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**Program: Economic Development**

**Program Based Budget**

**2016 – 2018**

## Program: Economic Development

**Vision Statement:**

To be recognized by companies as the premier town in Canada in which to locate.

**Mission Statement:**

To support existing businesses and attract new ones so that Oakville's business environment is strong, diversified and prosperous.

## Program Description

### Economic Development

The Economic Development department is one of seven departments in the Town of Oakville's Community Development Commission, along with Building, Planning, Development Engineering, Environmental Policy, Strategic Business Support, and Engineering & Construction. Economic Development may be viewed as a first point of contact for companies, providing access to the various departments with which they engage. The basis for the work of departmental staff is the town's Economic Development Strategy 2009 - 2019, which includes three main goals:

- Attract knowledge based industries in the professional services, advanced manufacturing, digital media & animation, and life sciences sectors.
- Respond to the needs to the business community in order to foster business retention and expansion.
- Explore international business opportunities.

### Tourism

Tourism services are delivered by The Oakville Tourism Partnership Inc, (OTP), a not-for-profit organization comprising volunteer stakeholders in the local community. OTP focuses on tourism activities that will position the Town of Oakville as a desirable place to visit, enjoy attractions and restaurants, and to shop. It functions as a hub that connects people and coordinates the activities in tourism including provincially funded Regional Tourism Organizations; town departments and facilities; BIAs; Oakville Chamber of Commerce; Halton Region; and local businesses such as hotels, restaurants and retailers. In 2015, the organization branded itself as Visit Oakville.

## Program Services

The Economic Development department provides the following services:

- Marketing for investment attraction
- Corporate Calling Program and business assistance
- Site selection services and employment land tracking
- Industry development in targeted sectors
- Industry events for business retention, expansion and attraction
- Research and analysis

The Oakville Tourism Partnership Inc. (Visit Oakville), an external not-for-profit organization, provides the following services:

- Marketing for visitor attraction
- Visitor and Community Services
- Industry Engagement
- Product Development
- Customer Service Training and Coordination
- Ambassador Program in the BIAs

## Staffing Overview

<b>Program: Economic Development</b>	<b>2014 Approved FTE</b>	<b>2015 Approved FTE</b>	<b>2016 Capital Impact</b>	<b>2016 Service Level Change</b>	<b>2016 Reallocation of Staff</b>	<b>2016 Total FTE</b>	<b>Net Change 2016 vs 2015</b>
Services/Activities:							
Economic Development	4.3	4.3				4.3	0.0
<b>Total Economic Development</b>	<b>4.3</b>	<b>4.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.3</b>	<b>0.0</b>

The total staff complement for Economic Development is 4.3 FTE's. No changes in 2016. There are no FTE's for Tourism.

## Program Services Budget Overview

Services/Activities:	2015 Restated		2016 Requested		Net Change 2016 vs 2015	Net Change 2016 vs 2015 (%)
	Gross Budget	Net Budget	Gross Budget	Net Budget		
Economic Development	702,400	702,400	728,700	728,700	26,300	3.7%
<b>Total</b>	<b>702,400</b>	<b>702,400</b>	<b>728,700</b>	<b>728,700</b>	<b>26,300</b>	<b>3.7%</b>

Overall, the Economic Development program has increased by \$26,300 or 3.7%. The increase is primarily attributable to increases in salaries and benefits. Note that this budget includes \$49,500 for Visit Oakville, an arms-length organization providing tourism services.

