

Town of Markham

Business Survey and Focus Group Results

Addendum to Economic Sectors Analysis Report

*Prepared for Town of Markham
Economic Development Department*

Date: December 31st, 2006

*urban*Metrics inc.

market, economic and strategic advisors

144-146 Front Street West, Suite 460
Toronto, ON, M5J 2L7
P: 416-351-8585 / 1-800-505-8755
F: 416-345-8586
www.urbanmetrics.ca

December 31st, 2006
Stephen Chait
Director Economic Development Department
Town of Markham
101 Town Centre Boulevard
Markham, Ontario L3R 9W3

Dear Mr. Chait:

Re: Economic Sectors Analysis Addendum Report - Business Survey and Focus Group Results

As requested, please find enclosed an addendum report to the Town of Markham Economic Sector Analysis Report entitled Business Survey and Focus Group Results. As part of our work in this regard we completed extensive consultation with the business and stakeholder community. This report reflects the results of the Markham Business Survey conducted in the Fall of 2006 and the Focus Group conducted with representatives of the Markham Board of Trade Leaders Committee.

***urban*Metrics inc.**

market, economic and strategic advisors

I trust you will find this to be satisfactory. Should you have any questions, please don't hesitate to contact me directly at 416.351.8585 X224.

Yours truly,
*urban*Metrics inc.

A handwritten signature in black ink, appearing to read 'L. Millier', with a stylized flourish at the end.

Lauren E. Millier
Partner

Table of Contents

1. INTRODUCTION	1-1
1.1 STAKEHOLDER CONSULTATION	1-1
1.1.1 Business Survey.....	1-1
1.1.2 Focus Group Consultation	1-2
2. RESULTS OF BUSINESS SURVEY.....	2-3
2.1 RESPONDENTS AND THEIR CURRENT OPERATIONS	2-3
2.2 HUMAN RESOURCES	2-8
2.3 SITE SELECTION CONSIDERATIONS	2-10
2.4 NETWORKING AND BUSINESS SUPPORT	2-12
3. RESULTS OF LEADERS COMMITTEE FOCUS GROUP	3-14

Appendices

1. Introduction

The continued growth and success of Markham's economic base is essential to ensuring the strong economic standing of the community. For this reason the Town of Markham retained the firms of urbanMetrics inc. and Blais & Associates to complete an economic base analysis that would assist the community's understanding of its economic landscape and provide direction that pinpoints the sectors and markets with strong opportunities for success and positions Markham in a way that enhances its competitiveness and assists in achieving critical economic growth.

1.1 Stakeholder Consultation

As part of this analysis, urbanMetrics inc. together with Blais and Associates completed a total of 22 interviews with local business leaders, municipal staff, members of local and regional Council, and external agencies and associations. Interviewees were selected on the basis of their role and contribution to the community, as well as their knowledge of the trends and issues affecting growth in the community. In addition to the interviews, a strategic focus group was hosted by the Markham Board of Trade (MBT) in which invited representatives of the MBT Leaders Committee participated.

urbanMetrics inc. and Foundation Research also conducted a business survey of 49 local businesses

focused on Advanced Manufacturing operations, Life Science and Information, Communications and Technology firms and Professional Service firms. Overall, the survey and consultation were intended to provide an improved understanding of the locational, demographic and economic attributes that make Markham attractive to business investment.

This report provides the outcome of the business survey and focus group consultation.

1.1.1 Business Survey

The design of the business survey instrument built upon the research components of the study. Interviewers randomly contacted key informants by phone on behalf of the Town of Markham. To maximize the survey response rate, an appropriate number of attempts were made to contact an individual in the event that the initial attempts to reach the respondent are unsuccessful. Proponents were asked to answer 45 closed and open ended questions which took, on average 30 minutes to complete. The random sample of businesses was drawn from a consolidated business directory assembled by the Town of Markham and urbanMetrics inc.

The results of the survey are based on a total of 49 completed interviews. It should be noted that not all respondents were prepared to answer every question.

The telephone interviews were completed in the fall of 2006.

1.1.2 Focus Group Consultation

In order to engage a range of business leaders and organizations in the process of determining the Town's appeal and challenges with respect to future economic growth, a focus group with members of the MBT Leaders Committee was conducted in the fall of 2006. There were a total of 9 participants and 4 observers to the discussion. These included:

- Janet Reid, Markham Stouffville Hospital
- Merv Glase, Miller Group
- Garth Isset, IBM
- Rick Miner, Seneca College
- Brian Bentz, Powerstream
- Gary Schol, POI
- David Windross, Novopharm

- Glen Crosby, MBT Chair
- Keith Bray, MBT President & CEO
- Stephen Chait, Town of Markham (observer)
- Sandy Kahn, Town of Markham (observer)
- John Livey, Town of Markham (observer)
- Joe Virgillio, Town of Markham (observer)

The 2 hour session was facilitated by Erik Lockhart of the Queen's University Executive Decision Centre at POI Interiors in Markham.

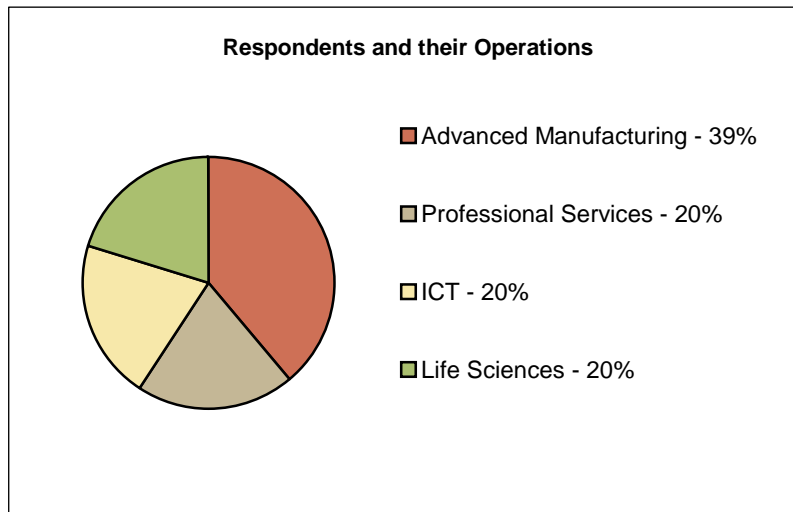
The format for the session was to involve the participants in a discussion of the Town's distinctive assets and advantages over other comparable communities, real or perceived barriers to business investment and suggestions for improving the local business environment. Participants were also asked their views on the future priorities for the Town and the role and direction of the Town's economic development activity.

The outcome of the session was intended to complement the larger stakeholder process underway.

The discussion that follows provides the highlights of both the business survey and focus group session.

