



## Staff Report

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**Report To:**               **Special Council**

**Date of Meeting:**   June 27, 2023

**Report Number:** PDS-045-23

**Submitted By:**       Carlos Salazar, Director of Planning and Infrastructure Services

**Reviewed By:**       Mary-Anne Dempster, CAO

**By-law Number:**

**File Number:**

**Resolution#:**

**Report Subject:**   Economic Development Initiatives

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### Recommendation:

1. That Report PDS-045-23, and any related delegations or communication items, be received for information.

## **Report Overview**

To create an environment conducive to achieving significant economic growth, a municipality must strive to; operate in a business-friendly manor, offer resources necessary to support its businesses, and be able to provide the up-to-date data businesses need to make informed investment decisions. This report provides an update on three key initiatives identified in the economic development strategy related to achieving these goals.

The establishment of a new Business Concierge Service is the first initiative addressed in this report. This service offers a dedicated staff member to help businesses and investors to help navigate municipal processes with the goal of providing a quick and frictionless experience. When businesses know they are supported by the municipality, it gives them confidence to move forward with new investments.

To help promote the community and attract investment, the second initiative, a Clarington Community Profile was created. This snapshot of the Clarington economic environment offers a simple, high-level synopsis of what Clarington has to offer and helps to grab an investors attention when conducting a preliminary review of locations for investment.

The last initiative outlined in this report is the establishment of a new Business Innovation Centre. Business Support Centre's play a key role in fostering entrepreneurship and business development in a community. By creating a space to help business integrate innovative solutions into their business model, the municipality can support job creation and economic growth on a grass roots level.

