

**Annual Presentation by Regional Chair and CEO, John Henry  
to the Joint Oshawa and Ajax-Pickering Boards of Trade and Whitby Chamber of  
Commerce  
at the Ajax Convention Centre  
February 20, 2020  
11:30 a.m. to 1:30 p.m.**

Good afternoon everyone. Thank you for the kind welcome and for coordinating this joint event today. It's great to see the Durham boards and chambers, collaborating and advocating together. By speaking with one voice, your message is clear and strong.

For me, connecting with our boards of trade and chambers is critical. Thanks for providing a list of issues of interest to your members. Having Regional staff participate on your subcommittees is also a great way to share information and support our collaboration. We need your perspective and your partnership to keep our community and our economy healthy and growing.

So, it's my pleasure to update you on Regional activities and highlight emerging opportunities across Durham.

The past two years have been an incredible period of change at the Region. When I arrived on the job 15 months ago, I took the reins from our first female Regional Chair, Gerri Lynn O'Connor. A Regional Council with 50 per cent new members had just been elected.

After various retirements, the Region hired a new CAO, and new Commissioners of Finance and Social Services, who all happen to be women. We also have a new General Manager of Transit.

With lots of fresh ideas, diverse experience and gender-balance around the senior management table, we are setting new directions and ambitious goals.

Building on a long-standing commitment to service excellence, Regional staff are engaged in over 50 projects to improve and update the ways we work.

These range from upgrading our digital infrastructure and enriching economic development opportunities, to streamlining bylaws and optimizing our use of space.

Our new online water-billing portal, My Durham Water is one example. It will offer our 170,000 customers paperless reporting, billing, usage stats, and e-payment options.

This type of modernization will help us achieve the type of goals the Province was seeking with the review of Regional government launched after the 2018 election. After

consulting the 82 affected municipalities, I think the Province realized that restructuring was not the road to greater effectiveness. Instead, what municipalities needed was funding support to review and update their practices and processes.

Durham Region took advantage of the Audit and Accountability funding offered by the Province to review, rationalize and simplify our customer contact services. That is just one of the service-improvement projects we have undertaken.

Developing new partnerships and collaborations with our area municipalities and with post-secondary institutions is another way we plan to optimize and advance the work we are doing.

Engaging with community partners also helps extend our reach. With the help of the Durham Council on Aging we are working to make our Region an age-friendly community. These are a few examples of endeavours underway.

Council is presently finalizing our new five-year strategic plan and 2020 budget. These guiding documents articulate our priorities and planned actions.

Last summer and fall, we consulted the community, staff and Regional Council to hear about needs, gaps and priorities. So, what did we hear?

One of the top responses was that residents want a Region that is environmentally sustainable. On January 29, Regional Council voted to declare a climate emergency and accelerate our actions toward a low-carbon, climate-resilient region. This declaration is not Durham Region jumping on a bandwagon. We have been working on climate change since 2009, developing climate forecasts, assessing risks and setting targets.

In 2018, Durham's climate change adaptation plan was recognized by the Federation of Canadian Municipalities as the best in Canada. With the emergency declaration, we have committed to accelerate our plans through near-term and medium-term actions and targets.

Actions to protect people and property, reduce risks, and be more resilient to extreme weather are already underway. This ranges from tree planting programs, to heat and cold alerts, to the way we design buildings, bridges and culverts. Both the Regional and area municipalities are building adaptation measures into our annual asset management and our operational plans.

To advance Durham's progress in meeting our 2050 GHG reduction target, the Durham Community Energy Plan lays out six key actions that use existing technology.

These include a home energy retrofit program, energy-efficient new construction, and electrifying transportation. The Region has created a reserve fund to help us finance critical climate change and risk reduction projects.

The Durham Community Energy Plan is also an economic development plan. As we shift to a clean energy economy, about 7000 new jobs will be created annually in Durham in sectors like renewable energy development, electric vehicle production and home retrofits.

This is helpful because economic prosperity was another major theme of our strategic plan consultations. We all want to see more jobs created in Durham.

