



# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	December 2, 2015
<b>SUBJECT/REPORT NO:</b>	Hamilton-Niagara Pan Am Investment Playbook (PED15202) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
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<b>SIGNATURE:</b>	

## COUNCIL DIRECTION:

Not Applicable

## INFORMATION:

### 2015 Pan Am Games – The Hamilton-Niagara Investment Playbook

The July 2015 Pan Am Games, from July 14 to July 23, 2015, provided significant economic development opportunities to the Hamilton-Niagara Region, from both a short-term and long-term perspective. To take advantage of this, a detailed “Playbook” had been strategically designed to promote investment and trade, thus enabling events and maximizing the economic benefits for this region during the games.

A two-phased approach involving a tremendous amount of background research and business development initiatives over the last 18 months was conducted leading up to the events. It was imperative to identify and develop key results that could be announced at the events and to build further interest in this Region. The Hamilton Niagara Region was pitched as a corridor to highlight the consumption potential (population size), diversity of Industry sectors, and geographical advantages pertaining to proximity to United States and the Greater Toronto Area.

A significant number of companies and government organizations from high potential countries were targeted and present during the Playbook investment series of events. These investment focused events were designed so that the benefits would continue to self-perpetuate with minimal resource expenditure into the future, and that they developed a template format so as to be easily replicated for similar future events.



**Summary of Outcomes:**

1. Over 160 unique international and domestic attendees, representing various industries, academia and government, all with an interest in our Region for investment and / or trade;
2. Nine high-potential opportunities were identified and are being pursued for further economic development activity into targeted Latin American Markets;
3. The partnership between our Universities, the Private Sector and our Region has been established to develop a multi-billion dollar National Sports Analytics Centre of Excellence in the Hamilton-Niagara Corridor;
4. The announcement of two new investments:
  - 1) Anaergia announced their plans to build a 90 thousand square foot facility in Hamilton's Red Hill Business Park under a subsidiary called Fibracast which will manufacture "the most advanced type of water purification in the world".
  - 2) An integrated architecture, engineering and construction firm has chosen Hamilton as the location to expand their Waterloo operation;
5. We have since received further demand from the "Playbook" participants for other investment focused and trade opportunities in which they may participate;
6. Great media coverage both regionally and internationally, profiling the region as a hotbed for investment and trade; and,
7. The development of an investment focused formal partnership between Hamilton and the Niagara Region.

**Background and Objectives**

In early 2014, the Hamilton-Niagara Development Corridor Partnership joined together to develop a strategy (including an Action Plan and Playbook) to capitalize on the potential economic development opportunities associated with the upcoming 2015 Pan Am Games, from July 10 to July 26, 2015. The objective was to capitalize on the short and long-term economic opportunities associated with the games.

The Pan Am Games will create an influx of visitors, athletes and media which, in turn, will drive an increase in spending and an injection of capital into the local economy. Recognizing that these impacts will be relatively short-lived, the Cities of Hamilton, St. Catharines, Welland and Niagara Region have planned to capitalize on this unique opportunity.

A two-phased approach was employed in the development of this strategy. The first phase was to identify key opportunities for investment from participating nations. The second phase is to develop an Action Plan or "Playbook" for pursuing specific sectors and businesses identified in the Phase 1 analysis.



## **Phase I - Greater Alignment of Economic Strengths and Development Objectives Means Better Chance of Success**

For Phase I, the partnership retained Deloitte to assist in their efforts to capture a greater level of “investment-focused” economic activity and legacy for the Region. The scope of the project for Phase I identified key opportunities for investment from participating nations.

As noted, the Pan Am games provide a potentially significant opportunity to secure long-term economic benefits by leveraging the event, and the positive atmosphere it creates, to showcase the Region’s key economic strengths, new trade relationships and to establish specific business-to-business relationships to attract new Foreign Direct Investment (FDI).

