

STAFF REPORT



TO Corporate, Administrative, Finance and Enterprise Committee

SERVICE AREA Enterprise Services

DATE August 12, 2014

SUBJECT Enterprise Services – Annual Activity Report

REPORT NUMBER FIN-ED-14-07

EXECUTIVE SUMMARY

PURPOSE OF REPORT

Enterprise Services is pleased to present to its Annual Activity Report for the period of mid-2013 to mid-2014. The report summarizes the integrated 'City Building' activities of the Economic Development, Downtown Renewal and Corporate Energy offices. The report also serves to provide an overview of planned activities for the period mid-2014 to mid-2015.

The intent of the attached document is to also further promote the "*Guelph Advantage*" to prospective business investors considering Guelph as a place to locate or expand, and the facilitation roles and services provided by Enterprise Services. Enterprise Services therefore encourages members of Council to share this information with their constituents and business contacts.

KEY FINDINGS

Given the complex and multi-year nature of the 'City Building' projects and programs entrusted to Enterprise Services, this year's report differs from those of previous years. This year's report, provided in **Attachment # 1**, describes the on-going and ever evolving story of Enterprise Services, supplemented with examples of major accomplishments achieved during the period of mid-2013 to mid-2014. Key findings provided in this report include 'City Building' activities and results relating to:

- Foreign Direct Investment (FDI)
- Business Retention and Expansion (BRE)
- Building Capacity
- Partnerships
- Community Energy
- Downtown Renewal

FINANCIAL IMPLICATIONS

The 2013 – 2014 operational and program activities that are described in this report have been funded by Guelph City Council through its annual budget

STAFF REPORT



process. Where possible these funds have been used to leverage additional funds for specific initiatives.

Any new activities that have been highlighted for the period 2015 will be subject for review and consideration through the 2015 budget approval process.

ACTION REQUIRED

This report is being presented for information, and is to be received by the Corporate, Administrative, Finance and Enterprise Committee.

RECOMMENDATION

That report number FIN-ED-14-07, titled *'Enterprise Services – Annual Activity Report'* be received for information.

BACKGROUND

In early 2012 Finance and Enterprise Services was established for the purpose of better integrating the City's financial management and planning functions through an "enterprise" focused approach to program delivery. The intended results were to establish alternate and innovative approaches to municipal financial planning, management, budgeting and revenue generating practices and processes.

Vision Statement

"To grow the City's economic base through innovative approaches in developing and delivering municipal initiatives and services. Such approaches will consider alternate delivery models, partnerships, as well as performance measurements. The main operating principle of Enterprise Services is to grow Guelph's economic base through the effective positioning of municipal assets and services."

Mission Statement

"To create an environment that attracts and supports business investment; fosters collaboration and partnerships among stakeholders; and leverages local, regional and national assets to create sustainable 'City Building' opportunities for Guelph."

Enterprise Services conducts its activities within a framework of various strategic documents and directions that have been approved by Guelph City Council.

It is within this background and framework that Enterprise Services is pleased to provide the following report.

STAFF REPORT



REPORT

The information provided in this section of the staff report augments the information provided in **Attachment #1**.

The City of Guelph's 2012-2016 Corporate Strategic Plan identifies the need for Guelph to be "economically viable, resilient and attractive for business".

In order to achieve this objective, the local environment and culture needs to be responsive to evolving and ever changing economic and social conditions. Enterprise Services plays a significant role in achieving this objective through the creation, delivery and management of the "**Guelph Advantage**" and the "**Invest in Guelph**" brand.

- o **Foreign Direct Investment (FDI):** In 2013 the City developed a multi-year FDI strategy which is being implemented through the City's participation in partnership with other Ontario municipalities. A copy of this strategy can be found at <http://guelph.ca/wp-content/uploads/GuelphFDIAttractionRetentionStrategyActionPlan.pdf>.

Throughout 2013 and 2014 Enterprise Services City hosted in-coming FDI delegations from Europe, Asia, South America and the United States. Progress was also made in hosting twelve Canadian foreign affairs and trade commission offices as well as the Consul General's office for the Netherlands.