2. Results of Business Survey

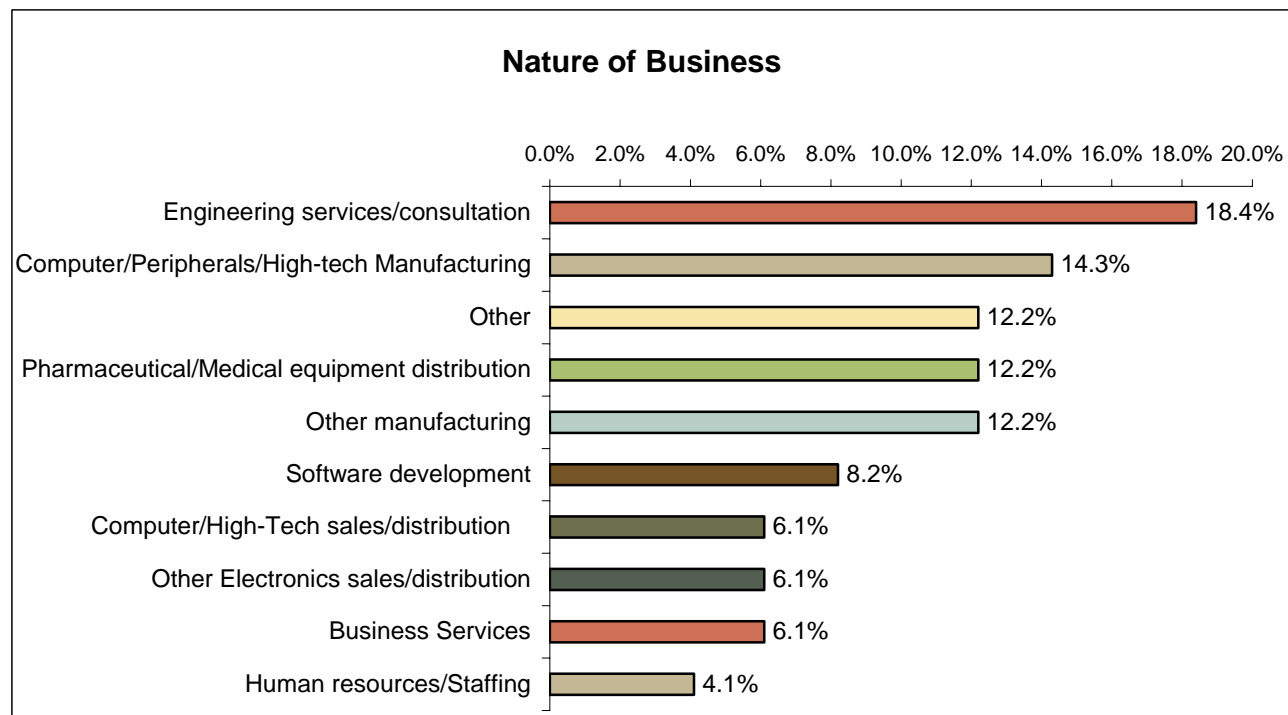
2.1 Respondents and Their Current Operations



- Of the 49 survey respondents that participated in the Markham Business Survey, 19 were Advanced Manufacturing companies, 10 were Professional Services operations, 10 were Information and Communication Technologies (ICT) businesses and 10 were Life Sciences firms.
- 73.5 percent of respondents indicated that they were a privately owned company, while 16.3 percent indicated that their company was publicly traded and 10.2 percent were a multinational firm.

Nature of Business Operations

- When respondents were asked to describe the nature of their operations, 18.4 percent were involved in Engineering Services / Consultation; while a further 14.2 percent were involved in Computer/Peripherals/High-tech Manufacturing.



Length of Time in Markham

- When asked how long they had operated at their Markham location, 85.7 percent of respondents indicated that they had been operating for more than 5 years, while only 4.1 percent indicated that they had been in Markham for less than 2 years. The remaining 10.2 percent of respondents indicated that they had been in Markham between 2 and 5 years.

Expansion and Upgrade of Operations

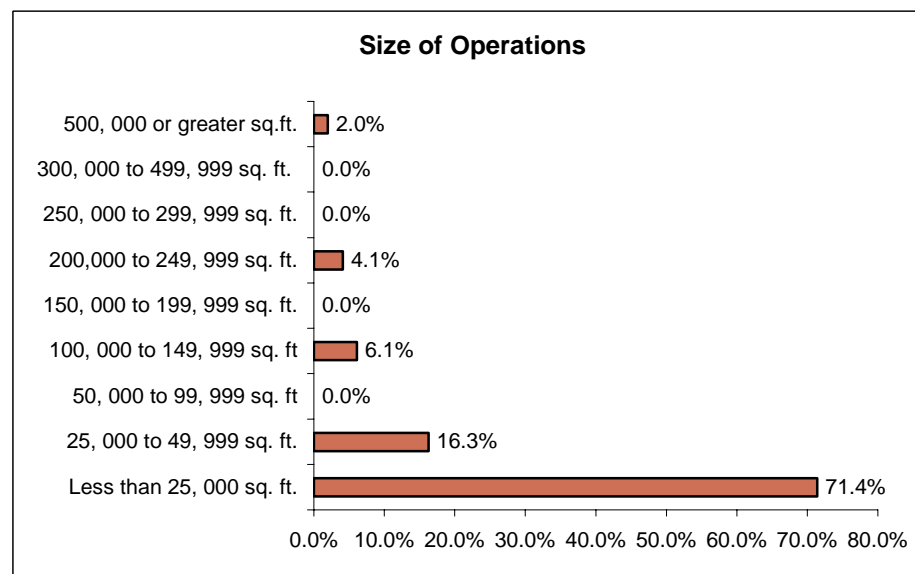
- When asked whether they had expanded or upgrading their operations in the last five years, 53.1 percent responding yes. Many of the respondents also indicated plans to expand/upgrade their facilities in the next 5 years. Of the 51.0 percent that indicated they plan to undertake an expansion or improve their facilities, 52.0 percent indicated they have plans for an expansion of property. 36.0 percent indicated they planned to increase their level of staffing. 4 respondents indicated their intent to move to a new location.

Other Company-owned Facilities

- In terms of businesses owning facilities in other jurisdictions, 63.3 percent did not have other facilities across Canada; however, a significant majority (72.2 percent) had other facilities within Ontario.

Size of Operations

- Of the companies surveyed, more than 71.4 percent indicated that their operations occupied less than 25,000 square feet of space. Further, 16.3 percent of companies surveyed indicated that their base of operations occupied less between 25,000 to 49,999 square feet. Only 2.0 percent of respondents indicated that their operations occupied in excess of 500,000 square feet.

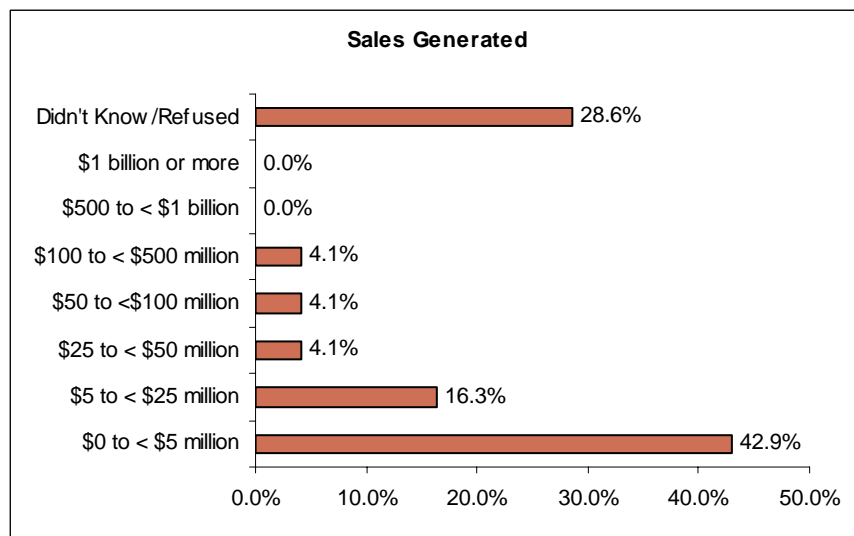


Issues with Existing Facilities

- In response to questions about problems or issues they may have with their current facilities, only 23.4 percent of respondents indicated they had any issues or problems. Of these respondents, 33.3 percent indicated a poor transit system while a further 25.0 percent indicated that traffic congestion and road construction was an issue for them.

