

Burlington Economic Development Corporation

Economic Development Strategy 2009-2019



Engaging the Global Economy

Burlington's Strategy for a Prosperous Future

Burlington will possess a high performance economy that supports individual company success creates a dynamic business environment (encouraging innovation and the production of leading goods and professional services) and strengthens the community's ability to provide its residents with an envious quality of life.

Introduction

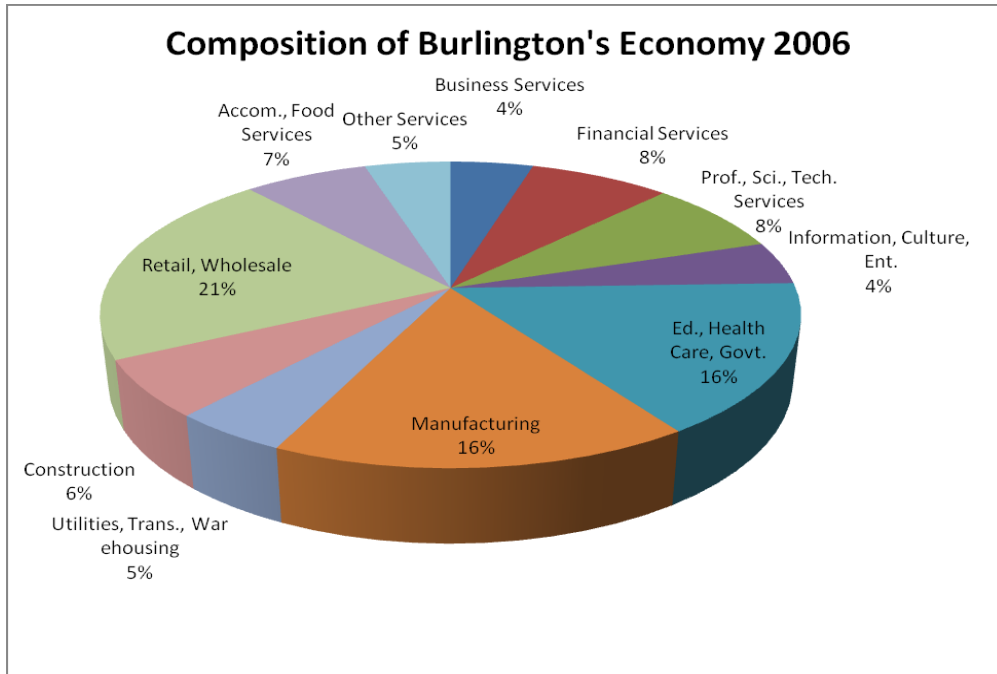
The Burlington Economic Development Corporation believes that the City has the necessary economic base, talent pool, infrastructure and private and public sector leadership to respond to the current economic climate and position Burlington for significant future economic growth in the global economy. The starting point is to develop and agree upon a common vision of what the City's economy will look like ten years from now. BEDC has established an Economic Development Strategy Task Force to examine this question and create a number of specific goals and objectives with respect to what we want to achieve over the next decade and to create a yard stick for measuring success along the way.

The purpose of this report is to present a set of economic goals, objectives and targets for inclusion in the BEDC and City's jointly approved economic development strategy.

Burlington Has a Firm Foundation for Growth

The Burlington economy is not broken. Its traditional manufacturing base has been enhanced over the years by the growth of high value professional services firms and the emergence of a number of advanced manufacturing companies like Etratech, Gennum, Sound Design Technologies, Zeton, XYZ, Ecodyne and Eco Waste. In addition, the continuing growth of the public and medical services sectors, along with retail/trade and logistics sectors has created a diversified economic base.

The chart below shows the composition of Burlington's economy. Burlington has nearly 13,000 firms employing about 88,300 people. Local employment is balanced across a number of different sectors with a quarter of the jobs (24%) engaged in professional services. The importance of the professional services sectors is that they produce a higher level of economic activity (GDP per worker) than many other sectors allowing them to generally pay higher wages to their employees. Manufacturing also produces a relatively high level of economic activity and continues to provide 16% of the jobs in Burlington.



