



inspire



connect



innovate

create



Economic Development Annual Report 2013

2013.

Oakville is Opportunity.

Oakville's companies
have a great capacity to
connect, inspire and innovate,
ensuring their continued
growth and helping to
attract new investment
to our community.



Message from the Mayor

Oakville's business community is integral to the town's economic prosperity. Whether it is our businesses that have been here for generations, or world class companies that recently headquartered in Oakville, we know that when Oakville businesses succeed, we succeed as a community. As a Council, we want to ensure that Oakville businesses are in a position to win both at home and abroad.

Oakville continues to be a priority destination for new investment. Through initiatives focused on connectivity and outreach, we are helping to ensure our business can continue to succeed now and in the future.

We continue to market Oakville domestically and beyond our own borders. We hosted a China Business Opportunity Forum, which provided Oakville businesses the opportunity to tap into the insight of industry experts as well as local companies already successfully doing business in China.

We organized the Ontario Auto Mayors' Roundtable at Ford's Canadian Headquarters here in Oakville. The event gathered key players in the auto industry to ensure the continued success of Ontario's automotive sector in an increasingly competitive environment.

We hosted the RBC Canadian Open and showcased Oakville's investment opportunities to the real estate and development community.

These are just a few highlights of the work that Council and Economic Development undertook in 2013 to advocate for business in Oakville and realize our vision of creating Canada's most livable town. I encourage you to read more in the pages to follow and discover why Oakville is such an attractive place to live, to work and to do business.

*When Oakville
businesses succeed,
we succeed as a
community*



Ontario Auto Mayors' Roundtable

Auto Mayors' Roundtable

Mayor Rob Burton and the Economic Development team hosted an Ontario Auto Mayors' Roundtable at Ford's Canadian headquarters in Oakville in November 2013. The event began with an evening reception and tour of McMaster Automotive Research Centre (MARC) at the McMaster Innovation Park. The following day, Ontario's auto mayors, original equipment manufacturer (OEM) executives and industry stakeholders heard from sector experts and engaged in a robust and candid discussion focused on sustaining and growing the automotive industry in a global environment. The auto mayors concluded the Roundtable by developing a series of recommendations for their continued participation and action to support growth of the industry.



2013 Business activity

Non-residential development projects

The largest projects undertaken in 2013 were predominantly on the commercial side, while it was office that dominated the Oakville market in 2012. A number of commercial mixed-use projects are now underway and construction began on the new 41,000 square foot Lexus dealership on North Service Road. Another exciting project is iFLY Toronto, an indoor skydiving facility in the Winston Churchill Entertainment Complex. The facility is planned for opening in Q2 2014. Bentall Kennedy completed a major renovation to three floors of their building at 1235 North Service Road West for new tenant, Manulife Securities.

Real estate market overview

Oakville's industrial market vacancy rate fell from 4.4 per cent in 2012 to 2.4 per cent in 2013. The drop is the result of net positive absorption of over 17,000 square feet and no new construction projects taking place. Lease and sale rates edged up slightly due to low availability, particularly for larger blocks of space.

In 2013, activity remained strong in the office market, with overall positive absorption figures, particularly in Q3 with over 178,000 square feet taken up. Vacancy rates remain steady as significant new product has entered the market. In Great Lakes Business Park, 3430 Superior Court was completed, adding 65,000 square feet of inventory.

Major non-residential development projects

Address	Area (ft ²)	Construction value (millions)	Description
1235 North Service Road W.	50,000	2,400,000	Interior alterations for Manulife Securities
2007 Winston Park Drive	8,935	3,600,000	iFLY Toronto indoor skydiving facility
3535 Rebecca Street	73,323	6,597,192	Two storey multi-use commercial/retail building
1453 North Service Road W.	41,268	7,000,000	New Lexus dealership
3430 Superior Court	64,100	8,393,112	New one storey office building
483 Dundas Street W.	61,600	10,200,000	New office commercial building
3136 Dundas Street W.	110,017	18,398,394	Six storey retirement home
160 Bronte Road	140,716	20,000,000	Eight storey retirement home

