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Sarnia-Lambton Economic Partnership Final Strategic Plan

Mellor Murray Consulting
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Sarnia-Lambton Economic Partnership Strategic Plan

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Executive Summary

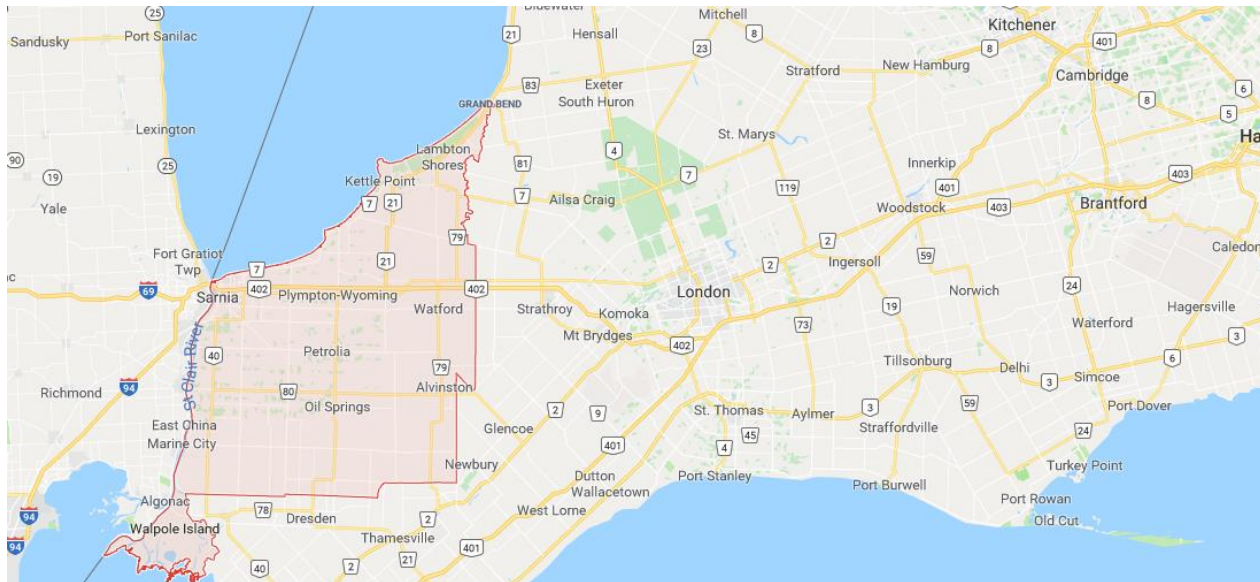
The Sarnia-Lambton Economic Partnership (SLEP) Strategic Plan is the culmination of a nine-month process. The Strategic Plan was created with the guidance of a strategic planning committee and in consultation with the SLEP board and staff, business and community leaders, municipal members, and First Nations communities, partner organizations, key stakeholders and residents of Lambton County.

The following documents were prepared as part of the strategic planning process:

- Findings and Issues Report
- Individual Economic and Demographic Community Profiles
- Key Priorities Workshop Report
- Key Findings Addendum: 2016 Census Update
- Strategic Plan
- Implementation Plan & Performance Measures

Strategic Plan Context

Lambton County is home to 127,000 people, located in Southwestern Ontario at the southern end of Lake Huron and the St. Clair River. The region is a gateway to the US markets with an international crossing at the Bluewater Bridge connecting Sarnia-Lambton, and the USA with 200,000 crossings per month.



Source: Google Maps



Lambton County's residents are distributed throughout 11 area municipalities, and three First Nations, with the largest concentration of County residents being in the City of Sarnia. The Lambton County labour market is highly integrated with high level of commuting for work and services within the Lambton County municipalities. Lambton County is facing a challenge common to most smaller centres outside the greater Toronto influence. It is losing population; particularly in the prime working age cohort of 25 to 55.

The Sarnia-Lambton area is known for its strengths as a petro-chemical cluster and bio-chemical cluster. The influence of the petrochemical and biochemical clusters represents a significant contribution to the regional, provincial and national economies. The region has a wealth of engineering, trades and technical expertise supporting the sector. Despite significant regulations and initiatives to address past environmental practices, the region still combats a stigma connected with its image as 'chemical valley'.

Agriculture and tourism are established and strong contributors to the local economy and employment.

Lambton College is an important employer and supplier of talent for area business and industry. Western University is also active in the community, particularly in the development of the emerging biochemical cluster. While the number of entrepreneurs in the region is growing, Lambton County has not kept pace with the growth in the number of small businesses in the rest of the province.

Infrastructure investment is a recognized priority for the region. Local leaders are working to expand broadband infrastructure, increase rail passenger service, increase service and improve air passenger flight reliability.

Sarnia-Lambton Economic Partnership Vision



Economic growth and diversification to expand prosperity and elevate Sarnia-Lambton as an exceptional place to live and invest.

Sarnia-Lambton Economic Partnership Mission








To advance economic opportunity in Sarnia-Lambton through leadership, collaboration and strategic direction.



Strategic Priorities

The strategic plan addresses five priority areas:

#		Pillar	Goal	Objective
1		People	Prosperity fueled by population growth	Attract people and develop talent to support the Sarnia-Lambton area's economic development vision.
2		Progress	Targeted investment attraction and business growth	Leverage existing industry clusters and accelerate development of emerging sectors.
3		Perception	Positive image	Promote the Sarnia-Lambton area as an exceptional place to build a career, live, raise a family and retire.
4		Place	Investment ready and supportive community	Maximize utilization of current infrastructure and continue to invest in new infrastructure to support growth.
5		Participation	Unified and collaborative economic development program	Lead regional economic development initiatives and engage municipal partners and key stakeholders in collaborative programming that support our local and regional economic development vision.

