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1 Introduction

1.1 Purpose

This Economic Strategy is York Region’s response to a changing economy. It is a blueprint for action that will enable the Regional Municipality of York to maintain competitiveness and prosperity and realize the Vibrant Economy goal of *Vision 2026*. It also complements the proposed policy framework as outlined in the Provincial *Places to Grow* Discussion Paper, which addresses the need for a comprehensive growth management strategy for the Greater Golden Horseshoe, and proposes to promote the economic vitality and competitiveness of the area through innovative partnerships, supportive tools and maintaining strategic employment lands. The Strategy will guide the Regional Municipality and its partners and economic stakeholders to achieve success in the global marketplace.

In the past ten years, York Region has become one of the most robust and resilient economies in Canada. The fastest growing region in the Greater Toronto Area with a population of over 870,000, it ranked as the sixth largest municipality in Canada in terms of population size. York’s rate of population growth is outpaced by its exceptional rates of growth in employment and enterprises, which are consistently and significantly higher than that of the Toronto Census Metropolitan Area (CMA) and the Province of Ontario.

Home to a diversified economic base with a mixture of traditional manufacturing and service industries as well as advanced technology driven firms, the economy of York Region is dynamic and prosperous. It is a regional economy that is exceptional by the standards of the mature industrial world. With a Gross Domestic Product (GDP) estimated at \$33.2 billion in 2002, York’s economy is larger than that of any of the provinces of Atlantic Canada. Its export activity is also indicative of a highly adaptive and competitive economy. With a total value of \$12.5 billion or 38% of the GDP in 2003, York Region’s total exports exceed that of six Canadian provinces.

However, the future economic health of the Region will be affected by a number of external factors that collectively will impact its ability to sustain economic prosperity and create future employment opportunities. The economic landscape is changing quickly as new firms, driven by technology and the relentless pace of global competition emerge, grow and compete with existing companies. Globalization means that products and markets have become trans-jurisdictional and trans-national in nature, and companies are finding innovative ways of doing things in order to stay competitive.

“[Innovation] means coming up with new ideas about how to do things better or faster. It is about making a product or offering a service that no one had thought of before. It is about putting new ideas to work in ... businesses and industries and having a skilled workforce that can use those new ideas. And it is about aggressively pursuing new markets for ... products and services.”¹

In the new global economy, regional strategies for economic development must focus on innovation in the use of knowledge, skills, and technology as the basis for sustained prosperity and employment.

Changes in the economy over the last few years point to the fact that York Region's past success in attracting economic growth and its current prosperity cannot be taken for granted. The impact of globalization and business outsourcing as well as the terrorists attacks in the U.S., the rapid growth in China and spiralling energy prices beg the following questions:

- How will York Region respond to changes in the economy in the next few years?
- What are the things that affect the Region's ability to encourage innovation, attract new investment and foster new job creation?
- What role should the Regional Municipality of York play in sustaining a vibrant economy?

In the development of the Economic Strategy, York Region has taken into account its strengths and past economic growth, and identified what it must do in the future. The Economic Strategy sets out:

- The role of the Region in economic development.
- The linkages and relationships with other stakeholders.
- Actions to maintain and build on the competitive strengths.
- Clear strategic directions to keep the economy competitive.

The Strategic Directions outlined in this document are based on certain guiding principles. First, the Strategy must acknowledge and respond to the needs expressed by the stakeholders. Second, the Actions within the Strategy must build upon existing Regional policy and complement the efforts and initiatives of the Region's economic partners. Third, the Strategy should lay out a framework for action that is fiscally responsible and sustainable. Finally, the actions envisaged by the Strategy should be measurable with clear accountabilities for implementation.

To achieve long-term economic success, the Region must work with others to attract and sustain a diverse range of innovative and globally competitive companies. This will require a vision for the future, and a steadfast commitment to working in partnership and sharing expertise in order to meet the expectations of future generations.

The process begins with a Vision for the future.

