



Meaford Economic Development Strategy (MEDS)

February 5, 2010

Version 2

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Overview

The economic development strategies presented in this document are the result of 18 months of work, done in two main phases.

Phase 1

In the first phase (late 2008), a small task force developed overall strategies for the Municipality of Meaford. Their report was presented to Council on January 19, 2009, when it was endorsed by resolution.

The main deliverables in this report were:

- A Situation Assessment
- Overall Strategic Objectives
- Overall Strategies

The key conclusions of the Situation Assessment were:

- Meaford's future prosperity is at risk unless we embark on a journey of *growing and diversifying our tax base*
- *Council and the Municipality must lead* our economic development strategies and activities
- The Municipality should *focus its economic development resources* on a small number of strategic business sectors

These conclusions provide the context for everything that follows.

Phase 2

In the second phase of work (March – December, 2009), five task forces developed strategies. Four task forces were aligned around the strategic pillars (see below); a fifth task force was asked to look at how cultural factors should influence economic development strategies.

The task forces followed the same process for their area that was used for overall strategies, but at a more granular level:

- Situation Assessment
- Strategic Objectives
- Strategies

For reasons explained below, the strategies flowing from the Culture task force were folded into the Tourism task force's work.

A preliminary Phase 2 report was made to Council on December 14, 2009.

Public meetings were held at Woodford Hall on January 19, 2010 and at Meaford Hall on January 20, 2010. This version of the report reflects the input received at those meetings.

Detailed reports from this work can be found on the municipal website:
<http://meaford.ca/documents.cfm>, under Reports.

Linkage to the Corporate Strategy

At the same time that the economic development strategies were being developed, Council and the Senior Management Team were working on a new Corporate Strategy.

Two important elements of the Corporate Strategy are the Vision and Values; these give context and direction for other plans developed by and for the Municipality, including MEDS.

The proposed Vision is:

*Meaford is a community of great natural beauty, proud of its heritage,
with an enhanced quality of life and a progressive, sustainable future.*

And the proposed Values are:

Respect

Integrity

Community First

Specific objectives and strategies developed for the Corporate Strategy were grouped into three major themes. One of them, A Healthy Economy, is of particular relevance to MEDS.

The strategic objectives in this theme are:

- Tax base increased by 30% overall by 2020
- Non-residential tax base increased to 11% of the whole by 2020
- Property tax increases after 2014 will be no greater than the rate of inflation
- Zero accumulated deficit by 2015

The Strategies for achieving these Objectives are:

- Implement MEDS recommendations
- Ensure that Municipal operations are environmentally sound and sustainable, and promote environmental sustainability in the community
- Develop/implement a marketing/branding strategy for the Municipality
- Implement 5-year fiscal plan

In short, MEDS is a key element of the overall corporate strategy. The strategies presented in this report are all aimed at increasing the revenue of the Municipality by growing the tax base – the number of residents and businesses paying municipal taxes. By growing the tax base, the burden of paying for municipal services is spread across a larger number of tax payers, and therefore mitigating the burden on existing tax payers. There are also some strategies within MEDS that have the potential to increase non-tax revenue, thereby reducing the burden on tax payers even further.

Overall economic development strategy

Mission

The overall mission of the Meaford Economic Development Strategy (MEDS) is to

Develop specific strategies for growing the economic strength and resilience of the Municipality of Meaford.

This means developing a stronger economic environment in general, and a larger and more diversified tax base in particular.

The economic development strategies proposed in this report are focused on growing municipal tax revenue independently of any increases in tax rates. It may still be necessary to raise tax rates to achieve the Municipality's fiscal objectives – but growth in the tax base through economic development activities should mitigate the need for these increases.

Overall strategic objectives

There are two overall strategic objectives for the Municipality..

Grow and diversify the tax base in real dollars

Specifically:

We will increase the overall tax base by 30% by 2020

We will increase the proportion of non-residential tax from 9% to 11% by 2020

If the overall tax base is increased, then the tax burden on existing taxpayers is lessened. And if the proportion of commercial and industrial tax is increased, then the burden on residential taxpayers is further reduced.

It is important to distinguish between increase the tax base and increasing tax rates.

