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# Windsor Works

An economic development  
strategy for the city's future growth

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This project was undertaken by Public First, a public policy, strategy, and research consultancy based in London, UK. Research was led by Rachel Wolf, the founding partner, supported by Blair Gibbs, Director of Canada, and Jonathan Dupont. Additional research input was provided by Carly Munnelly, Edward Bottomley and Frederick Ellery.

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# Executive Summary



# Executive Summary

Windsor is a city of strength and opportunity, but also one that faces historic challenges. This report proposes a strategic direction for the City of Windsor to reject complacency, seize on new opportunities, and grow the regional economy for the decades ahead.

Windsor is rich in community spirit and civic pride. It has succeeded in attracting large numbers of new Canadians in the recent decades. Major employers are embracing the emerging electric and autonomous vehicle industries. City governance is disciplined with public finances and pragmatic with investments. New developments, and new attractions, are starting to revive parts of its downtown and adding to the tourism industry. Windsor is in a strong position to emerge from the global pandemic.

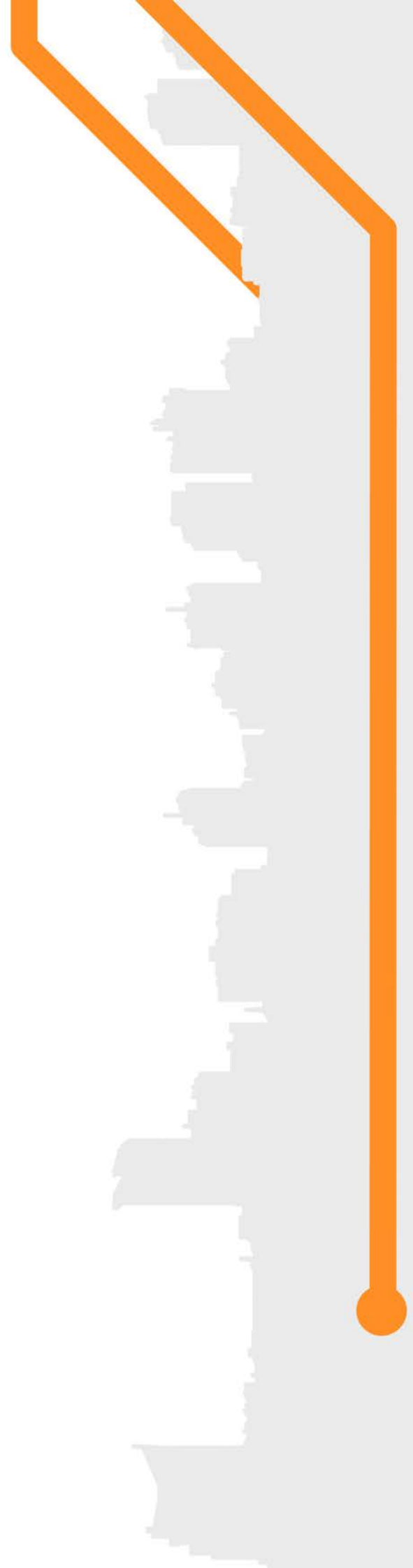
But Windsor faces headwinds. As an automotive city, it was hit hard by offshoring and the aftermath of the 2008 financial crisis. As a border community, it is impacted by unfavourable trade and 'Buy-America' policies south of the border. It is intertwined with the economic success and failures of its Detroit neighbour, in fact Windsor's historic growth follows Detroit's far more than Canada's. At a time when automation will transform traditional industries, Windsor's economic mix and skills base remains manufacturing-heavy. A recent joint Amazon HQ2 bid with Detroit highlighted the opportunities for the two cities to work together, but also that talent may be a barrier for future investment and growth.




Our task is to map out a strategy that builds on Windsor's strengths and stands the test of time. Many of the City's opportunities, in our view, emerge from proximity to the United States. In the wake of COVID-19, the completed Gordie Howe International Bridge will allow Windsor to take advantage of improved US-Canadian trade flows and cooperation. The new Biden Administration will position the United States and Canada as partners in a drive to a low-emissions future. Amidst these changes, Windsor can be a site of the green manufacturing revolution.

Fundamentally, we believe that diversification beyond manufacturing is the key to Windsor's future. Windsor will always maintain a substantial automotive industry, bolstered by the global shift towards electric vehicles. A new, modern hospital presents opportunities to grow in health services industries. New investments in Colleges and Universities will help to diversify the Windsor workforce, offering new assets in economic diversification.

Our report envisions a series of efforts and initiatives to leverage Windsor's opportunity, many of which are entirely within the jurisdiction of the Municipal and Regional governance. But we have also outlined areas where the support of the provincial and federal governments will be required, and at times include the support of Windsor's southern neighbours.







## Working Together for Windsor's Future

No one level of government can change a city's trajectory alone. Windsor Works can only succeed if it is built from a deep partnership with the other great institutions of the city and region.

- The College and University are, in our view, key anchor institutions and must be integral players and co-architects of the city's decisions and actions. Skills and talent retention and attraction must be a key part of Windsor's strategy and both post-secondary institutions should be more closely tethered to the economic development agenda that the city and council lead.
- Our work has also built from the pre-existing analysis and strategies of other bodies within Windsor-Essex, and many of our recommendations are designed to further increase the impact of civic initiatives such as the Windsor International Film Festival.
- The relationship with employers will be vital – many of our most important recommendations come from our interviews.

Other levels of government will also be instrumental in Windsor's success. In devising this strategy, we sought to strike a balance between areas where Windsor can make an impact alone – such as building greater links with Detroit – and areas where national and provincial support will be necessary for success – such as the adaptation to the electric and autonomous automotive industry.

## Our analysis

Public First conducted extensive analysis on i) how and why cities prosper; and ii) specific lessons for Windsor. In our analysis of post-industrial cities, we have identified four key factors for growth and prosperity:



### SCALE

Bigger, integrated city-regions often diversify and enjoy the economic advantages of scale<sup>1</sup>. This not only leads to higher productivity and hedges a city's bets against global economic trends, but also allows cities to support amenities that in turn attract more people. Ways of achieving scale including building links with other metropolitan areas or encouraging inward immigration. It is the best strategy for growth, and in Windsor's case the proximity of Detroit makes it a near-term opportunity.

### SECTORS & CLUSTERS

Many turn-around stories from 'rust belt' cities have relied on investment in research and development, such as Pittsburgh in the U.S. and Coventry in the United Kingdom. Government policy to spur growth has included tax credits or investment to attract new facilities. The evidence, though, suggests it is hard to force a city to sprout an entirely new sector top-down. Instead, cities must build upon organically growing sectors. For Windsor that means both large and growing manufacturing sectors, but also new technology start-ups that are growing rapidly in Detroit and starting to move into Windsor.



<sup>1</sup> Economists use the term agglomeration. We have generally used scale or, occasionally, clustering, to make it easier for the reader to understand.



## PEOPLE & CULTURE



Successful cities have a close relationship between population growth and cultural diversity. A virtuous cycle, in which great jobs attract skilled workers, who in turn provide the income for cultural amenities. People want to both train and stay in the area. The question is how you kickstart this cycle. Expensive cultural and retail-driven investments are rarely successful on their own, often becoming symbols of failed strategies that never pay off. What is required is a more robust strategy for training, attracting, and retaining talent. This is an educational challenge and a developmental one: highly-skilled workers want to live in a cosmopolitan place that is attractive and where there is plenty to do. Windsor is currently not scoring highly enough in this area.

## COMPETITIVENESS

Infrastructure, regulations and tax policies have a significant impact in making a city more competitive, attractive to businesses, and often lead to growth. Businesses themselves are often best positioned to counsel decision-makers on where these challenges persist. In Windsor's case, it is already operating a number of Community Improvement Plans and has some entrepreneurship initiatives. But in our consultations with the Windsor business community, several areas were identified for improvement.





Our analysis, summarized in Part I of this report, has concluded that across these four areas, Windsor has the potential to significantly grow and be positioned for success.

To start, Windsor has clear medium-term **opportunities** that it should work to emphasize:

**Location:** Windsor's position on the US-Canada border must be emphasized and given extra prominence. Its proximity to the wider metropolitan area of Detroit gives it access to the benefits of a city much bigger than Windsor.

**Infrastructure:** The City has new assets coming online, including the new bridge and hospital, which can help further support links to Detroit and the development of sectors that can spur innovative employment opportunities



However, the city will also need to work to overcome current **weaknesses**:

**The Past:** Windsor's economy was originally built on the automotive industry. In recent decades Windsor has lost out on investment to other countries with cheaper labor. Adding complexity, the car industry will undergo significant disruption with the shift to electric and autonomous vehicles. To prepare for this **future economy**, Windsor will need to invest more to help transition its car industry, and work to develop new strengths in emerging technologies.

**Skills Diversity:** Windsor will need to do more to train, retain, and attract different kinds of talent. The local College and University are key players in identifying and training for current and new skills shortages, and also in forging even deeper links with other institutions, including in the United States, and with new companies. On the attraction side, despite its many underlying cultural and environmental advantages, our opinion research showed that Windsor's quality of living had a mixed reputation across Canada. In order to retain and attract leading **talent**, the city should do more to proactively appeal to skilled workers, and invest in cultural assets that can make the city one that is more appealing for young professional and working families to settle in.

While many factors, such as the long-term impact of COVID-19 and the future of the border and United States trade policy will remain outside of Windsor's control, the raw materials of the city's geography, infrastructure and talent pool provide a strong base for Windsor to build back better after the pandemic.



## Our methodology

Public First conducted extensive analysis for this report including:

- Comparative analysis of Windsor internationally and nationally on a wide range of metrics;
- Economic modelling of the potential impact of different strategies on Windsor's economic performance;
- Quantitative research on understanding and perceptions of Windsor within Canada and particularly within Ontario;
- In-depth qualitative research with dozens of political, business, and institutional leaders across Windsor;
- An extensive analysis of the academic literature on the growth and performance of cities;
- In-depth case studies of comparator cities in the US and across Europe;
- Additional qualitative research with experts in the automotive industry, and on cities and growth;
- A review of past initiatives by the city alone and with its counterparts, and their budgetary implications;
- Political and policy analysis of the federal and provincial government's priorities and opportunities.

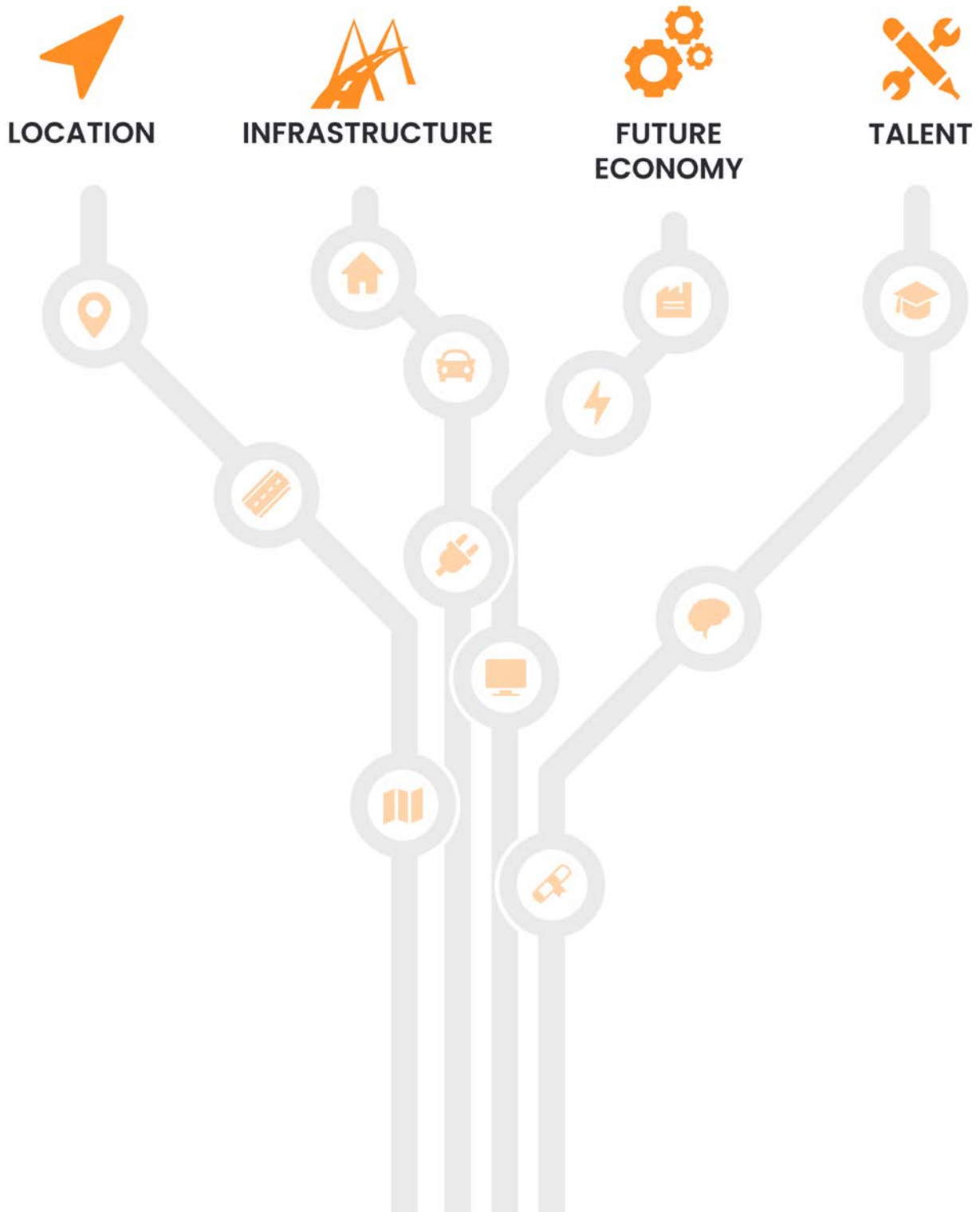
We have also brought to bear our own experience advising national governments and cities on innovation and growth.

We are very grateful to the city administration, WEEDC, institutions including the University and College, as well as to the many leaders in Windsor, for their support and time.

(Please see the full report for methodological detail.)

# Windsor Works: L.I.F.T. Strategy

Parts 2 and 3 of this report outlines the proposed “L.I.F.T.” strategy to make Windsor the best community for Canada’s working families. This is described under the banner ‘Windsor Works’ and the strategy has four core pillars:







## LOCATION

### Taking advantage of Windsor's position and working more closely with Detroit and Michigan

Windsor Works recommends a renewed focus on enhanced economic linkages with Greater Detroit and Michigan economic sectors by:

- Making Windsor a better place for Michigan businesses to operate by offering relocation packages and support.
- Establishing more structural links between Windsor and Detroit, including through the College and University, by creating a skills and R&D Arc between the two cities.

Windsor Works recommends strategies to attract and retain talent from within Ontario and Canada, including:

- Attracting businesses into Windsor-Detroit through economic partnerships and joint investment attraction bids.
- Using Windsor's and Detroit's rich histories to create targeted cultural events, such as an expanded film festival, and 'Prohibition Week'. Most people do not think of Windsor as being tied to a large city, and if they do, they are unlikely to have noticed Detroit's revival. These cultural events can make the city a more attractive place to live, while also reminding outsiders of its unique assets.





# INFRASTRUCTURE

Investing in downtown districts, improving mobility and pursuing development that allow Windsor to seize forthcoming opportunities

Windsor will benefit from two pieces of foundational infrastructure – a new bridge and a new acute care hospital. But more needs to be done on everyday infrastructure to improve residents' quality of life and make Windsor more liveable for young working families. Windsor Works recommends:



- Building a better more diverse housing stock that appeals to young families, with a housing target for downtown that helps drive revitalisation.
- Enhancing the appeal and economic potential of Windsor's riverfront – completing the full set of river beacons as tourism drivers and encouraging economic activity through craft/ holiday markets and other cultural activities. This is intrinsically linked to our 'Talent' strand below: to attract and keep the best people, Windsor must have enough events and amenities to be desirable.
- Improving transport links across the city and demonstrating Windsor's readiness to be a site where new low-emission vehicles are used as well as made, for instance through a public e-scooter scheme that would be ideally suited to Windsor's flat topography.



# FUTURE ECONOMY

Building on Windsor's manufacturing strength to become a hub for new innovation and the auto sector of the future

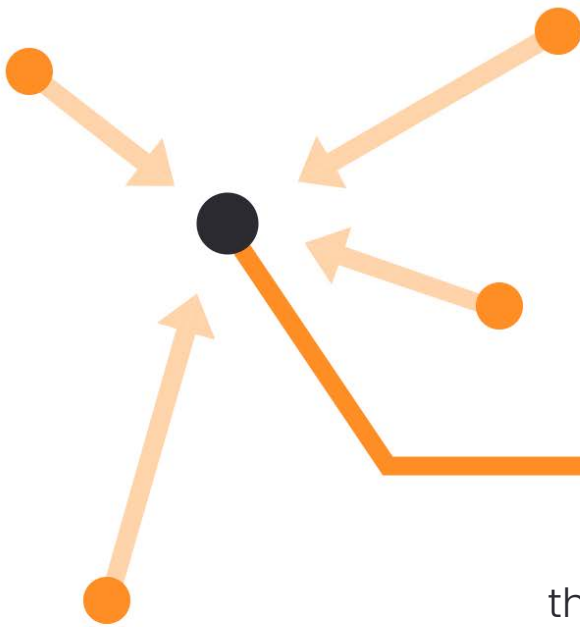
Windsor Works is, in part, designed to help diversify Windsor in sectors other than manufacturing: Windsor is unusually dependant, even by post-industrial city standards, on manufacturing jobs. Alongside this, the future economy element of the L.I.F.T. strategy will both seek to protect Windsor's current strengths in the auto sector, and diversify into adjacent sectors, such as border technology and health care. This part of the strategy will require higher levels of government to play their part in the transition to new vehicles. Windsor Works recommends:

- Establishing Canada's first ramp up factory for electric and autonomous vehicles and working with the Province to prioritize the area for battery production by 2025.
- Building expertise in software and cyber security for autonomous vehicles.
- Advocating for stronger government leadership around electric, hybrid, hydrogen and autonomous vehicles and working with the national labor movement to support the transition into EV manufacturing.

In the longer term, Windsor Works recommends:

- Building on existing health manufacturing strengths, including in wellness. The construction of the new hospital will provide new opportunities, for instance by enabling plans to upgrade the University of Windsor's medical education and training offering.
- Exploring the potential to become a world leader in cross-border technology, for instance by showcasing new border technologies and promoting 21<sup>st</sup> century border policies and procedures and hosting an international conference and expo.





