

Economic Development Support and Results

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Report Summary

This report provides information on Economic Development results and performance, as well as support for existing businesses and pursuit of large-scale inbound investments, as a response to Council questions related to the renewal of the Strategic Plan 2019-2027.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to efforts to advance the City's objectives related to Economic Capacity & Investment Readiness including business attraction, development and retention.

Financial Implications

There are no financial implications associated with this report.

Background

As part of the Council's review and renewal of the Greater Sudbury *Strategic Plan 2019-2027*, staff received a request for more information from the Economic Development division to foster a better understanding of the results of staff's services and resources in this area.

This report will provide an overview of Economic Development performance and return on the City's investment in the division; it will also outline how the team balances support for existing businesses with the pursuit of large-scale inbound investment, working within existing staff time and budget and using data to demonstrate results.

The Economic Development Division

The mandate of the City's Economic Development division is to support the growth and development of a diverse, prosperous, thriving economy in Greater Sudbury.

Economic Development includes Investment & Business Development and Tourism & Culture. Investment and Business Development works on investment attraction, business expansion, development facilitation, export development, immigration support and workforce development as well as business start-up support delivered by the Regional Business Centre, which includes operation of the Innovation Quarters downtown business incubator. Tourism & Culture also supports investment attraction and business

attraction, and provides and coordinates marketing, promotion, product development guidance, media visits, stakeholder tours, major event support and attraction and partnerships. It supports the local arts and culture sector, including the film industry, and also oversees the Greater Sudbury Museums.

The team also administers grant programs including the Community Economic Development program, the Tourism Development Fund, Arts and Culture grants, Tourism Event Support, Starter Company Plus, Summer Company and the Innovation Quarters downtown business incubator program.

Following this mandate, Economic Development works to:

- Attract investment and support business expansion;
- Increase employment and grow the city's economy and assessment base;
- Attract, host and coordinate international business delegations;
- Increase visitation and hotel stays and increase the community's profile in external markets;
- Increase the capacity and sustainability of the cultural sector as a contributor to the city's vibrancy and quality of life; and
- Provide analysis and due diligence for grant programs and investment opportunities.

Attract Investment and Support Business Expansion

Economic Development prime focus is to support existing local businesses in their growth and to attract new investment to the community. The team works with various City departments, provincial and federal agencies, businesses, private sector partners and the community. Staff support the development approvals process with Planning and Building Services and coordinates the Special Events Advisory Team (SEAT) with Leisure Services to provide information and resources to event organizers, film productions and community groups.

Staff also develop and promote opportunities for community capacity-building, economic growth and investment attraction, and maintain strong intergovernmental contacts, access to funding programs and business expertise.

Investment Opportunities and Attraction Efforts

Economic Development tracks investment leads across all sections, including Investment & Business Development, the Regional Business Centre and Tourism & Culture. This tracking is done as staff establish and maintain positive relationships with new and existing companies, developers and investors.

"Leads" include defined projects and developments which are linked to potential investment such as the expansion of an existing company or the attraction of a new business not previously operating in the city. Leads are generated through activities including staff attendance at conventions, active facilitation of networking opportunities, referrals from many government agencies, direct outreach to targeted contacts, engagement of companies seeking assistance and hosting of delegations for community and site visits.

As the lead tracking focuses on specific projects and initiatives, this data does not account for all activity generated by or undertaken by the Economic Development team such as general business outreach and support, program and project development or community collaboration. These activities remain crucial to help generate lead opportunities, often through referrals or networking opportunities.

- From 2022 to 2023, Investment and Business Development team have seen an increase of 40% in leads year over year.
- Mining and mining supply & services sector leads in particular have increased 8% in 2023 over last year.
- Of these leads, 21.8% were from outside Canada, 7.7% were Canadian opportunities outside of Ontario, 29.9% were from the Province of Ontario and 43.6% were local companies.

As of the end of the first half of 2023, just over 19% of leads have demonstrated a positive economic impact

on the city, including new businesses choosing to locate in Greater Sudbury, existing businesses expanding and creating jobs and retention of operating companies here in the community that may otherwise have been considering relocation elsewhere.

