



The City of
Welland

**COMMUNITY
ECONOMIC
DEVELOPMENT
STRATEGY**

A COMMUNITY ECONOMIC DEVELOPMENT STRATEGY FOR THE WAY FORWARD



NOVEMBER 2004

In partnership with

Canada 



"This project is funded in part by the Government of Canada." , and "The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada."

MESSAGE FROM THE MAYOR



*OFFICE OF THE MAYOR
DAMIAN GOULBOURNE*

*411 East Main Street
Welland, Ontario
L3B 3X4
Phone 905-735-1700
Fax 905-735-6588*

I am excited with the release of our new community strategy. This highly-anticipated plan has been in the works for nearly one year and is a collaborative effort of a wide variety of community stakeholders. We now know what actions we must take to revitalize our local economy.

With the input we received at public meetings, we now have a direction for the city and have determined the business sectors that will bring prosperity back to Welland. Improving the quality of life for our citizens was identified as one of the keys to our success and just makes good business sense.

In moving forward, we must build upon Welland's strengths, such as Niagara College and our skilled labour force, while continuing to support the many existing small and medium-sized businesses that contribute to this city.

This is a plan that we can all be very proud of, and I extend my thanks to everyone who had a role in producing it. I look forward to working with all stakeholders as we implement our innovative community economic development strategy.

Damian Goulbourne
MAYOR

ACKNOWLEDGEMENTS

This report was commissioned by the City of Welland's Economic Development and Tourism Department and made possible through funding provided by the City, Human Resources and Skills Development Canada, the Ontario Ministry of Economic Development and Trade, the Regional Municipality of Niagara and Venture Niagara.

The process for developing the City's economic growth strategy was led by the Welland Community Economic Development Strategy Committee. Human resources issues were addressed by the Welland Labour Market Strategy Committee. A list of these volunteers is provided in the appendices. As well many community stakeholders participated in consultations to provide valuable input and recommendations for strategic growth. We are grateful for this invaluable contribution from representatives of the community.

The Welland Community Economic Development Strategy was authored by Dr. Emanuel Carvalho from the University of Waterloo, Barbara Fennessy of Niagara Economic and Tourism Corporation and Valerie Kuhns of Kuhns Partnership. The development of the strategy took place in collaboration with Dan Degazio, Manager of Economic Development and Tourism for the City of Welland and Travers Fitzpatrick, City Manager.

We would like to acknowledge the support of Tom Bearss, Consul and Senior Trade Commissioner for the Canadian Consulate General in Buffalo, John Monahan, Investment Officer with Ontario Ministry of Economic Development and Trade in New York, and Denis Donovan of The Wadley Donovan Group in New York for their contribution to our investment marketing initiatives.

The success of any community economic development strategy requires unequivocal leadership. Mayor Damian Goulbourne has championed this initiative and actively worked with committee members and staff to map a way forward for Welland.

This strategy belongs to the community. Its fundamental purpose is to foster new growth opportunities that position Welland for future prosperity and community well-being.

The Welland Development Commission and City of Welland has made every effort to ensure that the information in this report is accurate. The Commission and City of Welland does not guarantee the correctness of the data or information nor does it assume any liability for errors or omissions.

EXECUTIVE SUMMARY

The City of Welland has completed a new community economic development strategy aimed at strengthening the city's socio-economic well being and quality of life. This strategy will serve as a guide for community initiatives aimed at building a more stable and diverse economic base in Welland.

The community development initiative has been guided by community leaders including a Welland Community Strategy Committee with representation from the Welland Development Commission, City council and broad representation from community organizations, the private sector, and labour interests. Mayor Goulbourne has championed the development of this plan and is committed to its implementation. It was adopted by council on November 16, 2004.

