TOWNSHIP OF UXBRIDGE:
Investing in Uxbridge

Business Retention & Expansion 2007 Report

June 18, 2007

INVESTING IN UXBRIDGE

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The Township of Uxbridge would like to thank:

The 59 business owners and managers who completed surveys

The 20 volunteer visitors who proudly donated their time to support the initiative:

- Pam Archibald
- Dave Boulton
- Karen Lee Boulton
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- Doug McKeown
- Trisha Rooney
- Leslie Warren
- Marlene Werry

Co-Partners:

- Regional Municipality of Durham
- Uxbridge Business Improvement Area
- Uxbridge Chamber of Commerce

Funding support from the Ontario Ministry of Agriculture, Food & Rural Affairs Rural Economic Development Program

Leadership Team Members:

- Dave Gribble (Chair)
- Jim Brown
- Jim Campbell
- Jim Corrigan
- Bob Hoppe
- Walter Knecht
- Scott Rutledge

External support:

- Judy Coward, Economic Development Consultant, Ontario Ministry of Agriculture, Food & Rural Affairs
- Marlene Werry, Rural Economic Development Officer, Regional Municipality of Durham

Internal support:

- Ingrid Svelnis, Director – Parks, Recreation, Culture and Tourism, Township of Uxbridge
- Kristen Sullivan, Executive Assistant to the Mayor and CAO, Township of Uxbridge

Project management support:

- Paul Blais, Blais & Associates Economic Development Consulting

Message from the Mayor

It gives me great pleasure to present this Final Report on the Township of Uxbridge's Business Retention and Expansion Project. While this report represents the findings, I want to stress that this will be a living document.

With the conclusion of this project and the development of an action plan we are now better able to serve a key customer of the Township, our existing businesses. I know from my own business that this relationship should never be taken for granted. It can sometimes take years to earn a new customer, but only five seconds to lose them.

In fact, action has already taken place as Township staff have followed up with businesses who were surveyed to make the community a better place for investment.

I would like to thank the project partners who have invested in the future success of the existing business community. Studies show that existing businesses are important because they create at least 70% of new jobs and investment. Uxbridge's business community has made a tremendous impact on the growth and diversification of our economy. These people are not only committed to the success of their personal endeavours but also to the greater good of this community.

This has been a total community effort – from the businesses who participated to the volunteers who conducted the surveys to the volunteers who formed our Leadership Team.

The BR+E project is another step in the growth of our community. Thank you to everyone for investing in Uxbridge!

Sincerely,

Mayor Bob Shepherd

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What is BR&E?

A Business Retention and Expansion (BR+E) project is more than a visitation program where business owners and senior managers discuss matters that may be inhibiting growth or causing decline. Thorough analysis of the data extracts important issues that can result in strategic actions. When implemented, these actions will improve the local business climate. This will help retain existing businesses or help others to expand.

Specifically, the Township of Uxbridge's objectives in completing a BR+E project were:

- Provide community support for local business
- Identify and address, where possible, immediate individual business concerns
- Develop a strong working relationship between economic development partners
- Increase the competitiveness of local establishments
- Establish and implement a strategic action plan for economic development
- Increase business development and job creation
- Increase community capacity for economic development

Uxbridge's multi-sector BR+E project began in the Fall of 2006. The survey involved a cross section of business types throughout the Township of Uxbridge. A total of 59 businesses participated.

Project Organization

The Uxbridge project consisted of two distinct volunteer groups connected by the administration and project coordinator.

1. The Volunteer Visitors

A force of 20 community minded volunteers was assigned to data collection through the confidential BR+E survey visitation process. All Volunteer Visitors completed a four hour training session. In teams of two, the volunteers visited local businesses to meet with the owner/manager to explain in more detail the program, complete the survey and note any issues/concerns of the business referred to as "red flags".

2. The Leadership Team

A group of volunteers representing the business community assigned to champion the program by promoting the concept of the community and tasked with reviewing issues and providing recommendations on action steps.