Oakville market summary

Industrial market

Inventory (sq. ft.)	18.1 million
Vacancy rate	2.4%
Average net rental rate (psf)	\$5.50
Average sale price (psf)	\$101.65
TMI (psf)	\$2.93
2013 facility absorption (sq. ft.)	17,353

Office/commercial market

Inventory (sq. ft.)	2.8 million
Vacancy rate	16.5%
Vacant space	466,868
Average net rental rate (psf)	\$18.50
2013 facility absorption (sq.ft.)	126,988

Source: CBRE Global Research and Consulting, 2013

reaching new heights together



iFLY Toronto breaks ground in Oakville

iFLY Toronto officially broke ground at its new Oakville facility and is scheduled to open in Q2 2014. iFLY Toronto will be the first indoor skydiving simulator of its kind in Ontario and the second to open in Canada, following Montreal. The privately-owned business will use licensed technology developed by SkyVenture LLC, the leading manufacturer of wind tunnels worldwide. The simulator will be accessible to anyone who wants to defy the law of gravity and learn how to fly.

Alain Guérin, CEO of iFLY Toronto says: "We can't wait to have people from all over the province come to Oakville and discover what it feels like to fly." Located at the Oakville Centrum and only 30 minutes from downtown Toronto, the indoor skydiving facility is set to intrigue commuters driving on the QEW. "The location couldn't be better!" confirms Guérin. The company plans to attract more than 60,000 visitors in its first year alone.

The wind tunnel, which has a 14-foot diameter glass flight chamber with SkyVenture's patented wall-to-wall airflow, will not only be the leading training facility for Ontario's military personnel and skydivers, but will provide a perfect meeting place for corporate groups: "It's the ideal place for companies to send their employees for the best team-building experience ever," adds Guérin.





*Taking flight at
SkyVenture Montreal*



Top 10 private sector companies

Oakville's ten largest private sector companies account for nearly 10 per cent of all jobs in our community. These companies play a significant role as tax payers and corporate citizens while also generating economic spin-off through contracts to satisfy supply chain and consulting needs. Oakville companies also give back to the community through the volunteer work of their employees, as well as sponsorships and financial contributions to local organizations. In 2013, Oakville welcomed one new entrant to this list of the largest employers – PricewaterhouseCoopers (PwC) moved into their new Oakville office with 400 employees.

Top employers

Company	Employees	Type of business
Ford Motor Company of Canada	3500	Canadian head office and assembly complex
UTC Aerospace Systems	900	Aerospace engineering and manufacturing
The TDL Group	850	Corporate head office for Tim Hortons
Siemens Canada Ltd.	800	Canadian head office
Canadian Tire Financial Services Ltd.	550	Personal credit and consumer lending
GE Water & Process Technologies	500	Water technology products manufacturing
Extendicare Canada Inc.	500	Convalescent home and nursing care
SNC Lavalin Inc.	450	Nuclear engineering services
AMEC	450	Engineering services
PwC	400	Professional and financial services

Oakville's top 10 private employers account for 10 per cent of all jobs in our community and play a significant role as corporate citizens



Major new businesses and expansions

Following two years of significant new office development, Oakville welcomed a number of high profile companies into their new space in 2013. PwC settled in their newly built GTA west office in midtown, Manulife Securities moved into retrofitted space on the North Service Road, while David Roberts Food Corp., Baffinland and Jamdeo each moved their Canadian head offices to existing space in Oakville. Henderson Partners LLP and SM Cyclo of Canada each expanded into new facilities within the town.

On the industrial side, Canterbury Coffee opened a new roasting facility and CSF Radiators established a new distribution and service facility. Both of these companies moved into existing space.

In total, these new and expanding businesses accounted for over 900 new jobs in Oakville. The majority of these new businesses are in the Professional and Financial Services sector, which is a targeted sector and the fastest growing in the town.

