



City of
Peterborough

To: **Members of the Peterborough Regional Liaison Committee**

From: **Richard Freymond**
Commissioner of Corporate and Legislative Services

Meeting Date: **October 14, 2021**

Subject: **Report CLSFSPRLC21-001**
Peterborough & Kawartha Economic Development (PKED)
Draft 2022 Budget and 2022 Business Plan

Purpose

A report to inform the Peterborough Regional Liaison Committee that the draft 2022 Budget and Business Plan of Peterborough and the Kawarthas Economic Development will be reviewed on Thursday, October 14, 2021.

Recommendations

That the Peterborough Regional Liaison Committee approve the recommendations outlined in report CLSFSPRLC21-001, dated October 14, 2021, of the Commissioner of Corporate and Legislative Services, as follows:

- a) That the presentation to the October 14, 2021 Peterborough Regional Liaison Committee by Peterborough & the Kawarthas Economic Development, be received; and
- b) That the Peterborough Regional Liaison Committee endorse the draft 2022 Peterborough & Kawartha Economic Development Budget, as set out in Appendix A to report CLSFSPRLC21-001, together with the accompanying 2022 Business Plan as set out in Appendix B and recommend to City and County Council for consideration during their respective 2022 Budget discussions.

Budget and Financial Implications

The annual net costs to undertake Core Economic Development Activities is allocated to the City and County based upon their proportionate share of total combined permanent population, as established by the latest available official census. The City's share is 58.62% (2021 – 58.62%) and County 41.38% (2021 – 41.38%).

Overall, the requested municipal share of expenses that represents core funding has increased 1.5% from 2021 levels. For the City \$1,014,775 (\$999,778 in 2021) and for the County \$716,332 (\$705,746 in 2021).

The Municipal Accommodation Tax is collected from the transient accommodation providers in the City. The revenue generated by the MAT is shared equally between PKED and the City. It is anticipated that 2022 revenue for MAT will increase, but due to the uncertainty caused by the pandemic, the revenue estimate for 2022 has been held at a conservative amount of \$350,000 (\$175,000 City, \$175,000 PKED). PKED will continue to explore additional funding opportunities to leverage the core and MAT funding received to deliver Tourism programming.

In addition, PKED receives provincial funding to operate the Small Business Advisory Centre which includes core funding as well as funding for the Summer Company and Starter Company Plus programming. In 2022 this amount is unchanged at \$210,385.

The unpredictability of additional external funding programs through the province and federal governments has put some PKED programs at risk. Over the course of the last five years, PKED has secured, on average, an additional \$200,000 each year to supplement core funding. It is anticipated that funding can be secured for 2022 programming. For the 2022 budget a new line called "Offsetting Revenue" has been added to reflect additional revenue needed to complete the proposed programming. Projects have been identified that will advance should PKED be successful in obtaining additional revenue. If no additional funding source is secured, those projects will be deferred.

Funding requests for Sustainable Peterborough are in the amount of \$40,000 from each of the City and County.

Background

PKED staff will be available at the October 14, 2021 Peterborough Regional Liaison Committee to answer questions the Committee members may have.

Funding received by PKED is used for:

- Commercial Rent
- Staffing
- Promoting the destination for visitation and investment
- Business Development including business retention and expansion as well as investment attraction activities.

- Business Advisory Centre Services for entrepreneurship
- Tourism, including destination development, product development and visitor servicesSubmitted by,

Richard Freymond
Commissioner of Corporate and Legislative Services

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Attachments:

Appendix A - Draft 2022 Budget for PKED
Appendix B - 2022 Business Plan

Peterborough & the Kawarthas Economic Development 2022 Budget

	2021 Forecast	2022 Budget	% 2022 Budget	Notes
REVENUE				
CORE FUNDING				
City of Peterborough	999,778	1,014,775		(1)
County of Peterborough	705,746	716,332		(1)
	1,705,524	1,731,107	69%	
MUNICIPAL ACCOMMODATION TAX	166,910	175,000		(2)
SPECIAL PRLC FUNDING RECEIVED				
Sustainable Peterborough	80,000	80,000		(3)
	246,910	255,000	10%	
TOTAL CITY & COUNTY	1,952,434	1,986,107	79%	
OTHER SOURCES OF REVENUE				
Tourism Resiliency Fund (CFDC)	500,000	-		(4)
Canada Summer Jobs	29,747	31,810		
Federal	529,747	31,810	1%	
Business Advisory Centre (MEDJCT)	210,385	210,385		(5)
Rural (RED)	47,390	-		(6)
Admin (other)	4,120	-		
Provincial	261,895	210,385	8%	
Private Sector & Other Municipalities	141,370	31,260	1%	(7)
Offsetting Revenue		244,000	10%	(8)
Total Revenue	2,885,446	2,503,562	90%	
EXPENSES				
Business Development	574,181	518,638	20%	
Small Business Enterprise Centre	238,909	221,393	9%	
Marketing & Communication	305,279	309,063	12%	
Tourism	1,157,681	884,116	34%	(6)
Facilities & Administration	642,070	662,302	26%	
Total Expenses	2,918,119	2,595,512	80%	
Total Surplus/(Deficit)	(32,673)	(91,950)		
Draw from Accumulated Surplus	32,673	91,950		(9)
NET SURPLUS/(DEFICIT)	-	-		

Peterborough & the Kawarthas Economic Development 2022 Budget

NOTES:

1. Core Funding for 2022 budgeted at 1.5% greater than 2021 funding. There was no increase from 2020 to 2021.
2. A conservative estimate of the revenues to be obtained from the Municipal Accommodation Tax is recognized for 2022, after administrative holdbacks and only from hotels within the City of Peterborough. This is based on 2021 forecasted revenues.
3. It is anticipated that Sustainable Peterborough, a City-County initiative housed within GPAEDC, will receive \$40,000 each from the City and County in 2022.
4. Tourism managed the distribution of these funds to their partners for FedDev on behalf of CFDC Peterborough, keeping only a small \$20,000 admin fee. It is not expected to recur in 2022.
5. The Ministry of Economic Development Job Creation and Trade (MEDJCT) funds the Business Advisory Centre, Summer Company, and Starter Company Plus. A three-year reduced funding agreement is supposed to end in March 2022. Negotiations for its extension are underway and anticipated in this budget.
6. A grant from RED was received in order to revive and promote the Kawartha Choice brand. The project will be completed in 2021.
7. At the point of budget development, only rent from subleases was anticipated in the Other Revenue category. In 2021 it included funding from other municipalities for joint business development projects and from RTO8 for tourism expenditures.
8. There are a series of important economic development activities to be completed but require additional offsetting revenue, beyond CORE and MAT to advance. Activities include: Business Count Survey, Wayfinding Program, Check In Canada Widgets, Cycling Map and Visitor Guide Printed Publication
9. The anticipated deficit in 2021 will fully draw down the accumulated operating surplus, but the reserve of \$90,000 will be maintained.



ECONOMIC DEVELOPMENT

2022 PKED Business Plan

Peterborough & the Kawarthas Economic Development is mandated through an MOU to perform core economic development activities on behalf of the City and County of Peterborough. The core economic development activities are highlighted throughout the 2022 Business Plan and are broken down into four categories:

- Promote – Advancing a compelling narrative showcasing our region's unique advantages, carefully differentiating our region from others; as well as creating awareness of our region to attract more visitors, investment, and jobs.
- Start – High performing economic growth will be driven by start-ups and entrepreneurs. For business to realize its full potential, we must support businesses through the start and early growth phases.
- Grow – Business retention and expansion is the foundation of core economic development activities. PKED will continue to meet with the local existing business base, across all key sectors throughout the region.
- Attract – Attracting new investment and assessment efforts will be focused across the region. Working in alignment with each municipality throughout the City and County, PKED will focus attraction efforts on the region's established key sectors.