Dr. Emanuel Carvalho from the University of Waterloo, and Barbara Fennessy and Valerie Kuhns from Niagara Economic and Tourism Corporation served as consultants to the City of Welland's economic development office, working closely with Dan Degazio, Manager of Economic Development and Tourism, and with the steering committee. This planning initiative was developed in partnership with Human Resources and Skills Development Canada, the province of Ontario, the Regional Municipality of Niagara and Venture Niagara.

Through an open process of information and situational analysis, community consultation and critical reflection, the City has carefully examined strategic options for building a vibrant community. Included in this analysis is a labour market assessment completed with input from a Labour Market Strategy Committee, with region-wide representatives from employment and social service organizations, cultural groups, education, union leaders and private sector human resource managers. Together, community stakeholders have formed a strong partnership to undertake the challenge of mapping Welland's economic revitalization.

Traditionally, Welland's economy has relied significantly on manufacturing, and despite losses in recent years this sector remains critical for the City today.

Manufacturing has historically been the city's largest employment sector with a total of 5,145 jobs in 2001. Although major expansions have taken place within companies such as John Deere Welland Works and Bosch Rexroth Canada Inc., overall the sector has declined by more than 30% since 1996. Since 2001, losses of over 1,000 manufacturing jobs have been experienced in Welland. To some extent, this decline has been offset by gains in the service sector, in transportation, contact centres and financial services, and retail. Recently, tourism has also gained increased focus for development.

Partnership, consultation and research were all key elements for building an effective strategy for moving Welland forward. Strategies for diversifying and strengthening Welland's economy are the product of an extensive process involving industry trend analysis, community stakeholder meetings, an international study of community development strategies, and a detailed examination of Welland's labour market.

A competitive analysis of industries in Welland was undertaken in 2001 by Dr. Emanuel Carvalho from the University of Waterloo, and updated in 2003. The analysis suggests that Welland continues to have competitive advantages in transportation equipment manufacturing, machinery manufacturing and fabricated metal product manufacturing, as well as several service industries.

Community stakeholder meetings brought together representatives from industry clusters to identify opportunities and challenges for future growth. Major community strengths identified include a strong concentration of transportation equipment and supplier industries, specialization in contact centers and financial services, and significant assets like the Welland Canal for building a sports tourism and recreation industry. Among the major issues impeding economic growth include high industrial taxes, provincial tax policy, poor transportation infrastructure, and an urgent need for downtown revitalization and labour force development.

In an increasingly knowledge-based economy, labour force development is a critical factor contributing to successful economic transformation. Welland's

labour force is drawn to a large extent from across the Niagara Region. To help ensure that labour force development is keeping pace with evolving industry requirements for skills and knowledge, the City will continue to encourage participation in collaborative networks that facilitate the exchange of knowledge, ideas and skills, formal and informal learning, and will improved utilization of people's talents in order to reduce unemployment and underemployment of Welland's labour force.

Eleven communities were selected based primarily on the composition of their economic structure. All are historically similar to Welland, and in most cases, currently or previously have experienced a significant dependency on the steel industry. Following the decline of that industry, they have faced challenges of economic restructuring similar to those occurring in Welland today. Most of the communities have been left with the same legacy of brownfield sites, decreased manufacturing employment and an aging workforce. Industry downsizing due to global competition, trade liberalization and changing technology have prompted their development of strategic plans for economic transformation and community revitalization. Best practices and lessons learned were applied to Welland's Community Economic Development Strategy.

The City of Welland, in partnership with Niagara Economic and Tourism Corporation, undertook exploratory investment missions to New York City, Pittsburgh, Chicago and Buffalo to build awareness of Welland as an attractive location for new business investment and to build relationships with site selectors, trade commissioners and investment officers. At the same time, an important objective of these meetings was to identify current trends regarding investment inquires, to inform Welland's development strategy.

The final step in the strategic development process involved the creation of a ten-point plan that builds on Welland's strengths and opportunities for community economic development. The plan also addresses key issues and impediments to economic growth. But, it does not stand alone. This strategy serves as a strategic policy document that is integrally linked to the City's

corporate strategic plan for future development. It proposes a framework for improving Welland's long-term competitiveness and quality of life in the community. It calls for commitment to collaborative action by the private sector, labour groups, volunteer organizations, and all levels of government.