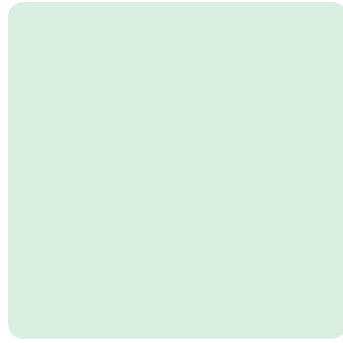
New and expanding businesses

Company name	Oakville facility	Address	Employees
PwC	New GTA West office	354 Davis Road	400
Manulife Securities	New Canadian head office	1235 North Service Road West	325
David Roberts Food Corp.	New Canadian head office	2351 Upper Middle Road	100
Baffinland	New Canadian head office	2275 Upper Middle Road East, Suite 300	70
Jamdeo	New Canadian head office	2305 Wyecroft Road	65
Henderson Partners LLP	New location in Oakville	1405 North Service Road East	32
SM Cyclo of Canada Ltd.	Expansion	1453 Cornwall Road	30
Canterbury Coffee	New roasting facility	2830 Plymouth Drive	16
CSF Radiators	New distribution/service facility	2124 London Lane	5

New and expanding businesses accounted for over 900 additional jobs to Oakville in 2013



*Dianne Craig,
President and CEO,
Ford of Canada*



Ford investing over \$700 million in Oakville Assembly Complex

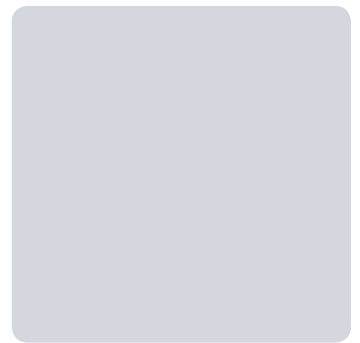
In September 2013, Ford Motor Company of Canada announced that it is investing \$700 million at its Oakville Assembly plant, securing more than 2,800 jobs and expanding its manufacturing capability to meet surging global demand. "This investment is helping us find much needed capacity for global products and securing jobs, and it is positioning Oakville as one of the most competitive and important facilities in the Ford system," said Joe Hinrichs, president of The Americas, speaking from a ceremony at the plant. "Global fuel-efficient products, built in a state-of-the-art facility, by a great workforce are a win for everyone today."



The move to global manufacturing at the Oakville plant will enable Ford to shift production based on consumer demand more quickly and efficiently. The state-of-the-art facility will be able to align capacity of any one vehicle with real demand for Ford customers in North America and all over the world.

"Ford's investment demonstrates Canada can be competitive in the global market through strategic partnerships," said Dianne Craig, President and CEO, Ford of Canada. "Working closely with government and labour, we have secured a bright future for our employees at Oakville Assembly." Work on the transformation at Oakville Assembly is already under way. It is expected to be completed by fall 2014.

"This is an incredible year for Oakville Assembly," said Will Cowell, plant manager, Oakville Assembly. "We are celebrating the plant's 60th anniversary and we passed the one-million mark in Ford Edge production. We look forward to continuing to celebrate many more milestones and to building quality vehicles with passion and excellence for years to come."



driving new growth together



Architectural representation of new Oakville hospital provided by Adamson Associates Architect

Building permits issued: New construction

Type	Value	Area (ft2)	# of structures
Commercial	\$52,563,640	902,446	20
Industrial	\$0	0	0
Institutional	\$234,946,094	1,893,048	18

Building permits issued: Alterations and improvements

Type	Value	Area (ft2)	# of structures
Commercial	\$58,498,360	1,040,762	197
Industrial	\$13,698,666	454,905	29
Institutional	\$15,927,820	337,771	57