Source: Statistics Canada – 2006 census, place of work

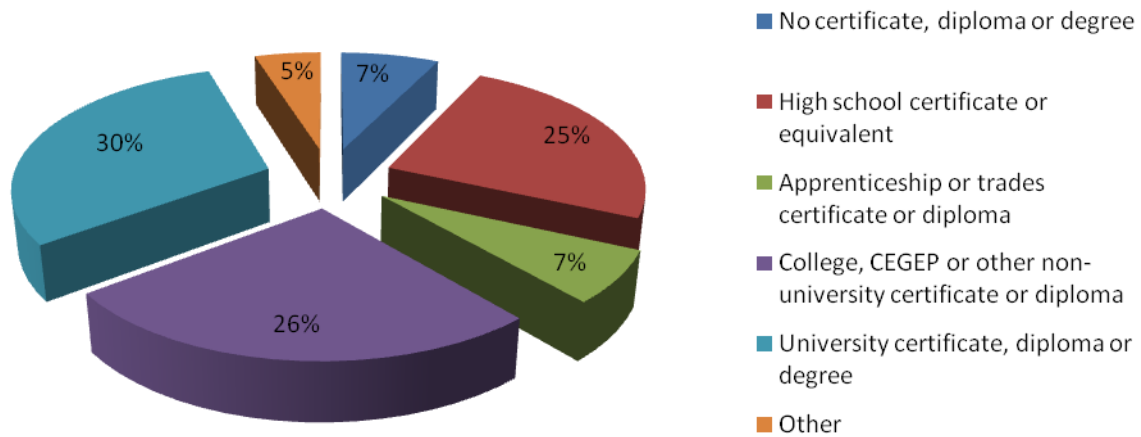
Like an individual with a diversified investment portfolio, a balanced economic base provides short-term stability during tough economic times and a strong base for future long-term growth. Maintaining and strengthening a diverse economy is a primary economic development goal for many municipalities. In Burlington's case, we have already achieved a good balance of economic activity and our challenge and opportunity is to grow and attract those sectors that will provide the most economic and fiscal benefit to the City and its residents.

While a strong economic base is a necessary foundation for sustained growth and prosperity, it's the quality and depth of the labour force that ultimately will give the City a competitive advantage and allow us to achieve our objectives. Burlington, again, is not starting from scratch. Our existing talent pool is already highly educated and aligned with future growth opportunities. The chart below shows that:

- 68% of Burlington's working population has a post-secondary education.
- 30% of Burlington adults hold a university degree. This is significantly higher than the rest of Ontario, in which only 26% of adults have received university degrees.

Our challenge will be to make the most of this crucial resource and create a better fit between the local talent pool and economic base.

