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BRIEFING NOTE

**FINANCE AND ADMINISTRATIVE SERVICES
MEETING WITH MPPs**

**Economic Development and
Regional Economic Development**

March 2, 2012

A) London Strategic Economic Initiatives and Gateway

i) MTO Southern Highways Plan

Issue:

The City of London looks forward to further consultations with the Province on the advancement of design and construction of the London 401 interchanges, and the next steps in assembly and servicing of employment lands adjacent to the NAFTA super highway Corridor.

Key Messages:

- The City is grateful to the Province for its commitment within the Southern Highways Plan for 401 interchange improvements in the London area, and supports further investment through an Infrastructure Investment Fund for leveraging economic opportunities.

Background:

London is planning to acquire and service approximately 150-200 additional hectares (ha) of industrial land in close proximity to the London Highway 401 corridor including additional water and wastewater treatment plant capacity, and through the Provincial Southern Highways Plan enhanced Highway 401 interchanges at Veteran's Memorial Parkway (VMP), Highbury Avenue, and Wonderland Road. This will provide London with a continued growth opportunity and takes advantage of its strategic location and opportunities on the 401 corridor. We will require strong planning, opportunity analysis and government support to provide long term growth and development in the Highway 401 corridor.

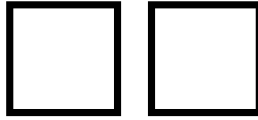
ii) Fraunhofer Composites Research Centre (FCRC)

Issue: The City of London is supporting Western University in seeking federal and provincial support for the Fraunhofer Composites Research Centre in capital funding and through the designation as a Centre of Excellence.

Key Messages:

- City savings generated by stimulus funding has allowed for the creation of successful economic development investments such as the ICRC/Fraunhofer Projects Centre
- To support innovative research and commercialization in the composites field, the Province should support Western University's application for capital funding and designation as a centre of excellence for the Fraunhofer Composites Research Centre.

Background: London is finalizing a \$10 million deal to support the construction of the Fraunhofer Composites Research Centre (FCRC), a joint venture of Western University and



the Fraunhofer Society of Germany. FCRC would be a large-scale press for the testing and manufacturing of composite parts for the auto and other industries. It would be a key component of the City-Western University Advanced Manufacturing Park. It will be the first industry-focused institute of its kind in North America for applied research and development of advanced light-weight composite materials. City funding was provided by the economic development fund which was made possible by funds saved through federal and provincial stimulus funding.

iii) **Canada-Ontario Immigration Agreement and Provincial Nominee Program**

Issue:

The City of London and other municipalities are concerned that a new Canada-Ontario Immigration Agreement (COIA) has yet to be signed. The recently expired COIA agreement provided certainty and direction with respect to immigration policy, programming and funding in Ontario. A new COIA will also be a valuable economic and workforce development tool to attract entrepreneurs and skilled immigrants to our cities, to complement the existing workforce and fill skill gaps. The City of London is bringing the resolution below to the Large Urban Mayors' Caucus of Ontario (LUMCO) meeting on February 17, 2012. It is the City's hope that this resolution will be adopted and that both the Province of Ontario and the Government of Canada will take the steps necessary to come to an agreement that meets the needs of all orders of government.

For the City of London, a new COIA is important as an economic development tool as well as to various community partners who rely on it for settlement funding. It also provides funding for the City's immigration portal. This portal is vital to promoting London to newcomers as a destination of choice. The City is asking that any new agreement continue to formally involve municipal governments in the ongoing development of policy and program decisions. We are asking that the agreement expand the existing Provincial Nominee Program (PNP). While the federal skilled worker (FSW) program works well in meeting the long-term employment needs, the City proposes that short-term needs could be better addressed through an enhanced PNP. The City is calling for the current cap of 1000 to be re-examined as well as new streams to be developed under the program similar to the Manitoba PNP.