DEVELOPMENT STRATEGIES: A TEN POINT PLAN FOR MOVING WELLAND FORWARD

INTRODUCTION

The Welland Community Economic Development Strategy is directed at building a vibrant, dynamic city, with a solid and diversified economy. The strategy is driven by strong leadership and supported by collaborative partnerships among community stakeholder groups. It is a long term commitment requiring ongoing leadership, resources, partnership, and community collaboration. This community economic growth strategy focuses on competitive strengths within the community as well as new opportunities for prosperity. The ultimate goal of economic development is to continuously improve the quality of life for the people within the community.

WELLAND COMMUNITY ECONOMIC DEVELOPMENT STRATEGY

1. **Build on Competitive Strengths and Promote Economic Diversification**

Welland must build on its competitive strengths and community assets to diversify its economic base and stimulate the growth of high quality jobs, new wealth and investment. This involves devoting the necessary resources to grow and nurture innovative industry clusters related to its competitive advantages and local strengths, including:

- ***Transportation Equipment and Linked Industries***
- ***Communications and Financial Service Industries***
- ***Sports Tourism and Recreational Industries***

(Please see cluster profiles at the end of this section of the report)

The objective is to create, apply and assess on a regular basis, effective initiatives directed at retaining, expanding, creating, and attracting firms within each cluster. In order to achieve this, the following initiatives are recommended:

- i) For each cluster, create an *Investment Marketing Program* that specifically targets locations and companies identified as prospects capable of contributing to the growth and diversification of each cluster.
- ii) Encourage the development of *Cluster Networks* that bring together key stakeholders among linked industries. Through these networks, participants benefit from the exchange of ideas, sharing of knowledge and technology, and discussion of key issues impeding growth of business and industry. The City of Welland's economic development

and tourism office will expand its *Captains of Industry* program to support these networks.

- iii) Enhance the City's *Business Retention and Expansion* program designed to improve the competitive position of participants in each cluster, while exploring the possibility for the creation of new and expanded business opportunities.

- iv) The City of Welland must champion the development of critical infrastructure support systems that will help to ensure successful diversification of the local economy, brought about by stronger performance of the clusters.

2. Focus on Quality of Life

Welland's unique character can be attributed to its heritage and its cultural diversity. The Welland Canal plays a key role in defining the community's history and enabling current and future recreational development. Residents benefit from a very reasonable cost of living in Welland, with affordable housing, safe, clean neighbourhoods, and access to a wide range of local and regional amenities such as wineries, golf courses, and sports facilities. These assets are crucial in designing programs directed at retaining, expanding, creating and attracting business and talent.

Just as quality of life is a top priority for the City, quality of place is also very important for attracting people and business investment. The downtown core is typically the first place people visit when exploring a community, and should therefore be a priority for Welland's economic development. Marketing initiatives should emphasize the ethnic and cultural richness of the City, for example, its Francophone community.

3. Forge Stronger Linkages Between Education, Business And Industry

Stronger linkages are needed between education, business and industry. On the one hand, training and education programs at Niagara College and Brock University should be designed to accommodate the changing workforce development needs of local business and industry, as well as emerging labour market requirements. On the other hand, employers must be willing to commit to providing critical work experience for apprenticeships and co-op placements.

Cluster networks should include representatives from education to ensure ongoing communication of training and education needs. Where programs or resources are not feasible at a local level, partnerships with other educational institutions such as Mohawk College and McMaster University should be developed through strategic industry partnerships.

4. Develop a Community Labour Market Partnership

The development and employment of people's talents is central to economic development in the new economy. Labour force development is a necessary condition for successful economic development. Beginning with the existing labour force, work structures should be designed to better utilize the wealth of talent within the community. Emphasis should be placed on programs that enhance the available pool of skilled labour, including fuller employment of youth, foreign-trained professionals, women, and persons with disabilities.