Educational Attainment for Burlington - Ages 25 to 64

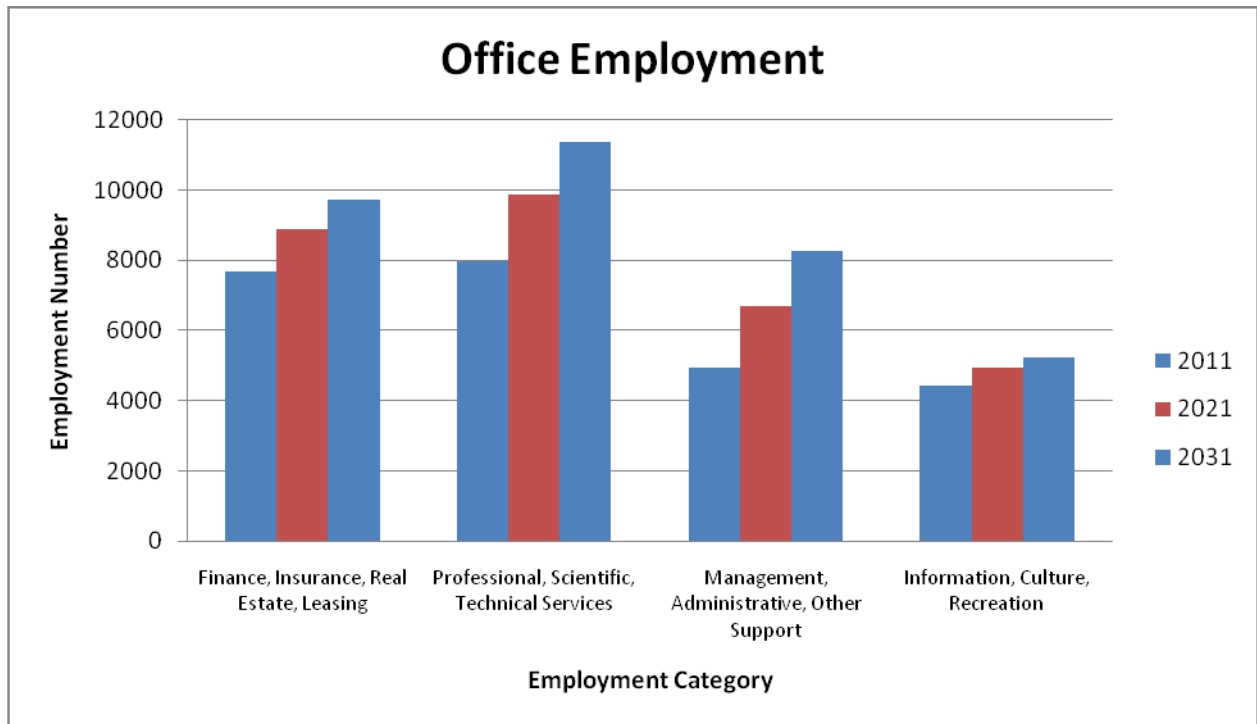


Source: Statistics Canada – 2006 Census

A Vision for a Prosperous Future

Ten years from now, the Burlington economy will not be the same as it is today. The global economy is undergoing fundamental changes that will alter the structure of regional economies and how business is conducted. Times of unprecedented change are also times of great opportunity.

In considering the development of a set of economic development goals and objectives, BEDC examined long-term economic trends and the impact they would have on the Burlington economy. Burlington is forecast to add about 22,000 new jobs over the next twenty years (Official Plan target). We have concluded that our primary growth opportunity is related to the future development of professional services within the City. This would include activities related to Financial Services, Scientific/Technical Services, Business Services, and Information Technology. These sectors have the strongest growth projections, as shown in the chart below, and could account for about half of our future growth. At the same time, manufacturing will continue to be an essential and sustainable component of the economic base, but is not likely produce many new jobs. Our focus with respect to manufacturing will be to support the sector's on-going transition toward advanced manufacturing while supporting innovation, productivity and increased output across all sub-sectors.



Source: BEDC

Burlington takes pride in having a High Performance Economy. Supporting the continuing growth of the professional services and advanced manufacturing sectors will drive future prosperity and wealth creation in the community. Our vision for 2019 is that:

Burlington will possess a high performance economy that supports individual company success, creates a dynamic business environment (encouraging innovation and the production of leading goods and professional services) and strengthens the community's ability to provide its residents with an envious quality of life.

Achieving the following goals and objectives noted below will be instrumental to making this vision a reality. At the same time, we will not be able to proceed on a "business as usual" approach. Our future actions will need to be aligned with emerging business practices that are being altered by new economic realities. A key characteristic of the emerging new economy is the fusion of activities within and between companies. In this century, success in building a strong and diverse local economy will be influenced by how well companies collaborate with each other locally and globally with respect to incorporating innovation, creativity, productivity, managerial excellence and flexibility into their operations.

Economic Development Strategy Goals and Objectives

BEDC has developed four primary goals for inclusion in the Economic Development Strategy. The goals relate to:

- Adjusting to the current and evolving economic situation.
- Capturing the amount and type of growth desired.

- Focusing on the need for continuous business innovation.
- Providing business community leadership to support a prosperous community.

To achieve each goal there are also a number of specific objectives that BEDC will be acting upon. The next section of the report outlines measurable targets for each goal. A consolidated summary of the goals, objectives and targets is attached as Appendix 1.

Goal: Burlington will maintain confidence in its economic future and potential during uncertain times and seek opportunities to enhance its economic position and stimulate new growth.

We Envision a Burlington Economy that:	Over the Next Two Years Burlington Will:
Stimulates New Growth by Taking Advantage of Emerging Opportunities and Minimizing the Local Impact of the Economic Downturn as its Companies Adjust to New Economic Realities	<ul style="list-style-type: none"> • Provide programming and information that companies need to adapt • Provide opportunities for companies to collaborate on joint business ventures • Ensure that companies are made aware of available assistance programs • Ensure that residents are made aware of local employment opportunities • Maintain local economic momentum by making investments in strategic projects and infrastructure

Goal: Burlington will have one of the strongest performing economies in Southern Ontario making it a preferred location for reinvestment, new business investment and a talented workforce.

