



**To:** COUNCIL  
**Meeting Date:** 12/5/2023  
**Subject:** **Waterloo Region Economic Development Corporation (WREDC) Renewal 2023**  
**Submitted By:** David Calder, City Manager  
**Prepared By:** David Calder, City Manager  
**Report No.:** 23-066-OCM  
**File No.:** C11  
**Wards Affected:** All Wards

**RECOMMENDATION(S):**

THAT Report 23-066-OCM Waterloo Region Economic Development Corporation (WREDC) Renewal 2023 be received;

AND THAT Council direct staff to take the following action with respect to the renewal of the Waterloo Region Economic Development Corporation Partnership Agreement subject to 2024 Budget approval;

- a) Approve the draft Waterloo Region Economic Development Corporation (WREDC) Memorandum of Understanding (Partnership Agreement) as attached in Appendix A.
- b) Direct staff to include incremental funding increases to the annual contribution for the WREDC of \$100,000 in 2024, \$50,000 in 2025, and \$50,000 in 2026, within the 2024-2026 operating budget for consideration.

AND FURTHER THAT the Mayor and Clerk be authorized to sign the new Partnership Agreement subject to the satisfaction of the City Solicitor.

**EXECUTIVE SUMMARY:**

**Purpose**

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). The

agreement was held through a memorandum of understanding which was renewed in 2018 and is set to expire again on December 31, 2023.

## Key Findings

Area CAOs have negotiated a tentative new 5-year agreement that includes the first financial increase since 2015. The financial increase will bring stability to Waterloo Region Economic Development Corporation which has relied on federal and provincial funding that is being phased out. The increased financial commitment for the City of Cambridge will be phased in over a 3-year period bringing the City's current contribution from \$320,000 per year in 2023 to \$520,000 by 2026.

## Financial Implications

The current agreement and funding model provides for joint investment by the Region of Waterloo and seven area municipalities in the WREDC, with the City of Cambridge's contribution currently budgeted at \$320,000 annually. Under the updated agreement, the City of Cambridge's contribution will increase to \$520,000 by 2026. This increase will be phased in over three years to help minimize the annual property tax increase associated with this service level increase, with \$100,000 in 2024 being funded from the Economic Development Reserve, \$50,000 from the tax levy in 2025 and \$50,000 from the tax levy in 2026.

The WREDC increased funding contribution is considered a service level increase and would be over and above the consumer price index.

## STRATEGIC ALIGNMENT:

Strategic Action

**Objective(s):** ECONOMIC INCLUSION AND SUPPORT - Establish and extend inclusive programs to support business readiness and workforce development and help local businesses to thrive

**Strategic Action:** Enable small business to succeed

OR

Core Service

**Program: Not Applicable**

**Core Service:** Not Applicable

Innovation and future-Ready: Demonstrate resiliency and readiness to do things differently, address social developments and integrate new ideas through collaboration with key partners while continuing to grow a diversified economy and innovation ecosystem.

**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) through a memorandum of understanding. This coordinated approach to the delivery of economic development throughout Waterloo Region has been in place to complement and support, and not duplicate the collaborative efforts of Area Municipal economic development staff. WREDC is an integral common voice and champion for economic development in the Waterloo Region.

**ANALYSIS:**

There have been numerous corporate attraction and retention success derived from the WREDC team since the City's involvement with this initiative. The WREDC directly supports the Cambridge 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 for the Cambridge 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). In the City of Cambridge specifically since 2016 there has been approximately \$565 million in business investment, 14 closed deals, and 1,369 jobs created.

**EXISTING POLICY / BY-LAW(S):**

Not Applicable

**FINANCIAL IMPACT:**

The current agreement and funding model provides for joint investment by the Region of Waterloo and seven area municipalities in the WREDC, with the City of Cambridge's contribution currently budgeted at \$320,000 annually. Under the updated agreement,

the City of Cambridge's contribution will increase to \$520,000 by 2026. This increase will be phased in over three years to help minimize the annual property tax increase associated with this service level increase, with \$100,000 in 2024 being funded from the Economic Development Reserve, \$50,000 from the tax levy in 2025 and \$50,000 from the tax levy in 2026.

The WREDC increased funding contribution is considered a service level increase and would be over and above the rate of inflation.

### **PUBLIC VALUE:**

The WREDC was created to complement and support, and not duplicate the collaborative efforts of Regional and Area Municipal Economic Development staff.

### **Sustainability:**

To support and encourage the growth of a highly competitive local economy where there is opportunity for everyone to contribute and succeed.

### **Leadership:**

WREDC continues to add value and attract opportunities for growth to Waterloo Region through various activities and collaborations with Area Municipality Economic Development offices.

### **Collaboration:**

The Memorandum of Understanding (MOU) will ensure collaboration with all Municipal partners as outlined in clause 5 of the MOU.

### **Transparency:**

Clause 8(d) of the MOU provides for at least once per year consultation with Municipal partners.

### **Engagement:**

Does not apply.

## **ADVISORY COMMITTEE INPUT:**

Not Applicable

## **PUBLIC INPUT:**

No public consultation was undertaken as the renewal was renegotiated by the Area Municipal CAOs for Council consideration.

## **INTERNAL / EXTERNAL CONSULTATION:**

There is ongoing collaboration relating to economic development services within Waterloo Region, with Area Municipality economic development staff continuing to meet with WREDC on a regular basis.

## **CONCLUSION:**

This exceptional impact is made possible by the 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. While WREDC will continue to seek federal and provincial support these funds will be used for one-time capital initiatives vs regular ongoing operating to avoid the risks of reduced or eliminated senior government support. Therefore, this proposed new agreement renewal will call on additional municipal funding implemented in a phased manner over multiple years as noted.

## **REPORT IMPACTS:**

Agreement: **Yes**

By-law: **No**

Budget Amendment: **Yes**

Policy: **No**

## **APPROVALS:**

**This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:**

**Director**

**Deputy City Manager**  
**Chief Financial Officer**  
**City Solicitor**  
**City Manager**

**ATTACHMENTS:**

23-066-OCM Appendix A – 2024-2028 WREDC Draft MOU