

Economic Development

Implementation Strategy for the Establishment of an Economic Development Corporation



Overview

The County of Middlesex is poised to enhance its economic landscape through the establishment of an Economic Development Corporation (EDC). This initiative aims to stimulate economic growth, attract investment, create jobs, and improve the overall value proposition for commercial and industrial investment, visitors and residents. The EDC will serve as a catalyst for greater collaboration between public and private sectors, fostering an environment conducive to sustainable development.

Background

The County of Middlesex has experienced both opportunities and challenges in its economic development journey. With a diverse economy and a strategic location, the county has the potential to become a regional hub for business and innovation. However, to fully realize this potential, a structured approach to economic development is necessary.

Recognizing that the Middlesex County Economic Development Strategic Plan that was compiled in the midst of the COVID-19 pandemic would expire in 2025, Middlesex County took the initiative to undertake a comprehensive review, best practice and competitive analysis of its economic development service delivery. The result of this review was concluded in recommendations delivered in the [Middlesex County Economic Development Corporation Strategy](#) that was considered by Middlesex County Council at the meeting of September 24, 2024, at which Council passed the following motions:

THAT the Middlesex County Economic Development Corporation Strategy presentation be received for information;

AND THAT County Council direct staff to bring forward a Middlesex County Economic Development Corporation - Implementation Strategy during 2025 Budget Deliberations for Council consideration.

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Objectives

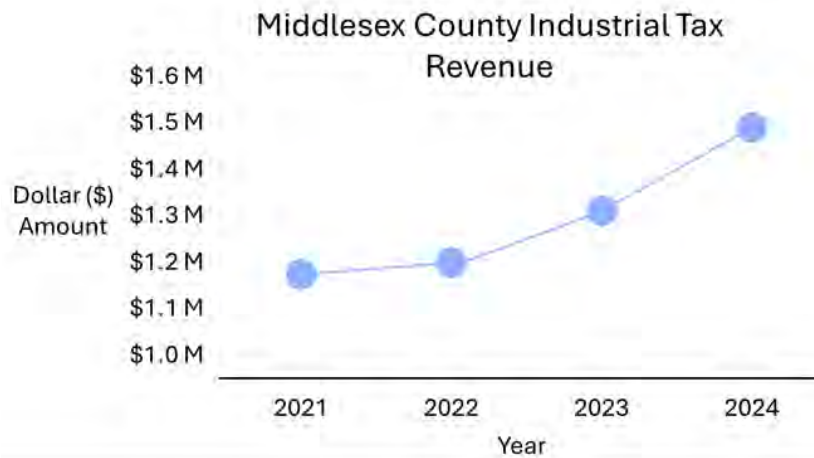
- To better diversify thereby, increasing the tax base of the County of Middlesex
- To attract and retain businesses in the County of Middlesex.
- To create and retain job opportunities for residents.
- To promote sustainable economic growth and development.
- To enhance the county's competitiveness in attracting investment.
- To foster collaboration among key partners, including all levels of government, businesses, and community organizations.



Market Analysis

Economic Overview

- 1 Tax Rates:** There is a marked opportunity for Middlesex County to diversify its tax base. While several new industrial projects have been solidified in the past three years, and growth of the industrial tax revenue of Middlesex County has shown year over year improvement, one long-standing automotive manufacturer closed its doors in 2024, and the County remains heavily reliant on its residential tax base with less than 3% of the levy being generated through industrial tax.



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Schedule "A"