A key strategy in the development of the Community Energy Plan was to benchmark the plan's goals and objectives to those achieved in Europe. As the Plan move to implementation through the CEI, this benchmarking process continued with the Transatlantic Urban Climate Dialogue (TUCD) – an exchange between two regions in North America and two regions in Germany. This has exposed Guelph to municipal best practice in community energy planning as well as providers of products and services supporting a well-developed market in the community energy space. Through the TUCD, The City has developed the strategic the Strategic Implementation Network (SIN) designed to build relationships with companies outside of the region that not only provide support for the development of projects in support of the CEI but to promote the concept of Guelph as the doorway to a changing and growing market in the area of community energy innovation. Guelph's reputation as a leader in the area of community energy planning has proven to be a valuable selling point. To date, four foreign companies have commitment to establish an early business presence in Guelph to begin a strategic process of serving the North American marketplace.

For the period 2014 – 2015 Enterprise Services will be working with the Consult General's office for the Netherlands to explore in-coming and out-going trade mission opportunities which will target potential new investment from the agri-food and environmental technology sectors. The City will also

STAFF REPORT



continue to be involved in two Pan-regional FDI marketing consortiums that target the Clean-tech, Advanced Manufacturing and Agri-tech sectors.

- o **Business Retention and Expansion (BRE):** Late 2013 marked the launch of the City's BRE program, which included interviewing approximately 80 local businesses and industries. Interviews were concluded in early 2014 and a final report and action plan to address matters that were identified through this process will be made available later this summer. This information is currently being assessed, and a final summary report will be made available on the City's Economic Development web-site.

The objectives of the interviews include providing business assistance outreach services, better understanding the local business needs, and where beneficial invite businesses to attend trade shows as part of a Guelph consortium.

Staff also conducted post-site plan approvals audits with select businesses to continue to improve Guelph's planning approval processes.

The Community Energy Initiative has played a pivotal role in retaining and expanding business in Guelph. Two key examples have been Canadian Solar Solutions Inc. (CSSI) and Polycon Industries:

- o CSSI has originally chosen Guelph to locate its manufacturing plant in Guelph largely due to the overall strategy of the CEI and demonstrated partnerships among local stakeholders particularly Guelph Hydro. Since that time Canadian Solar has developed partnerships with a number of local solar installers and contractors. In addition, Canadian Solar has recently opened its Microgrid Testing Centre, with support from the Province of Ontario. The city played a supporting role in advocating to the Province for this facility. CSSI has originally targeted 400 jobs for its Guelph plant. It has recently exceeded 500 jobs.
- o Polycon Industries is one of Guelph's largest energy users. Energy costs and energy inflation are an ongoing challenge to this industry. Polycon has recently installed 8 MW of generation capacity on its site to ensure reliable energy supply and to control rising prices. The City played a major role in supporting the provincial process involved in confirming this project. Ontario Minister Bob Chiarelli acknowledged the City's role as Guelph the "poster child for municipal energy planning" in the province.

The results of these initiatives will greatly inform the BRE work plan for the period of 2014 – 2015. At the time of preparing this report next year's program will focus on:

1. Continuing to provide input into the City's Integrated Operational Review activities, specifically with respect to improvements to Guelph's approval processes, as well as providing improved communications and awareness of proposed new development activities;

2. Developing Trade Events that will support the needs of local business sectors;
 3. Promoting energy/water efficiency programs to current businesses;
 4. Providing input into local workforce attraction efforts;
 5. Holding workshops and programs which will better inform local businesses of Provincial/Federal funding programs, or marketing opportunities;
 6. Conduct an assessment of the local supply chain for the agri-tech, environmental and advanced manufacturing sectors;
 7. Develop and provide for business sector/city hall liaison opportunities, including possible opportunities for local elected officials.
- o **Building Capacity:** Enterprise Services plays a number of roles to help build the local capacity that is required to attract new investment to the City.

Enterprise Services continued to be directly involved in managing property development matters relating to the Hanlon Creek Business Park, IMICO, and Baker Street. The department significantly contributed and facilitated with private sector investment relating to a variety of downtown properties.