Key factors were considered in leveraging these economic opportunities to ensure alignment between the Hamilton-Niagara Region’s key economic strengths and the development objectives of the participating nations. The greater degree of alignment between key domestic industry strengths and the top industries of the participating nations, the greater the potential for success. Other factors considered included:

- Size and growth trends for key industries and sectors in southwestern Ontario;
- Economic outlook for key sectors;
- Identify which industries are best suited for attracting FDI;
- Assessment of export readiness;
- Identify which industries have excess capacity; and,
- Identify the most promising future investment opportunities.

While Federal and Provincial programs work to promote economic regions, FDI attraction quickly comes down to the level of the individual firm and the creation of proactive frameworks and policies at the local level. The identification of high priority targets were focused on leveraging the region’s existing economic strengths, achieving its key economic development objectives, and, ultimately, identifying the specific firms to be pursued as part of the strategy.

### **City of Hamilton’s Competitive Advantages Aligned Well with Identified Industry Targets**

The City of Hamilton has established industry clusters that have competitive advantages in the key sectors that were also identified by the Niagara Corridor partnership communities, notably, Advanced Manufacturing (including Clean Technology) and Health Care, as well as objectives to accelerate growth in emerging sectors such as Information and Communication Technology (ICT) and Digital Media.

The City of Hamilton was the largest of the local partnership communities and supports a diverse set of sectors and industries, including a significant advanced manufacturing sector which is well positioned for growth. From a Foreign Direct Investment attraction



perspective, the City identifies with, and has strengths in, the targeted major sectors: Advanced Manufacturing / Clean Technology; Life Sciences; ICT and Digital Media and Agri-Business and Food Processing and their related industries. The relative lack of congestion in both the City of Hamilton and Niagara Region was also a major competitive advantage, particularly for attracting goods production and distribution activities dependant on the trade corridors through the United States and into Mexico.

The final filtering and evaluation framework of Phase I identified the United States, Mexico, Brazil, Colombia and Chile as the top scoring nations. These five nations are the largest, and amongst the fastest growing, of the participating nations. They are also aligned well with the economic base of Niagara-Hamilton. The framework also identified a clear list of secondary targets, namely, Argentina, Bolivia, Costa Rica, Ecuador, Paraguay and Peru.

## **Phase II – Development and Execution of the Playbook**

As identified in Phase I, organizations from Latin America and the United States were engaged. The countries of focus were Colombia, Mexico, Brazil, Chile and the United States. The engagement process started on February 2, 2015, and reached its peak during the two weeks of the games.

Tiara Business Solutions Canada had been retained by the Hamilton-Niagara partnership to execute Phase II and the aggressive engagement exercise. The Greater Region was highlighted to companies, investors and other associations. Marketing mechanisms that integrate traditional and social media were deployed to build awareness for potential investors to the Hamilton-Niagara Region. Best practices were deployed to engage Regional, Latin American and United States companies based on areas of their respective inherent strengths.

The “Playbook” was not limited simply to the months leading up to and including the games. This Playbook has been developed as a template that can be replicated and used in the future. In fact, the City of Welland has, since, successfully integrated this template to assist in their economic development focused activity as they hosted the World Dragon Boat Racing Championships from August 19 to August 23, 2015.

Hamilton-Niagara were highlighted to the embassies of participating countries, global business oriented forums and associations so that this Playbook helped build on our FDI Strategy, thereby providing a greater profile of the Hamilton-Niagara Region’s attractiveness to foreign investors and our companies’ abilities to market technology and innovation to the Latin America and United States Regions. New companies will also benefit from innovation hubs already in place (including the regional innovation centres: Innovation Factory and Innovate Niagara) to meet demands in emerging markets thus far unnoticed to entrepreneurs in the Greater Region.



The Hamilton-Niagara region has all the elements of a globally-oriented city, with universities and colleges of high standards, anchor industries, a developing innovation cluster, and sound governance. This program enabled us to highlight the integrated benefit of these elements to global partners and investors which also benefited all the regional companies.