## TALENT

### Training, retaining, and attracting the best talent from across Canada and the world

Ensuring the appropriate mix of talent, innovators and entrepreneurs for the local labor pool is the single most critical factor, which underpins all other Windsor Works recommendations. This includes attracting talented people from outside the region and retaining graduates from the University of Windsor and St. Clair College. But talent is not just about graduate skills. The existing labor market in Windsor will not benefit from sectoral shifts, growth and evolution of existing businesses if they are unable to train and retrain appropriately in technical disciplines.

Our talent pillar must therefore achieve three goals:

- Training people in Windsor: meeting current skills shortages, including technical roles in manufacturing and in health, and rapidly adapting courses and programmes to meet new company needs in tech and other sectors;
- Retaining talent in Windsor: increasing retention from the College and the University into Windsor and the wider Michigan-Windsor-Essex region;
- Attracting talent into Windsor: making it easier for companies to attract new talent, including from overseas, as part of their plans.



Windsor Works recommends:

- A 'Windsor Talent' steering committee, chaired by the Mayor, with attendance from the Presidents of the University of Windsor and St. Clair College and representation from the private sector. The steering committee would be focused on meeting the needs of businesses and planning for sectoral shifts and would have the remit to drive changes across a wide range of institutions, including the educational providers, to meet economic need;
- Supporting a new incubator and space for tech, linked to the University and training opportunities;
- Attracting highly skilled workers, for instance by subsidising visa fees for immigrants serving Windsor/Michigan businesses, advertising Windsor more directly in Detroit, supporting spin out businesses and graduates from a new R+D arc, while targeting overseas talent.

## DELIVERY



The delivery of Windsor Works will require the full backing of City Hall and civic leaders from the Windsor community. This report also outlines key enablers that will be vital to realising the strategy. They are:

- A dedicated delivery unit based in City Hall, reporting to the Mayor with a clear remit of strategy implementation.
- Support and engagement from external parties such as key local businesses and post-secondary institutions.
- Reporting on key metrics that show progress against strategy implementation and help to identify any blockers or impediments.

Elements of this strategy can be explored immediately, but by design, this strategy is long-term, and it will take a serious and concerted effort not only by the city but by the institutions, businesses, and people within Windsor over many years. It is therefore recommended in the report that a new team within the City is created to oversee delivery, along with metrics and partnerships for city administrators, for councillors, and for the organisations of Windsor – such as the University and College – which have an outsized impact on the city's success and reputation.

The L.I.F.T. strategy is broad and ambitious, but crucially it is also rooted in Windsor's existing strengths. By taking an approach that builds on the best of Windsor, the L.I.F.T. strategy should be both deliverable and effective, securing the future of Windsor as a great place to live, work and play, for the next chapter in the city's history.





# Introduction

# Project Overview

In Spring 2020, the City of Windsor commissioned a new project to analyze the economic development goals of the city and make concrete recommendations that could be taken to secure Windsor's economic future.

This project was sponsored by the Mayor's Office and participants were aware that research was being undertaken on behalf of the City of Windsor. Public First was selected to conduct this project with support from a team based in Toronto.

Three of the core research questions at the outset of this project were:

- What opportunities are available to Windsor in the coming decades?
- What lessons can the region learn from other cities internationally and historically?
- What practical steps should the city take in the next six to twelve months (and how is unanimity achieved around those steps)?

This report is the product of a four-month research project which began in August due to delays resulting from the COVID-19 pandemic. The first half of the project was spent gathering data and engaging with stakeholders to help inform our assessment of the city and its current opportunities. The research sought to understand the city on its own terms, based on available data and drawing upon a large number of interviews with key stakeholders and elected officials, and also by reference to comparative analysis with other cities, data modelling to show Windsor's relative position, and then quantitative research to gather the views held by a sample of the public in Ontario about Windsor. This analysis was used to put Windsor's present economic position in context, and to understand how the city was seen by outsiders, and together they provided valuable new insight into Windsor's strengths as a mid-size Canadian city, and also some of its challenges (including the perceptions some people have of it). The second half of the project involved applying the evidence base on urban development, along with opinions gathered and ideas proposed, to create a coherent economic development strategy for Windsor.

Part I summarizes the analysis undertaken to inform the approach and provides relevant context for the strategy that follows in Part II. Recommendations flowing from the four pillars of the proposed strategy are contained in Part III, which also includes some key enablers and proposed metrics for measuring progress. Additional background material is included in a collection of Appendices. Detail on the engagement undertaken for the project and the source material is listed in the Appendix.

# Methodology

Research was undertaken between August–November 2020 and comprised the following:

- Quantitative economic analysis, benchmarking the city's productivity and labor market performance against other similar industrial or post-industrial cities internationally
- Deep-dive case studies into a large number of cities across Europe and North America, their economic strategies, and their success
- A review of relevant and current academic literature and meta-analyses
- In-depth qualitative interviews (August–October) with Windsor's political, civic, and economic leaders, and with external experts in the automotive industry and urban development and regeneration.
- Scenario analysis of future growth pathways on the city, looking at the potential from boosting agglomeration effects and developing new manufacturing strengths, with quantified potential effects
- Site visits (October & November 2020) including City Hall, waterfront, Ambassador Bridge, Ford engine plant, University of Windsor, College of St. Clair, Institute for Border Logistics and Security (IBLS) at WEEDC, Windsor Detroit Bridge Authority (WDBA), Windsor Airport, and the Walkerville, Sandwich, Ford City and Riverfront neighbourhoods
- Quantitative opinion research in Ontario (conducted in September 2020)
- Political and policy analysis of the national and provincial government
- Consultation with decision-makers – council members, the Mayor and municipal officials
- Briefings and presentation of themes (November 2020)

The data referenced in Part I of this report come from:

- The comparative data compiled on Windsor and other cities ([here](#))
- The quantitative scenarios that were produced ([here](#))
- Data provided to the project team by WEEDC; the city; WorkforceWindsorEssex; St. Clair College and the University of Windsor.

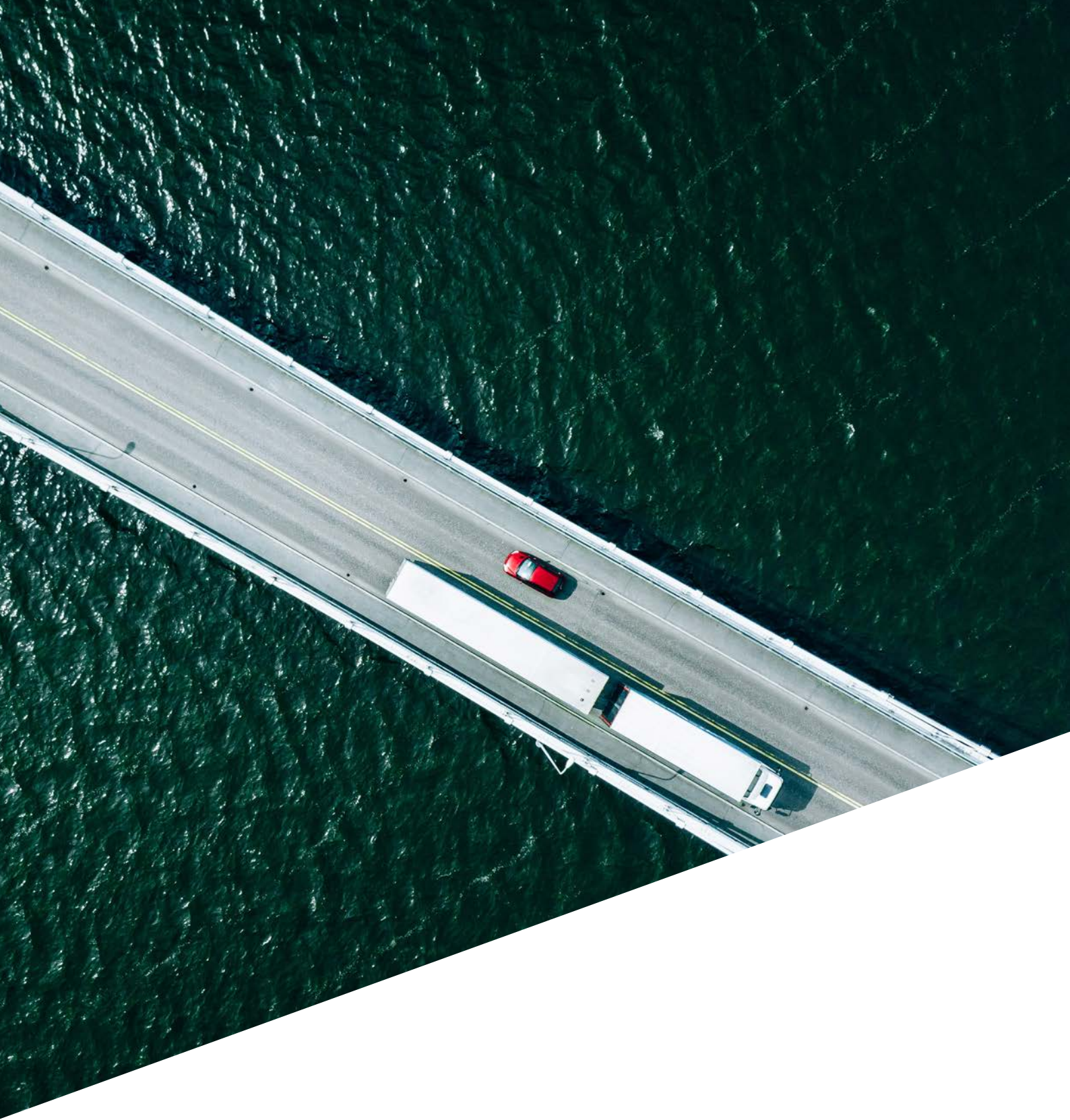
In Part I: Analysis, the focus is mostly on an 'outside in' view in terms of the data – partly because the city of Windsor already knows the situation in its own city and may face inherent bias – however Windsor-only information is brought in where it is important.

The analysis and recommendations in this report relate to the city of Windsor and not to the wider Windsor-Essex region.<sup>2</sup> The economic profile of Windsor was illustrated for this project using official statistics (see [Bibliography](#)). For a full summary of consultees and research methods, see the [Appendix](#).

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<sup>2</sup> The Windsor-Essex region is a larger unit comprising rural areas to the south and east of the city of Windsor in the larger county of Essex (comprising 7 municipalities). The economic development of the area is led by the Windsor-Essex Economic Development Corporation (WEEDC) which is predominantly co-funded by both the city and the county, with the Mayor of Windsor and the Warden of Essex County members of WEEDC's governing board.





# Part I: Analysis

# 1. The City and its Economy

Windsor is a mid-size Canadian city located in Southwestern Ontario. Due to its historic importance as an industrial border town, Windsor has a rich history and a shared heritage with the United States and neighbouring Detroit, across the Detroit River and Canada-US border.

Windsor has a reputation for being a proud industrial city with a strong working-class community. Demographically, Windsor is one of the most diverse cities in Canada<sup>3</sup>, and it is a relatively safe city with average rates of crime for a Canadian municipality of its size.<sup>4</sup>

The city is the original home of the Canadian car industry and it remains one of the most important centres for auto manufacturing in North America, with a concentration of highly skilled manufacturers. Even as the manufacturing sector has declined across major economies in recent decades, the car industry has remained a core pillar of Windsor's prosperity. At the same time, new economic opportunities have also emerged.

## The City of Windsor, Ontario

As the southernmost part of Canada, Windsor has a comparatively mild climate, and its location provides easy access to local lakes, wineries and trails, and the surrounding region grows a large proportion of fresh produce, much of it exported into the United States. The city is in an ecologically diverse region with strong natural environmental assets including lakes and rivers. Windsor also has strong tourism assets (gaming, food and drink, as well as outdoor activities and culture) and continues to attract people, with a growing population. It has a good University, and a dynamic business community, and despite its size, the city also has its own symphony orchestra, international airport, and new civic infrastructure including an aquatic centre and an art gallery. The city has long looked across the Detroit River and has enjoyed two fixed-land crossings (the Ambassador Bridge and the Windsor-Detroit Tunnel) for ninety years, and more recently, Windsor has benefited from a developed riverfront adjoining the historic downtown and will soon be the site of a new international bridge providing a further link across the Detroit River.

3 The City of Windsor (2020) Diversity. Retrieved from: <https://www.citywindsor.ca/business/physician-recruitment/Live/Pages/Diversity-.aspx>

4 Statistics Canada. Table 35-10-0026-01 Crime severity index and weighted clearance rates, Canada, provinces, territories and Census Metropolitan Areas. Retrieved from: <https://doi.org/10.25318/3510002601-eng>



Windsor's economy has become less dependent on traditional manufacturing industries and successive city administrations have sought to stimulate other sectors as part of a goal to diversify Windsor's economy, so it is less reliant on the auto industry, with some clear successes. Major employers such as Ford and Fiat Chrysler Automobiles (FCA), alongside others representing another facet of Windsor's past, such as the Hiram Walker distillery, have been joined in recent years by new businesses like Jamieson Laboratories and Quicken Loans/Edison Financial.

In many respects, Windsor is fortunate. The city was built on industry and trade and as the global economy has shifted against it, the city has nonetheless avoided some of the negative consequences of de-industrialisation that have afflicted many similar cities. Given its proximity to the enormous US market, and its other natural assets, it also has many fundamental strengths that other so-called 'rust belt' cities lack, and that Windsor should be able to exploit to significantly improve its economy in future decades.

But Windsor also suffers from negative connotations, stereotypes that undermine or limit its appeal and have made it harder to attract and retain new families. Many of these perceptions are inaccurate, and do not reflect a fair assessment of Windsor. However, they are still influencing behaviour and it is therefore important to understand these stereotypes and devise steps to address negative perceptions or turn them into advantages. The city must accept this challenge and work to overcome it. In other words, do more to sell what Windsor already is and the comparative advantages it already enjoys – so that more people come to recognize them. Such people will be Windsor's future visitors, investors and, ultimately, residents.

*"Windsor was just one of the great places to grow up, and still is"*

**Paul Martin, former Prime Minister of Canada  
(‘Straight Outta Windsor’ Podcast, 14 February 2018).**

During this project, the research pointed to several key questions that an economic development strategy for Windsor should attempt to answer:

- How best can Windsor use its existing (and innate) advantages, and then seize the opportunities that present themselves, so it becomes a more prosperous place in the decades ahead?
- How can Windsor work to embrace and/or overcome the perceptions that impact the city's reputation and desirability, so it can grow faster and attract more people to visit, invest and reside?
- How can Windsor go from being a 'big-small city' with some strong assets, to become a 'small-big city' with exceptional assets that is ambitious for the future, one that is a demonstrably more dynamic place that more people want to take a stake in?

This project is one attempt to answer these key questions.

# Snapshot of Windsor's Economy

In common with many mid-sized Canadian cities, Windsor's economy has been cyclical and often defined by the fortunes of certain sectors on which it has historically depended. The following snapshot paints a picture of a city that was economically struggling even before the COVID-19 pandemic – the long-term impact of which remains unclear.

Before 2020, Windsor had been enjoying several years of modest, steady growth and rising employment. In fact, it had nearly regained its mid-2000s peak in terms of total GDP by 2018. However, much of this was caused by a growing population, and real GDP per capita remains significantly down.

Real GDP per capita (\$2019)



After the downturn of the 2000s, when Windsor's growing population stalled (and declined for several years after 2007), the city has seen net population growth since 2011. The city has experienced accelerated population growth since 2016.

## Jamieson Wellness

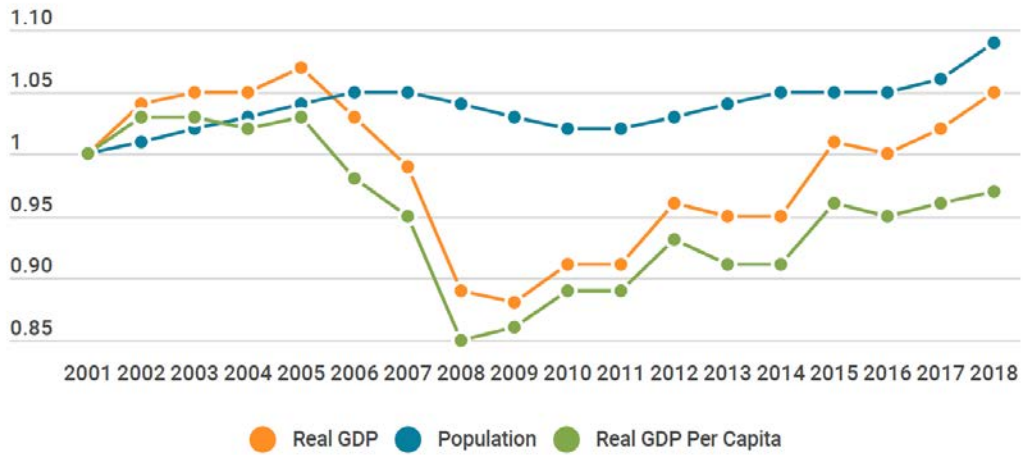
Jamieson started in 1922 and is now Canada's leading provider of vitamins, minerals, and nutrition supplements. Jamieson holds 25% of the market share, more than the combined market share of the next top 5 brands. The company made more than \$345 million in revenue in 2019 and employs over 500 workers between its three Windsor facilities: the manufacturing facility, distribution centre, and International Nutrient Technologies soft gel manufacturing plant.<sup>5</sup>

In 2014, Jamieson was acquired by a US-based private equity firm, CCMP Capital Advisors, LLP for more than \$300 million. The value of the company more than doubled over the next three years before going public in 2017.<sup>6</sup>

Jamieson has become a market leader by building a reputation in safety through rigorous product testing. Through their 360 Pure promise, they have committed to exceeding industry standards and ensuring their products are the safest, purest, and most effective on the market. This includes selecting only high-quality ingredients, guaranteeing product purity, and ensuring products retain potency throughout the manufacturing process.<sup>7</sup>

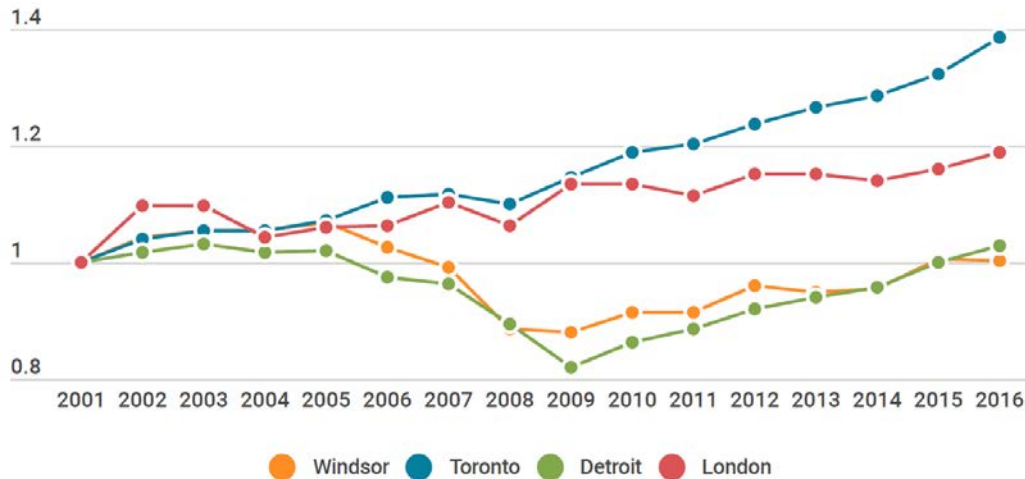
- 
- 5 Cross, B. (2017) Jamieson goes public, stock prices soar on debut day. *Windsor Star*. Retrieved from: <https://windsorstar.com/news/local-news/jamieson-goes-public-stock-price-soars-on-debut-day>
- 6 Ibid.
- 7 Jamieson Vitamins (2020) Our Pure Promise. Retrieved from: <https://www.jamiesonvitamins.com/pages/360-pure>

### Main aggregates (2001=100)



Fundamentally, the city's economy is far more closely aligned to that of Detroit than the rest of Canada. After the financial crisis of 2007–08, Windsor's real GDP declined in line with that of Detroit (the mid-2000s downturn saw a 17% fall in real GDP) and recovered no earlier – with both cities only returning to their 2001 position in 2015.