The Community Energy Initiative is playing a growing role in building the capacity to attract new investment to the City. Of particular focus in the last two years has been the ongoing development of the thermal strategies of the CEI in the form of District Energy. The provision of competitive and stably priced thermal energy services (i.e. – heating and cooling) has been very attractive to a number of investors. In addition, District Energy negates the need for on-site heating and cooling equipment thus avoiding significant capital costs. Currently, there are three district energy “nodes” in early operation – Sleeman Centre, West End Community Centre and the Hanlon Creek Business Park. All of these projects have been developed under the leadership of Envida Community Energy Inc. Two city facilities are connected to these nodes at this time – Sleeman Centre and WECC. Several private sector firms are also connect with a number of additional prospects in negotiations.

Potential activities for the period of 2014 – 2015 include:

1. The further identification and assessment of municipal stranded real estate assets;
 2. The continued planning, positioning and management of such projects as the IMICO, Hanlon Creek Business Park (HCBP), and Baker Street projects;
 3. Working with the Province of Ontario, and where appropriate other property owners to position the Guelph Innovation District (GID) for development;
 4. Continue to work with Envida to implement its district energy plans in the HCBP, Downtown as well as within the GID.
-

- **Partnerships:** Where possible, Enterprise Services leverages funding and resources with a wide range of local, regional, provincial and national partners. In total we have partnered with over 100 different public and private organizations.

An excellent example of such partnerships is Connect Guelph/Wellington, which was established by Enterprise Services in 2012 and continues to work together to deliver projects and programs that were identified by Prosperity 2020. Connect Guelph/Wellington includes members from local and regional economic development programs. Its objective is to better coordinate and align programs, and where possible leverage resources. During the time period of this report key achievements include the creation of an economic development portal (<http://www.connectguelph.ca>).

Through a partnership with the Guelph Chamber of Commerce a Guelph based industrial, commercial and institutional real estate search engine was also activated. (<http://guelph.ca/realestate>)

Partnerships have not only driven support for the ongoing implementation of the CEI but have created important conduits for attracting development and investment to Guelph, as described above. There are three key partnerships that provide a profile for Guelph and support our message of the investment advantage provided by the CEI:

- **Transatlantic Urban Climate Dialogue (TUCD)** – The TUCD provides an ongoing venue for benchmarking best practices in implementing programs such as the CEI against European cities. Also, the TUCD provides a more direct connection to private sector firms providing products and services to the markets being driven by municipal energy planning. To date four companies have made initial commitments to locate their North American operations in Guelph.
- **Federation of Canadian Municipalities (FCM)** – Through their various Sustainable Communities activities, FCM provides a powerful venue for showcasing and promoting Guelph as well as garnering support for specific projects through the Green Municipal Funds. In 2013 the City was notified for winning the 2014 Sustainable Community Awards for the CEI.
- **Quality Urban Energy Systems of Tomorrow (QUEST)** – QUEST is in its 8th year of operations. The City was a founding member of QUEST and continues to benefit greatly from the growing community of practice in community energy planning. QUEST is also a very effective advocate for municipalities in acquiring policy and program support from other levels of government.

For the period of 2014 – 2015 Enterprise Services intends to expand these partnerships to include new international focused programs.

STAFF REPORT



- **Corporate Energy Management:** Under the strategic direction of the Corporate Energy Management Plan (CEMP) a number of key outcomes have been achieved through the leadership of the Community Energy office:
 - Capital energy retrofit projects as described in the CEMP for the City's Transit facility as well as the 45/50 Municipal street facility. These projects were implemented with the support and cooperation of Corporate Building Maintenance.
 - Final actuals for energy compared to the aggregated corporate energy budget for electricity and natural gas in 2013 showed a \$690K positive variance.
 - The Corporate Energy team continues to focus on building the corporation's capacity to manage its energy use. 2013 saw considerable focus on continuing to develop systems and processes to manage and report on the energy data supplied by over several hundred natural gas and electricity meters. Also, the manager of corporate energy received his Certified Energy Manager accreditation in early 2014.
 - Two city facilities, West End Community Centre and the Sleeman Centre became the first customers of district energy.
 - Six city facilities became hosts for solar photovoltaic installations under the Ontario Power Authority's Feed-In-Tariff program – Fire HQ, Fire Hall 3, Fire Hall 5 45 Municipal St., River Run Centre and the Speedvale Ave. water tower.
- **Downtown Renewal:** Specific to continuing the implementation of the Downtown Secondary Plan and the Prosperity 2020 directive to "Target Icon Status for Downtown Guelph" the following has been achieved over the report period:
 - Approvals or applications in queue for over 1,000 housing units in the downtown
 - Zoning approval for 150 Wellington East (Marsh Tire)
 - Downtown CIP and Brownfield CIP recommendations supporting 150 Wellington East and 5 Arthur Street
 - Supporting the Downtown Streetscape and Built Form Standards update process – recommendation coming forward in August 2014
 - Institutional Partnership development for Baker Street, including Guelph Public Library, Conestoga College, University of Guelph, YMCA and Innovation Guelph.
 - Support to Intergovernmental Affairs/CAO Office on GO/Metrolinx Advocacy for increased rail investments and service: 'The Information SuperCluster' business case.