Revenue Generated by Local Facility in Fiscal 2005

- When asked about the sales generated by their Markham operation, 42.9 percent of respondents were generating less than \$5 million in revenue



while 16.3 percent were generating between \$5 and \$25 million.

Projected Growth in Sales (%) over the next 5 years

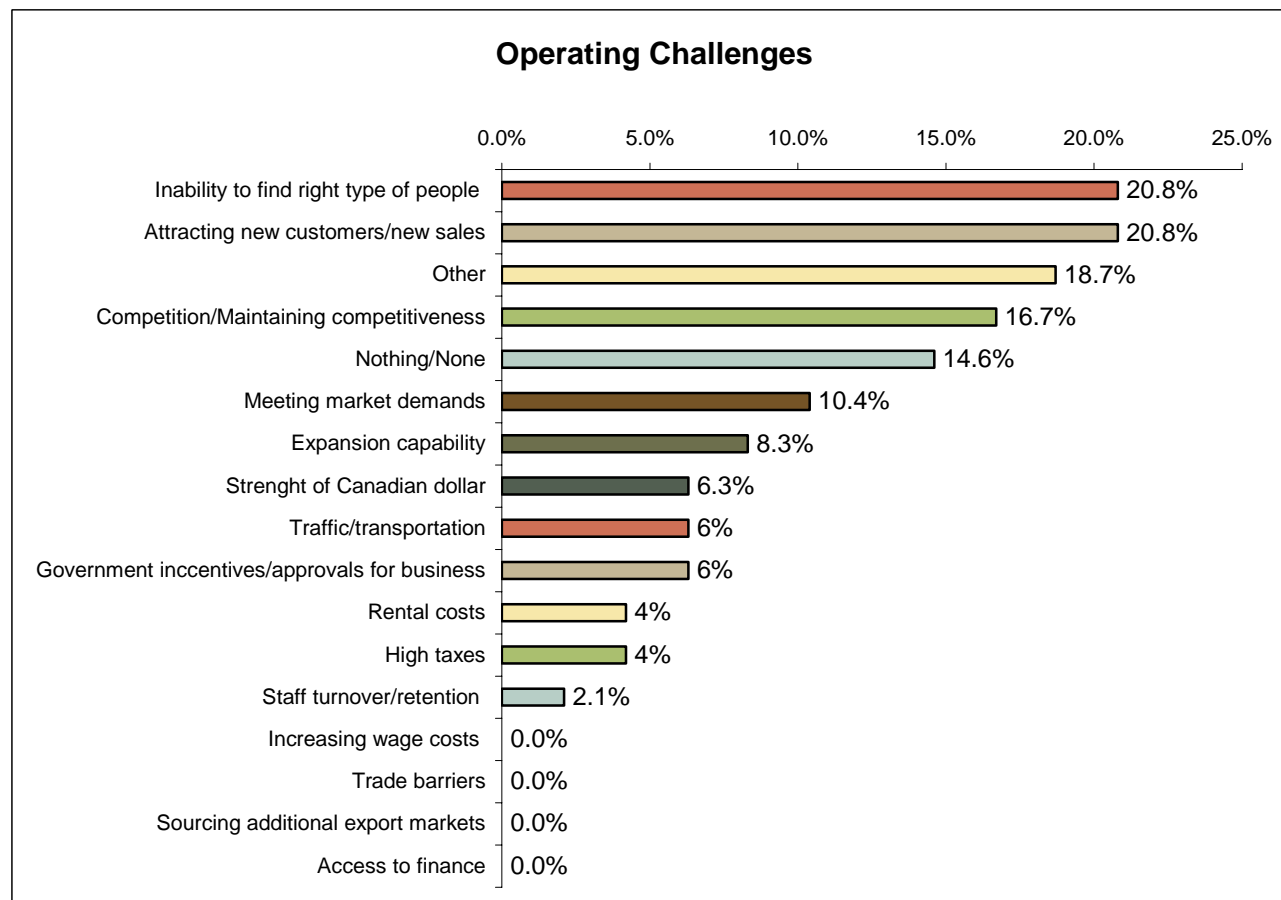
- When asked about the projected growth in sales in the next five years, 36.7 percent of respondents thought sales would be less than 25 percent while 38.8percent thought sales would be more than 25percent.

Projected growth in sales (%) over the next 5 years

	Adv. Manu.	Prof. Serv.	ICT	Life Sci.	Total
Under 25%	31.6%	30.0%	40.0%	50.0%	36.7%
25% or over	42.1%	60.0%	30.0%	20.0%	38.8%
Don't Know/Refused to Answer	26.3%	10.0%	30.0%	30.0%	24.5%

Operating Challenges

- Survey respondents were also asked to comment on any challenges they were experiencing with their current operation. 20.8 percent of respondents indicated that the inability to find the right type of people were an ongoing challenge while a further 20.8 percent indicated that attracting new customers/new sales were a concern.



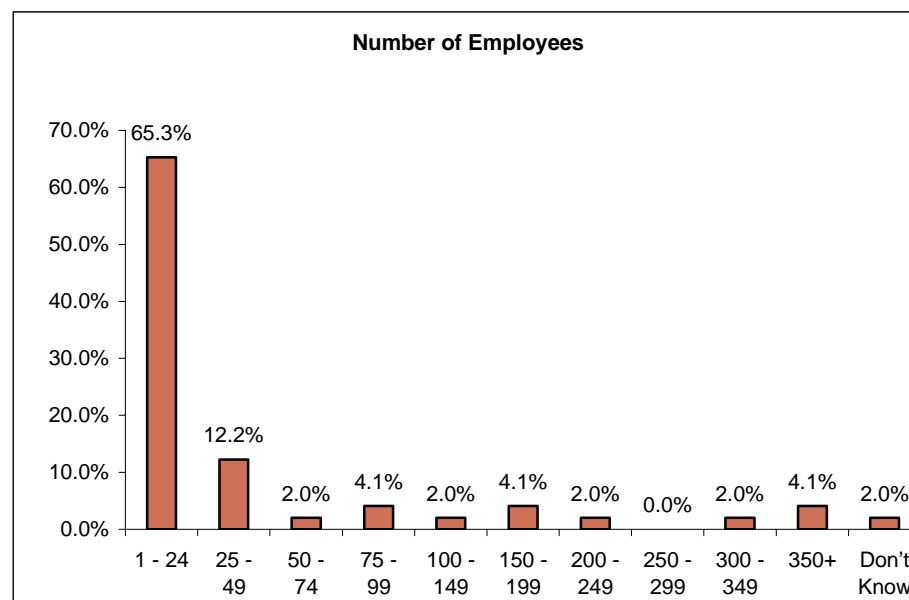
2.2 Human Resources

Number of Employees

- In terms of the number of employees, 65.3 percent of all survey respondents indicated that they had less than 25 employees. Only 6.1 percent of respondents had more than 250 employees in their Markham operation.