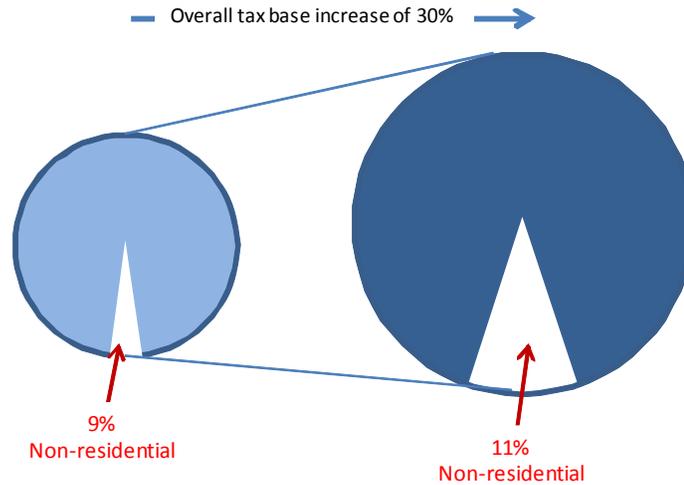
The tax base is the number of residents and businesses paying municipal taxes. If there was no tax increase from one year to the next but the number of residents and businesses increased by 10%, then the Municipality's tax revenue would also increase by 10%.

The second objective concerns the proportion of the tax base made up by businesses – non-residential tax payers. At present, businesses account for approximately 9% of municipal tax revenues. The objective is to increase this proportion to 11% by 2020. Businesses pay a higher tax rate than residents; increase the proportion of businesses paying taxes reduces the tax burden on residents even further.

The diagram below shows the effect of these two objectives.

The net effect of the two objectives is that the Municipality will have more residents and more businesses paying taxes (regardless of anything that might happen with increases in tax rates),

and there are proportionally more businesses paying taxes. Thus, the tax burden on existing tax payers is lessened, particularly for residential tax payers.



It should also be noted that there are opportunities within the proposed strategies for increases in non-tax revenue to the Municipality. For example, the strategy of making Meaford an arts and culture destination would clearly benefit the revenue stream from Meaford Hall.

Increase the proportion of the Meaford population who live and work in Meaford

Economic development activities will create jobs within the municipality, which will make it easier for people in the labour force to both live and work here.

Overall strategies

Three broad strategies were developed in the 2008 report to Council:

Council and management will actively lead, facilitate and enable economic development in Meaford.

This means that:

- Council (individually and collectively) will use economic development as a primary factor in their decisions and actions
- Council explicitly invests in economic development through its people and resources

The Municipality will provide leadership and services to encourage and support people wishing to expand their business or bring a new business to Meaford.

This means that:

- All municipal policies and processes will facilitate economic development
- The Municipality will have explicit strategies for nurturing economic development

The Municipality will focus its economic development resources on four strategic business sectors.

The first three of these sectors are already the primary pillars of economic activity in Meaford: the fourth is a ground-up development opportunity:

- Agri-business
- Tourism
- Retail
- Green business

Specific strategies are required in each of these pillars; these are described in the next sections.

Pillar Situation Assessment

For this deliverable, each task force was asked to create and analyze a fact base, and to draw conclusions that would then drive strategy development.

Note: A detailed report of all the task force work is available on the Municipal website, at <http://meaford.ca/documents.cfm>, under Reports.

Green Business

The Green Business task force was asked to address two questions:

1. What are the issues involved in attracting any new business to Meaford? And how should we attract green business in particular?
2. What are the issues involved in the greening of Meaford (on the assumption that green businesses are more likely to come to a green municipality)?

Note: “Green” was taken to mean any business providing products and/or services that have a low environmental footprint in themselves or that use production and distribution processes that have a low environmental footprint.

The conclusion from the first question (attracting new business) is that ***the Municipality of Meaford is not yet well-equipped to attract new business, let alone green business.***

- Meaford has no clear competitive advantage
- The Municipality is only partially ready to promote economic development
- Having a green municipality appears to be of marginal value in attracting green business

The conclusion from the second question (greening Meaford) is that ***there is an economic case for greening the Municipality in two areas:***

- Waste management
- Its carbon footprint

And greening is good in itself.