STAFF REPORT



http://www.kitchener.ca/en/businessinkitchener/resources/ED_GO_Train_Business_Case.pdf

- Introduction of Downtown Strategic Assessment to inform strategic thinking for increasing Downtown economy
- Support for Urban Design Summit (Winter 2014) – including development of Urban3's Tax-Density model of Guelph and presentations by Joe Minicozzi.

Potential activities for Downtown Renewal in 2014-15 are focussed on Rail Corridor investments, Baker Street development, maintaining residential and business investment momentum, concluding the enterprise analysis of the parking system to enable system and investment decisions in 2015.

CORPORATE STRATEGIC PLAN (CSP)

This initiative touches in whole, or in part on all of the CSP's objectives.

1. Organizational Excellence

- 1.1 Engage employees through excellence in leadership
- 1.2 Develop collaborative work team and apply whole systems thinking to deliver creative solutions
- 1.3 Build robust systems, structures and frameworks aligned to strategy

2. Innovation in Local Government

- 2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability
- 2.2 Deliver Public Service better
- 2.3 Ensure accountability, transparency and engagement

3. City Building

- 3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City
- 3.2 Be economically viable, resilient, diverse and attractive for business
- 3.3 Strengthen citizen and stakeholder engagement and communications

DEPARTMENTAL CONSULTATION

N/A

FINANCIAL IMPLICATIONS

N/A

STAFF REPORT



COMMUNICATIONS

Upon Council's receipt of the Annual Report provided in Attachment #1, it is staff's intention to distribute copies to our strategic partners.

Staff welcomes the opportunity to provide copies to the members of Council for their use and distribution to constituents and business contacts.

ATTACHMENTS

Attachment 1 – Building a City – Guelph Enterprise Services Annual Review (This brochure is available upon request from the Economic Development Department)

Peter Cartwright, GM Economic Development
Rob Kerr, Corporate Manager, Community Energy
Ian Panabaker, Corporate Manager, Downtown Renewal

Report Authors

A handwritten signature in black ink, appearing to read "Al Horsman".

Approved By

Al Horsman
Executive Director, Finance and Enterprise Services & CFO
T (519) 822-1260 x5606
E al.horsman@guelph.ca

BUILDING A CITY

Guelph Enterprise Services
Annual Review



ENTERPRISE SERVICES:

A COLLABORATIVE APPROACH TO BUSINESS SERVICE

It's about collaboration. We're bringing people together within the hub of Enterprise Services to put ideas into action.

The mission of Enterprise Services is to grow Guelph's economic base by effectively leveraging municipal assets and services in innovative ways while making full use of partnerships, alternate delivery models and performance measurements.

We're on a fresh and evolving playing field, with a once-in-a-generation opportunity to shape Guelph's future.



BUILDING INVESTMENT

A PARTNER IN THE PROCESS



Enterprise Services partners with provincial consortiums to meet with companies who are looking to expand in to the North American market. In 2013 Guelph attended meetings in Germany, France and the U.S.A.

FDI

The Guelph Foreign Direct Investment (FDI) Attraction and Retention Strategy and Action Plan created by Enterprise Services, will help Guelph focus its FDI activities and promote the city as **“the gateway to the North American market.”**



In 2013 Enterprise Services hosted delegates from Brazil, U.S.A., China, England, Germany, India, Japan, Mexico and the Netherlands.