Identified below are the structured mechanisms that were developed and exercised as part of this program. These structured mechanisms included industry tours to companies, research and development facilities and technology hubs. They also included forums where organizations from Latin America, United States and Hamilton-Niagara integrated over the course of a full day to stir business opportunities. The consulting company, Tiara Canada, was hired to provide further research and facilitate business partnership opportunities which successfully culminated in serious business discussions during the events. We expected at least one major announcement to take place during the course of the events and, in fact, there were three made.

Our goal was to engage firms from Latin American countries and the United States to invest in our Region in the following three sectors: 1) Agribusiness and Food Processing, 2) ICT and Digital Media and 3) Advanced Manufacturing. We felt that these events would give local companies insights into export opportunities available in Latin America as well as in the United States.

The Playbook that was developed provided global profile to the Hamilton-Niagara Region as a business destination, promoted FDI opportunities, and showcased the Region's strengths in our key industry sectors, all while profiling our businesses, talent and engaging our municipal leaders, provincial and federal government partners, and our local industry and Invest Hamilton partners.

The Playbook was comprised of six events over the two week period during the games. Each evening the City, and, where applicable, our partners from Niagara, hosted the delegates at the Pan Am Stadium to watch the Soccer Games.

### **Highlights and Notable Outcomes from Each Event**

#### **1) The Advanced Manufacturing Tour**

A total of 55+ delegates participated in this event.

The tour began in Niagara with breakfast and networking at the Welland / Niagara Investment Centre whereby the delegates were greeted by local industry, Academia, Chambers of Commerce, the Niagara Industrial Association and local / regional politicians.

The group was provided with a tour of the Advanced Manufacturing Technology Centre, Lunch at Niagara College, followed by an interactive tour and presentation at PowerBlades, located in Welland.



The afternoon was spent at Mohawk College where the delegates were provided a tour of Mohawk's Advanced Manufacturing capabilities, followed by a lovely networking Reception hosted by the College.

**2) Food and Agricultural Familiarization Tour**

A total of 50+ delegates participated in this event, including the Editor of Food, Marketing and Technology, a German Magazine, and a representative from a Mexican based University.

The tour began in Niagara with breakfast and networking at the Welland / Niagara Investment Centre whereby the delegates were greeted by local industry, Academia, Chambers of Commerce, and local / regional politicians.

The group was provided with a driving tour of Northern Gold Foods in Welland, a tour of the Food and Wine Institute, and a presentation by the Vineland Research and Innovation Centre at Niagara College, followed by lunch prepared by the School of Culinary Arts.

The group continued into Hamilton with a driving tour of the Red Hill Business Park showcasing the new Investments by Maple Leaf Foods and Canada Bread (Grupo Bimbo), followed by an interactive tour led by the Hamilton Port Authority. Foreign delegates were taken on a boat tour of the Port while other interested delegates were provided a driving tour of the Port facilities.

**3) Hamilton Day / Real Estate Familiarization Tour – Hamilton Only**

A total of 100+ delegates participated in this event. Notable attendees included: The Honourable Member of Parliament, David Sweet; Business Leaders; Invest Hamilton Partners; and, our local politicians.

The Hamilton Day Celebration began with breakfast and networking at the Hamilton Investment Centre with presentations by Paul Burton, of the Hamilton Spectator, followed by Councillor Lloyd Ferguson, and Mayor Fred Eisenberger provided a presentation on Hamilton's Economic Outlook.

Dr. Andrew Benedek, CEO of Anaergia, announced the company's plan to build a new 90 thousand square foot (\$30 million) facility in Hamilton under their subsidiary called Fibracast, which will manufacture "the most advanced type of water purification in the world". A ribbon cutting was held later in the day at their new site located in the Red Hill Business Park.

The morning events were followed by Market Overview and Investment Highlights provided by senior City staff: Neil Everson, Market Overview, Hamilton Economic Development; Judy Lam, Urban Renewal, Hamilton Economic Development; Chris Phillips, Waterfront Revival, Hamilton Economic Development.



