



City of
Peterborough

To: Members of the Peterborough Regional Liaison Committee

From: Richard Freymond, Commissioner of Corporate and Legislative Services

Meeting Date: October 6, 2022

Subject: Peterborough & the Kawarthas Economic Development Draft 2023 Budget and 2023 Business Plan, Report CLSFSPRLC22-001

Purpose

A report to inform the Peterborough Regional Liaison Committee that the draft 2023 Budget and Business Plan of Peterborough & the Kawarthas Economic Development (PKED) will be reviewed on Thursday, October 6, 2022.

Recommendations

That the Peterborough Regional Liaison Committee approve the recommendations outlined in report CLSFSPRLC22-001, dated October 6, 2022, of the Commissioner of Corporate and Legislative Services, as follows:

- a) That the presentation to the October 6, 2022 Peterborough Regional Liaison Committee by Peterborough & the Kawarthas Economic Development, be received; and
- b) That the Peterborough Regional Liaison Committee endorse the draft 2023 Peterborough & the Kawarthas Economic Development Budget, as set out in Appendix A to report CLSFSPRLC22-001, together with the accompanying 2023 Business Plan as set out in Appendix B and recommend to City and County Council for consideration during their respective 2023 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 56.64% (2022 – 58.62%) and County 43.36% (2022 – 41.38%).

Overall, the requested municipal share of expenses that represents core funding has increased 2.0% from 2022 levels, adjusted for the latest census data. For the City \$1,000,110 (\$1,014,775 in 2022) and for the County \$765,620 (\$716,332 in 2022).

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 2023 revenue for MAT will increase, but due to the uncertainty caused by the pandemic, the revenue estimate for 2023 has been held at a conservative amount of \$550,000 (\$275,000 City, \$275,000 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 2023 this amount is unchanged at \$210,385.

PKED continues to apply for applicable external funding programs through the province and federal governments. In 2022, PKED successfully secured \$2,700,000 from the province to address workforce development challenges in the region. This funding will continue in 2023 and will conclude in the first quarter of 2023. This project is substantially larger than most PKED funding programs in the past and is considered unique. Given the ongoing challenges associated with workforce, PKED will actively seek additional funding to augment core funds and support the changing needs of the regional business community. Should additional resources be identified, PKED will report out to Councils on these changes during scheduled Quarterly Reports.

PKED is also the host of Sustainable Peterborough (SP). PKED does not actively deliver SP programming, and the activities are overseen by the SP Coordinating Committee, however, PKED does play a role in managing the funds provided. SP provides a separate budget presentation to City and County Councils and requests for Sustainable Peterborough are in the amount of \$40,000 from each of the City and County.

During 2022, the Physician Recruitment program transferred to PKED from the Peterborough Family Health Team. Similar to SP, PKED does not oversee the direct activities as Physician Recruitment activities are provided through a full-time Physician Recruiter that is governed by the Peterborough Physician Recruitment and Retention Committee (PPRRC). PKED plays a role in managing the funding on behalf of the PPRRC. In 2023, requests for funding are in the amount of \$ 81,222 from the City

(\$81,222 in 2022) and \$57,000 from the County (\$57,000 in 2022). The PPRRC will provide a separate budget presentation to the City and County Councils in 2023.

Background

PKED staff will be available at the October 6, 2022 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.
- Workforce Development initiatives
- Business Advisory Centre Services for entrepreneurship
- Tourism, including destination development, product development and visitor services

Submitted by,

Richard Freymond
Commissioner of Corporate and Legislative
Services

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Attachments:

Appendix A - Draft 2023 Budget for PKED
Appendix B - 2023 Business Plan

Peterborough & the Kawarthas Economic Development 2023 Proposed Budget

	2022 Forecast	2023 Budget	% 2023 Budget	Notes
REVENUE				
CORE FUNDING				
City of Peterborough	1,014,775	1,000,110		(1)
County of Peterborough	716,332	765,620		(1)
	1,731,107	1,765,730	76%	
MUNICIPAL ACCOMMODATION TAX	275,000	275,000		(2)
TOTAL CITY & COUNTY	2,006,107	2,040,730	88%	
OTHER SOURCES OF REVENUE:				
Federal	40,718	39,409	2%	
Provincial	210,385	210,385	9%	(3)
Private Sector & Other Municipalities	131,000	31,260	1%	(4)
Total Revenue	2,388,210	2,321,784	100%	
EXPENSES				
Business Development	368,640	434,892	18%	
Small Business Enterprise Centre	256,789	267,060	11%	
Marketing & Communication	285,575	286,850	12%	
Tourism	731,584	609,860	26%	
Facilities & Administration	801,940	757,711	33%	
Total Expenses	2,444,529	2,356,373	100%	
Total Operating Surplus/(Deficit)	(56,318)	(34,590)		
Transfer from MAT Reserve	20,419	-		
Draw from Accumulated Surplus	35,899	34,590		
NET SURPLUS/(DEFICIT)	-	-		
SPECIAL PRLC FUNDING RECEIVED				
Physician Recruitment	138,222	138,222		
Sustainable Peterborough	80,000	80,600		(5)
Total	218,222	218,822		
SPECIAL PROJECT: Pathways to Prosperity - April 2022-March 2023				
Provincial Funding	2,036,135	678,712		
Expenses	(2,036,135)	(678,712)		
Total (Net to PKED)	-	-		

Peterborough & the Kawarthas Economic Development 2023 Proposed Budget

NOTES:

1. Core Funding for 2023 is budgeted at 2.0% greater than 2022 funding.
2. A conservative estimate of the revenues to be obtained from the Municipal Accommodation Tax is recognized for 2023, after administrative holdbacks and only from hotels within the City of Peterborough. This is based on 2022 forecasted revenues.
3. The Ministry of Economic Development Job Creation and Trade (MEDJCT) funds the Business Advisory Centre, Summer Company, and Starter Company Plus. A two-year funding agreement started in March 2022.
4. In 2022, Tourism received a one-time grant for \$100,000 from RTO8 that will fully spent in the year.
5. It is anticipated that Sustainable Peterborough, a City-County initiative housed within GPAEDC, will receive \$40,000 each from the City and County in 2023.
6. City and County councils provide funding for physician recruitment activities. The funding is hosted by PKED, but governed by the Physician Recruitment & Retention Committee.



ECONOMIC DEVELOPMENT

PKED promotes and facilitates business opportunities to create a thriving economy resulting in regional prosperity.

PKED 2023 BUSINESS PLAN

MOU MANDATE

Peterborough & the Kawarthas Economic Development (PKED) is responsible to deliver core economic development activities as identified in the Memorandum of Understanding (MOU) with the City and County of Peterborough and are focused on four key 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.

Focus #1: Marketing to key audiences for business growth, investment, and visitation

Focus #2: Stakeholder communications and media relations

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.

Focus #1: Supporting new start ups

Focus #2: Supporting growth years 2-5

Grow: Business retention and expansion is the foundation of core economic development activities. We will continue to meet with the local existing business base, across all key sectors throughout the region.

Focus #1: Collection and analysis of data, relationship building

Focus #2: Identification and response to challenges and opportunities

Attract: Attracting new investment and assessment efforts will be focused across the region. Working in alignment with each municipality throughout the City and County, we will focus attraction efforts on the region's established key sectors:

- Agriculture
- Aerospace
- Clean technology
- Manufacturing (Industry 4.0)
- Tourism

PROMOTE

Marketing and Communications promotes the destination using: photography, videography, digital and printed publications, signage, advertisements, sponsorships, and media influencers and includes:

- InvestPTBO.ca website (business and investor facing website)
- TheKawarthas.ca website (visitor facing website)
- Twitter, LinkedIn, Instagram, and Facebook social media channels (corporate, small business, tourism, and investment)

Marketing and Communications works to:

- Promote the destination by focusing on the strategy, development, and execution of marketing campaigns, carefully designed to reach target markets for visitation, business recruitment, and expansion purposes.
- Marketing of PKED Events such as workshops and sector specific events to ensure a strong attendance and participation by the targeted audience.
- Communication – focusing on telling the story of both the Peterborough & the Kawarthas as a region, and as a corporation for public reporting.
- Media Relations: developing relations with key stakeholders in media, and sector specific media influencers to help tell the story of this region. It also involves monitoring and engaging target audiences through social media to help tell the story of Peterborough & the Kawarthas.

START

PKED operates the Business Advisory Centre (BAC) and is one of 54 Small Business Centres in Ontario. The BAC will deliver two provincial entrepreneurial programs: Starter Company Plus and Summer Company programs.