Tourism

The Tourism task force came to three main conclusions in its Situation Assessment:

Our tourism traffic is highly seasonal, making it very difficult to sustain strong tourism business:

- There is a 5:1 ratio in visitors between peak and off-peak seasons
- Extreme seasonality is very challenging to the viability and strength of tourism businesses
- Seasonality also challenges indirect tourism businesses

Marketing Meaford as a tourism destination has been extremely challenging:

- No clear “known-for”
- A focus on marketing to actual visitors rather than to potential markets
- Marketing budgets have been severely constrained
- A need for better aids for visitors
- Silos and unclear/overlapping accountabilities for tourism marketing at a regional level

There is no critical mass in Meaford’s tourism industry:

- A large number of relatively small attractions & events
- A drive-through location – no compelling reasons to stop
- Need better coordination & collaboration between events
- Lack of critical mass associated with a heavy reliance on volunteers – a strength and a weakness
- Some care may be required to avoid ruining the things that make Meaford an attractive place

Agri-business

The Agri-business task force came to a single, overarching conclusion:

Agri-business in Meaford is on the cusp of major change. In twenty years, the industry will not look the same as it does now.

- There are many small, marginal operators (and a very few large ones)
- Most farms produce commodity products
- There is very little collaboration between farms
- There is virtually no post-primary processing

Commodity farming is exceptionally difficult, because of the price pressure from a small number of powerful wholesale buyers and from a small number of large competitors who can gain economies of scale denied to small operators.

The choice for the Municipality is to:

- Use this change as an opportunity to create new opportunities and wealth in agri-business, or
- Watch our agri-business sector decline as others take advantage of new opportunities

The task force concluded that the appropriate response to the coming change is to:

1. Move up the value chain by bringing in post-primary processing, especially in more lightly-regulated areas
2. Shift to producing non-commodity products

Retail

The overall conclusion of the Retail task force was that *the retail environment in Meaford is seriously challenged*.

The retail environment in Meaford is fragmented and unfocused:

- 3 distinct retail areas, with little connection between them
- Downtown core is not healthy
- The Highway 26 area east of the town is reasonably healthy
- The Highway 6/10 area (west side of the Municipality) has a much stronger link to Owen Sound, and is badly disconnected from the Municipality
- Little retail support for tourism

The Municipality is not perceived as being “retail-friendly”:

- Anecdotal examples of difficulties faced by retailers developing their business
- Slow progress & communication about new development
- Slow progress on Community Improvement Plan, architectural guidelines, Tourism Area designation
- Perception that the Municipality has taken the position that “business development isn’t our business”

The task force did note that some of these comments are more historical in nature.

The big boxes are coming!

- New pumping capacity will open up Highway 26 on the east side of town
- Major entrants will probably be national chains with medium-size footprints
- The Municipality currently has no policies, strategies or guidelines for attracting or managing big box development

Culture mapping

The Culture Mapping task force was asked to:

- Develop an inventory of arts & cultural assets
- Categorize those assets into a conceptual framework and develop cultural maps of Meaford
- Analyze the assets in relation to the four economic development pillars

Note: the term “culture” was defined broadly, to mean the “essence of Meaford”.

The task force drew several conclusions about arts & culture and their connection to economic development:

We don't know what we know!

The data base of arts & cultural assets in Meaford contains over 550 assets, and is undoubtedly incomplete.

No single source had anything like a complete picture of our arts & cultural assets.

There are no linkages between different types of assets

It's currently difficult/impossible to use this information for economic development purposes

The strongest linkage is between arts & culture and Tourism:

- Two dominant groups of cultural assets form the basis of Tourism attractions:
 - Outdoor recreation
 - Arts & culture events
- "Heritage" assets were seen as providing an attractive ambience for the Municipality, but we not currently a direct attraction

There are few linkages between arts & culture and other pillars:

- Retail:
 - Many artists, but few retail arts outlets
 - Few retailers serving the outdoor recreation market
 - Most retail are providing visitor services such as accommodation, restaurants
- Agri-business:
 - Farmer's Market, 100-Mile Market are primary links
 - Some farm gate retail sales of food (apples, corn...)
 - Small number of other farm-based businesses (jazzy socks, equestrian...)
- Green business
 - Some organic food producers
 - Some restaurants, food co-ops, retailers using local foods

Pillar strategic objectives

Each task force developed a set of strategic objectives for their pillar/sector.