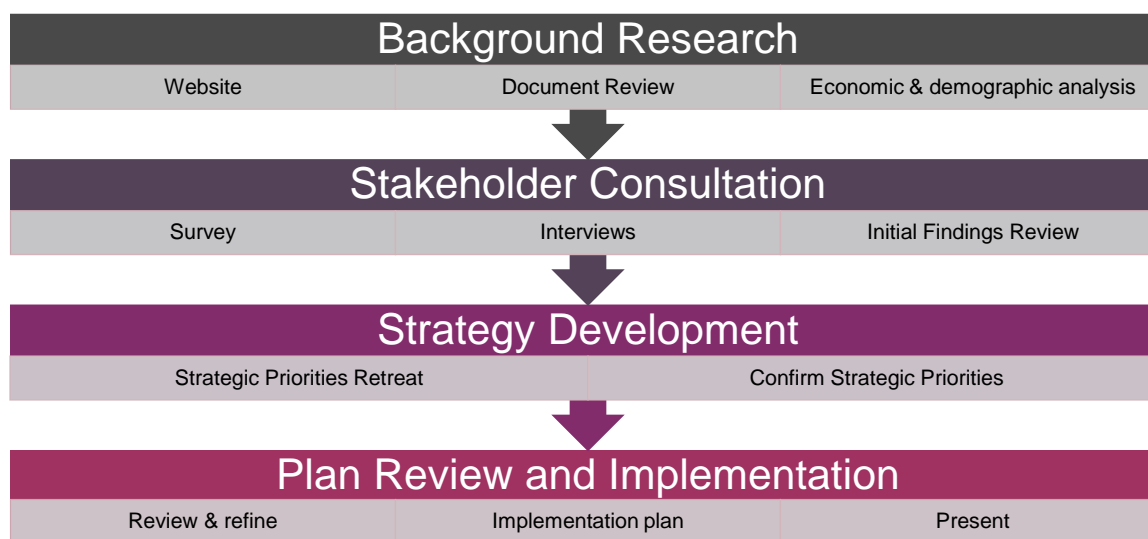
The strategic actions and partners for each goal and objective will be detailed in the Implementation Plan and Performance Measures Report which outlines the timing, priority and budget along with recommended metrics to guide Sarnia-Lambton Economic Partnership and stakeholders in moving toward the established goals and objectives outlined in the strategic plan.



Introduction

The Sarnia-Lambton Economic Partnership (SLEP) provides economic development services for the Sarnia-Lambton area. By coordinating community-based economic development initiatives and working to maintain a commercially attractive environment, SLEP fosters new business creation and ensures that established firms remain and grow in the region.

This five-year Strategic Plan provides recommended actions for SLEP and the Sarnia-Lambton area including the area municipalities and First Nations in Lambton County. Companion documents to this strategic plan include economic and demographic profiles for the municipalities in Lambton County, a Findings and Issues Report and a Census Update Report.



This strategic planning exercise marked a time of reflection and evaluation for SLEP members and the communities they serve. The strategic planning process consisted of four stages: background research, stakeholder consultation, strategy development and plan review and implementation. This strategic plan represents the final stage of the strategic planning process.

Document Review

The strategic planning process began with a review of the previous planning documents, reports and strategies for the region. These documents provided a backdrop and foundation upon which to build the new economic development strategy and ensured this strategy built upon previous efforts and experiences. The following section provides a summary of these documents.



The Sarnia-Lambton Economic Partnership (SLEP) wishes to diversify its economic base and to attract more immigrants and in-migration. The traditional sectors of the area's economy; Petrochemical, Agriculture and Tourism are expected to continue to be economic drivers for the region. SLEP intends to diversify the economy to include capacity in advanced manufacturing, retail and specialized services, and compliment the petrochemical cluster with a significant cluster in bio-energy, bio-chemicals and other bio-products.

Workforce development and skills recruitment and retention are recognized as key strategies to further develop the area's traditional and emerging sectors. The community has tremendous capacity in the highly skilled trades both in engineering and technicians in the petrochemical sector. These skill sets will be critical to the success of building on the regional cluster. People and skills retention and recruitment are therefore an essential element of the economic development strategy.

Finding the right mix that supports growth and prosperity throughout Lambton County will be an important task for the Sarnia-Lambton Economic Partnership and its partners. To this end, there is a recognition that the needs of the individual communities within Lambton County for development may be different. The communities within Lambton County each have unique characteristics but similar priorities. Common aspirations include enhanced retail and commercial development, increased tax base, more employment opportunities for their residents and in many cases more residential development and better amenities.

The rural areas of the County feature a mature agriculture sector dominated by cash crop production. The Ontario Federation of Agriculture is actively involved in the development of the bioenergy and bioproducts sectors and has expressed interest in intensifying crop development methods and greenhouse crop production. Across the County, all municipalities would like to retain existing residents, particularly younger workers, and also attract more residents and workers.