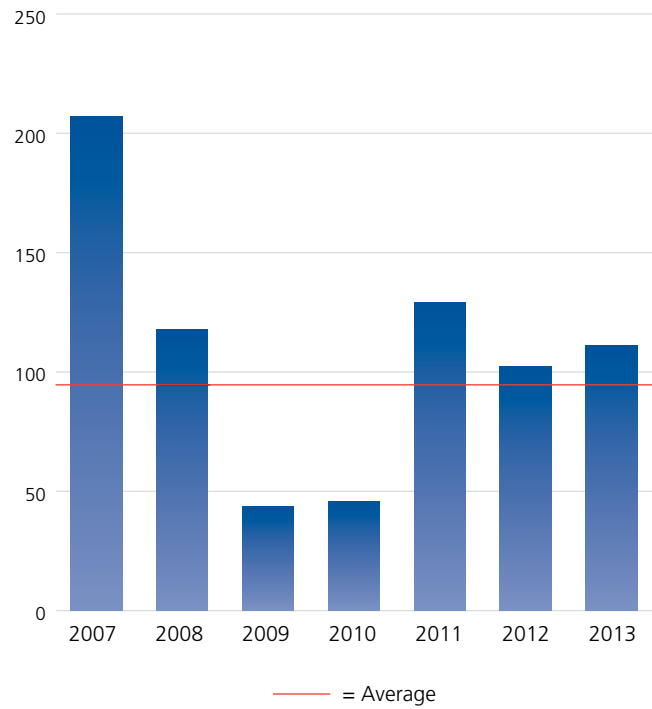
Building Permits

The value of commercial building permits issued for new construction in Oakville was \$52,563,640. While the number is lower than the 2012 total, it is more consistent with the five-year average as the market was absorbing significant new product that was completed last year.

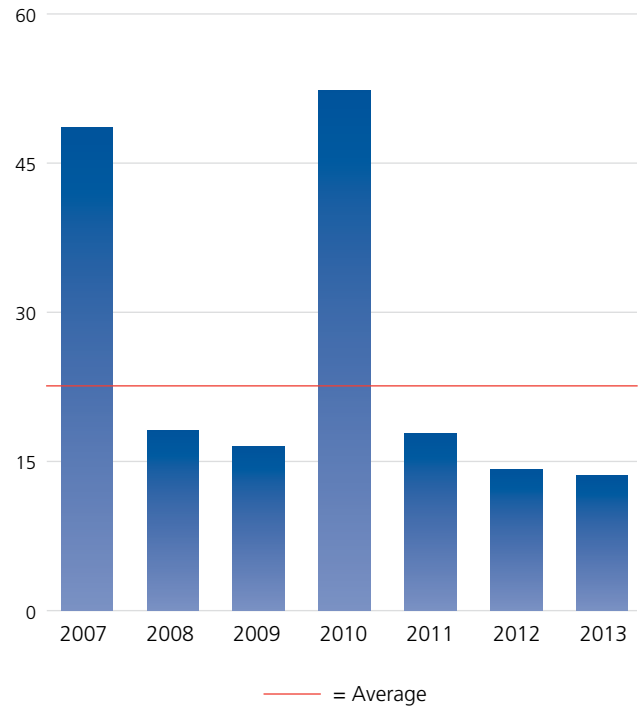
Slightly over 900,000 square feet of development transpired in 2013, of which approximately 60,000 square feet was new office development. Other types of new commercial construction including restaurants and retail were being added throughout 2013 as amenities to serve the significant office growth seen in recent years.

Construction of the new Oakville hospital continued and full permits were issued in Q3 2013 totalling over \$168,000,000 or 72 per cent of the institutional total. New industrial building permit activity came to a halt in 2013 with no new development taking place and only modest activity in alterations and improvements.