Particular issues relating to impending skilled trades shortages must be addressed through increased employer participation in apprenticeships, improved retention of newcomers, and support for business-education partnerships.

Welland's economic transformation from a predominantly manufacturing economy to a more service-oriented economy has resulted in substantial displacement of workers. While these workers represent an enormous talent resource and possess transferable skills acquired through workplace learning,

many also need to develop new skills for emerging occupations. Information about prior learning assessment and recognition programs (PLAR) should be promoted to facilitate recognition of both formal and informal learning. Gaps between educational levels or skills levels and emerging jobs need to be identified to ensure relevant programs are developed and marketed.

Within the next decade, business and industry will experience the loss of many workers through retirements. Programs should be developed to ensure companies are planning for the significant impact of the aging labour force. Employment opportunities for Welland's post-retirement community should also be considered, given the wealth of expertise, talent and skills among this group.

5. Promote a Culture of Innovation across all Sectors

Across all industries and community organizations, innovation is an essential ingredient for sustaining competitive advantage and achieving prosperity. Welland's Business Retention and Expansion program should address opportunities for promoting Research and Development initiatives through programs such as the Industrial Research Assistance Program. Cluster networks often provide opportunities for technology transfer and informal learning. New technology, capital investment, and work force development combine to enhance productivity, competitiveness and quality of work life.

6. Secure Community Leadership

The commitment and support of the community, beginning with its political and business leaders is critical for promoting the diversification and stability of Welland's economy. Leadership involves accepting the responsibility for implementing Welland's Community Economic Development Strategy, and ensuring the necessary conditions for development and growth.

This entails:

- i) Council devoting the necessary human and financial resources to achieve a balanced and holistic approach for moving forward.
- ii) Addressing key issues and accountability through various City departments and their partners, including downtown revitalization, transportation infrastructure, taxation and spending programs, land development, including brownfields.
- iii) Ensuring collaborative leadership to successfully create cluster networks. Community organizations such as the City's Economic Development office, Tourism of Welland Niagara, the Chamber of Commerce, Venture Niagara, and Welland Recreational Canal Corporation must work together to support the development of these clusters.
- iv) The private sector championing the development of cluster-specific priorities, including labour force development.
- v) Improving relations with all levels of government to ensure representation of community priorities at a policy level.
- vi) Fostering stronger ties with foreign communities of interest to promote business development and trade opportunities.

7. Source Development Funding

Funding is essential for ensuring that local conditions are established to stimulate business investment and growth. A unified approach directed at various levels of government strengthens the community's potential for securing financial support. Development priorities that require immediate funding

assistance include downtown revitalization, brownfield remediation, and labour force and skills development. Although much can be accomplished through community leaders, dedicated human and financial resources are critical for implementing Business Retention and Expansion programs, Investment Attraction programs, promoting Research and Development investment, and generating new cluster development, for example, Sports and Recreational Tourism.

8. Inspire Community Ownership and Strengthen Community Partnership

The successful implementation of a strategic economic development plan for the City of Welland requires the full support and participation of all community stakeholders. The City is committed to ongoing communication and consultation throughout the implementation of this strategy. Business leaders, business associations, public sector agencies and City Council all play a major role in strengthening the community's economic future.

Partnerships are important for bringing together the interests in the community and for sustaining balanced economic growth. Strategic priorities for economic development should drive partnership development. The focus for these partnerships is to secure support, mobilize resources, and ensure commitment from the public and private sectors, as well as volunteer organizations.

Support for business-education partnerships is crucial. Together business and education must address ongoing needs for developing talent within the community.

9. Develop Structural Supports

Programs designed to promote local economic diversity and growth must be accompanied by the development or upgrading of infrastructure. Physical infrastructure needs range from available, serviced land and buildings to multi-modal transportation systems.

