

**WATERLOO EDC**

**2018**

**Q1 REPORT**



# Q1 REPORT – SUMMARY

Waterloo EDC began 2018 focused on building upon the success and positive momentum of our strong year in 2017 through continuing to focus on bringing high value investment expansion and attraction opportunities to Waterloo Region. In Q1 2018, we closed six investment deals, with a value of approximately \$18.7 million, representing 187 jobs. In addition, we led a total of 18 inbound and four outbound missions during the period, visiting markets in the United States and Latin America.

In March, the organization relocated to the Communitech Hub in Downtown Kitchener, and we continue to be co-located with Waterloo Region Tourism Marketing Corporation. One of the Region’s vital innovation hubs, Communitech is a key business ecosystem asset in our community for idea generation and disruption from start-ups

to globally-established corporations. A magnet for companies and talent focused on inventing the future, we are excited about the potential for new opportunities and partnerships.

Overall we are very pleased with the progress we have achieved in Q1 2018. The key highlights of our activity and performance are summarized below:

## 6 Closed Deals

Investment closed deals of  
**\$18.7 million**

Approximately  
**187 jobs created**

## Breakdown of deals by sector:

**83%** information and communications technology (ICT)

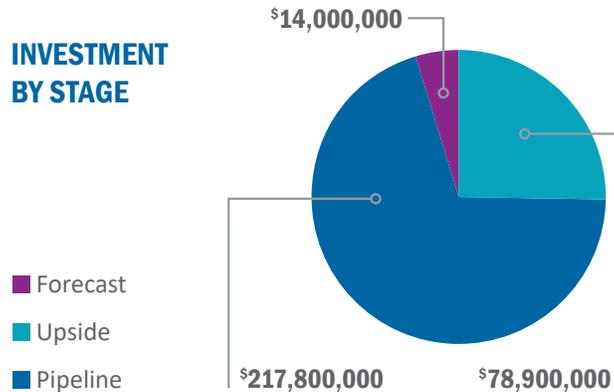
**17%** advanced manufacturing

**1 local** expansion investment

**5 foreign** direct investment

**32 potential deals** in our pipeline (at the end of Q1 2018) with an estimated value of **\$310.7 million**

## INVESTMENT BY STAGE



**3 opportunities** in ‘forecast’ stage with an estimated value of **\$14 million**

**18 inbound** and  
**4 outbound** missions

## Outbound Missions:

USA (California, Detroit, Cincinnati) and Ecuador

# OUR ORGANIZATION

## VISION

To be locally rooted, internationally competitive and globally renowned.

## MISSION

To build a world-leading legacy of sustainable economic development, prosperity and diversity for Waterloo Region.

## VALUES

Collaborative, professional, integrity, accountable, results-focused.



## 2018 BUSINESS PLAN: STRATEGIC PILLARS

### Foreign Direct Investment

To forge a clear track record of foreign direct investment attraction wins

### Local Business Retention & Expansion

To forge a clear track record of local retention, investment expansion and scale-up wins

### Investment Marketing & Awareness

To increase awareness and interest of Waterloo Region's unique Economic Development value proposition in targeted geographies and sectors

### Concierge Service & Advocacy

To build a best-in-class "go to" concierge and advocacy service to facilitate investment and retention

# FOREIGN DIRECT INVESTMENT

We are pleased to report that the team played an integral role in closing six investment attraction and retention opportunities in Q1. The deals were heavily focused in the ICT and Advanced Manufacturing sectors and brought \$18.7 million of investment to Waterloo Region, along with approximately 187 jobs. Five of these closed deals were a result of foreign direct investment, with one coming from local business expansion. The team has continued to build our sales pipeline with 30+ potential opportunities, three of which are in the 'forecast' stage, with an estimated investment value of \$14.0 million.

During Q1, the Toronto-Waterloo Region Corridor continued to garner international awareness as our joint proposal with Toronto Global for Amazon's HQ2 (including Waterloo Region, Guelph, and Toronto Region) was one of 20 North American centres to be shortlisted for the expansion and was the only Canadian bid to make the shortlist. Currently, Amazon is in the process of touring and meeting with representatives from all shortlisted centres with a final decision scheduled to be made before the end of 2018.