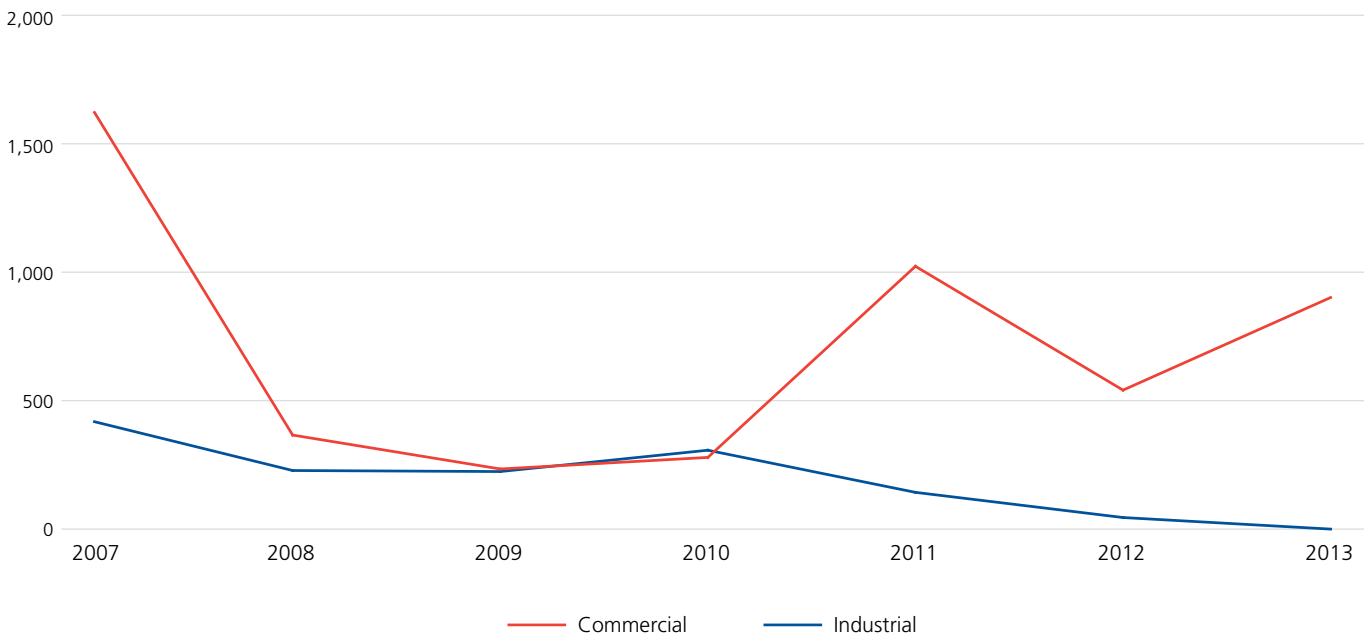
Commercial building permit activity (\$ millions)
Annual construction value, all permits issued

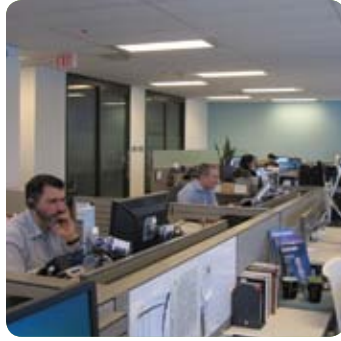


Industrial building permit activity (\$ millions)
Annual construction value, all permits issued



Annual square footage of development – new construction (thousands ft²)





Manulife Securities makes strategic move to Oakville

When Manulife Securities made the decision to move its head office, Oakville fit the bill perfectly. Located directly off the highway and in close proximity to downtown Toronto, the location allowed the company to remain part of a smaller, close knit community, while putting itself in a position to attract a broader, more diverse talent pool to support its growth.

Rick Annaert, President & CEO of Manulife Securities, officially opened the office in September 2013 and is proud of the space he and over 300 employees now call home during working hours.

“Our workspace is a reflection of the innovative and forward thinking nature that embodies Manulife,” says Annaert. “Occupying the top three floors of a five storey building, we have endeavoured to provide an environment that motivates people to do great things.” The building is fully wi-fi enabled, features a private cafeteria for employees and offers bright, open work spaces that foster collaboration and engagement, meeting the diverse and growing needs of the business community.

“Giving back to the communities in which our employees, advisors and clients live and work is of great importance to Manulife,” comments Annaert. “We look forward to becoming a meaningful part of the Oakville community.”

securing prosperous opportunities
together





*Manulife Securities
Oakville head office*

Oakville hosts the inaugural Oakville-China Business Forum for local companies to explore the how, why and benefits of doing business with China

Oakville-China Business Forum

Mayor Rob Burton and Economic Development staff hosted the inaugural Oakville-China Business Forum in June 2013. The forum brought together local business leaders and interested parties with industry experts to help facilitate new business between Oakville and China. "Oakville is looking to China to identify opportunities that benefit our town and our business community," Mayor Rob Burton said.

As part of the forum, participants heard from government and private sector panellists who gave their expert opinions on how Oakville businesses and individuals looking to do business in China could more easily make the transition. Senator Victor Oh and Mr. Jianwei Yu, Commercial Consul of the Consulate General of the People's Republic of China in Toronto, also spoke at the forum, highlighting the importance of personal relationships as key to conducting successful business in China.

"The feedback from the forum has been overwhelmingly positive," said Dorothy St. George, the town's director of Economic Development. "Participants particularly enjoyed hearing from three Oakville-based companies whose presidents outlined their initial strategies and experiences in doing business with China."

This is your opportunity.

