people come to live because of the beauty, vibrancy, and amenities of the community.

Some of the potential businesses are:

- » Virtual businesses in almost any sector which can be conducted in the home or office
- » Professionals such as lawyers, doctors, therapists, engineers, accountants
- » Knowledge-based industries, which are identified as high growth
- » Information technology and software
- » Life sciences, health care and biotechnology
- » Media and entertainment
- » Motion picture and video production
- » Computer systems design
- » Environmental consulting and services
- » Services for the aged
- » Private health advisory services and spas
- » Research and development in any number of scientific fields

Attracting entrepreneurial and skilled new immigrants to Canada to the City is another potential avenue for exploration.

There are a number of retired or semi-retired residents in Brockville who have run businesses in the past or who may still be actively involved today. These residents may be able to provide valuable insights into what it will take to put Brockville high on the list of those seeking to relocate or start new businesses, in particular for those sectors with which they are most familiar.

3.4.1 ATTRACTION OF NEW CANADIAN RESIDENTS

New Canadian residents, especially those with professional qualifications, represent an essential asset for the future of Ontario. Frequently, the first settling point for New Canadian residents will be in the major centres, especially if there is a similar existing cultural community-base. Later, having become accustomed to their new home, some may be enticed to pleasant urban-rural settings, such as Brockville.

Where local firms are attracting newcomers for specific jobs, then that is an effort lead by the firm. The City can provide a supportive environment and services for these newcomers and this investment will make the path easier to attract more, through the word-of-mouth promotion of Brockville as a welcoming Community.

From a broad target perspective, without specific job placements, there are two main target categories:

Wealthier, entrepreneurial immigrants: This falls under the People Attraction thrust, regardless of whether they are New Canadians or from a long line of ascendants.

Younger well-educated and skilled workers: This will ‘improve’ the work force age demographic, and, potentially, the educational profile. Also, since many will bring families with them, the future profile is also enhanced. While such migration is necessary in order to provide a strong work force for the future, there is a question as to the nature of the work available now. If it is not commensurate with expectations, then the New Canadian may not remain in the City for long, defeating the purpose of attracting them in the first place. Further, such younger families have fewer financial resources by which to sustain themselves while the local economy is developed. This is no different than the present significant ‘dip’ in the Brockville age profile between 20 and 39 years. Success in adding younger New Canadian families to fill this dip implies that there are good job opportunities apparent, and now. Yet if this were the case then younger persons raised originally in Brockville would have been less likely to leave, which is not the case at present.

3.5 ENTREPRENEUR DEVELOPMENT

The development of entrepreneurs from within the Community, if successful, is one of the most effective means by which to generate economic activity. This is not a short-term process and will require continuous attention in order to nurture potential entrepreneurs through every stage to success. Further, it is estimated that only one percent of the population have the characteristics necessary for successful entrepreneurship and not all attempts will be successful.

Various support mechanisms have been used to varying degrees of success and these may be considered for development in Brockville. As a regional centre, these can serve communities well beyond the City boundaries. Volunteer mentorship programs, with mature, perhaps retired, entrepreneur mentors, is one possible program. At the other end of the spectrum, a full incubator could be considered, with businesses locating therein for a period of time or until some criteria or milestone has been reached. An intermediate stage might be a 'virtual incubator', with a central core of support services but without the co-location of the business.

When promoting business mentoring assistance for local entrepreneurs, especially fledglings:

- » Follow-up proactively, since many entrepreneurs do not realize when they need help or redirection.
- » Offer an honorarium, if need be, to retirees and others to provide such mentoring but pre-qualify the mentor to ensure that value for money is obtained.
- » Consider a business incubator along the lines of the Toronto Business Development Centre, but smaller.
- » St. Lawrence College may be able to refine courses to suit emerging needs.
- » On-line learning is another mechanism to be promoted.

The private sector is quite good at identifying opportunities and acting upon them. Entrepreneurs, almost by definition, take risks and have a belief that the risks (\$\$) can be overcome for a sufficient reward (\$\$\$\$). Entrepreneurs will tend to optimize their chances for success by operating in a manner and in an environment most conducive to that success. Anything

that can mitigate, reduce or spread that risk increases the risk-bearing capacity of the entrepreneur and should be considered in order to promote such risk-taking locally.

- » Consider tangible financial or 'back-stop' support.
- » Make it clear that the Community is prepared to share the risk.
- » Establish a clear set of financial performance guidelines (covenants) and monitor rigorously. Help the firms to meet the requirements and foreclose only as a last resort; but do take that final step if need be to maintain public credibility.
- » Ensure public awareness of the risks and rewards of such ventures
 - » Not all businesses succeed. When no public sector funds are involved then it is a non-event for many people other than those involved directly. When public sector funds are involved then concerns may be raised regarding the advisability of such support.
 - » These concerns should not dissuade such support and the more that the public understands the risks and benefits then the more support will be achieved for such an investment in the Community.

"The development of entrepreneurs from within the Community is one of the most effective means by which to generate economic activity."

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3.6 WORKFORCE DEVELOPMENT

This strategy will underlie future success in the attraction of new businesses. In North America, relatively informally skilled labour is less of an attractor than a highly-skilled, formally certified workforce. In itself, this does not create a demand for employment lands but will factor into the future success of Business Attraction.

A Workforce Development Strategy focuses largely on the human element and how assisting people to obtain the education and develop the skills necessary to meet the challenges of an economy can, in turn, create benefits for those same people. The execution of such a strategy can take two forms: one, existing residents can upgrade their education and skills levels and, two, more highly educated and skilled persons can be encouraged to locate in the City. Neither are mutually exclusive.

Workforce development strategies are not always emphasized, or even present, in local economic development plans. In some cases the need is not recognized, while in others it is not thought to be a factor requiring attention in developing the local economy. An example of the latter would be in the case of the attraction of incremental new investment during expansionary times to join an existing strong industrial cluster. The assumption, most generally correct, is that the pre-existence of the cluster implies that a strong workforce already exists with the necessary capabilities. New entrant firms can then enjoy the opportunity to 'poach' from the existing experienced workforce, the latter being a major factor

in the attraction of the new company. These 'poached workers' are then replaced by new hires, sometimes fresh from their formal skills development courses.

3.6.1 THE WORKFORCE AS A BUSINESS ATTRACTOR

It is in a downturn in the economy that the local workforce most often comes under scrutiny. Reasonably, they and their families are the focus of concern. The first broad thought is that the local workforce is experienced (often true) and well able to provide good value for money (also often true). The challenge, initially, is considered to be one of attracting the right industries to replace those lost in the downturn and the existing capable workforce is regarded as a significant factor in attracting new industry.

In most parts of the developed world, a skilled labour force is not stockpiled in a formal bull-pen, waiting to be called up. Contrast this with the Third World, where general labour is so waiting.

The skilled labour in the developed world exists in already thriving industries and gives the promise of more to come from the schools and colleges. From the economic development viewpoint, what then is the best

Figure 10 | Skilled versus general labour as an attractor factor

If, in a particular sector, the availability of **unskilled or semi-skilled** labour is the key driving factor Ontario has few advantages in this regard

However **unskilled or semi-skilled** labour is required in most industries to some degree

The key is to use the **higher skilled employees** as the **economic development attractor** and create the lower skilled jobs as 'tag-along'

India **China** **Mexico**

...have the better chance to attract such lower-skilled, labour intensive industries

No shortage of this labour Trained by the companies on firm specific tasks

The present and future certifiable requirements of the higher skilled jobs, may be an important factor for the future

indicator of the existence of such labour when using this characteristic to attract new industrial investment?