Many projects take months or even years to come to fruition or completion. Economic Development staff often start with preliminary conversations with the client, to understand the business goals and objectives of the client and the needs that will arise.

Once a project or initiative is deemed complete, the contact is moved from leads tracking to “after-care” status for follow up. This work may include support for the development approvals process and facilitation of Planning and Building Services resources such as SPART; workforce development and talent attraction resources; access to funding and resources available from other government agencies; promotion in the community; marketing resources; liaison support for connecting with other City divisions; and general business support.

Regional Business Centre and Innovation Quarters/Quartier de l’Innovation Downtown Business Incubator

As a signature program of Investment & Business Development and coordinated through the Regional Business Centre, this program leverages established partnerships with the Greater Sudbury Chamber of Commerce and NORCAT, with financial support from the Greater Sudbury Development Corporation (GSDC) and FedNor to establish the space.

- Innovation Quarters welcomed the first cohort of 13 startups in April 2023.
- This includes nine startups (three of which are still in ideation phase) and four expansions of existing companies.
- These companies began the program with 41 employees including the owners.
- Staff anticipate 6-12 new participants in the upcoming cohort starting this fall. And will follow up with this cohort will be the same as the first cohort.

In addition to the Incubator, the team supports entrepreneurship skills development and attraction of new businesses by leveraging the Regional Business Centre collaboration network and resources.

- With support from the Collaboration Network, the Regional Business Centre hosted 63 webinars on various business topics for 757 participants in 2022. The team also delivered the provincial Starter Company Plus to provide training, mentorship, and grants for entrepreneurs to start, expand or buy a business.
- Since launching in 2017, the program has provided over \$381,400 in grants to support the startup and expansion of 79 businesses in our community.
- As of December 2022, 80% of businesses supported through the program continued to be operational.

Northern Ontario Exports Program

The Northern Ontario Exports Program is a pan-Northern business support program that provides small and medium enterprises with the targeted funding and training they need to accelerate revenue growth and diversification. It is coordinated through Economic Development with support from Ontario’s North Economic Development Corporation (ONEDC) along with FedNor and NOHFC.

- Since 2020, 55 sales-building projects have been completed by companies in Greater Sudbury through the program.
- As a result of the capabilities built and new revenue generated, these companies forecast creating 187 new jobs and maintaining 632 jobs.
- Across the program’s entire Northern Ontario territory, 112 projects completed since 2020 forecast the creation of 339 new and 1131 maintained jobs.
- In the first half of 2023, \$122,800 in support was approved for 12 companies in Greater Sudbury. With this support, companies are undertaking new marketing and sales initiatives outside of Ontario and strengthening their company capacity with strategic planning and customized training projects.
- As a result, these companies anticipate generating \$5.3M in new sales and creating 68 new jobs.

- Since 2020, the Northern Ontario Exports Program has approved \$1,046,604 of support to companies in Greater Sudbury (out of a total of \$2,273,741 in pan-northern approvals). In addition to supporting company activities, these grants induce additional company spending at a ratio of more than 1:2.

Increase Employment and Grow the Economy and Assessment Base

Economic Development staff also coordinate and implement the Workforce Development Strategy overall to drive talent attraction and retention initiatives. With a focus on local workers, workers in Canada, and international workers, the strategy incorporates current and upcoming efforts underway with local employers to support their labour needs and help them identify and address their own labour shortages as they work to grow their businesses.

Staff also support retention of talent by engaging with post-secondary partners through marketing and touch points with students; they also promote and leverage the *Hit Refresh/Se renouveler* talent attraction initiative to help attract, market and provide information to employers on the opportunities in Greater Sudbury.

As part of supporting these goals, the Sudbury Local Immigration Partnership (SLIP) is housed within Greater Sudbury and focuses on initiatives to ensure that Greater Sudbury continues to be a welcoming community for newcomers from all walks of life. In conjunction with local stakeholders, the SLIP fosters an inclusive, engagement and collaborative environment to identify issues and share solutions to ensure the attraction and settlement of newcomers in Greater Sudbury.

