



Middlesex County Economic Development Corporation Strategy

September 16, 2024

20
years

urban
Metrics

September 16, 2024

Middlesex County
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London, ON N6A 2P1

The logo for urbanMetrics, featuring the word "urban" in a smaller font above the word "Metrics" in a larger font, both in white text on a red square background.

Middlesex County Economic Development Corporation Strategy

urbanMetrics inc. ("urbanMetrics", "uM", "we", "our") is one of Canada's oldest and most well-respected municipal consulting firms. Our firm's expertise includes, municipal strategy, economic development, market advisory, expert witness, municipal finance, and impact analysis. We have been retained by Middlesex County to conduct an independent process, including a review and evaluation of county-wide economic development service which are currently delivered "in-house" by the County staff (4 FTEs).

During the summer of 2024, urbanMetrics conducted a background review of the current economic development eco-system in Middlesex County and across the Province. As part of our mandate, we conducted internal and external stakeholder engagement to both understand the current system and feasibility in shifting to an EDC model. Following an extensive consultation process, supported by municipal benchmarking, the following report delivers clear recommendations leading to what we believe would be the most effectual path for cultivating economic development and tourism growth. This report provides the foundation of our recommendation for Middlesex County to pursue an EDC-model to help stimulate investment and business growth across the County.

We would like to thank the Project Committee for your insights and support throughout the project.

- Michael Di Lullo, CAO (Middlesex Centre)
- Cara Finn, Director of Economic Development and Tourism
- Paul Shipway, General Manager of Strategic Initiatives & Innovation
- Carolynn Tripp, CAO (North Middlesex)

Respectfully submitted,

A handwritten signature in black ink, appearing to read "P. Thoma".

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[1.]

Background Research

Background - Current Economic Development Model

Over the last nine years, the County has developed a full-suite internal economic development department that has benefited the County and all its member municipalities. An independent, third-party review of the current model was conducted to provide a baseline to understanding the opportunity and challenges in shifting economic development delivery models.

Current Organizational Structure: The Middlesex County Economic Development Department (the Department) is an internal department within the County. It is solely accountable to County Council, through a direct line to the Chief Administrative Officer (the CAO).

The Department has a staff complement of 4 FTEs:

- Director of Economic Development and Tourism
- Economic Development Officer
- Tourism Officer
- Economic Development and Tourism Coordinator

Department's Main Objective: *To nurture and attract private sector investment thereby creating and maintaining job opportunities and increasing the property tax base. In addition, the department also serves as the Destination Marketing Organization for the County.*

Main Functions: The department has four (4) main functions including:

- Research & Information Management
- Marketing and Communications
- Business Retention
- Investment Attraction

Based on discussions with the County's Senior Leadership Team the following issues are generally seen to be an encumbrance on the Department's ability to deliver greater economic impact

- Recognizing Middlesex County's relatively low industrial tax base compared to other comparable Southwestern Ontario counties and its lack of serviced industrial land, an Economic Development Corporation (EDC-model) is widely seen as an opportunity to drive new industrial investment, stimulate entrepreneurship and grow local/regional business partnerships.
 - Pursuing opportunities spinning off from recent mega-projects in the electric vehicle supply chain in Southwestern Ontario etc.
- The Department has experienced staff retention issues with the Economic Development Officer position because of competitive offerings for similar positions in other neighbouring jurisdictions
- The Department has been challenged in delivering Economic Development and Tourism programming with the current budget when compared to other neighbouring jurisdictions
- The Department's lack of dedicated office space within the County has been a challenge for both internal team building (cohesion) and for providing clear and tangible "visibility" for business partners and stakeholders.

EcDev Brand



Tourism Brand



Background – Middlesex County Economic Development Corporation

Middlesex County already has a legal not-for-profit Economic Development Corporation entity in place. This entity was established in 2018 by County Council. The Corporation has not been actively used since 2018 but can easily be reactivated and operationalized to suit the needs in shifting the internal Economic Development Department into a full functioning Economic Development Corporation model if that direction is selected.

Governance: The sole shareholder in the Middlesex County EDC is the Corporation of the County of Middlesex.

Currently, the Directors are the County Councillors. The Officers of the Corporation are:

- President – County CAO
- Treasurer – County Treasurer
- Secretary – County Clerk

The Corporation can have between 1- 15 directors based on the current By-laws.

Purpose: The Corporation was set up broadly to permit any economic development item allowed under the *Municipal Act 2001*, and its regulations. There have been no amendments to the *Act* or its regulations since the Corporation was incorporated which makes the Articles of Incorporation still relevant.

Ability to use the Corporation: The County’s Legal Department has identified a few steps in order to operationalize the Middlesex County Economic Development Corporation. A Shareholder County Council Meeting would be required to provide direction on the EDCs intended direction followed by the EDC confirming Council’s direction and adjusting corporate governance documents if required.

Economic Development Services under the *Municipal Act*:

“economic development services” means,

- (a) the promotion of the municipality for any purpose, including by the collection and dissemination of information and the development of economic development strategic plans,
- (b) the acquisition, development and disposal of sites in the municipality for residential, industrial, commercial and institutional uses,
- (c) provisions of public transportations systems
- (d) provision of residential housing,
- (e) provision of general parking facilities,
- (f) providing a counselling service to or encouraging the establishment and initial growth of small businesses operating or proposing to operate in the municipality
- (g) undertaking community improvement consistent with a community improvement plan approved by the municipality under subsection 28 (4) of the *Planning Act*,
- (h) improvement, beautification and maintenance of municipally-owned land, buildings and structures in an area designated by the municipality beyond the standard provided at the expense of the municipality generally, and promotion of any area of the municipality as a business or shopping area,
- (i) provision of facilities for amusement or for conventions or visitors’ bureaus,
- (j) provision of culture and heritage systems . O. Reg. 599/06, s. 9 (4)

Background- Middlesex County's Member Municipalities

A review of Middlesex County's member municipalities' economic development resources and assets was conducted to understand the prevailing economic development framework among local level municipalities in Middlesex. It is understood that all municipalities are and remain committed to economic development, but only a handful of municipalities have dedicated full-time economic development staff which further enforced the County-wide approach to economic development.

The chart below summarizes the current framework.

Municipality	EcDev Responsibility: The main point of contact	EcDev Advisory Committee	BIA / BA	Municipally Owned Business Park	CIP
Adelaide Metcalfe	CAO	-	-	-	Yes
Lucan Biddulph	EDO & Communications Officer (Part-time)	Yes	-	Yes	Yes
Middlesex Centre	CAO	Yes	Yes (2) Business Associations	-	Yes
Newbury	Clerk-Treasurer	-	-	-	-
North Middlesex	Economic Development & Communications	Yes	-	-	Yes
Southwest Middlesex	CAO	Yes	-	Yes	Yes
Strathroy-Caradoc	Development Commissioner	-	Yes (2) BIA - Strathroy BA – Mount Brydges	Yes	Yes
Thames Centre	CAO	Yes	-	Sold Out	Yes

Neighbouring Economic Development Delivery Model Comparator



The chart below summarizes the type of economic development models neighbouring counties and local municipalities offer their respective communities and the resources allocated to each entity. The comparative analysis shows Middlesex County's economic development budget is significantly less on a per capita and per business basis particularly when the City of London and the County of Lambton both fund Tourism separately. From a staffing perspective, Middlesex County is also relatively understaffed in comparison to its counterparts. Based on the comparator it would be feasible for Middlesex County to consider an economic development corporation model to replace its current internal department models based on the size and current budget allocated to economic development.

