



**OFFICE OF THE CHIEF
ADMINISTRATIVE OFFICER**
Staff Report

REPORT NO: CAO-2023-10
TO: Council
SUBMITTED BY: Sharon Chambers, CAO
PREPARED BY: Sharon Chambers, CAO
REVIEWED BY: Sharon Chambers, CAO
DATE: September 11, 2023
SUBJECT: Waterloo Economic Development Corporation (WREDC)
Memorandum of Understanding Renewal

RECOMMENDATION:

THAT Report CAO-2023-10 be received for information; and

THAT the Council of the Township of Wilmot approve in principle the renewal of the Waterloo Region Economic Development Corporation Partnership Agreement subject to 2024 Budget approval as set out in report CAO-2023-10 dated September 11, 2023; and

THAT staff include \$50,000 in funding for the WREDC in the draft 2024 budget, funded from the property tax levy.

SUMMARY:

The Waterloo Region Economic Development Corporation (WREDC), which operates as Waterloo EDC, partnership agreement with the area municipalities is set to expire on December 31, 2023. Subject to final approval of the funding by area Councils, the Area CAO's have negotiated a tentative new 5-year agreement that includes the first financial increase since 2015.

The financial increase will bring stability to Waterloo EDC which has relied on Fed/Prov funding that is being phased out. The increased financial commitment for the Township of Wilmot will be phased in over the 5 years. The Township's contribution of \$50,000/yr will remain in place for 2024, 2025 and 2026, with CPI being applied in both 2027 and 2028.

BACKGROUND:

In 2015 the Councils of the Region of Waterloo and Municipal Councils of Cambridge, Kitchener, North Dumfries, Waterloo, Wellesley, Wilmot, and Woolwich agreed to jointly operate the Waterloo Region Economic Development Corporation (WREDC; Waterloo EDC is the operating name) under a Memorandum of Understanding partnership agreement that had one renewal in 2018 and is set to expire again on December 31, 2023.

This coordinated approach to the delivery of economic development services throughout Waterloo Region has been in place to complement and support, and not duplicate the collaborative efforts of Area Municipal economic development staff. Waterloo EDC is an integral common voice and champion for Ec Dev in our region. Tony LaMantia was recruited as the inaugural CEO for WREDC, starting in this position in January 2016, and remains in this capacity reporting to a private sector board of Directors, currently chaired by Murray Gamble.

There have been numerous corporate attraction and retention successes derived from the Waterloo EDC team over the years. Waterloo EDC directly supports our community by leading foreign direct investment attraction efforts and partnering on local business retention and expansion. It is a highly successful advocate for, and contributor to, the investment readiness of our community. The organization has delivered in excess of \$1.55 billion in GDP impact, over 12,500 new jobs and almost \$118 million in additional taxes to the Canadian ecosystem between 2016-2022 (as measured by Statistics Canada).

REPORT:

While the Township of Wilmot has not yet seen a direct return on our investment in terms of new business attraction, Township staff continue to be actively engaged with WREDC to advance investment opportunities within the Township. Historically, the lack of available employment lands has been a factor in terms of investment opportunity, but this will be rectified when the new employment lands come online.

Waterloo EDC is financially supported via base municipal funding and the partnerships forged with both the federal and provincial governments, however, the sustainability of the federal and provincial funding programs is waning and the importance and need of WREDC is growing. Therefore, this agreement renewal will call on additional municipal funding implemented in a phased manner over several years as noted in Table 1.

Waterloo EDC's CEO and the area municipal CAO's have negotiated a proposed new updated partnership agreement and funding strategy for WREDC to operate for the next 5-years. Table 1 represents the financial terms of the proposed agreement set to be tabled with the area municipal councils in August-September timeframe. Other notable improvements to the

agreement include language improvements to enhance communication and alignment with the area municipal economic development departments.

TABLE 1

Municipalities	Current Funding	2024 Funding	2025 Funding	2026 Funding	2027 Funding	2028 Funding
City of Cambridge	320,000	420,000	470,000	520,000	2026 level + CPI	2027 level + CPI
City of Kitchener	320,000	420,000	470,000	520,000	2026 level + CPI	2027 level + CPI
City of Waterloo	320,000	420,000	470,000	520,000	2026 level + CPI	2027 level + CPI
Township of Woolwich	50,000	50,000	50,000	50,000	2026 level + CPI	2027 level + CPI
Township of Wilmot	50,000	50,000	50,000	50,000	2026 level + CPI	2027 level + CPI
Township of Wellesley	20,000	20,000	20,000	20,000	2026 level + CPI	2027 level + CPI
Township of N. Dumfries	20,000	20,000	20,000	20,000	2026 level + CPI	2027 level + CPI
Region Of Waterloo	900,000	1,400,000	1,450,000	1,500,000	2026 level + CPI	2027 level + CPI
Total:	2,000,000	2,800,000	3,000,000	3,200,000		

At the direction of the CAOs, the Region of Waterloo, in collaboration with the Area Municipalities and Waterloo EDC, is updating the 2014 Waterloo Region Economic Development Strategy. This document provides a framework to organizations contributing to economic development and economic growth in Waterloo Region, through the alignment of shared goals and actions, to increase our region's competitive advantage, accelerate business growth and stimulate the next era of innovation in our economy. This strategy update is expected to be complete by the 4th quarter of 2023. Emerging themes from this work include talent, supply chains, employment land acceleration, growth strategies for existing and emerging sectors, coordinated advocacy, and quality of life. This document, when complete, will be layered into the operating directions for WREDC and the local economic development departments of area municipalities.

If the CAO's receive endorsement from the seven area Councils and Regional Council, a new five year partnership agreement will be finalized and a funding update and agreement will be brought to Township Council in the fall as part of the 2024 budget process.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

The partnership agreement with Waterloo Economic Development Corporation supports the Wilmot Strategic Plan goal of Economic Prosperity which in turn supports the goals of Quality of Life and Responsible Governance.

FINANCIAL CONSIDERATIONS:

The Township of Wilmot has contributed \$50,000 in annual funding to WREDC since 2015. The proposed renewal would maintain this base funding level for the years 2024 through 2026, with CPI being applied for the years 2027 and 2028.

ATTACHMENTS: Appendix A – Draft Partnership Agreement