TAXATION YEAR 2024

County of Middlesex
Calculation of 2024 Tax Rates

A = 0.00443866

Property Class	1 Total CVA & PIL's	Tax Ratio	3 Discount (in brackets)	2023 W.A	4 2024 W.A (col. 1 x 2 x 3)	% inc. W.A.	5 2024 Tax Rates (col. 2 x 3 x A)	6 2024 Levy (col. 5 x 1)	7 % by property class
Residential	9,042,459,350	1.000000	1.00	8,888,662,978	9,042,459,350	1.7	0.00443866	40,136,311.00	72.69
FAD (C,I,M,R)	1,989,800	1.000000	(35%) 0.65	1,639,820	1,293,370	-21.1	0.00288513	5,741.00	0.01
Farm	6,763,959,124	0.250000	1.00	1,656,498,196	1,690,989,781	2.1	0.00110967	7,505,763.00	13.59
Managed Forests	23,169,500	0.250000	1.00	5,681,400	5,792,375	2.0	0.00110967	25,710.00	0.05
Pipelines	318,930,000	1.055500	1.00	328,090,565	336,630,615	2.6	0.00468501	1,494,190.00	2.71
New Multi - residential	28,117,000	1.000000	1.00	26,295,000	28,117,000	6.9	0.00443866	124,802.00	0.23
Multi - residential	111,200,100	1.769700	1.00	199,778,071	196,790,817	-1.5	0.00785510	873,488.00	1.58
Commercial Occupied	656,354,957	1.144900	1.00	720,195,819	751,460,790	4.3	0.00508182	3,335,478.00	6.04
Commercial Vacant Land	24,051,500	1.144900	(30%) 0.70	20,242,319	19,275,594	-4.8	0.00355728	85,558.00	0.15
Industrial Occupied	201,884,854	1.745100	1.00	319,609,575	352,309,259	10.2	0.00774591	1,563,782.00	2.83
Industrial Vacant Land	11,604,415	1.745100	(35%) 0.65	12,940,169	13,163,062	1.7	0.00503484	58,426.00	0.11
Landfill	1,283,400	1.100000	1.00	1,411,740	1,411,740	-	0.00488253	6,266.00	0.01
Totals	17,185,004,000			12,181,045,650	12,439,693,753	2.1		55,215,515.00	100.00

CVA = current value assessment
PIL's = payments in lieu of taxes
FAD = farmland awaiting development
W.A. = weighted assessment

Note: numbers may vary due to rounding

Calculation of 2020 Residential Tax Rate

2023 County Levy	52,530,030
	1,115,404
	<u>53,645,434</u>
2024 County Levy	55,215,515
divide by weighted assessment	12,439,693,753

2023 residential tax rate 0.00431244
2024 residential tax rate 0.00443866 = A

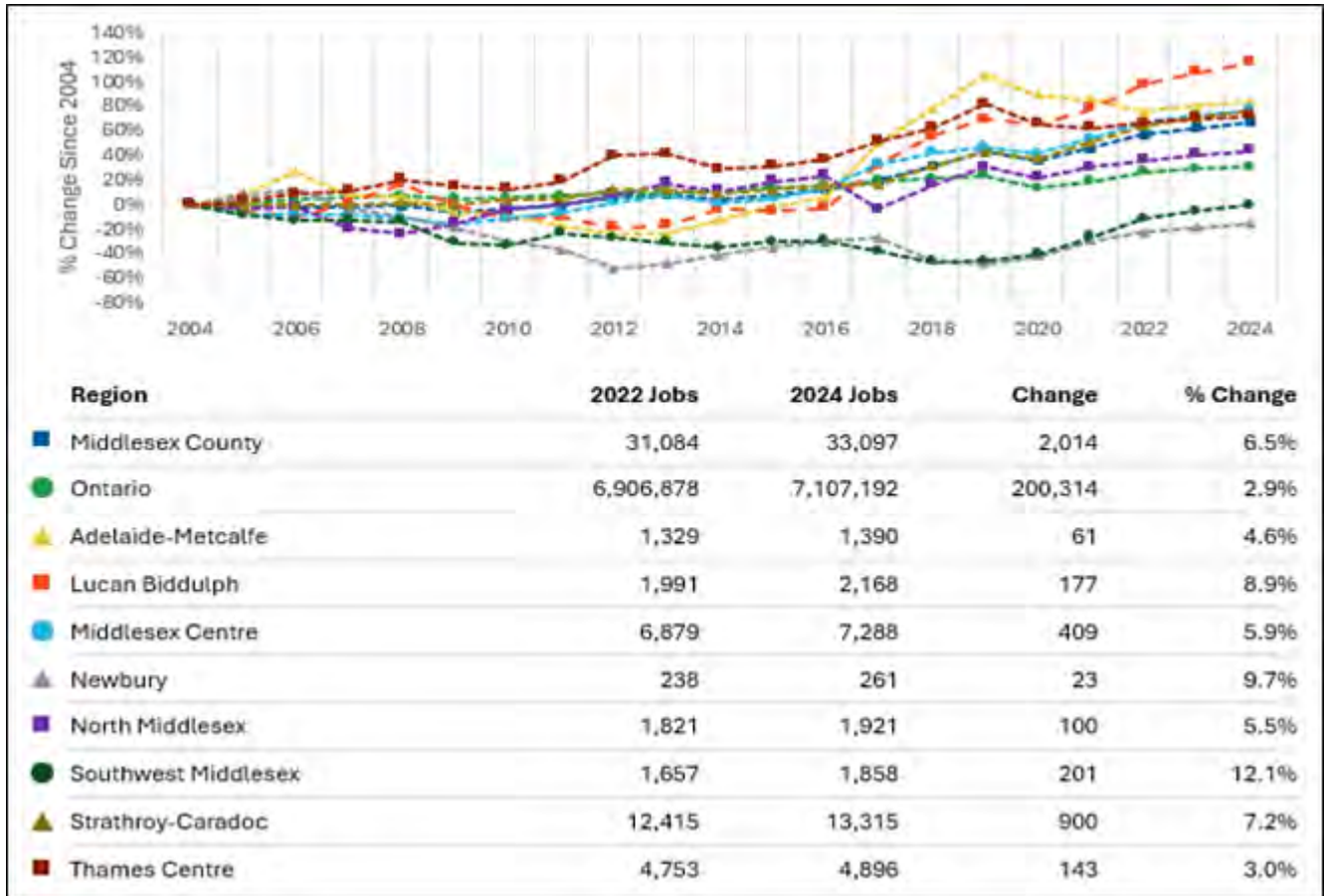
assessment data: source MPAC Control Totals	2023 Tax Rate 0.00431244	2024 Tax Rate 0.00443866	inc. \$	inc. %
Residential taxes per \$ 100,000	\$ 431.24	\$ 443.87	\$ 12.62	2.93
\$ 150,000	\$ 646.87	\$ 665.80	\$ 18.93	2.93
\$ 303,000	\$ 1,306.67	\$ 1,344.91	\$ 38.24	2.93