Learn about
doing business
with China

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LAWYERS

 OAKVILLE

David Luciani, President of Min-Chem Canada Inc., with Senator Victor Oh



Dr. Jeff Zabudsky, President, Sheridan College



envisioning a stronger future together

Sheridan College has embarked on a bold new vision – to become Ontario’s first university exclusively dedicated to undergraduate professional education that is based on applied learning. Preparing students for long-term success requires a commitment to ensuring they develop and hone different skills and competencies such as creativity, communication, collaboration, risk-taking and problem-solving. By teaching students to diverge and converge in their thinking in order to solve complex problems, Sheridan graduates will be able to pivot and adapt to the rapid pace of change in today’s society.

Several milestones have been achieved this past year to support Sheridan’s vision including:

- Sheridan’s Faculty of Business was accepted for membership into the Association to Advance Collegiate Schools of Business and is the only college in Canada to receive membership.
- Sheridan became the first college in the world to join the CDIO Initiative – a worldwide movement to restore the balance between teaching ‘practice’ skills and the fundamentals of math and science to engineering students.
- Sheridan is the first arts school in Ontario and the second in Canada to earn membership in the National Association of Schools of Art and Design (NASAD).
- Sheridan launched a new visual identity to reflect its vision, along with a tagline that embodies Sheridan’s creative approach to education.



Sheridan

Get
Creative

RBC Canadian Open

Oakville was once again host to the RBC Canadian Open. This high profile event was held from July 22 – 28, 2013 at Glen Abbey Golf Club. Economic Development incorporated the event into their business attraction initiatives by showcasing Oakville's investment opportunities to the real estate and development community through targeted presentations and networking functions.



*Brandt Snedeker,
winner of the 2013 RBC Canadian Open
Golf Canada Archives*



Competitive position

Oakville’s ability to attract new business investment is key to achieving the town’s vision of becoming, “the most livable town in Canada.” New and expanding companies become stakeholders in our community, providing job opportunities and generating tax revenue, which contributes to Oakville’s high quality of life. Tracking Oakville’s competitive position for new business investment is a strategic initiative of the Economic Development department. The competitive position analysis focuses on three major variables that impact investment decisions – land values, development charges and property tax rates.

The 2013 data again indicates that Oakville is well positioned to compete for and attract new office and commercial investments, relative to other GTA communities. Oakville remains less competitive in its ability to attract industrial development.

Land values

The Oakville market remains competitively priced in relation to other GTA communities. At an average sale price of \$650,000 per acre, employment land values in Oakville were only slightly higher than the GTA West average of \$617,000 per acre in 2013. While Oakville and Milton were tied for the highest prices in Halton Region, by comparison they remained lower than other GTA communities such as Mississauga, Brampton, Vaughan and Markham, where the combined average land value was \$892,250.

Land values

Municipality	Average price per acre
HALTON	
Oakville	\$650,000
Burlington	500,000
Halton Hills	300,000
Milton	650,000
PEEL	
Brampton	740,000
Caledon	550,000
Mississauga	929,000
TORONTO	
Toronto	500,000
YORK	
Aurora	450,000
Markham	900,000
Newmarket	475,000
Richmond Hill	900,000
Vaughan	1,000,000
Whitchurch-Stouffville	250,000
DURHAM	
Ajax	325,000
Oshawa	200,000
Pickering	325,000
Whitby	200,000



2013 GTA development charges comparison (\$ per square foot)

Municipality	Industrial	Office/ non-retail
HALTON		
Oakville	\$20.50	\$20.50
Burlington	14.18	14.18
Halton Hills	15.45	17.81
Milton	17.08	17.08
PEEL		
Brampton	17.74	23.45
Caledon	17.63	23.34
Mississauga	18.29	25.19
TORONTO		
Toronto	13.11	13.11
YORK		
Aurora	22.36	22.36
Markham	20.96	20.96
Newmarket	21.76	21.76
Richmond Hill	23.89	23.89
Vaughan	22.08	22.08
Whitchurch-Stouffville	23.15	26.86
DURHAM		
Ajax	9.99	17.55
Oshawa	5.40	16.16
Pickering	5.40	12.96
Whitby	5.40	12.96

Development charges

Oakville's development charges remained competitive in 2013. The Town of Oakville undertook a development charges study in 2012 – the study and new by-law were released to the public in February 2013 and the proposed by-law was considered and approved by Town Council in March 2013.