The remainder of the day provided delegates with two concurrent tours highlighting new investments and areas for future growth: Tour 1 provided a commercial / retail / residential focus that showcased Hamilton's West Harbour, McMaster Innovation Park and the Downtown (Office / Retail / Residential); Tour 2 provided an industrial focus also highlighting Hamilton's West Harbour and McMaster Innovation Park, but included opportunities located around the Hamilton International Airport, Red Hill Business Park and the Bayfront Industrial Park / Hamilton Port Authority.

**4) ICT / Digital Media Familiarization Tour**

A total of 65+ delegates participated in this tour, including the following notable attendees: The Canadian Representative for the Director of Trade Promotion Office for Costa Rica; The Trade Commissioner of Colombia; and, the Senior Investment Specialist, PROCOLOMBIA.

The tour began with breakfast and networking at the Regional Innovation Network for Niagara, Innovate Niagara, located in St. Catharines. The delegates were, once again, greeted by local industry representatives, Academia, Chamber of Commerce and local / regional politicians. The delegates toured the Accelerator Centre where they had the opportunity to network with resident companies.

The early afternoon was spent at McMaster Innovation Park (MIP) commencing with lunch hosted by MIP and the Innovation Factory, followed with a tour showcasing The Forge, Don Pether Incubation Centre, the soft landing space, and highlighting local tenants.

The day continued with a tour of Mohawk College, showcasing Mohawk's eHealth Development and Innovation Centre (MEDIC), iDeaworks (mHealth and eHealth programming and resources).

Following the tour, Mohawk hosted a special networking reception which was topped with the announcement made by the Colombian Trade Ambassador, Mr. Alvaro Concha, regarding an ICT partnership between Colombia, the City of Hamilton and the Region of Niagara, that will see a long-term partnership that will build a platform for bilateral market access and investment opportunities for both the Country of Colombia, and the Corridor of Hamilton and Niagara. The announcement also included remarks from Mohawk College President, Ron McKerlie, Mayor Fred Eisenberger, and Niagara Region's Head of Economic Development, Mr. Bob Seguin.

**5) Bilateral Trade Forum**

A total of 110+ delegates participated in this forum including a long list of notable dignitaries and international representatives.

The event began with a welcome and greetings by Hamilton Mayor Fred Eisenberger and Niagara Regional Chair, Al Caslin, followed by the Minister of



International Trade, Honorable Ed Fast who presented Canada's Vision for bi-lateral trade with the Americas.

**Other highlights of the day included:**

1. Jennifer Greenberg, EDC Ottawa, presented on the tremendous size (\$50 billion by 2018) and opportunities for sports analytics, and specifically wearables, further highlighting the importance of the corridor for creating a community of interest;
2. A meeting of International Chambers of Commerce hosted by the Hamilton and Niagara Chambers of Commerce;
3. A panel session hosted by CEO and President of the Hamilton Chamber of Commerce, Keanin Loomis titled, "Opportunities and Challenges of Cross-Border Business" featuring representatives from Export Development Canada, Department of Foreign Affairs, Trade and Development, Project-1 and Arent Fox from the United States;
4. A panel session hosted by Head of Diversified Industries for the Toronto Stock Exchange, Priya Patil, featuring representatives from Paradigm Capital and Miller Thomson that focused on highlighting a program run by TSE for small ventures. This program demystifies the ability to raise capital to grow globally for small and mid-sized companies;
5. Trade presentations for the participating countries of Colombia, Costa Rica, Mexico, Chile, Brazil; and,
6. Stephen Benoit, in-market Chief Representative for Latin America attended and presented as the key-note closing speaker.