These initiatives are also supported by other key partners including Immigration, Refugees and Citizenship Canada (IRCC) and FedNor, who continue to support our goals to attract and retain workforce across Greater Sudbury and surrounding communities.

Rural Northern Immigration Pilot (RNIP)

The RNIP program is a federally funded program of Immigration, Refugee and Citizen Canada (IRCC) that provides an employee with a sponsored path to Permanent Residency (PR); it is coordinated and managed by the Economic Development team with oversight provided by the Greater Sudbury Development Corporation according to IRCC requirements. As this program has employers vetting the skills of potential candidates, it eliminates the need for candidates to get their Labour Market Impact Assessment (LMIA), saving time and money for the candidate and the employer both. It is unique to 11 northern communities in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

In Greater Sudbury, the RNIP has been utilized by companies in multiple sectors; the mining supply and service sector accounts for the largest proportions of candidate recommendations. Candidates approved through the program work in senior roles, some in professional roles such as engineers, project managers, and IT professionals, and others in skilled trades (for example, millwrights, welders, electricians, labourers and truck drivers).

- Over 650 candidates have now been recommended through the RNIP program, resulting in over 1,300 newcomers to Sudbury since inception of the program in 2020.
- Over 350 local employers have participated in the Greater Sudbury RNIP program to date.
- From the beginning of 2023 to the end of the pilot in February 2024, Greater Sudbury will have recommended 715 candidates and filled all the allocations granted by IRCC, resulting in approximately 1,500 new Greater Sudbury residents including spouses and children approved through the process.

Attract, host and coordinate international business delegations

Hosting Events for Lead Generation and Business Support

An integral role of Economic Development staff is to develop and host targeted events that set the stage for effective networking, business support and lead generation. These initiatives provide great opportunities for our local companies to form new business relationships and are utilized by staff to highlight the benefits of doing business in Greater Sudbury and attracting Foreign Direct Investment.

The Sudbury Mining Cluster Reception at the annual Prospectors and Developers Association of Canada (PDAC) conference is an example of this activity that generates significant return on the investment of staff time and resources; in fact, with sponsorship and ticket revenues covering costs, this event is held with no impact on the City's levy.

- In 2023, this event was attended by over 500 delegates, supported 88 local companies and attracted sponsorship of 21 Greater Sudbury-based businesses.
- There were 150 tickets sold with an increase of 18% in the number of sponsors as compared to 2022; this resulted in a 30% increase in sponsorship revenue and a 25% increase in attendance.
- Representatives from 11 countries attended, indicating strong Foreign Direct Investment interest.
- Immediately following the event, both "platinum" sponsors expressed their interest in maintaining their sponsorship in 2024 with others looking to increase their sponsorship contribution.
- Attendance also included provincial and federal ministers and representatives from Invest in Canada, Invest Ontario and Auto Parts Manufacturing Association (APMA), among many other agencies, all with stated interests in Greater Sudbury mining and mining innovation ecosystem.
- Swedish and Chilean delegations traveled to Greater Sudbury immediately following PDAC for community and site visits to seek a greater understanding of the city's competitive advantages and the work done to support the mining innovation ecosystem.

Staff also attended the PDAC conference itself and coordinated a booth presence on the tradeshow floor. For 2023, the conference attracted nearly 24,000 attendees overall and attracted participation from a higher number of Greater Sudbury companies than ever before, with 115 companies in booths; the Greater Sudbury booth itself saw 11% more visitors this year than in 2022.

The BEV In-Depth: Mines to Mobility Conference was hosted at Cambrian College from May 31 to June 1 and is another important activity for lead generation and business support. Organized by the Economic Development team in cooperation with Frontier Lithium, Cambrian College, and the EV Society, the unique two-day event:

- Welcomed 280 delegates with 35% of attendees from out of town and over 55 speakers and panelists from major automotive and mining companies; this is an increase from 250 delegates in 2022.
- Was featured in numerous media outlets including Automotive News Canada.
- Included keynote speakers Jean Marc Leclerc, CEO of Honda Canada; Simon Thibeault, Critical Minerals Lead for General Motors; Alfredo Santana, lead of the North Atlantic Operations for Vale; and Raed Kadari, Head of the Ontario Vehicle Innovation Network.
- Welcomed Minister George Pirie, Minister Victor Fedeli and Greater Sudbury Mayor Paul Lefebvre who provided remarks at the event.