Larger size firms will often look for the existence of similar size firms as proof that the environment is conducive to their 'kind'. However, the existence of these larger firms is only an indicator of the concurrent

existence of smaller firms. These smaller firms arise to meet the supply needs of the larger entities in the form of goods and services and a proven source of a trained, experienced and reliable workforce.

All jurisdictions claim to have a skilled workforce but that is only a necessary but not sufficient condition to attract industries. Unless there are existing industries

Figure 11 | Connecting Workforce Development to Economic Development

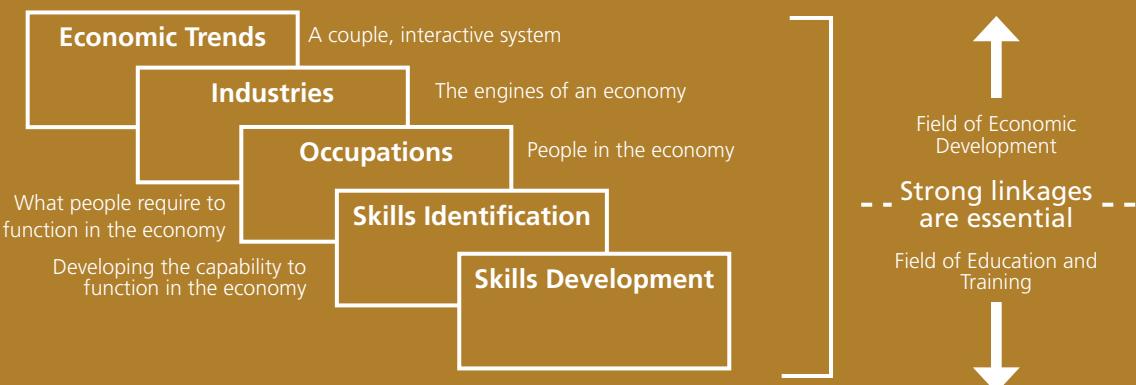
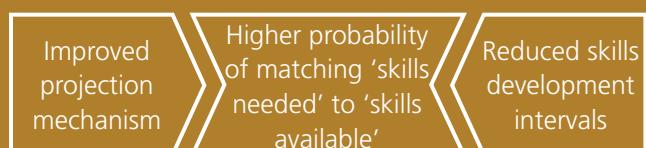


Figure 11



already in place and thriving (a cluster), there is no visible 'proof of propaganda' that the area is a good place in which to locate a business. Further, many workers have informal skills rather than certification. While 'good attitude' and general experience are positive traits, marketing their existence in a manner that can differentiate Brockville from other Ontario communities is a difficult hurdle but can be achieved over time.

Figure 12



The availability of an appropriately educated and trained work force is one of the cornerstones of economic prosperity in any jurisdiction. While raw materials and geographic positioning have been the key factors of wealth generation in the past, the evolution of global economies and information technologies has altered this equation. For the most part, the capabilities of the workforce will be the key determinant of future jurisdictional success and prosperity.

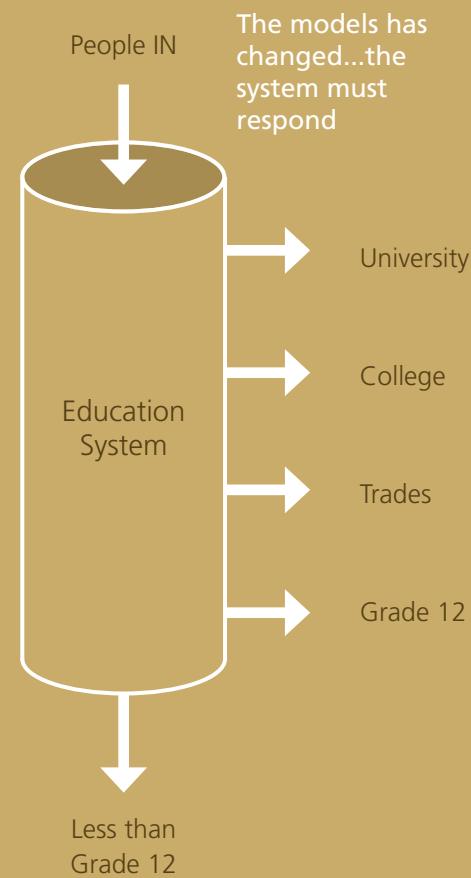
The required workforce capabilities are not static and change with the fluidity of the economy. It can be argued that, with the influences of technology, global markets and emerging industrial countries, there has never been a time when so much is changing so quickly for so many. The rate of change of economies is outstripping our ability to navigate through these changes of direction using the present strategies of education and workforce development.

As shown in the diagram, identifying required skills makes sense only in the context of the occupations in which those skills are, or will be deployed, and the industries in which the occupations are at present or may be found in the future. The economy, both locally and globally, will have an impact on industries and the future requirement for specific skills will be similarly impacted.

Reducing the rate of economic change is beyond reasonable control so means must be found to respond to it. Ideally, this issue should be tackled from both ends. That is:

- » Developing mechanisms to create the most credible projections. Although this can be accomplished once the current economic uncertainty clears, few efforts today will provide the answer to this part of the equation.
- » Developing means to reduce the time required to develop skills, since this is essential to meet the rate of economic change, regardless of the ability of firms to make projections. The faster that such skills can be developed, the less important is the accuracy of projections.

Figure 12



The manufacturing assembly line had provided a reasonably well-paying job for those with less than Grade 12

This avenue is fading rapidly and that safety net has evaporated

While Grade 12 will be no guarantee of a job, NOT having completed Grade 12 will be a characteristic of NOT becoming re-employed

3.7 HIERARCHY OF EDUCATION AND SKILLS AND DEVELOPMENT NEEDS

The focus is on four main areas:

- » Increasing the educational attainment levels of the Community.
- » Developing Essential Skills that are generally valuable in the workplace and in life, regardless of the industry or occupation.
- » Developing multi-skilled persons who can quickly turn these skills to a variety of opportunities, including the further development required for more advanced work.
- » Rapid deployment of skills attuned to specific industry needs, as these become apparent.

For the most part, the necessary curricula and development courses are available today through the education and training system, for those in the Community who wish to, and are able to, take advantage of the opportunities.

Despite efforts made to accommodate the varying needs of individuals, the fact that many have not yet chosen to upgrade their skills or have been unable to do so, implies that 'something' is missing in the present system. That 'something' is a mechanism designed to achieve the results rather than simply provide the opportunity. The challenge is one of helping those who have not yet chosen, or are unable, to take advantage of such opportunities, for one reason or another.

Most critical is the desire of the individual to achieve higher levels of education and skills, followed closely by facilitating mechanisms, to connect the willing learner with the opportunity to learn and be trained.



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3.8 PREVENTIVE EDUCATION AND SKILLS DEVELOPMENT

The importance of this cannot be overstated. Although there will always be some employment opportunities available for a number of lesser-educated people, these jobs will take on more and more of the following characteristics:

- » Fewer opportunities available in the higher paying manufacturing jobs that once were. Many more opportunities will be open to the better-educated worker.
- » Few opportunities for advancement unless through continued education.
- » Lower paid.
- » More subject to loss of employment due to the work being 'exported' overseas to jurisdictions with even lower wages.

The present education and training system allows those who are willing and able, to gain an education and skills development to achieve that objective. Yet it also permits those who are unwilling, or who face barriers, not to participate. While this may have sufficed in the past, when well-paying manufacturing jobs were available to those without higher education and formal skills, this is no longer the case and may never be so again.

Beyond providing the opportunity for education and skills development, means must be found to ensure that the workforce actually undergoes this transformation.