### Real GDP (2001=100)



Total employment in Windsor has grown steadily since 2009 and the number of manufacturing jobs continues to comprise a significant share. Windsor had the highest share of manufacturing employment of any of the so-called 'rust belt' cities analysed for this project, leaving it vulnerable to any downturn, and reinforcing the long-term argument for diversification – but also the need to adapt the manufacturing sector to emerging trends, given that it still sustains tens of thousands of jobs.

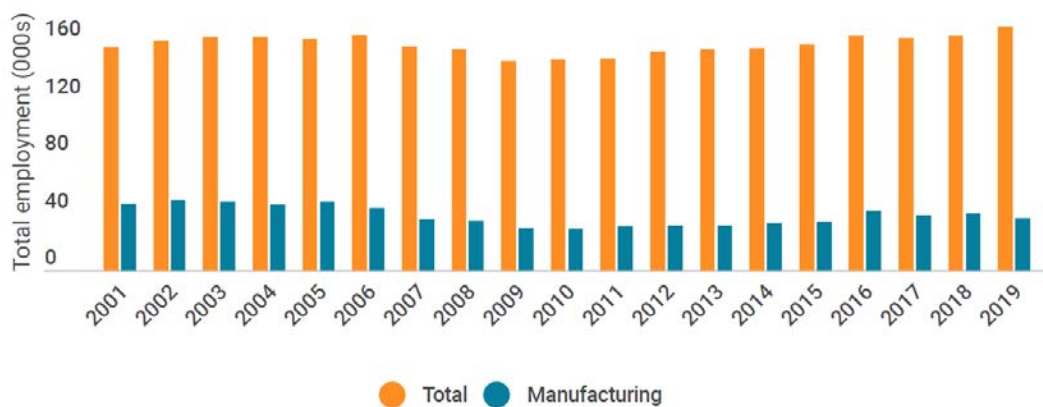
## Fiat Chrysler Automotive Canada Manufacturing Plant Windsor

The FCA assembly plant was built in Windsor in 1928. Since its inception, the plant has produced a wide array of automobiles, including Plymouth two- and four-door sedans, Dodge hardtops, DeSoto convertibles, most Chrysler station wagons. Some of the most recent cars produced at the plant include the Chrysler Pacifica and Dodge Charger.<sup>8</sup>

The Windsor plant adopted the World Class Manufacturing (WCM) operating system in 2006, which is a methodology focusing on reducing waste, increasing productivity, and improving quality and safety. In 2014, the plant achieved silver status for its successful implementation of WCM, the highest ranking of any of FCA's North American facilities.<sup>9</sup>

For the past nearly thirty years, the plant has run a three-shift rota to accommodate high demand for their automobiles. However, the third shift was cut in July 2020 to match a lower demand, eliminating 1,500 positions along with it. In October 2020, the union representing the automobile industry, Unifor, announced a new agreement with FCA, including a \$1.35-\$1.5 billion investment for upgrading the Windsor plant to produce at least one electric vehicle. Unifor states that the deal will add about 2,000 jobs by 2024, helping the company bounce back from the recent staff cuts and prepare for the future of the automotive industry.<sup>10</sup>

### Windsor Total Employment



8 FCA (2020) *Windsor Assembly Plant*. Retrieved from: <https://media.fcanorthamerica.com/newsrelease.do?pid=344>

9 FCA (2014) *Chrysler Group's Windsor Assembly Receives Silver Designation; First Chrysler Group Plant to Achieve the World Class Manufacturing Milestone in North America*. Retrieved from: <https://media.fcanorthamerica.com/newsrelease.do?pid=15473&mid=792>

10 The Canadian Press (2020) *FCA workers approve Unifor deal to retool Windsor plant for making electric vehicles*. *The Star*. Retrieved from: <https://www.thestar.com/business/2020/10/19/fca-workers-approve-unifor-deal-to-retool-windsor-plant-for-making-electric-vehicles.html>





## Ford Motor Company of Canada

The Ford Motor Company of Canada has a long history in Windsor dating back to 1904, when it was created through Gordon McGregor's (president of Walkerville Wagon Works) partnership with Henry Ford. The company's Walkerville plant (located in what is now known as Windsor) became the first automobile production site in Canada with the Ford Model C.<sup>11</sup> The Canadian company grew exponentially over the following decades, opening large production plants in Oakville in 1953 and St. Thomas in 1968, along with engine and casting plants in Windsor. Although the casting plant has since closed, Windsor has remained an important location for the company as the home to two engine plants, which currently employ a total of 1,880 people.<sup>12</sup>

Recently, both industry and government have shown their commitment to supporting the future of the Canadian automobile industry. Ford has announced plans to invest \$1.98 billion towards introducing new products, including new electric car models and engines, in both the Oakville plant and the two Windsor plants. Introducing these new products will help secure the longevity of the Ontario plants and prepare them for the future automotive sector.<sup>13</sup> The federal and provincial governments have also announced \$590 million in funding to support upgrading the Oakville plant.<sup>14</sup>

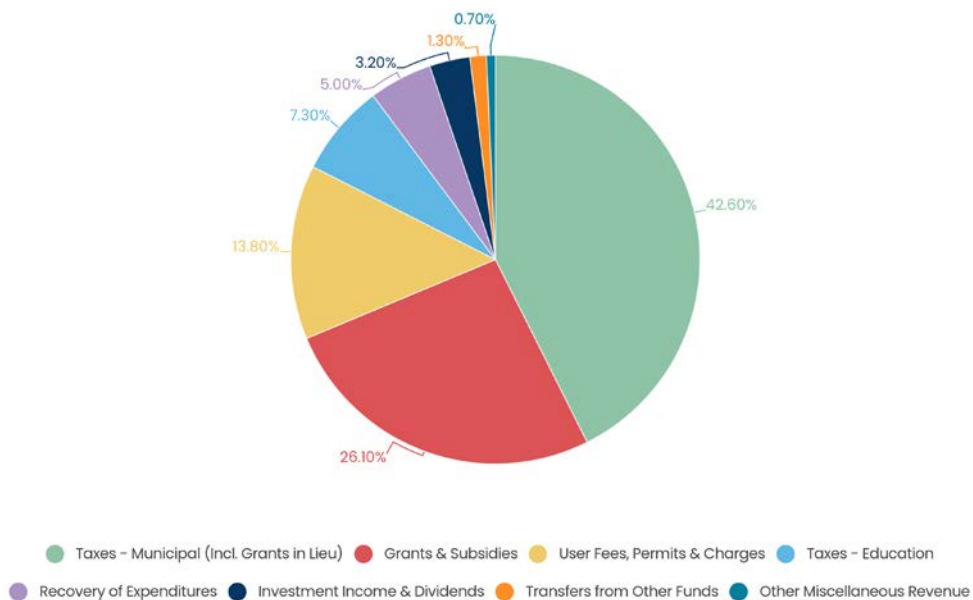
- 
- 11 Windsor Public Library (n.y.) *Ford Motor Company of Canada: Walkerville, Ford City & Windsor, 1904-present*. Retrieved from: <https://projects.windsorpubliclibrary.com/digi/wow/plants/ford.htm>
- 12 Ford (2020) *Worldwide Locations*. Retrieved from: <https://corporate.ford.com/operations/locations/global-plants/windsor-engine-plant.html>
- 13 Fraser, K. (2020) Unifor's 'unique' Ford deal includes 5 new electric vehicles in Oakville, engine for Windsor plants. *CBC news*. Retrieved from: <https://www.cbc.ca/news/canada/windsor/unifor-strike-deadline-extended-contract-talks-ford-1.5733592>
- 14 CBC News (2020) Governments unveil details of \$590M investment to help Ford Oakville plant make electric cars. *CBC News*. Retrieved from: <https://www.cbc.ca/news/business/ford-oakville-government-1.5754974>



# Windsor's City Administration

The City of Windsor is governed according to the legal structures established by the Province of Ontario. Managing an overall budget of almost \$900M, Windsor has municipal obligations including roads and sewers. Public services such as schools and hospitals are a provincial responsibility and, in common with other cities in Ontario, Windsor distributes funding from the provincial and federal governments (received as grants) for local social services and welfare provision. Aside from grants and subsidies from higher levels of government, the city's main income is from property tax and service-user charges and permits, including fees paid for parking and leisure activities and charges for water and sewage.<sup>15</sup>

## City of Windsor's Operating Budget 2020



<sup>15</sup> The City of Windsor (2020) *Operating Budget*. Retrieved from: <https://www.citywindsor.ca/cityhall/Budget/Documents/2020%20Approved%20Operating%20Budget.pdf>

One constraint on economic development is the fiscal capacity to invest in measures that catalyse growth. The City of Windsor is limited in what fiscal powers it has to stimulate direct investment, and, as a municipality, does not have the ability to significantly increase its revenue. Nevertheless, the financial position of the city is relevant to any strategy that it may seek to pursue, informing the extent to which it is able to invest in certain initiatives to support future growth. Cities that shoulder significant agency costs or debt burdens are often unable to make key investments – too often cycles of decline and disinvestment can follow. Notable changes in Windsor’s budgetary position since 2014 include:<sup>16</sup>

- The overall operation budget has increased from \$756M in 2015 to \$851M in 2019, with around half of this increase due to increased revenue from grants and subsidies from federal and provincial governments, and half from increases in charges levied locally;
- The growth in property tax income since 2014 has come almost entirely from newly built residential properties as the city has grown. Income from user-fees has also increased;
- The city contributes to the funding of the Windsor Police Department, and there have been sizeable increases in the police budget (rising from \$77M in 2015 to an approved budget of \$92M in 2020). Funding for fire and rescue services has also seen upward pressure, rising from \$42M to \$50M in 2020;
- The largest proportionate increases have occurred in parks and recreation/ culture, with the city budget for parks and their facilities doubling from \$14M to \$28M over the last five years and recreation and culture growing 43% to \$13M in 2020;
- Some budget areas have seen only modest increases, including TransitWindsor (\$14M to \$15M 2015-20) and the Windsor Essex Community Housing Corporation (\$10M to \$12M) over the same period.

The city realized efficiencies in the past decade by outsourcing daycare services, and parking collection/enforcement, and garbage disposal. Another key aspect of the city’s administration has been the progress on municipal debt servicing. Under the current administration, the city continues to pay down debt, which has been reduced by a third in six years (2014-19), resulting in a significant reduction in interest payments:

2014	\$104,121,000
2015	\$98,211,000
2016	\$91,899,000
2017	\$85,152,000
2018	\$78,154,000
2019	\$70,670,000

16 The City of Windsor (2020) *Operating Budget*. Retrieved from: <https://www.citywindsor.ca/cityhall/Budget/Documents/2020%20Approved%20Operating%20Budget.pdf>

The City of Windsor (2016) *Operating Budget*. Retrieved from: <https://www.citywindsor.ca/cityhall/Budget/Documents/2016%20Approved%20Operating%20Budget.pdf>

As a result of prudent fiscal management, including decisions taken by the Council to modernize service delivery, Windsor's high debt burden of the early 2010s has been turned around. Finances in spring 2020 were in a significantly improved state compared to 2014, while at the same time reserves have also grown.

As the city considers the right investments to support economic development it should accept that – COVID-19 aside – the city's budgetary position is much better than it was even five years ago and there is scope to make major investments. It is also advisable for the City of Windsor to consider long-term debt financing if tied to core, economic infrastructure that increases competitiveness and supports job creation. Properly structured, this financing would boost local productivity and increase economic growth, earning more for the City through growth that would easily sustain servicing costs.

While the economy was growing and employment was rising, increased revenue enabled the city to tackle debt and 'fix the roof while the sun was shining' and now, with uncertainty ahead and the challenge of securing Windsor's competitive position for future decades, it is both possible and necessary to make long-term investments, including using reserves and preparing an ambitious 10-year capital plan. Again, Windsor is fortunate – other mid-sized Canadian cities are not in such a fortunate position and the municipality should leverage this opportunity.

## 2. How Windsor is seen – inside and out

People in Windsor expressed a variety of views about their city – and had strong opinions and good ideas about how it needs to improve. The goal of any strategy designed to serve the residents of a given area is to meet their needs but also to reflect their concerns and priorities. In the course of this project, the economic analysis was supplemented with interviews and opinion research to try and understand how Windsor is seen, and then to use this insight to devise realistic policy proposals that the city's political leadership could adopt and promote.

One significant part of our methodology was therefore quantitative and qualitative assessments of Windsor, through:

- Extensive interviews with political, institutional, and business leaders within Windsor to understand priorities, concerns, and perceptions;
- A quantitative survey of views on Windsor from residents of Canada as a whole, and then weighted for those within Ontario.

We discuss each in turn, but it is worth noting up front that there was a gulf between internal perceptions of Windsor, and the results of our wider survey.



# The view of leaders within Windsor

Throughout this project, Public First has engaged with the elected city councillors of Windsor; the main employers of Windsor; entrepreneurs and their representatives; the leaders of the College; the University; various members of the economic development corporations, including WEEDC; and the leadership of major infrastructure assets, such as the airport and the upcoming Gordie Howe International Bridge; and authorities in sectors such as tourism.

Those leaders have been generous with their time and have made an immense contribution to this report and its conclusions. Several interviewees mentioned how the city should be commended for commissioning this study, and for engaging in longer-term thinking.

We have divided the results of those interviews into core themes. Further detail of our interviewees is provided in the Appendix.

# Theme 1 – what it is like to live in Windsor

Windsor is a great community, and a great place to live – if more people understood that, they would come.

A number of people interviewed had moved to Windsor almost by accident but were now evangelists for the city and its offer. There was a widespread view that Windsor was incorrectly and harshly perceived (an assertion supported by our quantitative survey results). They remarked upon the stereotype of Windsor as a *'hard working, hard drinking, lunch-bucket, blue-collar'* town.

The consensus is that Windsor has great assets: a beautiful waterfront; affordable housing and a great community that was safe and good for raising a family.

The need for a "PR exercise" was mentioned by many of our interviewees. There was less consensus on the nature of that PR– should it remarket Windsor as a professional, services-based city, or lean into its history of car making, whiskey, and the casino?

There is not enough to attract younger professionals – particularly in the emerging tech sectors.

Across our interviews the desire for more 'white collar' jobs came up – and in particular a desire to attract more tech start-ups and scale-ups as part of diversification. Linked to this, there was concern from those already working in the tech sector, and from others, that Windsor did not have enough amenities for young professionals. The lack of amenities downtown, which is discussed below, was raised by many.

*"We don't do enough to cultivate white collar positions in this town."*

**City Councillor**

*"We need more good news stories. Windsor proper has a reputation as a blue collar and labor-focussed town, but there's a lot of start-ups and innovation. The lifestyle on offer is really good compared to the rest of Canada, but we're not telling that story enough, and people aren't willing to stay here."*

**Academic**

Detroit is an enormous opportunity.

Many of our interviewees mentioned the restaurants and sporting events of Detroit as a way of providing big city living, but with small city crime rates and house prices. Many of our interviewees believed more could be done to sell Windsor's links with Detroit to the rest of Canada.

*"You can live in downtown Windsor and go to anything Detroit has to offer and not even own your own car. We do a poor job at selling that lifestyle."*

**City Councillor**

## Theme 2 – diversification opportunities for Windsor

### Diversifying the manufacturing base, or diversifying away from manufacturing?

There was a split in our interviewees between those who believed Windsor needed to seek non-manufacturing jobs, and those who believed that manufacturing was Windsor's core strength, and that this needed to be the focus.

*"How we do over the next few decades depends on whether we diversify."*

**Business Leader**

*"It's long been my thought that Windsor has needed to diversify, but we also need to make use of the assets we have."*

**Academic**

### Working with Detroit.

Detroit came up in two contexts. First, that there are large numbers of successful companies in Detroit and Michigan that could be persuaded to set up a new office in Windsor, as Quicken Loans had done. Second, that together Detroit and Windsor could market themselves to companies outside the area – as was attempted in the Amazon bid in 2017-18.

### Economic diversification.

*"Detroit are a partner in all of this... I think we haven't leveraged the US network as well as we should have."*

**Business Leader**

*"We hear people say it's the end of the auto industry, but I don't think so. Cars will be built for a long time. Somebody will design and build them, and that somebody will be us."*

**Academic**

Most agreed that diversification was a key challenge. A wide range of industries and jobs were mentioned as candidates, which fit into the following categories:

**New tech jobs.** Many of our interviewees thought Windsor could do more to attract high-growth, high-pay new tech companies, focusing initially on start-ups. There was some interest in 'fintech' since companies in Detroit and Windsor were already growing in this area.