	Middlesex County (Internal Department)	London Economic Development Corporation	Sarnia-Lambton Economic Partnership	St. Thomas Economic Development Corporation	Perth County (Internal Department)
Population (2021)	78,110	422,320	128,155	42,840	40,950
Number of Businesses (with employees)	2,827	12,353	3,731	1,024	1,675
Functions	EcDev + Tourism	EcDev (Tourism is delivered by Tourism London funded by the City)	EcDev+SBEC (Tourism is delivered by a separate entity funded by the County)	EcDev+Tourism+SBEC	EcDev+ Tourism
Number of lower-tier municipalities	8	Single-tier	11	Single-tier	4
EcDev Staff (FTEs)	4	12	9	7	4
Budget	\$991,093 (County funding = 88% of total budget)	Estimated total budget \$4-5M (City of London contributes \$2,357,811)	\$2,095,240 (County funding = 74% of total budget)	\$879,987	\$936,067 (County funding = 93% of total budget)
Per Capita	\$12.69	\$9.50 - \$11.80	\$16.35	\$20.54	\$22.86
Per Business	\$350.58	\$323.80 - \$404.75	\$561.57	\$859.36	\$558.85

The Economic Development Corporation Landscape in Ontario

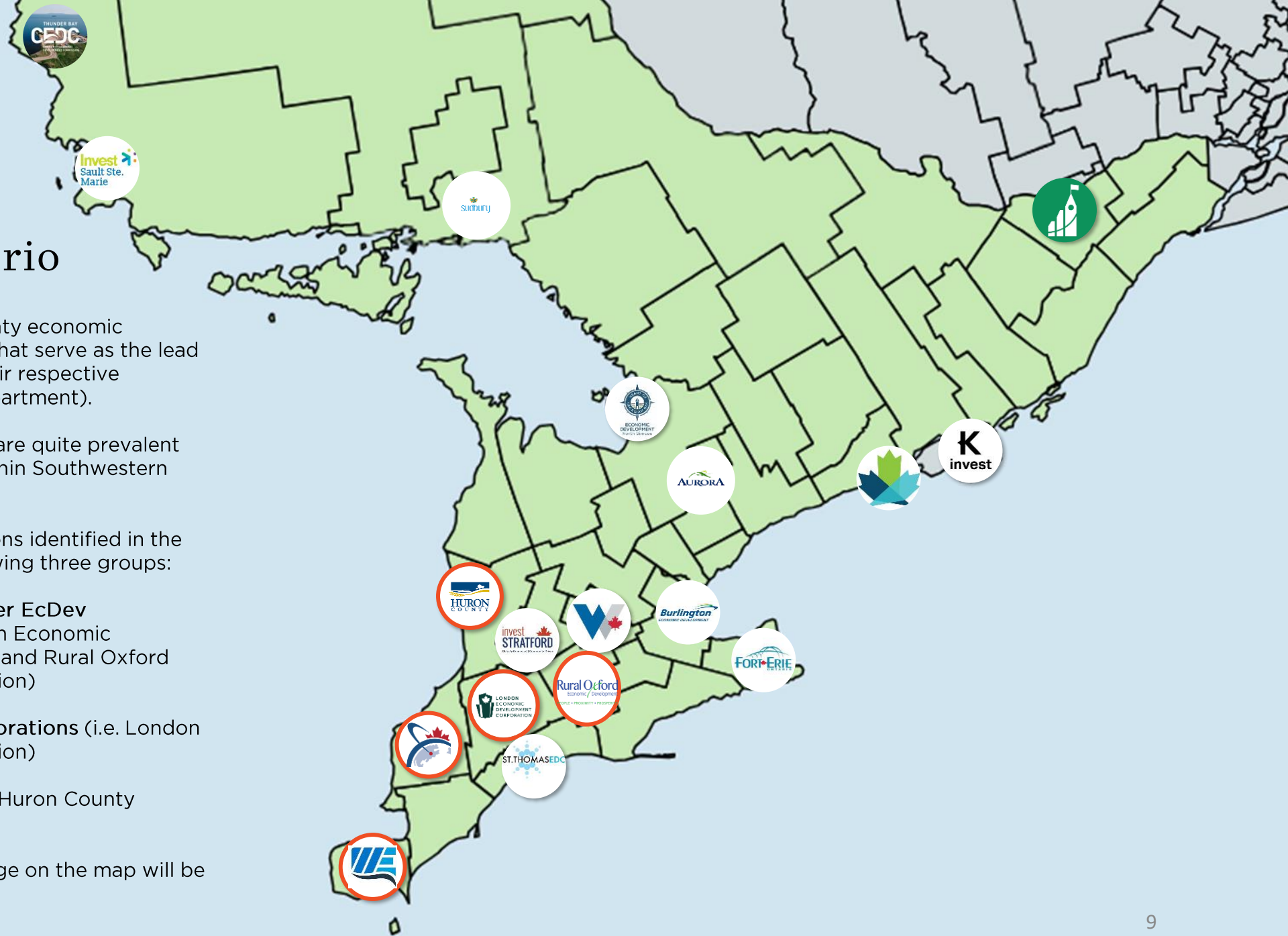
There are approximately 20 local/county economic development corporations in Ontario that serve as the lead economic development agency for their respective jurisdictions (instead of an internal department).

Economic Development Corporations are quite prevalent surrounding Middlesex County and within Southwestern Ontario.

The economic development corporations identified in the map can be categorized into the following three groups:

1. **County-level or multi shareholder EcDev Corporations** (i.e. Sarnia-Lambton Economic Partnership, Invest WindsorEssex and Rural Oxford Economic Development Corporation)
2. **Local or Single-tier EcDev Corporations** (i.e. London Economic Development Corporation)
3. **Hybrid EcDev Corporations** (i.e. Huron County Economic Development Board)

NB: The organizations outlined in orange on the map will be highlighted in the following pages.

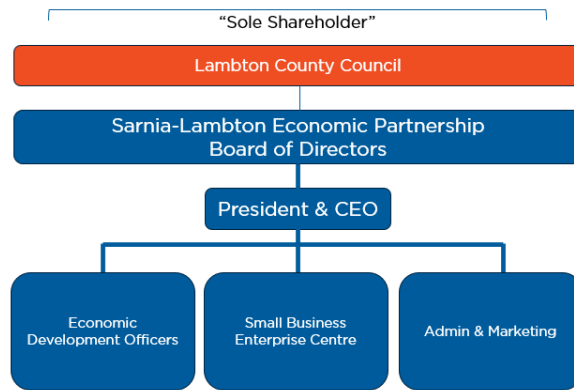




Sarnia-Lambton Economic Partnership (SLEP)

SLEP is a county-level economic development corporation model which serves all eleven lower-tier municipalities in Lambton County. The sole shareholder in the Corporation is the County of Lambton. The County is also the Corporation's core funder.

Organizational Structure: SLEP consists a team of ten (10) full-time staff including Economic Development Officers, a small business centre manager along with administrative and marketing staff. The Presidents & CEO reports directly to SLEP's Board of Directors.



Focus and mandates: SLEP's mission is to advance economic growth and opportunity in Sarnia-Lambton through leadership, partnership, collaboration, and strategic direction

SLEP provides four core services to the County including:

- Strategic economic planning for the community
- Marketing and promotion
- Entrepreneurship and small business support (Provincially mandated Small Business Centre is housed within SLEP for the County)
- New resident attraction

Governance: The Board of Directors consists of thirteen (13) directors with majority being non-elected officials. Both the Warden of Lambton County and the Mayor of Sarnia serve on the Board. The Board is accountable to the sole shareholder in the Corporation which is Lambton County.

Funding Model: The County of Lambton funds SLEP using a four-year renewable agreement in the amount of \$1,560,240 annually. Within the agreement there is annual inflation adjustment. In 2023, SLEP received \$535,000 in external funding & grants from various provincial and federal grant programs.