As part of Welland's strategic economic development, it is imperative that the City's existing physical infrastructure be renewed, including roads, sewer, water and hydro.

The City is embarking upon Community Improvement Plan policies designed to create financial incentive programs for brownfield development and other physical improvements in designated areas.

The City of Welland will continue to drive the expansion of Highway 406 to a four-lane highway. The City will also continue to work with regional and provincial partners to promote the Niagara GTA Trade corridor as a priority for Welland's future economic development.

10. Plan for the Long Term

The Welland Community Economic Development Strategy represents a long-term commitment. Today's investment in local economic development is designed to achieve long-term socio-economic benefits for its residents. Initiatives resulting from this strategy will be implemented over several years. While the overall community development process is long term, however, short-term objectives have also been established to mark the City's progress and sustain momentum.

CLUSTER PROFILE

TRANSPORTATION EQUIPMENT AND LINKED INDUSTRIES

Description:

Transportation Equipment and Linked Industries includes a range of suppliers and service providers, manufacturers, value-added producers, and wholesale and retail providers of transportation and related equipment. World-class goods and services generated within this cluster in Welland include metal forging, steel pipe, material handling equipment, precision cutting tools, hydraulics, electric drives and controls, robots and transportation services.

Critical Mass:

As Welland’s strongest cluster of business and industry, the Transportation Equipment and Linked Industries cluster has a critical mass of over 70 companies, employing more than 4,000 people. Table 1 lists the ten largest employers within this cluster.

Table 1: Ten Largest Employers in Welland’s Transportation Equipment and Linked Industries Cluster

Employer	# of Employees
John Deere Welland Works	939
GDX Automotive	850
Stelpipe Ltd	450
Bosch Rexroth Canada Corporation	180
Vesuvius Canada Refractories Inc	175
Canada Forgings Inc.	100
Welland Forge	100
Tallman Transport	92
Whiting Equipment Canada Inc.	65
Panabrasive Inc.	56

Additional Innovative Growth Firms:

Indexable Cutting Tools of Canada, CRS Specialties Inc. Hydac Corporation, Mitech Plastics Corporation, CRS Electronics.

Growth Opportunities:

Customized, niche products for aerospace and defence industries and automotive industry, especially OE parts for New Domestic (traditional importers who now produce in North America). North American market is attractive for OEMs, but fiercely competitive. Opportunities to broaden North American market through strategic export expansion, investments, joint ventures, and technology transfers (Derosiers, 2004). Niagara College technology center excellent resource for labour supply, R&D and prototyping. Transportation, distribution and warehousing services also targeted for growth.

CLUSTER PROFILE COMMUNICATIONS AND FINANCIAL SERVICES

Description:

Communications and Financial Services represents Welland's fastest growing cluster of businesses. This group of enterprises includes contact centers and financial service providers. It also encompasses information technology and communications businesses which are important enablers for advancing Welland's economic growth. Data centres are targeted for development within this cluster.

Critical Mass:

Welland's Communications and Financial Services cluster has a critical mass of over 50 companies, employing more than 3,400 people. Table 2 lists the ten largest employers within this cluster.

Table 2: Ten Largest Employers in Welland's Communications and Financial Services Cluster

Employer	# of Employees
Canadian Tire Financial Services	1,408
Convergys Customer Management Canada	1,100
NuComm International	400
Marusa Marketing	81
TD Canada Trust	54
Scotia Bank	39
Caisse Populaire	36
Canadian Imperial Bank of Commerce (CIBC)	28
Atlas Credit Union	24
Bank of Montreal	18

Growth Opportunities:

A key target for growth within this cluster includes data centres or data warehouses. The Business Information Technology Network (BITNET) will also be promoted to encourage the development of information technology firms and employment opportunities.

CLUSTER PROFILE SPORTS AND RECREATIONAL TOURISM

Description:

Sports and Recreational Tourism is a relatively new area of economic focus for the City of Welland. The City benefits from tremendous assets supporting this cluster. In particular, the Welland Canal offers significant potential for water sports and recreation such as rowing, sports fishing, dragon boat racing, kayaking, and triathlons. A range of national and international sports have been hosted on Welland's waterways.