This annual event is an opportunity to promote business investment and expertise in mining innovation and mine electrification happening right here in our community.

With unprecedented opportunities emerging in cleantech and Electric Vehicle sectors globally, as well as new leadership at key public institutions, the timing is ideal for City and our many public and private sector partners to capture the developing opportunities for our community. Geopolitical context, supply chain issues, environmental considerations and new focus on critical minerals are driving factors positioning Greater Sudbury for incredible new prospects. The work of the staff includes:

- Establishing key targets in both public and private sectors who have influence on decisions regarding support and funding resources for Greater Sudbury.
- Conveying consistent messaging about Greater Sudbury's strengths and opportunities in the EV and clean-tech sectors to ensure Greater Sudbury's truly unique competitive advantages are amplified and understood by a wider audience outside of our community.
- Leveraging business and political relationships through networking activities, events, personal outreach and conversations among contacts, and supported by marketing collateral where appropriate.

The key messaging for this work captures that:

- Greater Sudbury has the tools needed now to support Ontario and Canada in growing our economy; staff can help solve problems and provide solutions to EV and clean-tech sectors.
- Greater Sudbury has the land, the talent and the resources to meet the needs of the Battery-Electric Vehicle transformation.
- City Council is actively implementing policies and making infrastructure investments to support business development and seize these incredible opportunities. Staff are ready to support new investments and working at the pace businesses need to make their plans a reality.
- With new supply chains evolving for BEV and the clean-tech sector, Greater Sudbury remains vital to this transformation.
- Greater Sudbury's global leadership in the mining sector is well established. With the concentration of critical minerals and mining expertise that exists here, our city helps companies that want to succeed in the global cleantech shift.

The newest example of work done by the City team to support local companies and attract Foreign Direct Investment is the Employment Land Community Improvement Plan (CIP). Staff anticipate this program will provide a tipping point for new businesses determining whether to land in the community.

When factoring in the support provided to local businesses by the Regional Business Centre, Innovation Quarters, and the Sudbury-based companies that benefit from the Northern Ontario Exports Program, as well as company outreach which focuses primarily on growth of local business, the split between growing our local companies and targeting new investment to the community is approximately half and half.

In 2023 to date Economic Development staff have coordinated and hosted nearly 20 business delegations, from foreign consuls to large-scale businesses. Hosting international delegates helps us establish a network of worldwide connections and promote Greater Sudbury as a jurisdiction for their next business expansion.

Increase visitation and hotel stays and increase the community's profile in external markets

The Tourism, Arts and Culture sectors also bring significant economic benefits to the community; they are key drivers to increase visitation and hotel stays, increase the city's profile and drive job creation. A sustainable cultural sector is an important contributor to the vibrancy and quality of life in Greater Sudbury and is fundamental to economic diversification, talent attraction.

Tourism & Culture staff work to increase these benefits through support for businesses and organizations and administration of grant programs that generate real results:

- In 2022 period, the Tourism & Culture section of Economic Development supported 44 events through the Tourism Event Support Program with a combined \$103,000.00 in funding, as well as in-kind contributions such as marketing collateral and delegate hosting material.
- Based on the information provided by the event organizers, these events attracted an estimated 68,735 non-local participants, delegates, and spectators to Greater Sudbury, resulting in local spending of approximately \$1,396,800.
- In 2023 to date staff have supported 43 events through the program.

In 2022, the Tourism & Culture continued its investment in the pursuit of meetings, conventions, and sports tourism hosting several conferences/sporting events, some of which include:

- Silver Stick hockey tournament (over 450 participants)
- Laurentian Sports Administration Program 50th anniversary reunion (110 participants)
- Canadian Association of Road Safety Professionals Conference (200 participants)
- Antique Car Show two-week event (600 hotel room nights)
- Provincial Rotary Club Conference (200 participants)
- Canadian Snowcross Racing Association (1,500+ spectators/participants from across Canada).