*"I don't think we're going to get an Amazon situation, but I think we can do tech start-ups and play on some of Detroit's tech start-ups."*

**City Councillor**

**Tech related to manufacturing/general advanced manufacturing.** A number brought up the potential for the intersection of data, technology, and manufacturing (either auto or other manufacturing). This has been a substantial part of WEEDC's recent strategy and focus.

*"I'd like to see investment dollars focused - to transition and evolve this sector into the next generation manufacturing in Canada. We're so well positioned to be the focal point of that."*

**City Councillor**

**The future automotive industry.** Several interviewees raised the green economy (and its implications) and moving into sectors such as electric and autonomous vehicles.

**Logistics and border-related businesses.** This came up in the context of the link with Detroit, the new Gordie Howe International Bridge, and the airport. There was also reference made to new driver regulations creating an advantage for Windsor as a site for registering new trucking companies who could reach further into the US market under the rules (and new digital logs) governing maximum driving periods.<sup>17</sup>

*"The border is a huge part of the Windsor fabric, it defines us... Looking at innovations that ensure that people and goods can move seamlessly across the border will be crucial."*

**City Official**

**Green economy and jobs.** The environmental agenda and the ability of Windsor to pivot to take advantage of the green economy were mentioned by some interviewees. Many of these remarks were in the context of green energy projects, and the transition of the auto sector away from internal combustion engines to generate and keep jobs.

*"The key thing we can do as a city is get an electric vehicle production mandate from a car company."*

**Academic**

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17 Federal Motor Carrier Safety Administration (2020) Summary of Hours of Service Regulations. Retrieved from: <https://www.fmcsa.dot.gov/regulations/hours-service/summary-hours-service-regulations>.

Department of Transportation (2015) Rules and Regulations, Federal Register, 80(241), pg 78357. Retrieved from: <https://www.govinfo.gov/content/pkg/FR-2015-12-16/pdf/2015-31336.pdf>



# Theme 3 – attracting people and businesses to Windsor

## Downtown and the city’s cultural infrastructure and amenities.

There was near consensus on the need to revitalize downtown Windsor (also referenced from tech sector representatives). The reason for the decline – and therefore what to do about it – was more varied: a need for ‘white collar jobs’ that would spur the restaurant industry; landlords who charged excessive rent and drove out businesses; and a decline in visitors from the U.S., were some of the reasons given. Linked to this was a desire from many to increase the general cultural infrastructure and amenities of the city.

*“Why would an entrepreneur/small business owner want to relocate when half the store fronts are empty and where the rent is too high and there is not enough bustling activity of people commuting to and from this place.”*

**City Councillor**

## Skills and talent.

This was cited as an issue in several different ways. First, that too many people leave the region on graduating from local post-secondary institutions (‘brain drain’), and that Windsor needed to do more to keep them (this represents a cycle tied to cultural amenities and, of course, job opportunities); second, that there was an imperfect match between training and job demand; and third, that the training required may need to shift as the economy diversifies.

*“50% of those [University of Windsor] foreign students stay in Canada, mostly going to Toronto. As a result, we lose a lot of talent from Windsor, as people think it’s a place you can’t develop a career.”*

**Academic**

## Business attraction.

A couple of interviewees suggested that Windsor had a reputation as a municipality that was heavy in red tape and unfriendly to business. The complexity of local permitting and licensing, as well as the bureaucracy involved in navigating development and new planning for projects, was cited as a barrier to growth and job creation. Some interviewees had had several experiences of city engagement which were negative, and referenced delays in permit approvals and complex grant schemes as two areas to improve upon.

*“They need to start listening to manufacturing associations and cutting red tape.”*

**Business Leader**

## Theme 4 – who decides?

### Higher levels of government.

As one councillor succinctly put it, “we are at the whim of higher levels of government”. More positively, there was a recognition from many that finding priorities that the provincial and national government might be inclined to fund was key, because the city could not solve every problem within its own resources.

*“Windsor City Council really has nothing to do with making that happen. All they can do is lay the infrastructure that gets you from point A to point B. They can take our message to the right people. This is a model that requires provincial and federal intervention.”*

**Business Leader**

### The need for big city thinking.

Some interviewees lamented ‘small town thinking’, often with reference to what cannot be done here, compared to in a big city like Toronto, or in respect of limited ambitions and a lack of willingness to invest in long-term strategies. The elements of small city-living that delivered a strong community and good quality of life was seen to have drawbacks by some in terms of narrower horizons, and a view that Windsor was not in control of its own destiny.

## Dominant positive narratives

Detroit is an opportunity that has yet to be fully exploited.

People are more likely to move to Windsor if they realize that Windsor is already part of a bigger city-region, with great restaurants, and sporting events.

It should be possible to attract more businesses from Detroit to set up in Windsor so they can expand into Canada.

The flow of people between Michigan and Canada has slowed since 9/11 – and this has had a knock-on effect on tourism and retail – and once the borders reopen there should be a focus on its recovery.<sup>18</sup>

## Dominant negative narratives

Windsor's downtown and amenities are lacking.

There was consistent concern that Windsor did not have a downtown that was sufficiently attractive, with low foot traffic, too many vacant premises and a homelessness challenge.

In turn, the fear was this would stunt attempts to attract in new companies.

There is civic pride in a city which is wonderful for families, affordable, and has enormous potential. Windsor's residents clearly have pride and affection for their city. They are conscious (as our next section discusses) that there is a gulf between external perception and reality.

Workforce – there is a thread of concern about whether the Windsor workforce has the skills, and also the expectations around pay and work, that set them up for future success, including:

- The links between College and University courses and the future skills needs of industries;
- The general level of skills and education of the population;
- Whether graduates are willing to stay in the area.

Windsor is fundamentally good at making things. Many interviewees were keen not to downplay the strengths and skills of Windsor's manufacturing workforce, and its importance through COVID-19 and to Windsor's future.

Powerlessness – many of our interviewees stressed that many of the things that matter most to Windsor are not in Windsor's full control (in particular, they rely on higher forms of government, although also on the ability of the large manufacturers to succeed).

18 Annual Michigan-Canada border crossings in 2019 was 31% lower than it was in 2000 (540M people annually in 2000 vs. 370M people annually in 2019). Source: Department of Transportation (2020) *Border Crossing Entry Data: Annual Data*. Retrieved from: <https://explore.dot.gov/views/BorderCrossingData/Annual?isGuestRedirectFromVizportal=y&embed=y>

# What views do other Canadians have of Windsor?

To help inform the analysis, a public attitudes survey was commissioned<sup>19</sup> to explore how Ontarians view Windsor and where the city's perceived strengths might reside. The survey confirmed that some of Windsor's innate strengths – such as its affordability – were understood and priced in, but that others – like Windsor's proximity to big city amenities in Detroit, or its rich local heritage and civic history – were not. And while the survey showed that Windsor was seen in a positive light by many, there were, on balance, more negative views expressed about the city than neutral or positive ones.

The survey therefore exposed some of the challenges around the city's identity that – while it may not be news to the political leadership in Windsor – is nonetheless a reminder that perceptions matter and the goal of driving Windsor forward cannot ignore how the city is seen today, and therefore what might be done to overcome certain negative impressions among outsiders. This is especially true for a city that wants to attract more working families and graduates to relocate to Windsor as part of a diversification strategy to strengthen its economic outlook.

## Headline Results

- **Windsor was perceived as the most affordable city in the list.** 28% of the sample believed Windsor would have an inexpensive cost of living.
- **Well-paid work increases people's willingness to move to Windsor.** For a job in Windsor which pays 20% better than one in Toronto, the sample is split on which option they would take.
- **Windsor was one of the least popular destinations for people to move to,** with 42% of the sample ranking it lowest on a list of 5 Southern Ontario cities.
- **Windsor was the worst performing city on strength of the local economy, and on local culture and heritage attractions.**

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19

Public First ran a poll of 1,000 working age adults in Ontario between the 22nd and 25th of September 2020. Results were weighted to be representative of population proportions on the basis of interlocked age & gender, and education.



## Windsor is perceived as affordable

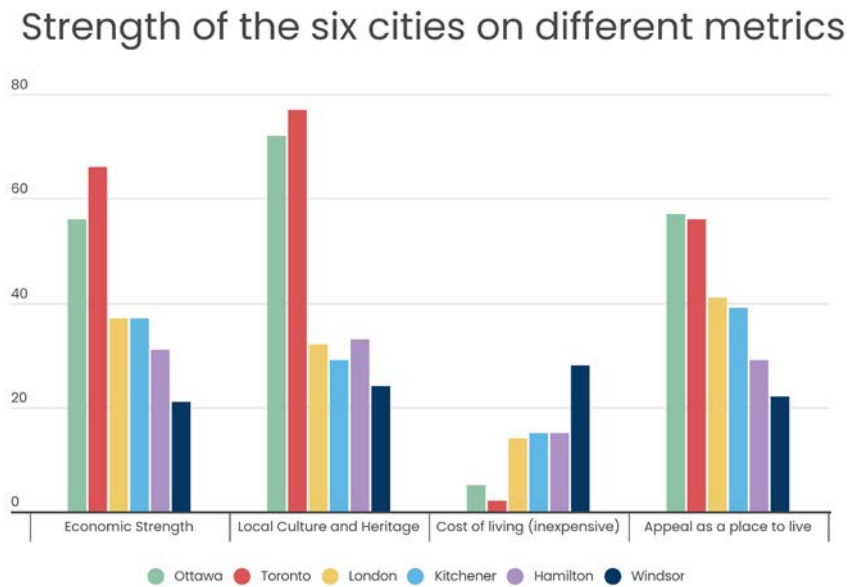
The area where Windsor excels is in the cost of living, with 28% viewing it as inexpensive, making it the only city in the list where more people viewed it as inexpensive than expensive. As might be expected, 92% viewed Toronto as expensive, including 81% describing it as “very expensive”.

### Windsor was seen as having the cheapest cost of living



The takeaway from these questions is that people are willing to overlook the cost of living in order to live in areas with strong cultural appeals and a strong local economy. When people’s assessments of the cities’ economic and cultural appeals are correlated with their general appeal as a place to live, it is shown that these are relatively strong predictors (correlation coefficients average around 0.5 across the cities). However, the correlation between perceived cost of living and desirability as a place to live averaged only around 0.18, with no significant correlation in the case of Toronto. Effectively, being affordable is not enough to drive interest (**Figure 1**).

Figure 1: Strength of the six cities on different metrics



## Windsor is perceived less favourably than other cities in Ontario

We asked for a straightforward ranking of 5 cities in Ontario as destinations people would move to for work. The cities provided were Toronto, London, Kitchener, Hamilton and Windsor. Ultimately, Toronto came out on top, with 47% of the sample selecting it as the destination to which they would be most prepared to move. Windsor came out on the bottom, with 42% of the sample placing it in last.

However, beneath this top line, the figure is more complicated. For one, the sample included a large number of people who already lived in Toronto, and of them 75% selected Toronto as the city they would be most willing to move to.

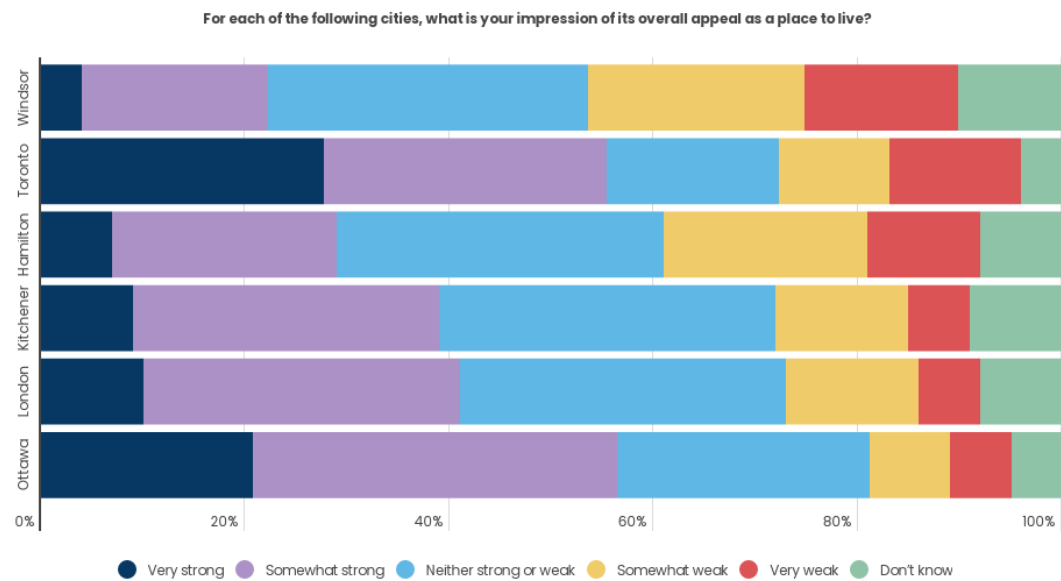
If those who already live in Toronto are deducted from the sample, and just responses from those who live in the other cities mentioned, or in no city at all, are considered, the story is quite different. Toronto has 27% of this group selecting it but also 35% placing it in the bottom position (5th rank). Among just those who do not live in any of the cities asked about, Toronto represented a more divisive city, featuring heavily at the top and bottom of people's lists, and Kitchener and London were more consistently popular.

Unfortunately, Windsor remains unpopular among this group, with 37% placing it lowest on the list. In demographic breakdowns, Windsor is consistently rated lowest, although the city performs slightly better among those who currently live in rural areas (30% of whom put it in their top two), and notably worse among those with a bachelor's degree as their highest level of formal education (49% of whom put Windsor in the bottom position). In fact, a quarter (25%) of those who put Windsor in their top two are living currently in a rural area or small town (compared to 14% of those who placed it in their bottom two). This presents a challenge for Windsor insofar as the skilled graduates that are needed to join the influx of modern industries that the city wants to attract, have generally more negative perceptions of Windsor than other Ontario cities.

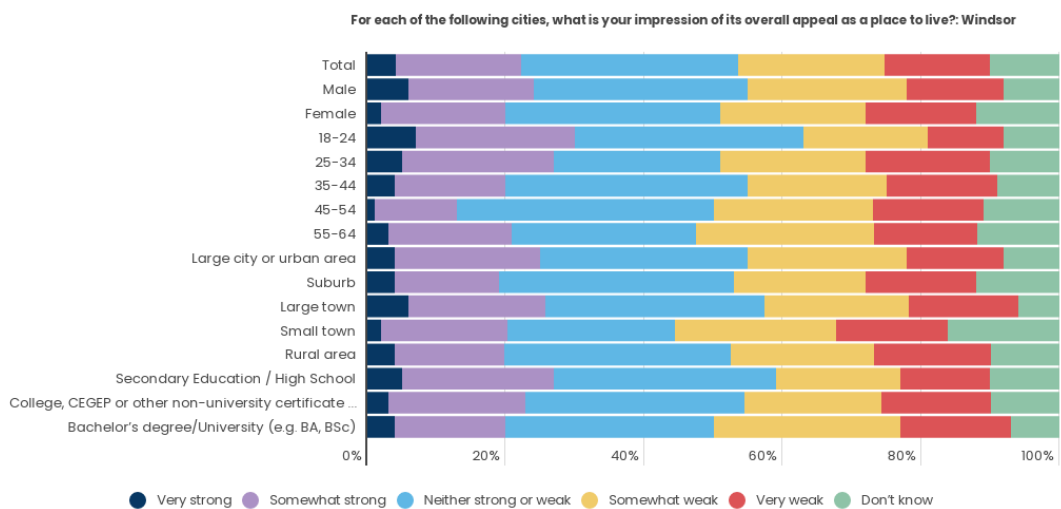
## Respondents question the economic and cultural appeal of Windsor

We asked about whether people perceived the cities to have strong or weak economies, and Windsor comes out at the bottom with 31% saying they felt the local economy was weak, compared to 21% who felt it was strong. Again, the formal education level of respondents appears to play a role with 38% of those with bachelor's degrees saying the economy is weak compared to 26% of those with only secondary education (among whom about as many thought of the local economy as strong). A similar story emerges with the local and cultural heritage attractions, where 26% view Windsor as having weak local culture and heritage attractions. On both these measures Toronto comes out top: 66% saying it has a strong economy and 77% that it has strong local culture and heritage attractions.

### However, as a place to live, Windsor had the lowest appeal of the five cities we tested



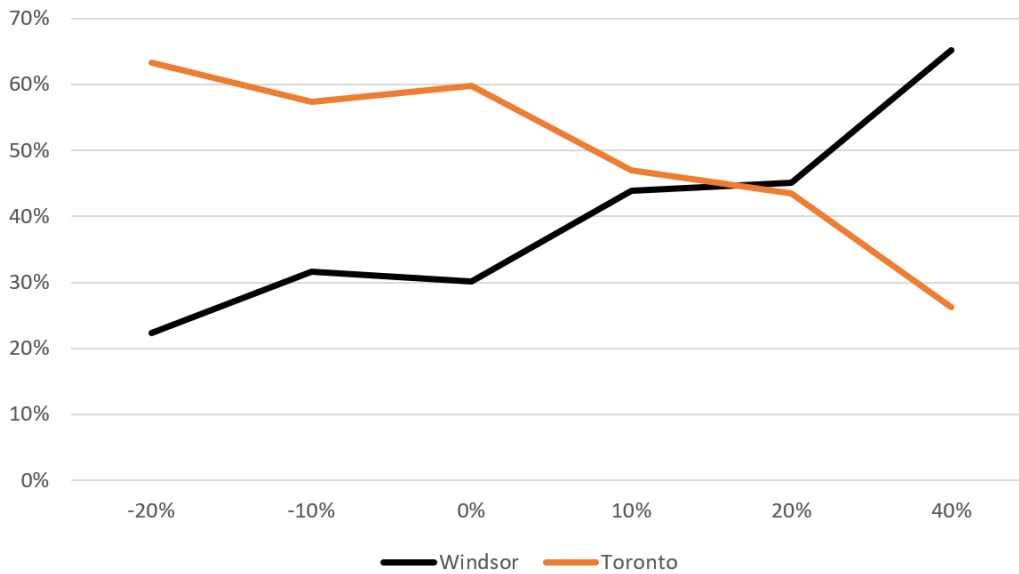
### This was true across different demographics



## The impact of better paid employment on movement to Windsor

We asked respondents whether they would choose to move to Toronto or Windsor if offered jobs in each but with different pay rates. Due to the relative popularity of Toronto, they were about neck-and-neck when the Windsor job payed 20% more a year, and when the two jobs paid the same people chose the Toronto job over the Windsor job twice as often (**Figure 2**).