Key Messages:

- The Canada-Ontario Immigration Agreement is essential to immigration policy, programming and funding in Ontario
- Municipalities should continue to be consulted and involved in the development of immigration policy and program decisions
- Provincial Nominee Program should be expanded to meet community employment needs

Draft Resolution for LUMCO

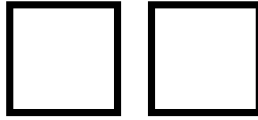
WHEREAS there is growing consensus that immigration results in significant economic and social benefits in receiving countries and complements domestic labour forces; and

WHEREAS Statistics Canada estimates that immigration accounted for 100% of labour market growth in 2011; and

WHEREAS 2011 Census numbers indicate that Ontario's share of immigration is in steep decline and could affect economic performance; and

WHEREAS the Canadian Chamber of Commerce claims Canada is facing labour shortages in key economic sectors despite high unemployment rates; and

WHEREAS a TD Economics 2012 report recognizes the important role that the Provincial Nominee Program plays in addressing regional short-term labour market gaps; and



WHEREAS the same TD Economics report calls for the adoption of similar standards and practices across the various Provincial Nominee Programs, while pointing to the great success of the Manitoba PNP; and

WHEREAS the Ontario PNP program is currently capped at 1000 immigrants per year and is further limited by two programs streams (General and International Student) unlike more successful programs such as Manitoba with 7 program streams or British Columbia with 5 program streams; and

WHEREAS the Canada-Ontario Immigration Agreement (COIA) that speaks to the PNP in Ontario, immigration levels, the funding of municipal immigration portals and settlement services has expired;

THEREFORE BE IT RESOLVED that the Government of Canada and the Province of Ontario renew the Canada-Ontario Immigration Agreement as soon as possible to restore certainty to immigration policy and programs in Ontario; and

BE IT FURTHER RESOLVED that the federal and provincial governments improve upon the previous agreement by revisiting the Provincial Nominee Program increasing the existing cap and by providing additional program streams similar to those enjoyed by Manitoba and British Columbia; and

BE IT FURTHER RESOLVED that any new agreement continues to include a tri-partite agreement that recognizes municipal governments as valuable partners, not stakeholders, in future immigration policy and program development.

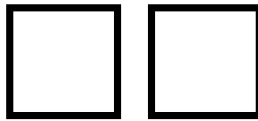
iv) Culture Funding

Issue:

The City of London recognizes that the Provincial Government has continued to increase its funding support for culture over the last few years and we would like to see this funding maintained. There is a variety of funding and strategic investment opportunities available through the Ontario Ministry of Tourism, Culture and Sport and the Ontario Arts Council to which the cultural community in London has access. Additional operating and capital funding for museums continues to be a need for London’s museums. The Ministry stated in their Results Based Plan Briefing Book 2010-11 that they will invest an additional \$650,000 for heritage grant programs.

Key Messages:

- In September 2011, The City of London received \$100,000 in matching funds through the Creative Communities Prosperity Fund to develop *The City of London Cultural Prosperity Plan and Cultural Profile/Resource Mapping*. This project will be a renewal of the *City of London's 2005 Creative City Task Force Report*. A new comprehensive Cultural Prosperity Plan will integrate culture with current strategic initiatives related to the economic prosperity and cultural vitality of London. The plan will include a review of the attraction and retention of creative talent; cultural stability and vibrancy; the economic impact of culture; and the rejuvenation of the cultural corridors of London. A cultural profile and mapping of London’s cultural assets will identify potential opportunities for further development of culture.
- The City of London appreciates the provincial government’s ongoing support and funding opportunities for projects such as the War of 1812.
- Continued funding is the cornerstone for creating a diverse, innovative and creative economy in London. The funding programs leverage opportunities for London to attract and retain youth and newcomers and preserve, develop and celebrate culture in London.



- The Canadian Federation of Friends of Museums has stressed that finding sufficient operating and capital funding for museums is an ongoing issue and museums must spend a lot of time and energy fundraising to augment scarce funding available.
- 3% of the jobs in the London Census Metropolitan Area are in the Culture Sector.