Performance Measurements: SLEP produces an annual report for its shareholder and the public that highlights the activities and achievements over the calendar year. SLEP measures the following metrics:

- Investment Attraction
 - # of speaking engagements and events attended
 - # of site visits (potential investor projects)
 - # of investment deals in pipeline including # of jobs and investment

***Note:** SLEP is not responsible for tourism; the County of Lambton funds the Tourism Sarnia-Lambton entity separately and has its own staff complement of. The City of Sarnia and other municipalities employ economic development staff in addition to the services provided by SLEP.

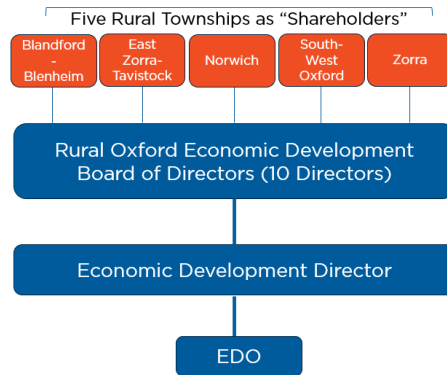


Rural Oxford Economic Development Corporation (ROEDC)



Rural Oxford Economic Development Corporation (ROEDC) is a multi shareholder economic development corporation model. In 2014, five of Oxford County’s rural townships: Blandford-Blenheim, East Zorra-Tavistock, Norwich, South-West Oxford and Zorra formed the ROEDC to provide lead economic development services to their respective communities.

Organizational Structure: The ROEDC has two (2) dedicated staff serving its five member municipalities. ROEDC is governed by a 10-person Board of Directors.



Focus and Mandate: The mission of ROEDC is to support business growth and development across Rural Oxford.

ROEDC’s services include:

- Confidential site selection
- Assistance with permit and process navigation
- Liaisons with local, provincial and federal governments
- Support for expand and modernization
- Increased exposure and promotion for local businesses
- Connection to community partners
- Networking opportunities (Host Rural Networking Events in partnership with Community Futures Oxford, Oxford County Small Business Centre, Oxford County Library and Libro Credit Union)

Governance: Each member municipality appoints two (2) community representatives to serve on the Corporation’s Board of Directors. The Board oversees operations, helps set strategy and ensures fiduciary accountability.

Funding Model: Each member municipality funds the ROEDC directly through an agreed annual amount in return for described economic development services. In addition, the Township of East Zorra-Tavistock provides Financial and HR administrative services to ROEDC for a fee.

Performance Measurements: ROEDC produces an annual report that reports on the following measurements:

- # of Business Support Measurements
- # of General & Marketing Inquiries + Outreach Call to Business
- # Expansion Support Inquiries
- # of Land & Development Inquiries
- # of Business Site Visits
- # of Events Attended

***Note:** In addition to ROEDC, Oxford County employs three (3) designated staff for County-wide Tourism initiatives. Oxford County’s larger municipalities of Woodstock, Tillsonburg and Ingersoll also all have their own internal economic development departments.

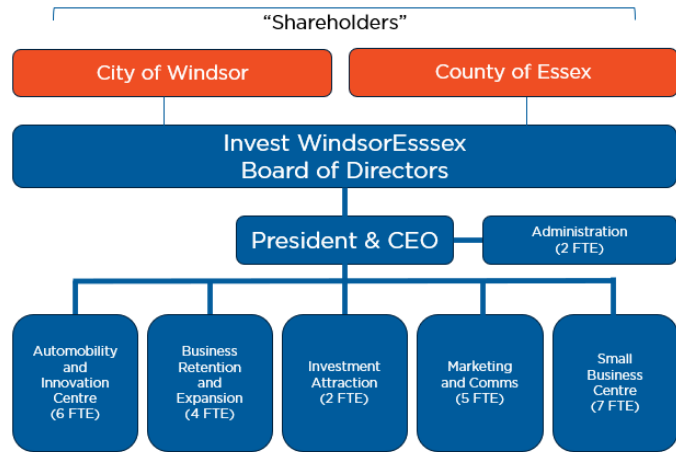


Invest WindsorEssex



Invest WindsorEssex is a multi-municipality Economic Development Corporation model which represents the City of Windsor and the County of Essex as their lead economic development agency for the area.

Organizational Structure: The Corporation is split into five departments including Automobility, Business Retention and Expansion, Investment Attraction, Marketing and Communications and Small Business Centre.



Focus and mandate: Invest WindsorEssex serves as the regional economic development agency and dedicated catalyst for business growth and expansion in Windsor-Essex.

Funding models and resources: Invest WindsorEssex’s core funders are its two shareholders, the City of Windsor and County of Essex. Invest WindsorEssex also depends on over four million dollars in grants from provincial and federal programs. Recent grants have supported the development of Invest WindsorEssex’s Automobility and Innovation Centre a differentiator for the region which includes a Virtual Reality Cave designed to support connected and autonomous vehicle development.

Governance: Invest WindsorEssex is governed by a twelve (12) person Board of Directors which oversees the activities of the Corporation. Both the Mayor of Windsor and the Warden of Essex County are appointed to the Board with the remaining seats open to business and community leaders. The Chair of the Board can be either an elected official or public director. The President and CEO of Invest WindsorEssex sits ex-officio on the Board. Directors are nominated by the Board’s nominating committee and appointed by the Corporation’s two shareholders: City of Windsor and Essex County.

Performance Measurements: Invest WindsorEssex produces both an annual report and quarterly reports of its activities and performance metrics for its funders, stakeholders and the public at large. The following measurements are included in their reporting:

- New Investment Facilitated – Measures the total amount of new investment brought to the region across the organization’s four business units (Automobility, BR&E, Investment Attraction & Small Business Centre)
- Business Support Sessions – track number of sessions and the number of attendees
- Top Economic Priorities – Invest WindsorEssex identifies the top five economic priorities of the region based on interactions and reports from local businesses.
- Regional Economic Indicators – Invest WindsorEssex also tracks key regional economic indicators including population, labour force, employment, unemployment etc. quarterly to provide insights on the health of the regional economy.

***Note:** Tourism Windsor Essex Pelee Island operates as a separate entity with a staff complement of 9. The City of Windsor and County of Essex’s lower-tier municipalities also employ economic development staff.



London Economic Development Corporation (LEDC)

LEDC is a single-tier municipal economic development corporation model and serves as the City’s lead economic development service provider.

Organizational Structure: LEDC has 12 full-time staff and is lead by their President & CEO who reports directly to LEDC’s Board of Directors. The Corporation is divided into three departments: Business Development, Workforce Development, and Marketing and Communications.



Focus and mandate: LEDC’s mandate is focused on serving four key sectors: Advanced Manufacturing; Agri-Food; Digital Media and Technology; and Health. The identified sectors are supported by LEDC through four key pillars:

1. Grow: Entrepreneurship and scale-up activities for existing businesses
2. Invest: Attract new investment and job creation opportunities
3. Talent: Employer talent
4. Engage: Marketing and strengthening the City’s brand

LEDC also supports the marketing of the City of London’s industrial business parks. However, LEDC does not control or own the land and transactions managed by the City’s real estate team.

Funding models and resources: LEDC’s core funder is the City of London. Through a four-year renewable purchase of service agreement, the City funds LEDC in the amount of approximately \$2 million annually in return for agreed upon economic development services. As per the Purchase of Service Agreement, LEDC is required to submit budget documents and an Annual Business Plan to Council for approval annually.

Governance: LEDC is governed by a 13-person board of directors comprised of business professionals and community leaders who are appointed by City Council. The Mayor of London serves on the board and London’s City Manager serves as an advisor to the board providing continual transparency. In addition, as part of the purchase of service agreement the Mayor is a member of the LEDC’s nominating committee.

