



Staff Report

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Report To: General Government Committee

Date of Meeting: June 6, 2022

Report Number: CAO-005-22

Reviewed By: Mary-Anne Dempster, CAO

Resolution#:

File Number:

By-law Number:

Report Subject: Clarington Economic Development Strategy

Recommendations:

1. That Report CAO-005-22, and any related delegations or communication items, be received for information;
2. That Council adopt the Economic Development Strategy in principle;
3. That staff be authorized to advance the catalyst projects as outlined in this report;
4. That staff prepare an implementation report to be presented as part of the preparation of Council's 2023-2026 Corporate Strategic Plan; and
5. That all interested parties listed in Report CAO-005-22 be advised of Council's decision.

Report Overview

To ensure that the Municipality is best positioned to capitalize on the expected growth in our community, staff have worked with MDB Insight Inc. (now Deloitte) to develop a robust economic development strategy. This report provides insight into how the strategy was developed, feedback received from stakeholders, and highlights areas in which Clarington should focus to drive future economic development growth.

The Strategy reinforces much of the work currently being done by the Municipality and our community partners, while at the same time highlighting the areas of improvement to build our community's capacity to support economic development initiatives. It also puts a spotlight on major catalyst projects, which have the potential to drive further economic prosperity in our community.

1. Background

Council Strategic Plan

- 1.1 As part of the [2019 – 2022 Municipality of Clarington Strategic Plan](#), Council directed staff to “[e]xplore an economic development strategy/framework in collaboration with the business community and other stakeholders.”
- 1.2 Council’s Strategic Plan, under the “Strong Economy” priority, has several other key economic development goals such as:
 - a) completion of our downtown plans;
 - b) creation of partnerships in broadband expansion, working towards one hundred per cent connectivity;
 - c) creation of partnerships to promote investment in infrastructure to make natural gas more accessible; and
 - d) expansion of our transportation network into commercial and industrial areas.

Clarington’s Official Plan

- 1.3 In 2016, Council adopted a new Official Plan, which was subsequently approved by the Region in 2017. The vision and principles set by Council in the Official Plan speak to the level of interplay between sustainable development, healthy communities, growth management and economic development. Chapter 7 of the Official Plan - Growing a Prosperous Community presents the main Council policies and objectives for economic development in Clarington.

- 1.4 The Official Plan's Principle of Economic Vitality promotes a competitive and adaptable economic environment to encourage investment and diversity of employment opportunities. The Principle of Balanced Growth expresses our desire to place job creation as a key priority to complement residential growth.
- 1.5 Clarington Council, through the Official Plan, established key objectives for economic development. These objectives include attaining one job for every three residents in Clarington, accommodating 50% of employment in employment lands, supporting and retaining small businesses in our traditional downtowns, and promoting and supporting arts, culture, and tourism.
- 1.6 To implement these objectives, the Official Plan lists some key tools including:
 - a) strategic infrastructure investment;
 - b) incentives;
 - c) public-private partnerships;
 - d) joint projects with the Boards of Business Improvement Areas;
 - e) community improvement plans; and
 - f) development permit system.
- 1.7 Policy 7.3.1 of the Official Plan directs the preparation of an economic development strategy at the time of the statutory review of the Official Plan. Council has approved the review of the Clarington Official Plan that will start this year in parallel to the completion of the Regional Municipal Comprehensive Review. The Economic Development Strategy will be one of the foundations for the review of Clarington's Official Plan.

Developing Clarington's Economic Development Strategy

- 1.8 In [Report CAO-003-21](#), Council approved the preparation of an Economic Development Strategy. Based on this direction the Municipality retained MDB Insight ("MDB"), now known as Deloitte to prepare the Economic Development Strategy. Deloitte has experience in drafting economic development strategies and has done work across Ontario, including supporting municipalities with various models of economic development delivery.

- 1.9 The Strategy would address several matters including:
- a) the goals and objectives set out in Chapter 7 of the Clarington Official Plan;
 - b) several goals in Clarington's 2019 – 2022 Strategic Plan (see sections 1.1 and 1.2 of this report);
 - c) annual workplans;
 - d) creation of an economic development toolkit (to provide to prospective investors and other interested parties – inclusive of priority employment lands, strategic initiatives, incentives, long-rang vision);
 - e) confirmation / clarification of roles and responsibilities internally and externally;
 - f) timing, frequency, and content of reporting between and amongst Municipal staff, The Clarington Board of Trade (CBOT), and Council;
 - g) strengthening of relationships within the local business community (e.g., CBOT, the Municipality, BIAs, Newcastle and District Chamber of Commerce, and MUSH sector); and
 - h) performance measures.