*“As part of the Toronto bid, they included the larger territory – which included the corridor right down to the Region of Waterloo. I think that speaks volumes about the strengths of the local economy, and what's happening in the GTA and Waterloo Region in terms of skills, and what they have to offer.”*

– Ken Seiling, Regional Chair

Waterloo EDC led four outbound missions, including an investment attraction mission to California, where team members met with a number of high-profile tech companies in the San Francisco area. Key topics of discussion included Waterloo Region's talent, research, and cost advantages. The mission included a networking event run by C100, an association of Canadian thought leaders in the San Francisco Bay Area committed to supporting and accelerating the innovation economy in Canada.

As an attendee at the North American International Auto Show in Detroit, Michigan, we, alongside the Waterloo Centre for Automotive Research (WatCAR), promoted Waterloo Region's strengths in autonomous vehicles, advanced powertrains, cybersecurity, and



Attendees at the NAIAS in Detroit, Michigan receive a hands-on demonstration from the WatCAR team.

the connected car. In February, a Waterloo EDC team member attended the Routes Americas conference in Ecuador with Economic Development staff from the Region of Waterloo and the Region of Waterloo International Airport (YKF), endorsing the advantages of our facility in discussions with airlines in Central and South America.

Most recently, our President & CEO, Tony LaMantia, travelled to Cincinnati for the 2018 Site Selectors Guild Conference with Invest Ontario. The event played an important role in increasing international awareness of Waterloo Region as the premier location to do business for companies in various sectors.

Inbound missions continued to be a top priority, with the team hosting more than 10 large, multi-national organizations. A few notable missions included a UK-based business delegation focused on learning about the artificial intelligence ecosystem in our community, and a visit from Canada's international trade commissioners, who toured the area to learn about our ecosystem, talent and our unique "Why Waterloo" value proposition for business.

In January, Waterloo EDC received confirmation of funding support for a number foreign direct investment focused initiatives from the 2018 Invest Canada-Community Initiatives (ICCI) program. The 50% funding program will be used to support projects that drive foreign business growth and investment in our priority sectors and clusters, such as Advanced Manufacturing and Information and Communications Technology, and in key markets like the United States and Europe.

Each of the approved projects are progressing and further updates will be included in future reports.

# LOCAL BUSINESS RETENTION AND EXPANSION

Maintaining and building strong partnerships with the local business community is a significant focus area. Throughout the first quarter, we assisted one local company with expansion in the community and worked with three more companies on navigating and securing government funding and incentives.

Tony LaMantia was on hand at Queen’s Park in late February alongside local municipal leaders for Waterloo Region Advocacy Day. Discussions with provincial leaders, including Ontario Premier Kathleen Wynne, centered around issues of priority for the citizens and municipalities of Waterloo Region, such as local infrastructure improvements and affordable housing. These efforts proved to be impactful with the announcement of the 2018 Ontario Budget in March, with \$11 billion dedicated towards the implementation of high-speed rail in the Toronto-Waterloo Corridor. The improved connectivity to the Greater Toronto Area will be game-changing for Waterloo Region in terms of continuing to gain recognition internationally as a premier location to do business.

*“Local business leaders regularly tell us that ongoing economic success is intertwined with strong public transit connectivity with Toronto and the GTA. Two Way All-Day GO and High Speed Rail have to be seen as the way of the future for connectivity.”*

— Dave Jaworsky, Mayor of Waterloo

The Government of Canada made their highly-anticipated Innovation Supercluster announcement in February, which will have a very positive economic impact in Waterloo Region. Assets and businesses within our community will play important roles in the Advanced Manufacturing and SCALE.AI superclusters, two of the five clusters that will share \$950 million in funding over the next ten years. The investment is expected to create more than 50,000 jobs across Canada. As advocates for Waterloo in this initiative, our organization is extremely pleased with the decision and are excited about the resulting economic benefits that are to come.