**Figure 2: Willingness to move to Windsor over Toronto if the Windsor job pays X% more**



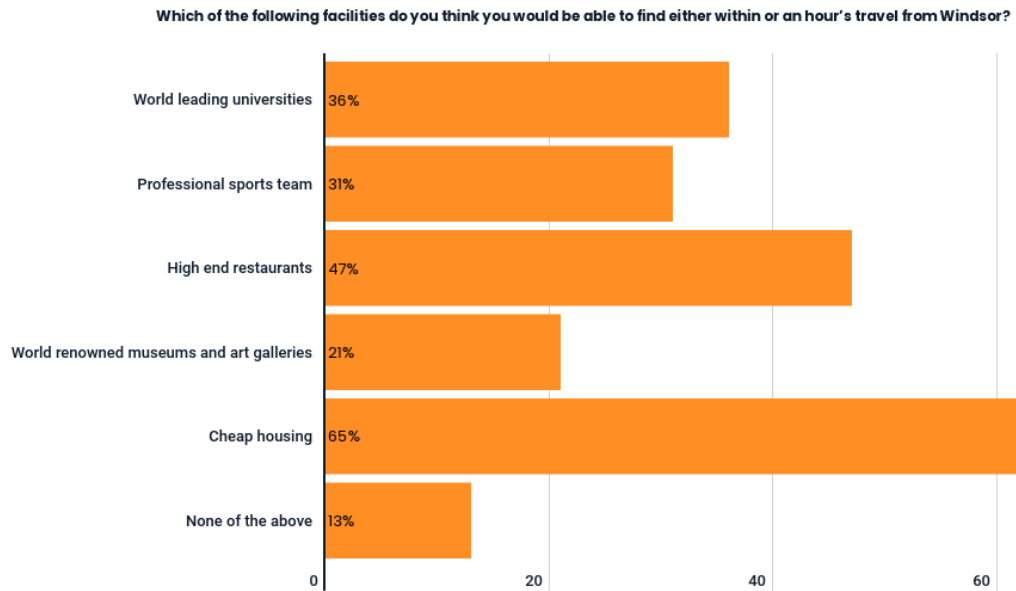
## Windsor was ranked as the least preferred city people would wish to relocate to for work

Imagine that you were being asked to move to a city for work. Your new employer will cover all the costs of the relocation, and assume the salary and type of work be the same in each city. Which of the following cities would you be most prepared to move to? Please rank 3 of the following, with the city you are prepared to move to at the top.



This is unsurprising given the results of our conjoint analysis, which indicated that the salary level was a key motivator for relocation, easily exceeding the importance of culture, housing, and social motivators.

**We saw only limited recognition of Windsor's close proximity to the facilities within Detroit**





# What people say about Windsor

'In your own words, what is your leading impression of the city of Windsor?'

*"Beautiful parks and waterfront parks and walkways. Has many hiking and bike trails, small museums and an art gallery. Many playgrounds for children and youth activities. Cost of living is average and there is affordable housing."*

Windsor resident, 31

*"Too close to the U.S. for my comfort and too distant from Toronto. I don't know any people there and do not find it in any way a desirable place to live or visit."*

Toronto, 58

*"A quiet city with a casino for vacationing."*

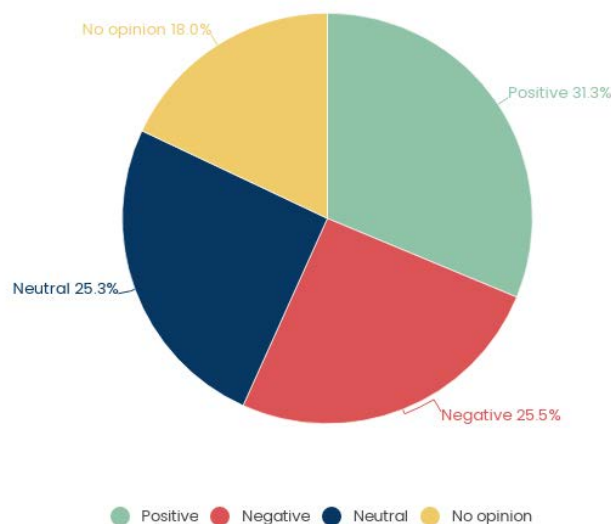
Kitchener, 28

*"Blue collar but becoming more innovative and progressive."*

Ottawa, 46

We saw a reasonable balance of sentiment - although the strength of negative responses was often greater than positive ones

Based on Public First analysis of answers to the question: 'In your own words, what is your leading impression of the city of Windsor?'



## Examples of Positive Responses

*"It is a very student-based city, and a sweet combination between a city life and a small town feeling."*

**Toronto, 18**

*"A great city with entertainment, affordable housing, blue collar jobs and a small town vibe."*

**Ottawa, 34**

*"It's a tech hub and a University town."*

**Toronto, 63**

## Examples of Neutral Responses

*"More affordable housing but not many things to do in terms of entertainment."*

**Toronto, 38**

*"I think that it is a nice city, but that it is more for retired individuals."*

**Hamilton, 24**

*"Nice city, unfortunately gets linked to Detroit."*

**Toronto, 60**

*"My only real knowledge of Windsor is it is a border town which is nice and it has a casino. Other than that not much."*

**Kitchener, 52**

## Examples of Negative Responses

*"Like the Canadian Detroit? Only been there once but it isn't lively and more of a blue collar city."*

**Toronto, 35**

*"I think that Windsor is a town that is down on its luck. The manufacturing industry has moved away and there are a lot of people out of work. The largest employers are across the border. There isn't a lot to attract me to the area."*

**Ottawa, 33**

*"Too close to the US, leading to high crime and disease crossing the border."*

**Toronto, 50**

*"It is not exactly a place I would want to be. It seems like a very unsafe area and there really isn't anything that is drawing me to the area. My family and friends are located in the southwestern Ontario area and Windsor is a little out of the way for me."*

**Hamilton, 21**

# What do these survey results mean for Windsor?

These findings present challenges for Windsor. There are some clear negative associations with the city, and in this regard the survey confirms some of the observations made by local interviewees about how the city was perceived by outsiders. Acknowledging these negative associations, and who they apply to, should allow for targeted strategies that combat these perceptions and move public opinion, over time, in Windsor's favour.

As expected, given its relative economic fundamentals, the survey found that Windsor scored relatively poorly compared to other cities in Ontario. Affordable housing is an asset and perceived as such. Low residential property prices will need to be maintained as Windsor's population grows (by encouraging new housing development) – it is an advantage that Windsor could promote to people outside the city.

It is hard to avoid the conclusion that Canadians living in Ontario do not have positive associations with Detroit, and to some extent these rub off on Windsor. They clearly do not think of Windsor as 'close to amenities,' which could mean they don't know that Detroit has these amenities, that they are available and easy to access if you live in Windsor, or they discount them because their negative views of Detroit are such that they would not choose to go there.

While the city wants to be communicating to those in Ontario that Windsor is a great place to live, and near great amenities, in the nearer term, attracting people living in Michigan – and other immigrants to Canada – may be easier.

Throughout this project, similar themes kept emerging that are supported by the public attitudes research. Many of Windsor's strongest advantages are unknown to people who do not live in Windsor or know the city from direct experience. Often the experience of visiting is a positive one and many people who grow up in Windsor and leave as young adults gravitate back in order to enjoy these advantages. The city must accept this challenge and work to overcome it. In other words, do more to sell what Windsor already is – and the comparative advantages it already enjoys – so that more people come to recognize them. Such people will be future investors, residents and consumers.

## Edison Financial

Edison Financial is a Windsor-based digital mortgage start-up that will serve the needs of consumers across Canada in partnership with Canada's leading broker channel lenders. The company was founded by Hash Aboulhosn in 2017 with the goal of giving Canadian homebuyers a friendly, transparent and convenient mortgage experience. Edison is currently operating in Ontario and British Columbia with plans to expand to other provinces in the near future.

# 3. How Cities Like Windsor Grow and Thrive

Over recent decades, governments around the world have looked to catalyze urban development and economic diversification as globalization has hollowed out formally industrialized urban centres. The history of these efforts provide valuable insights for Windsor Works.

In the Economic Regeneration Toolkit (see [Appendix 1](#)) prepared for this project, an overview is provided of different strategies that cities have taken to drive local economic growth, jobs, and regeneration – and what is known about what has or has not worked, considering:

- The most up to date theory behind why some cities thrive more than others;
- The academic evidence on which policy tools are more effective; and
- Ten case studies of the different strategies that cities have employed.

Our core finding is that there is no silver bullet. The relative success of policies is highly dependent on the context of each city and exactly how they are implemented. It is impossible for policymakers to perfectly predict or control the future of their city – but policies can help make success much more likely.

# What is the evidence around urban development?

There are four main explanations for why some cities grow richer than others:

## Sectors & Clusters

Historically, cities would grow on the back of rare natural resources, as the centre of political power or as convenient trading crossroads. In the modern world, many cities develop an economic specialism by taking advantage of a first-mover advantage or gaining a critical mass in a new industry: Silicon Valley for IT, Hollywood for films, or Detroit for cars. When that sector declines, the city either needs to find a new specialism, or it will suffer eventual decline itself.

## People & Culture

Under this view, cities thrive when they are attractive places for highly talented or creative people to move to – and they in turn create new businesses and jobs for the rest of the local economy. This might be because the city hosts a world-leading University, features an attractive climate, or is home to appealing cultural and sporting amenities.

## Scale

There is overwhelming evidence that cities themselves enjoy economies of scale: the larger they are, the more connections workers and businesses can make, and the greater their productivity. Many cities are centuries old, long outliving the rise and fall of any one industry.

## Competitiveness

Just as a national government works to improve the underlying supply side fundamentals of its economy, cities compete to provide efficient infrastructure, competitive taxes and support for basic research and innovation.

There remains a significant debate in the literature over which of these factors is most important, or drives the others. Do highly productive cities tend to have great amenities because of high disposable income from thriving local industries – or can the amenities themselves attract new start-ups to locate there? Is it better to specialize in a particular industry and seek to become a world leader, or does this invite vulnerability when economic fundamentals change?



In the following areas, there were common approaches that cities adopted, with varying degrees of success:

## Sectors & Clusters

- Targeting research spending or tax credits at specific industries
- Offering generous tax breaks or incentives to encourage large companies to relocate
- Building new facilities and working with companies in an industry to increase collaboration

## People & Culture

- Investing in cultural amenities and new sports facilities
- Brownfield regeneration and land redevelopment
- Seeking to increase graduate retention
- Investing in the local University

## Scale

- Building new transport links with other larger metropolitan areas
- Liberalising planning laws or building more housing stock
- Encouraging inward migration (from other regions or from overseas)
- Relocating public sector staff to relatively deprived areas

## Competitiveness

- Investing in local infrastructure: roads, public transport, broadband/fibre, etc.
- Offering liberalized planning rules, regulations, taxation in specific special enterprise zones or free ports
- Lower cost labor or tax incentives

Given that cities, especially in different regional and national contexts, are complex places and with varied histories, it is hard to definitively state what 'works' and what does not. As a general rule, however, the evidence suggests that:

- 'Downstream' investments (housing, public transport, new cultural amenities) based on the assumption that they will attract a higher population are less likely to succeed than policies that support developing economic strengths and broader competitiveness. In other words, *build it, and often they do not come*. There are very few examples of new sports stadiums or art galleries that, by themselves, have turned their part of the city around, and all too many examples of major civic infrastructure projects becoming white elephants.
- That does not mean new transport infrastructure or housing are always the wrong thing to do. When a city or a particular urban region is already at full capacity, they can help unlock growth. If there is a deprived area in the middle of a more successful neighbouring area, redeveloping it is likely to be highly effective.
- It is hard to force a city to become a world leader in a completely new sector from the top down. Worldwide, many, for example, have tried and failed to become leaders in renewable energy.
- Cities can, however, do a lot to help nascent sectors that have emerged organically to grow faster – and remove regulatory or other barriers that are in the way. If a city has a 'minimum viable industry', then a lot can be done to help it scale.
- While incentives for companies might encourage them to choose one city over a neighbouring rival, they are rarely enough on their own. Amazon chose Virginia for their second HQ because of skills, not taxes. The pay-off from incentives is often unclear – and when they go, the company sometimes goes too.
- Increasingly, cities that are thriving have 'innovation' strength – they have ideas and very advanced skills. Cities in advanced economies are unlikely to compete on lower costs alone. These strengths can be in manufacturing, but the higher up the value chain a city goes, then the better protected it is, and diversity helps.
- Cultural investments are unlikely to be sufficient for economic regeneration, but they might be necessary. It is hard to know what minimum level of 'niceness' a city needs to achieve to attract today's skilled young professionals – but almost every case study incorporates some element of this. It is worth checking whether outsiders think the city is a good place to live and therefore what future relocation demands might look like.

## University of Windsor

The University of Windsor is the largest post-secondary institution in the city and was established in 1963. It offers 190 undergraduate programs, 65 graduate programs and six professional programs, including in law, business, engineering, science, education, nursing, human kinetics, social work, art, humanities and social sciences.<sup>20</sup> The University has 16,321 full and part time students, 23% of which are international students. The student body collectively represents nearly 100 countries around the world.<sup>21</sup>

The University has strong links to the United States; they participate in a U.S. federal loan program<sup>22</sup> and for the last seven years they have offered a discounted U.S. 'Neighbour Rate' – currently \$9,765/semester for full time U.S. students and \$1,953/semester for part-time U.S. students – a 50% discount on the international student rate.<sup>23</sup> One of the University's unique curriculum offers is a dual Canadian and American law program, from which graduates receive both a Canadian J.D. and an American J.D.<sup>24</sup>

In 2018, the University of Windsor was ranked among the most beautiful Universities in Canada by Best Choice Schools. The University was recognized for its environmental status and landscaping, significant useable student space, mix of historic and modern architecture, location near an international border, and temperate climate compared to other Universities in Canada.<sup>25</sup> In 2019, the University was also ranked among the greenest post-secondary schools in North America by the Princeton Review for its commitment to green practices and programmes.<sup>26</sup>

The University's strength is in teaching, where it has a student/faculty ratio of 26:1, giving students close access to their professors and high quality educational and research opportunities. Further, the Faculty of Science specifically has a student/faculty ratio of 16:1 – the best in Ontario and one of the best in Canada.<sup>27</sup>

The University also produces high quality research in areas fundamentally important to the future of the region. The University's strategic research plan identifies four key challenges underpinning the University's research agenda:<sup>28</sup>

1. The health of the Great Lakes;
2. The challenges of borders and how people and goods move across them;
3. Sustainable industry, including auto manufacturing;
4. Creating viable, healthy and safe communities.

Recently, the University has received \$4.3 million in federal and industry funding to support research into next generation electric vehicle production. Researchers at the University are working on this project with industry partners, including Ford, D&V Electronics and NemaK.<sup>29</sup> The University has also established the Cross-Border Institute (CBI) to examine policy challenges around borders in the modern world which serves as a centre of excellence in border management and security.<sup>30</sup>

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- 30 The Cross-Border Institute (2020). Retrieved from: <https://www.cbainstitute.ca/>

# 4. How Windsor Scores

The following summarizes our assessment of how the city of Windsor today scores when set against the four key factors for successful city growth (sectors, people, scale, competitiveness):

<b>Windsor's Economic Strengths and Weaknesses</b>	
Sectors & Clusters	<ul style="list-style-type: none"> <li>+ Windsor remains one of Canada's most important manufacturing centres for cars, and the city is working to become a centre for automotibility. Leading manufacturers in other fields (like Jamieson) have made their home in Windsor.</li> <li>+ The City and surrounding area have strong tourism assets, with diverse attractions including gaming, food and drink, outdoors and culture.</li> <li>- Over the last twenty years, auto production in Ontario has been shifting to lower cost locations in Mexico and the Southern United States.</li> <li>- The automobile industry looks set to suffer significant disruption in the coming decades with the rise of electric and self-driving vehicles. It is not clear how well Windsor is currently set up culturally or in its research and skills base to take advantage of these trends.</li> <li>- Unionized labor with high costs; and other higher costs (such as electricity) can deter investment.</li> <li>- There is no global, non-automotive R&amp;D strength in or near Windsor.</li> </ul>
People & Culture	<ul style="list-style-type: none"> <li>+ Windsor's population continues to climb, suggesting the area has appeal to local and international migrants.</li> <li>+ The University of Windsor is academically strong - albeit with significant competition in the rest of Ontario.</li> <li>+ The area has a history of high skilled manufacturers in the tool and die industry.</li> <li>- The share of graduates in the Windsor labor market (25.2%), remains below the national average (28.5%). By urban area, Windsor has the 15th highest population, but only the 41st highest share of graduates. The city continues to see a net loss of graduate talent.</li> <li>- The University of Windsor is stronger in teaching than research, and it has not built up sufficient strength in automotive research.</li> <li>- Many of our interviewees complained about a lack of amenities for young graduates, millennials (and younger generation), with Detroit seen as significantly more culturally appealing. In fact, the region has experienced an anecdotal "thirtysomething" population boom, as talented individuals return to the region, after having studied or worked in larger urban settings.</li> </ul>

## Windsor's Economic Strengths and Weaknesses

Scale	<ul style="list-style-type: none"> <li>+ The city is located next to one of the most important manufacturing centres in the US: Detroit. There is already significant collaboration between companies on both sides of the border, and potential for further economies of scale between the two cities.</li> <li>+ Affordability of housing is often mentioned as a key strength (though presumably if Windsor began to grow faster economically, and did not keep pace with housing supply, this would change).</li> <li>+ The new bridge will allow more rapid access into Detroit and the rest of Michigan.</li> <li>- Windsor is too distant to form an effective economic region with other major cities in Ontario, and public transport links between them are weak. Windsor is a very car-centred city.</li> <li>- This means that Windsor is dependent on Detroit for scale - a reviving city, but one with major risks, and with border issues.</li> <li>- While rental prices in Windsor are among the lowest in Ontario, the absolute level of vacancies remains low.</li> </ul>
Competitiveness	<ul style="list-style-type: none"> <li>+ Windsor remains a cost competitive location for businesses. In 2016, KPMG estimated a cost index of 84.3 for Windsor-Essex, compared to a benchmark average of 100 for the US.</li> <li>+ Internationally, Windsor benefits from Canada's fundamentals. While it has been moderately sliding in recent years, Canada remains highly competitive both for business taxes and more broadly.</li> <li>- While it has been catching up in recent years, GDP per capita remains at around three quarters of the national average, suggesting relatively low productivity.</li> <li>- Local government in Windsor doesn't have the ability to match US economic incentives.</li> <li>- Some interviewees have suggested that Windsor lacks a strong entrepreneurial base and culture (but we have not yet put numbers on this).</li> </ul>

Instead of following the same playbook for every city, decision-makers must utilize a city's unique historical and geographical advantages, while staying open to new opportunities that might emerge. Windsor enjoys several fundamental economic advantages: a location on the border, a strong manufacturing legacy, and a growing population. This puts it in a better position than many cities in the US rust belt. While its GDP per capita remains significantly below the national average, the data suggests that it has been catching up – which is certainly not true for every post-industrial city.