Rate of Employment Growth

- When asked about the rate of employment growth in the last five years, 49.0 percent of respondents indicated that employment growth was under 10percent while 42.9 percent had experienced more than 10percent employment growth. In terms of projected growth in employment over the next five years, 40.8 percent of respondents expected growth to exceed 20percent.
- When asked what was contributing to this change in employment 28.6 percent indicated that it was due to business growth and expansion while 24.5 percent attributed it to increased demand and sales
- Respondents were also asked to identify what skills sets were most important to for their business operation. 57.1 percent and 46.9 percent



respectively indicated that university and college education was the most important.

Critical Skill Sets for Business Operations	Adv. Manu.	Prof. Serv.	ICT	Life Sci.	Total
Other	5.3%	0.0%	0.0%	10.0%	4.1%
Manual Labour	15.8%	0.0%	0.0%	10.0%	8.2%
High School	0.0%	0.0%	10.0%	10.0%	4.1%
College	42.1%	40.0%	50.0%	60.0%	46.9%
University	47.4%	80.0%	70.0%	40.0%	57.1%
Sales and Marketing	10.5%	0.0%	20.0%	30.0%	14.3%
Business Experience	26.3%	30.0%	40.0%	0.0%	24.5%
Customer Service	5.3%	0.0%	0.0%	10.0%	4.1%
Advanced computer skills	21.1%	40.0%	50.0%	10.0%	28.6%
Engineering/Mechanical background	31.6%	40.0%	10.0%	0.0%	22.4%
Electronics background	26.3%	10.0%	10.0%	0.0%	14.3%
Trades Background	10.5%	0.0%	10.0%	10.0%	8.2%
Bilingual	0.0%	0.0%	0.0%	20.0%	4.1%

- In terms of turnover rate of employees, 51.0 percent of respondents indicated that they have a turnover rate of more than 5 percent. However, 77.6 percent of respondents did not consider this to be problematic.
- When asked what percentage of their employees resided in Markham, 50 percent of respondents indicated that 10 percent or less lived in Markham.
- Only 22.9 percent of respondents indicated that labour force recruitment was a problem for their operation.

2.3 Site Selection Considerations

- An important element of the survey dealt with the opinions of business as it relates to key site location factors. Survey respondents were asked to comment generally about priorities when it came to making site selection decisions and asked to rate a range of site selection factors on a scale of 1 to 5, where 5 is "Very important" and 1 is "Not

important at all".

- 54.2 percent of the survey respondents indicated that telecommunications infrastructure was the most important site location factor. Access to customer base was considered by 45.8 percent of respondents as very important along with 43.7 percent of respondents that felt access to market was very important.

Site Selection Factors	Not important at all		Very important		
	1	2	3	4	5
Wage & benefits costs	8.3%	4.2%	33.3%	29.2%	25.0%
Presence of post-secondary education institutions	27.1%	20.8%	27.1%	20.8%	4.2%
Telecommunications infrastructure	10.4%	4.2%	2.1%	29.2%	54.2%
Availability of Incubator space	45.8%	18.7%	8.3%	20.8%	6.3%
Access to customer base	8.3%	14.6%	8.3%	22.9%	45.8%
Availability of skilled labour	8.3%	6.3%	27.1%	20.8%	37.5%
Access to market	4.2%	14.6%	14.6%	22.9%	43.7%
Transportation infrastructure	2.1%	0.0%	20.8%	41.7%	35.4%
Research and development incentives	27.1%	31.2%	16.7%	16.7%	8.3%
Cost of utilities	4.2%	12.5%	14.6%	31.2%	37.5%
Presence of Multinationals	25.0%	27.1%	25.0%	10.4%	12.5%
Proximity to US border	41.7%	16.7%	25.0%	10.4%	6.3%
Education levels of local labour force	12.5%	10.4%	29.2%	37.5%	10.4%
Local taxation costs	6.3%	6.3%	14.6%	33.3%	39.6%
Local business climate	14.6%	8.3%	33.3%	22.9%	20.8%
Networking capability	16.7%	10.4%	20.8%	20.8%	31.2%
Quality of real estate	14.6%	6.3%	29.2%	31.2%	18.7%
Availability of affordable housing	16.7%	22.9%	25.0%	20.8%	14.6%
Reliable energy supply	8.3%	6.3%	12.5%	31.2%	41.7%

Rating Markham on Site Selection Factors

- Survey respondents were also asked to score the Town of Markham in satisfying their primary site location requirements.

- In the “Excellent” category, Markham scored highest in terms of telecommunications infrastructure, transportation infrastructure and reliable energy source at 29 percent, 25 percent and 23 percent, respectively. Under the “Good” category, the highest levels of satisfaction included access to customer base, wage & benefits costs, and local business climate at 75 percent, 73 percent and 73 percent, respectively. The factors considered as “marginal” within Markham were availability of affordable housing, research and development incentives and local taxation costs at 40 percent, 38 percent and 33 percent,

respectively.

Lack of Available premises and Land

- When asked if business growth had been constrained by the lack of available premises or land in Markham, the vast majority of respondents at 93.8 percent indicated no.

Rating Markham on Site Selection Factors

	Excellent	Good	Marginal	Don't Know/NA
Wage & benefits costs	4%	73%	19%	4%
Presence of post-secondary education institutions	8%	50%	29%	13%
Telecommunications infrastructure	29%	65%	6%	0%
Availability of Incubator space	6%	46%	31%	17%
Access to customer base	21%	75%	4%	0%
Availability of skilled labour	15%	60%	21%	4%
Access to market	19%	63%	15%	4%
Transportation infrastructure	25%	56%	19%	0%
Research and development incentives	2%	38%	38%	23%
Cost of utilities	6%	69%	25%	0%
Presence of Multinationals	19%	54%	21%	7%
Proximity to US border	8%	50%	29%	13%
Education levels of local labour force	19%	65%	10%	6%
Local taxation costs	4%	58%	33%	4%
Local business climate	17%	73%	8%	2%
Networking capability	19%	60%	19%	2%
Quality of real estate	15%	71%	13%	2%
Availability of affordable housing	8%	46%	40%	6%
Reliable energy supply	23%	56%	19%	2%

2.4 Networking and Business Support

Local issues

- To identify areas where the business environment can be improved, respondents were asked to explain the most important local issue or constraint that should be addressed to improve business prospects in Markham.
- A significant number of respondents at 56.2 percent indicated that no issues needed to be addressed. Lack of public transportation had the second highest response at 8.3 percent.