These events are generated by both local and external organizations, and staff work with the hosts to ensure conferences and tournaments are supported from the earliest bid proposal opportunities through the event planning in terms of facilities, logistics and marketing. Through surveying efforts and feedback received, delegates have shared positive experiences in Greater Sudbury with interest in returning in future for business and leisure trips.

Like Investment & Business Development staff, the Tourism & Culture team host a number of delegates in the community each year. Annually the economic impact from media familiarization tours, film productions, conferences and sporting event attendance is \$18 million to \$20 million, which is calculated using tracking of the number of participants and hotel room-nights together with average visitor spending from the provincial Tourism Regional Economic Impact Model (TREIM).

As an example of Tourism & Culture marketing initiatives, summer 2022 was the first full summer of marketing since before COVID, and staff implemented a well-rounded marketing plan that included TV, print, travel media, OOH (out-of-home) billboards and digital marketing. These activities help reach a wide audience of potential visitors:

- Website sessions and pageviews are two indicators for the campaign, and these saw a 29% increase YoY; tactics resulted in a 40% increase in local traffic and 28% increase in traffic from the GTA
- Key initiatives included: Highway Digital Billboards on Hwy 400 and Hwy 11 from June to August; these ads played over 45,000 times and reached over 3.7M impressions through highway traffic.
- In partnership with Destination Ontario Sudbury Tourism hosted CH Morning Live Show and a Motorcycle TV segment to attract motorcycle enthusiasts.

The summer of 2022 was successful for attracting influential travel media with large followings and great engagement. The media hosted had followings that ranged from 5,000 to 200,000 followers that fit with key travel markets, such as family travel, adult couples, outdoor and culinary travelers.

In 2022, Greater Sudbury annual hotel occupancy was 58.6% which was an increase of 10% over 2021 and a positive indication of post-COVID recovery for the sector. While direct attribution is difficult, there is a correlation between increased hotel reservations and gated ticket sales at attractions given the timing of these marketing tactics.

As an example of positive results of these activities in 2023, the *Travel Media Association of Canada* hosted their annual conference in Greater Sudbury in June this year. Organized by Tourism staff, the eight-day conference hosted 185 delegates from across Canada and the United States.

- The event featured eight pre-conference tours which included Northeastern Ontario, in addition to eight pre-conference tours, 11 local conference tours in Greater Sudbury and eight “dine-arounds” featuring local restaurants.
- This conference resulted in 910 hotel room-nights and \$250,000 in projected economic impact based on the TREIM calculation, with 40% of delegates spending between \$1,000 and \$2,000 per person during the seven-day conference.
- The conference has also garnered an increase in media attention and requests from travel media from across Canada. To date, the media coverage provided by TMAC delegates has generated 27 media stories and 53.2M in reach to new audiences.

Having a strong base of 70 local sector businesses and attractions who pay into the Sudbury Tourism Marketing Partnership strengthens investment opportunities for product development, travel media and group tour opportunities that strengthen Greater Sudbury's external visitor awareness. This engagement with businesses provides a broad base of services, experiences and products that can be promoted to visitors and that assist with Greater Sudbury's attractiveness to travel consumers.

Increase Capacity and Sustainability of Culture as a Contributor to Vibrancy and Quality of Life

Film & Television

The Economic Development division acts in the capacity of a film office to provide a point of contact for productions and investors seeking to film in or set up businesses in the area. This role includes centralized and coordinated film permitting procedures, working with other departments, hosting film scouts and prospective investors, participating in provincial and regional efforts to market Ontario and the North as a film destination. Through these interactions staff collect and track data for economic impact reporting.

In 2021 Council supported and approved the creation of a new permanent full-time Film Officer position. The investment in this role bolsters the Economic Development division's Film Team, expanding its capacity to service the film industry. It provides one point of contact for production and investors seeking to shoot or set up businesses in the area. This role includes centralized and coordinated film permitting procedures, working with other departments, hosting film scouts and prospective investors, participating in provincial and regional efforts to market Ontario and the North as a film destination.