1.2 York Region's Economic Vision

Vision 2026 was approved by Regional Council in 2002 after extensive public consultation and research. The document outlines the key areas of focus for the Region and its partners for the future. *Vision 2026* is an overall long term plan for York Region, which sets a context and provides a framework for more detailed corporate and multi-year business that will be undertaken by the Region. The Goal of *Vision 2026* for the economy is:

“In 2026, York Region will be renowned for its advanced technology, innovative businesses, supportive business infrastructure and highly skilled workforce.”

Under the “Vibrant Economy” Goal, *Vision 2026* has set out three broad action areas:

- Attracting and Supporting Business
- Encouraging Continual Learning
- Promoting and Supporting Innovation

Vision 2026 has established an important role for the Region to act in partnership with the area municipalities, senior levels of government, as well as other public and private sector partners to seek better understanding of how York Region's economy works, and to create more detailed plans and programs to help sustain economic vitality.



1.3 Regional Official Plan: Policy Context



The Official Plan is a set of policies that guide economic, environmental and community-building decisions affecting land use in the Region. The policies establish a framework for more detailed planning by the area municipalities. The Regional Official Plan also provides the basis for co-ordinated planning with adjacent regional municipalities, as well as with other jurisdictions in the Greater Toronto Area. The Official Plan sets out a balanced approach to growth management which will ensure that the Region remains an attractive place to live and work.

Adopted by Regional Council and approved by the Province of Ontario in 1994, the Official Plan for the Regional Municipality of York has established the goal of “economic vitality” as one of its three primary cornerstone policies. The Official Plan recognizes the interdependence of the maintenance of the natural environment, the creation of healthy and secure communities, and economic development as the basis for long term planning for the Region.

The Economic Vitality Goal of the Official Plan is:

“To create a competitive and adaptable economic environment that encourages investment and a diversity of employment opportunities.”

The Official Plan has identified a role for the Regional Municipality of York to work with its municipal and other partners in creating a land use plan that sustains the Region as a location for new business investment and support business expansion and employment. The more detailed Objectives flowing from this policy goal are:

“To encourage and accommodate economic activities that contribute to the diversity of the economic base, and to the cultural, recreational and institutional opportunities within the Region, enhancing the Region as a place to work, live and visit.

“To create a range of potential locations for economic uses across the Region that support economic development.”

1.4 Supporting Policies and Initiatives

The development of the Economic Strategy is supported by a number of key Regional policies, initiatives and projects that address the complex range of issues that affect business and their ability to expand and provide jobs into the future.

Human Services Strategy

The *Human Services Strategy* adopted by Regional Council in 2000 is a long-range plan to co-ordinate human service needs required by the growth and change within the communities of York Region. Established as a result of the *Human Services Strategy*, the Human Services Planning Coalition (HSPC) is a partnership of government, service providers, agencies and corporations, non-profit agencies and consumers that oversees the implementation of the Strategy. The HSPC plays a key role in identifying gaps in human services and initiating collaborative action to close those gaps.

The Human Services Employment Action Group was established by the Human Services Planning Coalition in March 2002 to address the needs to recruit and retain trained human service professionals to meet the increase in demand for services. The goal of the project was to develop shared tools, resources and support for enhancing the recruitment and retention potential of York Region human service employers.

York Region Transportation Master Plan (TMP)

The *York Region Transportation Master Plan* recognizes that transportation has an impact on housing, job creation, human services, and the overall shape of the Region. Adopted in 2002, the purpose of the TMP is to create a transportation system that will accommodate growth for the next 30 years by doubling transit use, provide more travel choice in order to manage traffic congestion, and slow the degradation of the environment caused by excessive automobile use. The Master Plan is based on a transportation vision that foresees an integrated road and public transit network that will support growth and complement all other regional and provincial planning initiatives.