2. Strategy Drafting

Stakeholder Engagement

- 2.1 In November and December of 2021, there were a total of 20 interviews conducted with local stakeholders. The stakeholders included: local business owners, businesses within the development industry, representatives of the Business Improvement Areas of Bowmanville, Newcastle, and Orono, the Clarington Board of Trade, Clarington Agricultural Advisory Committee, Clarington Tourism Advisory Committee, and Clarington Tourism staff.
- 2.2 Another facet of engagement included a community consultation survey that was open to residents, business owners, and operators in Clarington. The survey received 114 responses at its conclusion.
- 2.3 It was of critical importance to ensure that local business partners received additional time with Deloitte to be able to understand their unique perspective as it relates to economic development in Clarington. A workshop involving business support organizations was organized in late 2021 and included representation from CBOT, Orono BIA, Region of Durham and the Municipality's own tourism staff.

- 2.4 Members of Council and senior staff were also interviewed by Deloitte to round-out the consultation efforts.

Key Findings from Stakeholder Consultation

- 2.5 Some notable themes from the range of stakeholder consultations include:
- a) Clarington's small-town, rural way of life is important to stakeholders. Stakeholders believe that the existing commercial cores and small local businesses must be developed into resilient and vibrant elements of the local economy.
 - b) The expected arrival of the Ontario Power Generation headquarters will have a major economic impact on Clarington. This prompted some stakeholders to note that it will be important for the Municipality to ensure it is prepared to take advantage of the increased size and diversity of the population that will come with this development.
 - c) The agriculture sector is understood to be dominated by a mix of a few large players and many small family farms. Even with Greenbelt regulations and policies in place, stakeholders are concerned that Clarington's prime agricultural land may be absorbed by development.
 - d) Stakeholders view the tourism and hospitality sector as a key component to attract outside visitor spending, new investment, and to ensure a high quality of place for existing and potential new residents.
 - e) Infrastructure capacity was repeatedly mentioned as a constraint to development. This included reference to water, sewer, broadband, and public transportation – which can be key drivers underpinning economic growth.

3. Economic Development Strategy

- 3.1 The Municipality has a set of strengths that position it to be successful in its long-term economic development journey. These include things like strong population growth, low unemployment, and high participation in the labour force. There is also a sense of confidence and optimism about the future of the community, felt by residents and business owners alike.
- 3.2 Clarington's expected positive rate of growth will assist existing small businesses in their post-COVID recovery, as the impact of the pandemic becomes more evident. The growth will also help support the attraction of new investments in retail, advanced manufacturing, hospitality, and health care services. The tourism, energy, and agri-food

processing sectors also provide strong prospects for future employment and investment opportunities in Clarington.

- 3.3 Revitalization of the four urban areas is also underway, which will provide an important backdrop for the creation of more leisure and recreational amenities, including outdoor gathering spaces, a vibrant arts and culture scene and the expansion of the Municipality's trail network. Opportunities to improve transportation connections to the rest of Durham Region and the rest of the Greater Toronto Area will also assist in promoting the growth of residential and mixed-use development.
- 3.4 Despite the expected growth trajectory, there is a need to ensure that an appropriate balance be struck between the growth of the economy and a desire to balance that growth against the lifestyle qualities traditionally associated with a smaller urban community with rural charm. This will require that growth, and associated challenges, be addressed proactively.