*“It speaks volumes about what can happen when you get not-for-profits, academic institutions and the private sector collaborating. It is really going to give us an amazing opportunity to highlight many of the amazing companies we have in the Kitchener and Waterloo Region.”*

— Berry Vrbanovic, Mayor of Kitchener, on the Supercluster announcement

With the objective to help local companies grow and succeed, in January we sponsored the final installment of the 2017/2018 Greater Kitchener-Waterloo Chamber of Commerce’s (GKWCC) Economic Development Speaker Series. The topic of the event was ‘Modernization in the Food Sector’, with Tony LaMantia moderating a conversation between Arnold Drung, President of Conestoga Meat Packers, and Kevin Martin, President of Martin’s Family Fruit Farm. Participants learned how two very different types of local food manufacturers are using technology to help them grow and continue to be successful. The Series will be renewed with two additional events scheduled for Fall 2018.



Tony LaMantia moderates a discussion between Kevin Martin and Arnold Drung at the GKWCC’s Modernization in the Food Sector speaker series.

# INVESTMENT MARKETING AND AWARENESS

To increase awareness of our organization and support local stakeholders, Waterloo EDC provided presentations to a number of local organizations in Q1 2018, including the Conservative Business Association and the Cambridge Sunrise Rotary Club. We also participated in more than 20 events, including the Consider Canada City Alliance (CCCA) Semi-Annual Meeting, the Deloitte Waterloo Grand Opening and the Asia Pacific Foundation of Canada Roundtable.

*“We believe that it is extremely important for us, as a firm, to be part of what is Canada’s innovation engine.”*

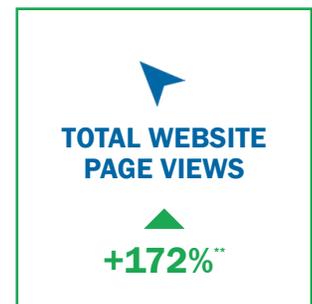
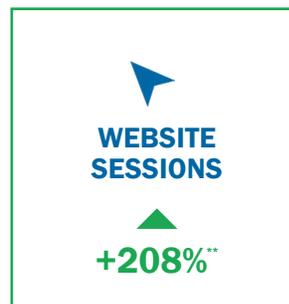
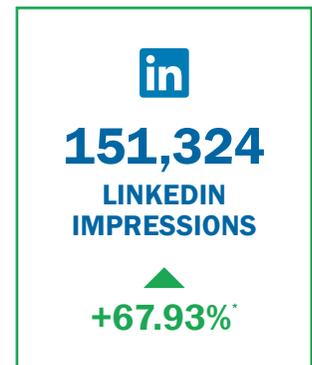
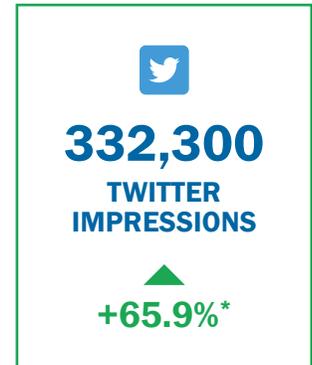
— Peter Barr, Deloitte Managing Partner for Waterloo Region

In late March, we held a ‘Lunch and Learn’ event focused on a third-party consultant-conducted SWOT (strengths, weaknesses, opportunities, threats) and Benchmarking Analysis of Waterloo Region as a location for foreign direct investment. Our team was encouraged by the engagement and feedback we received from local business and community leaders during the session. We will be taking the results and feedback from the report and session and implementing into our strategy moving forward.

We continued to work along side the Greater Kitchener-Waterloo and Cambridge Chambers of Commerce to promote continued business growth and excellence locally. During Q1, this partnership included sponsorship of each organization’s annual Business Excellence Awards.

The Marketing team has been incredibly busy launching a number of exciting initiatives. We officially launched our new investment promotion website, [www.WaterlooEDC.ca](http://www.WaterlooEDC.ca) along with our investment marketing video, demonstrating how Waterloo is inventing the future and our unique “Why Waterloo” value proposition for business. The new video is also being utilized by Conestoga College and Wilfrid Laurier University for their international student recruitment efforts. We included promotional material in a number of publications during the quarter, including the Site Selectors Magazine and the Business Xpansion Journal.

The team is also rolling-out marketing automation software that will support lead generation activities, such as targeted marketing campaigns and advertisements.



\*Growth from Q4 2017

\*\*March 2018 compared to March 2017

\*\*\*December 2017 - March 2018 compared to December 2016 - March 2017



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