Background:

The economic impact of cultural organizations has a significant impact in Ontario.

- 30% of the jobs in Ontario are creativity-oriented and they account for 47% of the wages. (Source: Martin Prosperity Institute: [Ontario in the Creative Age](#)).
- The Ontario Culture Sector accounts for nearly \$20 billion of Ontario's Gross Domestic Product. (Source: Ontario Ministry of Tourism and Culture: [Results Based Plan Briefing Book 2010-11](#)).
- The Culture Sector represents 4% of the Ontario GDP (Source: Vik Singh: [Economic Contribution of the Culture Sector in Ontario](#). Statistics Canada: 2004).
- 47% of the Canadian Culture GDP is Ontario's share. (Source: Vik Singh: [Economic Contribution of the Culture Sector in Ontario](#). Statistics Canada: 2004).

B) Southwest Economic Development Fund

Issue:

The City welcomes the introduction of the *Attracting Investment and Creating Jobs Act, 2011*. The City believes that the Southwest Development Fund will achieve even greater success if it is coordinated with investments across ministries and if it is made permanent. While the new Fund will make key investments in companies, research and training; key infrastructure investments will help attract business, move their goods, and power their operations. Without proper sequencing and coordination across ministries the new program goals might not be fully realized.

The City of London urges the province to consider the following issues to support growth in Southwestern Ontario and to complement the broader goals and objectives of the Southwestern Ontario Development Fund:

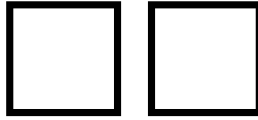
- Expedite upgrades to London transformers to support the emerging green energy sector in London. New businesses are facing challenges connecting to the grid.
- Work with the City and its academic institutions to attract entrepreneur and skilled immigrants and international students to the London area. This could help address key skills shortages.
- Invest in high speed rail from Windsor to Quebec. The whole Southwestern Ontario region would benefit from this longer term commitment.

The City is an active member in the Southwestern Economic Alliance and therefore supports SWEA's general positioning related to the Southwestern Ontario Development Fund. The following are some of the key points in SWEA's position:

- The fund should focus on generating long-term sustainable jobs with a focus on job creation;
- The fund should provide a combination of grants and loans with repaid loans being made available for re-lending on a perpetual basis;
- The proposed \$20 million per year should be considered a minimum with the fund topped up in better economic times;
- Fund "stacking" should be allowed subject to guidelines requiring a minimum level of investment by the applicant.

In addition to the comments from SWEA, the City also proposes the following:

- The fund should not place artificial limits on regions for funding in any given year; project approval should be based on merit, not influenced by regional caps.



- To attract foreign direct investment, funding caps should be avoided.

Key messages:

- The City welcomes the introduction of the *Attracting Investment and Creating Jobs Act, 2011*.

C) High Speed Rail – Windsor-Quebec City Corridor

Issue: Municipalities in Ontario and Quebec must be included in consultations regarding the implementation of High Speed Rail (HSR) in the Quebec City-Windsor Corridor.

Key Messages:

- The Province should commit to continue exploring the development of high-speed rail along the entire Quebec City-Windsor Corridor.
- The implementation of High Speed Rail in the Quebec City-Windsor Corridor would contribute greatly to the economic prosperity of Southwest Ontario communities.
- In the short term, measures to support more frequent, higher speed rail service, will support future HSR market development.

Background:

The Federal-Ontario-Quebec feasibility study on High Speed Rail along the Quebec-City-Windsor Corridor was released in November 2011. The report indicated that while feasible, implementation will be very expensive, and that an incremental approach might be appropriate.

The government must consider the economic benefits that would result from construction of the entire corridor prior to reaching a decision on implementation. London supports the construction of the entire corridor and would like the opportunity to be involved in a public engagement process on the implementation of high speed rail along the corridor.