Local Issues

	Adv. Manu.	Prof. Serv.	ICT	Life Sci.	Total
None/Nothing	68.4%	40.0%	22.2%	80.0%	56.2%
Lack of public transportation	5.3%	30.0%	0.0%	0.0%	8.3%
Other	5.3%	0.0%	11.1%	10.0%	6.3%
Traffic Congestion	0.0%	0.0%	22.2%	0.0%	6.3%
Problems with reliability of hydro/utilities	10.5%	0.0%	11.1%	0.0%	6.3%
Safety/security issues	5.3%	0.0%	0.0%	10.0%	4.2%
Availability and cost of real estate	0.0%	10.0%	11.1%	0.0%	4.2%
Incentive/tax breaks for business	5.3%	10.0%	0.0%	0.0%	4.2%
Size/prosperity of local population	0.0%	0.0%	22.2%	0.0%	4.2%

Business Support

- When respondents were asked if the Town could be doing more in terms of business support, 26 (54.2 percent) of the respondents indicated yes. Of those who responded yes, 26.9 percent indicated that lower taxes/tax incentives from the Town could help support their business.
- Only 24.5 percent of respondents were aware of any government based programs that would help them grow their business. These were identified as coop/apprenticeship programs, research and development subsidies and federal development incentives.

Networking

- The majority of respondents at 85.7 percent indicated that they had not attended any local networking, programs or conferences in the last 12 months. Of the 7 respondents that had attending a networking event, most had attending an event at the Markham Board of Trade.
- 83.7 percent of respondents did not see the need to provide additional events

Collaboration

- When asked what level of collaboration their business had with area universities and colleges 47.9 percent indicated that they had no ongoing relationship. 35.4 percent of respondents indicated that they were involved in coop or student employment programs.

3. Results of Leaders Committee Focus Group

Focus group participants were asked 6 key questions?

1. What are Markham's distinctive assets in attracting residents and business investment?
2. What are the major barriers to business investment in Markham?
3. In what ways can Markham improve its business environment? What can the Town do to attract more innovative firms?
4. What do you see as the Town's key priorities for economic growth?
5. What role should the Economic Development Department play in fostering economic growth?

Markham's distinctive assets were seen to include:

- Lower tax rates for business and industry
- A highly educated workforce
- A good place to live with quality education, shopping and amenities for residents
- Residents had access to Toronto while still living in a community
- The Town was receptive to growth

- It has a strong reputation as good place to work & live
- There are lots of diverse restaurants
- Local government has a pro business attitude
- Proximity to Lester B. Pearson International Airport
- A clean environment that attractive to newcomers

Major barriers to business investment were identified as:

Ranking

1. Traffic congestion
2. Labour Force Availability: Qualified labour is not available locally due to cost of living and lack of affordable rental housing
3. Lack of regional transportation grid
4. Rapid growth without sufficient infrastructure (e.g. Water/wastewater infrastructure)
5. The Town lacks the room to grow both in terms of land and services
6. Cost of living is high when compared to other towns or cities
7. The Town is bicultural in nature: Not truly multi-cultural

8. Surrounding cities with aggressive growth plans
9. Limited zoning with which to attract a broad range of businesses: In the past, we were single family town and we tend to attract like businesses

Ways to improve business environment include:

Ranking

1. Continue to improve public transit system e.g. create or lobby for north south rapid rail system similar to Mississauga
2. Build infrastructure plans well ahead of development and coordinate these needs with other levels of government
3. Reduce property taxes
4. Ensure that the health and education needs of families continue to be met within the community
5. The Town needs to clarify its business strategy by kind and or type of business it wants to attract
6. Gain federal and provincial government support for a regional economic strategy that competes on the world stage in one or two selected industries.
7. Offer utility rebates for new business and look at an innovative rate design for new businesses especially around energy costs
8. Recognize the value of the current companies and ensure a two way communication for early problem identification and resolution. Keep the companies you have while trying to acquire new ones

Future Priorities for Town of Markham

- Public transit that is low cost and timely in it movement of people
- Provide a mix of housing
- Infrastructure planning on all levels
- Develop a realistic plan with clear vision of what the Town wants to become
- Work in concert with York Region and others to ensure that regional dependencies are part of the strategy
- Outbound marketing that is consistent with strategic positioning
- Stay close to existing businesses in order to fully understand the competitive environment for economic development

Role of Economic Development Department in Fostering Growth

1. *Market Markham:* heighten the awareness of external marketplace as to what the department can and will do for new business. Take a prioritize approach to opportunities and be tactical in the execution of initiatives
2. *Relationships:* Establish working groups with different business units that operate on an ongoing basis
3. *Improve Funding:* Ensure a properly funded department that can deliver and execute a great plan

4. *Regional Champion*: As the recognized economic development leader in York Region, drive the regional agenda with the priorities discussed
5. *Create and own Common Vision*: Generate a common vision between the Town, the community and the business leaders. Ensure that this process is in sync with the Town's objectives (e.g. infrastructure and planning needs are aligned)
6. *Business Retention*: Recognize that competition comes from jurisdictions locally and globally and work to retain existing businesses in Markham. Work with existing Markham companies to encourage further growth within Markham

The group summarized the role for economic development by four themes:

- Strategy
- Selling
- Stay close to business
- Catalyst

Appendices

Appendix 1:

Final Markham Business Survey

Town of Markham Economic Sectors Analysis Business Interview Guide

Total Number of completes: 49

Sample Provided: 400+ companies

Introduction

Good afternoon/morning. My name is ... I am calling on behalf of the Town of Markham. We are currently assisting the Town with its development of a new Economic Development Strategy by consulting with local businesses to identify opportunities, issues and any concerns they may face in operating in the Town of Markham.

This strategy includes an evaluation of Markham's growth industries to ensure that the Town is effectively positioned to achieve critical economic growth and attract new business investment. We have a few questions that we would like to ask you.

General information

1. Who within your organization is the most appropriate to talk to:
2. Name _____
3. Telephone _____
4. Could you please connect me with him/her: (If not available, try to set up interview)

Company Identification

If information available please confirm, otherwise ask

5. Enter company name **Obtain from sample file** _____
6. Enter company address, postal code & telephone number
Obtain from sample file _____
7. Can you tell me if your company is:
 - i. A Private Company
 - ii. A Public Company (i.e. shares are available to the public)
 - iii. A Multinational

Ask Q8. if Q7.=C(Multinational), O/W Skip to Q9.

8. In what Country is your parent headquarters located: _____
9. How would you describe the nature of your business – specifically your activities in the Markham location?

(OPEN ENDED) (NOTE TO INTERVIEWER: PROBE FOR DETAILS IF NECESSARY, INCLUDING THE MAIN PRODUCTS THEY MANUFACTURE, THEIR ROLE IS IN THE MANUFACTURING PROCESS and the SERVICES THEY PROVIDE)

Town of Markham Economic Sectors Analysis

Business Interview Guide

Facilities and Infrastructure

10. How many years have you been operating in Markham? Would that be:
- Less than 2 years
 - More than 2 years but less than 5 years
 - More than 5 years

Ask Q11. if Q10.=1,2 (Less than 5 years), O/W Skip to Q12.

11. What was the primary reason for locating in Markham?

Probe & Clarify

12. Have you expanded/upgraded your operation in the last five years?

- Yes **(go to 12.1)**
- No **(skip to 13)**

12.1 What types of upgrades were made? **Read - Code All That Apply**

- expansion to physical plant
- expansion of property
- upgrades to equipment
- investment in technology
- increase in staffing
- Other Specify _____

13. Do you have plans to expand/upgrade your operation in the next five years?

- Yes **(go to 13.1)**
- No **(skip to 14)**

13.1 What types of upgrades do you plan to make? **Read - Code All That Apply**

- expansion to physical plant
- expansion of property
- upgrades to equipment
- investment in technology
- increase in staffing
- Other Specify _____

Skip to Q15.