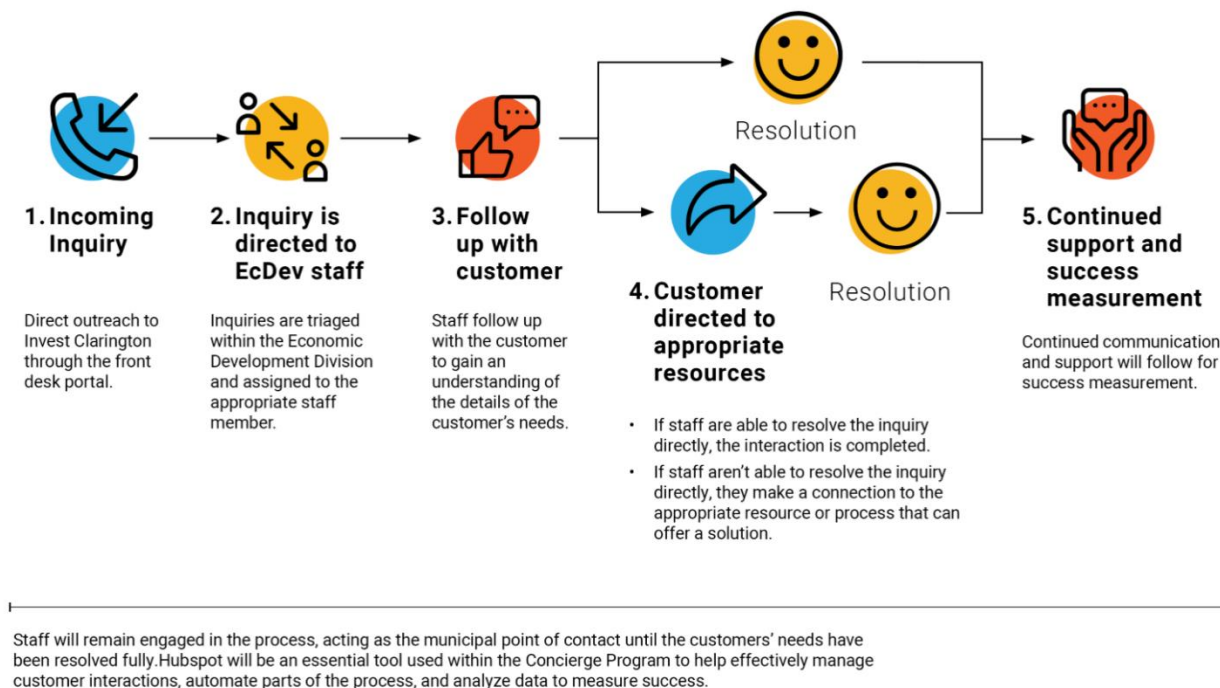
## **1. Background**

- 1.1 The economic development strategy for the Municipality of Clarington assists in shaping the local economy. Following the approval of the Strategy in 2021, a new Economic Development division was created within the Planning and Infrastructure Services department.
- 1.2 In January of 2023, staff from Clarington Tourism were reassigned to Economic Development. Resources for the division were solidified through the 2023 budget and in early spring of 2023 a manager of Economic Development was hired.
- 1.3 Since fully staffing the new division, the Economic Development Division established a structure that best addresses the needs of the business community. This structure clearly defines the division's role in supporting the local economy and to efficiently spearhead the implementation of the new Clarington Economic Development Strategy endorsed in principle by Council in 2021.
- 1.4 While continuing to tackle the initial initiatives that lay the foundation for the division's future success, it concurrently began work on specific key projects that have been identified as early priorities. The following report provides a status update on the process made on three key priorities.

## **2. Business Concierge Service**

- 2.1 Identified in the economic development strategy is the development of a Business Concierge Service. This action item is linked to Objective 2.2 to enhance the development approvals process and was identified within the division as one of its early 2023 project priorities.
- 2.2 The perception of a municipality's level of 'business-friendliness' by the business community is formed over time through the level of service each business feels they receive as they engage with municipal staff. Those feelings are then communicated within that business' network and begins to shape public opinion on whether a municipality is supportive of business investment.
- 2.3 The primary function of a Business Concierge Service is to create a superior customer service experience that encourages business investment and growth when engaging with the Municipality. In addition, the Concierge Service is a solutions-based service providing a dedicated staff member or 'concierge' to help businesses and investors navigate municipal regulations, permits, licensing, and applications, with the goal of providing a quick and frictionless experience.
- 2.4 There are numerous benefits offered to the customers of the Business Concierge Service, the primary benefit being the connection to an appointed Economic Development staff member. This dedicated team member serves as a single point of contact for the business inquiry until its resolution. This personalized approach enables Economic Development staff to provide customized assistance tailored to the specific needs of the business owner. To further ensure customer satisfaction, offering a timely response to inquiries is critical. To address this element, a concierge will respond to initial inquiries within one business day.

## Business Concierge Service:



**Figure 1,** Infographic describing the Clarington's Business Concierge inquiry handling process.

2.5 **Example:** Brewer's Pantry in historic Downtown Bowmanville has the distinction of being the first business to benefit from the concierge service. Due to several factors, Brewer's Pantry was unable to successfully secure a permit for a temporary sidewalk patio in 2022. In 2023, they were assigned a concierge from the Economic Development division to assist. Through many points of engagement, the concierge was able to:

- Guide Brewer's Pantry through the requirements of the application process,
- Work with other divisions in the department to identify solutions to application obstacles.
- Assist in pulling together the information required by the municipality including the creation of a site plan that met municipal standards, ensuring a safe space was created for customers and pedestrians.
- Continued consistent communication between the business and municipal departments to work within the seasonal deadline for installation and completion.

Patio construction has been completed and according to the owner, the patio has had an immediate positive impact on his business, adding additional seating and hiring staff.



**Figure 2,** Customers of Brewers Pantry enjoying its new temporary sidewalk patio. Located in historic Downtown Bowmanville.

- 2.6 Clarington's business concierge service has been designed to standout from other municipalities with similar programs. The uniqueness comes from providing an elevated level of support for all business-related inquiries and will not be subject to filters such as: minimum number of employees, target sectors, or monetary level of investment. Inclusivity and personalized support will set the Clarington service apart from other municipalities.
- 2.7 Clarington's business concierge service aids in creating a business-friendly environment by instilling confidence in the local business community. Clarington businesses are empowered to pursue new investment knowing that they have a dedicated resource to support them through the processes of starting, growing, and sustaining their business. A positive concierge program will support the success of local businesses, promote economic growth within the community, and encourage job creation.
- 2.8 Establishing a business concierge service will also serve as an essential marketing tool. Promoting businesses success stories will help attract employment-generating investment and stand out relative to other municipalities competing for the same investment opportunities. By supporting all businesses, the program helps to achieve the goal of making Clarington standout as the GTA's most business-friendly community.
- 2.9 As an extension of the concierge service, the Economic Development Division will begin supporting the other divisions within the Planning and Infrastructure Services in creating an expedited development approvals process for significant non-residential investment.