Just as 'Preventive Medicine' is readily accepted, consider this as 'Preventive Education and Skills Development'. The disease to be guarded against is 'Chronic Unemployment', which forces the individual to become a burden on, rather than a contributor to, the economy. Simply put, it is in the best interests of the individual and the Community to insist upon workforce development. The concept is radical and mechanisms are not yet developed but these must evolve over time as the recommendations to engage the Community unfold.

How can the necessary upgrading of education and skills that are at the core of workforce development, be positively achieved? Individuals will have different challenges to face in obtaining education and skills upgrades, and the established mechanisms may not be sufficient in some cases. These challenges must be addressed on an individual basis, otherwise there is the risk that a particular barrier will be insurmountable for some persons. Unless such facilitating mechanisms are added to the mix, the results achieved will be no different than in the past and that will not achieve the desired outcome.

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3.9 SUSTAINABILITY GOALS AND TARGETS

As discussed, a number of goals and targets that are related to the City's economy are introduced by the Integrated Community Sustainability Strategy, which has been prepared in association with this Strategy document. As the recommended Strategies in Section 3 and the Economic Investment Action Plan in Section 4 are carried forward as part of the broader ICSP and Official Plan project for the City of Brockville, the goals and targets of the Integrated Community Sustainability Strategy will also be carried forward in integrated manner.

The following goals and targets deal specifically with the City's economy and touch on many of the issues and directions noted in the previous sections. They will be carried forward and fine tuned as part of the City's Economic Development Mission process:

Sustainable Business Development Goals:

- » **To maintain a strong and diverse** commercial and employment base by supporting the retention and expansion of existing employment and commercial uses.
- » **To ensure that there are sufficient lands** designated for commercial and employment uses within the City.
- » **To consider the impact** of decision making with respect to land use on opportunities for business attraction and expansion.
- » **To invest in infrastructure** to attract and support business development and investment.
- » **To attract a wide range** of employment and commercial uses. To specifically target business that reflects the values of the community.
- » **To develop a diverse, creative, innovative, and entrepreneurial economy.**
- » **To strengthen the role** of the City's downtown area as a multi-functional, economic centre serving the immediate area as well as the greater region.
- » **To preserve and enhance** the unique character and experience of the downtown area and to ensure that it remains vibrant and attractive to

residents and visitors alike for its culture, shopping, and attractions.

- » **To grow and promote** the City's tourism industry, amenities, and events, with a focus on the downtown and waterfront areas.
- » **To anticipate, understand, and accommodate** new economies and emerging trends in the employment and commercial sectors.
- » **To develop incentive programs** to ensure participation by the private sector in business development, investment, and downtown revitalization.
- » **To support locally owned** and operated businesses and to promote the concept of buying local to residents.
- » **To promote effective partnerships** between business, government, and stakeholders.
- » **To minimize the impact** of business practices on the natural environment, including the City's air and water quality.

Sustainable Business Development Targets:

- » **By 2031**, the number of jobs within the City will increase by 40 percent.
- » **By 2031**, there will be an doubling in the percentage of the labour force that belongs to the City's creative sector.
- » **By 2031**, the City of Brockville will be identified as the choice City in Eastern Ontario for tourism and the establishment of new businesses.
- » **By 2031**, the City of Brockville will be identified as a choice City in Eastern Ontario for the establishment of new businesses in the creative economy.
- » **By 2021**, the City will have an accurate inventory of jobs and businesses and accompanying details and a means to maintain this information easily and regularly.
- » **By 2021**, the number of jobs within the City will increase by 6% percent.
- » **By 2021**, the City will review its commercial and employment land needs to ensure that there is an adequate assessment.

- » **By 2021**, the City will undertake research into emerging new economies and emerging trends, will communicate the results of the research the community and present an action plan to attract such opportunities.
- » **By 2021**, the City will participate in the Business Retention and Expansion program offered by the Ontario Ministry of Agriculture, Food, and Rural Affairs and publish the results.
- » **By 2021**, the dollar amount of private sector investment leveraged by the City's as a result of one or more Community Improvement Plans will increase.
- » **By 2021**, the City will enjoy an increase in visitation and expenditures
- » **By 2021**, there will be an increase in the number of local events held annually within the City, and specifically within the downtown and waterfront areas.
- » **By 2021**, there will be improvements to telecommunications infrastructure within the City of Brockville.
- » **By 2021**, there will be an increase in the number of residents who report that they support locally owned and operated businesses by buying local.

- » **By 2021**, there will be an increase in the number of businesses implementing corporate social responsibility and/or producing or providing sustainable goods and services.

Sustainable Workforce Goals:

- » **To encourage and assist** citizens to apply their innovative, creative and entrepreneurial skills to take advantage of employment opportunities.
- » **To encourage and assist citizens** to enhance their level of education and their skills, and to be flexible in pursuits of employment.
- » **To ensure that there are increasing** local employment opportunities that are well-paying and meaningful and that will encourage young families to locate and remain in Brockville.
- » **To attract and retain educated** professionals in the City's workforce.
- » **To encourage and assist volunteering** and mentorship in young adults
- » **To ensure that residents (including youth)** have access, to education and skills training, including co-operative programs including overcoming individual economic and social barriers
- » **To ensure that there are increasing** job opportunities for youth ages 15-24 in the community.

- » To position St. Lawrence College and other key learning assets and facilities as recognized centres of excellence in technology, entrepreneurship, and research and development.

Sustainable Workforce Targets:

- » By 2031, there will be a 20% increase in average family income.
- » By 2031, the City's unemployment rate will be below the average for the Leeds and Grenville United Counties and nearby urban centres such as Kingston and Belleville.
- » By 2031, there will be an increase in the number of residents who have completed at least a post-secondary or an apprenticeship or trades certificate to equal or exceed the average for Ontario.
- » By 2031, all residents will have equal access to one or more Centres of excellence in technology, entrepreneurship, and research and development within the City of Brockville that offer education and skills training opportunities.
- » By 2031, there will be doubling in the number of citizens who express that they have job satisfaction.
- » By 2021, there will be an increase in the number of residents who are employed in their fields within half a year of graduating.

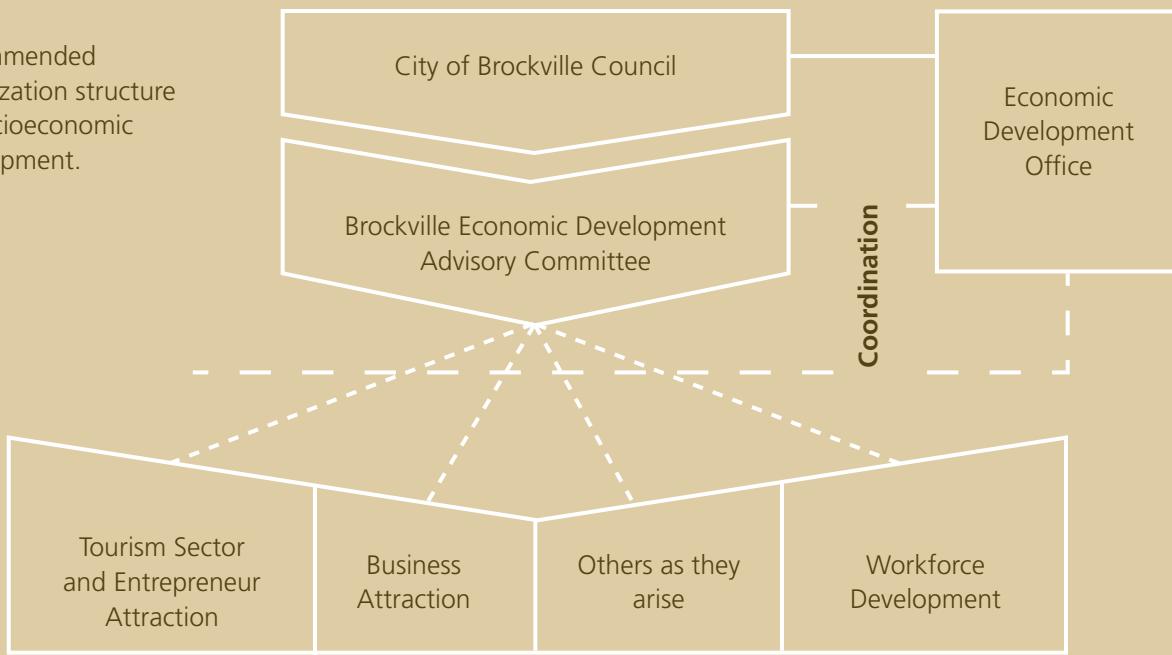
- » By 2021, there will be a decrease in the number of residents aged 15 to 24 who have no certificate, diploma, or degree.