York Region Transit (YRT)

On January 1, 2001, the first phase of York Region's transit strategy took form with the creation of York Region Transit (YRT). YRT amalgamated five conventional transit services and seven specialized services operating in the Region, creating a border-less, efficient and cost-effective transportation network. Mobility Plus Transit, specialized transit for persons with special needs, was also implemented as part of the YRT five-year service plan, which includes creating new bus routes and expanding on existing service. The next phase of public transit expansion includes bus rapid transit in four key Regional corridors which includes new technologies such as off-board payment and transit signal priority. The investment in public transit services is a long term commitment to building a well balanced transportation system to meet the needs of current and future residents and business.





York Region Rapid Transit Plan (YRTP)

The York Rapid Transit Plan will link the Region's urban centres, facilitate inter-regional connectivity, and improve the speed, reliability, and overall quality of public transit. Rapid transit services will be implemented in four corridors consisting of Yonge Street, Highway 7, the Vaughan Corporate Centre to TTC's Downsview subway station connecting link, and the Markham Centre to TTC's Don Mills subway station connecting link. By attracting and sustaining higher ridership levels, the YRTP will reduce reliance on the private automobile. YRTP is already constructing the first phase of the rapid transit system, the \$150 million Quick Start Program, with equal funding from the Region, and the federal and provincial levels of government. Quick Start service is to begin in the Fall of 2005.

Smart Commute Initiative

In addition to the development of new infrastructure, York Region is taking a lead role in the implementation of the Smart Commute Initiative, a joint GTA and Hamilton transportation demand management project under the Federal Government's Urban Transportation Showcase Program. The Initiative will establish programs such as carpool and vanpool ride-sharing, cycling and pedestrian services, and a network of transportation management associations (TMA's) across GTA and Hamilton. Two TMA's, the Smart Commute Association of Black Creek and Smart Commute 404-7 Markham, Richmond Hill, are in operation.

Regional Roads Capital Program

The Region's *10 Year Capital Plan* addresses the demand for additional road capacity needed by new growth and the rehabilitation and maintenance needs of the Region's existing roads, bridges, traffic signals and other road-related infrastructure.

Centres and Corridors Strategy

The *Centres and Corridors Strategy* approved by Regional Council in 2004 will guide the development of an urban structure based on a network of higher density, mixed use regional and local centres connected by rapid transit corridors. The achievement of this planned urban structure will provide a competitive advantage for the Region due to the beneficial effects on accessibility to transit and the workplace, the quality of life enjoyed by residents and the ability to maintain and attract economic development. More density will mean a better mix of housing opportunities leading to more choices

Housing Supply Strategy

The *Housing Supply Strategy* for York Region adopted in 2002 provides a framework for planned urban structure and an action plan to meet housing challenges by increasing housing choices and addressing key issues such as affordability, diverse ownership, rental and non-profit options. The strategy focuses on practical steps that can be taken together with community partners to increase housing choices for York Region citizens. It commits the Region to developing 100 units of affordable housing through direct delivery and 100 units per year through partnership initiatives. A 10-year Affordable Housing Capital Plan is currently under development.

Long Term Water Project Master Plan and YDSS Master Plan

The availability of supply and the capacity of the Region's water and wastewater services is a determining factor in the growth and carrying capacity for its new residential, commercial and industrial users. In order to meet this demand, a *Long Term Water Project Master Plan* was adopted in 1997 which consists of a phased strategy that will meet the Region's water needs to 2023.

Approximately 95% of York Region's wastewater is collected through the York Durham Sewage System (YDSS). In 2002, the *YDSS Master Plan* was updated to reflect new population forecasts. A series of new projects will be undertaken over the next 10 years to provide additional capacity to the areas within the existing serviced area as well as projects to address the needs of growth and public health in areas currently outside the YDSS area.

Employers Opinion Survey 2004

An *Employers Opinion Survey* was conducted in 2004 with approximately 75 employers in York Region to determine the extent of the community implications (housing, transit, commute to work time) that exist for companies in their ability to both attract and retain employees. The Survey was designed to obtain the subjective assessment by employers on:

- The challenges that employees face in working within York Region, specifically related to their ability to find adequate housing and to commute to their place of work, and the provision of transit.
- The challenges that employers face in attracting and retaining suitable workers to their industries.