## St. Clair College

St. Clair College has been a quiet success story in Windsor. Its growth has implications for the local population and for the future of Windsor's economy. The post-secondary institution, founded in 1967, has a total full-time student complement of 12,800 as of 2019<sup>31</sup> and has expanded both its student body and its courses due to growing demand from the international market over the last decade.<sup>32</sup> Unlike many Colleges in Ontario, St. Clair took a decision in 2015 when the current President took over, to focus on growth by catering to the rising demand from international students and their desire to study in Canada.

The College operates across three campuses in Ontario and in 2015 there were approximately 250 foreign students enrolled in Toronto, and 450 locally in Windsor. By 2020, enrolment had increased more than 10 times to 2,700 in Toronto and to 3,700 locally. Of these international students, approximately 70% live in the City of Windsor, which has necessitated a large expansion of the College's accommodation provision, with them almost doubling their downtown presence. This expansion will include the \$23m 'GEM' residence which will provide accommodation for over 500 students on the main south campus when it opens next year.<sup>33</sup> In total, the College estimates that they will soon add another 1,000 spaces for students living downtown and will need other faculty premises too.

St. Clair is able to set their own fees for international students and they remain competitive – placed in the bottom quartile for fee rates among 24 public Colleges in Ontario – making them an attractive choice for Indian, Chinese and other nationalities who are seeking affordable, high quality study options abroad. Another element of this demand is that many also seek residency in Canada after the completion of their studies in Windsor, and international students now make up 37% of the student population, up from 6% in 2015.

Despite the COVID-19 pandemic, the College has been able to maintain enrollment as a licensed education institution<sup>34</sup> and has worked to incentivize travel and other online teaching measures to ensure new arrivals can begin their courses without being inconvenienced.<sup>35</sup> The extraordinary growth in international students has driven the expansion of St. Clair and will continue to be part of the College's growth strategy for future years. It has also driven a financial turnaround with the College going from a \$5m deficit in 2015, to a \$41m surplus in 2019.

Given the size of Windsor, the College has an outsized impact on the local area and a significant downtown presence, with its staff and students supporting local economic activity and also impacting the housing rental market. St. Clair College has become an outsized contributor to local prosperity. Its ability to attract students should be coupled with a new talent retention strategy to locally leverage the enhanced skills and support local economic activity.

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31 The College of St. Clair (2019) News, 19 September, Retrieved from: <https://www.stclaircollege.ca/news/2019/st-clair-college-enrolment-stays-strong>

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# How does Windsor compare with similar cities?

There is limited published research on the relative position of mid-sized cities in Canada, with most comparative studies focusing on much larger global cities. Therefore, we used available information to devise a bespoke comparison that showed Windsor's relative position. To our knowledge, this is the first time that Windsor's economy has been scored against that of other cities that are chosen because they are similar to Windsor (rather than as part of a nationwide ranking of cities of all sizes).

Key data was compiled for cities across comparable jurisdictions to judge Windsor's current position. In order to better understand Windsor's relative strengths and weaknesses, a database was built including cities across Canada, the US, the UK and continental Europe. Each city was analysed not just to see how well it has done in recent years, but also what were its relative strengths in the three horizontal drivers of growth:

- **People:** Attracting people to live there
- **Scale:** Taking advantage of size and economies of scale
- **Competitiveness:** How attractive is it to businesses?

We compared Windsor with 29 similar post-industrial cities to better understand the city's relative strengths and weaknesses. For each pillar, some key metrics were identified, bringing together comparable data from the OECD, national statistical agencies and third-party data.

In general, our findings show that Windsor's main strengths are:

- High quality of life;
- Growing population and proximity to a large labor market in Detroit;
- Relatively low cost of doing business.

The city's main weaknesses are:

- The relatively weak University ranking;
- Relatively high unemployment rate;
- The city's lack of appeal to outsiders.

# Overall Economic Performance

To get a current picture of overall economic performance a comparison was made of each of the cities on their recent economic output and growth. Windsor ranks 4th in recent GDP growth per capita (between 2009–2016), at a rate of 16.9%. This shows that Windsor had among the fastest growth of any rust belt or other post-industrial city in our sample, a very promising trend that the city must work to maintain.

However, Windsor did not perform as well on other output metrics; its worst performance was in the metric “GDP per capita compared to the national average”. In Windsor, GDP per capita is only 64% of the national average, ranking it 28th in our sample and the lowest amongst its Canadian peer cities of Hamilton, Kitchener and London.

The final metric in this category is Gross Domestic Product (GDP) per worker, which is used as an indicator of labor productivity. Windsor ranks below average (17th) amongst the sample with a GDP per work of \$82,836. Detroit has the highest GDP per worker, at \$123,203, and London has the lowest at \$59,411. Amongst Windsor’s Canadian peers, however, the city ranks the highest, with Kitchener a close second (\$80,430), followed by Hamilton (\$71,534) and lastly, London (\$59,412).

After setting the scene with big picture economic metrics, analysis was undertaken of each city’s performance across three horizontal drivers of growth:

- **People: is the city attracting people to live there?** To understand this, the size of the graduate population, quality of life, and the external appeal of the city were factors.
- **Scale: is the city taking advantage of size and economies of scale?** To understand this, population growth, average house prices, and the size of the nearby population were factors.
- **Competitiveness: how attractive is the city to businesses?** To understand this, business costs, University rankings, and unemployment rates were factors.

Overall, Windsor’s performance across these metrics is average, ranking on average 17th across the People pillar, 13th across Scale, and 15th across Competitiveness. Within these pillars, however, there is significant variation in Windsor’s performance.

	Area	Pillar	Based On	Period	Windsor Ranking
1	Growth	Output	% in GDP per capita, 2009 to 2016	2009–2016	<b>4</b>
2	Absolute Labor Productivity	Output	GDP per worker	2016	<b>17</b>
3	Relative Labor Productivity	Output	GDP per capita as a % of national average	Latest	<b>28</b>
4	Graduate Population	People	% of workforce with a graduate education	Latest	<b>18</b>
5	Quality of Living	People	Proxy index based on crime rates and air pollution	Latest	<b>13</b>
6	Appeal	People	% of survey respondents who said they wanted to move here	2020–09–01	<b>20</b>
7	Population Growth	Scale	% of growth in population	2008–2016	<b>12</b>
8	House Prices	Scale	Average house prices in CAD	Latest	<b>22</b>
9	Nearby Population	Scale	Populations of cities within an hour's radius	Latest	<b>6</b>
10	Business Costs	Competitiveness	Merged index based on office costs and KPMG data	Latest	<b>4</b>
11	Research	Competitiveness	Global ranking of largest University	Latest	<b>20</b>
12	Labor Market	Competitiveness	Proxied by pre-COVID-19 unemployment rate	2018	<b>22</b>

36 Windsor's relative ranking compared to 29 other post-industrial cities, with the best performing city as 1.



# Pillar I: People

Windsor performs slightly below average across metrics within the People pillar. Its main strength in this pillar is the quality of life it can offer residents, and its weakness is its lack of appeal to outsiders. Windsor's "quality of life" ranking provides a glimpse of one of the most attractive aspects the City of Windsor has to market. Windsor scores better than studied North American cities and on-par with Canadian peers. Therefore, actions that can leverage and market the City as a destination for individuals and families can further help attract high-skilled labor

Windsor performs below average on the graduate population metric, which measures the percentage of the population with a University-level education. Among the 25 peer cities with available data, Windsor ranks 18th with a graduate population of 21.3%. The highest performing city in this metric is Madison, Wisconsin with 49.49%, and the lowest is Detroit with 13.3%. This metric shows that although Windsor and Detroit have a relatively large population between them, this population has a relatively low educational attainment.

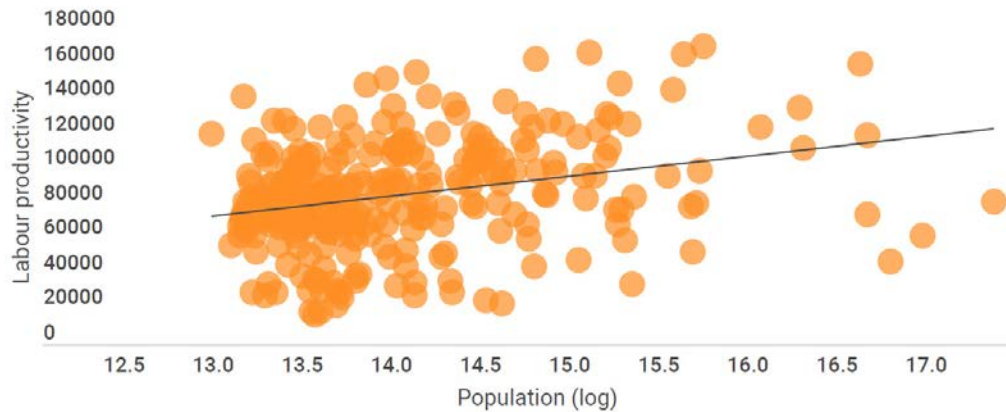
Windsor's worst performance in this pillar is in the appeal to mobile workers metric, which measures how prepared outsiders would be to move to a city. Windsor ranks 20th out of 22 cities in this metric, highlighting the city's weakness in appealing to outsiders.





## Pillar II: Scale

Relationship between productivity and population in OECD cities



Econometric studies find on average that the doubling of a city's population size increases the productivity of its workforce by 2-5%.<sup>37</sup> The largest variation in Windsor's performance is found within the Scale pillar, where the city had both its highest and lowest total ranking. Windsor's highest ranking is in the "nearby population" metric, which compares the populations of cities within an hour's radius. Windsor ranks 6th in this category among all 30 cities, and 1st amongst its Canadian peer cities. This metric highlights Windsor's unique strength over other post-industrial cities and specifically its competitors in Canada: its proximity to Detroit, and the labor and investment opportunities that come with that location.

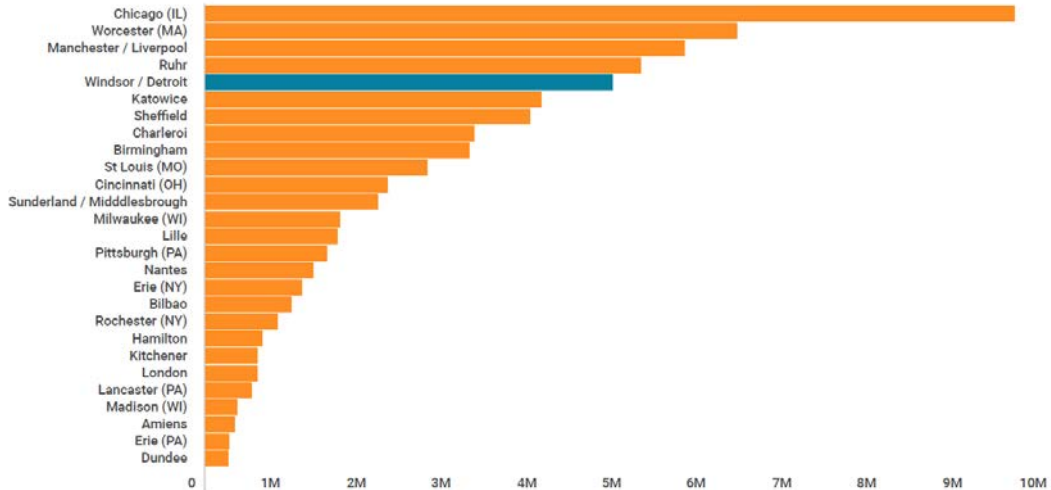
Windsor's worst ranking is in the "house prices" metric, which compares average residential property prices across the sample. Windsor has the 6th highest residential property prices out of the 28 cities with available data. It is worth noting, however, that Canadian cities in general seem to have the high residential property prices compared to other countries. In fact, compared to its Canadian peer cities, Windsor has the lowest residential property prices. Therefore, this finding may not be such an issue for Windsor within its regional and national context.

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<sup>37</sup> "According to the OECD, doubling a city's population size increases the productivity of its workforce between 2%-5% on average" Source: Ahrend, R, Farchy, E, Kaplanis, I, & Lembcke, A. (2014) What Makes Cities More Productive? Evidence on the Role of Urban Governance from Five OECD Countries, *OECD Regional Development Working Papers 2014/15*. <https://doi.org/10.1787/5jz432cf2d8p-en>

Windsor also performed relatively well in the “recent population growth” metric, ranking 12th out of 31 cities in the sample. The city had a population growth of 4.9% between 2008 and 2016, outperforming most U.S. cities but underperforming Canadian cities, such as Kitchener (13.7%), London (9.8%) and Hamilton (7.8%). Canadian cities generally saw faster population growth compared to other countries in our sample, a trend largely driven by recent immigration. As such, Windsor is doing well in this metric on an international level, but not necessarily among its Canadian peers.

### Population within an hour’s drive



## Pillar III: Competitiveness

Windsor's ranking in the Competitiveness pillar was average, with its main strength being low business costs and main weakness, its relatively high unemployment rate. Windsor has relatively low business costs amongst the cities in our sample, which was determined by comparing the average cost of leasing an office by square foot. The city ranks 4th out of 24 cities globally. Business costs in Windsor are nearly identical to those in Hamilton, Kitchener, and London<sup>38</sup>. Therefore, our findings suggest that Windsor has a relatively good offer for businesses compared to peer cities across North America.

Windsor did not perform particularly well, however, on its University ranking. The city ranks 20th out of the 30 cities in our sample, and 12th out of the 16 North American cities. The top 3 cities in North America by University ranking are Chicago, Illinois; Madison, Wisconsin; and Hamilton, Ontario. The only Canadian city in our sample that Windsor outperformed is Kitchener.

Finally, Windsor has experienced higher than average levels of unemployment, when compared to other North American cities in the study (Windsor ranked 22nd out of 32 cities). All Canadian cities have higher unemployment levels than U.S. companions, and Windsor's was among the highest across Canadian jurisdictions. All of this data relates to the period immediately prior to the COVID-19 pandemic, and aligns with a decade of economic dislocation in Windsor, associated with the automotive recession of 2008-09. By the end of 2019, Windsor had recovered to pre-2008 unemployment measures, underscoring the need to embrace a wider cluster of local economic drivers.

*Full details of this analysis can be found in [Appendix I](#).*

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38 KPMG (2016). Competitive Alternatives: KPMG's guide to international business locations costs. Retrieved from: <https://assets.kpmg/content/dam/kpmg/pdf/2016/03/ca-competitive-alternatives-2016-canada.pdf>

# What does this mean for Windsor?

In terms of the fundamentals – basic office costs, graduate share, quality of living and so on – Windsor scored in the middle of the pack of the rust belt sample. That does not mean that Windsor cannot improve its fundamentals, but in aggregate there are neither outsized weaknesses nor strengths.

Pillar	Windsor's average rank (out of 30)
Output	16
People	17
Scale	13
Competitiveness	15

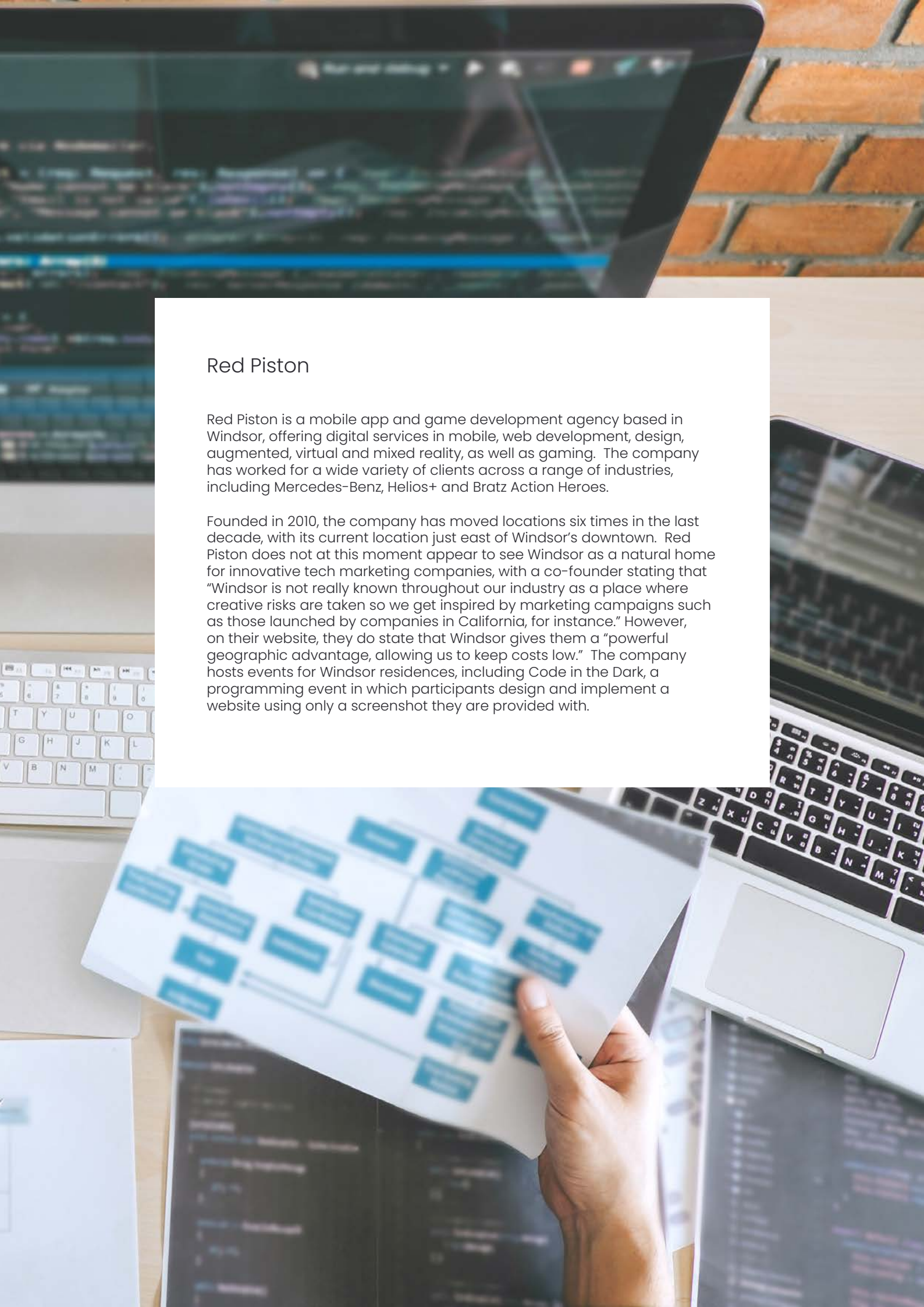
Windsor's most significant weakness in driving growth is the city's R&D potential. Cities that have experienced the most dramatic turn-around growth have had world class Universities (like Carnegie Mellon in Pittsburgh or the University of Manchester in Manchester) and companies which have done fundamental R&D (like Microsoft in St. Louis). Neither are true, currently, for Windsor. While it sounds like the University of Windsor is pursuing a sensible strategy in terms of automotive research (and attempting to recover a lead it had in this area some decades ago), this is not equivalent. The University's strength remains teaching, rather than research.