- » By 2021, residents will report that they have greater equal access to a variety of local education and skills training opportunities.

As additional goals and targets are identified and refined for each of the foundations and action areas as part of the Integrated Community Sustainability Plan initiative for the City of Brockville, those goals and targets that are related to growth within the City will also be carried forward through the growth management planning process.

Figure 13

Recommended organization structure for socioeconomic development.



4

THE ECONOMIC INVESTMENT ACTION PLAN

4.1 SPECIFIC ACTIVITIES FOR ECONOMIC DEVELOPMENT

Figure 15 | Existing and Potential Partners in Economic Development

Strategic Thrust	Specific Initiatives and Activities	Lead By	Measurements of Progress
Retention and Expansion of Existing Businesses (BR&E)	<ul style="list-style-type: none">» Established consultation schedule - minimum one per week» Use Interview Guide for an open, but focused, conversation» Establish 'hot-line' E-mail for use on issues; raises a flag and help to organize the issues <p>Note:</p> <ul style="list-style-type: none">» Brockville was the 1998 Provincial BR&E pilot» Has completed three formal BR&E reports» Currently do annual corporate call and AfterCare Program	<ul style="list-style-type: none">» EDD with support from Chamber and DBIA	<ul style="list-style-type: none">» Jobs saved (requires testimonial)» Jobs created» City financial gain/loss avoidance through taxes, etc.» Community gain/loss avoidance through indirect spin-off jobs

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Strategic Thrust	Specific Initiatives and Activities	Lead By	Measurements of Progress
Revitalizing Retiring Businesses	<ul style="list-style-type: none"> » The key is to find successor owners » It is extremely helpful if the departing owner agrees to mentor new owner, with or without compensation 	» EDD, with support from Ambassadors	<ul style="list-style-type: none"> » Jobs saved (requires testimonial) » Jobs created » City financial gain/loss avoidance through taxes, etc. » Community gain/loss avoidance through indirect spin-off jobs
Active Business Attraction through Competitive Advantages	Ongoing Active Attraction Strategy focused on sectors where the City has demonstrable advantages	» EDD through OEECD sector teams (logistics, food and advanced manufacturing)	<ul style="list-style-type: none"> » Jobs created » City financial gain through taxes, etc. » Community gain through indirect spin-off jobs
Public Services Sector Attraction	<ul style="list-style-type: none"> » Medical Facilities of various types, leveraging on the increased needs of an ageing population locally and regionally. 	<ul style="list-style-type: none"> » EDD » For a specific sub-sector, such as Health or Education, this can be transformed into a Champion-lead Initiative 	<ul style="list-style-type: none"> » Jobs created » City financial gain through taxes, etc. » Community gain through indirect spin-off jobs
Tourism Marketing	<ul style="list-style-type: none"> » EDCO and EDAC award winners should be reviewed for added embellishments to site 	» Chamber of Commerce	<ul style="list-style-type: none"> » Increased visitor attraction » And expenditures
Tourism Development	<ul style="list-style-type: none"> » Downtown Revitalization » Events Development » Joint promotions between businesses, such as hotels, stores and other attractions 	<ul style="list-style-type: none"> » EDD (product development) » Major Tourism Stakeholders » Business Improvement Area 	<ul style="list-style-type: none"> » Jobs created » City financial gain through taxes, etc. » Community gain through indirect spin-off jobs
Entrepreneur Attraction	<ul style="list-style-type: none"> » See also Tourism Marketing » Consider a separate web-site that will draw target persons to Brockville by focusing on what is attractive to them specifically: lifestyle, access to the U.S., and similar features. » The style of the Prince Edward County website can be adapted for use in Brockville 	<ul style="list-style-type: none"> » EDD/Enterprise Centre » Ambassadors under the direction of EDD » Possibly transform this into a Champion-lead initiative for altruistic motives 	<ul style="list-style-type: none"> » Entrepreneurs attracted » Subsequently: <ul style="list-style-type: none"> » Jobs created » City financial gain through taxes, etc. » Community gain through indirect spin-off jobs

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Strategic Thrust	Specific Initiatives and Activities	Lead By	Measurements of Progress
Workforce Development		<ul style="list-style-type: none"> » 1000 Islands Region Workforce Development Board » Ontario Works 	<ul style="list-style-type: none"> » Number of people with upgraded education » Number of people with upgraded or newly acquired skills
Entrepreneur Development	<ul style="list-style-type: none"> » Promote the use of existing local incubator and the EIT » Enhanced services and offerings by the existing local incubators » Establish Mentoring Program » Establish 'Entrepreneur Aid' Blog » Capital sources to be identified » Expand Angel Investor base. Capital sources and Angel Investors are harder to find at present but, for very valuable investment opportunities, may come forward for a price. 	<p>Champions are needed who will act for largely altruistic motives to coordinate and build more resources</p>	<ul style="list-style-type: none"> » Number of business started by residents » Number of jobs created <p>The above metrics when the new enterprise starts, after one year and after five years.</p>
Partnering between local businesses as suppliers/ customers	<ul style="list-style-type: none"> » Continue the value chain assessment to broaden local firms outreach to new and closer suppliers of goods and services within closer proximity of Brockville and thus to generate operational savings. » Then determine whether such suppliers exist in Brockville already or those who make similar products, such that they could also supply the new need. » If external suppliers can be replaced with suppliers based in the region then the local economy is enhanced. 	<p>Identify a Champion to liaise, facilitate and encourage</p>	<p>If traceable, the increase in local jobs as a result of an increased local supply base.</p>

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4.2 BRINGING FORWARD OPPORTUNITIES ON AN ONGOING BASIS

The Brockville Economic Development Committee (BEDC) should comprise of six to eight members. Two thirds of the members should be from the private sector. City Staff would usually act as a Secretariat for the Committee, which would meet at least monthly.

Reporting into the BEDC, and coordinated by the Economic Development Office (EDO), the concept is to have the private sector Task Forces identify opportunities.

The EDO then works with the BEDC to develop the best opportunities and to make recommendations to the City to move forward on these initiatives, based upon a well-prepared Economic Investment Action Case (EIAC) – see below.

Taking action, and being seen to take action, is imperative in any public setting. Yet taking action without a full understanding of the implications and likelihood of success may well achieve the opposite result to that desired. While ‘thoroughness’ may sometimes be mistaken as ‘delaying’ the taking of action, it pays off many fold through the avoidance of ineffective initiatives and the more thorough understanding and execution of worthwhile projects. Over time, the City must review and decide upon support for various economic development initiatives brought forward internally and by the private sector. Selecting which ones with which to proceed will be an ongoing requirement.