14. If no, expansion/upgrade, did you reduce staff or size of operation?

- Yes
- No

15. Are you aware of any reason your operation may be reduced or closed?

Probe & Clarify

Town of Markham Economic Sectors Analysis Business Interview Guide

16. What is the current square footage of your operation in Markham ? Is it...

- i. Less than 25,000 sq.ft.
- ii. 25,000 to 49,999 sq.ft.
- iii. 50,000 to 99,999 sq.ft.
- iv. 100,000 to 149,999 sq.ft.
- v. 150,000 to 199,999 sq.ft.
- vi. 200,000 to 249,999 sq.ft.
- vii. 250,000 to 299,999 sq.ft.
- viii. 300,000 to 499,999 sq.ft.
- ix. 500,000 square feet or greater

17. Do you have other company-owned facilities in:

- | | | |
|---------------------------|-----|----|
| a. the GTA, | Yes | No |
| b. Ontario | Yes | No |
| c. Canada | Yes | No |
| d. Other (Specify): _____ | | |

18. Do you have any issues or problems with your existing Markham facility?

1- Yes **Go to Q18.1**

2 - No **Skip to Q19.**

18.1 Please Explain

Sales Revenue

19. Approximately, what was the total sales generated by your local facility in fiscal 2005:

- a) \$0 – less than \$5 million
- b) \$5 million to less than \$25 million
- c) \$25 million to less than \$50 million
- d) \$50 million to less than \$100 million
- e) \$100 million to less than \$500 million
- f) \$500 million to less than \$1 billion
- g) \$1 billion or more

20. What is your projected growth in sales (%) over the next 5 years?

_____ %

Town of Markham Economic Sectors Analysis

Business Interview Guide

Employment

21. Approximately how many people are currently employed at your Markham facility?

- i. 1 to 24
- ii. 25 to 49
- iii. 50 to 74
- iv. 75 to 99
- v. 100 to 149
- vi. 150 to 199
- vii. 200 to 249
- viii. 250 to 299
- ix. 300 to 349
- x. 350+

22. What was your rate of employment growth over the last 5 years (%)?

____ %

23. What is your projected growth in employment over the next 5 years (%)?

____ %

24. What is contributing to the change in employment?

Probe & Clarify

25. Looking to the future, what critical skill sets are most important for your business operation? By this we mean what specific education background or experience?

(NOTE TO INTERVIEWER: PROBE FOR TYPE OF POST SECONDARY QUALIFICATIONS– MASTERS, PHD ETC, i.e. Phd in Organic Chemistry)

26. What rate of annual employee turnover are you experiencing?

____ %

27. Is this problematic for your business

Yes ____ No ____

Customers

28. Where is your customer base? **Read List**

- | | | | |
|------------|-----|----|---------|
| a) GTA | Yes | No | % sales |
| b) Ontario | Yes | No | % sales |
| c) Canada | Yes | No | % sales |

Town of Markham Economic Sectors Analysis Business Interview Guide

- | | | | |
|------------------------|-----|----|---------|
| d) USA | Yes | No | % sales |
| e) China | Yes | No | % sales |
| f) Germany | Yes | No | % sales |
| g) India | Yes | No | % sales |
| h) Other Specify _____ | | | |

29. Where are your key export investment markets? **Read List**

- | | | |
|------------------------|-----|----|
| a) USA | Yes | No |
| b) China | Yes | No |
| c) Germany | Yes | No |
| d) India | Yes | No |
| e) Other Specify _____ | | |

30. Are you aware of any government based programs that would help your company grow its business?

1- Yes **Skip to Q30.1**

2 - No **Skip to Q31.**

30.1 Please describe

31. Do you have plans to use these programs?

1- Yes

2 - No

Research and Development

32. Are you involved in any research and development activity?

1- Yes **Skip to Q32.1**

2 - No **Skip to Q33.**

32.1 Please describe **(NOTE TO INTERVIEWER: PROBE FOR NEW INVESTMENT IN ORIGINAL PRODUCT DEVELOPMENT OR FURTHER IMPROVEMENT-BASED DEVELOPMENT)**

33. What is your company's level of spending on research and development? (% of operating costs)
____ %

Town of Markham Economic Sectors Analysis

Business Interview Guide

Networking

34. Have you attended any of the following local networking events, programs or conferences in the last 12 months?

a) Markham Board of Trade	Yes	No
b) York Biotech	Yes	No
c) YTA - York Technology Association	Yes	No
d) Innovation Synergy Centre in Markham	Yes	No

35. Do you see the need for additional events?

1- Yes **Skip to Q35.1**

2 - No **Skip to Q36.**

35.1 Please describe

36. What level of collaboration do you have with area universities and/or colleges (York, Toronto, Waterloo, Seneca)? Please describe.

Site Location Factors

37. On a scale of 1 to 5, where 5 is Very Important and 1 is Not Important At All, how important are the following criteria in making a location decision for your company? **(this can be hypothetical)**
Read and Randomize List

- a) Wage and benefits costs
- b) Presence of post secondary educational institutions
- c) Telecommunications infrastructure
- d) Availability of Incubator space
- e) Access to customer base
- f) Availability of skilled labour
- g) Access to market
- h) Transportation infrastructure
- i) Research and Development Incentives
- j) Cost of utilities
- k) Presence of Multinationals
- l) Proximity to U.S. border
- m) Education levels of local labour force
- n) Local taxation costs
- o) Local business climate
- p) Networking capability
- q) Quality of real estate
- r) Availability of affordable housing
- s) Reliable energy supply

Town of Markham Economic Sectors Analysis Business Interview Guide

38. How would you score Markham in satisfying these criteria? **Excellent, Good or Marginal**
(Read and Randomize List)

- a) Wage and benefits costs
- b) Presence of post secondary educational institutions
- c) Telecommunications infrastructure
- d) Availability of Incubator space
- e) Access to customer base
- f) Availability of skilled labour
- g) Access to market
- h) Transportation infrastructure
- i) Research and Development Incentives
- j) Cost of utilities
- k) Presence of Multinationals
- l) Proximity to U.S. border
- m) Education levels of local labour force
- n) Local taxation costs
- o) Local business climate
- p) Networking capability
- q) Quality of real estate
- r) Availability of affordable housing
- s) Reliable energy supply

39. In general, what would you say are your company's current operating challenges: **(Don't read simply mark where they identify the issue) Code All That Apply**

- a) Staff turnover / retention
- b) Increasing wage costs
- c) Inability to find the right type of people
- d) Sourcing additional export markets
- e) Trade barriers
- f) Expansion capability
- g) Access to Finance
- h) Other, specify _____

40. Could the Town be doing more to support your business?

1- Yes **Skip to Q40.1**

2 - No **Skip to Q41.**

40.1 Please describe , Probe until unproductive

41. Is quality of life in Markham a consideration in locating your business operation here?

1- Yes **Skip to Q41.1**

Town of Markham Economic Sectors Analysis Business Interview Guide

2 - No **Skip to Q42.**

41.1 Please describe, Probe until unproductive

42. What percentage of your employees reside in Markham?
____ %

43. Is local labour force recruitment an issue for your business?

1- Yes **Skip to Q43.1**

2 - No **Skip to Q44.**

43.1 Please describe, Probe until unproductive

44. Has the growth of your business been constrained by the lack of available land in Markham?

1- Yes

2 - No

44.1 Has the growth of your business been constrained by the lack of available premises in Markham?

1- Yes

2 - No

45. Considering your business environment, please explain the most important local issue or constraint that should be addressed to improve your business prospects in Markham?