We Envision a Burlington Economy that:	By 2018 Burlington Will:
Leads Job Creation in the Region by Exceeding Growth Projections	<ul style="list-style-type: none"> • Create in Excess of 10,000 New Jobs • Build over 4 Million square feet of new industrial – commercial space. • Improve the ratio of Industrial- commercial to residential taxes
Is Recognized for Sustained Economic Performance Across All Sectors and the Rapid Growth of its Financial Services, Business Services and Information Technology Sectors	<ul style="list-style-type: none"> • Be known nationally for its expertise in certain economic sectors. • Increase the number of jobs in the target sectors of the economy • Increase the % of local GDP generated by the targeted sectors of the economy • Increase its manufacturing output
Includes Greater Opportunities for Residents to Work in the Community	<ul style="list-style-type: none"> • Improve the fit between the skills/occupations of the residents and the composition of the economy • Have less than 50% of its residents commuting out of Burlington to work

Goal: Burlington's community and economic advantages will be sustained by a strong and diverse business base composed of companies that produce high value goods and services, are innovative, productive and environmental leaders within their fields.

We Envision a Burlington Economy that:	By 2018 Burlington Will:
Continuously Adapts to the Changing Global Economy by Leading its Peers in Productivity, Innovation and Entrepreneurship	<ul style="list-style-type: none"> • Increase its sales per employee and exceed the provincial average • Have new post secondary education programs in the community • Create strong linkages between local business and the available educational programs • Increase the number of companies participating in innovation programs (IRAP, etc.)
Is Characterized by its Diversity of Economic Activities and an Economic Portfolio of Companies Engaged in High Value/High Growth Activities	<ul style="list-style-type: none"> • Increase the number of companies exporting goods and services • Implement its investment attraction program attracting new high value firms to the City • Increase the number of companies that are developing new products and services
Has Become More Green with Improved Company Environmental Performance and the Development of New Products and Services	<ul style="list-style-type: none"> • Increase company investment in energy/water reducing technologies • Reduce the amount of energy/water used per unit of product output • Add new companies/business lines which offer products or services that directly or indirectly reduce the impact on the environment • Implement a Brownfields development program

Goal: Burlington will be a leader in the Region and Province with respect to its ability to align, collaborate and act upon the interests of the business community, the City of Burlington, educational/training institutions and local stakeholders.

We Envision a Burlington Economy that:	By 2018 Burlington Will:
Provides Business Leadership on Issues and Opportunities Affecting the City's and Region's Economy and Prosperity of its Residents	<ul style="list-style-type: none"> • Implement the recommendations related to Employment District Growth Strategies • Implement the recommendations related to its Workforce Development Strategy • Maintain its reputation for meeting business needs for municipal services and the quality of its civic administration • Ensure that local industrial/commercial taxes/fees/charges are competitive within Southern Ontario
Works Collaboratively with Local Stakeholders on Issues and Opportunities Affecting Businesses' Ability to Operate and Expand, and Life of the Larger Burlington Community	<ul style="list-style-type: none"> • Implement the most efficient development processing system in the Region • Partner with Team Burlington on a number of significant projects • Increase the level of business participation in local civic and charitable events

Expected Results and Benefits

BEDC has developed targets related to goals and objectives noted above as a means of measuring success over time and to guide our economic development program and activities. The targets are listed for each of the goals below.

Adjusting to the Current and Evolving Economic Situation

The best way to demonstrate a successful transition to a new economy is to be able to showcase local companies that have made the changes necessary to compete and grow in the global market place. From a public sector perspective, it is important that the city show confidence in its economic potential by making investments in projects that will pay economic dividends for years to come. Burlington's commitment to establishing DeGroote's Centre for Advanced Management Studies is a primary example of government showing the leadership required to ensure a City's future prosperity. Over the next ten years our success measures include:

- Twenty local examples of companies seizing new opportunities.
- Twenty local examples of companies producing world leading goods and services.
- \$15 million dollars invested in strategic infrastructure projects.