Challenges

Despite challenges with:

- Workforce and skills mismatch
- Lack of available land and buildings
- Social challenges
- Fiscal constraints
- Competing priorities

There are still significant opportunities to grow the local and regional economy. PKED has met individually with City and County Councillors to obtain input into economic development priorities for 2022. The following sections contain the 2022 Business Plan activities.

Truth and Reconciliation:

The PKED Board of Directors at its annual Board Retreat held on September 30, 2021, on the inaugural Day of Truth and Reconciliation, committed to foster and support reconciliation through economic development.

PKED is an active participant on the Community Economic Development Initiative (CEDI), together with Hiawatha First Nation and Curve Lake First Nation, County of Peterborough, OSM Township and Selwyn Township. The CEDI project began in 2016 to support First Nations and neighbouring municipalities who want to create a shared vision for joint economic development and resulted in an historic Friendship Accord being signed on November 2, 2019.

Ezhi-Wijikiwendiyang is the name of the [Treaty20 Friendship Accord](#) which translates in Ojibwe to “how we are friends.” The CEDI committee which now also has City representation will be identifying 2022 projects at a planning meeting to be held in Q4.

2022 Tourism:

- Focus on increasing overnight stays and visitor spend while in the region.
- Winter, fall and spring season
- Culinary, Agri-tourism product development
- Meetings, conferences sport tourism
- Visitor Services
- Selling packages and itineraries

2022 Business Development:

- To retain existing business
- To expand existing business
- To attract more business to the region in key sectors (cleantech, aerospace, agri-food, service-oriented businesses)
- Priority focus will be workforce development

Entrepreneurship / Business Advisory Centre

- Building business build resiliency
- Helping more businesses get started (idea to launch)
- Support for early start up years 2-5
- One-on-one consultation, competitive programming, workshops, events, and seminars

Marketing and Communication

- Promoting Peterborough & the Kawarthas as a destination of choice for business, visitors, entrepreneurs, investors, and students
- Marketing PKED led events and workshops
- Communication with stakeholders, funders, and partners
- Public Relations / Earned Media

Operations

- Records Management
- Ontario Not-for-Profit Act changes and compliance over next 3 years
- Health and Safety
- Human Resources Management
- Administration for Kawartha Manufacturers Association (KMA)
- Visual Asset Library

2022 Proposed Projects

Talent Attraction

- Building a talent recruitment program, in collaboration with industry, business leaders and education sector.
- The recruitment program to include toolkits, videos, printed publications, digital marketing and creating connection networking opportunities to build stronger relationships with high school and post-secondary students wishing to launch their career in Peterborough.

Visitor Services

- Investing in Digital Kiosks
- Destination Training for tourism Partners such as Buckhorn District and Tourist Association and, Havelock Visitor Centre
- Selling packages and itineraries

Business Retention and Expansion

- Conduct 3rd Annual Business Count Survey
- Identifying available land and business opportunities
- Connecting more employers with talent and workforce opportunities
- Tourism – Product Development, winter, spring and fall seasons,
- Tourism / Agriculture - agritourism and culinary tourism product development in combination with business development training through BAC

Investment Attraction Efforts

- Changing URL from peterboroughed.ca to **InvestPTBO.ca**
- Building toolkits and materials to showcase the advantages of doing business in Peterborough

Relationship to the PKED Future Ready Strategic Plan

This Report advances all Objectives from the 2020-2024 Strategic Plan:

Objective 1: Promote Peterborough & the Kawarthas as a destination of choice for visitors, business, entrepreneurs, investors, and students.

Objective 2: Leverage the region's mix of rural and urban assets and business

Objective 3: Build a job-ready, highly skilled, and innovative workforce of the future.

Objective 4: Support all phases of entrepreneurship, while also supporting existing businesses.

Relationship to the MOU Agreement with City and County of Peterborough

This report highlights the key activities undertaken for each of the core economic development activities identified in the Memorandum of Understanding with the City and County of Peterborough:

- Promote
- Start
- Grow
- Attract



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