Green business

We will increase the number of green businesses from 4 to 15 by 2015

The Municipality will be “business-ready” by December 2011 (ie actively seeking out and assisting new business)

The Municipality will be a high-tech incubator for green industry by 2015

The Municipality will improve its energy efficiency by 25% by 2015

Tourism

We will increase the number of tourist visitors to Meaford by 25% by 2012

We will double the number of overnight stays by 2012

We will double the number of off-peak visitors by 2012

We will introduce 10 new businesses connected to the waterfront by 2015, based on a comprehensive waterfront strategy

Meaford will be known as a cultural tourist destination by 2015

Agri-business

We will increase average farm gate receipts to \$100k by 2020

We will have 3 new processing plants by 2015

We will have 10 new & different farm-based businesses with farm gate receipts exceeding \$75k by 2015

Meaford is known as a centre for innovative agri-business products and approaches by 2015

Retail

There will be a 0% vacancy rate in retail establishments in the BIA by 2015

The Municipality has productive relationships with all current and potential businesses

- requires a registry of all businesses
- ongoing “relationship management” between the Municipality and business

We have attracted 10 new “sector-specific” businesses by 2015

Meaford will be a retail destination by 2015

Culture

Meaford is known as a regional centre for arts and culture by 2020

Meaford is known as a physical recreation centre (in/outdoors) by 2015

We will have a full-service hotel by 2015 as a sign of expanded accommodation

Cumulative impact

It is important to note that the task force members collectively believe that achieving these objectives – or even making good progress on them – will contribute to achieving the overall objectives of:

- Increasing the tax base by 30% by 2020
- Increasing the proportion of non-residential tax from 9% to 11% by 2020

Pillar strategies

The final step for the task forces was to develop strategies that would lead to achieving the objectives summarized in the previous section. While strategies were developed by each task force, there is clearly some overlap. The final section of this report integrates pillar strategies into a single set of economic development strategies for the Municipality.

Because of the strong overlap of the conclusions of the Cultural Mapping task force with those of the Tourism task force, these groups were merged for the development of strategies.

While most of the strategies were developed within the overarching strategic objective of growing and diversifying the tax base, it should be noted that several strategies have the potential of growing non-tax revenues. For example, Meaford Hall revenues would be enhanced by several strategies, especially those in Tourism.

There is a tendency for any discussion of economic development to focus too quickly on the urban part of Meaford. To some extent, this is understandable, since that is where the current business environment is currently focused. However, this is too limited a view. There are plenty of opportunities in the pillar strategies to encourage economic development outside the town. Working within the constraints of Provincial, County planning requirements, it is important that the Municipality pursue those opportunities in order to ensure that the community and economic benefits of these strategies are shared across the entire Municipality.

Green business

There are four main strategies in the Green Business pillar:

Become “business ready”

- Create & enable an Economic Development Office within the Municipality
- Prepare protocols & support material to support economic development activities
- Integrate economic development into the culture, accountabilities and processes across the Municipality
- Use Economic Development Councils as a way to harness the experience and energy of the community
- Ensure waste water treatment plant has sufficient capacity to accommodate growth

Proactively attract green business

- Define criteria for “green” businesses:
 - green products & services
 - sustainable, green processes
- Identify & designate appropriate Employment Lands:
 - reflect in Official Plan & Zoning by-laws
 - include in marketing packages
- Identify & secure one or more “flagship” green businesses

Become a high-tech incubator for green business

- Establish Virtual Green Technology Centre
- Establish business incubator:
 - dedicated space
 - shared overheads
- Establish satellite campus to round out high technology cluster

Green the Municipality

- Establish single point of accountability within Municipality for green initiatives (Operations Dept)
- Investigate P3 arrangements to exploit energy efficiency opportunities, based on results of energy audit
- Implement “Greening of Meaford” strategies in the community
- Develop consultation protocol for public debate on alternative energy, especially wind farms within the Municipality
- Pursue waste management as a greening opportunity

Tourism

There are four main strategies in the Tourism pillar:

Preserve & develop the attractions we already have

- Community Improvement Plan
- Heritage Designation
- Waterfront
- Communities in Bloom
- Urban forestry

Develop new attractions

- Events, especially in the off-season
- Wellness as a potential tourism theme for Meaford (eg encourage development of spas)
- Snowmobiling & winter attractions

Market Meaford to our target audience

- Develop clear marketing focus and strategies
- Expand marketing range
- Participate in regional marketing
- Market cross-over of other pillars with Tourism
- Cover all tourism assets, but focus especially on culture & outdoor recreation

Support people exceptionally well when they're here

- Signage
- Customer service
- Cross-attraction linkages

Agri-business

The Agri-business task developed the following strategies:

Ensure key municipal plans, by-laws, grant applications & tax strategies all support strengthening & expanding agri-business

Create agri-business registry, with incentives

Attract new processing plants

Attract an agri-business research & development institute

Integrate agri-business with tourism strategies

Integrate agri-business with Green strategies

Create forums for mutual learning & support

Council & Councillors act as agri-business ambassadors & promoters

Retail

The Retail task developed the following strategies:

Provide support to people opening new stores

Establish business registry

Make downtown more friendly to shoppers

Implement Community Improvement Plan

Buy Local campaign

Market Meaford to potential retail investors

Develop policies & frameworks for big box development, then attract the “right” big box to differentiate ourselves

Summary of strategies

The following table summarizes the pillar strategies.

The column labeled “Table stakes” refers to strategies that are necessary for Meaford to have any credibility in the economic development arena. Failing to execute these strategies will compromise anything else that we try to do to attract new business here.

The column labeled “Big ideas” refers to the strategies that will set us apart. Success in these strategies will have a huge impact on the economic prosperity of the Municipality.

	Table stakes		Big ideas
Tourism	Preserve & extend what we have Develop new attractions, especially off-season Market to our target audience Support visitors very well		Comprehensive waterfront strategy Arts & culture learning institution
Retail	Support new store owners Business registry Shopper-friendly downtown Market Meaford to investors	Implement Community Improvement Plan Heritage Designation Policies & frameworks for big box development	Buy Local campaign
Agri-business	Align municipal plans etc with promoting Agri-business Business registry	Integrate Agri-business with Tourism & Green Business Council acts as Agri-business Ambassadors	Establish agri-business R&D institute Attract new processing plants
Green business	Become “business-ready” Market Meaford to green businesses		Establish high-tech incubator Attract flagship green business Green Meaford

Linkage between pillars

It is important to note that there are many connections between pillars, and therefore opportunities for strategies in one area to leverage strategies elsewhere.

The following table indicates some of these cross-pillar connections.

	Tourism	Retail	Agri-business	Green Business
Tourism		Tourists are looking for interesting shopping & restaurants	Tourism marketing can drive tourists to agri-business attractions	Tourist attractions also attract hi-tech/green investors & workforce
Retail	Attractive stores become a tourism attraction			Attractive/destination stores also attract investors & workforce
Agri-business	Farm holidays Ethnic allotments	Stores offering local farm or processed products		Agri-business products & waste can be input for green businesses
Green Business	A Green Meaford is more attractive to tourists Harbour remediation a prerequisite for waterfront development	Stores offering green products	New processing plants should be green Potential overlap of green/hi tech/Agri-business institutes	

Strategies not chosen

The Retail, Tourism, and Agri-business pillars were selected because they are among the largest sectors in Meaford's economy. Three other significant sectors were not singled out for specific attention: the Hospital, our schools, and the Land Force Training Base. Suggestions have also been offered with regard to capitalizing on retirement trends.

Training Base

There is no doubt that the Base is one of Meaford's larger employers – approximately 200 civilians have jobs on the base, and there is a significant contingent of Army personnel who have been assigned to the Base and who need somewhere to live.

There is nothing that the Municipality can do to affect the number of people working at the Base. The opportunity, if there is one, is for suitable housing to accommodate the personnel (both single and married) who have been posted to the Base. “Suitable housing” means an average price point of around \$250k, and appropriate for young families – in this respect, Army families are just like any other working family.

In general, Army personnel prefer to buy in Meaford, if only because travel to and from the Base is easier (especially in winter). So the issue is whether Municipal plans, policies and processes support the development and supply of appropriate housing stock.

This is a general question, not restricted solely to housing for Army personnel. The Green Business task force has proposed several strategies to ensure that the Municipality is “Business-friendly” – if these are followed, then development of housing in general will be facilitated, and there should be an adequate supply of housing for people working at the Base.

Hospital

The Hospital is both a significant employer and an important attraction for people deciding to live here. Maintaining a hospital in Meaford is primarily a business decision for Grey Bruce Health Services – if there is sufficient demand to fill the beds, we will keep the Hospital. If demand for beds drops too much, Grey Bruce Health Services will have little choice but to close the Hospital. From an economic development standpoint, we will keep the Hospital if we have a population that generates sufficient demand for the beds available.