Capturing the Amount and Type of Growth Desired

Our objective is to create over 10,000 new jobs in the community by 2019. This level of job growth will require in the long-term the construction of new commercial and industrial space that will produce additional economic benefits related to construction spending and jobs as well as a fiscal benefit to the City in the form of new tax assessment and revenue. Over the next ten years our success measures include:

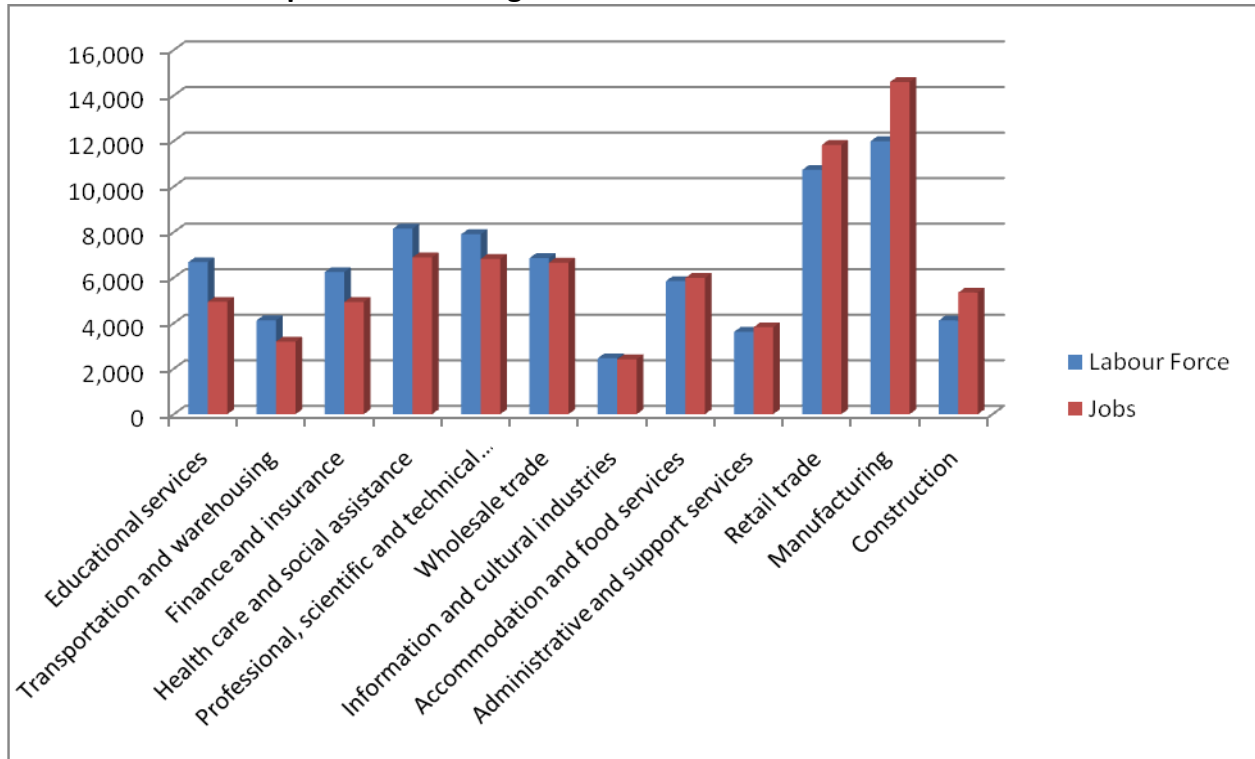
- Total employment of 98,000.
- Increase the number of Jobs by 12%.
- Improve its Ratio of Population-to-jobs to 55%.
- Average new construction of 400,000 square feet per year.

The charts below show that currently Burlington has a mis-match between the jobs that are in the City and skill-set of its residents. This in turn creates the need for residents to commute outside of the City to find work. Burlington has a high proportion of its residents working in the professional services firms to the extent that there are more workers than local jobs in these sectors. As a result 55% of Burlington residents commute to jobs primarily in Oakville, Mississauga and Toronto. With respect to manufacturing the opposite occurs. We are importing manufacturing labour from outside the City. The primary benefit of creating the right type of jobs is to create opportunities for residents to live and work in the same community. This option holds the promise of giving people more time and less stress, allowing them to

improve the quality of their lives. Reducing the need to commute also reduces increasing traffic congestion and its associated environmental impacts. Over the next ten years our success measures include:

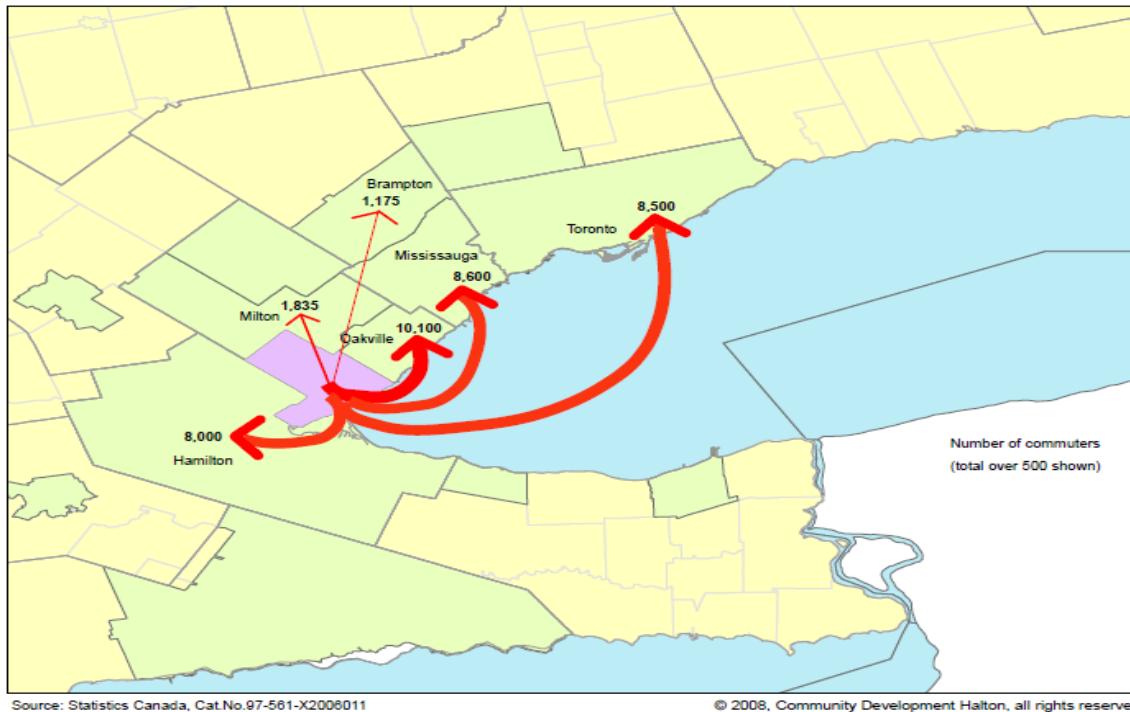
- 25% job growth in the professional services sectors.
- GDP growth rate higher than job growth rate.
- 10% to 15% growth in manufacturing output.
- One to one ratio of high value service jobs to residents in those fields.
- Reduce outbound commuting by 5,000 trips daily.

Comparison of Burlington's Labour Force to Local Jobs - 2006



Source: BEDC

Burlington Commuting Patterns - 2008



Focusing on the Need for Continuous Innovation

Fostering a culture of innovation within the business community will be critical with respect to driving growth, productivity and global competitiveness. Increasingly innovation has a green hue. This is in response to growing demand for environmentally sensitive products and services and internal company needs to find operating efficiencies. Company efforts to continuously improve their operations and expand their markets can also be supported by forging strong linkages with the education community. Over the next ten years our success measures include:

- 10% increase in sales per employee.
- Centre of Advanced Management Studies operational in 2010.
- Double the number of student co-op placements in local companies.
- Have over 50% of its companies exporting goods and services.
- Have over 50% of its companies indicate that they have/or are planning to develop new products and services.
- Attract ten high value added companies to the community.
- Ten local examples of companies producing world leading goods and services that reduce the impact on the environment.
- Rate of growth of manufacturing output higher than the rate of growth of water and power used.
- Brownfield program in place in 2010.

Providing Business Community Leadership to Support a Prosperous Community

BEDC believes in working in partnership with the City and Region, local business associations and the education/training community. Aligning our various efforts will be a critical success factor with respect to ensuring Burlington's on-going economic health. Two areas that will drive future growth and prosperity relate to the development of our employment lands and enrichment of our talent pool. BEDC has incorporated both of these tasks into our economic development program and activities. Over the next ten years our success measures include:

- Establish specific growth targets for key employment districts by 2010.
- Benchmark local competitiveness with other Ontario municipalities and set targets.
- Establish a business forum to assist the education and training community to assess and act upon business needs.
- Establish programs to support workplace training.
- Implement an expedited development approval process for ICI projects by 2010.
- Participate in Burlington Business Summit focused on improving the competitive ranking of the City.

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Burlington
Connecting to the world