Performance Measurements: LEDC has implemented six key performance measurements which are reported back to its shareholder and primary funder (City of London) semi-annually.

- Employment – number of jobs created through new investments and expansion of local businesses
- New Corporate Investments – measured by dollars spent in facility construction, equipment, R&D and
- Grants & subsidies – measured by how many
- Assessment and property tax generated – based on new industrial and office construction
- Talent Development: number of consultations with employers and job seekers
- External outreach & promotion – track marketing activities and impact in attracting potential investors

***Note:** Tourism London operates separately with a team of 16 and the City of London also employs economic development staff.

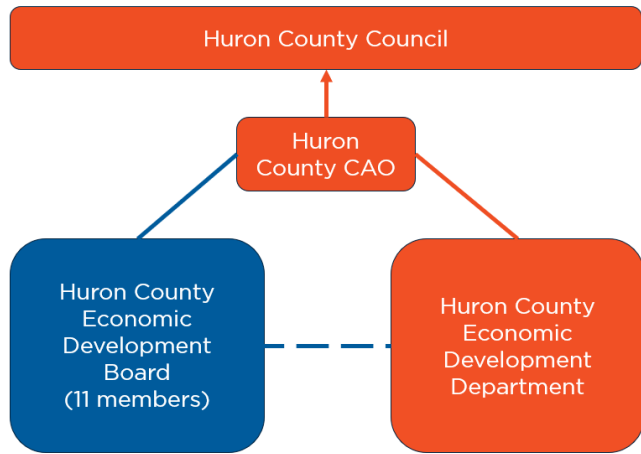


Huron County Economic Development Board



The Huron County Economic Development Board is a **hybrid economic development corporation model** which serves solely as an advisory board to County Council while the day-to-day delivery of economic development services remains within the County’s internal economic development department.

Organizational Structure: Unlike other economic development corporations which have their own full-time staff and resources, Huron County’s Economic Development Board is a separate entity with a Board of Directors with no dedicated staff and limited financial resources.



Focus and mandates: Advises Huron County’s Council on matters related to economic development and provides recommendations to Council through the Economic Development Director and/or CAO. The Board also utilizes its directors to serve on working groups to focus on strategic issues such as housing and Alternative Energy/ Clean Energy initiatives.

The Board is also mandated by Council to administer the ‘Funding Partnership’ program which is a County grant program funded by County’s Economic Development Reserve fund. The program seeks applicants that meet the objectives of the County’s Economic Development Strategy and projects that create substantial economic growth or economic prosperity opportunities for the community. Applications under \$50,000 are approved directly by the Board applications over \$50,000 require both Board and Council approval. In addition to funding projects the Board may place conditions on the contribution and may provide additional advisory resources for the benefit of the applicants from roster of Board members.

Funding Model: Huron County Economic Development Board activities are funded through the County levy at a marginal amount (under 100k). County staff administer a dedicated County budget line item for the Economic Development Board. In addition, the County may draw funds from the County’s Economic Development Reserve fund based on recommendations from the Board pending Council approval.

Governance: Comprised of eight (8) directors from the community and three (3) members of Council who are all appointed by Council as the sole shareholder in the Corporation.

Performance Measurements: None published.

Industrial Development Best Practices Review

Industrial development and investment attraction is a competitive undertaking that not only requires the right combination of location factors – it requires a proactive mindset along with clear programs and tools designed to make a place stand out. A review of best practices was undertaken to understand tools and methods that are currently being used by economic development organizations to attract new investment to the community and that could be adopted as part of Middlesex County’s delivery review.

Incentives

The municipal incentives landscape in Ontario is relatively uniform across the Province with the only ‘legal’ tool available to municipalities being the Community Improvement Plan (CIP) program. The CIP programs can have various objectives from downtown revitalization to specific rural or industrial development objectives.

Industrial focused CIP programs in various Southwestern Western Ontario communities have been effective in supporting recent investments in the EV supply chain and other key sectors. These Industrial CIP programs form part of the overall incentive packages coordinated with the other levels of government that further strengthen the investment location decision for investors.

City of Windsor’s Economic Revitalization Community Improvement Plan is a city-wide suite of financial incentives to encourage new investment in targeted economic sectors. Programs include grant equivalent up to 100% of the municipal property tax increase for up to 10 years after project completion as well a grant to offset up to 100% percent of development charges paid for the project. Program eligibility is tied to prescribed job creation minimums. The program has been used by many recent EV supplier investments in the City associated with Stellantis battery factory.

Niagara Gateway Economic Zone and Centre Community Improvement Plan is an upper-tier administered CIP that funds projects that promote private sector investment, development, redevelopment and construction activity in specific strategic zones within its lower-tier municipalities. Programs consist of tax increment-based grants to offset the increased taxes on increased property values related to new development and grants offsetting development charges. Niagara Region has reported over \$42 million in incentives were approved between 2015 - 2022 which supported the revitalization and diversification in the identified strategic zones.

Partnerships

Partnerships between the public and private sector are seen as important assets when attracting new investment to a community particularly when the bulk of employment land is not within the ownership of the municipality.

A recent success story that underscores this was the \$1.6 billion-dollar Japanese lithium-ion battery separator plant investment in Port Colborne announced in May 2024. The site selected in Port Colborne was un-serviced land and owned by a private developer when the site selection search started. More than 19 partners across public and private entities came together to support the effort to land the investment and ensure the development could be properly serviced.

Invest Ontario has coined this approach as the ‘**Team Ontario**’ approach and has included it as a key objective within their Annual Business Plan 2023-2028. The objective is to establish a ‘Team Ontario’ coordinate approach to investment attraction across different levels of government and other partners including linking businesses with local networks and ecosystems.

A County economic development corporation is perfectly positioned to support this objective by providing coordinating efforts among local partners required in facilitating investment and higher levels of government in investment attraction. While the County is prohibited from having a regional CIP, the EDC could run a similarly effective program on a county-wide basis similar to the Main Street Middlesex program that was used in the early 2000s.

[2.]

Stakeholder Engagement Results

Member Municipality Engagement Results

Between June 19th and 24th 2024, urbanMetrics conducted a series of small roundtable interviews using a standardized question guide with each of Middlesex County's eight (8) member municipalities. Each delegation was invited to bring 3-5 representatives from their County Council Representative(s), local representative(s) and senior staff to participate in the discussion. The purpose of each interview was to understand the current economic development delivery landscape and gauge the feasibility of shifting to an EDC delivery model. Below summarizes the findings from the interviews.

Current Model

- County's EcDev staff are well valued and are seen to be a great resource and facilitate meaningful connections
- Overall, there is general consensus among member municipalities that the status quo needs to change with respect to the way economic development services are delivered within the County
- Issues "flagged" regarding the status quo included:
 - Limited funding for a reasonably large portfolio of services
 - A desire for member municipalities to have more direct communication and interaction with County EcDev besides regular round table meetings and frequent communications such as newsletters and social media posts
 - Confusion with the array of services the Department offers
 - Performance Metrics are unknown
- Member municipalities identified a variety of improvements and additions they would like to see to the Department if the status quo model remains including:
 - More visibility in the County
 - Dedicated sector specialization and expertise (i.e. Agriculture, Manufacturing, etc.)
 - Increased and more formalized communications with member municipalities
 - Updated strategic planning and economic vision for the County

EDC Model

- The creation of an EDC - in principle - is considered "the right direction forward" for the County by the member municipalities
- The primary objective(s) of the EDC should revolve around a shared vision for the County focusing on core business functions that drive new investment and growth (i.e. diversify the tax base and generate more jobs within the County).
- Member municipalities were predominantly in support of an EDC focusing on:
 - Business Retention & Expansion
 - Investment Attraction & FDI
 - Small Business and Entrepreneurship Support Services
 - Tourism
- Most member municipalities recognized an EDC and the delivery of comprehensive economic development services requires a dedicated, public-facing physical space somewhere in the County.
- Anticipated challenges in shifting economic development to an EDC model among member municipalities included getting buy-in from across the County and funding the EDC adequately and fairly

Economic Development Ecosystem Engagement Results

urbanMetrics on July 18th 2024, facilitated an online workshop with Middlesex County's economic development ecosystem partners. Seventeen (17) partners participated, representing a cross section of organizations including business organizations, local and county level business support organizations, provincial and federal government agencies, regional tourism organization, and post-secondary institutions. The purpose of the workshop was to understand the current economic development delivery landscape and gauge the feasibility of shifting to an EDC delivery model in the County. Below summarizes the findings from the workshop.