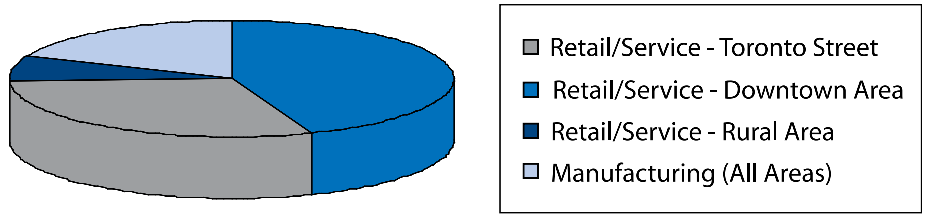
The BR&E methodology employed in this study was provided by the Ontario Ministry of Agriculture Food and Rural Affairs (OMAFRA). The approach used by OMAFRA involved a web-based data collection mechanism along with a structured reporting format. These structured reports address appropriate issues in all communities across Ontario related to business development and are very useful for addressing local concerns.

Participating Businesses

A total of 59 businesses participated in the BR&E study, comprised of 11 manufacturers and 48 retail/service operations. The retail service sector subdivided as follows:

- 26 retail/service – Downtown area
- 18 retail/service – Toronto Street area
- 4 retail/service – Rural area
- 11 manufacturing (all areas)

Figure 1: Breakdown of Participating Businesses



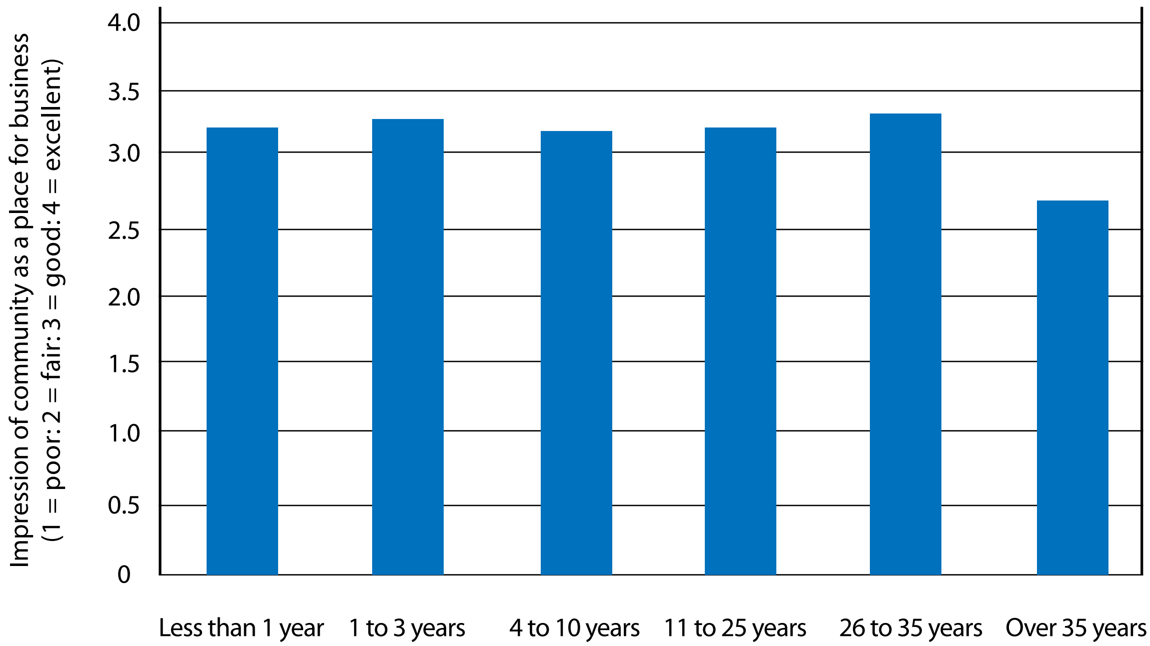
The Business Community

Business climate

Of the 59 reporting businesses, the results indicate there is little risk of closure, downsizing or relocation outside of the municipality.:

- 84% rate the community as excellent or good as a place in which to do business.
- 68% report that that attitude has not changed over the past three years and of the remaining 32%, two-thirds reported their attitude is now more positive.
- From another perspective, 86% of the reporting businesses would either remain the same or expand in size.
- Only four businesses were planning to relocate and all of those were within the municipality.