People want to work closer to home and replace the losses we have seen in the auto sector.

Our post-secondary graduates should have career options in Durham rather than moving away.

Local jobs are a top priority for Regional Council. We strive to create an environment that is attractive to business by providing modern infrastructure and other community supports. The goal is to make Durham Region a “location of choice” for business.

Last year, with the area municipalities, we studied our supply of employment lands. The goal was to understand what was currently available for business development.

Could more lands be made ready with additional investment in infrastructure? Equipped with this data, we are better positioned to assist potential investors.

Last June, the Durham Economic Development Partnership, which includes the Region and area municipal partners, met with our MPPs including the Minister of Finance. Our submission urged the Province to divest the surplus MTO lands in the 407 and 412 corridors for business development. These lands include significant parcels in Oshawa and Whitby. My staff and I continue to press our MPPs for action on this issue. I would encourage your membership to do the same.

The Region also helps local start-ups and existing businesses to grow and flourish. Working with partners like the Business Advisory Centre Durham, the SPARK Centre, our post-secondary institutions and the Durham Innovation Tech Hive (D-Hive for short), the Region is encouraging our emerging technology sector.

Durham now has a network of innovation hubs and technology accelerator sites including the 1855 Whitby hub, Innovation Village in Ajax, the Brilliant Incubator at Ontario Tech University and the Artificial Intelligence (AI) Hub at Durham College.

I know Ajax is very excited about the development of their Innovation Village. These hubs attract the people who are writing the code, creating the apps and building the devices that will drive the economy of the 2020s.

With 9,600 tech workers and growing, Durham has the talent to feed the new economy.

Agriculture - one of our key economic sectors - is benefitting from automation. Some dairy farmers are feeding and milking their herds using an app on their phone. Self-driving farm equipment is making planting and harvesting more efficient than ever.

Innovations in vertical and indoor farming are reshaping the future of agricultural production. More than a dozen of Durham's greenhouse operations are using automation and analytics to optimize growing conditions and production.

Indoor crops can be grown year-round, on less land, closer to markets, achieving 390 times more productivity with 10 times less water. We are exploring ways to move food crops indoors to reap these benefits.

With the legalization of cannabis, operations that grow it are an emerging cluster for Durham Region. Eleven producers now directly employ about 800 people. Another large new cannabis production facility is planned and expected to create 600 more jobs.

Enhancing use of existing infrastructure is another way to support businesses in Durham.

A great example is the new state-of-the-art grain handling terminal at the Port of Oshawa. Durham farmers can now more efficiently transport their grain to overseas markets. 8,000 metric tonnes was shipped last year and we expect this volume to grow to about 250,000 tonnes annually.

Our energy sector is another good news story for Durham. The Darlington refurbishment project has created skilled jobs and a significant supply chain in the Region. The relocation of OPG's headquarters to the Region in 2024 will provide another major boost to our local economy.

The Region will work closely with Clarington and OPG to facilitate a smooth integration of this operation into our community.

These two projects are fueling our aspiration to attract even more clean energy initiatives and become the Clean Energy Capital of Canada.

In Oshawa and Whitby, the expansion of our post-secondary institutions continues to be great news. We also look forward to the development of the test track for next generation vehicles at the GM site.

In Ajax, Gordon Foods Distribution Centre has been a great addition.

The entertainment and recreation sector is also taking off in Durham.

In Whitby, Le Spa Nordik is under construction on the scenic Cullen Gardens site with plans to open in December 2020. This \$20 million facility is expected to create 200 jobs and pamper 150,000 guests annually.

In Pickering, the development of the Durham Live entertainment complex takes advantage of a location close to the 401 and the Toronto market. Phase 1 of this complex with the 330,000 square foot casino is scheduled to open in 2020 with about 2,500 jobs. Phase 2 includes restaurants, a film studio, offices and a water park. Ultimately, it is expected to host 10,000 jobs and contribute \$625 million in annual tax revenues.