Current Model

- Ecosystem partners believe the County's current economic development and tourism efforts to be effective in terms of impacting growth in the economy
- Ecosystem partners value
 - Collaborative nature and support of the Department
 - Staff's accessibility and responsiveness
 - Always seeking new opportunities
- Ecosystem partners believed the top challenges inhibiting current economic development delivery system model in the County to be:
 - Municipal politics
 - Budget & Resources
- Ecosystem partners would like to see the following changes if the current model remains:
 - Increased County EcDev capacity and activity in local municipalities
 - Increased support and collaboration with businesses and sectors
 - Explore the Chatham-Kent EcDev Model (internal department with geographical delivery model)

EDC Model

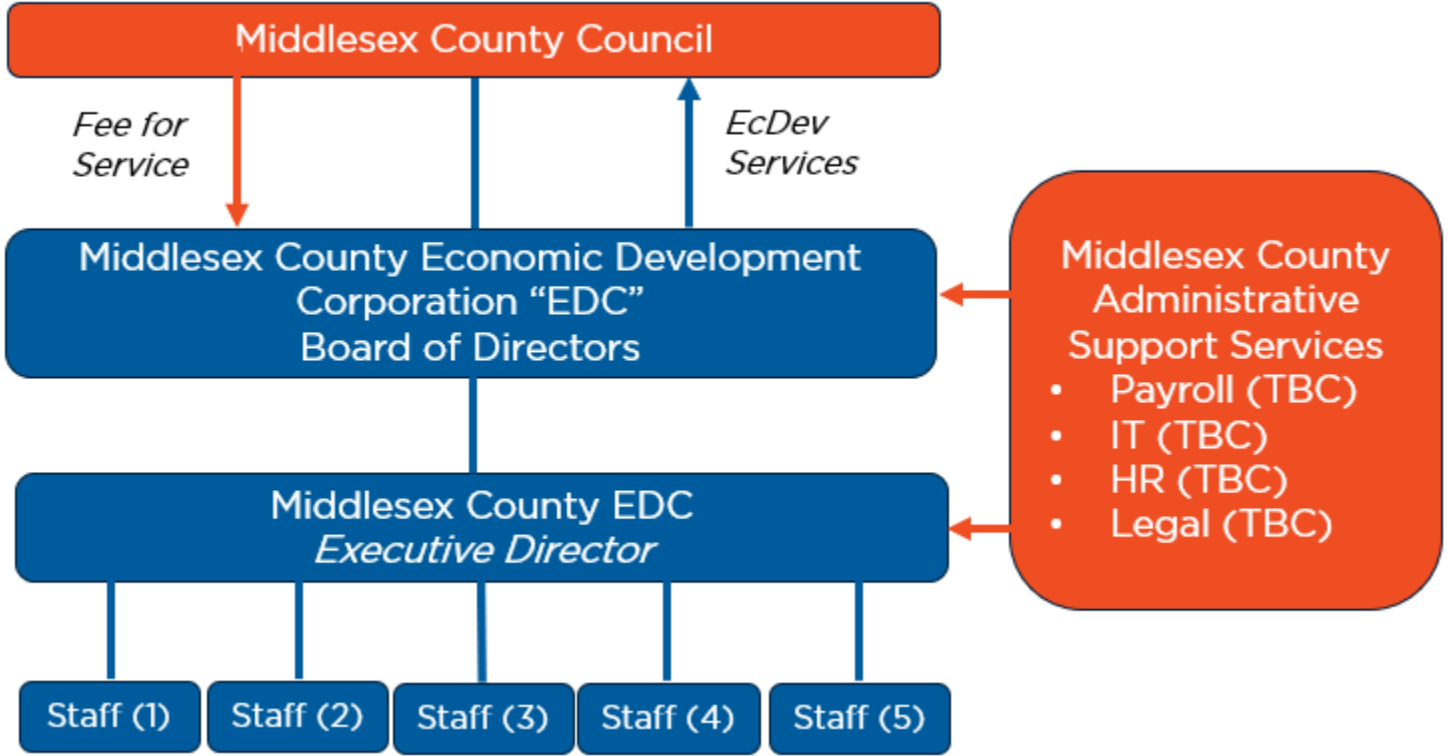
- Ecosystem partners were not opposed to seeing the County exploring the option in a different economic development and tourism delivery model that would better serve the needs of the local economy.
- Ecosystem partners believed the primary objective(s) of the EDC should focus on continued collaboration and partnership in pursuit of business investment and job growth across the County
- Ecosystem partners were predominantly in support of an EDC focusing on:
 - Business Retention & Expansion
 - Investment Attraction & FDI
- Some ecosystem partners indicated interest in exploring the option in co-locating in a physical space alongside Middlesex County EDC to better serve the Middlesex business community
- Some ecosystem organizations also indicated that partnerships and collaboration would be easier through an EDC model compared to the current internal department model

[3.]

Operating Models

Model 1 – Fully Autonomous Middlesex County EDC

The County would operationalize the Middlesex County Economic Development Corporation and shift current Economic Development Department functions to the EDC. The County would be the sole member of the Middlesex County EDC and the EDC’s Board of Directors would be accountable to County Council. A purchase of service agreement would be executed between the County and the EDC outlining the fees for service and the economic development services to be provided in return. Opportunities to leverage some of the Counties administrative services in order to reduce expenses and capitalize on economies of scale should be explored as is common with other EDCs.



Examples of this model currently in use in Ontario

- Sarnia-Lambton Economic Partnership (details pg. 9)
- London Economic Development Corporation (details pg. 12)
- Waterloo Region Economic Development Corporation
- St. Thomas EDC

Model 1 – Fully Autonomous Middlesex County EDC - continued

Advantages

- The County maintains a County-wide economic development service approach
- Arms-length entity that enlists the expertise of the business community to help guide the organization as members of the Board of Directors
- Autonomy to quickly pivot and act on economic opportunities and challenges as they arise
- Ability to establish partnerships with other organizations (i.e. Small Business Centre)
- Seek additional funding from various provincial and federal grant programs accessible only by non-profit organizations

Disadvantages

- Potential loss of institutional knowledge and current level of economic development services provided to the County and its local municipalities if not properly transitioned and resourced
- Potential conflicts of interest of Board members

Steps to Implementation

A steering committee would be established to facilitate the transition from the current department model to the EDC model. The anticipated transition period could take 6 - 9 months.

