

To: Economic and Development Services Committee

From: Warren Munro, HBA, RPP, Commissioner,
Economic and Development Services Department

Report Number: ED-22-210

Date of Report: November 23, 2022

Date of Meeting: November 28, 2022

Subject: Terms of Reference for a Request for Proposal for a 2024-2034
Economic Development Strategy

Ward: All Wards

File: 03-05

1.0 Purpose

The purpose of this Report is to obtain Council approval for the proposed Terms of Reference to develop a new economic development strategy for the City of Oshawa, hereafter referred to as Oshawa's Economic Development Strategy (O.E.D.S.).

Attachment 1 to this Report is a copy of a proposed Terms of Reference.

2.0 Recommendation

That the Economic and Development Services Committee recommend to City Council:

1. That the Terms of Reference to develop a new Economic Development Strategy for the City of Oshawa be endorsed as set out in Attachment 1 to Report ED-22-210 dated November 23, 2022; and,
2. That, pursuant to Report ED-22-210 dated November 23, 2022, staff be authorized to proceed for the Request for Proposal in accordance with Attachment 1 to said Report.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

- Commissioner, Finance Services

5.0 Analysis

5.1 Background

As part of the Greater Toronto Area (G.T.A.), Oshawa continues to grow by population and employment. The City remains an eastern gateway to the G.T.A., and will continue to be one of the key urban areas in Durham Region, accommodating a strong mix of population and future employment growth in a post-pandemic era.

Economic development trends internal and external to the City in the [2013 Sector Analysis and Cluster Development Strategy](#) reshaped the characteristics of the City's growth. Where Oshawa was once widely recognized as "Canada's Automotive Capital", knowledge-based and service-oriented sectors such as education, healthcare and logistics have generated notable growth and diversification to complement the City's traditional manufacturing base.

Currently, the City's economic development program places focus on attracting, retaining, and supporting businesses and investment. Additionally, the program targets the revitalization of the Downtown as a priority. In 2021, Council endorsed the [Plan 20Thirty Downtown Revitalization Action Plan](#) as well as a new visual brand for the Downtown that was launched with the goal of promoting the core as a place for businesses and residents to thrive.

Just as demographic and economic trends led to the restructuring of traditional industries and the emergence of new opportunities, those same trends provided the City's economic development office with opportunities to explore new areas of focus, new initiatives, and new programs that leveraged those opportunities. The 2013 Sector Analysis and Cluster Development Strategy provided background information for the City to identify existing and emerging areas of opportunity, and build the density of businesses, talent, and inter-connected support structures needed to support sustainable sources of growth.

There is a need for a cohesive overarching blueprint that will connect all pertinent City and Regional strategies together enabling it to focus limited resources and ensure a common understanding of the actions and expected outcomes on a year to year basis to achieve the ultimate vision of the O.E.D.S.

Identifying and supporting the efforts of existing, but under-recognized assets, in the community is seen as a key area of focus to achieve the level of economic development success desired. A focus on asset-based community development can help to bring together existing individuals, businesses, business support organizations, and other business stakeholders to service local economic needs in an efficient and impactful way. The O.E.D.S. should provide that necessary strategic alignment to support a creative and cutting-edge economic vision for both the community, with ultimate focus and direction on efficiently, and transparently providing value to our business community.

5.2 Sector Analysis and Sector Development Strategy

On December 2, 2013 in partnership with Millier Dickinson Blais, Location Strategies, a report on Oshawa's [Sector Analysis and Cluster Development Strategy](#) was developed to

reflect the community's evolving economic landscape and set a new direction for economic development initiatives that focused on five key emerging sectors that were positioned with high potential for continued growth:

- Advanced Manufacturing
- Energy Generation
- Health and Biosciences
- Multimodal Transportation and Logistics
- Information Technologies

Within each of these sectors, the strategy identified niche subsector opportunities for the City, as well as the overall strategic focus for the development of a cluster around those opportunities. A number of key themes emerged from the target sector analysis to guide that strategic focus:

- Sector opportunities in Oshawa that are potentially transformative
- Research and development capacity in the City as a growth driver
- Educational programming as a considerable strength
- Key synergies between all sectors supports convergence
- Firms supporting business process improvement offer a platform for I.T. growth
- Corporate and research assets support local technology innovation prospects
- Local companies maintain connections with global and emerging markets
- Advanced manufacturing companies have diversified
- Communications campaigns are needed to promote Oshawa's hidden gems

5.3 Requests for Proposals

The Request for Proposals include the following key items as outlined in Attachment 1:

- Background on the City of Oshawa;
- Background on previous Economic Development Strategies (e.g. 2013 Sector Analysis and Cluster Development Strategy);
- Background on related studies (e.g. Plan 20Thirty Downtown Revitalization Action Plan; and,
- A requirement for proponents to provide sufficient information to allow an evaluation of the proponent's relevant experience and ability to undertake a project of this scale and nature.