There is broad and general support throughout the County for further development of the petrochemical cluster, as well as building a strong bioenergy and bioproducts cluster. There is however, the belief that Sarnia-Lambton Economic Partnership must also focus on some projects that are less capital intensive and that create a greater number of jobs. Finding the proper mix in terms of human resources and resource allocation will be key. There is strong support for the work and research being done by Lambton College and this provides for additional strength to SLEP's efforts. There is potential to capitalize on the College's expertise and that of the business community to develop innovative approaches and greater automation in the areas of metal printing, material sciences and process control technologies.

There is agreement that Lambton County needs to create a more entrepreneurial friendly and supportive climate in order to retain and attract people and new employers. There are several support agencies and programs in place throughout the County and finding ways to work in a coordinated and streamlined way would be viewed as a positive development.

Another priority is telling the Lambton County story. There are some ingrained perceptions of the County that must be addressed. Tag lines like "Chemical Valley" and inaccurate or outdated media reports on emission controls need to be offset by reports on the importance of the petrochemical sector to the provincial economy along with information on the stringent environmental controls and expertise in the Sarnia-Lambton



area. Consistent messaging is required around the emerging sectors and the strengths of sectors such as tourism and agriculture. The “Discoveries that Matter” tag line has been adopted by most SLEP partner organizations, however, additional support of the brand is required to truly position the County as a progressive and exciting area.

This Economic Development Strategy will integrate the thinking, the strategies and the resources associated with this body of work along with a vision for enhancing the overall economy of Lambton County to enable the Sarnia-Lambton Economic Partnership, the action plan and resource allocation to achieve the desired results.

Environmental Scan

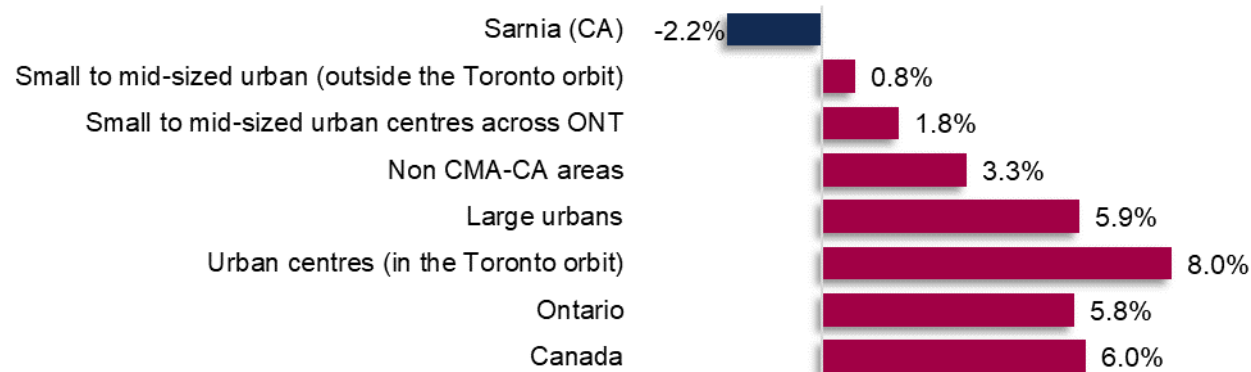
The Sarnia-Lambton area is a strategically important economic region located in Western Ontario with a population of approximately 127,000 people across Lambton County. The region includes a broad mix of industries of which agriculture, manufacturing and tourism represent a high concentration of activity. The Sarnia urban centre plays an important regional services role and therefore has a greater share of employment in health care, arts and entertainment and personal services than the remainder of the County.

There are a number of provincial, national and international trends influencing the Sarnia-Lambton area economy and society. In the past few years, **economic and population growth in Ontario has been concentrated in the largest urban centres**. As an example of this, Figure 1 shows the growth rate in the number of persons earning employment income between 2010 and 2015. Toronto and urban centres surrounding Toronto have enjoyed strong growth rates in recent years but smaller urban centres outside the Greater Toronto Area (GTA) have not. Consistent with this trend, the Sarnia Census Agglomeration (CA¹) has witnessed a decline in employment income earners over this period.

¹ The Sarnia CA includes: Plympton-Wyoming (Town), Point Edward (Village), Sarnia (City), Aamjiwnaang First Nation and St. Clair (Township).



Figure 1: Growth Rate in the Number of Persons Earning Employment Income (2010 to 2015)



CA Census Agglomeration², CMA Census Metropolitan Area
Source: Statistics Canada CANSIM Table 111-0007.

A main driver of the trend of growth in the largest urban centres relates to **the talent pipeline**. Across Canada, new immigrants are responsible for all net new growth in the labour market since 2008. The number of workers born in Canada in the workforce is in decline. The largest urban centres have a demonstrated track record of attracting immigrants. This new population provides the talent to expand industries. Winnipeg has done particularly well in this area attracting over 53,000 immigrants between 2011 and 2016.

Regardless of where people come from, successful cities and towns in the future will **need to attract more people**. The trend of rapidly aging labour markets is a national phenomenon which is even more pronounced in Lambton County. Combined with an aging population is the high level of mobility among young people across the country.

Figure 2: New Immigrant Rate by Municipality Population Size – Ontario, % of the Population in 2016 Arriving Within the Past Five Years

Community Population	New Immigrant Rate
500,000+	5.1%
100,000-499,999	3.0%
50,000-99,999	1.1%
Between 10,000 and 49,999	0.5%

Source: Statistics Canada 2016 Census.