This new service will formalize the approvals process helping to shorten development timelines and add predictability in meeting the target deadlines that are critical to investors. This is facilitated by the integration of the planning and economic development functions under one umbrella, the new Planning and Infrastructure Services Department.

### 3. Community Profile

- 3.1 The publication of an online and printed Community Profile is another action item identified as part of Objective 3.3 in Clarington's economic development strategy. To address this action, a new Clarington specific Community Profile has been created to provide a quick snapshot of the community by highlighting the strengths of its economic environment. Clarington's Community Profile will be used to promote the community domestically and internationally to help attract new investment.

- 3.2 The attached Community Profile (Attachment #1) highlights Clarington in following areas:

**Location:** Clarington is uniquely situated as the eastern most municipality in the GTA (Greater Toronto Area) with easy access to major ports, highways, and industry.

**Quality of Life:** Clarington offers all the amenities you would expect of a major urban city. With a thriving tourism industry, and home to many major attractions including Agri-Tourism making Clarington the 'Pick-Your-Own' Capital of Canada.

**Demographics:** With a current population of 105,270, Clarington is projected to increase to 234,000 and create over net new 40,400 new jobs by 2051. Clarington is truly in the midst of immense growth.

**Talent/Education:** Clarington can access a highly skilled workforce close to reputable post-secondary institutions, including Durham College, OntarioTech University, and Trent University-Durham Campus.

**Local Economy:** Industry in Clarington is a balanced mix of agriculture, energy, healthcare, manufacturing & logistics, retail, and tourism. Within these key sectors are several major catalysts for growth including Ontario Power Generation's new Small Modular Reactor, the expansion of the GO Train line to Courtice and Bowmanville, development surrounding the Bowmanville Hospital, and Canadian Tire Motorsport Park.

- 3.3 Copies of the Community Profile will be printed for distribution at various tradeshow, conferences, and events, and will be available to Council, staff, and municipal partners to use for official business purposes. A copy of the document will be available online, accessible via a QR code. Staff are also looking into diverse options for an interactive web-based tool to present the Community Profile digitally. Both print and digital versions of Clarington's Community Profile will be important tools for the work, outreach, and marketing efforts of Invest Clarington.

## **4. Business Support and Innovation Centre**

- 4.1 The economic development strategy notes three strategic priorities, which are: 1) Cultivate an Innovative Land-Use Strategy, 2) Strengthen the Business Innovation Support Ecosystem 3) Target High-Growth Businesses and Investment. To help address objective two, Economic Development has begun work on establishing a Business Support and Innovation Centre.
- 4.2 Innovation is defined as something new, such as an invention, or the practice of developing and introducing new things. An innovation is often a new product, but it can also be a new process or even a new way of thinking. Innovation is most associated with business and technology, but it happens in any field where people introduce change.
- 4.3 In a study conducted by Industry Canada, over 30 per cent of small businesses will not survive longer than two years, and 50 per cent will not survive longer than five years. These stark numbers illustrate the uphill battle that small businesses face on their path to achieving success. Despite these numbers, there are ways that municipalities can actively help to improve the success rate of small businesses. According to Mentor Works Inc., companies nurtured in an Innovation Center environment have a survival rate of 87%, much higher than that of unassisted companies. It's clear that offering access to the resources provided in a business support centre can significantly increase the chances of a new business's success.
- 4.4 The absence of a local business support centre, regional business support agency, or post-secondary institution presence in Clarington represents a glaring support gap in the Clarington business community. As emerging technologies and innovative solutions are implemented within the general business ecosystem, Clarington businesses require a local resource to help guide the implementation of these same solutions in their respective areas of business.
- 4.5 The Shaw House, located at 156 Church St., is currently undergoing a significant renovation and restoration to make it accessible. The Shaw House will become a hub where technology, talent, creativity, and business, come together to create a unique place to encourage business success. To support this objective and provide services to the business community, the Economic Development Division and other planning staff will move to this new space upon its completion.