**A total of five major announcements were made during the day:**

1. The Canada International Trade Services Inc., City of Hamilton, Region of Niagara, Fox 40, Project-1, and McMaster University announced the development of a Sport Analytics Centre of Excellence to be developed within the Hamilton-Niagara region. This is a multi-billion dollar industry sector which, up until now, had no home and was hidden under ICT programs. Similar to Quantum Valley in Waterloo, Life Sciences Cluster in Toronto, and Silicon Valley in California, Sports Analytics will be in the Hamilton / Niagara Corridor. A Sports Analytics Centre of Excellence is an ecosystem that includes: Grants / Funds; Industry Champions; Sport Broadcasting; Regional Innovation Centres; Research and Development; and, Access to Sports Teams (local and International) Investment and more;
2. A major sports analytics knowledge symposium, the first of its kind in Canada, was also announced to take place in 2016 within the Hamilton-Niagara Region;
3. The company, Nanolytix, announced they would move their operations from Waterloo to the Hamilton-Niagara Corridor;
4. Project-1 announced they would move their operations from Brazil to the Hamilton-Niagara Corridor; and,
5. SoccerFit announced they would move their operations from Brazil to the Hamilton-Niagara Corridor.



Immediately after the event, following the media coverage, TiaraCanada received inquiries from 15 sports analytics companies interested in relocating to the Hamilton-Niagara Region, and they expect that number to increase over the coming year.

**6) Real Estate And Development Familiarization Tour – Hamilton Only**

A total of 70+ delegates participated in this final Pan Am event.

The tour commenced with breakfast and networking at the Investment Trade Centre in Hamilton, followed by presentations by City representatives about the Hamilton economy with a focus on real estate and investment opportunities in Hamilton.

Following the morning presentations, there were two concurrent real estate tours: Tour 1 provided a commercial / retail / residential focus that showcased Hamilton's West Harbour, McMaster Innovation Park and the Downtown (Office / Retail / Residential); and, Tour 2 provided an industrial focus also highlighting Hamilton's West Harbour and McMaster Innovation Park, but included opportunities located around the Hamilton International Airport, Red Hill Business Park, and the Bayfront Industrial Park / Hamilton Port Authority.

One notable outcome following this event has been the recent announcement of an integrated architecture, engineering and construction firm who has chosen Hamilton as the location to expand their Waterloo operation.

**Other Notable Outcomes**

**1. International Economic Forum of the Americas**

Leading up to our Pan Am Playbook program of events, the Hamilton-Niagara Corridor Partnership were successful in securing a bronze level of sponsorship at the International Economic Forum of the Americas which was held in Toronto leading up to the opening of the Pan Am Games. This high profile event was attended by over 2,000 delegates (both domestic and international) and was extremely helpful for us in providing greater profile of our Region and to profile our Pan Am Program. Our attendance gave us access to over 20 Latin American Companies who were being hosted by our Ministry partners specifically to attend this event; and, finally provided our team with access to targeted dignitaries and business representatives such as connecting Mayor Eisenberger with Mr. Daniel Servitje, Chairman of the Board and Chief Executive Officer, Grupo Bimbo.

**2. Steel Roundtable Event**

The event ran concurrently with the Real Estate and Development Familiarization Tour. It was leveraged to benefit the expertise of Arent Fox's, Birgit Matthiesen, who also participated in the Bi-Lateral Trade Forum. The topic of discussion was based around changes to US-based remedy laws and it was hosted by Birgit Matthiesen of Arent Fox LLP, based in Washington, DC.



After contacting local steel companies in Hamilton and Niagara it was determined that there was strong demand in this Roundtable. Featured were executives from five companies from the Hamilton-Niagara Region, including: Arcelor Mittal Dofasco; Bermingham Foundation Solutions; Hamilton Specialty Bar Inc.; Janco Steel; and, Kubes Steel.

Following our Pan Am initiative, this group continues to communicate and are expanding to include other companies who were not able to participate. There are plans to host another similar event in the future.

**3. Development of a Formal Investment-Focused Partnership Between Hamilton and The Niagara Region**

The Pan Am Playbook initiative was developed to carry on following the games. Our partnership will continue to promote the corridor as an all-encompassing advantage for countries looking to grow into the Canadian, or even North American market.

One of the key components and next step is the conversion of the website from a static unresponsive landing page to a Community of Interest (Col) and Integrated Marketing Vehicle. This is a critical component for the continued success of the corridor and the outcomes of the Playbook. This is the main touch-point for all of the current and future contacts created during the Playbook events. The intention is to build an exciting, vibrant community that cultivates multi-way communication among all participants.