Using workshops, seminars, events, on-line learning and one-on-one consultations, the BAC will assist small businesses to access the tools, resources, and connections to successfully launch and grow their business.

As businesses continue to be impacted by Covid-19, learning pivoting strategies, re-assessing business and marketing plans, connecting with mentors and local resources will continue to be a priority.

Growing awareness of the services available through the BAC for community outreach, especially with industry based, community associations will be undertaken throughout 2023.

GROW

Most of the new economic growth will come from existing businesses. Creating an environment for existing businesses to expand and grow is a fundamental role for economic development. The goal is to understand the opportunities and challenges that businesses are facing and create a responsive community that supports this growth.

In 2023, PKED will undertake a 4th annual business count survey. Collecting this data over time will measure progress for job targets identified within the Official Plans of the City and County over time. It also identifies those companies that are poised for growth or provides an opportunity to highlight local, regional, national, and global challenges impacting businesses year over year.

Businesses report that they continue to experience a lack of available land and buildings to expand to as well as a lack of job seekers to fill vacant positions.

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

Workforce Development Projects

- Complete the Pathways to Prosperity Project, which is a collaboration with Fleming College, City of Kawartha Lakes, Workforce Development Board, Muskoka-Kawarths Employment Services to assist individuals impacted by the pandemic and encouraging the entry or re-entry to the workforce through targeted training and subsidized placement programs in the highest in demand jobs in the region: food services (line cook), general labour: agriculture, manufacturing, and construction.
- Complete the Community Concierge Program at Trent University that aims to connect local employers with graduating students and alum at Trent.
- As applicable, develop new workforce development programming and apply for new funding through the Skills Development Fund, to proactively address the pressing workforce challenges in this region.

ATTRACT

Investment attraction is the act of actively recruiting companies to relocate or open secondary locations in the region. There has increasing interest in the region, and that interest is expected to hold steady as the Greater Toronto Area continues to expand. Investment attraction is a long-term approach and PKED will continue to participate with Ontario East Economic Development Commission for foreign direct investment campaigns.

Key employment areas include:

- Peterborough Airport for aviation and aerospace companies, subject to servicing constraints
- Cleantech Commons at Trent University for cleantech, greentech and environmental research-intensive companies
- Downtown areas for independent and small business/entrepreneurs
- Smaller industrial developments within the County, with limited servicing

CHALLENGES

As Covid recovery continues, significant challenges exist that are limiting the growth potential of the local and regional economy, however the most significant that PKED has identified are:

- Workforce (industry and job seeker mismatch)
- Lack of available land and buildings

Workforce: While there is considerable media attention on the current workforce conditions, there are many reasons that are impacting the disconnect between job seekers and employers. Several challenges identified through the Pathways to Prosperity include:

- Lack of transportation options for job seekers
- Lack of housing options and availability for workers at all levels
- Real and/or perceived disconnect between skills learned in post-secondary institutions and the skills that employers are seeking.

Available Lands: The lack of a strong inventory of available land and buildings is a limiting factor in following through on many leads received by PKED in 2022 and it is expected to continue into 2023-2024. The completion of servicing at Cleantech Commons and the completion of the Airport Master Plan will ease some backlog, but companies that are outside of cleantech and aerospace sectors have little, to no options. The adoption and approval of Official Plans identifying employment areas is a first step, however, long-term capital plans that identify when servicing of these employment lands will be completed will be critical to promote this region's potential as a destination for investment.

OPPORTUNITIES

The City and County are participating in the Canadian Cities and Regions Initiative (CCRI) for the Circular Economy. There is a greener model of economic development that has incredible potential for Peterborough & the Kawarthas through the circular economy.

In a linear economic development model, goods are extracted from resources, made into a product, used, and then disposed of. In a greener, or circular economic development model, goods are designed to be reused, repaired, shared, recycled, and remade. Waste is designed out of the system and instead of simply being disposed of at the end of production or item lifecycle, it has the potential to be seen as an input for another industry and reabsorbed back into the cycle.

Peterborough & the Kawarthas Future Ready Economic Development strategy has a focus on innovation and sustainability through partnerships. Completing the Circular Economy Initiative through CCRI that began in 2022, will help to create a roadmap for moving towards a circular economy with great economic potential for this region across all sectors.

Terry McCullough,
PKED Board Chair

Rhonda Keenan, Ec.D., CEcD.
President & CEO