Step 1 – Council to amend EDC Board composition and By-law as needed

Step 2 – Recruit & appoint members to the EDC’s Board of Directors

Step 3 – Establish Purchase of Service Agreement between County and EDC

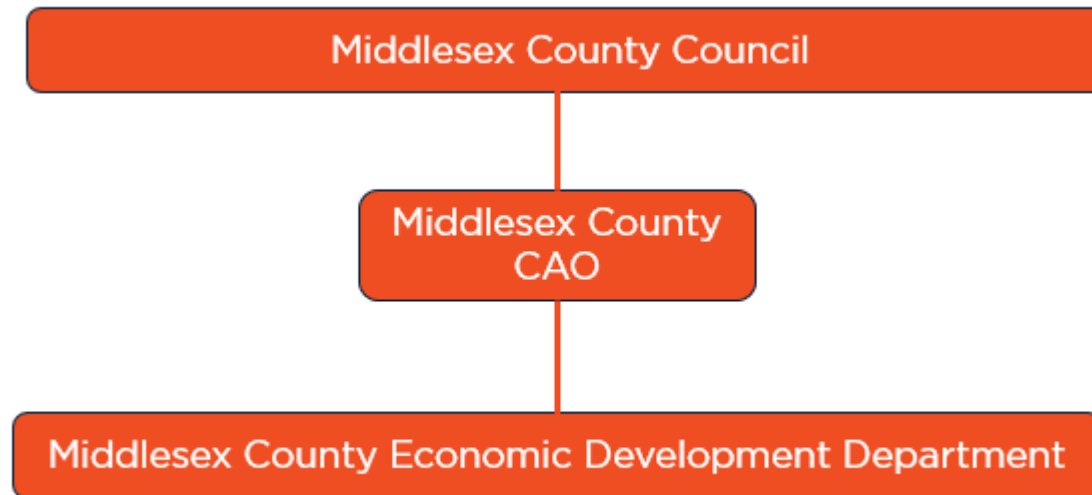
Step 4 – Staff the EDC and deliver EcDev services on behalf of the County

Step 5 – Report to Council on annual and/ or quarterly basis with agreed upon performance metrics

Step 6 – Present annual Business Plan to County Council for approval and funding

Model 2 – Current Model With Increased Resources

Alternatively, the County could decide to stay with the current internal economic development department model within the County. However, based on the results from the engagement exercise with member municipalities and economic development ecosystem partners there would be an expectation for the County to revisit the current delivery model and increase resources in order to realize a larger impact on the County economy.



Model 2 – Current Model With Increased Resources - continued

Advantages

- Maintain level of economic development service being provided to the County
- Direct accountability and transparency to County Council
- Continued integration with other County Departments

Disadvantages

- Does not solve issues raised through the engagement process
- Limited scope and flexibility may impact the ability to realize the economic goals of the County
- Limited funding and partnership opportunities for Department to pursue

Necessary Considerations to Enhance the Current Model

- 1 - Increase funding for the Department - member municipalities recognized economic development is not funded adequately based on wide portfolio of services
- 2 - Hire sectors specialists in Agriculture and Advanced Manufacturing
- 3 - Updated strategic planning and economic vision for the County
- 4 - Establish better physical presence across the County can be centrally located or across the County (hoteling /desk options in member municipalities)
- 5 - Assign staff to cover specific municipalities as a dedicated resource to member municipalities
- 6 - Measurable delivery of economic development services to the County's member municipalities

[4.]

Recommended Approach

Based on the background review and engagement results, the recommended approach would be to shift the County's Economic Development Department function to a fully autonomous Middlesex County Economic Development Corporation.

Defined Purpose and Functions of Middlesex County EDC

Middlesex County already has the ‘Middlesex County Economic Development Corporation’ entity established allowing for the full suite of objectives permitted under the Act. The next step would be to operationalize the EDC for the benefit of economic development across the County by shifting and not duplicating the services of its current internal economic development department to the EDC model. The Economic Development Corporation should be focused on the core functions of economic development. Ultimately, the continuation of economic development services need to be maintained but the Corporation under its objectives can adapt as the Board of Directors and the County sees fit.



Note: Based on past activities and the size/scope of the tourism file it would not be feasible for tourism to be cast on its own. As such it should included as a key element of the EDC function.

EDC's Role in Industrial Land Development

As part of our review process, the Consultant has explored the potential role a new EDC might play as an asset owner and industrial developer.

Many municipalities in Ontario are actively engaged in the provision and improvement of industrial lands, including both serviced and dry-industrial lots (business parks). In Middlesex County, three municipalities (Lucan-Biddulph, Southwest Middlesex and Strathroy Caradoc) maintain lands in public ownership for future development purposes. It is relatively common that land development is part of an EDCs core mandate.

Based on our background review and the insights of local stakeholder, we do not recommend that land acquisition/ownership is (or should be) a pre-requisite to a high-functioning Corporation, nor do we see that land acquisition should be an immediate priority. Efforts in the first three to five years should relate more pressingly to matters of capacity building, branding and program development.

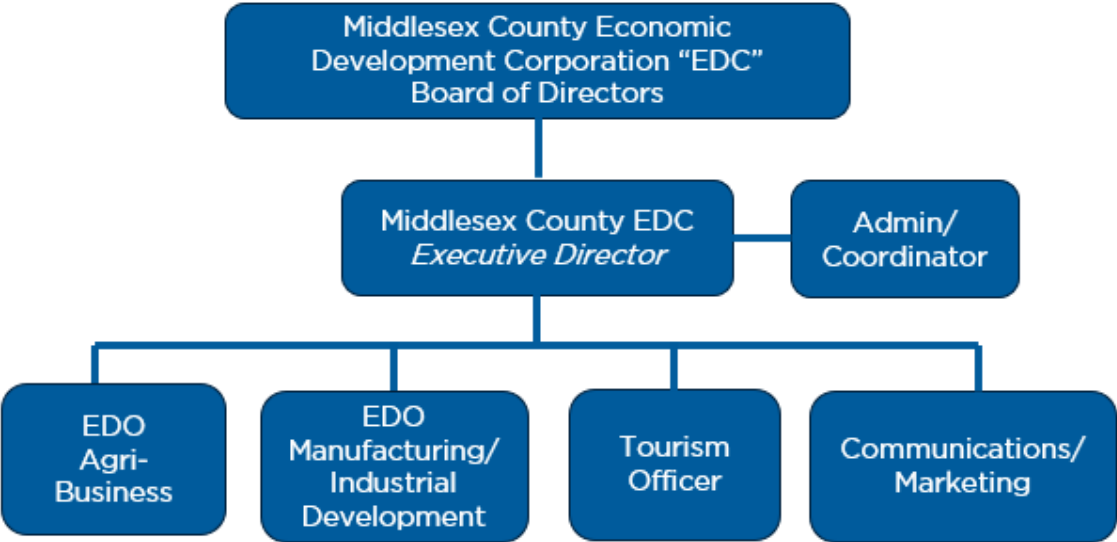
The current EDC's mandate includes specific provisions for land acquisition and disposition activities. We suggest that these provisions remain fully in-tact as part of the EDC tool kit.

Opportunities for future land ownership/acquisition should be secured on an opportunity-by-opportunity basis. It is not anticipated that the EDC plays an active, day-to-day role in the local/regional industrial land market.