Windsor's biggest output weakness is labor productivity – GDP is growing but GDP per capita is not. But this is, in our view, not a cause but a symptom of the city's industrial mix.

Politically, Windsor has been much more successful than Detroit. It has avoided the bankruptcy, urban decay and the social unrest that has characterized that city, and Windsor has always been much safer than Detroit. In population terms, too, Windsor and Detroit have been on divergent paths. Windsor's population is growing steadily and has been for almost a decade after a period where the population fell slightly between 2007-11. The constant population decline over four decades in Detroit is a marked contrast.

However, in economic terms, Windsor is near-identical to Detroit. As an economic region, it should think of itself as part of Michigan more than part of Ontario. It has declined very slightly less, and later on grown very slightly less, but these are small effects compared with other cities. Analysing data from the Detroit economic agency and WEEDC, suggests some divergence over the last three years in Detroit's favour. As some of the interviewees said, Detroit's revival has been substantially driven by philanthropy, which is not automatically available to Windsor. But the data does suggest that if Windsor is able to tie itself more tightly to Detroit, then it will be following the place with greater momentum.


Windsor's GDP has been growing. But this is substantially fuelled by population growth. There are definite advantages to population growth, but it is worth noting that on a GDP per capita level Windsor is below its pre-2005 peak. It lags very substantially behind the rest of Canada.



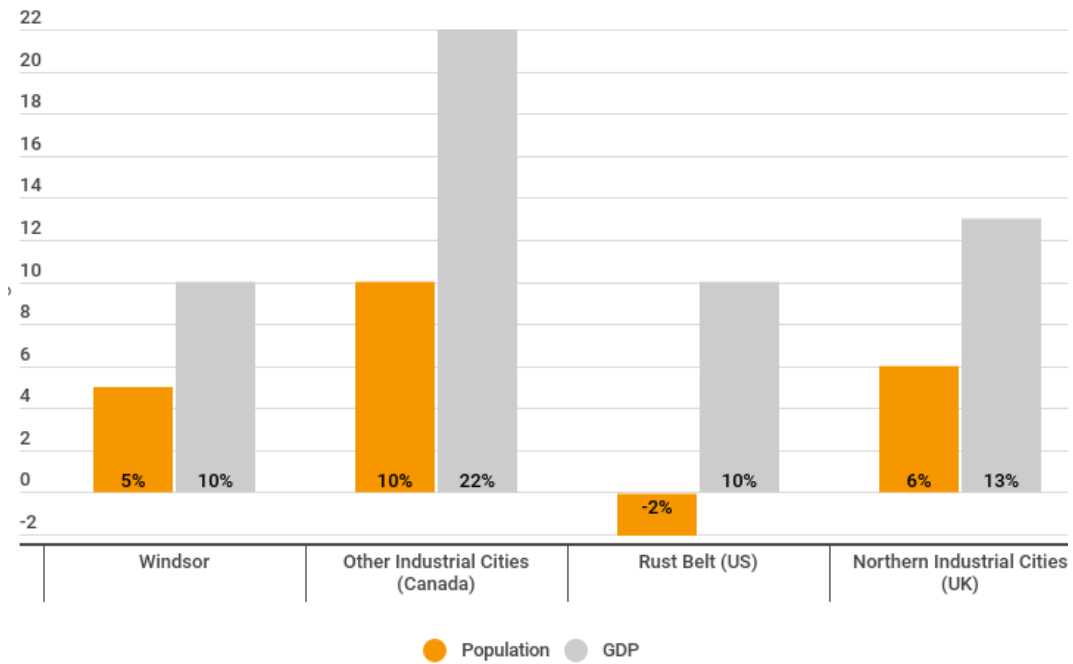
## Red Piston

Red Piston is a mobile app and game development agency based in Windsor, offering digital services in mobile, web development, design, augmented, virtual and mixed reality, as well as gaming. The company has worked for a wide variety of clients across a range of industries, including Mercedes-Benz, Helios+ and Bratz Action Heroes.

Founded in 2010, the company has moved locations six times in the last decade, with its current location just east of Windsor's downtown. Red Piston does not at this moment appear to see Windsor as a natural home for innovative tech marketing companies, with a co-founder stating that "Windsor is not really known throughout our industry as a place where creative risks are taken so we get inspired by marketing campaigns such as those launched by companies in California, for instance." However, on their website, they do state that Windsor gives them a "powerful geographic advantage, allowing us to keep costs low." The company hosts events for Windsor residences, including Code in the Dark, a programming event in which participants design and implement a website using only a screenshot they are provided with.



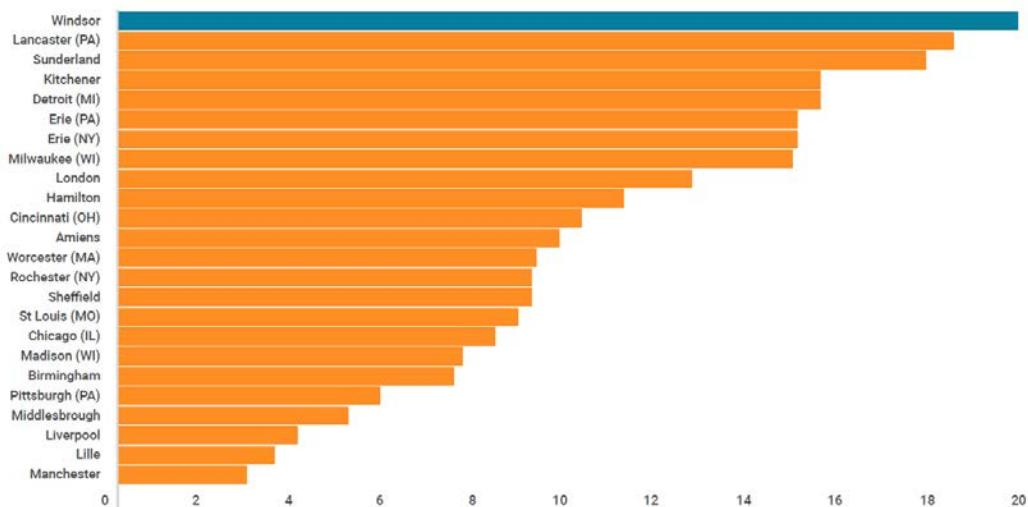
### Ten Year Performance (2008-2018)



Despite falling by a third over the last twenty years, Windsor had the highest share of manufacturing employment of any of the rust belt cities examined in this process. Given the shift away from manufacturing experienced internationally – short of a very radical shift to onshoring – the central projection has to be that this is unlikely to rise again and may well fall.

Unsurprisingly, on a median hourly wage, Windsor’s highest paid people are either in the public sector or engineers.<sup>39</sup> It is also noteworthy that a recent Workforce Windsor Essex survey shows a high number of employers reporting education qualifications and technical skills as a challenge in terms of filling vacancies.<sup>40</sup>

### Manufacturing share of employment (%)



39 Based on median hourly wage data provided by the city Workforce WindsorEssex (2018) Community Labor Market Plan Windsor-Essex. Retrieved from: <https://www.workforcewindsor.essex.com/wp-content/uploads/2018/04/Community-Labor-Market-Plan-EN.pdf>

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## Support for new businesses in Windsor

Windsor's small businesses and new start-ups will be vital contributors of the city's future economic growth. Rather than betting on the pursuit of large corporations in order to entice them to make one major relocation decision, the city administration is favouring an approach of 'building on small wins', so that future employment growth increasingly comes from attracting multiple smaller companies with less than 50 employees.

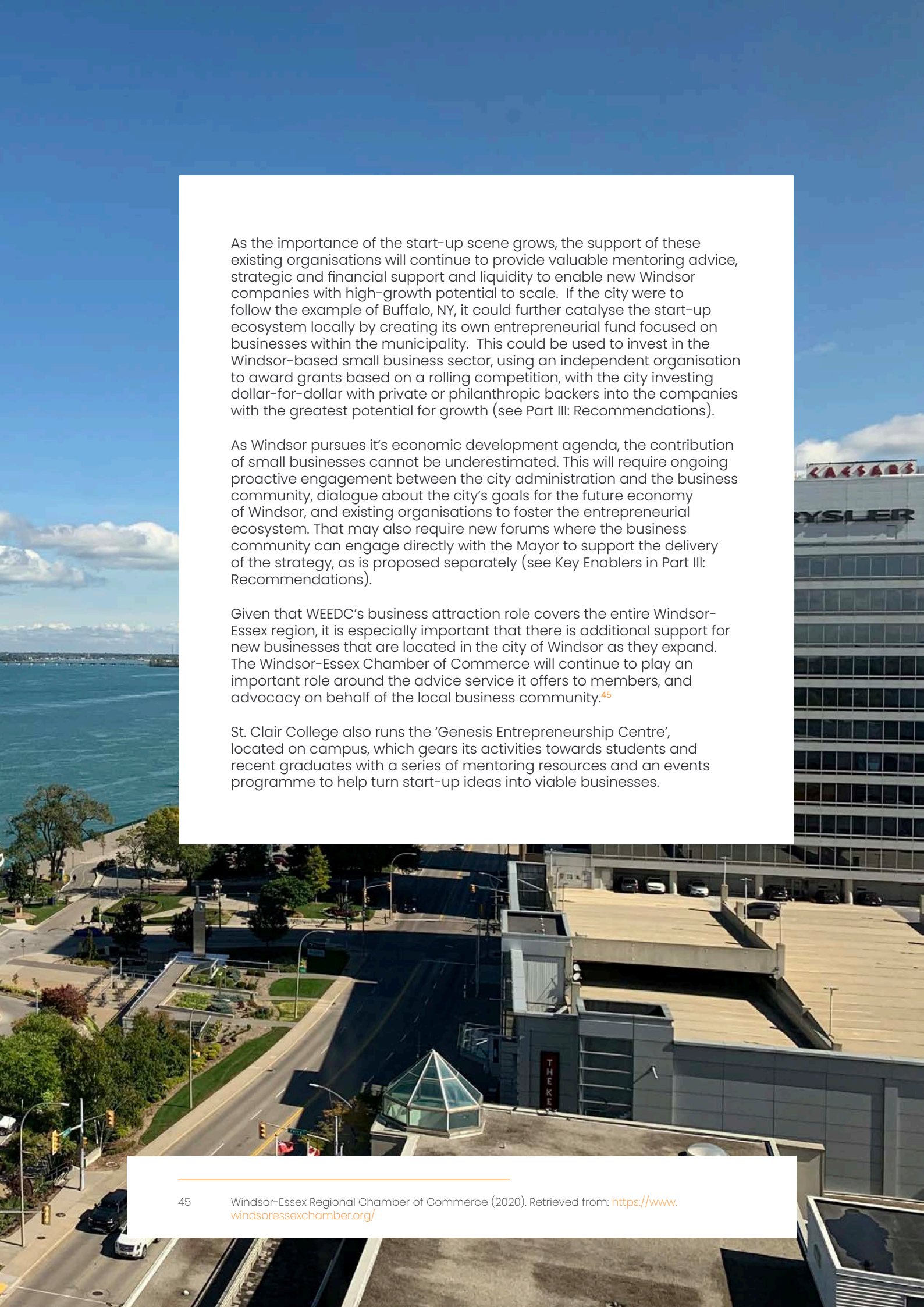
Existing small businesses in Windsor can already access a vibrant network of support to expand and to help grow their product offerings, and in the technology sector, the WE-Tech Alliance provides a regional offer for businesses in Windsor-Essex and Chatham-Kent to help them collaborate, innovate and scale. WE-Tech is funded by the province, via the Ontario Network of Entrepreneurs and is one of seventeen Regional Innovation Centres.

There are also existing venture capital organisations that offer investment to Windsor start-ups and the existing WE Capital Angel Network (WE-CAN) offers direct support from angel investors to companies in a range of sectors. WE-CAN, located on Howard Avenue in Windsor, has recently partnered with other angel investor groups in Ontario to form a larger network – Equation Angels – to provide even more avenues for investment.<sup>41</sup>

Windsor already has a small business accelerator, established in 2011, which has directly helped to create 120 companies in the local area (of which 80 are still operating) and has set a goal of creating 320 firms.<sup>42</sup> The University of Windsor continues to support local entrepreneurs through its Entrepreneur, Practice and Innovation Centre (EPICentre), which serves as a hub for current and recent graduates pursuing entrepreneurial ventures, as well as those in the community who can access the competitions and grants that the EPICentre oversees.<sup>43</sup> In 2019-20 the centre spent \$107,500 to assist seventeen start-up ventures.<sup>44</sup>

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- 41 WE-Tech Alliance (2020). News release, 24 September 2020. Retrieved from: <https://www.wetech-alliance.com/2020/09/24/game-changer-for-local-entrepreneurs-as-angels-enter-the-equation/>
- 42 Windsor Downtown Accelerator (2020). News release, 17 October 2020. Retrieved from: <https://www.downtownaccelerator.com/newsroom/windsor-business-accelerator-hails-milestone-with-donor-wall/>
- 43 University of Windsor (2020) EPICentre 'About Us'. Retrieved from: <https://www.epicentreuwindsor.ca/about-us/>
- 44 University of Windsor (2020) EPICentre Impact Report 2019-20. Retrieved from: <https://www.epicentreuwindsor.ca/wp-content/uploads/2020/06/EPICentre-AnnualReport19-20.pdf>





As the importance of the start-up scene grows, the support of these existing organisations will continue to provide valuable mentoring advice, strategic and financial support and liquidity to enable new Windsor companies with high-growth potential to scale. If the city were to follow the example of Buffalo, NY, it could further catalyse the start-up ecosystem locally by creating its own entrepreneurial fund focused on businesses within the municipality. This could be used to invest in the Windsor-based small business sector, using an independent organisation to award grants based on a rolling competition, with the city investing dollar-for-dollar with private or philanthropic backers into the companies with the greatest potential for growth (see Part III: Recommendations).

As Windsor pursues its economic development agenda, the contribution of small businesses cannot be underestimated. This will require ongoing proactive engagement between the city administration and the business community, dialogue about the city's goals for the future economy of Windsor, and existing organisations to foster the entrepreneurial ecosystem. That may also require new forums where the business community can engage directly with the Mayor to support the delivery of the strategy, as is proposed separately (see Key Enablers in Part III: Recommendations).

Given that WEEDC's business attraction role covers the entire Windsor-Essex region, it is especially important that there is additional support for new businesses that are located in the city of Windsor as they expand. The Windsor-Essex Chamber of Commerce will continue to play an important role around the advice service it offers to members, and advocacy on behalf of the local business community.<sup>45</sup>

St. Clair College also runs the 'Genesis Entrepreneurship Centre', located on campus, which gears its activities towards students and recent graduates with a series of mentoring resources and an events programme to help turn start-up ideas into viable businesses.

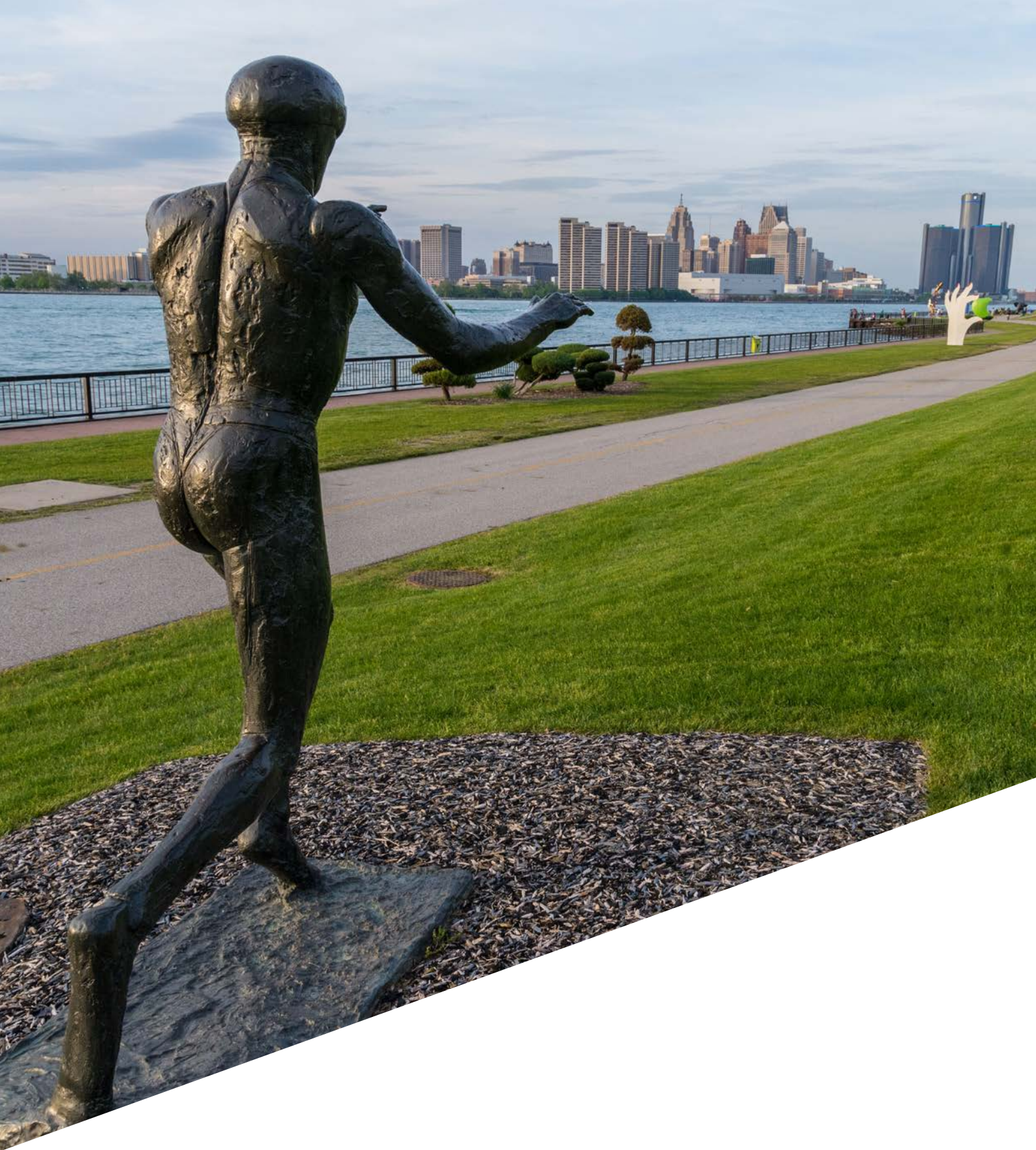
# 5. Summary

It is testament to the work of the people of Windsor, and the culture of the city, that despite some difficult economic challenges, it has remained such a safe, pleasant, and optimistic place to live. Our research shows this is far from a universal experience.