## Key Performance Indicators

### 1. Percentage of gross operating budget

2011	2012	2013	2014	2015
0.3%	0.3%	0.3%	0.3%	0.3%
<b>Why Important:</b> Monitors the cost of the program as a proportion of the total cost for the town.				
<b>How Calculated:</b> Gross program operating costs (excluding transfers to reserves and internal charges) / Gross town operating costs (excluding transfers to reserves and internal charges)				

### 2. Percentage of total FTEs

2011	2012	2013	2014	2015
0.3%	0.3%	0.3%	0.3%	0.3%
<b>Why Important:</b> Assesses the capacity of the program by examining the proportion of staff expertise against the total Town FTE's.				
<b>How Calculated:</b> Total program FTEs including part-time / Total town FTEs including part-time				

### 3. Industrial occupancy rate

2011	2012	2013	2014	2015
93.6% Q4	96.1% Q4	97.6% Q4	97.6% Q4	98.2% Q2
<b>Why Important:</b> Provides information about industrial activity and the availability of existing space for new investment.				
<b>How Calculated:</b> Source: CBRE Limited Industrial Market reports which provide vacancy rates.				

#### 4. Office occupancy rate

2011	2012	2013	2014	2015
85.6% Q4	83.6% Q4	83.5% Q4	85.7% Q4	87.2% Q2
<b>Why Important:</b> Provides information about commercial activity and the availability of existing space for new investment.				
<b>How Calculated:</b> Source: CBRE Limited Oakville Office Market reports which provide office vacancy rates (direct and sublet).				

#### 5. Square feet of industrial development

2011	2012	2013	2014	2015
142,131	45,958	7,686	182,557	130,000 projected
<b>Why Important:</b> Measure of the industrial development activity in Oakville for economic development analysis and review of initiatives.				
<b>How Calculated:</b> Town of Oakville Building Permit data – new construction and additions (not alterations)				

#### 6. Square feet of commercial development

2011	2012	2013	2014	2015
1,023,363	498,958	915,521	889,414	600,000 projected
<b>Why Important:</b> Measure of the commercial development activity in Oakville for economic development analysis and review of initiatives.				
<b>How Calculated:</b> Town of Oakville Building Permit data – new construction and additions (not alterations)				

#### 7. Number of businesses per 100,000 population

2011	2012	2013	2014	2015
3614	3653	3926	4232	Not available
<b>Why Important:</b> (ISO 37120 supporting indicator of economic health) – licensed businesses				
<b>How Calculated:</b> Source: Canadian Business Patterns, Statistics Canada (number of locations includes only those with one or more employees). Note: The Statistics Canada methodology for determining the number of business locations changed in 2014, which resulted in an increase in the number of businesses, making year-over-year comparisons difficult.				

## Key Objectives (Initiatives) for 2016 – 2018

The following objectives for Economic Development will help meet Council's strategic objectives to enhance our economic environment and to be highly valued and widely celebrated for the innovative and outstanding way we satisfy the needs of our businesses:

- Implement marketing initiatives in targeted sectors and respond to investment leads; 2016 includes an office campaign to attract professional and financial service companies.
- Provide recommendations to Council regarding an international business development plan for targeted industry sectors.
- Provide internal project management for the development of the Life Sciences and Technology District.
- Undertake a Brownfield Redevelopment Study and develop related incentive program for privately held lands.
- Implement process improvements including CRM system, site selection tool, data tracking, and GIS mapping for employment districts.
- Plan and implement business outreach initiatives such as the Innovation Awards Program, Corporate Calling Program, Oakville-China Business Forum, and Canadian Open Realtor Event.
- Continue with business retention and expansion initiatives in the Advanced Manufacturing sector including implementation of the Ontario Auto Mayors' recommendations.
- Work with the BIAs for implementation of Retail Action Plans.
- Partner with Visit Oakville, BIAs and other industry partners to increase visitation and promote Oakville as a place to invest time and money.
- Undertake research and the development of a comprehensive Economic Development Strategy (master plan).