The findings of the Survey will help the Region to establish strategies and programs to assist employers and employees by providing a range of housing and transportation opportunities that will meet their needs.

Ontario Competitive City Regions Symposium

York Region hosted an *Ontario Competitive City Regions Symposium* in May 2002 in partnership with education, the federal and provincial levels of government and the Canadian Urban Institute. The theme of the Symposium was Building a High Performance Knowledge-Based Workforce. The Objectives of the session were to identify the needs and competitive factors affecting the supply and demand of knowledge workers, and to develop action strategies to attract and retain the knowledge workforce in the Region.

A number of key issues were identified at the Symposium:

- There is an imbalance between the supply and demand for highly skilled knowledge workers.
- Attracting and keeping knowledge workers is a major challenge to business.
- The complex interplay of demographic changes, economic trends and changing business conditions make it difficult to forecast supply and demand for workers.
- There is limited co-ordination between organizations with resources and mandates to address the issue.

A Competitive Assessment of York Region

A consulting firm was retained in the Fall of 2002 to undertake an assessment of York Region's competitive position in the marketplace relative to other comparable regional, national and international jurisdictions. The Study found that York Region compares favourably to other jurisdictions in attracting new and expanded business investment.

York Region's success was attributed primarily to the skills and availability of its labour force, the availability of land for new industries or expansions, and the competitive costs of doing business. At the same time, the Region's proximity to the GTA and its transportation and servicing infrastructure have also given it a competitive advantage.

Company executives surveyed as part of the Study have identified key factors that will impact York Region's ability to sustain its competitive position:

- Labour shortages in key skill areas that will require recruitment and retraining initiatives.
- Transit and transportation must be provided in different, more innovative ways to meet workforce needs.
- The availability of diverse and affordable housing choices will directly affect the retention of workers.
- Better information sharing networks will encourage innovation and continued business expansion.

Biotechnology Cluster Innovation Plan

The Region and the nine area municipalities are members of the York Regional Biotechnology Cluster Consortium established in 2003 to develop a Regional Biotechnology Cluster Innovation Plan. The Objective of the Innovation Plan is to support the R&D and commercialization activities within the biotechnology and related convergent industries in the Region. The Regional Innovation Profile and Analysis which were developed as part of the Biotechnology Cluster Innovation Plan will offer a better understanding of this sector and its strengths and opportunities.

Greening Strategy

Adopted by Regional Council in May 2001, the *Greening Strategy* provides York Region with a context for policy and implementation decisions that affect its natural features. A co-ordinating effort between the Region, other agencies and the private sector, this Strategy is a multi-focused initiative intended to ensure that York Region's natural heritage is maintained for future generations. Essentially, the *Greening Strategy* functions as an umbrella for other Regional initiatives including land use approvals, Regional Streetscaping, Regional Tree By-law and Property Securement.

YorkInfo Partnership

Comprised of key municipal and educational organizations, the goal of the *YorkInfo Partnership* is to create a geospatial framework to facilitate efficient integration and access to mapping technologies and information. Through co-operation, the Partnership and its members will develop an efficient information infrastructure that is requisite to manage the challenges of rapidly growing urban areas alongside vast farmlands and environmentally sensitive sites. By developing standards and facilitated by open policies and technology, the Partnership will be able to reduce duplication of efforts, avoid costs, increase access to information, and implement new business processes among member organizations and their constituents, thereby enhancing service to the residents and businesses in York Region.

GTA Agricultural Action Plan

York Region and the other three GTA regions have adopted a GTA Agricultural Action Plan which was endorsed by the GTA Federations of Agriculture. The purpose of the Action Plan is to identify actions which will keep the GTA agricultural industry competitive in the face of economic, land use and environmental pressures.

The Action Plan includes strategies that address the following four themes:

- Economic Development
- Education/Marketing
- Land Use Policy
- Accountability and Responsibility

The Region will actively participate in the establishment of a GTA Agricultural Action Committee which will oversee the implementation of the Action Plan.