4.2 ‘CHAMPIONS’

Champions are the ‘force multipliers’ of economic development and many other Community Missions.

Consider that the only way for the public sector to directly create jobs is by hiring people. While this is certainly necessary and desirable in, for example, health care, education and government, these functions tend to be ‘inward looking’, in some cases within the local jurisdiction and nearly all within the Province. As such, they serve the needs of the Community but cannot readily provide that critical element necessary for long-term sustainability in a competitive world, the export of

materials, goods and services for monies that are then returned to the Community through local spending. That latter role is usually in the domain of the private sector, and in some instance, the not-for-profit sector.

Such Champions, acting in concert with the City Economic Development Staff, can lead various initiatives, while reporting, at all times, on their progress. Champions may choose to act out of Community-minded or altruistic interest or may have a financial gain to make. The latter is not ‘wrong’, as long as any investment made by governments is commensurate with the returns expected and which have been thoroughly vetted through analysis, as is discussed in section 4.3.3, ‘Making the Case for Investment’.

Note that the ultimate responsibility remains firmly in the hands of the Economic Development Function. The challenge becomes one of encouraging, nurturing, responding to and assisting these ‘force multipliers’ to add their capabilities and energies to achieve the desirable goals.

4.3 MAKING THE CASE FOR INVESTMENT

When selecting economic development initiatives based upon...

- » Opinion...rather than fact
- » Lobbying...rather than reasoned advocacy
- » Superficial...rather than thorough analyses of feasibility, collateral implications, true costs and true benefits

...then widespread acceptance and support are much harder to achieve and the initiative is vulnerable to critique and attack which will be hard to offset unless all of the ‘homework’ has been accomplished.

The key requirement is to be able to differentiate between the various opportunities that are conceived and to assess the most beneficial to the community. In the private sector, comparisons between most investments are based upon an optimum rate of

return since the focus is almost always on direct dollar generation. In a community, while dollar generation is a major element, there are also socioeconomic factors to be considered.

'Stakeholders' are most often the source of ideas, opportunities, energy and investment. What do we mean by the term "Stakeholder" in the context of socioeconomic development? Undoubtedly, everyone in the Community of Brockville has a stake in the development of the local economy, and most especially, in the attendant potential for prosperity. In economic development, the term is applied often to those who do, or may, contribute directly towards such an economy, through the conduct of business or not-for-profit activities, with the accompanying creation of employment. This is not a hard and fast definition and we can choose to add any person or group who can assist directly in economic prosperity, for the benefit of Community as a whole.

Although the source is obscure, it has been said that "opinions are formed often on incomplete facts, twisted to suit the protagonists, and served in a package of a lifetime of bias and personal preference; give me hard facts and sound reasoning, any day." Hard words but, when a particular group wishes to convince the broader public of a specific course of action, they cannot rely upon their own preferences and biases to make the case. Solid facts and reasoned arguments are the common currency of sound and practical decision-making.

Reasonably, Stakeholders have particular interests that they must serve (their 'stake'). The City of Brockville is looking for instances where the interests of a Stakeholder overlaps the interests of the Community as a whole, or in large measure. Where so, it may be possible to create a 'case' to warrant investment by the Community and, for the most part, this investment is accomplished through the use of Taxpayer funds, from various levels of government.

Where the EIAC shows no clear advantage to the Community, then there is no reason for the Community to participate in the initiative. Potential conflicts of

interest must also be surfaced in the EIAC such that they can be made transparent and reviewed.

Please note the terms 'case', 'investment' and 'Taxpayers', and then consider the following points:

- » Economic development must be thought of as an investment, not a cost. As with any other investment, the 'investors' (in this case Taxpayers) expect a reasonable return on their investment, as well as the prudent assessment, and mitigation, of risk. Investors are not 'in it' to lose money and Taxpayers are some of the most critical investors known.
- » Further, prudent investors will not simply take someone's opinion and invest. Recent high-profile examples of such follies have been seen in the media. Instead, they expect to see evidence of sufficient research on the upside and downside, how benefits will accrue and the timing of these benefits. In other words, the 'case' to which we referred earlier.
- » Investors also prefer to see a significant proportion of investment by the Stakeholders themselves, in order that the latter have a clearly vested interest in the success of any such joint initiatives. Rightly, investors are sceptical if only they are taking the risk and the proponents have, essentially, a free roll of the dice.
- » Many Stakeholders have interests that are very worthwhile within their own circle, or which may create broader benefits to the Community. However, if these benefits are not at least partially economic in nature, then it will be difficult to create a case that meets the above criteria. This does not reflect poorly on that particular set of interests; simply, these Stakeholders can proceed as they wish to further their own interests or work with other 'missions' in the City, such as the environment, health and so on.

In the Socioeconomic Development Mission, not all of the benefits need be clearly economic but there must be a substantial element that contributes towards the economic goals of the Community. Recognizing that the economy is not an end in itself but a means to

achieve socioeconomic prosperity for the Community, there is the opportunity to consider the 'socio' aspects as well, and these can be added to the projected economic benefits to create an overall picture of the returns. Further, some economic benefits occur indirectly as a result of other activities, and these can also be very valid.

Those opportunities, or ideas, that have potential can be further developed in conjunction with the

Stakeholders and, if feasible, a case can be made for consideration by the City, as well as other levels of government, in order to gain tangible support.

Some parameters to consider are shown in Section 4.4.3, 'Economic Investment action Case (EIAC)'.

All existing and future funding to organizations made by the City based on economic development benefits should be reviewed using the discipline of the Economic

The Opportunity

- » Essentially, an Executive Summary in a paragraph or two
- » Include a description of the types of benefits and who will benefit
- » Mention those who will need to be involved in order to realise the benefits

Nature of the benefits

- » How will your Stakeholder Group benefit?
- » Community direct economic benefits – the 'financial' return?
 - » What are the direct economic gains to be accomplished?
 - » Quantify these in terms of dollars and jobs
 - » When will these occur?
- » Community 'socio' benefits
 - » Describe other benefits not quantifiable in direct dollars
 - » These may be health, self-esteem, community spirit, cooperation and so on

Assumptions made, with a rationale

- » What are the key assumptions made in creating your opportunity?
- » What is the rationale behind these assumptions?

Barriers that must be overcome

- » What is the nature (s) of the barriers
- » What must be done to overcome these barriers, by whom and when?

Investment (or costs)

- » To the extent possible, separate out the types of cost
- » Quantify them
- » What will your Stakeholder Group contribute?
 - » Direct dollars?
 - » Resource time?

Resources required

- » What type of resources will be needed?
- » People?
- » Equipment?
- » Others?

4.4 THE ECONOMIC INVESTMENT ACTION CASE (EIAC)

Investment action Case to ensure that the taxpayer is receiving good value for money in return for their investment. This approach enables the jurisdiction to be, at once, hard taskmasters demanding proof of the likely success of the venture and, when that proof is established, confident, and committed advocates of the effort, monitoring progress on a regular basis. This emulates private sector investor behaviour.

In order to minimize the effects of ‘opinion’ and ‘influence’, clear parameters are required. Eventually, all of these factors, and more, must be considered before going forward with a particular opportunity. Readers familiar with private sector business cases will recognize many of these attributes and, to a greater or lesser degree of depth and precision, most of these will be at least ‘back-of-mind’, no matter how informal the project may be.

Timelines: investment and ‘returns’

- » When will the investment have to flow out?
- » When will the returns (of all types) be accrued?