It’s also worth noting that the expected increase in our over-60 population is probably going to ensure a steady demand for the hospital.

Over and above respecting the business fundamentals, the Municipality should continue to be as welcoming as possible to the hospital. The Municipality already give grants to the Hospital, and will be ramping up the efforts to attract a new clinic (with doctors) to Meaford. We have an active and successful Hospital Foundation. These efforts are all worthwhile, and would continue regardless of any other economic development activity – for this reason, the Hospital has not been singled out for special attention in MEDS.

Schools

Schools are like the Hospital – they will stay open as long as we have enough children to fill them. From an economic development perspective, the challenge is to have enough jobs in the Municipality that we have a healthy number of working and raising their families here.

Meaford already has a smaller proportion of our population in the labour force (ages 20-60) than either Grey County or Ontario as a whole. In the longer term, the threat to our schools is real. However, the Municipality cannot do anything to keep the schools open except to ensure that we have a healthy economy, with plenty of jobs for working families.

Retirement

While retirement is not yet a major component of Meaford’s business ecosystem, the suggestion has been made that it should be.

Meaford currently has a higher proportion of its population aged 60 and over than Grey County, and even more than Ontario as a whole. There is little doubt that the Municipality is an attractive

retirement destination. The question is: should we make retirement an economic development priority?

The proposed answer to that question is no, for three main reasons.

First, Meaford will continue to be a desirable place to retire to. Quite apart from the attractions that already bring people here, many of the Tourism strategies will make Meaford an even more attractive destination for new retirees. If that's the case, investors will come to us to build retirement and care homes, attracted by the investment opportunity. Consequently, the economic development imperative is the same as it is for any investor – be as welcoming as possible, and make it as easy as possible for them to build their homes. That aspect is well covered in the “Business-friendly” strategy proposed by the Green Business Task Force.

Secondly, it's not all clear that becoming a retirement destination contributes to the Municipal strategic theme of having “A Healthy Community”. A healthy community will reflect the population as a whole, and will not be seriously over-represented in one demographic any more than it is under-represented in another. Older people benefit by having younger people around, and vice versa. Our objective should be to get the balance right between the retirement and working family demographics. The number of retired people in Meaford is going to grow regardless of anything we might do; and the proportion of working families in Meaford will decrease unless we work hard at attracting jobs.

Finally, strategy is about making choices. The Municipality simply does not have the resources to invest in every attractive opportunity – we have to pick our spots. It is far more effective to choose a few places to invest and get them right than it is to go after everything and succeed with none of them.

In short, Meaford will get its fair share of retirement and care homes simply because the market will be there for investors. And it's important that the Municipality invests its scarce resources in sustaining a healthy business ecosystem that benefits everyone and keeps our schools open.

Integrated strategies

There is some overlap between the strategies developed by each of the four pillar task forces. To eliminate this overlap, pillar strategies have been integrated into a single set of strategies. These will form the basis of specific action plans once the final report has been endorsed by Council.

The following table shows the integrated economic development strategies for the Municipality of Meaford.

Table stakes	Big ideas
<p>Get the Municipality “business ready”</p> <ul style="list-style-type: none"> • Economic Development Office • Governance • Council & Councilors as business ambassadors • Economic Development Councils • Plans, processes, by-laws... • Business Registry 	<p>Attract institutions:</p> <ul style="list-style-type: none"> • Agri-business R&D • Arts & culture learning • High-tech incubator <p>Attract key investors:</p> <ul style="list-style-type: none"> • Flagship green business • Processing plants
<p>Market the Municipality:</p> <ul style="list-style-type: none"> • Investors in all pillars • Visitors <p>Marketing strategies, resources & material, including website</p> <p>Excellent, proactive support to investors & visitors once they’re here</p> <p>Integrate marketing:</p> <ul style="list-style-type: none"> • across the pillars • across Municipal & privately-operated attractions 	<p>Support current & potential business owners & investors:</p> <ul style="list-style-type: none"> • Mentoring programs • Learning & mutual support forums • Buy Local campaign
<p>Preserve, extend & enhance our assets:</p> <ul style="list-style-type: none"> • Downtown, heritage area • Tourism attractions (current and new) • Municipality recreation & culture portfolio 	<p>Green Meaford:</p> <ul style="list-style-type: none"> • Economically responsible • Community-building • Differentiate Meaford for investors and visitors • Comprehensive waterfront strategy