2 Key Industries: Middlesex County has a diverse economy with key industries including agriculture, advanced manufacturing, tourism and services. The agricultural sector is significant due to the county's rural landscape, while manufacturing plays a crucial role in providing employment and economic stability. The service sector, including healthcare and education, has been growing, reflecting broader trends in urbanization and population growth. Tourism is the fastest growing sector in London-Middlesex region and is a key focus for investment attraction.

3 Employment and Labour Force Participation: Middlesex County has experienced few business closures, and employment has consistently increased to serve both existing and new companies choosing to do business in the region. From 2022 to 2024, Middlesex County experienced a 6% increase in jobs. There was no decrease in jobs in any municipality in Middlesex County during this period. Each municipality in Middlesex County had an increase in job growth greater than the provincial average.

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Labour force participation rates in Ontario have remained steady over the course of the past year with less than a 0.5% variation (Statistics Canada: Table [14-10-0287-02](#))

The prime age for labour force participation (25-54 years of age) in the London CMA (including most of Middlesex County) has grown by 13% since 2020 and represents 42% of the total regional population. The population of those representing the next generation of workers (0-24 years of age) represents a lower percentage of the total regional population at only 29% and is experiencing a much slower rate of growth at only 6.1% over the same period. (Statistics Canada: [17-10-0152-01](#))

4

Demographic Trends: Middlesex County has experienced significant population growth, driven by both natural growth and migration.

The demographic profile of Middlesex County indicates an engaged and stable workforce. However, the demand for workers in and around Middlesex County due to recently announced industrial investments will put pressure on existing and new employers to compete for labour.

Workforce attraction will remain an important component for economic development. The attraction of younger families to the area will be of particular importance to provide succession for the aging workforce. Demographic shifts are impacting

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housing demand as well as the demand for infrastructure, inter-community and local services.