² The Sarnia CA includes: Plympton-Wyoming (Town), Point Edward (Village), Sarnia (City), Aamjiwnaang First Nation and St. Clair (Township).



Globally there is a trend to evolve to expand the use of alternatives to fossil fuels. The key is for the area to leverage its existing cluster strengths to attract the next generation of investment. The recently announced NOVA Chemicals expansion will build on existing infrastructure and cluster expertise. This \$2+ billion expansion will significantly expand production of ethylene feedstock for use in consumer products. The world will still need energy and chemicals and the Sarnia-Lambton area is well positioned within North America to be a centre of excellence in the next generation of these industries.

The **rise in tourism around the world** is another trend that could positively impact the Sarnia-Lambton area. According to a recent report by the UN World Tourism Organization, between 1999 and 2016 the number of people travelling abroad doubled. These new tourists are seeking new and unique experiences, not just passive, relaxing holidays. In the past decade Lambton County has experienced a relative decline in its role as a tourism hub. Relative to the national economy, employment concentration in Lambton County has dropped by 11 percent in the arts, entertainment and recreation industry and by two percent in the accommodation and food services sector. The rise in global tourism has been accompanied by a similar increase in global competition for tourists. While tourism marketing is managed by Tourism Sarnia-Lambton (TSL), SLEP is represented on the TSL board and could collaborate on tourism investment attraction efforts that have historically been with TSL's mandate.

The **pace of technological change** is another major trend that will influence the trajectory of national, provincial and local economies. Driverless vehicles, automation, artificial intelligence and the 'gig' economy³ may have profound impacts, but because those impacts at the local level are unknown, the best course of action is to keep abreast of changes and adapt to the influences of technological change.

NIMBYism (not-in-my-backyard) is an important trend tied to the aging population, increased wealth and a broadening of environmental awareness. Some resident push back against development can be a positive check and balance for the system. However, aggressive NIMBYism can paralyze development at the local, provincial and national level and hurt economic and population growth. The way to address these concerns is to engage and inform the local population about the importance of continued growth and its positive impact on the quality of life for residents.

Another important national trend the Sarnia-Lambton Economic Partnership needs to respond to is the **increased competition** for people and investment. People and capital are more mobile within countries and across national borders than ever before. This increased mobility will require even small communities to hone their value propositions for both people and business attraction. There will be winners and losers in this new, competitive environment.

The Sarnia-Lambton area will need to punch above its weight class when it comes to local recreation infrastructure, health and other services in order to attract talent across the labour market spectrum from front line services workers to skilled professionals.

³ The gig economy describes the prevalence of temporary contracts and freelance positions in which organizations contract with independent worker for short-term engagements.



Economic and Demographic Analysis

The Sarnia-Lambton area is facing similar challenges to those faced by many small and mid-sized urban centres and rural areas in Ontario. Across the County, population growth has slowed to a virtual stop with a 0.3 percent increase between 2011 and 2016. Most of the municipalities in the County have seen their populations decline in the past 10 years. At the same time, the population is aging. The median age in the Sarnia Lambton region is 46.1 years; well above provincial and national levels.

Despite these trends, there are some strong economic and demographic features that position the region well for the future. The cost of living in the region is lower than larger urban centres. The average value of a house in Lambton County is nearly 50 percent lower than the average across the province. The share of households that spend at least 30 percent of income on shelter is 32 percent below the provincial average.

The Lambton County labour market is highly integrated. Many of Lambton County's municipalities have high commuting rates. Fifty-nine percent of Dawn-Euphemia workers make a 30-minute commute. At the same time, of the 240 people that work in Dawn-Euphemia each day, 77 percent come from outside the municipality. Sixty-three percent of people who work in St. Clair commute from other municipalities in Lambton County while over 3,600 people live in St. Clair Township and commute to other communities for work; mostly the City of Sarnia. Overall, nearly 7,100 people commute to Sarnia each day from neighbouring communities. This integration extends to retail trade, professional and personal services.

Sarnia has attracted more immigrants than most other small to medium-sized urban centres. There are more than 4,700 immigrants in the Sarnia CA workforce; nine percent of the total workforce. This share of immigrant workers is well below Ontario (31 percent) and Canada (23 percent) but higher than most other small to medium-sized urban centres across Canada.

The Sarnia CA has a solid track record of attracting young people. In 2016, over 31 percent of everyone in the workforce aged 25 to 29 did not live in the region in 2011. This is similar to the provincial migration rate for this age group. The Sarnia CA is much more reliant on intraprovincial migration than the average urban centre across Canada.

The aging workforce is impacting some industries more than others. There are four industries that are particularly challenged by the aging demographic. One in three workers in the transportation and warehousing sector is over the age of 55 (over 600 workers). The information and cultural industries and finance and insurance sectors are both considerably older in the Sarnia CA compared to the rest of the country. The professional services sector added 300 net workers over the past decade and is now facing a retirement challenge as 735 workers in the industry are over the age of 55. Agriculture is also challenged as farmers are aging and succession plans are more difficult due to high capitalization costs.

The self-employed are much older. Nearly half (45 percent) of everyone self-employed in the Sarnia CA is over the age of 55. Two-thirds of self-employed workers in the agriculture sector and 55 percent in the professional services sector are over the age of 55. Boosting entrepreneurship levels and establishing succession plans will be important to support the growth of the Sarnia-Lambton economy in the coming years.



Community Consultation

The strategic planning process included broad community consultation utilizing a variety of techniques including one on one interviews, an online survey and a workshop.