Organizational Structure Options

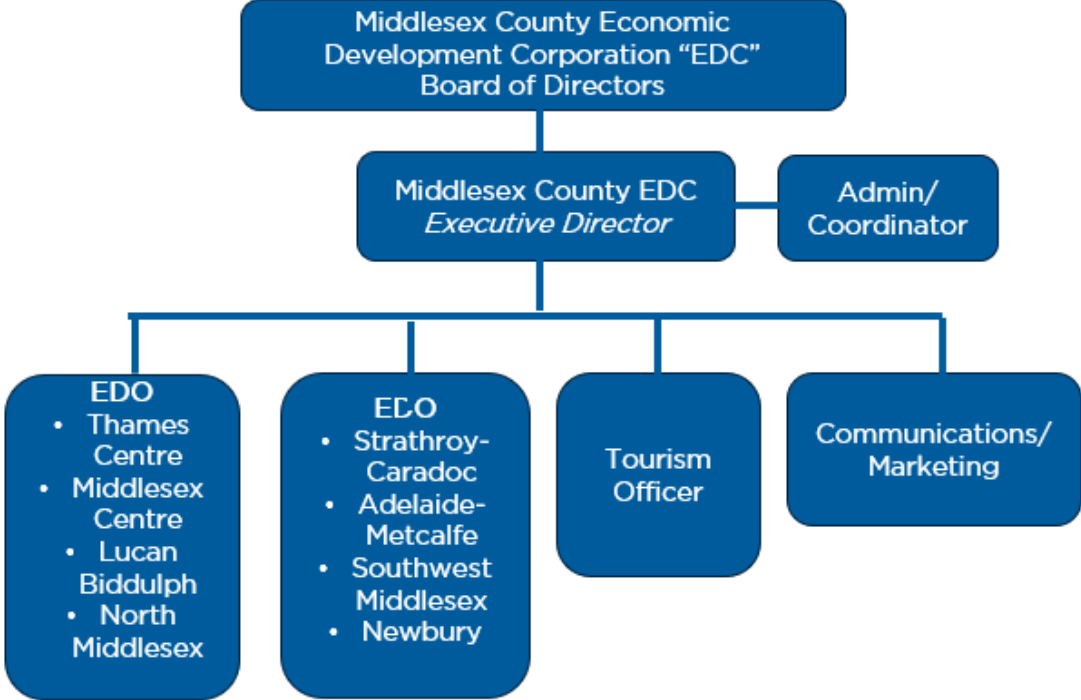
Three organizational structure options are presented below. All three options are led by an Executive Director reporting to the Board Directors and managing a staff of five (5) full-time individuals. The staff compliment is relatively similar to the current department model with the addition of a communications and marketing person as that function is currently provided by another Department within the County.

Option A: Aligned By Industry Sector



This structure prioritizes service functions aligned to the County's key sectors with staff specializing within a respective. The team would be supported by a Communications and Marketing professional.

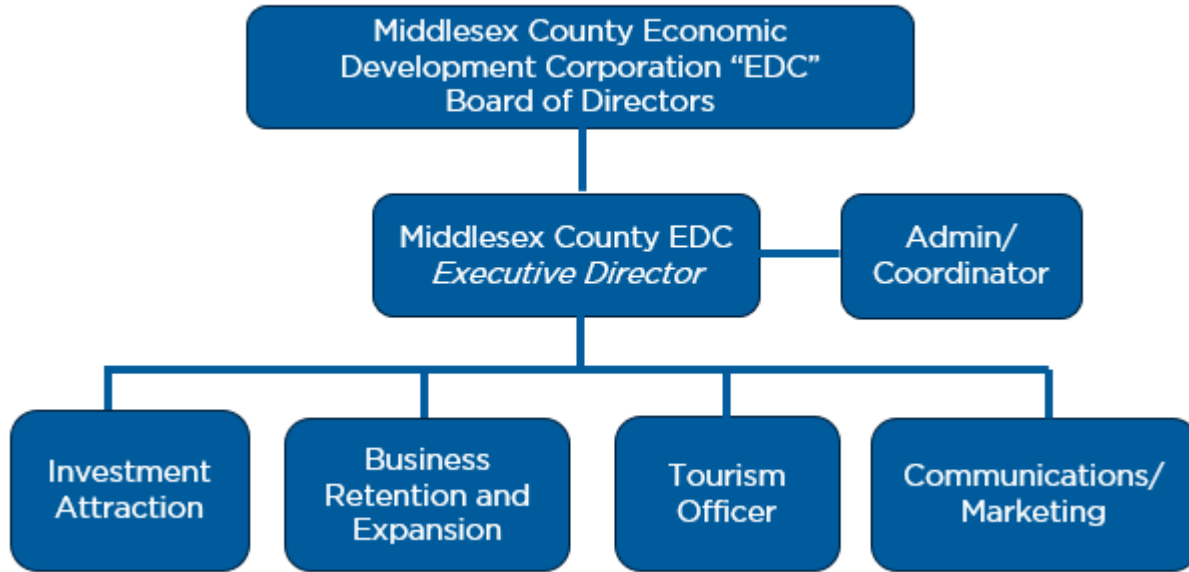
Option B: Aligned by Local Geography



This structure prioritizes service functions aligned to individual member municipalities by splitting the County between two EDOs and a Tourism Officer. The team would be supported by a Communications and Marketing professional. If this option is selected, local municipalities could pay for additional services mutually agreed upon by the EDC if they feel its warranted outside of County funded services.

Organizational Structure Options (continued)

Option C: Aligned By Function



This structure prioritizes business development functions. Each team member would specialize in either Investment Attraction, Business Retention and Expansion and Tourism. The team would be supported by a Communications and Marketing professional and administrative coordinator.

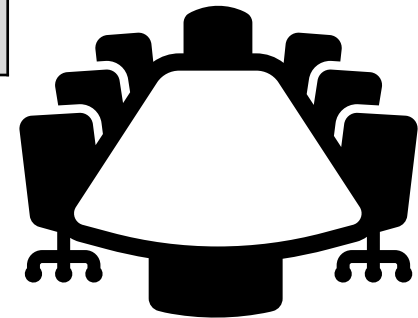
EDC Board Composition (Size/Make-up)

An EDC provides the opportunity for the County to leverage a diverse range of external skills and expertise from its local business leaders, workforce development partners and other economic development ecosystem partners to serve on the Board of Directors. The Board of Directors will advise and guide the operations of the economic development corporation.

Based on a review of other Economic Development Corporations in Ontario, the Board structure usually consists of 9-13 members predominantly made up of citizen members representing various businesses, industries, associations and/or institutions providing a cross section of the community. Council representation is usually limited to 2-3 members typically with Mayor and/ or Warden plus an additional 1 or 2 councillors. This allows for direct Council oversight in addition to required reporting to Council as outlined through a formalized service agreement(s).

	London Economic Development Corporation	Huron County Economic Development Corporation Board	Sarnia-Lambton Economic Partnership	Invest WindsorEssex	St. Thomas EDC	Rural Oxford Economic Development	Average
Total Number of Directors	12	11	13	11	9	10	11
Members of Council as Directors	1	3	2	2	3	0	2

Recommendation: County Council should amend the EDC By-Law to include Citizen Directors and limit up to three (3) Council Directors.



EDC Board Composition (Terms/Eligibility)

The Board of Directors for the Middlesex County Economic Development Corporation should reflect a broad range of skills and expertise that reflect the County's economy and the direction it envisions. The Board should establish a nominating committee that recruits and evaluates potential directors on a set of criteria that will meet the needs of the Board and the Corporation as a whole. The decision to appoint and or reject nominations ultimately sits with County Council as the sole shareholder in the EDC. Below are a set of criteria that should be considered for prospective board members.

General Requirements:

- Resident of Middlesex County
- Middlesex County Business Owner
- Employee of Middlesex County based business or organization
- Previous Board & Governance Experience
- Previous leadership roles
- Financial or Legal expertise
- Strategic Planning and Business Planning experience

Professional and Industry Representation:

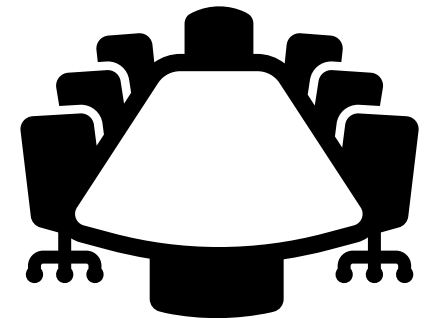
- Professional service providers
- Industrial, Commercial and Institutional Real Estate & Development Professionals
- Business Owners/ Industry representatives (Agriculture, Manufacturing, Tourism, Small Business)
- Education & Training
- Economic Development Ecosystem Partners (i.e. CFDC, Workforce, Small Business, etc.)