## 2016 Program Budget Drivers

	2015 Restated Budget	2016 Base Budget	2016 Capital Budget Impact	2016 Service Adjustments	2016 Requested Budget	\$ Change From 2015	% Change From 2015
<b>Expenses:</b>							
Personnel Services & Benefits	548,000	569,000	0	0	<b>569,000</b>	21,000	3.8%
Materials & Supplies	10,300	10,600	0	0	<b>10,600</b>	300	2.9%
Purchased Services	94,600	99,600	0	0	<b>99,600</b>	5,000	5.3%
Payments & Grants	49,500	49,500	0	0	<b>49,500</b>	0	0.0%
Internal Expenses & Transfers	0	0	0	0	<b>0</b>	0	0.0%
<b>Total Expenses</b>	<b>702,400</b>	<b>728,700</b>	<b>0</b>	<b>0</b>	<b>728,700</b>	<b>26,300</b>	<b>3.7%</b>
<b>Revenues:</b>							
External Revenues	0	0	0	0	<b>0</b>	0	0.0%
Internal Recovery & Fund Trsfs	0	0	0	0	<b>0</b>	0	0.0%
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Tax Levy</b>	<b>702,400</b>	<b>728,700</b>	<b>0</b>	<b>0</b>	<b>728,700</b>	<b>26,300</b>	<b>3.7%</b>

In 2016, the Economic Development program has increased by \$26,300 or 3.7%. The main drivers for the change are the following:

- Personnel Services and Benefits have increased by \$21,000 due to anticipated contract requirements as well as inflationary increases for other wage groups and benefits. In addition, wage adjustments have been made to reflect revised position responsibilities.
- Purchased Services have increased by \$5,000 due to an increase in official promotion services.

## 2017 - 2018 Operating Budget Forecast

	2016 Requested Budget	2017 Forecast Requested Budget	2016-2017 Change (%)	2018 Forecast Requested Budget	2017-2018 Change (%)
<b>Gross Expenditures</b>					
Economic Development					
Economic Development	677,700	692,600	2.2%	708,800	2.3%
Tourism	51,000	51,000	0.0%	51,000	0.0%
<b>Total Gross Expenditures</b>	<b>728,700</b>	<b>743,600</b>	<b>2.0%</b>	<b>759,800</b>	<b>2.2%</b>
<b>Tax Levy</b>					
Economic Development					
Economic Development	677,700	692,600	2.2%	708,800	2.3%
Tourism	51,000	51,000	0.0%	51,000	0.0%
<b>Total Tax Levy</b>	<b>728,700</b>	<b>743,600</b>	<b>2.0%</b>	<b>759,800</b>	<b>2.2%</b>
<b>Gross Expenditures By Type</b>					
Personnel Services & Benefits	569,000	583,900	2.6%	600,100	2.8%
Materials & Supplies	10,600	10,600	0.0%	10,600	0.0%
Purchased Services	99,600	99,600	0.0%	99,600	0.0%
Internal Charges	0	0	0.0%	0	0.0%
Other Expenditures	49,500	49,500	0.0%	49,500	0.0%
Minor Capital & Transfer To Reserves	0	0	0.0%	0	0.0%
<b>Total Expenditures</b>	<b>728,700</b>	<b>743,600</b>	<b>2.0%</b>	<b>759,800</b>	<b>2.2%</b>
<b>Revenues By Type</b>					
Activity Revenue	0	0	0.0%	0	0.0%
Internal Recoveries	0	0	0.0%	0	0.0%
Grants	0	0	0.0%	0	0.0%
Other Revenue	0	0	0.0%	0	0.0%
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Tax Levy</b>	<b>728,700</b>	<b>743,600</b>	<b>2.0%</b>	<b>759,800</b>	<b>2.2%</b>

- 2017 and 2018 budgets reflect inflationary increases only.



## 2016-2018 Recommended Capital Budget

The capital forecast will provide funds to update the Economic Development Strategy in 2017. The Economic Development Strategy was developed in 2008 for business retention, expansion and attraction. The Strategy will again be updated in 2022.

Economic Development	Classification	Capital Budget & Forecast			Operating Impact		
		2016	2017	2018	2016	2017	2018
65101701 Economic Development Strategy Update	Strategic Priorities		50,000				
<b>Total Economic Development</b>			<b>50,000</b>				