One on one interviews were conducted with 40 key stakeholders representing strategic economic development partners, local businesses, member municipalities and SLEP staff. A total of 90 businesses and local residents participated in an online survey. SLEP board members and staff also participated in a workshop to review the initial findings and determine strategic priorities. The community was also apprised of the progress of the strategic planning process through a website dedicated to the strategic plan.

Several themes emerged during the consultation process. The key themes included:

- **Building on the petrochemical and biochemical clusters:** The stakeholders recognized the significant contribution these sectors make to the local and provincial economy and the opportunities to build upon this area of strength.
- **Diversifying the economy:** The stakeholders noted the risk of relying on the dominant sector and encouraged efforts to diversify the businesses and skills in the region.
- **Supporting new entrepreneurs and local business:** Many stakeholders noted the growing role of entrepreneurs in the national economy and encouraged efforts to expand the number of entrepreneurs across the Sarnia-Lambton area.
- **Tourism development:** The stakeholders noted gaps in the tourism product offerings and infrastructure needed to ensure the area's continued role as a desired destination for tourists.
- **Addressing opportunities and threats in Canada/U.S. trade:** The volatile political situation with a new administration in the U.S. was recognized as a source of opportunity and risk.
- **Resident and workforce attraction:** The Sarnia-Lambton area's negative population growth and aging population were widely recognized as challenges that, left unchecked, would impact the region's economic potential.
- **Enhancing the region's potential as a transportation hub:** Stakeholders recognized the impact airport and train schedules had on the business community's ability to conduct business outside the region. The role of the port and the border crossing were recognized as key assets for expanding trade for the region.
- **Board governance:** Several stakeholders called for greater transparency and more engagement with local municipalities for the SLEP board and SLEP initiatives.
- **Organizational structure and mandate:** Stakeholders encouraged SLEP and a greater engagement with municipalities and the business community.
- **Identifying and supporting rural and urban opportunities:** The stakeholders wanted to ensure to balance the needs of both the urban and rural interests in SLEP's programming. They did note that economic growth in Sarnia would benefit the entire region and any investment in the region would benefit all SLEP members.