5.4 Next Steps and Conclusion

Next steps include refining the scope of public and stakeholder engagement in collaboration with the selected consultant and Corporate Communications and undertaking a request for proposals on research and development of the plan.

The preferred direction is to establish a 10-year strategy to allow time for appropriate work and investment to occur to achieve the outcomes and continue with the growth and

diversification of the City's economy to provide exceptional opportunities for employment and investment in the future. It is recommended by the Economic Development Services team that a consideration for a review of the strategy at the 5 year mark be undertaken and a refresh to ensure approaches and targets remain in alignment with the needs of the local economy to ensure optimal success of strategy outcomes over the duration of the plan.

The City of Oshawa's Economic Development Strategy is proposed to be a comprehensive, community led plan that will continue to drive investments that will grow and diversify Oshawa's local economy and position it for success over the next decade. The strategy will aim to respond to current challenges and opportunities by providing a realistic and achievable strategy with room for modifications as Oshawa's economy continues to evolve. Once in effect, Oshawa's Economic Development Strategy will be monitored for its progress, and changes will be made where necessary.

6.0 Financial Implications

The Economic Development Services team predict an investment of \$75,000 to \$100,000 to attain an appropriate consultant to support the development and delivery of the O.E.D.S. This amount has been budgeted for in the 2023 branch operating budget.

It can be assumed that particular initiatives included in the final strategic document may result in investment asks in future budget cycles.

7.0 Relationship to the Oshawa Strategic Plan

The recommendation advances the Accountable Leadership, Cultural Vitality and Economic Prosperity and Financial Stewardship goals of the Oshawa Strategic Plan which included the direction to develop and implement an updated Economic Development Strategy.



Hailey Wright, BA Hons, Director,
Business and Economic Development Services



Warren Munro, HBA, RPP, Commissioner,
Economic and Development Services Department

REQUEST FOR PROPOSALS TO DEVELOP A NEW ECONOMIC DEVELOPMENT STRATEGY

1.0 Background

1.1 Background on the City of Oshawa

The City of Oshawa is the largest community in the Region of Durham and one of the fastest growing urban centres in the Greater Toronto Area (G.T.A.). It is located on the north shore of Lake Ontario approximately 60 kilometres to the east of the City of Toronto.

In early 2021, the estimated population was 175,383 residents with a projected population of 197,000 residents in 2031.

In 2022, construction value in the City through the building permit process reached all-time highs and approached the \$1 billion mark. During this time, the City's residential growth was strong. From 2016 to 2021, Oshawa welcomed 15,925 new residents, a population increase of approximately 10% over that period. The City's robust growth is expected to continue well into the future as the approval of Regional Official Plan Amendment No. 128 has added 435 hectares of Residentially Designated land to Oshawa's Urban Boundary.

In addition, the Province's Growth Plan for the Greater Golden Horseshoe has identified Downtown Oshawa as one of two Urban Growth Centres in Durham Region. Oshawa's Urban Growth Centre is expected to almost double its current density of 105 persons and jobs per hectare to 200 persons and jobs per hectare by 2031.

The City of Oshawa is expected to continue to experience significant economic growth. This growth is evolving from Oshawa's location within the G.T.A.; investments in infrastructure involving transit, Highways 401 and 407; increased post-secondary education services related to the Ontario Tech University, Trent University Durham G.T.A., Durham College and Queen's University, strong economic development initiatives and a host of other community initiatives.

World renowned for its automotive excellence, Oshawa is undergoing a profound transition and a technological renaissance that has not been experienced before. The transition from a manufacturing-based economy to a technology and science-based economy has in many ways been fuelled by the strong influence of the post-secondary institutions.

The City has excellent road, rail, water and air transportation infrastructure. From the Port of Oshawa with its own rail spur, to the Oshawa Executive Airport and to Highways

401 and 407, goods and people can move anywhere, anytime. Land is available for development and a skilled labour force meets the needs of the diverse business base.

A streamlined development approvals process supports investment in the community. Residential development is increasing, new business opportunities are being created and the downtown core is being revitalized where restaurants, cafes and entertainment venues have become a focal point and are bringing thousands of people to the downtown each week.

Residents benefit from urban and rural living options, best-in-class recreation facilities, a strong community volunteer base, a growing and vibrant arts and culture scene, rich heritage and natural open spaces.

1.2 Cultural Development

The need for vibrant, liveable communities is an essential pillar of investment attraction leading to job growth, talent acquisition and retention and business expansion and retention. Further, strong arts and culture activities within the City of Oshawa fuel a direct economic benefit to the to the business community, while also supporting the ongoing efforts of revitalization in the Downtown.

In a recent organizational restructure, the departments of Economic Development Services and Culture Services have been merged. The realignment creates a new need to establish the benefit of culture development as a pillar of industry and community growth for the City. Going forward, it is anticipated that culture development will be of utmost importance to advance strategic goals of the City.