Risks and mitigation

- » What are the risks?
 - » Internally from the implementing organizations?
 - » Externally from factors beyond reasonable control?
- » Where possible:
 - » How can each be prevented?
 - » How, if they manifest, can they be mitigated?

Recommended lead organization

- » Which organization should lead this effort?
 - » Your Stakeholder Group?
 - » A different non-government group?
 - » Government (please specify – municipal, county, provincial, federal)?

Recommended partner organizations

- » Please list any and all organizations that should be participants, with a rationale
 - » As active resources
 - » As funding contributors

Measurements of progress

- » Defined milestones of what will be achieved
- » Timing
- » Critical ‘go-no go’ points with criteria
- » Opportunities for corrective action

Measurements of success

- » How is success defined?
- » Who will measure this?
- » How will we know when success has been achieved?

The ‘Taxpayer Investors’ will want to know that these factors have been considered before their funds are invested.

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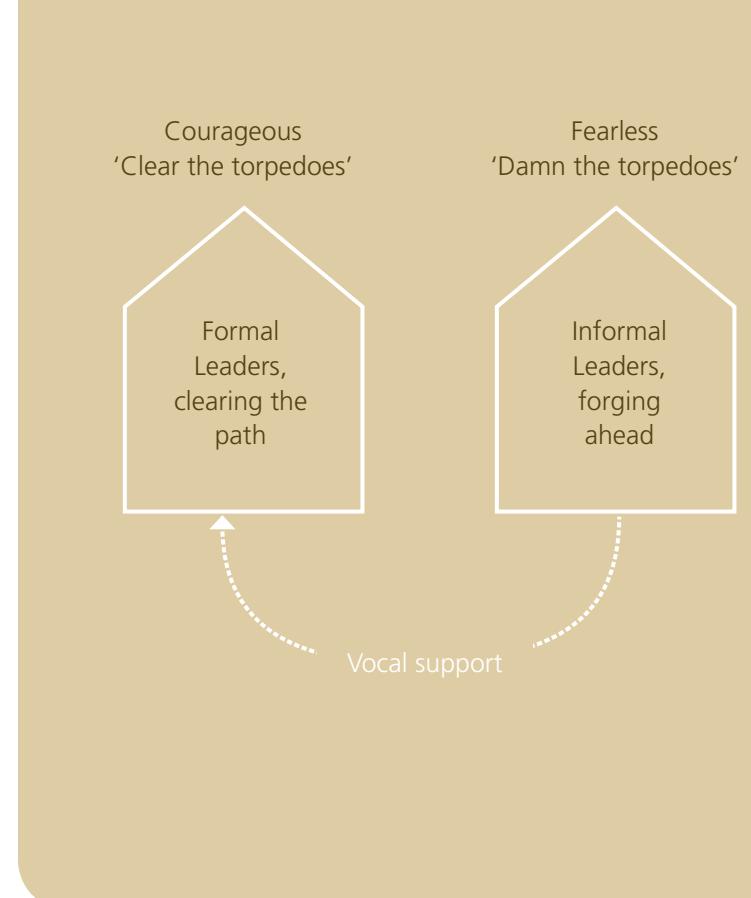
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Figure 14 | Leadership for Success





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OTHER RECOMMENDATIONS

5.1 LEADERSHIP FOR SUCCESS

Two broad types of community leadership are being recognized in many social and economic development efforts. These two forces parallel the public and private sectors to a large degree. The 'Formal Leaders' are those elected, or appointed by those elected, to formally lead efforts towards achieving the goals of the Community. Such people or organizations have both the authority and responsibility to act and are usually held accountable for results.

In parallel, there are the 'Informal Leaders' 'or Champions,' who, while neither formally elected nor appointed, have, through their influence and energy, a very positive role to play in these same efforts. Informal Leaders achieve their 'status', often unsought, through past achievements and successes in their particular fields and through pro bono activities for the good of the Community.

When the interests and activities both Formal and Informal Leaders resonate, a 'force multiplier' effect can

be achieved that greatly enhances the overall outcomes of the efforts.

Above all when, despite best efforts, initiatives fail or when the results are not as desired, the role of the Informal Leaders must be to support the Formal Leaders in order that both can move forward to the subsequent challenges together, with mutual trust intact.

Brockville appears to be well provided with active citizens, prepared to move forward on agreed goals. Making use of their energy and talents will greatly aid in the socioeconomic development process.

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5.2 PARTNERING

The City of Brockville Economic Development Office does not act alone in socioeconomic development. Apart from receiving support from the functional departments of the City, other groups, both private and public, may also form part of the ongoing thrusts in economic development. This is especially true when the formal responsibility for aspects such as education and training fall outside of the responsibility of the City. The City can collaborate with these groups, sometimes with moral support and, at other times, where a clear return to the taxpayer is foreseen, with the provision of funds or in-kind contributions.

Partnerships are ‘force multipliers’ in municipal economic development since, effectively, they leverage limited municipal funds with the energy, and often funds, of the private sector and senior levels of

government. Such partnerships also demonstrate mutual trust between the local Formal and Informal Leaders of the Community. The private sector and ‘not-for-profit’ organizations are a strength that all Communities can bring to bear with considerable advantage.

5.2.1 EXISTING AND POTENTIAL PARTNERS IN ECONOMIC DEVELOPMENT FOR THE CITY OF BROCKVILLE

The following describe current or near-term activities and the existing or potential partners. These will evolve and others will be added over time.

Figure 15 | Existing and Potential Partners in Economic Development

(Potential) Partner	Strategic Thrust(S)	Remarks
Brockville Chamber of Commerce	Tourism Marketing Communications Visitor Services Advocacy Entrepreneur Attraction	The Chamber has been executing these functions since 2002 and has many tourism-centric businesses as members. Promoting tourism is a self-enhancing outcome for such businesses
1000 Islands Region Workforce Development Board	Workforce Development	Encouraging and facilitating education and training for the displaced, under-employed and employed worker Conducting research for workforce planning and labour adjustment
St. Lawrence College	Workforce Development	Encouraging displaced workers to further their education and training Partner in specialized training program development and delivery Further refinement of the EASTCAT directives
Ontario East Economic Development Commission	Regional sector-specific investment attraction	Cost sharing on OEDC sector team approach on investment attraction This is an ongoing partnership in the region and it is cited as an effective and efficient model for others
1000 Islands Community Development Corporation	Funds and Support Linkages with the Enterprise Centre	Cost sharing on specific functions associated with entrepreneurship opportunities
Frontenac Arch Biosphere Reserve	Eco-Tourism Entrepreneur Attraction	The National Geographic Society GeoTourism charter was signed on January 15th 2010
United Counties of Leeds and Grenville	Regional Tourism co-Development Other regional initiatives and special project collaboration	
Other Neighbouring Municipalities	Various partnered initiatives	Case-by-case basis founded in the investment/reward projections
Capital Corridor	Canada-U.S. trade opportunities and policy advocacy	
United Way Multicultural Association	New Canadians welcome and attraction	

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5.2.2 ACTING REGIONALLY

Acting regionally makes good sense when the target prospect, or visitor, is likely to be hundreds or thousands of kilometres distant from Brockville. The further away the target, the less they can differentiate between neighbouring municipalities.

While economic development activities such as business retention and expansion must be driven locally (since these reside in a jurisdiction), the ‘target’ in business attraction is, clearly, somewhere other than local. The objective is to get them interested locally. Businesses do not recognize jurisdictional boundaries but seek economic areas, or zones.

For Tourism, the economic area of interest to the ‘Target Tourist’ may be a trail of several hundred kilometres, culminating in a destination. Despite all of the charm of Brockville, the first-time, more distant tourist may not plan their visit around the City alone. Even Niagara Falls benefits from other relatively nearby attractions, such as Toronto, Niagara-on-the-Lake and so on.