Geographic Representation:

- Consideration for membership to have geographic representation across Middlesex County

Director Terms:

- **County Council Directors** should be appointed for terms concurrent with their term of Council.
- **Citizen Members** should be appointed for a three-year term with the option for a further three-year term. The initial appointments should be staggered with 1 – 3 year terms to ensure Board continuity.



EDC Funding Model

Based on a review of other local and upper-tier economic development corporations across Ontario. EDCs are primarily funded by their municipal member(s) in return for economic development services. In addition to core municipal funding, an EDC has a greater ability to pursue additional funding opportunities from both the public and private sector to augment its activities.

Core Funding (Municipal)

The core funding for the Middlesex County Economic Development Corporation depends on the County maintaining its level of funding it currently provides to the economic development department and reallocating it to the EDC at a minimum. The County's EDC contribution should be a part of the County's tax levy based on a per capita basis. Based on background research of comparable organizations delivering economic development and tourism services, the EDC would require a contribution of \$900k to \$1.3M from the County annually to operate.

Many communities use a multi-year purchase of service agreement between the Municipality (municipalities) and their Economic Development Corporation outlining the fees and economic development services to be provided in return. These multi-year (generally 3-5-year agreements, with renewable options) are considered imperative to the success of an EDC based on feedback from EDCs across the province.

Annual funding requests typically align with the municipality's budget cycle and the EDC is typically required to provide an annual business plan outlining how the funds will be allocated over the course of the fiscal year and subject to Council approval.

Fees for Additional Services (Member Municipalities)

Individual member municipalities seeking additional services can contract the EDC to undertake services for a fee if they require. The additional services would be out of scope from County funded services. This may be applicable if the EDC selects the 'By Local Geography' organizational structure (see pg. 26).

Government Grants (Senior Government)

EDCs also capitalize on Provincial and Federal grant programs that are also commonly leveraged by internal municipal Economic Development Departments. These grants are normally only available to organizations with stable core funding in place. Grants are typically project based and may not necessarily provide stability for multi-year programming. Examples of Federal and Provincial sources of funding and grants include:

- FedDev Ontario's funding for organizations that help businesses grow
- Ministry of Labour, Immigration, Training and Skills Development
- Ministry of Economic Development, Job Creation, and Trade
- Canada Summer Jobs
- Ministry of Agriculture, Food and Rural Affairs: Rural Economic Development
- Ontario Business Improvement Area Association
- Global Affairs Canada; CanExport Community Investments

Greater opportunities exist for not-for-profit organizations with strong municipal partnership to level the capacity of the private and public sector including all levels of government.

Private Funding/ Sponsorships

An EDC has the ability to seek private funding and sponsorships to undertake activities and initiatives, but the EDC continues to function as a not-for-profit entity.

Performance Measurements

Key to the success of any organization is having measurable goals, objectives and targets which can be used to monitor and articulate success to stakeholders. An EDC's performance measurements should be focused both on its activities and outputs which are in its control as well as the results which are not necessarily always in its sole control (i.e. an investor's decision whether to locate within the community).

Measurements

Performance measurements are best aligned when they are defined by the activities and projects to be undertaken typically associated with an organization's Strategic Plan. Below are some common measurements based on different functions of an EDC.

Business Retention & Expansion and Investment Attraction

- # of business outreach visits conducted by the EDC and supports provided to the business
- # potential investors in the pipeline (size of investment, target sector)
- # of prospective investors site visits to Middlesex County
- # of business expansions and new investment (capital investments ,jobs created and/ or retained and industrial tax revenue generation)

Tourism

- # of tourism products produced
- # of annual visitors and overnight stays

Marketing and Communication

- # of followers and engagements from the marketing channels that are used by the Corporation
- # of methods of communication undertaken
- # of partnerships
- # of municipal conversations, etc.

Reporting Tools

The Economic Development Corporation is ultimately accountable to Middlesex County Council as the sole shareholder in the Corporation. The EDC should establish routine communication updates directly with County Council presenting the agreed upon performance measurements. This will ensure transparency and effectively justify the County's investment into the Corporation.

A variety of tools and can be used to monitor performance and report activities:

- Annual report of activities and audited financial statements (as required by the Corporation's By-laws)
- Quarterly activity reports circulated to Council and the public
- Annual business plan of activities and associated funding request
- Other special updates to Council depending on the initiative
- On-going communication and collaboration with the County and its member municipalities

Branding and Office Space

Branding/ Marketing

The corporation is currently named the 'Middlesex County Economic Development Corporation.' This naming practice is common among most other economic development corporations in Ontario. It clearly states the geography and municipal entity the corporation represents. By keeping Economic Development Corporation in the corporate name, it establishes credibility as the lead economic development agency within the jurisdiction.

Alternatively, some economic development corporations use an Invest 'area' naming practice that brings a call to action for the organization. For example, Invest WindsorEssex. In the case of Middlesex County, implementing such a naming practice may be limiting when Tourism is recommended to remain as part of the EDC's portfolio.

Middlesex County's Economic Development Department has already established two strong brands with 'Invest in Middlesex' for economic development and 'Visit Middlesex' for tourism that should migrate to the EDC for continued utilization and marketing purposes. Both brands will need to evolve away from using the County's logo and marketing standards and develop unique brands for the purposes of attracting investors, businesses and visitors.

Office Space

The EDC will require dedicated office space for its operations. Through the engagement it was recognized among interested parties that the economic development department's current office situation is inadequate and lacks presence within the County.

Office requirements:

- Located centrally within the County (A perception issue to drive into London when meeting a potential investor interested in the County)
- Space should provide public facing /access
- Provide meeting space to host investors and seminars for business community

Based on the engagement exercise with the economic development ecosystem partners there is interest among some partners to investigate opportunities to co-locate. This would provide the opportunity to provide a suite of services to the business community in one location.

In addition to a central EDC office location, satellite options (non-permanent) could be explored if a geographical organization approach is taken including:

- Utilizing the County's Library network
- Hoteling/ desk space options within the individual member municipalities

[5.]

Conclusion

Conclusion

Having weighed the options and listening closely to local interested parties with an interest in Middlesex's economic performance, this report concludes that the launch of a new Middlesex County Economic Development Corporation (EDC) and the formal transition of the County's Economic Development Department into a new EDC entity would benefit the County, its member municipalities and the business community.

The report provides a background review of the current economic development delivery model in Middlesex County and a review of economic development corporations in Ontario. Based on a comparative analysis of other neighbouring economic development departments and corporations it was determined, the County's current economic development efforts are under resourced. The analysis also determined based on the population size and the current budget in comparison to EDCs it would be feasible for the County to pursue an economic development corporation model to replace the current internal department.

An extensive engagement process (Spring/Summer 2024) was conducted with the County's member municipalities and economic development ecosystem partners that determined the current county-wide economic development department status quo needs to change to generate greater impact on the County economy. Engagement results suggest that, if an economic development corporation were to be established, its primary mandate should be the pursuit of new investment and promotion of programs that stimulate economic growth.

The recommended approach would be to shift the County's Economic Development Department function to the Middlesex County Economic Development Corporation which the County has already legally established. The County would need to be the EDC's core funder by maintaining its current level of funding it provides for economic development however the EDC would have a greater ability to pursue grants and other sources of funding to augment its activities across the County.

The shift would benefit the County, its member municipalities and ecosystem partners and provide an autonomous entity to lead, develop and coordinate the County's economic development efforts.



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