Guelph was ranked 5th in the Americas for economic potential of a small city.

- FDI magazine, 2012

“It’s comforting to have a municipal partner in business that you can trust to facilitate a development of this magnitude. Enterprise Services assisted us through the development process and has connected us with this community through both infrastructure and new relationships. We are proud of what we are building in Guelph.”

Ernie Sweeney, President, Würth Canada



BUILDING INFRASTRUCTURE

SETTING FOUNDATIONS FOR THE FUTURE


Investing in infrastructure is an investment in Guelph's future.



15x



After the restoration and redevelopment of the historic Gummer building in St. George's Square, the City of Guelph was able to collect roughly 15 x the tax levy without expanding the current real estate footprint. This makes the Gummer building the second most valuable building in the city in terms of taxes per hectare.



At today's prices, Guelph's bill for electricity, natural gas and transportation fuels is approaching \$500 million annually. By 2031, the Community Energy Initiative will keep the majority of those dollars in Guelph by making much of the distribution infrastructure local. guelph.ca/energy.

\$500M

BUILDING AN ICONIC DOWNTOWN

Downtown Guelph is primed and ready for continued investment.

Renewal of Guelph's downtown increases the value of the city's pre-existing cultural and structural assets, converting underperforming properties, into higher value mixed use sites. This strengthening of the city's core is vital to maintaining smart long-range growth across the city.

In 2013 the Downtown Guelph Strategic Assessment was completed, an important first step in gauging where to focus investment efforts in the core. This document provides an in-depth analysis of downtown Guelph's existing programming, ground floor customer base and commercial clusters. Now more than ever, Enterprise Services is equipped to better match business with opportunities that will grow our downtown community.

Done right, city building benefits everyone.



BUILDING RELATIONSHIPS

GROWING GUELPH

36

In its first few months the Grow Guelph BR+E program assisted and supported 36 local businesses.



In 2013 local companies could be found under the *Grow Guelph pavilion at the Canadian Restaurant and Foodservice show, Ontario Centres of Excellence Discovery show and the Canadian Manufacturing Technology Show.*

\$1.4M

The 4th annual Downtown CIP Grants Program assisted local businesses with 16 projects, a total construction value of \$1.4 million. Projects included facade improvements, minor activation projects, and feasibility studies.

Our existing businesses remain our greatest advocates and partners. When our partners are successful, the entire community benefits.

Hitachi's expansion, completed in 2013, was the **largest FDI project in Ontario** in terms of job creation.

Enterprise Services helped with a large volume of background approvals and processes to facilitate the project's timely completion.



CAPACITY BUILDING

BRINGING IT ALL TOGETHER

Guelph is projected to grow to 175,000 people by 2031.

The community-led decision not to expand beyond our current city boundaries means that new housing and employment needs to be managed within our existing footprint.

Every aspect of city building contributes to the city's capacity to manage growth.



Providing service to site selectors is key to promoting what real estate opportunities Guelph has to offer. For that reason Enterprise Services created an online directory for available land and space in Guelph at guelph.ca/realestate.



Getting a finger on the pulse, Enterprise Services completed a sector analysis to gain a better understanding of the composition of Guelph's identified growth sectors in terms of employment, wages and growth trends.



Not just a business park, this site acts as a platform from which many of Guelph's growth initiatives are supported.

BUILDING PROSPERITY

PROGRESS AND PARTNERSHIPS

Guiding Enterprise Services is Prosperity 2020, the strategic directions document for economic development in the City of Guelph. Working together with partners to sustain and enhance Guelph's position as a competitive and prosperous city for private and public sector investment over the coming decade to 2020.

But Enterprise Services can't do it alone, only by partnering with over 100 different public and private partners can we achieve Guelph's vision of being an economically viable, resilient, diverse and attractive city.





Invest in Guelph is an initiative of the City of Guelph to position and promote Guelph Ontario as an investment ready and responsive community. For more information on the services offered by Guelph Enterprise Services please visit:

guelph.ca/biz