The Col also allows Hamilton and Niagara to actively leverage the network for strategic partnerships for future events, disseminate knowledge through webinars, and to highlight corridor successes.

**4. Colombia “Bring - I.T. - On” Partnership**

Following much work and meetings with the Colombia Trade office and the announcement that was made at Mohawk College during ICT Day, Colombia has been eager to engage the partners within the corridor to produce a long-term program. The “Bring – I. T. – On” event being held in Toronto, October 28<sup>th</sup> and 29<sup>th</sup>, will be the first event providing us with an excellent opportunity to develop this partnership further. Much work is being done between the Hamilton-Niagara and our Friends at ProColombia to make this event a success and will be the first of many events in a long-term relationship.

**5. Partnerships With Other Latin American Regions**

- 1) Brazil had a strong delegation throughout the entire Playbook Members of the Brazilian Chamber of Commerce in Canada vocalized a strong interest in partnering with the corridor to develop a Brazil-centric program The potential Brazilian program will be based on the Pan Americas Playbook. Sectors that have been identified as areas of focus include: ICT - growing



at around 7% per annum, with many foreign and local companies have seen growth rates of 20%+ per year; Advanced Manufacturing - a strong manufacturing country with opportunity to provide value-added and innovation; Healthcare - new legislation surrounding healthcare investment in Brazil are favourable to foreign investment; Education - a multi-billion dollar industry in Brazil (only 10% of universities in Brazil offer free tuition) and the Brazilian government is actively cultivating an education ecosystem.

- 2) Various meetings took place with the Trade Promotion Office Costa Rica for Canada, over the course of seven-to-eight months, and representatives participated in two Playbook events. Several sectors have been identified as potential targets: Medical devices - Costa Rica is a main exporter of medical devices to Canada; Medical Tourism - Costa Rica is a leader in this category; and, ICT - Costa Rica is the fourth-largest technology-exporting country in the world.
- 3) Various meetings took place with the Investment Commissioner of Chile, over the last several months. Their representative presented at the Bi-Lateral Trade Forum and he has expressed strong support for the corridor concept. Several sectors have been identified as potential targets: Mining and energy - they represent 1/3 of the world's copper output; Agriculture – their second largest source of exports (copper is first); Manufacturing - is 18% of their GDP; and, a new pursuit for innovation - Chile is looking to explore trade relationships with North America, and, the Corridor will benefit from a first-mover strategy.
- 4) Lastly, meetings also took place with the Trade Commissioner of Peru, over the past year. Although they were not able to present at the Bi-Lateral Trade Forum, they have expressed strong support for the Corridor concept and several sectors have been identified as potential targets: Agriculture - is 13% of their GDP and employs 30% of the population; Manufacturing – they offer a new approach to focusing on value-added products and vertical integration; and, new Canadian partnerships are emerging, including a \$67-million contract between an Ontario firm (General Dynamics Land Systems) and the Peruvian Marine Corps.

## **6. Community And Service Providers**

The participation and support of our community partners and service providers is another testament to the success of our Pan Am Investment Playbook and has provided us with the opportunity to strengthen these very important community partnerships. The Playbook would not have been the success without the following partners: The Hamilton Port Authority; The Seaway Mall; RBC; Niagara College; REAL Properties; 2GenNet.com; Hamilton Spectator; Stoney Creek Chamber of Commerce; Hamilton Chamber of Commerce, McMaster Innovation Park, Mohawk College, McMaster University; Realtors Association of Hamilton-Burlington; Hamilton International Airport; Innovate Niagara; Innovation Factory; Netaccess; Brock University; Phorm; Niagara Industrial Association; BDC; EDC;



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Canadian Manufacturers and Exporters; Department of Foreign Affairs; Toronto Stock Exchange; Global Hamilton; and, VIVA Pan Am Hamilton.

**APPENDICIES AND SCHEDULES ATTACHED**

Not Applicable

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