

Meeting Date: May 6, 2024
Department: Economic Development
Report No.: ED-2024-05
Submitted by: Heather Lalonde, Development Commissioner
Approved by: Trisha McKibbin, Chief Administrative Officer

SUBJECT: Economic Development Target Sector Report

RECOMMENDATION: THAT: Council receive Report ED-2024-05 titled “Economic Development Target Sector Report” for information, and further;

THAT: Council approve the retention of Research FDI to complete a target sector analysis and marketing material development as per the proposal received in the amount of \$23,750.00 excluding HST.

BACKGROUND:

Following the Municipal Budget Process, and the Corporate Strategic Plan, an application was made to the Government of Canada, Global Affairs Canada and the CanExport Community Investments Fund to support work in the investment attraction efforts of the Economic Development Department at the Municipality of Strathroy-Caradoc. The Can-Export Fund supports Canadian municipalities to attract, retain and expand foreign direct investment. The Municipality of Strathroy-Caradoc was successful in receiving \$18,000.00 in funding to support these efforts for FDI (Foreign Direct Investment) training, FDI Tool and Material Development and FDI Lead Generation and Meetings with Potential Investors. Because of this funding, matching funds that were identified in the approved budget will be leveraged to support the projects identified above.

Foreign Direct Investment is defined as an investment in the form of a controlling ownership in a business in one country by an entity based in another country. It adds to a community’s business base in addition to retention and expansion.

It is important that the Municipality of Strathroy-Caradoc continue to expand their base of businesses and to ensure that the key sectors identified in the Corporate Strategic Plan document 2020-2029 be confirmed as the sectors to continue to target with regards to investment attraction. This is one of the elements of investment readiness that is critical for communities to remain competitive.

Three quotes were solicited and two quotes were received within the period requested for the FDI Tool and Material Development and Training and are as follows:

- Research FDI - \$23,750.00
- Hickey Global - \$15,500.00

There is a significant price difference, but also a significant difference in the deliverables and fulsome nature of the proposal document and the product that the Municipality would receive following a thorough review of both proposals received. They are as follows:

Research FDI is a well-established, Canadian company that has a deep history in working with Southwestern Ontario communities and sector groups. Research FDI was founded in 2010 and has partners around the globe. They have facilitated over \$5 billion in capital investment worldwide. Their core services include FDI, BR&E and Economic Development Strategy development, Lead Generation Campaigns, Representation, Studies (Market, Sector, Benchmarking, and Supply Chain Analysis), Investment Attraction Training, Marketing Strategies & Value Proposition Development.

The components of their fulsome proposal include the project launch, review of existing materials and economic analysis, target industry analysis and validation and creation of a FDI Action Plan. Marketing materials in both print and digital format will be created for the Municipality along with professionally created pitch decks to use in investment meetings. Their anticipated completion date is 4 months from commencement to finish with a project report.

Their online training platform has eight modules and will be available to Strathroy-Caradoc for one year that allows ample time for completion. The curriculum include recent case studies and is delivered virtually requiring no travel. Each component contains recent case studies followed by a brief quiz. This will enhance the capacity of economic development staff at a very reasonable expense while being supported by the funding.

It should be noted that a collaboration between the Municipality of Strathroy Caradoc and Middlesex County was undertaken to eliminate the possibility of duplication of efforts with respect to the lead generation piece. The County undertook the quotation process and awarded the contract to Research FDI.

Hickey Global Canada was established in 2023 and is part of a group of global advisory companies based out of the US. Currently there is not a representative located in Canada, the support for the proposed work would be US-based. Their project plan includes an initial meeting, Economic Assessment, Engagement Strategy, Progress Report, Regular Status Meetings and Final Report.

COMMENTS:

It is staff's recommendation to approve Research FDI is the preferred vendor of choice based on the proposal received, falls within the funding guidelines and budget identified in 2024 Strathroy-Caradoc budget. Their Canadian company is well established and well versed in Southwestern Ontario with

many clients in our area including Middlesex County. The scope of work and timelines align with the Ec Dev Work plan and the funding requirements from CanExport.

CONSULTATION:

Trisha McKibbin, Chief Administrative Officer

FINANCIAL IMPLICATIONS:

An expenditure of \$11,875.00 from the Municipality of Strathroy-Caradoc is required. These funds are included in the 2024 budget and will come from the Business Development line in the operating budget.

STRATEGIC PLAN ALIGNMENT:

This matter is in accord with the following strategic priorities:

Economic Development: Strathroy-Caradoc will have a diverse tax base and be a place that offers a variety of economic opportunities to current and prospective residents and businesses.

Growth Management: Strathroy- Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources.

ATTACHMENTS:

N/A