



TO: GENERAL COMMITTEE

SUBJECT: CONTRIBUTION FOR ADVANCED MANUFACTURING
SUPERCLUSTER PARTNERSHIP

WARD: ALL

PREPARED BY AND KEY CONTACT: A. KELLY, INNOVATION AND ENTREPRENEURSHIP OFFICER, EXT 5459

SUBMITTED BY: K. DUBEAU, DIRECTOR CREATIVE ECONOMY

GENERAL MANAGER APPROVAL: S. SCHLICHTER, ACTING EXECUTIVE DIRECTOR INVEST BARRIE

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the Director of Creative Economy be authorized to execute a partnership agreement with Next Generation Manufacturing Canada for the federally-funded Advanced Manufacturing Supercluster (under the management of Next Generation Manufacturing Canada) under the following general terms:
 - a) The purpose of the partnership shall be to actively connect local manufacturers to national and international opportunities for research and commercialization activities of the supercluster;
 - b) The City of Barrie will provide an in-kind contribution of City staff time from Invest Barrie (estimated to be the equivalent to \$60,000 annually);
 - c) The term of the agreement shall be from 2018 to 2023; and
 - d) The form of agreement shall be to the satisfaction of the Director of Legal Services.

PURPOSE & BACKGROUND

2. The purpose of this staff report is to obtain Council support for an in-kind contribution of staff time toward the successful Advanced Manufacturing Supercluster initiative.
3. In 2017, the Government of Canada announced an investment of \$950 M to support business-led innovation superclusters with the greatest potential to ensure Canadian companies are globally competitive and to ensure their role as engines of economic growth. Through co-investment with industry, the initiative is geared towards building industry superclusters at scale in key sectors.
4. In November 2017, the City of Barrie was invited to become a partner in the proposal for a Supercluster focused on Advanced Manufacturing, led by a consortium of businesses, academia and industry associations. Over \$800 M in private sector investments were leveraged in the Advanced Manufacturing proposal.
5. In reviewing the potential of the proposal to benefit local manufacturers by connecting them to enhanced business growth opportunities, attracting new investments and the potential for the development and retention of highly skilled talent, the initiative was clearly aligned with Invest Barrie's strategic objective of establishing the City as a destination for manufacturing and related industries.

6. A letter of support from the City of Barrie was submitted to the Federal Deputy Minister, Innovation, Science and Economic Development, indicating the City's support for the Advanced Manufacturing Supercluster proposal, with a potential in-kind contribution of staff time, valued at \$60,000 annually for five years, conditional upon approval of Council. A copy of the letter of support is included in Appendix "A".
7. On February 2, 2018, Federal Minister of Innovation, Science and Economic Development, the Honourable Navdeep Bains, announced the five supercluster proposals which had been selected for funding. The Advanced Manufacturing Supercluster was one of the successful proposals. Next Generation Manufacturing Canada is now moving forward to formalize the partnerships proposed, including with the City of Barrie.

ANALYSIS

8. Advanced manufacturing is critical to the success of the Canadian economy. The Advanced Manufacturing Supercluster will help manufacturers across Canada become global leaders in the application of advanced technologies, and will help technology firms build the next generation tools to support advanced manufacturing in Canada.
9. The Advanced Manufacturing Supercluster initiative will build on the overlapping density of manufacturing and technology in Southern Ontario and in key regional nodes, including Barrie.
10. There are three pillars to the Advanced Manufacturing Supercluster strategy:
 - i) co-invest in collaborative, industry-led projects in initiatives implementing technologies such as machine vision systems, artificial intelligence, Internet of Things, data security, robotics, advanced materials, and additive manufacturing;
 - ii) support the creation of new tools, testbeds, and infrastructure to help create the next generation of manufacturing firms; and,
 - iii) build out a robust ecosystem of supports and services that accelerate technology adoption in manufacturing i.e. technology readiness assessments, training and skills development, and go-to-market support.
11. The Supercluster aims to create a critical mass of innovation activity with the intent to attract talent, technology, investment, and customers from around the world. The Advanced Manufacturing Supercluster has executed a letter of intent with one of the other four successful Superclusters, the Digital Technologies initiative based in Vancouver, providing extensive technology linkages for small and medium sized manufacturers.
12. The City of Barrie's strategic economic development objectives includes the diversification of the local economy and the strengthening of key sectors, including manufacturing, with the goal of building a high growth environment and creating quality local career opportunities for residents. Ensuring a local interface point with the Advanced Manufacturing Supercluster for Simcoe-based manufacturing and technology companies will contribute towards achieving those objectives.
13. The allocation of existing staff resources to supporting the establishment and growth of the local interface point with the Advanced Manufacturing Supercluster will further engage our post-secondary partners Georgian College and Lakehead University, leverage research opportunities and provide enhanced employment pathways for graduates of technology and engineering programs. The activities of the Supercluster will build on existing activities and investments of City staff to grow Barrie's manufacturing cluster.
14. An active engagement with the Advanced Manufacturing Supercluster will augment the manufacturing-focused programs and investments, including the new Advanced Technology

Innovation and Research Centre at Georgian College, which is focused on Industry 4.0 technologies, the annual Manufacturing Innovation Summit, the Sandbox Synergy Centre, and business attraction and retention activities led by Invest Barrie, in addition to the overall talent strategy.