Figure 2 - Impression of community as a place to do business based on number of years business has been in operation



At the same time, businesses identified a variety of factors as barriers to the expansion of existing or the development of new business in the community. On an aggregate basis the top five issues were:

- business taxes,
- public transit,
- availability of properly zoned land,
- water or sewer capacity
- serviced land.

Top concerns for manufacturing were public transit, sewer and water capacity and business taxes followed closely by availability of properly zoned land, availability of different parcels of land and serviced land at the next level of concern.

Retail businesses, however, after business taxes and public transit were concerned about approval processes and availability of properly zoned land.

Consistent with the above results:

- 91% of the businesses indicated they were completely satisfied or somewhat satisfied with their current location; and
- 9% (5 businesses) were somewhat dissatisfied or very dissatisfied.

The leading concerns were business taxes and no opportunity for expansion. These were followed by trucking and distribution, availability of skilled labour and too small a site. For businesses leasing space, 91% (of 23 reporting) did not anticipate any problems in renewing the lease.

Business Support Services

The survey asked businesses owners and managers to report on their level of satisfaction with a variety of government services. In this section, the overall response rate provides some useful information.

- Local Government – 46 businesses reporting indicated they were very satisfied or somewhat satisfied with local government services including planning/ engineering/ zoning permit process, health department, policing, fire prevention, public utilities, snow removal, and garbage removal.
- Local Government – A larger group were somewhat dissatisfied or very dissatisfied (40% of 56 reporting) regarding street repair and 59% were somewhat dissatisfied or very dissatisfied with public transit.
- Community Services – The business community appeared satisfied with medical and health services, schools, the local training Board, community colleges, university, library, childcare services, cultural services and recreational facilities. In all of these findings, a relatively high proportion of businesses responded (46 to 56).
- Local Business Organizations – With respect to services provided by business organizations, 27/34 (80%) of businesses were very satisfied or somewhat satisfied with the Chamber of Commerce and 23/39 (59%) of business were very satisfied or somewhat satisfied with the BIA.

Factors affecting business

Quality-of-life is the strongest factor making doing business in Uxbridge excellent or good. This is reflected as well by the recognition of support from local residents. Some concern is revealed in the marginal approval of local permit process, water and sewer capacity and the size of the local market (Figure 3).

Figure 3– Factors in Doing Business that Rated High Satisfaction

Factor	Rated Excellent or Good
Quality of life	89%
Support from local residents	82%
Access to markets/clients/customers	69%
Access to suppliers	69%
Telecommunication infrastructure	68%
Support from local business	67%
Availability of utilities	65%
Labour costs	62%
Availability of skilled labour	61%
Local permit process	55%
Water and sewer capacity	52%
Size of local market	52%

Land costs led the way in the fair or poor factors affecting business in the community. A second group including cost of leasing space, availability of appropriately zoned land, municipal taxes and cost of construction are other negative influences (Figure 4).

Figure 4 – Factors in Doing Business that Rated Low Satisfaction

Factor	Rated Poor or Fair
Land Costs	84%
Cost of leasing space	75%
Availability of appropriately zoned land	72%
Municipal taxes	72%
Cost of construction	70%
Development charges	65%
Availability of transportation	64%
Municipal by-laws	63%
Access to research & development	58%
Support from municipality	57%
Access to training facilities	56%
Transportation costs	54%

Response from business sectors is not unanimous. Contrary to the above aggregated lists, the manufacturing sector found availability of transportation excellent or good the majority of time as well as cost of construction, costs of lease, support from the municipality, access to research and development and access to training facilities. However, manufacturers ranked as fair or poor the availability of utilities, water and sewer capacity and size of local market.