Construction on Kubota's new \$67 million, 565,000 square foot, state of the art facility and head office in Pickering is underway with an expected completion of Winter 2021. The new facility, located in Pickering's Innovation Corridor, along Highway 407 will provide direct connectivity to support their growing dealers servicing the Canadian market. This type of investments will drive commercial and industrial growth along Highway 407, creating thousands of new jobs in Durham region over the coming years.

We continue to press for a federal decision on the Airport Lands in Pickering.

These 9,600 acres represent an unprecedented opportunity to unlock Durham's economic potential.

An innovative carbon neutral airport could be planned as the focal point of an emerging sector employment hub.

It could become a focus for vertical agriculture and sustainable aviation. An airport half the size of Pearson would create 20,000 direct jobs.

Building the right transportation infrastructure in the right place is essential to our economic growth. The Lakeshore East Rail Extension is a prime example. Multiple studies have shown that putting the GO extension to Bowmanville, north of the 401, is the right track for Durham.

This route will create about 21,000 jobs in Durham and generate \$1.1 billion in transit-oriented walkable development around the four new station locations. We presented these findings to the Minister and Metrolinx.

Options south of the 401 may be cheaper to build but simply don't compare on job creation, campus connectivity, downtown revitalization or walkable stations. So, we are truly relieved that Metrolinx is recommending that work proceed on Option 2. This route will use the GM spur line to cross the 401 just west of Thornton Road. It retains the existing Oshawa Station and includes four new station sites. Pending budget approval, the Region plans to open a Transit Oriented Development Office in 2020. This office will work with private sector partners to support the development of those new stations.

Improving Durham Region Transit (DRT) to move more people, more effectively, is also a critical support to growth. This year, our first six articulated buses will join the PULSE fleet on Highway 2 to meet growing demand. Almost 2.3 million riders used PULSE in 2019. We plan to complete the Highway 2 Bus Rapid Transit system from Oshawa to Scarborough and extend it up Simcoe Street to the campus. Upon receipt of federal and provincial allocations for the project, we can begin the next phases of the project.

With respect to highways, we continue to press Provincial officials for removal of the tolls on the 412 and 418. We have also offered them suggestions to attract more trucks to the 407.

In 2020, infrastructure is not just about physically moving people and things, it is also about virtual highways. Today, almost no business, household or student can operate without a reliable, fast internet connection.

We know that that some areas of Durham Region, both rural and urban, experience very poor connectivity. To remedy this situation, the Region is implementing a broadband strategy, called Connecting our Communities. From now until April 30, we are conducting a public survey to gather details about service gaps and quality issues. We are also supporting applications by local internet service providers to add coverage in under-served areas. As well, we are investigating ways to ensure low income households can find service.

Our goal is to ensure that everyone in Durham can access the internet services they need to keep them connected.

A healthy, connected economy supports community vitality. Durham residents want a community where no one is left behind.

Residents want access to the services they need throughout their lifespan. Protecting the health and wellbeing of our residents is a key role of the Region but one that involves many partners. As directed by the Province we are preparing a community wellbeing plan.

Our police service is integral to the safe community objective.

Programs range from traffic enforcement and community policing to efforts targeting gun and gang violence and human trafficking.

Our Durham Emergency Management Office plays a key role in keeping the community safe during natural and man-made emergencies. Regional and local emergency services and OPG have well-rehearsed protocols in place for nuclear incidents.

The mistaken alert about an event at Pickering sent by the Province showed that our local emergency notification system works well!

Durham Emergency Management and your fire chiefs knew within minutes that no incident had occurred.

It was unfortunate for the public that the Province took so long to retract their alert. A lot of people spent that Sunday morning searching for their KI pills.

The silver lining is that this false alarm created a true learning moment. It reinforced, for the public, the value of having their 72-hour emergency kit ready to use. And hopefully, most of us have now found our KI pills. In the week after the false alert, Durham's Health Department received over 58,000 orders for KI pills. That compares to about 30,000 orders received in the previous five years.