- To date, for 2023 we have hosted 14 productions resulting in 209 film days, with a local spend of \$11.9M. These figures reflect a variety of production types that have filmed in Greater Sudbury: feature films, television movies, series, documentaries and independent short films.
- Since 2012 local spending from these productions' totals over \$218 million, 169 film productions hosted, 5,744 shoot days, which represents approximately half of the overall production budgets.

In 2023 the Tourism Development Committee recognized the strength and impacts that the film industry provides to the City of Greater Sudbury and approved a \$200,000 Film Sponsorship program, utilizing MAT dollars. The Film Sponsorship program provides film productions to increase marketing, host "Premiere Events" for films in our local market and allow the tourism team utilize assets to promote awareness of the film scene in the City of Greater Sudbury. Tracking of this fund and the impacts will be reported annually.

Arts & Culture

Tourism & Culture staff provide support and assistance to a wide range of non-profit organizations and entrepreneurs for business planning and access to public grants and resources.

- In 2022, the City invested \$559,288 in 33 arts and cultural organizations across the community through the Arts & Culture Grant program, administered and coordinated by Economic Development.
- These organizations garnered nearly \$9.6 million in public and private funding and revenues, representing significant leveraging power this investment provides to these organizations.

This year has seen these investments pay off for cultural organizations such as the Sudbury Theatre Centre, YES Theatre and Up Here Festival:

- The Sudbury Theatre Centre had a blockbuster summer, selling out and extending the run for their production of *Jersery Boys*, selling 14,283 tickets.
- YES Theatre's Refetterio theatre opened in August 2023 and to date has sold 4,100 tickets; nearby restaurants have also seen a positive impact on business, and several have offered specialty drinks and menu items to leverage the additional foot traffic generated by the new activity.
- The 9th annual Up Here Festival attracted approximately 5,000 participants this year; over the past nine years this event has successfully generated \$5 million in economic impact for the community.

Provide analysis and due diligence for grant programs and investment opportunities.

Economic Development works closely with the Greater Sudbury Development Corporation to coordinate and administer grant funding totaling nearly \$1.5 million per year. Staff provide the initial outreach and exploration of potential projects and conduct the due diligence, supporting proponents to bring initiatives forward in a concise and timely fashion.

In 2022, Economic Development staff supported the Community Economic Development fund to disburse a total investment of just under \$400,000 for initiatives that support clean-tech, employment training and talent attraction in our community. This funding helped to leverage an additional \$1.7 million in project dollars from other public and private sources. This means that every dollar of CED funding helped these projects access an additional \$4.20 more in funding.

The Tourism Development Fund administered by Economic Development provides similar lift to project proponents; in fact, funding provided through this fund has leveraged over \$10 million in value of projects since it was introduced in 2020. In 2022, there were 22 inquiries and five applications received and approved with \$365,125 in funding allocated through the TDF; total dollars leveraged from these projects was \$1,721,395. Since the launch of the fund in June 2020, the dollars leveraged for these projects is \$10,856,594.

As noted, the annual Arts & Culture grant program is also administered by Economic Development staff through two streams available to Project and Operating grant applicants. Through this initiative the GSDC has approved over \$10 million in funding to local arts and culture organizations since 2005.

These projects rely on the facilitation and due diligence provided by Economic Development staff, representing an impressive return on the investment of the funding dollars.

Conclusion

The Economic Development division provides support for existing businesses to stay and to thrive in Greater Sudbury; this work amplifies the city's competitive advantages for the attraction of new investment. Tourism and cultural amenities serve to advance goals related to community vibrancy and talent attraction and are significant economic drivers in their own right as well. Long-term sustainability of the local economy depends on the diversification of local sectors, and Economic Development provides resources and expertise for entrepreneurs, businesses and organizations through ideation and start-up phases right through to site selection, operational planning and workforce development for diverse industries.

The City of Greater Sudbury makes an investment in people and resources through the Economic Development division that helps generate new jobs, new business and a growing assessment base to help sustain and grow the community over the long term.

Tracking these efforts continues as a priority for Economic Development to ensure data-driven decisions, and the team continues to develop more effective tools for consistent performance measurement.