Transportation

A number of the reports indicate transportation is a local business issue. To understand this a little better, the responses from the community questions were charted to identify whether business location influenced concerns about transportation (Figure 5).

Figure 5 – How Businesses Responded to Impact of Public Transit

Business Area	Benefit	No Impact	Detriment
Downtown	5	2	2
Toronto St	8	3	
Other	1	4	

The results show that there is a mixed response to the value of adding a transportation link between downtown and Highway #47. The majority of respondents felt it would be of a benefit (14/25). Nine responded with no impact and two saw it as a detriment. These results suggest a more detailed survey of participants would be useful, especially with a cost associated to implement the requested changes.

Manufacturing

A total of 11 businesses identified themselves as manufacturing. Notwithstanding the small size of the group, the responses from the manufacturing sector are valuable in pointing out positive developments and areas of concern. Of the seven businesses responding to the question about current plans, four businesses expected to maintain the current size of production, two more would diversify and one business plans to expand.

Most of the manufacturers outsourced product components to some degree, with most of those outsourced within Canada. Similarly, most of the manufacturers are exporting product and the majority see the development of export markets to be very important over the next three years in order to remain competitive.

- The United States was the most important foreign export market with 20% of sales, although a drop from three years ago where sales were at 29%.
- Over the past three years as well, sales within the area have increased as a percentage of total sales from 15% three years ago to 31% now. This is likely uptake from the reduced export sale to the US.

Over the past three years 60% of the businesses reported increased sales and they expected that to continue for next year. At the same time, 64% reported that competition is increasing although

80% reported that their market share was also increasing. Five out of nine saw their primary product in the growing phase of the lifecycle and all businesses reporting felt that secondary products were growing in their lifecycle.

Public transit, business taxes and water and sewer capacity were the top concerns of manufacturing businesses as barriers to expanding (Figure 6). Of slightly less concern was the availability of properly zoned land, availability of different sized parcels of land and serviced land. This outline identifies the close relationship that manufacturing business has with municipal planning and therefore the degree to which the strategic plans for municipal development have a direct impact on economic development and manufacturing business expansion.

Both issues of public transit and business taxes were of concern to the retail/service sector. This presents a dilemma for the municipality and the business community and that is how to address concerns about service provision and infrastructure development by the municipality without raising taxes.

Figure 6 - Barriers to expanding manufacturing business

water/sewer capacity	50%
business taxes	50%
public transit	50%
serviced land	40%
availability of properly zoned land	40%
availability of different sized parcels of land	40%
approval processes	30%
availability of skilled labour	30%
availability of unskilled labour	30%
information-technology capacity	30%
availability of natural gas	30%
development charges	20%
road or highway system	20%
lack of proactive new business recruitment	10%
business insurance	10%
availability of financing	10%
security/policing and fire service	10%
availability of space for lease or rent	10%

Important factors affecting competitiveness (Figure 7) for businesses over the next three years include: Exchange rate for the Canadian dollar, add or change in product or services, improved worker productivity, workplace skills development, availability of labour, improved customer service and strategic marketing.

Water and sewer costs and water and sewer availability were less important to ensure business competitiveness despite being identified as a barrier to business development. This observation tends to underscore the importance of a close working relationship between the municipality and manufacturing businesses in the economic region to ensure that both groups can reinforce factors leading to further success.

