To: Mayor and Members Committee of the Whole PED07112

From: Lee Ann Coveyduck General Manager Planning and Economic Development Department

Telephone: 905 546-4339
Facsimile: 905 546-4364
E-mail: lcoveydu@hamilton.ca

Date: March 15, 2007

Re: Economic Development Strategy Process (PED07112) (City Wide)

Council Direction:

At its Budget meeting on Tuesday, March 6, 2007, the Committee of the Whole made the following request, that “Staff will bring an additional report on this item to the Planning and Economic Development Committee.”

Information:

Pursuant to Council direction provided at the Committee of the Whole Budget deliberations of March 6, 2007, staff was instructed to identify the process for the formulation and completion of the third iteration of the City’s Economic Development Strategy. As in the previous two versions, the Economic Development Strategy will be formulated through considerable stakeholder (internal and external) input including focus groups and presentations to key community partners.

The Strategy will once again be based on the economic theory of “cluster” development. This is where specific industry clusters are developed with the express purpose of increasing assessment growth, generating wealth and employment, and diversifying the local economic base.

Staff has prepared a draft version of the Strategy to serve as a “straw man” from which direction for the final plan can be determined by the stakeholders. Economic Development staff has endeavoured to respond to multiple stakeholder concerns that the previous strategy contained “too many” clusters. The perceived consequences of the larger mandate were the inefficient use of limited staff and financial resources. Therefore, staff is recommending the concentration on four specific industry clusters of which Hamilton has inherent strengths and an established nucleus of companies. These clusters include: Advanced Manufacturing; Agri-Business; Biosciences/Health...
Care; and the Goods Movement Industry. Additionally, Appendices A and B illustrate the core business and supplemental responsibilities of the Economic Development Division as well as the other economic drivers (which the division will support but not lead) that must be in place to deliver on this plan.

The strategy will again include both short (<four (4) years) and long term deliverables as benchmarks for the development of each of the identified clusters as well as the other prime responsibilities of the Economic Development Division. The new strategy will contain targeted companies for attraction in each of the clusters and establish performance measures to determine the success of implementation efforts and overall growth. External consultants may be used to assist in the formulation of the benchmarks and performance measures to ensure that the economic development function provides value for the taxpayers’ dollar.

The proposed process of the formulation of the Economic Development Strategy has been tentatively structured as follows:

- Focus Group for the new Goods Movement cluster that combines previous Aerotropolis and Port clusters with rail, road, logistics, distribution and warehousing related industries. (Completion - November 2006)
- Review of Economic Development strategies of U.S. and U.K. municipalities with similar economic base as Hamilton (Completion – February 2007)
- Staff research and preparation of cluster components of draft Strategy including: film development; industrial land development; Brownfields; and marketing and promotion (Completion – March 2007)
- Internal circulation of draft to other City divisions and departments to test against other corporate strategies (i.e. GRIDS, Public Works Master Plans, etc.). Workshop or one-on-one meetings with Mayor and City Council members to present the draft strategy and test against Council vision and priorities. (Completion –April 2007)
- Public Consultation, external focus groups and circulation of draft strategy to stakeholders and community partners (Completion – May/June 2007)
- Revise Strategy as per Council Strategic Planning Process which is to take place in the Spring of 2007
- Rewrite of draft and incorporation of stakeholder input and comments on Economic Development Strategy (Completion – August 2007)
- Final draft for circulation to key stakeholders (Completion September 2007)
- Presentation and adoption by Council (Completion October 2007)
Staff has allocated $90,000 in the 2007 Capital Budget for expenditures directly related to the strategy. These may include the following: consulting fees, public meetings, research, design and printing of final copies, etc.

Lee Ann Coveyduck  
General Manager  
Planning and Economic Development Department

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Attachs. (2)
City of Hamilton, Economic Development Strategy Core
Business Schematic