Probe & Clarify

From CATI

46. Interview date

47. Interviewer #

Appendix 2:

Focus Group Results

TOWN OF MARKHAM ECONOMIC DEVELOPMENT

**FOCUS GROUP HIGHLIGHTS
MARKHAM BOARD OF TRADE
SEPTEMBER 20, 2006**

Participants:

***Janet Read, Markham Stouffville Hospital
Merv Glase, Miller Group
Rick Miner, Seneca College
Garth Isset, IBM
Brian Bentz, Powerstream
Gary Schol, POI
David Windross, Novopharm
Glen Crosby, MBT
Keith Bray, MBT***

In Association with:

***urbanMetrics
Lauren Milier
Queen's University Executive Decision Centre
Facilitator: Erik Lockhart
Ph#: 613 533-6681
E-mail: elockhart@business.queensu.ca***

Table of Contents

Executive Summary	3
Path Forward	4
1.0 – Current State.....	5
1.1 – What makes Markham distinct?.....	5
1.2 – Barriers to investment.....	5
1.3 – Ways to improve the business environment	6
2.0 – Future Priorities.....	8

2.1 – Town of Markham	8
2.2 – Role of the Economic Development Department.....	8
Appendices	10
A – Session Overview.....	10

Executive Summary

Attached is the meeting proceedings from the focus group conducted with representatives of the Markham Board of Trade Leaders Committee held on September 20, 2006 at POI in Markham. The workshop was part of a broader stakeholder consultation process that included one on one interviews with key stakeholders and a business survey of local businesses. The overall intent was to seek input to the Town's strengths and challenges for attracting business investment and the opportunities for future economic growth in the community.

The focus group completed a current state analysis by identifying unique assets, current barriers and potential solutions to business investment in Markham. Based on this exercise, six priorities were identified. The group then discussed the role of the Economic Development Department in light of these priorities.

Markham's distinctive assets in attracting residents and business investment?

- Lower taxes
- Highly educated workforce
- Good place to live: high quality education, shopping, amenities
- Close to Toronto – access to big city while living in a community
- Receptive to growth
- Strong reputation as good place to work & live
- Lots of diverse restaurants
- Pro-business attitude of local government
- Proximity to Pearson Airport
- Clean environment and attractive to newcomers

Major barriers to business investment in Markham (ranked)

1. Traffic congestion
2. Work force: qualified labour not available locally (due to cost of living and lack of affordable housing options etc.)
3. Lack of regional transportation grid
4. Rapid growth without sufficient infrastructure (Water/wastewater etc.)
5. Lack of room to grow: both in terms of land and services
6. High cost of living when compared to other towns or cities
7. Bicultural nature: lack of true multi-culturalism
8. Surrounding cities have aggressive growth plans
9. Limited zoning to accommodate range of businesses - in past, we were single family town and tended to attract like businesses

Ways to improve business environment (ranked)

1. Continue to improve public transit system (e.g. create/lobby for north south rapid rail system similar to Mississauga)
2. Build infrastructure plans well ahead of development and coordinate this with other levels of government
3. Reduce property taxes
4. Ensure that health and education needs of families continue to be met within the community
5. Clarify its business strategy by kind and/or type of business it wants to attract
6. Gain federal and provincial govt support for a regional economic strategy that competes on the world stage in one or two selected industries
7. Offer utility rebates for new business and look at innovative rate design for energy costs

8. Recognize the value of the current companies and ensure two way communications for early problem identification and resolution. Keep the companies you have while trying to acquire new ones

Future Priorities for Town of Markham

- Public transit
- Housing
- Infrastructure
- Realistic plan with clear vision
- Relationships with York/GTA
- Outbound marketing
- Stay close to existing businesses

Role for the Economic Development Department

1. *Market Markham*: heighten awareness of Markham what the department can and will do for new business
2. *Relationships*: Establish various working groups with different business units on an ongoing basis
3. *Fund it*: Ensure a properly funded department that can deliver and execute a great plan
4. *Regional champion*: As the recognized economic development leader in York Region, drive the regional agenda on these priorities
5. *Create and own Common Vision*: Generate a common vision with the town, the community and the business leaders. Ensure the Town's process is in sync with larger objectives (e.g. infrastructure and planning needs are aligned)
6. *Business retention*: Work to retain existing businesses in Markham. Work with existing Markham companies to encourage further growth within Markham

The group agreed that the role could be summarized by four themes:

- Strategy
- Selling
- Stay close to business
- Catalyst

Path Forward

Task	Resp/Date
1. Prepare/Distribute meeting proceedings	
2. Stakeholder interviews	
3. GAP Analysis	
4. Draft report	October 31?

Editor's Notes:

- a. This document contains the meeting proceedings and is not intended as a "Final Report"

1.0 – Current State

1.1 – *What makes Markham distinct?*

What are Markham's distinctive assets in attracting residents and business investment? (note: these are not prioritized)

- Lower taxes
- Highly educated workforce
- Good place to live: education, shopping, amenities
- Close to Toronto – access to big city while living in a community
- Receptive to growth
- Strong reputation as good place to work & live
- Lots of diverse restaurants
- Pro-business local government
- Pearson Airport
- Clean environment – attractive to newcomers

1.2 – *Barriers to investment*

What are the major barriers to business investment in Markham?

Voting Results

Multiple Selection (maximum choices = 4) (Allow bypass)

Number of ballot items: 13

Total number of voters (N): 10

Total

- | | |
|---|---|
| 6 | 1. traffic congestion |
| 6 | 2. work force: qualified labourers etc. are not available locally... cost of living here inhibits ability to stay ...low rental affordable housing |
| 5 | 3. lack of regional transportation grid - public |
| 4 | 4. rapid growth without sufficient infrastructure e.g. water/waste water infrastructure |
| 3 | 5. lack of room to grow-land and services |
| 3 | 6. cost of living: cost compared to other towns or cities |
| 2 | 7. Bicultural nature: some of Markham ...lack of true multi-culturalism |
| 2 | 8. Surrounding cities with aggressive growth plans |
| 2 | 9. Limited zoning - in past, we were single family town... now, with growth, we don't encourage diverse growth (e.g. pure industrial) ... we tend to attract like businesses / office functions |
| 1 | 10. Lack of unique identity and awareness of where Markham is... |
| 0 | 11. What are the major barriers to business investment in Markham? |
| 0 | 12. parks and recreation availability |
| 0 | 13. poor business parks-look, amenities |

Note: prior to voting, the group brainstormed ideas and then merged the similar items. Below in non-bold are the merged items. These items are ordered as they were originally brainstormed (i.e. not as they were ranked by the group). Items that did not have any ideas merged are not included.