Figure 7 – Factors cited as "very important" to ensuring manufacturing competitiveness

exchange rate for the Canadian dollar	100%
product research and development	82%
improved customer service	90%
availability of telecommunication services	82%
market development, outside local area	80%
add or change in product or services	80%
improving worker productivity	80%
availability of labour	73%
workplace health and safety	70%
workplace skill development	78%
energy costs	70%
resolution of cross border issues	70%
access to international markets	67%
access to importing of products or services	67%
strategic marketing	86%
market development, locally	44%
ISO 9000/14000 or HACCP standards	50%
water/sewer availability	57%
business planning	57%
industries/professional standards	60%
water/sewer costs	43%
accessing capital	50%
strategic alliances	33%

Retail/Service

Over the next three years, 87% of retail/service businesses (40/46) plan to remain the same or expand their business. Six businesses plan a major renovation on the site and a further 16 are planning to invest in new equipment. These changes will lead to an increase in the workforce, an increase in floor space and additional products or services for customers.

- Almost all sales (99%) are within Canada
- 77% of sales are "within the area"
- During the past three years 26 businesses (65%) report the dollar sales trend increasing, and they expect higher levels for next year compared to last year.
- 66% of the businesses report increasing competition in the market although 51% indicate their market share is increasing.

The primary factors insuring competitiveness are local market development and improved customer service (Figure 8). This reflects the reality that for most retail/service businesses, the majority of clients are local. These factors rank considerably higher than anything else. Other factors which also are important include availability of labour, availability of telecommunication services, energy costs, workplace health and safety and some market development outside of the local area.

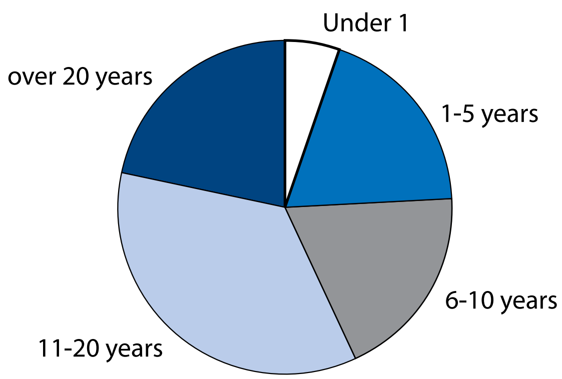
Figure 8 – "Very Important" Factors for Retail/Service Businesses

local market development	83%
improved customer service	76%
product research and development	58%
availability of telecommunications services	58%
availability of labour	56%
industry and professional standards	55%
energy costs	55%
outside of the local area market development	54%
workplace health and safety	53%
improved worker productivity	50%
workplace skill development	47%
add or change products and services	43%
water/sewer availability	41%
water/sewer costs	41%
exchange rate for Canadian dollar	41%
strategic marketing	40%
access to importing of products and services	35%
business planning	32%
access to international markets	31%
resolution of cross-border issues	30%
strategic alliances	26%
accessing capital	17%

Downtown Revitalization

Business ownership is quite stable with 57% of businesses (21/37) owning their business for 11 years or more (Figure 9). 12 businesses reported total annual sales of over $1 million. Most businesses did not feel community events or festivals increased sales in their business (30/33) but the majority participate in or support community events and festivals (27/39).

Figure 9 – Length of Business Ownership (Downtown)



Most businesses report having specific target markets (29/31) and track where their customers are from. The following chart (Figure 10) indicates the extent of market share for the business generated by customers either walking or driving to the commercial districts.

Figure 10 – Origin of Customer Base for Downtown Businesses

Market share	Walking 400 M count	5 min drive count	15 min drive count	15-30 min drive count	30 + min drive count
75% +	0	0	7	3	0
50-75%	0	4	6	1	1
25-50%	3	8	6	9	7
10-25%	4	9	9	10	5
less than 10%	19	5	1	5	13

The results indicate that only a small portion of the business market share comes from walk-in traffic or short drives. The majority of business is generated by customers driving between five to 15 minutes. In all cases, the driving distance is not that great. Customers typically park either on the street in the closest available spot or in a customer parking lot which the business owns or rents. Similarly the majority of employees park in a lot which the business owns or rents. In the chart below identifying factors influencing successful business, adequate parking was identified as a concern.