‘Leakage’ is when the local community does not gain the full benefit expected from investments made in their community. If the size of the community is not sufficient, then nearby larger centres will gain as visitors also take in what such centres have to offer. As a ‘destination’, or a locale that can become one, Brockville will stand to benefit from the exposure and other benefits of participating in joint marketing, since visitors will naturally look to such a relatively large, and very attractive centre as a hub, or major port of call, on their travels.

The more that jurisdictions combine their efforts, the lower the individual cost (efficiency) and the more significant will be the presence on the radar screen. Sufficient birds flying together can appear to be a large aircraft.

5.3 BUSINESS-FRIENDLY IS NOT JUST IMPORTANT, IT IS VITAL

The recommended Business Retention and Expansion program is an excellent opportunity for the City Economic Development Office to probe this issue directly and confidentially with Brockville businesses and to report back on the findings.

5.4 RESEARCH INTO THE ‘NEW ECONOMY’

The term ‘new economy’ is well worn, yet very applicable, most especially in uncertain economic times. While the nature of the future economy of Ontario, and Brockville, may not yet be clear, it is certain that it will be different to some extent. Communities that are best prepared for the future with fundamental strengths will be able to adapt to the emerging economy better than those who wait until everything is clear.

The best approach is not to guess at the future but to develop strengths that will most likely be valuable regardless of the emerging economy. Research into ‘eco’ or ‘green’ industries is most likely a valuable preparation, especially given the attributes of Brockville.

5.5 COMMUNICATING WITH YOUTH

Understanding the needs of youth, their perspectives and challenges and creating hope for a prosperous future, may develop positive attitudes towards furthering their education and, with the advent of future employment opportunities, encourage them to remain in Brockville.

5.6 BRANDING

Enhancing the positive brand of Brockville will help in every form of economic development. Getting the message out that Brockville is moving forward to develop the local economy, how it is going about that, and that it is preparing itself for the future, no matter what may emerge, will be seen as forward-thinking and reflect well on the Community.

5.7 POSITIVE SUPPORT IS ESSENTIAL FROM ALL CITY DEPARTMENTS

Socioeconomic Development is a critical mission for the City and, as such, everyone has a positive role to play. It requires the active support of all City Departments and the protocols between these and the Economic Development Office must be established clearly.

Economic Development is a function that is expected to push the envelope of operations; at the same time, other City Departments properly have a role to police such plans and ensure that all necessary considerations have been taken into account. It is essential that these other Departments approach perceived barriers

in a positive light and to work with the Economic Development Office to find ways to overcome the encountered blockage.

Many City activities that fall outside of the sphere of economic development may have a great effect on that function. A comprehensive information system that can provide such information, to the greatest extent possible in electronic form, will aid greatly in the efficient functioning of the Economic Development Office.



5.8 ONGOING COMMUNITY INPUT

The establishment of ongoing mechanisms to communicate with the Community of Brockville on socio economic development activities are strongly encouraged. This facilitates ongoing feedback as to Values and Ideas. It also provides credence to the concept that, while the socioeconomic development process is underway, new ideas are always welcome and agreed adjustments to the plans may be made with sufficient rationale and justification.

Such mechanisms may include:

- » A City webpage dedicated to economic development in Brockville with links to other relevant sites.
- » When sufficient materials have been prepared, these can be raised in profile through a separate City website dedicated to attracting investors. The name selected for this website should reflect the purpose. Such a move is relatively low cost and demonstrates that the City is very serious in its intent.
- » Continuation of the <OurBrockville@brockville.com> E-Mail identity which is routed to the Economic Development Office.

- » Encouragement of fax and written input, as well as face-to-face meetings.
- » Evolving Community Values will ensure proper guidance of the Mission and new ideas, and possible projects will also emerge from this Community feedback.

5.9 ECONOMIC DATA AND RESEARCH

Knowing where you are, what assets you have and trends indicating the shape of the future are important tools in socioeconomic development. Recommended activities include:

- » An accurate inventory of businesses with accompanying details.
- » Knowing what is current in the greater economy in which Brockville must exist is vital in order to best position Brockville, on a continuous basis, to meet these changing conditions.
- » Research into emerging industrial and business trends is important if meaningful conversations are to be had with target sector firms.

5.10 COMMUNITY CAPACITY BUILDING

There are many definitions of 'Community Capacity Building'. One is:

"Activities, resources and support that strengthen the skills and abilities of people and community groups to take effective action and leading roles in the development of their communities."

In economic development, community capacity building focuses on enhancing the future abilities of the Community to prosper in a rapidly changing economic environment. Projecting educational and skills development requirements to meet future employment opportunities, identifying necessary infrastructure improvements to encourage appropriate economic growth as well as promoting collaboration and partnerships between organizations are some of the critical aspects. Communicating effectively with those charged with implementing these forward-looking investments is another key element of the role that the Economic Development Office can play in community capacity building.

5.11 REVITALIZING 'RETIRING' BUSINESSES

Develop a "Passing the Baton" program to sustain and develop existing retiree businesses and offer them to potential entrepreneurs to encourage continuance.

- » Consider small grants to bridge the transition cash demands.
- » Consider larger subordinated loans to foster growth, standing behind the senior lending institutions.
- » Provide the retiree with an equity 'kicker' for a period of years to encourage mentoring of the new owners.

The retirees may also be interested in mentoring younger entrepreneurs.

5.12 INFRASTRUCTURE IMPROVEMENTS

Lobby for targeted and modest infrastructure improvements (rather than billion-dollar blanket investments) designed to support demonstrated private sector potential and initial success. 'Bootstrap' the private sector successes to win additional infrastructure enhancements and then repeat this on an ongoing basis, each building upon the other.

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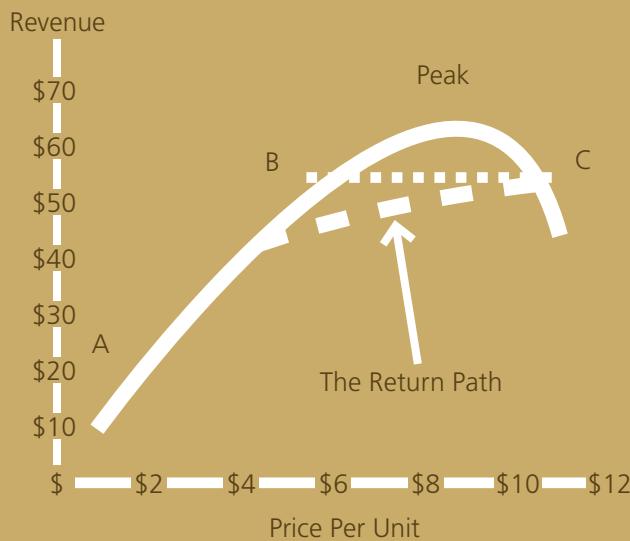
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5.13 THE JURISDICTIONAL COST COMPETITIVENESS CHALLENGE

This is an analogy drawn from private sector product price positioning. Firms with a new product to market may attempt to drive a price higher and higher until the multiple {revenue per unit times total units sold} starts to decline.

From A to B all is well but the effects of a rising price start to impact the number of units sold until a peak

Figure 15 | Price-Revenue Curve



is reached. Beyond that peak, heading now towards C, a yet higher price simply causes poorer financial performance for the company.

This is often an empirical test and much time and money are spent in determining when the curve starts to descend. Unfortunately, if the downward momentum is not checked in time and prices are allowed to rise too far, when a remedy is put into place the curve then does not generally follow the path taken to get there. In many respects, the market 'punishes' the company by forcing the price lower than it would otherwise have been.