**Figure 3,** Front exterior image of the Shaw House, located at 156 Church St. Bowmanville

- 4.6 Clients to the business innovation centre will receive immediate access to the following business support services offered by the Economic Development division:
- Real Estate location services
  - Municipal incentives
  - Local economic data and insights
  - Patio and film permit application support
  - Tourism and agri-business support
  - Business support resource connections
- 4.7 In addition, through the exploration of partnerships with key business support stakeholders in the Region, such as, Ontario Tech, Durham College, Spark Centre, Business Advisory Centre of Durham (BACD), and Durham Workforce Authority (DWA). Local businesses will also gain vital assistance in programming, mentorship, networking



opportunities, resources, funding and grant support. A growing partnership network will flourish by creating an environment that is focused on generating opportunities for networking and growth. Municipal staff are in the process of developing these partnerships in support of Clarington's business community.

- 4.8 A business innovation centre offers numerous benefits to individual businesses and the entire community. These centers foster entrepreneurship and new business development within the community. By providing resources, support, and guidance to startups and early-stage companies, they contribute to job creation and economic growth. Nurturing companies through an innovation centre encourages the development and commercialization of modern technologies and creative ideas. This promotes innovation within the community and enhances its competitiveness in the broader market. Moreover, successful startups may serve as a source of knowledge transfer, sharing expertise and ideas with other local businesses and professionals.
- 4.9 This support can help businesses overcome hurdles, reduce costs, and accelerate their growth. As stated earlier in the report, starting a business is inherently risky, and the failure rate among startups is high. Business Innovation Center's help can mitigate this risk by providing guidance, support, and mentorship to entrepreneurs. By offering access to experienced advisors, industry networks, and market insights, innovation centers increase the chances of business survival and long-term success.
- 4.10 Over the coming months, staff will work to refine the design of the interior and exterior spaces at the Shaw house that will foster an innovative atmosphere, identify the scope of services to be offered at the Innovation Centre, and engage with business support stakeholders to develop a roster of experts to deliver those services. We expect the opening of the Shaw House Innovation Centre in the spring of 2024.

## **5. Financial Considerations**

- 5.1 Funding for the ongoing accessibility upgrades and renovations have been secured to create the Business Innovation Centre. Some areas are still being explored, such as the level of connectivity required in the building, high-speed internet, and the quality of finishes to be offered to new businesses that may require additional funding. Should this be the case, these requirements will be presented as part of the 2024 budget.
- 5.2 In 2021, the Municipality signed a contract for two years with the Clarington Board of Trade for the amount of \$625,000; the contract focus was on business retention and expansion. As the Economic Development division ramps up services through staff, the services of the Clarington Board of Trade to the municipality in economic development are being redefined.
- 5.3 The Municipality is embarking on the preparation of a multi-year budget plan for 2024, and the Economic Development division will be preparing a detailed work plan for the multi-year budget; staff anticipates that the services to be contracted to the Clarington Board of Trade for economic development will be approximately \$150,000 per year for the next two years, half of the previous contract. This reduction reflects the resources that Council has already allocated to the Economic Development division.

- 5.4 As the contract will exceed the \$50,000 limit of our purchasing bylaw, a further report to Council will be forthcoming once the Purchasing Division receives a detailed proposal from the CBOT that will complement the Economic Development Divisions work plan.
- 5.5 The Economic Development Division is also collaborating with the Clarington Board of Trade on the physician recruitment program being established by the region. The municipality has allocated \$20,000 a year for this project, and this initiative has been the subject of staff Report [FSD-028-23](#) .

## **6. Concurrence**

- 6.1 This report has been reviewed by the Deputy CAO/Treasurer who concurs with the recommendation.

## **7. Conclusion**

- 7.1 Through the creation and implementation of the Business Concierge Service, Community Profile, and Clarington Business Innovation Centre, the Economic Development division of the Planning and Infrastructure Services Department has made tremendous strides in establishing itself as a key resource in the development of a business-friendly environment in Clarington. Other initiatives of the Economic Development division are highlighted in the P & I services report as part of today's agenda.
- 7.2 The Planning and Infrastructure Services Department, in particular, the Economic Development division, in collaboration with other departments, levels of government, and the Clarington Business community, will continue to build off this positive momentum by continuing to implement the actions identified in the Economic Development Strategy. This ongoing work will serve to further promote economic growth within the municipality.

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Attachments:

Attachment 1 – Community Profile

Interested Parties:

There are no interested parties to be notified of Council's decision.