15. The proposed in-kind contribution represents approximately 0.6 FTE of a current Business Development and/or Innovation and Entrepreneurship Officer position. The contribution of staff time is in keeping with Invest Barrie's objectives and activities related to business retention and expansion, attraction, entrepreneurial and innovation within key sectors. Given the close alignment with Invest Barrie's objectives, staff are of the opinion that committing to the in-kind contribution is appropriate and can be accommodated at this time within existing resources across both Business Development and Creative Economy staffing.
16. The staff in Invest Barrie propose to track the number of referrals, project outcomes and economic impacts of participation in the Supercluster, and report to Council annually on those metrics.

ENVIRONMENTAL MATTERS

17. There are no environmental matters related to the recommendation.

ALTERNATIVES

18. The following alternative is available for consideration by General Committee:

Alternative #1

General Committee could elect not to approve the in-kind contribution to the Advanced Manufacturing Supercluster partnership.

This alternative is not recommended as the potential to provide a strong linkage for local manufacturers and entrepreneurs to the resources available through the Supercluster initiative are directly in line with Council approved strategic objectives.

FINANCIAL

19. The agreement does not require a contribution of any funding dollars. The City's contribution to the proposed partnership would be in the form of an in-kind contribution of existing staff resources.

LINKAGE TO 2014-2018 STRATEGIC PLAN

20. The recommendation included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:

☒ Vibrant Business Environment

21. The recommended partnership will assist Barrie manufacturers in harnessing advanced technologies and strategic partnerships to enable business growth and position Barrie as an innovation hub for advanced manufacturing. It builds on Barrie's connected ecosystem of innovators, entrepreneurs, post-secondary academic resources, investors and advanced communications infrastructure investments.

APPENDIX "A"

Letter of Support

CITY HALL
70 COLLIER STREET
TEL.: (705) 792-7900
FAX: (705) 739-4265



P.O. BOX 400
BARRIE, ONTARIO
L4M 4T5

THE CORPORATION OF THE CITY OF BARRIE
Mayor's Office

November 15, 2017

Mr. John Knubley
Deputy Minister, Innovation, Science and Economic Development
235 Queen Street
Ottawa, Ontario, K1A 0H5

Re: Advanced Manufacturing application to the 2017 Innovation Superclusters Initiative

Dear Mr. Knubley:

I am writing to express our support for the proposal to establish an Advanced Manufacturing Supercluster for Canada. This is an opportunity to grow Southern Ontario's economy at a rapid pace by investing in new technology, growing business R&D, training thousands of workers, encouraging new partnerships and increasing productivity. It demonstrates the potential for aligning many of our regional innovation priorities including business expansion and retention, and accelerating commercialization.

The City of Barrie is committed to building a high growth economic environment supporting our strong manufacturing cluster, and creating high quality local career opportunities residents. Hardware is an integral and synergistic cluster to advanced manufacturing. We believe that an Advanced Manufacturing Supercluster will attract and retain highly skilled engineering talent to Southern Ontario, and ultimately create a sustainable pipeline to generate new jobs for Canadians.

In support of this application, the City of Barrie will make an in-kind contribution of \$60,000 annually over a period of 5 years. Should this project be approved to proceed, the City of Barrie's contribution will be contingent on the approval of City Council. This contribution will be used to broker partnerships between our local manufacturers and consortium resources, ensuring that local businesses have access to newly developed technologies required to achieve sustainability and maintain global marketplace presence, and engage our post-secondary partners Georgian College and Lakehead University, leveraging both research opportunities as well as employment pathways for graduates of technology and engineering programs. The activities pertaining to the supercluster are new and will build on existing investments to grow Barrie's manufacturing cluster, with more than 490 companies already engaged.

The City of Barrie will benefit from participation in the Advanced Manufacturing Supercluster through significantly enhanced business growth opportunities and international competitiveness for existing manufacturing companies, the attraction of new companies and investments to the City, the development and retention of skilled talent, and a reinforcement of the City's brand as a strategic destination for manufacturing and related industries.

I highly encourage you to support this application. This is a time sensitive opportunity for Canada's advanced manufacturing sector to make transformative changes, as manufacturing jurisdictions around the world are already heavily investing in new technologies and production methods. By taking advantage of the Innovation Superclusters Initiative, Canadian manufacturers and technology companies will continue to compete globally and become an international center of gravity for investment.

Sincerely,



Jeff Lehman
Mayor, City of Barrie