It's been a busy time for public health staff. They have been working with our hospitals, paramedics and other partners to be ready for the new Coronavirus. These incidents demonstrate the value of local public health units that know our communities well.

On a more routine basis, our health programs range from breast feeding clinics and dental services, to active living and smoking cessation programs.

As Durham residents, we have a keen interest in the changes to the public health, paramedic services and hospital systems that the Province has proposed. Their consultation on public health restructuring just concluded. Ontario also decided to dismantle the Local Health Integration Networks and replace them with locally developed health teams.

Along with Lakeridge Health, the Region is one of 17 community partners working toward the creation of the Durham Health Team. We have a keen interest because of our roles in public health, paramedic services and long-term care.

Yes, Durham needs more health care facilities in locations that make sense to serve the community. We need to deal with the immediate issue of frail elderly patients stuck in hospital beds because they have no alternative.

One option is to co-locate a new complex, long-term care facility at an existing hospital. This would free up current hospital beds in the short term. It would also buy us some time and space to develop our next generation of health care facilities and services.

With new technology and shifting demographics, the type and location of health care facilities we need in future may be quite different than today.

Hopefully, a transformed health care system will invest more in keeping people physically and mentally healthy.

Another theme in our new strategic plan will be on reducing poverty and making sure no one in our community is left behind. Making housing attainable for more of our residents is crucial to this effort.

The average market rent for a one-bedroom apartment in Durham is now over \$1,500 per month. Less than half the rental households in Durham can afford that level of rent. For a single person, working a 40-hour week at minimum wage, this is more than half of their income. Finding an apartment is also a challenge. Vacancy rates in Durham have been 2.0 per cent or less since 2011.

The Region, along with non-profit and affordable housing partners, provides about 6,800 social housing units and rent subsidies for another 730 households. Unfortunately, we have a waiting list for social housing of over 6,500 households. The wait can be years long.

We need more purpose-built rental housing and more interim housing for people getting back on their feet. Private sector supply has not met this demand. So, the Region has set target of creating 1,000 new affordable units in the next five years and is reviewing its development policies to support that goal.

We work intensively with area municipalities, non-profit providers and private sector landlords in developing housing and preventing homelessness.

We also need more Province and federal capital funding and subsidies. We can't do it alone.



The Region is pioneering partnerships and outreach on services that make a difference. Our participation in the Built for Zero Canada campaign aims to coordinate housing services for people experiencing homelessness.

In 2018, we piloted the Primary Care Outreach Program with great results and made the program region-wide and permanent in 2019. It teams up an advanced care paramedic with a social worker and takes services to vulnerable populations, such as those with addictions or facing homelessness.

Another example of taking service to the community is the Canada Learning Bonds initiative.

The Region has partnered with four banks, five public libraries, two school boards and other community agencies on this project. The goal is to help low income families apply for the \$2000 per child learning bond that they are entitled to.

In November, at eight events across the Region, 309 families were helped to apply for 514 bonds, a 70% increase over last year. Assistance included obtaining SIN numbers for 91 children, birth certificates for 14, and enabling parents to set up a Registered Education Savings Plan to hold the grant. Receiving this federal grant will bring about \$600,000 in total to Durham households.

More importantly, it changes the conversation about post-secondary education for low-income families. It provides hope and changes lives. This is how you break the cycle of poverty.

The Region exists to serve the community and we aim to do that with excellence. Our measure of success is whether our work supports a prosperous and sustainable community. A community where all residents feel safe and included. Where business can thrive. And where everyone, regardless of age, ability or income, can live decent, dignified lives.

The Region is just one important contributor to a complex team endeavor that we call a “community”.

Working with many partners - the federal government, Province, area municipalities, the private sector and non-profit agencies, the education and health care sectors – is essential. None of us can do it alone. Partnership is vital to everyone’s success.

We are here to make life better for Durham residents. It’s a big challenge but we are fortunate to have a pragmatic and creative team at the Region who are dedicated to that mission. And we have great partners like our boards of trade and chambers of commerce.

Thank you for all that you do within the business community and beyond and thank you for listening.

I hope you have some questions.