

**REPORT TO:** Planning and Strategic Initiatives Committee

**DATE OF MEETING:** April 14, 2025

**SUBMITTED BY:** Cory Bluhm, Executive Director Economic Development

**PREPARED BY:** Brian Bennett, Manager Business Development

**WARD(S) INVOLVED:** Wards - All

**DATE OF REPORT:** April 1, 2025

**REPORT NO.:** DSD-2025-134

**SUBJECT:** 2025 Waterloo Region Economic Development Strategy (WREDS)

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## **RECOMMENDATION:**

**That the 2025 Waterloo Region Economic Development Strategy be endorsed to guide collaboration among municipal economic development partners.**

## **REPORT HIGHLIGHTS:**

- The purpose of this report is to seek endorsement of the 2025 Waterloo Region Economic Development Strategy (WREDS) as a community-informed, collaborative document that outlines collective economic development priorities.
- The key finding of this report is that the WREDS supports collaboration across all municipal economic development partners with a focus on five strategic pillars, ensuring the broader region is well supported.
- The financial implications are that any future initiatives in support of the WREDS would be presented to Council with a business case and/or costs would form part of future budgets.
- Community engagement included more than 1,800 individuals who were engaged across focus groups, workshops, surveys, and interviews as part of the strategy development process. Engagement results, in combination with extensive research and input from key community organizations, gave the Working Group a deep understanding of the regional economic and community context.
- The report supports the strategic goals of Creating an Economically Thriving City Together.

## **BACKGROUND:**

In 2015, a Waterloo Region Economic Development Strategy was approved by regional and local municipalities in Waterloo Region. In 2023, a refresh of the WREDS commenced. WREDS was led by the Region of Waterloo, however it is not a Region of Waterloo strategy. Rather, it is a community strategy that outlines collective economic development priorities shared by all Area Municipalities, the Region, local economic development organizations, businesses, and the community.

The document was developed by an Area Municipal Working Group (the “Working Group”) comprised of staff from all seven area municipalities, the Region of Waterloo and Waterloo EDC. A Steering Committee, comprising the Regional and Area Municipal CAOs, was formed to provide leadership and direction on the strategy.

The intent of the document is to guide economic development activities across the region to increase efficiency, identify opportunities for collaboration, and improve the state of economic development in Waterloo Region. Each municipality will be responsible for their own strategic priorities, with the municipalities meeting semi-annually to share their collective efforts to date, identifying opportunities for collaboration while resolving gaps to provide a regional strategic approach.

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All municipalities will share the 2025 WREDS with their Councils to ensure alignment, awareness, and endorsement.

Annually, the Working Group will report to the Regional and Area Municipal CAOs (Steering Committee) on collective progress and the annual outcomes of WREDS. Terms of Reference, included as WREDS Appendix A, outlines the Working Group's roles, responsibilities and reporting framework.

## **REPORT:**

A WREDS Working Group (comprised of staff from the Region, all seven Area Municipalities and Waterloo EDC) was formalized to create public engagement for the new strategy. The Waterloo Wellington Dufferin Workforce Planning Board and the Immigration Partnership of Waterloo Region also acted as key supports for this body of work. Staff were also directed to facilitate an accompanying Talent Attraction, Retention and Reskilling Plan, recognizing the importance of talent to regional economic development

efforts. A Steering Committee comprised of the Regional and Area Municipal CAOs was also formed to provide leadership and direction on the strategy and Talent Plan, and Deloitte LLP was onboarded to support public engagement work, summarize recommendations for WREDS and create a Talent Plan based on community feedback.

During 2023 - 2024, the Working Group conducted public engagement with community members, businesses, stake holders, community organizations, and leaders to learn about the community's economic development priorities. From over 1,800 individuals, and community organizations the Group heard about:

- The importance of wrap-around services to support our workforce, including affordable housing, childcare and healthcare services, cultural events and arts and culture activities, all of which influence talent attraction and retention.
- The strength in Waterloo region's ethnocultural diversity, but also the inequities and challenges faced by racialized and equity-deserving groups, including Indigenous peoples, newcomers and immigrants, people with mental and physical disabilities, women, and LGBTQIA+ identifying individuals.
- A misalignment between jobseekers and employers in the community, made evident by higher unemployment and labour force participation coupled with steady job growth across many sectors.
- The strong growth in residential building permit approvals, especially for additional dwelling units and multi-unit dwellings, and the opportunity to accelerate residential building construction for approved permits to address continuous affordability and availability challenges in the region's residential real estate and rental market. Kitchener has been a leader in accelerating site plan and building approvals, however inflation, construction inflation, elevated interest rates and price point entry levels have resulted in a significant reduction in construction starts.
- The diversity of Waterloo region's sectoral makeup should lead to opportunities to improved economic resilience and sustainability, growing local supply chains and bolstering investment attraction.
- A strong investment appetite in the region from local, Canadian and international firms, including local business retention and expansion, may be constrained by barriers such as a significant shortage of serviced employment lands of various sizes, and a lack of associated physical and social infrastructure to support investment. Kitchener has limited employment lands and relies on municipalities within the region to support this, as ultimately all communities benefit.
- The importance of business priorities in economic development planning, such as mitigating and adapting to the effects of climate change, improving access to public transit for employment lands, and supporting the scaling of the region's innovation

ecosystem. Kitchener has invested in a significant number of incubators including Velocity/Innovation Arena, Communitech, SDG Idea Factory and 44 Gaukel.