Major Catalysts for Growth and Development

- 3.5 The Municipality of Clarington has several notable catalyst projects/initiatives that can help shape the long-term economic success of the community. The following were identified, along with specific aspirational goals for some:

1) Ontario Power Generation

- *Aspiration: Take a leadership role in the creation of a high-tech energy hub in Eastern Durham and ensure Clarington businesses are aware and competitive on OPG-procurement opportunities.*

2) Courtice Waterfront and Energy Park Secondary Plan

- *Aspiration: Provide a comprehensive vision and land-use framework to expedite the development of the Courtice waterfront.*

3) Bowmanville West Urban Centre and Major Transit Station Area Secondary Plan

- *Aspiration: (specific details listed within strategy)*

4) Major Transit Station Areas

- *Aspiration: (specific details listed within strategy)*

5) Broadband Infrastructure

- *Aspiration: Build an urban environment that supports a diversity of work options and the attraction of knowledge-based workers and employment opportunities while adding shovel-ready employment lands to the marketable inventory.*

6) Goodyear Site and Bowmanville Hospital Development

- *Aspiration: Facilitate the revitalization of downtown Bowmanville including the adaptive re-use of the vacant Goodyear brownfield site.*
- *Aspiration: Support the growth of the local medical community and the success of the recruitment initiatives related to Bowmanville Hospital's expansion.*

7) Canadian Tire Motorsport Park

- *Aspiration: Collaborate with investors to develop a long-term vision for the expansion of Canadian Tire Motorsport Park.*

8) Agricultural Diversification

- *Aspiration: Ensure the long-term sustainability of agriculture in Clarington.*

9) Tourism

- *Aspiration: Position municipal amenities and staff efforts to support rural and urban tourism development that enhance the Municipality's quality of place.*

Strategic Priorities, Objectives and Action Plan

3.6 The Economic Development Strategy notes three strategic priorities, and associated objectives. They are as follows:

1) Cultivate an Innovative Land-Use Framework

- Expand inventory of serviced employment land;
- Enhance policies and incentives; and
- Engage local businesses and regional partners.

2) Strengthen the Business Innovation Support Ecosystem

- Implement a formal business retention and expansion program;
- Enhance the development approvals process; and
- Align target sector opportunities with new growth areas.

3) Target High-Growth Businesses and Investment

- Develop an energy-sector value proposition;
- Implement proactive marketing; and
- Build economic development capacity.

3.7 Under each of the above listed objectives are a series of actions and tactics that provide direction through which the Municipality, and its identified partners and stakeholders, should undertake. Consideration is also given to timing and expected resource implications. Further, there are several suggested key performance indicators included as well as a section outlining the establishment of a performance measurement system. This portion of the Strategy will act as a guide for staff when preparing the eventual implementation plan.

4. Concurrence

Not Applicable.

5. Next Steps

5.1 The Economic Development Strategy provides a framework of strategic priorities and an action plan with high-level tactics, but staff will need to work through each item and determine the feasibility of implementation (from both a financial and human capital standpoint). It is recommended that the Strategy be adopted in principle, this will provide staff the ability to build a comprehensive implementation plan, including cost implications, which can be presented to Council for consideration as part of the 2023-2026 Corporate Strategic Plan.

5.2 As part of the implementation plan, staff will evaluate the operational model and provide recommendations to Council to capitalize on the expected growth and the spin-off benefits of the nuclear energy sector, through a cluster strategy.

- 5.3 To not delay any of the important economic development work in Clarington, it is recommended that staff apply an economic development lens and allocate appropriate resources to ensure that the listed major catalysts projects are given appropriate attention and cultivation.
- 5.4 There are other ongoing projects designed to build the economic capacity of the Municipality, such as designing and developing a community profile, updating our Municipal website to include a full page on economic development, the ongoing preparation and updates to employment and commercial lands inventories, and facilitation of key development applications for job creation.
- 5.5 Staff need to be mindful of the Municipal needs as it relates to ensuring the Region of Durham's Municipal Comprehensive Review process reflects Clarington needs for employment lands.
- 5.6 Staff recommends that the draft Strategy be adopted in principle to allow the new Council the opportunity to shape the community's economic development priorities. To this end, staff will prepare an implementation report to be presented to Council as part of Council's 2023-2026 Corporate Strategic Planning process in early 2023.

Staff Contact: Carlos Salazar, Economic Development Officer, csalazar@clarington.net or Justin MacLean, Manager – Strategy, Intergovernmental Affairs and Transformation, jmaclea@clarington.net or Sarah Parish, Planner II, sparish@clarington.net.

Attachments:

Attachment 1 – Clarington Economic Development Strategy (draft)

Interested Parties:

List of Interested Parties available from Department.