Opportunities for Growth

Middlesex County offers a variety of commercial and industrial opportunities due to its strategic location, access to transportation networks, and diverse economy. The county is well-positioned near major urban centres such as London, which can attract businesses looking for proximity to larger markets. Key investment opportunities include:

- 1 Agriculture and Agri-food:** Middlesex County has a strong agricultural base, providing opportunities for agri-businesses, food processing, and related industries.
- 2 Manufacturing:** The region has a history of manufacturing, particularly in sectors like automotive, machinery, and technology, which can be further developed.
- 3 Logistics and Distribution:** With its prime access to highways and rail, there are opportunities for logistics companies to establish dry industry in Middlesex such as transfer stations and distribution centres.
- 4 Renewable Energy:** The County has potential for renewable energy projects, such as green, water conservation, and solar installations, which can attract investment and create jobs.
- 5 Commercial Development:** Key opportunities for commercial growth in Middlesex County are outlined in the Commercial Investment Attraction Action Plan compiled by the Economic Development Department in partnership with the Ontario Ministry of Rural Affairs in 2024.
- 6 Tourism and Recreation Enterprise:** The natural beauty, proximity to markets, transportation and recreational opportunities in Middlesex County can be leveraged to boost tourism-related businesses as outlined in the [2024 Middlesex County Tourism Investment Tool-kit](#).

Limitations to the Current Economic Development Service Delivery Model

Middlesex County offers a variety of commercial and industrial opportunities due to its strategic location, access to transportation networks, and diverse economy. The county is well-positioned near major urban centres such as London, which can attract businesses looking for proximity to larger markets. Key investment opportunities include:

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- 1 **Lack of Coordinated Service:** Without a centralized economic development body, municipalities can struggle to present a unified front to attract businesses, leading to missed opportunities.
- 2 **Resource Limitations:** Local municipalities can lack the resources and expertise needed to effectively promote their unique assets and attract investment. Municipal governments are limited in the funding that they can both access and distribute.
- 3 **Competition for Investment:** Neighbouring areas with established economic development corporations can have more robust marketing strategies and incentives, making it harder for Middlesex County to compete.
- 4 **Tailored Support:** Each municipality and industry has unique needs and values, and without a dedicated organization it can be challenging to provide tailored support.
- 5 **Networking and Collaboration:** The absence of a central body can hinder networking opportunities among businesses and between municipalities, limiting collaboration that could drive economic growth.

Addressing these challenges through the establishment of the EDC will help the municipalities in Middlesex County better leverage opportunities and enhance competitiveness in the region.

Competitive Analysis

While the tax rate of Middlesex County remains one of the lowest in Southwestern Ontario, and therefore more attractive rates for investment, the heavy reliance of Middlesex County on residential taxation puts member local municipalities at a disadvantage when compared to the realization of commercial and industrial taxation by neighbouring municipalities.

Tax Levy Classification Share			
Municipality	Residential	Commercial	Industrial
Huron County	89.73%	6.63%	2.89%
Middlesex County	86.09%	5.72%	2.68%
Elgin County	87.91%	5.81%	3.18%
Perth County	86.26%	6.24%	3.18%
Wellington County	83.49%	8.18%	5.24%
Lambton County	76.48%	13.70%	5.40%
Essex County	84.00%	6.91%	5.94%
Oxford County	72.52%	12.45%	9.46%
Average	83.31%	8.20%	4.62%

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Proposed Structure of the EDC

Incorporation of the Middlesex County EDC

The Middlesex County EDC was established by Council in 2018. The corporation was set up broadly to allow for the delivery of any economic development service permitted under the Municipal Act 2021, and its regulations. There has been no amendment to the Act since the EDC was registered, making the Letters of Incorporation still relevant.

Funding Sources

Base operational funding of the EDC to ensure the sustainability of its efforts will be provided on a pre-determined per capita funding model consistent with other municipally funded economic development service agencies in Southwestern Ontario. Additional revenue will be garnered through external funding sources including government grants for sector specific and ongoing projects, as well as partnerships with local stakeholder groups, workshops and consulting services using the expertise of the EDC.

Programs and Services

In addition to carrying out the core functions of the economic development service for Middlesex County and its member municipalities, the EDC will leverage additional programming to offer new programs to support local industry such as workforce development initiatives, and small business programming. This may be accomplished in partnership with other levels of government through non-profit related funding, fee-for-service, or social enterprise.