The main competitive advantage for most businesses was service and product quality. The competition for businesses varied from other downtown through to other communities and national franchises (Figure 11).

Figure 11 – Location of Competition for Downtown Businesses

Competition is from:		
	Yes response	**Percent**
Downtown	5	25%
Community	15	58%
Another community	19	76%
National Franchise	17	77%
Local independents	17	77%
Other	3	33%

Businesses also identified a variety of factors which affected the business environment (Figure 12). The chart details the most important factors – buy local, customer service, referral to other downtown businesses, appropriate business hours, consumer safety - as well as identifying some real concerns, such as adequate and convenient parking and an attractive look and feel of the downtown.

Figure 12 – Factors Affecting Business

Factors affecting business	**Strongly or Somewhat agree 33 to 35 reporting**
Buy local	100%
Employees show great customer service	100%
Refer to other downtown	97%
Business is open when customers want	91
Feel safe at night	91%
My window and store display attracts	80%
Plenty of good workers here	78%
Support new retail promotions event	74%
Existing business mix helps	70%
Downtown is an excellent site	60%
My building façade helps draw customers	60%
Adequate convenient parking	47%
Look and feel of downtown helps	47%

Red Flag Issues

One of the important objectives of the BR+E project is to remedy business concerns as soon as possible. "Red Flags" are important issues that require urgent action because they are having a serious negative impact on the operations of the concerned business.
Of the 59 surveys there were 9 "red flag" issues identified and they are summarized in following chart.

Urgent issues requiring immediate attention	Time Required to Resolve
Two businesses identified large snow banks at entranceway to businesses which are creating problems for customers.	Snow banks removed within one week
The "Shop Uxbridge" business program has been introduced but no further information has been provided.	Further information provided within 3 days
5 businesses identified electricity issues ... brownouts at the end of the grid	Meetings with utility took place within two weeks and resolution is ongoing.
Paving concerning Paisley & Anderson - Not paved, other streets are.	Paving issue handled following day (There is one layer of paving. Public Works waiting until construction finished to do 2nd layer).

A further 18 issues were brought forward from the Volunteer Visitors to the attention of Township staff. These matters were discussed with senior staff and the businesses concerned but were placed into a category of less urgency. These will be attended to within the action plans that follow.

Action Plan

Action Plan – prioritize those that are common to entire town (including downtown)

The following table outlines suggested action items for the Township of Uxbridge and its partners. Completion of these actions will help to enhance the business environment.

What is the issue?	How is the issue supported in the analysis?	What is the most effective way to achieve these goals? What action is required? What resources need to be called upon?
Inconsistent electricity supply – a "hot button" issue. Increasing costs of electricity putting business in an uncompetitive position	Identified in the following questions: • utility service – excellent 5, good 27, fair 13, poor 4 • energy costs – very important 24, somewhat important 12, not at all important 5 • any concerns regarding supply – yes 24, no 32 • Businesses also indicated as a concern: • cost 20 • brownout 8 • high consumption (desire for conservation) 4	• initiate communication with Hydro One to isolate supply issues • quantify the costs of electricity power inconsistencies • place pressure on utility companies to make changes through consortium of manufacturers • involve MPP in correspondence, discussions and generating solution • find a local resource who understands the circumstances and how to get movement on the issue • develop training/education programs for businesses who want to implement energy conservation programs – work with surrounding municipalities or Region to develop a program of high interest including financial mechanisms that are available to help