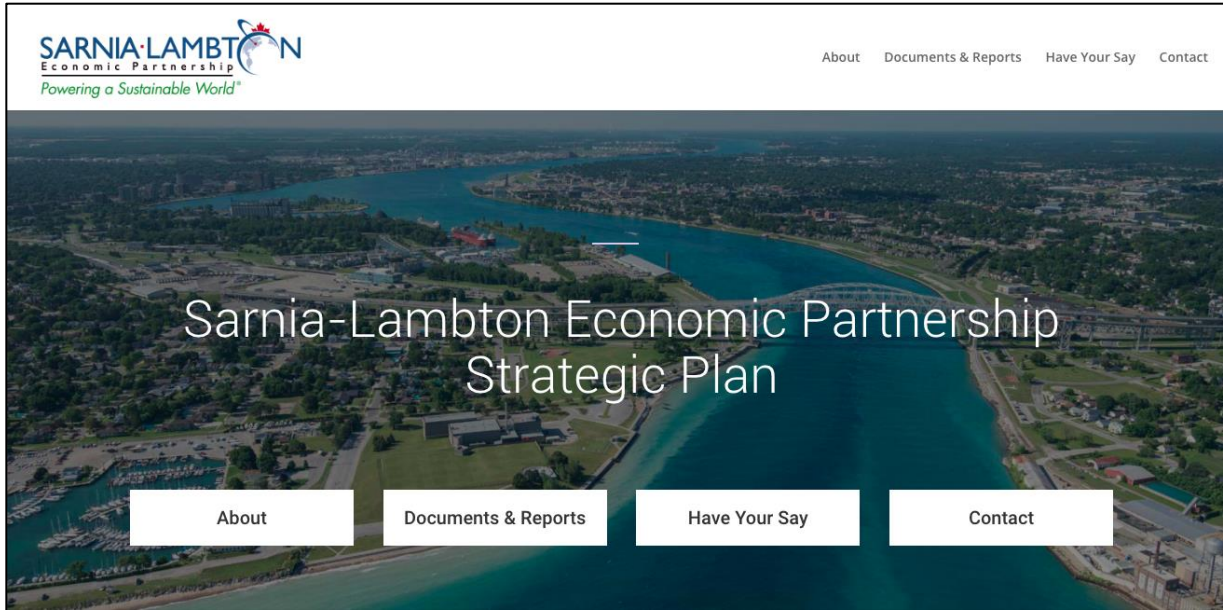


Image: SLEP Strategic Plan Website

SWOT Analysis

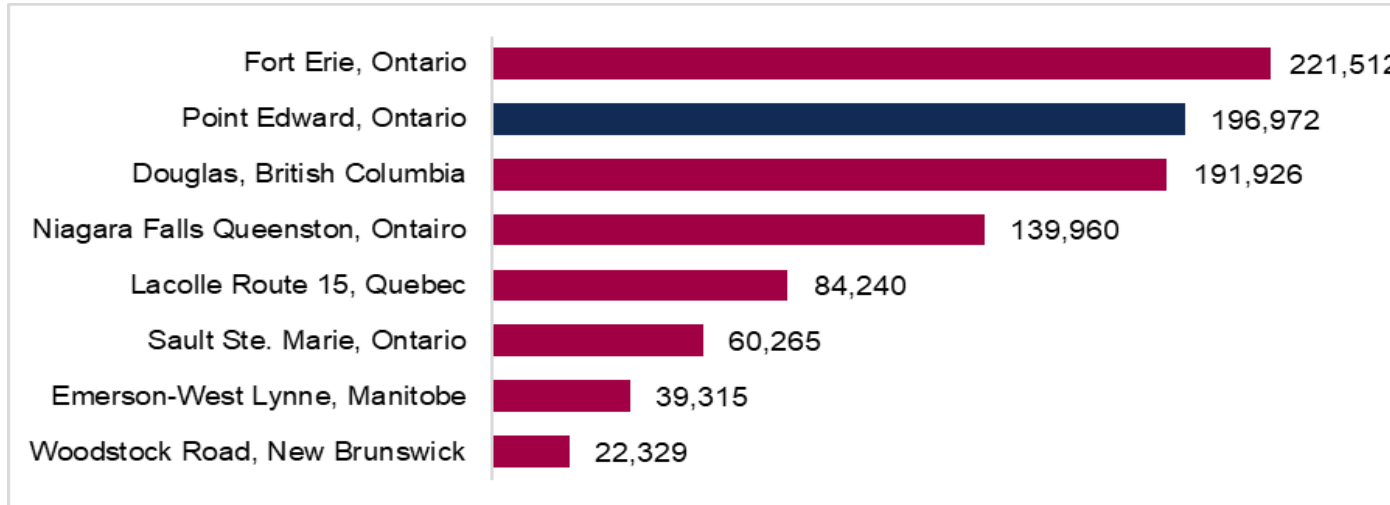
The Sarnia-Lambton area has a number of core economic strengths that position it well for the future. If the Sarnia-Lambton area were to disappear tomorrow it would leave a gaping hole in Ontario's energy and chemical sectors. It would eliminate a critical trade corridor for Ontario and Canada and one of Canada's top border crossings with the United States. It would also significantly impact Ontario's agricultural and tourism industries.

Strengths

The Sarnia-Lambton area is a **strategic intersection point** with the world's largest economy. In 2016, the Canadian border crossing at Point Edward handled nearly 200,000 vehicles in an average month. Fourteen percent of all vehicles entering into Ontario from the United States travel across the Bluewater Bridge, one of the top five border crossings in Canada.



Figure 3: Average Monthly Number of Vehicles Travelling from the United States to Canada (2016) *



*The data for Windsor, Ontario was not included in this data source. Windsor is the largest border crossing in Canada. There are two other, smaller, border crossings in the Niagara Falls area.

Source: Statistics Canada CANSIM Table 427-0002.

The region has one of the **most impressive petrochemical/biochemical clusters** in North America. There are nearly 4,000 people working in firms directly related to the petrochemical/biochemical cluster and many more in industries that support the cluster (engineering, environmental services, etc.).

Location Quotient (LQ) analysis compares the concentration of an industry in the region to the national concentration where 1.00 represents the average for the rest of the Country. Using LQ analysis to compare the concentration of employment by sector, Table 1 shows that the Sarnia CA cluster has 35 times as many people employed in NAICS 3252 resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing, nearly 30 times as many employed in basic chemical manufacturing and over 17 times as many employed in petroleum and petroleum products wholesaling compared to the country as a whole. The Sarnia-Lambton area petrochemical cluster features significant engineering and trades-related talent. The region is also recognized nationally as an emerging bioenergy hub.



Table 1: Petrochemical-Related Cluster Location Quotient Values (2016)

<u>Industry group:</u>	<u>LQ Value (CAN=1.00)</u>
3252 Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	35.56
3251 Basic chemical manufacturing	29.73
4121 Petroleum and petroleum products merchant wholesalers	17.31
3241 Petroleum and coal product manufacturing	14.25
3262 Rubber product manufacturing	9.80

Source: Statistics Canada 2016 Census.

Lambton College is another key strength of the region. Across Canada, 22 percent of the population aged 25 to 64 have a college-level education. In Lambton County 34 percent of the population has a college education. The Sarnia CA has twice as many people employed in Community Colleges (NAICS 6112) than the country as a whole. Lambton College is also a key asset for the attraction of people to the region and for research.

Lambton County features **above average employment in tourism-related sectors**. It is also an important contributor to Ontario's **agriculture sector**. Forty-seven percent of the land in Ontario allocated for sugar beets is located in the Sarnia-Lambton area. The region's farms also represent 12 percent of all winter wheat and 10 percent of all soybean farming in Ontario.

Table 2: Key Crops Under Production in Lambton County (Hectares) - 2016

<u>Crop:</u>	<u>Lambton County Hectares</u>	<u>% of Ontario total</u>
Sugar beets	2,045	47%
Winter wheat	51,205	12%
Soybeans	95,568	10%
Dry field peas	141	7%
Cherries (sweet)	15	6%
Potatoes	903	6%
Dry onions, yellow, Spanish, cooking, etc.	140	6%
Corn	40,798	5%