2.0 Goals, Objectives and Proposed Scope of Work

The goal of the project is to engage the business and stakeholder communities including the public in the development of a comprehensive economic strategic plan to guide the transformation of the City's economy and its economic development activities over the next decade. This strategic plan is intended to improve upon the progress of the 2013 Sector Analysis and Cluster Development Strategy.

In order to achieve an unbiased, innovative and proactive strategy, the Business and Economic Development Services team is seeking direction to retain a consultant to support the research, engagement and overall develop of the O.E.D.S.

The foundation of a new O.E.D.S. for the City of Oshawa will take into account the existing state of the City and its aspirational vision. The consultant services required to develop a 10-year O.E.D.S. include but may not be limited to:

- Community and stakeholder engagement;
- Environmental scan;
- Data collection and data research and visualization;
- Review of relevant historic studies and reports;
- Employment land and economy review;
- Situational analysis;
- Market analysis and trends;
- Strengths, weaknesses, opportunities and threats (S.W.O.T.) analysis;
- Strategic considerations and rationale review;
- Identification of the approach and strategic framework, and directions required to address the economic challenges and opportunities; and,
- Action / implementation Plan.

3.0 Deliverables

At the conclusion of the project, it is expected that the following documents/deliverables will be completed:

- **Economic Development Strategy:** The O.E.D.S. is to clearly, succinctly and, in a visually attractive way, summarize and outline economic development:
 - values, vision, mission;
 - summary findings;
 - strengths, opportunities and the value proposition;
 - strategic framework;
 - strategic focus areas/goals;
 - key industry focus;
 - implementation, resources, and timelines;
- **Vision Document:** The public engagement process and outcomes are to be outlined with all findings, recommendations and methodologies associated with the S.W.O.T. analysis;
- **Employment Lands and Economy Review:** to include analysis of the characteristics of Oshawa's economy and employment lands options including commercial (office, retail, entertainment) and industrial uses;
- **Implementation Plan:** This section is to outline actions required in the next ten years starting in 2023, including tangible outcomes and a costed work plan;
- **Analysis of comparator cities** related to demographic, geographic, economic and livability factors; and,
- **Connect with all key stakeholders:** including but not limited to Council and committees, management, staff, citizens, businesses, and others as identified, to gather views of the current economic development program and identify gaps and opportunities.

4.0 Stakeholder and Public Engagement

The purpose of effective and well-planned stakeholder and public engagement opportunities is for the business and broader community to inform and assist in the process of preparing a new Economic Development Strategy, by providing:

- Comments, interpretation, and information on strategic directions and action plans to ensure that the Economic Development project team and retained project consultant is considering all salient issues and to ensure that the strategy and action plans are appropriate;
- An external perspective on opportunities for Oshawa within a regional and global context; and;
- Strategic advice and guidance to the project team and City Council.

It will be important that stakeholders reflective of Oshawa's broader economy be invited and engaged in the development of Oshawa's economic development strategy, consisting of representatives from businesses in automotive manufacturing, health care, education, development, technology, energy, among others. The project team will work to ensure that senior representations from organizations from the areas noted above are invited to provide input at early stages of the strategic plan development.

The project team will also coordinate a public consultation opportunity in partnership with Corporate Communications that will utilize the Connect Oshawa platform to ensure that the views of the broader community can be considered when developing the O.E.D.S.

The input and responses from both the stakeholders and the public will be correlated by the retained consultant and will help to inform, validate and guide the specific items within the final O.E.D.S.

5.0 Timeline and Milestones

Based on the timeline of previous strategic plans, the timeline for approval of a new strategic plan is expected to be 4th quarter of 2023 and will include the following milestones:

- Economic and Development Services Committee and Oshawa City Council report to endorse the Terms of Reference: November/December 2022
- Prepare and issue a request for proposal (R.F.P.) for consultant retention: January 2023
- R.F.P. review and vendor selection: February 2023
- Project initiation: March 2023
- Public and Stakeholder engagement: April 2023 through to August 2023
- 1st Draft document: July 2023
- 2nd Draft document: September 2023
- Final Draft: October 2023
- Final staff report and presentation to Development Services Committee and Council for approval: November 2023
- Work plan development and strategy implementation: 2024 – 2034

6.0 Submission Requirements

The R.F.P. response should include the following:

- A written proposal demonstrating the proponent's experience and expertise in addressing the scope of work and deliverables defined in Sections 2.0 and 3.0, respectively;

- A detailed and itemized budget;
- A work plan that demonstrates the ability to meet the milestones outlined in Section 5.0;
- Examples of other development strategies prepared by the proponent; and,
- References.

7.0 Further Information

Further information may be found at the following link:

https://www.oshawa.ca/en/business-development/resources/Documents/sector_analysis_cluster_development_strategy.pdf