Following implementation of the new by-law, the non-residential rate in Oakville increased by \$2.97 per square foot. Including regional and school board development charges, which also increased, the total 2013 rate was \$3.15 per square foot higher than 2012 rates.

The office/commercial development charge rate of \$20.50 per square foot in Oakville was the highest in Halton Region but still lower than all other municipalities in Peel and York Regions. Oakville's industrial development charges are the highest in the GTA West, well above the average of \$17.27 in the same area. This is a contributing factor to the lack of new industrial development in 2013 and the general trend over the past three years of slow industrial construction activity.

Tax rates

Oakville's industrial and commercial/office tax rates decreased for the third consecutive year in 2013.

The commercial/office tax rate in Oakville was lower than the GTA average of 2.25 per cent, and ranked seventh lowest across the GTA. The trend for lower commercial property taxes extended throughout the GTA in 2013.

Oakville's industrial tax rate was positioned midway, when compared to rates across the GTA. At 3.22 per cent, the industrial tax rate was slightly higher than the GTA average of 3.00 per cent. Communities in York and Peel regions held tax rates lower than this GTA average, while the City of Toronto as well as communities in Durham and Halton regions observed slightly higher than average rates.

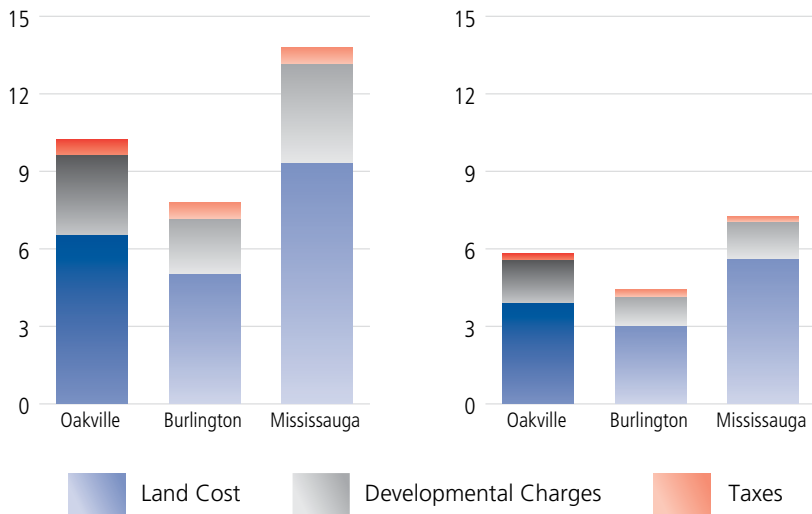
Land, development charges and tax comparison scenarios

Commercial scenario (\$ millions)

152,000 sq. ft.
Class A office building
Assessed value: \$32,000,000
(assumes 10 acre land requirement)

Industrial scenario (\$ millions)

80,000 sq. ft.
manufacturing facility
Assessed value: \$8,700,000
(assumes 6 acre land requirement)



These examples show the estimated front-end costs for a business locating in Oakville, Burlington and Mississauga, based on the three major cost factors: land, development charges and taxes.

Oakville is in the middle of the cost spectrum between Burlington and Mississauga in both scenarios, although there is a much smaller variance between costs in the industrial example versus the commercial.

2013 property tax rates

Municipality	Industrial	Office/ commercial
HALTON		
Oakville	3.221%	1.987%
Burlington	3.288	2.029
Halton Hills	3.278	2.023
Milton	2.969	1.832
PEEL		
Brampton	2.787	2.372
Caledon	2.528	2.085
Mississauga	2.521	2.154
TORONTO		
Toronto	3.055	3.035
YORK		
Aurora	2.294	1.974
Markham	2.118	1.825
Newmarket	2.361	2.031
Richmond Hill	2.152	1.853
Vaughan	2.158	1.859
Whitchurch-Stouffville	2.200	1.894
DURHAM		
Ajax	4.125	2.797
Oshawa	4.768	3.210
Pickering	4.097	2.779
Whitby	4.160	2.820



OAKVILLE

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