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Phases of Implementation



Phase 1: Establishment

(Year 1: Anticipated Completion Date - October 1, 2025)

- Steering Committee established by County Council
- Business plan compilation
- Governance and by-laws confirmed
- Key personnel hired
- Physical space secured



Phase 2: Program Development

(Year 2-3)

- Launch of targeted programs to support local businesses and attract new investments
- Extensive marketing and partnership building
- Establish key performance indicators (KPIs)



Phase 3: Evaluation and Growth

(Year 4-5)

- Assess the Return on Investment of the EDC's initiatives based on corporate objectives and KPIs
- Refine business plan strategies based on feedback and outcomes

Financial Analysis



A three-year forecast, including operational costs, program funding, and anticipated revenue has been prepared and is attached to this report for consideration.

Conclusion



The formal establishment of the Middlesex County Economic Development Corporation represents a strong strategic investment in the economic health of the community. By fostering economic growth, creating and retaining jobs, and enhancing the quality of life for residents through the attraction of investment, the EDC will play a vital role in shaping a prosperous and sustainable future for the county.

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MIDDLESEX COUNTY ECONOMIC DEVELOPMENT CORPORATION			
THREE YEAR PRO-FORMA BUDGET			
DESCRIPTION	2025	2026	2027
REVENUE			
MC Contribution - Operating	1,201,383	1,201,383	1,201,383
Confirmed Grants / Sponsorships	5,833	-	-
Grants / Sponsorships - Applications	190,500	250,000	297,050
Per Diems - SOMA	3,000	6,000	6,000
Other Revenues	1,250	5,000	10,000
TOTAL REVENUE	1,401,966	1,462,383	1,514,433
EXPENSES			
WAGES COST			
Salaries Expense (Gross)	415,000	519,669	540,483
SUB-TOTAL - WAGES	415,000	519,669	540,483
EMPLOYMENT RELATED COSTS			
Employee Benefits (All)	124,500	155,901	162,145
SUB-TOTAL EMPLOYMENT COSTS	124,500	155,901	162,145
OVERHEAD			
Occupancy Costs			
Rent	27,750	57,000	57,000
Repairs and Maintenance	2,000	6,000	6,300
Utilities Expense	2,000	6,000	6,300
Insurance Expense	5,000	5,000	5,250
Sub-Total Occupancy	36,750	74,000	74,850
Admin & Program Costs			
Cell Phone Expense	3,100	2,200	2,310
Equipment Rental	4,536	4,536	4,763
Director's Expense (Travel & Training)	5,000	5,000	5,250
Conventions	6,000	6,000	6,300
Tourism Special Event Sponsorship/Hosting	34,000	34,000	35,700
Videography & Photography - All	37,500	37,500	37,500
Promotional Items - All	10,500	10,500	11,025

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MIDDLESEX COUNTY ECONOMIC DEVELOPMENT CORPORATION			
THREE YEAR PRO-FORMA BUDGET			
DESCRIPTION	2025	2026	2027
OVERHEAD - Continued			
Ec. Dev. Special Events - Hosting/Sponsor	12,500	10,000	10,500
Industrial Lands - Readiness /Certification	40,000	38,750	40,688
CIP Supports	50,000	50,000	52,500
Workforce and Agricultural Projects	50,000	50,000	52,500
Sector Stakeholder Roundtable Meetings	5,000	5,000	5,250
Business Retention & Expansion Programs	5,000	5,000	5,250
Print Materials - All	15,000	26,250	27,563
Advertising Expense - All	60,000	60,000	63,000
Websites - All	16,000	8,000	8,400
Membership Dues & Fees	11,500	11,500	12,075
Seminary and Workshop Hosting	2,500	2,500	2,625
Employee Training	5,000	5,000	5,250
Investment Strategy Implementation - All	90,000	72,248	75,860
Office Supplies	6,000	6,000	6,300
Postage Expense	1,500	1,500	1,575
Travel - Mileage - Staff	9,750	9,000	9,450
Software Expense	17,330	17,330	18,197
Sub-Total Administration	497,716	477,814	499,830
Sub-Total Overhead	534,466	551,814	574,860
AUDIT			
Audit Fees	5,000	5,000	5,250
SUB-TOTAL AUDIT	5,000	5,000	5,250
SPECIAL INITIATIVES FUND (TGF)	220,000	220,000	220,000
CONSULTING AND LEGAL FEES	7,500	3,000	3,000
TOTAL EXPENSES	1,306,466	1,452,383	1,502,558
	95,500	7,000	8,875
LESS:			
CAPITAL ASSET PURCHASE	95,500	7,000	8,875
SURPLUS / (DEFICIT)	-	-	-