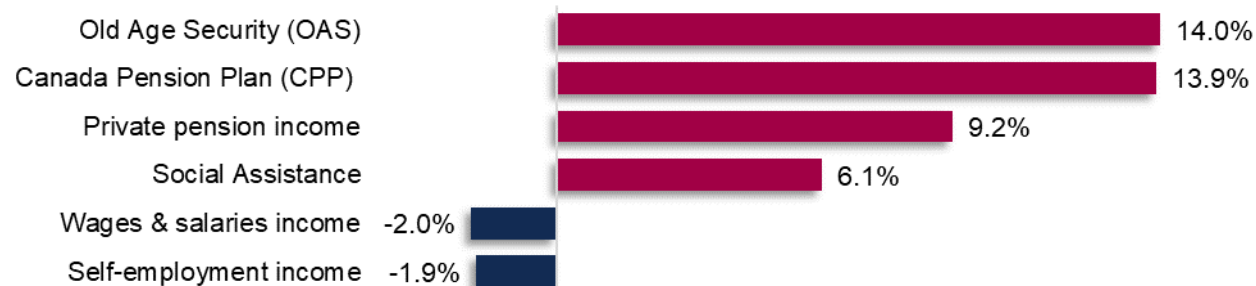
Source: Statistics Canada CANSIM Tables 004-0213, 0214, 0215.



Weaknesses

Demographic trends are becoming a potential drag on economic growth. The number of people in the Sarnia CA earning employment income has declined slightly in recent years while the number earning public and private pension income has increased sharply (Figure 4). The same trend applies to most of the municipalities in Lambton County. Several key sectors including business services and transportation are shedding employment. This decline is at least partly linked to the challenge of finding workers for those sectors.

Figure 4: Percentage Change in the Number of Tax Filers by Source of Income (2011-2015) - Sarnia CA



Source: Statistics Canada CANSIM Table 111-0007.

The region needs a **new round of ambitious entrepreneurs**. Nearly half of all self-employed persons in the Sarnia CA are over the age of 55. The economy has relied on large employers more than most other urban centres. The Sarnia-Lambton area must consider how government and local stakeholders can help incubate a new generation of young and older entrepreneurs. The need for more entrepreneurs applies across the Sarnia-Lambton area.

Reliance on a **dominant sector** can expose the region to greater risk. The region is susceptible to the ups and downs of the petrochemical sector. There is no doubt that fossil fuel-based energy will be declining in coming years. However, even with the most optimistic renewable energy forecasts, there will still be a need for refined oil products for decades ahead. The Sarnia-Lambton area should be positioned to continue its role as an energy producer as it evolves. The region should be working with the industry on “what’s next?”. Most of the firms in the cluster are large and well capitalized. Those companies moving to renewable energy production could potentially migrate out of fossil fuel-based energy but they will still be in the energy business.

The Sarnia-Lambton area’s **smaller size and distance to Ontario’s large urban centres** can be a challenge. It needs to better integrate with the broader economy and reduce isolation from other centres which could contribute to lower levels of innovation and lagging behind the Canadian economic shift to service industries and needs to find ways to ensure its priorities and opportunities are recognized at the provincial level.



The Sarnia-Lambton area has an **image challenge** both internally and externally. Issues with the community's image are particularly concerning given the increasing need to attract people into roles ranging from high wage petrochemical jobs to the services economy. The Sarnia-Lambton area needs to be positioned nationally as a great place to build a career, live, raise a family and retire. The area does provide an exceptional quality place but the message needs a wider audience.

Opportunities

The **growth in tourism globally** should pose an important opportunity for the Sarnia-Lambton area. The “boomer” generation is retiring and spending more time travelling. The increasingly affluent Chinese market and the populations of other emerging countries are travelling more internationally. The area must ensure that the tourism product offering and investment keeps pace with evolving tourist preferences.

The **green economy** including bio-refining, green energy and even the increasing focus on local food, all hold potential for the Sarnia-Lambton area. The strong petrochemical cluster and emerging biochemical clusters provide the foundation for growing the entrepreneurial base in the communities. The lower share of **service related businesses** compared to the province could also provide opportunities for expansion of existing and attraction of new businesses to the area.

In 2017 the Sarnia-Lambton community also successfully competed on the world stage at the Intelligent Community Forum where it made the organization's Top 21 list (Smart21) following an evaluation of key initiatives in areas such as broadband access, knowledge workforce, innovation, digital equality, sustainability and advocacy.

The aging population across Ontario and Canada means there will be more demand for health care, assisted living and other **services targeting the 65+ market**. Health care is already the fastest growing sector of the Sarnia CA economy.

There is potential to **leverage the existing engineering, trades and technical expertise** in the area to foster new industry opportunities. Automation will be a dominant industrial theme for the next 20 years and the area workforce has considerable core talent in this area.

The region's affordable housing costs, lower cost of living and diversity of rural and urban opportunities could be leveraged to attract more workers and residents to **tell the region's story** through SLEP's marketing and communications efforts. The individual municipalities can play a role in creating an attractive environment for existing and new residents through **downtown revitalization and community development initiatives**.

Threats

Economic and population growth across Canada is **more concentrated now** than it was 15 to 20 years ago. The largest urban centres are growing faster than smaller urban centres for many reasons including the lack of immigration into smaller centres. Smaller communities that have significant natural resources-based industries are also growing strongly as they have the ability to pull labour from other parts of Canada and beyond. The Sarnia-Lambton area can, and does, attract specialized talent into the petrochemical and other high value sectors. In the future, it will need to attract more workers into a broader range of industries.



The **evolution of the petrochemical industry** is a medium and long-term threat that is out of the control of local stakeholders and even the firms in the industry. Global interest in green alternatives to conventional petrochemical applications is one of many changes to this dominant sector. It will be important to support the evolution of the industry in the Sarnia-Lambton area in line with the global industry through research and development programs and funding, regional collaboration and industry forums.