Additional community assets include two arenas, a professional quality baseball stadium and indoor and outdoor soccer and tennis facilities. The city has over 18 km of paved pathways along the Welland Canal, which is ideal for cycling and walking.

The Little NHL Hockey International Tournament hosts over 80 teams during the March school break. The Welland Tribune Boys High School Basketball Tournament is the oldest consecutive running major basketball tournament in Ontario.

Soccer tournaments and weekend regattas bring in several thousand visitors each weekend.

The City of Welland hosts major festivals such as the Niagara Food Festival which attracts over 50,000 people. The Welland Rose Festival has been operating for more than 40 years and attracts thousands of visitors. Both festivals have been recognized among the top 50 festivals in Ontario.

Proximity to Niagara Falls as well as a multitude of tourism attractions and amenities across the region contribute to Welland's potential for developing this sector.

Critical Mass:

There are over 30 organizations in Welland involved in sporting and recreational activities with about 200 employees and over 800 volunteers.

Three major hotels and several smaller hotels and bed and breakfast inns as well as an excellent range of dining facilities support Welland's tourism industry.

Opportunities for Growth:

Key targets for growth include sports fishing, bicycle tours, a camp ground/RV park, a golf course, a concert facility, heritage tours and canal festivals. The 2007 Corporate Dragon Boat Championships provide an excellent opportunity for the City to develop infrastructure resources and world-wide recognition.

APPENDICES

Welland Community Development Strategy Committee

Mayor, Damian Goulbourne, City of Welland
Chair, Dan Degazio, Manager, Economic Development & Tourism, City of Welland
Dave Billington, Director of Welland Centre, Convergys Customer Management Canada
Larry Cote
Frank DeChellis, Owner, Internet Access Worldwide (IAW)
Joe Eigner
Barbara Fennessy, Manager, Niagara Trade Centre, Niagara Economic & Tourism Corporation
Travers Fitzpatrick, City Manager, City of Welland
Lina Henri, Admin. Assistant, Economic Development Office, City of Welland
Valerie Kuhns, Principal, Kuhns Partnership
Councillor Barry Sharpe, City of Welland
Roy Timms, President, Timbro Design/Build Contractors
Mike Walsh, Publisher/General Manager, The Tribune
Bob Watson, General Manager, Atlas and Civic Credit Union
Ed Zanetti

Welland Labour Market Development Committee

Chair, Barbara Fennessy, Manager, Niagara Trade Centre, Niagara Economic & Tourism Corporation
Glen Bradley, President, CAW Local 1997
Dan Degazio, Manager, Economic Development & Tourism, City of Welland
Tanya Drake, Senior Manager, Human Resources, Convergys Customer Management Canada
Bryan Dowling, Human Resources Manager, GDX Automotive
Carol Dupuis, Labour Market Information Analyst, Human Resources and Skills Development
Amy Elder, Brock University
Claire Gerencser, Executive Director, Welland Heritage Council & Multi-Cultural Centre
Valerie Kuhns, Principal, The Kuhns Partnership
Ted Palmer, Chief Administrative Officer, Business Education Council of Niagara
Duncan MacDuff, Workplace Learning, Skills Development, Niagara College of Applied Arts & Technology
Carol Maingot, Coordinator-Community Services, District School Board of Niagara
Trudy Parsons, Executive Director, Niagara Training & Adjustment Board
Diane Sanderson, Executive Director, Niagara Business Leadership Council
Lynn Stewart, Executive Director, Employment Help Centre
Nancy Sutton, Project Manager, Niagara Tourism H.R. Council
Lara Ventresca, Coordinator-Labour Force Development, Business Education Council of Niagara
Lori Watson, Manager of Employment Services, Regional Municipality of Niagara