The same effect can be seen in jurisdictions. It is very tempting to pass on a higher and higher tax burden to firms, since firms do not vote per se. The same applies to higher and higher wages. As long as the peak is not reached, this brinkmanship will work to the short and mid-term benefit of the Community. However, the companies know what is happening and will look for remedies where possible. If the geographic or jurisdictional location of the business cannot be readily changed then the companies must bear with this but, for most companies, there are alternatives for their businesses. Unfortunately, these intentions are not telegraphed directly to the jurisdiction, although complaints and other signs of discontent will be the first rumblings

Ultimately, the peak of the curve is reached, the companies start to fail or move on and the jurisdiction finds itself travelling 'backwards' along the return path, ultimately being somewhat worse off than before the peak was reached.

5.14 PLAN, BUT DON'T OVER-PLAN

In this case, the 'enemy' is the vagary of the future economic environment. Good plans are essential but do not expect them to be perfect. By definition, any plan or strategy is forward-looking, requiring a forecast of the future. No predictions are perfect, especially several years out, so it is often most effective to set short-term goals that can be more reasonably measured and general directions for the longer-term.

An ongoing examination of the evolving economic situation and analyses to re-assess the future will result in effective steps being taken to make adjustments as the execution of the strategy evolves. This is the 'guided-missile' approach and it is vital that the longer term elements of the plan have an inherent flexibility that will facilitate and encourage adjustment as the targets move. This will allow the plan to become a 'living plan' that adjusts with changing circumstance and, quite possibly, the evolving goals of the Community.

“ The best laid plans seldom survive contact with the enemy.”

— Helmuth von Moltke

5.15 CREATION OF AN INVESTMENT BUSINESS CASE TO 'PROVE THE PROPAGANDA'

Investors regard glossy brochures and general statements by jurisdictions as 'propaganda'. While the preparation of attractive documents is important, the decisions will usually be based upon hard facts, a business case.

If at all possible the EDD should place itself in the role of the company or private sector investor, and determine what is important to the company. Then create the business case that shows how the region can meet those needs and how much better the region is compared to competitors.

The KPMG methodology (Competitive Alternatives) is very solid and the EDD should ensure that it understands the principles behind this and that it can reproduce such a work for their local area. Gathering local data such as transportation costs, utility costs, etc. is required but the comparison data are already available from KPMG.

These business cases can be created initially in the form of generic menus, from which a particular case, targeted towards the specific Client and their needs, can be developed easily. These should be prepared only after the full needs and emphases of the prospective investor are clearly understood.

These are not glossy brochures to be printed in the thousands, Keep a few generic copies on hand, but print as needed on a high quality colour printer located in the EDD office. This enables the EDD to customize the business cases and make later changes as required.

Preparing the business case in the language of the country of origin of the prospect shows that you are serious and care about the needs of the prospect. Such translations are an investment that can pay back handsomely.

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5.16 INERTIA MAY MASK PROBLEMS

Inertia is a force that resists movement. In the case of large operations, the inertia is the cost impact of moving, and it is considerable. When most large plants move, there are two major costs to be considered:

- » The physical cost of building the new facility or refurbishing an existing building that has been newly purchased. While assets, such as processing equipment may be moved, infrastructure, such as feeder pipes, electrical and gas connections and, in many cases, customized inter-processing conveyance equipment, will be lost and must be replaced in the new building. Costs will vary widely but can be considerable.
- » The lost production time and lost opportunity cost attached to this move. Unless the new facility is built and prepared for production in parallel with the continued operation of the existing building (implying even more cost attached to replacing all processing equipment), then the operation will be out of commission (partially or completely) for the full duration of the move. This may take several weeks and represents a considerable financial

impact. If a plant with annual revenues of \$600 million is out of commission for just one month, then the lost revenue will be \$50 million and the overall financial impact (the gross margin) may be 30-60% of this figure.

This cost must be contrasted to the bottom-line savings that such an operation can gain from relocating. In some cases these will be relatively insubstantial in comparison to the cost, and the time required to regain the cost is very long. This is the inertia factor that tends to keep large processing facilities in place, long after the original decision to so locate was made, and long after the reasons that made the jurisdiction so attractive have evaporated.

Jurisdictions may sometime use this inertia to their advantage. Believing that such plants will not readily move, it is tempting to take advantage of that position, to the eventual detriment of the competitiveness of the operation. In the short term this will not create a backlash that the jurisdiction must absorb but, in the longer run, the processing facility may be lost to the locale.

5.17 COMMUNICATING WHAT IS HAPPENING IN ECONOMIC DEVELOPMENT

Information is the best way to generate enthusiasm for, and an understanding of, the Economic Development process.

The Mayor and Council can be the most effective communicators of what is happening in economic development in the City of Brockville since constituents will pay attention to what is being said. By being well-informed, the Council can show their commitment to the Economic Development Mission and enthusiasm may be garnered throughout the Community.

Further, Council are frequently asked questions by their constituents and the media. By reporting these questions to the Economic Development Department on a regular basis, the latter can develop and maintain a 'Fact and Information' sheet that may be used by Council to respond, and which may be posted or issued publicly from time to time.

Every major initiative should be well publicized and the assumptions stated that lie behind the initiative. As with all investments, not all ventures will prove to be successful. When this happens, it is best to state this publicly, early, simply and with reasons. **Then move on.** This is an instance where the vocal support of the Champions, rather than 'critical letters to the Editor' is so critical in support of the efforts of the City.

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6 CONCLUSION



Brockville has both the need and the ability to develop its economy for the benefit of the Community. This benefit will be evident in the availability of more local jobs as well as a sustainable tax base, ensuring that local services are maintained and enhanced. Socioeconomic development is not an immediate process; both time and resources must be invested in order to realize these benefits. With multiple strategic thrusts, deployed to meet the economic realities of the time, and implemented vigorously, success is likely.

Prosperity, although not guaranteed, is more likely to accrue to jurisdictions that understand the issues at hand and act accordingly. If economic development is regarded as a cost, to be eliminated from an arbitrary budget, then the results will, likewise, be arbitrary. If economic development is regarded as an investment of tax-payers dollars in order to garner a stronger non-residential tax base, and resources are deployed to achieve that goal, then positive results are more likely. The outcomes vary dependent upon the few individual leaders of the particular jurisdiction and their willingness to take risks and invest in the future development of the Community.

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SEPARATE SUPPORTING DOCUMENTS



The overall Report is in three separated sections:

- » This Main Section has described the overall Mission, Strategic Thrusts and the principles of implementing economic development as an INVESTMENT and not a cost. It is intended to be enduring and rarely require updating, except with improvements to the processes and additional Strategic Thrusts.
- » Appendices, provided separately, which are meant as background and tools for the economic development function of the City of Brockville.
- » Under the constant supervision of the City economic development function, the Initiatives, and attendant Actions, are the activities taken to support and realize the various strategic thrusts, and these must be living documents. As Champions

bring Initiatives forward, they must be placed into the Economic Investment Action Case process to determine their feasibility, the investment required, the risks and the returns that are probable, in both the 'Socio' and 'Economic' senses. Those that are shown to be worth investment from the Community, then go forward with their Champions, for implementation. Action Lists (What? Who? When?) are then generated for follow up, using good project management disciplines.

Even after this stage, new barriers or opportunities may arise within a given Initiative, requiring a reassessment. The Action Lists, and to a lesser extent the Initiatives, can and should change daily as required and are, therefore, developed and adjusted as and when the Initiatives are executed.

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