Continued negative press poses a longer-term threat, particularly as it focuses on attracting more people. The Sarnia-Lambton area is facing a more competitive environment for investment and people attraction. The municipalities and entities involved must **become more coordinated and unified** in economic development and people attraction efforts or risk the region's growth potential. Cooperation and alignment of effort is the way successful communities will win in this new environment.

Lambton County represents only one percent of Ontario's population, but it arguably represents more significant provincial and national impact given its role as an energy and chemical hub, a main transit point with the United States and a significant contributor to the province's agriculture sector. It is important that the provincial and federal governments understand the strategic role the region plays to the economy.



Figure 5: Sarnia-Lambton SWOT Assessment (Strengths, Weaknesses, Opportunities, Threats)



Strengths

- Petrochemical, biochemical cluster
- US border, proximity to US market (2nd busiest international bridge crossing in Canada)
- Lambton College – Western Research Park
- Strong agricultural economy and infrastructure
- Skilled workers in the petrochemical sector
- Tourism assets and above average LQ for accommodation, food, arts & recreation
- Renewable energy LQ
- High LQs, engineering (civil, chemical, technical, electrical, industrial)
- Recognized provincially and federally as a mature cluster and advocate on energy, bioenergy and product development
- Transportation infrastructure (airport, Great Lakes port, passenger & freight rail service)
- Top 21 status – Intelligent Communities Forum



Weaknesses

- Low number of entrepreneurs/the pipeline
- Demographics – negative population growth rate, youth outmigration, aging population
- Location – distance from major markets, anecdotal reports on flight reliability to access Toronto
- Some local market leakage to US businesses
- Lack of broadband infrastructure in certain parts of the County
- Urban/rural mix – different scale and economic development needs
- Tourism limited to specific areas within SL – varying impact, opportunities and member support
- Long held external image as a significant polluter – lacking amplification of positive message
- Petroleum and chemical sectors over shadow other sectors



Opportunities

- Downtown/mainstreet revitalization
- Green economy: growing interest in biochemical evolution
- Leveraging agriculture assets and infrastructure
- Taking advantage of growing international tourist flow – broadening tourism activity across the County
- Health care services – assisted living, home care, technology-based health care
- Cluster development: possible to attract research and start-up funds, a recognized global leader in cluster development
- Intentionally promote automation – utilizing current expertise – 3D metal printing, material sciences and process control technologies
- Tell our story better (marketing)
- Align City-County priorities
- Telecomm infrastructure initiatives (ICF community, SWIFT, network investments)
- Align priorities of County and area municipalities



Threats

- Small and medium sized urban centre growth across Canada is threatened by lack of labour market growth
- Some bias toward large urban centre
- Move to electric cars – away from petrochemical industry
- Weak commitment to regional economic development organization from some SLEP members
- Negative press – Chemical Valley
- Not taking action on a proactive-unified approach to development
- Concerns regarding sustained provincial and federal support



Strategic Priorities

Collaboration is a guiding principle of the Sarnia-Lambton Economic Partnership, implicit in the organization name.

The Sarnia-Lambton area aspires to:

- Continue its role as a strategically important economy for Ontario and the country as a whole.
- Face the ongoing disruption in a core industry, oil refining, head on and evolve with the firms to the next generation of energy.
- Attract and nurture a new generation of talent to support existing and new industries in both the urban and rural communities.
- Be a great place to build a career, live, raise a family and retire.
- Do a better job of sharing the region's positive attributes and assets, nationally and locally.
- Invest strategically in key urban and rural infrastructure to support the next generation of economic growth.
- Maintain collaboration as a guiding principle to tackle the region's challenges and pursue new opportunities.

Strategic Priorities are those elements that, when addressed, have the potential to make a significant contribution to moving the region towards its goals of economic growth and prosperity. Sarnia-Lambton Economic Partnership board members and key community stakeholders and business leaders met to establish the strategic priorities in a workshop held on October 26, 2017. These strategic priorities align with the vision and mission and provide the basis for the establishment of the following goals, objectives and ultimately the actions for the Sarnia-Lambton Economic Partnership.

Sarnia-Lambton Economic Partnership Vision



Economic growth and diversification to expand prosperity and elevate Sarnia-Lambton as an exceptional place to live and invest.






Sarnia-Lambton Economic Development Mission



To advance economic opportunity in Sarnia-Lambton through leadership, collaboration and strategic direction.



Sarnia-Lambton Economic Partnership Strategic Priorities, Goals and Objectives

#		Pillar	Goal	Objective
1		People	Prosperity fueled by population growth	Attract people and develop talent to support the Sarnia-Lambton area's economic development vision.
2		Progress	Targeted investment attraction and business growth	Leverage existing industry clusters and accelerate development of emerging sectors.
3		Perception	Positive image	Promote the Sarnia-Lambton area as an exceptional place to build a career, live, raise a family and retire.
4		Place	Investment ready and supportive community	Maximize utilization of current infrastructure and continue to invest in new infrastructure to support growth.
5		Participation	Unified and collaborative economic development program	Lead regional economic development initiatives and engage municipal partners and key stakeholders in collaborative programming that support our local and regional economic development vision.

The specific actions, partner organizations, timing, priority, budget and performance measure for each of the goals and objectives are outlined in detail in a separate Implementation Plan and Performance Measures Report.