2. traffic congestion

Traffic congestion

9. Lack of unique identity and awareness of where Markham is...

awareness of Markham

1.3 – Ways to improve the business environment

In what ways can Markham improve its business environment?
What can the town do to support/attract more innovative firms?
What are the 5 best ideas using the following criteria:

- Impact
- Within control of Town of Markham

Voting Results

Multiple Selection (maximum choices = 5) (Allow bypass)

Number of ballot items: 18

Total number of voters (N): 10

Total

- 8** 1. continue to improve public transit system ..Create/lobby for north south rapid rail system similar to Mississauga
- public transit that allows lower end of the labour force to commute to the major business parks that are zoned for the type of jobs most likely to hire these employees (light industrial, call centre, etc) and ensure convenient links to the TTC so that they can commute from the northern communities in Toronto.
- 8** 2. build infrastructure plans well ahead of development ...investments in infrastructure-coordinated with other levels of government
- 4** 3. reduce property taxes
- 4** 4. Ensure that health and education needs of families continue to be met within the community
- 4** 5. Clarify its business strategy by kind and or type
- gain Federal and Provincial govt support for a regional economic strategy that competes on the world stage in one or two selected industries.
- build upon reputation as a leading high tech community
- 4** 6. offer utility rebates for new business ...innovative rate design re: energy costs (incentive based?)
- 3** 7. Recognize the value of the current companies and ensure two way communication for early problem identification and resolution: keep the companies you have while trying to acquire new ones //An aggressive focus on relationships with existing businesses as the new Mayor comes on board. //Stabilize the town and maintain commitments as new mayor assumes role
- 2** 8. housing for low earners ...designate areas for affordable housing
- 2** 9. create high density pockets to support public transit

- 2 10. more marketing of Markham benefits
 - aggressive marketing campaign to targeted companies
 - fund a co-operative town/private sector initiative to properly identify and market the Town
- 2 11. enhanced college - community linkages (business, arts, etc.)
- 2 12. encourage regional solutions to regional problems (e.g. land use, pub trans, waste etc)
- 2 13. Ensure development is planned for aesthetics as well as function
- 1 14. expedite regional road improvements
- 1 15. zoning process to be streamlined
- 1 16. expand business parks - encourage ownership by end users... most owned by a few developers (build/lease).. limited availability to purchase ...leading edge business parks for targeted sectors-properly planned
- 0 18. limit large single family residential growth

Note: prior to voting, the group brainstormed ideas and then merged the similar items. Below in non-bold are the merged items. These items are ordered as they were originally brainstormed (i.e. not as they were ranked by the group). Items that did not have any ideas merged are not included.

5. continue to improve public transit system ..Create/lobby for north south rapid rail system similar to Mississauga

- improve transit
- Create/lobby for north south rapid rail system similar to Mississauga
- accelerate rapid transport project(s)
- dependable rapid transit
- at a regional level, drive the plan for public transportation

2.0 – Future Priorities

2.1 – Town of Markham

Given everything that you have heard so far... What do you see as the Town's key priorities for economic growth?

Note: these are not prioritized

2. Public Transit: low cost, timely ways to move people - buses, light rail, etc.

Transit
public transit

3. Mix of Housing ...housing opportunities for all

4. Infrastructure - include planning

Infrastructure (planned)
other infrastructure i.e. sewers, roads,

5. Realistic plan - what do we want to be ...Develop a common understanding of the term Economic Growth: If Markham has enjoyed economic growth in 2015 what would that look like .. what would success look like in 2020? Focused econ devmt strategy recognizing the reality of globalization

- Work in concert with York Region and/or GTA to ensure that the Markham econ devmt regional dependencies are part of the strategy ... critical mass

6. Outbound Marketing of Markham consistent with its strategic positioning for econ devmt

7. Stay close to existing businesses in order to fully understand the competitive environment for econ devmt

2.2 – Role of the Economic Development Department

What role should the Economic Development department play in fostering economic growth?

6 Priorities:

Public transit... Housing... Infrastructure... Realistic plan with clear vision... Relationships with York/GTA...Outbound marketing.. stay close to existing businesses...

The group agreed that the role could be summarized by four themes:

- Strategy,
- Selling,
- Stay close to business,
- Catalyst

The group brainstormed and then picked his/her two most critical roles (as denoted by an x) The critical roles identified were:

2. xx Market Markham ..x awareness to outside of Markham what the department can and will do for new business //x Execute tactically to 'win' the ED oppy's - with a 'no lose' attitude on the ones that align with the strategy .. i.e. a prioritized approach
3. x establish various working groups with different business units on an ongoing basis
4. x have a properly funded department who can deliver a great plan and execution
5. x as the recognized ECDEV leader in York Region, drive the regional agenda on these priorities
6. x Generating a common vision with the town, the community and the business leaders //x ensure town process is in sync with objectives (infrastructure and planning needs are aligned) //xx take ownership for development and ongoing maintenance of the ED strategy
7. x Work to retain existing businesses in Markham.....competition from other jurisdictions locally and globally //x work with existing Markham companies to encourage further growth within Markham

Other key roles (which fit into the above but did not receive an x):

8. Be aware of EC dev plans & ideas in "competing" communities
9. become an integral part of development services
10. Ensuring that this vision is used to focus decisions with regard to growth and development
11. influence politicians on business needs
12. Influence the other depts within the town and region (and higher levels of govt) to optimize the town's competitiveness for ED
13. keep all aware it is a global market we play in
14. keep building the collaborative arrangement with the private sector
15. meet on a regular basis with local business leaders
16. Meet with regional leaders including other town leadership (Richmond Hill, Newmarket) to conduct a similar process to find ways to help not hinder one another
17. promoting the benefits of Markham
18. pull in local resources where necessary to help in attraction of potential businesses
19. Share information on trends in the economy etc.
20. Stay abreast of the ED decision making / variables affecting existing businesses in Markham (possibly thru this Committee)
21. target businesses that fit the description of desired Markham companies
22. through the Town structure, drive and support a strong business voice
23. Work to develop the ED Plan ... own the plan ... move the plan ...at the same time be flexible to changing environment

Appendices

A – Session Overview

The purpose of this session is to complement the interview findings by enabling community leaders to contribute to the major elements of the ED strategy. The session looks at the current state of investment and economic growth in Markham, the future priorities and the role the ED Department should play.

The workshop has the following objectives:

1. Assessment of the current state
2. Agreement on 4-6 priorities for economic development
3. Identification of the role that the ED department should play
4. Understanding of next steps in this project.

Agenda

8:00	Introduction, Context	Lauren Millier
8:10	Agenda	Erik Lockhart
8:40	Current State Assessment	
9:45	Key priorities	
	Role for ED Department	
10:45	Next Steps	
11:00	Wrapup	

Preparation Questions (you may want to consider some of the following prior to Sept 20th)

Current state analysis

1. What are Markham's distinctive assets in attracting residents and business investment?
2. What advantages does Markham have over comparable communities?
3. X What are the major barriers to business investment?
4. X How can Markham improve its business environment?
5. What can the town do to support/attract more innovative firms?

Key Priorities

6. X What do you see as the Town's key priorities for economic growth?
7. X What role should the economic development department play in fostering economic growth?
8. What key considerations should be reflected in the Town's new economic development strategy?