The extensive input gained from community engagement led to the creation of five strategic pillars that represent Waterloo region's shared economic development priorities:

- Talent: Attracting and retaining talent and improving workforce readiness and integration through training and employer support.
  - The talent pillar is supported by a separate Talent Attraction, Retention and Re-Skilling Plan, developed by Deloitte, which includes specific recommendations for supporting and growing Waterloo region's workforce. The Talent Plan is included in WREDS as an Appendix and is supported by the Workforce Planning Board, and Conestoga College, University of Waterloo and Wilfrid Laurier University.
- Land Readiness: Land development projects and associated infrastructure strategies for expedited business development and long-term planning. Supported by the Region of Waterloo.
- Scaling Local Innovation: Supporting local business retention and expansion and increasing collaboration to support entrepreneurship and innovation.
- Strategic Sector Support: Improving investment readiness in key sectors and coordinating advocacy efforts to grow emerging sectors.
- Quality of Life: Ensuring that talent-focused wrap-around supports, amenities, and other services that support our workforce are adequate for our growing community, fostering a sense of civic pride and belonging.

The establishment of the five strategic pillars as shared economic development priorities allows the Working Group and other key partners to plan, align, and collaborate on economic development activities according to our community's needs.

### The Importance to the City of Kitchener

For Kitchener residents, the WREDS will ensure the 8 municipalities in the region work collaboratively to ensure a holistic approach to addressing regional economic needs (as defined by the 5 pillars). For example, with limited greenfield employment land left in Kitchener, the townships and Region will play a lead role in establishing new industrial lands. Conversely, the Cities of Kitchener, Waterloo and Cambridge will lead urban initiatives that would be beyond the scope and capacity of the townships. This approach supports the long-standing understanding among municipal partners that "a job in the region benefits all in the region", and the growth and success of one municipality means everyone in the region benefits.

## Relationship to Make It Kitchener 2.0

Unlike the previous WREDS, the 2025 strategy does not prescribe actions that each municipality must complete. Rather, it defines the shared priorities (strategic pillars) that all municipalities collectively commit to advance. As a result, City Council can continue to consider economic development initiatives specific to Kitchener businesses and residents. The new WREDS strategy simply adds a new layer of consideration to understand the potential impact or need across the entire region.

Presently, the City's economic development work is guided by Make It Kitchener 2.0 and funded through the Economic Development Investment Fund 2.0. Most initiatives already align with the WREDS pillars. For example, the City's investments in Health Innovation supports the pillar 'Strategic Sector Support', the growth of a network of incubators supports the pillar 'Scaling Local Innovation', work with Conestoga College to grow the School of Creative Industries supports the pillar 'Talent', and the work of the Centralized Services Provider (ex: Conrad Centre) supports the pillar 'Quality of Life'. A list of how Make It Kitchener initiatives align with the strategic pillars is contained in Appendix B.

## Responsibilities and Reporting

As noted in the appendix of the WREDS, this new strategy does not change the long-standing agreement on roles and responsibilities:

- Waterloo EDC will continue to lead investment promotion/attractions;
- Area municipalities will lead sector development (including business retention and expansion efforts) and lifestyle/culture/amenity efforts; and
- The Region will focus on data, employment land needs and sector development relevant to Regional interests, such as aerospace and its connection to the airport lands.

An important part of the 2025 WREDS is the ongoing monitoring and reporting on activities that fall under each pillar. Beginning in 2025, the Working Group will meet semi-annually to report on new and existing economic development activities within each pillar, develop and monitor key metrics, and discuss opportunities for collaboration and synergy. The Working Group will also assess the ongoing relevance of the pillars to ensure the WREDS continues to reflect the priorities of the community. On an annual basis, the Working Group will report on progress made in each of the pillars, as well as any proposed changes to the strategy based on community feedback, to the Steering Committee.

## **STRATEGIC PLAN ALIGNMENT:**

The report supports the strategic goals of Creating an Economically Thriving City Together.

## **FINANCIAL IMPLICATIONS:**

There are no immediate financial implications. Should the City of Kitchener proceed with initiatives in support of the WREDS, Council would either be presented with a business case or costs would form part of future budgets. This could include, for example, integrating initiatives within the City's current operating budget/workplan or considering new capital requests from the Economic Development Investment Fund 2.0.

## **COMMUNITY ENGAGEMENT:**

**INFORM** – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

**COLLABORATE** – More than 1,800 individuals as well as community partners were engaged across focus groups, workshops, surveys, and interviews as part of the strategy development process. Engagement results, in combination with extensive research and input from key community organizations, gave the Working Group a deep understanding of the regional economic and community context.

Throughout the process, staff made efforts to offer a diverse range of engagement options to gather feedback from as many community members as possible, with a specific focus on gaining input from equity-deserving groups. Some forms of engagement included in-person and online workshops for businesses, an in-person brainstorming session for youth aged 13-18, one-on-one interviews with key interest-holders, online surveys for employers and the labour force, three in-person workshops for newcomer and immigrant communities with a closing community celebration, and an online survey of post-secondary students in collaboration with student associations. A full breakdown of all engagement results is found in the WREDS Appendix A.

## **PREVIOUS REPORTS/AUTHORITIES:**

- None

**APPROVED BY:** Dan Chapman CAO

## **ATTACHMENTS:**

Appendix A – Waterloo Region Economic Development Strategy (WREDS)  
Appendix B – Make it Kitchener 2.0 Strategic Pillar Projects