What is the issue?	How is the issue supported in the analysis?	What is the most effective way to achieve these goals? What action is required? What resources need to be called upon?
Workforce – The data hints at a future need and potential shortage.	Identified in the following questions: • availability of workforce: excellent 9, good 27, fair 13, poor 4 • Able to recruit locally – 38 yes, 13 no • Problems with workforce – community-based 8, industry based 11 • Needs are identified– skilled trades 53 spaces identified over the next three years, unskilled trades 24 spaces over the next three years • Barriers to training: cost 17, distance 13, loss of productivity 17	• The results of this survey should be forwarded to the local Training Board, community college and high schools (Ontario Youth Apprenticeship Program) for consideration and action • This will help to fill a void in lack of information about workforce availability and future needs in northern Durham Region • Impress upon relevant local associations that more investigation is required to completely define the needs
Need for manufacturing consortium	The power of the consortium is more likely to initiate change related to the above two points.	• Hold an initial manufacturers meeting and introduce ideas from survey. State that there is something there and encourage manufacturers who did not participate to join in to round out the available data. • Chamber of Commerce could disseminate the information and find value in doing a series of workshops, organized by the Region, Township and Chamber of Commerce

What is the issue?	**How is the issue supported in the analysis?**	**What is the most effective way to achieve these goals? What action is required? What resources need to be called upon?**
An inconsistency about how event organizers and business people feel about the impact of special events.	Identified in the following questions: • do special events lead to increased sales – 30/33 say no • is business open when customer wants – 30/33 strongly or somewhat agree • Perhaps contradicting this analysis is that businesses are not open on Sunday and potentially not gaining maximum value from the event	• Retailers/service providers appear to be happy with current operating hours which means that the cost and benefits for future events needs to be carefully determined • Clearly, the popular perception of events helping retail sales is not experienced by the retailer.
The question of value of a public transit system is significant and there is no clear answer based on the results.	Identified in the following questions: • transit – 22/37 somewhat or very dissatisfied • availability of transportation – 30/47 considerate fair or poor. This question does not specify transit has a particular form of transportation.	• The transportation problem is not limited to employees, but more generally shoppers, clients, visitors etc. surveying will help. The cost/benefit of implementing transit solutions must be considered.
Availability of appropriately zoned and large enough parcels of property	Identified in the following questions: • 18 of 54 identified it as a barrier to growth • 6 of 9 were dissatisfied with the Ministry of Municipal Affairs and the same for Ministry of the Environment • 32/44 considered availability of zoned land fair or poor	• Ensure a long-term priority towards the ongoing availability of serviced industrial and commercial zoned land • Enhance municipal processes to assist developers in zoning applications and plans of subdivision as well as provide assistance when negotiating provincial level regulations.
Mature ownership base – not a lot of new businesses coming in (DR1)	Business mix isn't allowing success of new businesses … encourage home-based to move into commercial space	Conduct a Business Mix Analysis (OMAFRA)

What is the issue?	How is the issue supported in the analysis?	What is the most effective way to achieve these goals? What action is required? What resources need to be called upon?
Availability of downtown parking.	Identified in the following questions: • Parking spots – 17/40 needs improvement • signage for parking 27/41 fair or needs improvement.	• Conduct a parking survey to determine where employees are parking, how visitors find their parking and consider parking a benefit/barrier.
Façade improvement, streetscaping and downtown planning	Identified in the following questions: • 18/42 state that building exteriors are fair or needs improvement • 18/41 state signage is fair or needs improvement • cost of lease considered fair/ poor by 19/39 • People are not aware of the downtown revitalization strategic plan • Vacancy turnover considered fair to poor by 24/41 • Business mix considered fair to poor by 19/40 • Notes to improve sales – more specialty or niche shops 15/45, more focused downtown revitalization business plan 15/45 • Comments such as "Looks horrible, downtown need great improvement, lacking ambiance"	• This series of questions implies that landlords are already charging at market rates, therefore there is no incentive to improve facilities. • Support for the Mayor's task force knowing that investment will not come to Uxbridge consistently until the Town shows confidence in its downtown • Emphasis on building a 10 year Master Plan – the Big Vision that is implemented progressively year by year • Appeals to civic pride etc. for downtown development are necessary • Implementing a Community Improvement Plan which makes financial grants/subsidies available for this type of improvement should be examined.