Windsor is in a much healthier state than many rust belt cities. But it is vulnerable because it is specialized, and it is specialized because it is small. This means that the city's original desire to diversify is the right one, and one key route to achieving this is to seek some greater scale (so-called 'agglomeration').

There are other catalysts which depend crucially upon meeting growth (with modern infrastructure and making the city more liveable, so quality of life is maintained and improved) and people (attracting the companies of the future and the talent). Fortunately, Windsor is already on this path, because unlike many post-industrial cities that have seen key industries downsize or depart, Windsor continues to grow its population and attract new investments. However, what the city of Windsor requires is a coherent strategy to deliver a larger, more diverse economy as part of a multi-decade development plan that is able to leverage infrastructure investments, exploit new economic trends, and attract more of the skilled people that will drive future growth.





# Part II: Strategy



# Part II: Strategy

Successful strategies are driven by clear goals and objectives. From these markers emerge implicit and explicit choices that have been made. Strategies that admit to no trade-offs or choices are not really strategies at all – they are simply vision statements.

In devising an economic development strategy for Windsor, the experience of comparable jurisdictions have informed our thinking, but it has also confirmed what is or is not likely to work given Windsor's starting point. Even the largest cities cannot excel at everything. Choices – sometimes difficult ones – must be made.

The following section establishes the relevant context and unanswered questions that impact our choices and our recommended strategy. The proposed core strategy is outlined, applying across the four-pillar framework. Recommendations for practical application of this core strategy follows in Part III.



# 1. Key Lessons For Windsor

**1. Scales and clusters are still the best driver of diversification and long-term growth.**

In other words, Windsor must be a bigger city. It is possible to be a large, specialized city, or a large, diverse city. It is much harder to be a *small* economically diverse city – so if the goal is to be diverse, it is prudent to seek ways to get larger, and to catalyze the population growth already happening. Bigger cities can:

- a. Hedge their bets. In the end, while steps can be taken to make it less likely that an industry is innovated out of existence (or moves elsewhere). So, building up alternatives is sensible.
- b. Support attractive amenities, which help retain people. Just spending a lot on amenities does not create growth – but if it is a depressing or boring place to live or if the city's amenities are run-down or underserving the population, more people will make the decision to leave.
- c. Help nascent sectors that have emerged organically to grow faster – and remove regulatory or other barriers in the way. If a city has a 'minimum viable industry', then steps can be taken to help that industry grow.

**2. Cities also need to meet growth.** There is a big difference between building things because it will make people move to a city and building things because the city is growing and it needs to remain pleasant, easy to move around, and affordable. The latter is essential if a city wants to maintain economic growth.

**3. The most effective rust belt 'turnarounds' relied on world-class R&D and strength in innovation.** That is true for Pittsburgh and Coventry, UK. It is also true for other major successful cities. If Windsor does not build a better intellectual capital base, it will remain vulnerable. This is Windsor's biggest weakness. The cities that are thriving have 'innovation' strength – i.e. they have ideas and very advanced skills. These strengths can be in manufacturing, but the higher up the value chain a city goes, the better protected it is.

- a. The University of Windsor is planning on achieving greater strength in the automotive sector. That approach is very sensible, and the more that can be done to ask for governmental support to strengthen that, the better;
- b. More broadly, Windsor will need to use a strategy to forge stronger links with Universities that have greater fundamental R&D strength. Windsor has many in the greater region – both in Canada and especially in Michigan.



4. **Amenity and retail-development driven strategies for regeneration are the most prone to failure.** There are a handful of high-profile examples of where this approach has taken off successfully, but this has the weakest evidence base, and the lowest success rate. Very expensive investments that assume “if you build it, they will come” almost never work (as opposed to more iterative policies that are designed to, for example, attract nearby visitors from the US).
5. **Incentives have a mixed impact.** It is difficult for a city’s leadership to force a city to become a world leader in a completely new sector from the top down. Worldwide, many local areas have tried and failed to become leaders in renewable energy. At the margin, incentives for companies might encourage them to choose Windsor over a near rival, but they are rarely enough on their own. Amazon chose Virginia because of skills, not taxes. The pay-off from incentives is often unclear – and when they go, the company sometimes goes too. It is important to make sure incentives are well-targeted and will work for the long-term and the type of businesses that a city is trying to attract.
6. **Human capital driven strategies, which focus on the attractiveness of a city to newcomers, do matter.** If Windsor wants to improve its R&D position and the number of start-ups it attracts, then the city does need to be a place young professionals want to live. Windsor’s attractiveness to more established people (who have families and are attracted by lower housing costs) is helpful, but it’s not sufficient: fast growing companies are fuelled by graduate talent so young professionals in their twenties need to find Windsor appealing too.
7. **Windsor’s pre-existing strength is undoubtedly manufacturing, and in two areas.**
  - a. **The car industry.** This is the essence of the WEEDC’s automobility strategy. It seeks to identify the parts of the future vehicle industry where Windsor may be most competitive. It builds on Windsor’s pre-existing car strength.
  - b. **The health industry** (well behind, but still substantial). This could be developed after COVID-19. It leverages the new hospital, the healthcare workers in Windsor’s resident population, and the city’s pre-existing manufacturing strength.

Our view is these bets cannot substitute for scale. Forty years from now, Windsor needs to be less dependent on only a couple of industries, because disruption is a constant. This is even more true because of the city’s relatively weak R&D base.

Jurisdictional scans and case studies do not provide full insight into the local political commitment that enabled economic development strategies to take root and bear fruit. For example, each regeneration story is bound up in local political decisions and it matters where national governments want to spend money, and why – and here Windsor’s best bet is definitely manufacturing (as discussed later).

## 2. Horizon-Scanning

Strategies for regional economic development must also consider external or global factors that could have future impact, even if the city is less exposed to risks, by virtue of its location and industrial history. But as a border community dependent on trade and on traditional manufacturing (with the auto sector integrated so much with Michigan), Windsor is unusually exposed to external or global factors – particularly in trade policy and economic developments.

In the following section, we have established five key dimensions that will externally influence the strategy Windsor should pursue. These dimensions are set outside of sectoral specific considerations, such as how well the car industry will adapt to change or whether there continues to be growing demand for healthcare and ‘wellness’ products and services).

The proposed core strategy makes certain bets about the future based on known unknowns we will consider, but they remain contested concepts and may prove to be less significant.

# What bets about the future does this strategy adopt?

The most important external or global factors that will impact any economic development strategy for Windsor in 2021 and beyond include:

## Global

**a. Impact of COVID-19;** including but not limited to, business investment, working patterns and longer-term corporate restructuring and remote working routines, and the impact on the public finances and municipal budgets.

**b. Future of borders and trade policy;** including lifting current restrictions and restoration of personal travel and regular land commerce across the border; and the United States' commitment to CUSMA and free trade.

## National

**c. How much Canada and the United States undertake strategic reshoring;** especially relating to the auto sector and healthcare manufacturing (for pandemic resilience) and the impact CUSMA has on domestic supply chains;

**d. Canada's progress towards a green economy;** including the incentives and legal framework for carbon reduction to stimulate the transition to new technologies like electric vehicles and hydrogen.

## Regional

**e. Detroit's future trajectory;** including how the Michigan economy recovers from COVID-19 and the regeneration of its largest city.

# Future scenarios that will impact Windsor

## a. Impact of COVID-19

There are four major theories about what the pandemic will do for global economies:

- It will accelerate protectionism. That means food security and medical supply security. That might be good for the agricultural industry of Windsor-Essex and be an argument in favour of more permanent pivots from the tool and die industry towards PPE supply and wider pandemic resilience.
- It will keep borders closed. It will continue to be hard to move from the USA to Canada and back again and any moves to relax border controls will be at the mercy of infection rates and local quarantine rules. This would be very bad for Windsor-Detroit.
- It will encourage people to move to other cities. People will increasingly move to working remotely. That means they may live in Windsor and work in the Greater Toronto Area. If that is true *en masse*, it makes Windsor-Detroit less relevant because big cities are no longer the goal. It makes persuading people to move from other parts of Ontario to Windsor a much better bet.
- It will accelerate digital adoption and therefore change not only working patterns, but the products people use and how.

### **What would significantly change working patterns in the long-term:**

- The way the world is feeling now turns out to be permanent, not temporary
- Discovering there were not major permanent productivity losses from remote working

### **What would change this for Windsor:**

- Remote working still means Canadian companies hire Canadians
- When people do decide where they want to live, they choose Windsor

### **How this impacts Windsor strategy:**

- Investment in the right kind of 'professional' development of urban centres (space, beauty, cultural infrastructure)
- Links with Detroit are no longer a driver of productivity

Our view is that most of these forces will prove temporary. Agglomeration (the large and measurable economic benefits of being in big cities, in physical proximity) exists because of i) the human evolutionary desire for proximity ii) the fact that humans interact more productively and imaginatively in person; iii) the fact that only large populations can support big amenities like large sporting venues, exclusive restaurants, museums and theatres. It seems unlikely that on a 20-30-year time horizon, that will change. There might be a more modest correction to established working patterns, where certain groups change how they work and that could open up cities like Windsor as a place to be based. For example, if some working families feel willing to commute long distances because they are only working two days a week in the office in, say, the Greater Toronto Area. Such a scenario would represent an optimal outcome for Windsor – the city still gets the benefit of being next to Detroit, but also attracts part-time Toronto

commuters. However until a clearer direction emerges, Windsor cannot bank on this development, and there is a good chance that the distance and state of public transport mean even this level of commuting is considered unsustainable.

In other ways, the impact of COVID-19 on the public finances and therefore on the subsidies and grants available to lower tiers of government is still uncertain. Many countries will devote the next few years to economic recovery in the context of higher debt. Cities like Windsor may receive support by way of fiscal stimulus from the federal government but the size and shape of that is yet unclear.

## b. Borders and trade policy

Global trade tensions have heightened in recent years. Canada and the US, under the Biden administration, have become less tightly integrated. This is an area of high global and national uncertainty. In the short term, it depends on the new direction set by the next administration; and what the US's response to China looks like (which could include closer partnership with Canada). It also depends on whether the Canadian and US governments have shared environmental standards, which will affect border trade. Border security post-9/11 has been an area of demonstrable collaboration, where both Canada and the US have worked closely on new security protocols, joint investments, and co-locating border staff. The new Gordie Howe International Bridge is another example of the Canadian investment in border infrastructure on the US side, and these relationships can be further leveraged.

Factors that will impact future trade relations and border policies include:

### **Making borders more porous:**

- A North American continent 'near shoring' of goods as a counter to China
- New policies that (a) rapidly get the Covid-19 infection rate under control (b) remove travel restrictions and (c) lift trade barriers affecting Canada
- Moves to shared environmental policies (and green manufacturing standards) between Canada and the USA.

### **Making borders less porous:**

- An 'America first' strategy on manufacturing
- Continued standoffs between the Canadian and American governments over tariffs
- Canadian post-COVID-19 restrictions on food and medical supply chains
- The after effect of the pandemic (infection rates and longer-term health related restrictions at the border)
- The imposition of border adjustments on emissions
- New security concerns

### **Uncertainties:**

- The trade and foreign policy priorities of a new President (and whether campaign proposals are delivered)
- Canada's response and a federal election in the next two years
- The prevalence of COVID-19 over the next five years
- Whether the legacy of the pandemic permanently depresses individuals' appetite to travel, or to cross the border for work or leisure

## c. North American continental reshoring

Many governments found the COVID-19 experience sobering in terms of their domestic supply chain resilience for basic necessities, most notably PPE for healthcare and other frontline workers. As in the United States, it triggered a debate about Canada's reliance on imports and the country's ability to utilize its own manufacturing base to supply such items in the future. Firms across Canada – including some in Windsor – were able to adapt their production lines to support the pandemic response, at least temporarily.<sup>46</sup>

Manufacturing and food production have globalized for a good reason – it leads to cheaper consumer goods. To change that, governments have to be willing consistently – over years and decades – to impose or bear higher costs. That takes long-term political will that is hard to rely on. At the moment, it is most plausible in a) food; and b) medical supplies. In turn, it seems more plausible across the North American continent – given the different political priorities of administrations and underpinned by the new CUSMA treaty – than within Canada itself. There is some commentary that has suggested that Canada and Mexico may be in a good position to take advantage of the need to produce medical supplies on the continent (and therefore for the US market).

A sustained move towards reshoring over the next decade would disproportionately benefit communities like Windsor that have an established manufacturing heritage and retain a substantial factory workforce which could expand to meet new domestic and regional demand.

### WEEDC's 5-YEAR STRATEGY

Windsor enjoys support from an established regional development agency – the Windsor–Essex Economic Development Corporation (WEEDC), albeit one that is inevitably focused on both the County of Essex and the City of Windsor. As part of this work, Windsor's future development is considered alongside what is being pursued as part of WEEDC's current plan – which is mostly focused on automobility and its four strands (Connected; Autonomous; Cyber; and Electric); followed by generally supporting inward investment in the region, including in agricultural and 'life sciences'. They have had some substantial successes – with interest in developing an electric ramp-up factory; and a new relocation for a cybersecurity start-up.

WEEDC's current approach is a smart 'sectoral' strategy, but there are two important aspects for the City to consider:

1. The success of this strategy depends to a large extent on getting higher levels of government to support these initiatives. If that does not happen, the very sensible moves of the region are unlikely to be enough to make this a globally competitive place for inward investment.

2. WEEDC's plan is less of a diversification strategy and more of a retention strategy, through innovation within your existing sector. In the short to medium term this is entirely sensible – nothing the City can do will negate the need to keep automotive manufacturing jobs in the region in the next 15 years. But long-term, Windsor should continue its efforts to diversify.

46

Barker, J. (2020) The pandemic pivot: a check-in with companies that shifted to help during COVID-19. CBC News. Retrieved from: <https://www.cbc.ca/news/canada/windsor/business-pandemic-pivot-look-back-1.5718658>



## d. Canada's progress towards a green economy

Many other G7 countries – including the UK, Germany and France – have already legislated for the phasing out of internal combustion engine (ICE) vehicles.<sup>47</sup> The UK is likely to ban hybrid vehicles and in November 2020 brought forward its ICE sales ban to 2030.<sup>48</sup> Canada has set a less ambitious phase-out date of 2040<sup>49</sup> although Quebec has set a date of 2035 for this ban on new sales of ICE vehicles.<sup>50</sup> Canada is behind not only in consumption of ICE vehicles but in EV production. Despite being seen as a global leader in carbon taxation, Canada's status as an electric vehicle manufacturer is internationally lagging.<sup>51</sup>

If current or future Canadian governments commit to much more ambitious carbon reduction policies that will impact on industry and manufacturing, or they commit to a more aggressive timetable for the adoption of zero emission vehicles, Windsor should aim to be sufficiently adaptable to seize this opportunity and win federal support for local manufacturing initiatives. Ontario has in the past provided customer incentives for the purchase of low-emission vehicles and if those were to return in some form, it would support the economic strategy this report recommends, encouraging more domestic demand for electric vehicles. A national (or provincial) scrappage scheme for the most polluting cars and trucks aged 12 years or older would have an even bigger impact in supporting domestic car production in Canada.

The decisions by major vehicle firms such as Ford to commit to the production of electric vehicles in Canada could presage a more general move by other North American car manufacturers to commit to build new EV models in Ontario. With federal and provincial government support, Ford's recent Oakville announcement supports the argument that a global transition is gathering momentum and Canadian cities with major auto sectors need to be part of the new vehicle economy.<sup>52</sup> Recent reports that FCA have concluded a labor agreement for their major Windsor facility which includes the production of new models (including electric and hybrid versions) after 2024 is another sign that the shift to a green economy can and should benefit Windsor.<sup>53</sup>

## e. Detroit's future trajectory

The city of Detroit has momentum and growth. As a large, diverse and dynamic neighbour to Windsor, Detroit is becoming a more attractive place and beginning to challenge the "declinist" narrative so long associated with the city (see [Appendix](#)). It is not yet clear if Canadians (and the wider world) yet see Detroit more positively, with the city coming out of a period of entrenched decline, marked by political scandals and very high crime rates. If renewal is sustained over the next decade and beyond, then over time, proximity to Detroit becomes a key marketing advantage, especially for younger urban professional classes who are not yet resident in Windsor. For most Windsor residents, the advantages (and some disadvantages) of being so close to Detroit are already understood.

However, Detroit's economy remains disproportionately dependent on the car industry and its recovery is still fragile. If Detroit's recovery stalls, and it ends up in a downward spiral, then linking to it is likely to become a reputational millstone. For now, though, it is a good bet. Detroit is making its own investments in PR to recover the city's brand along with seeking to leverage major philanthropic initiatives to revive the downtown.

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47 Wappelhorst, S. (2020) The end of the road? An overview of combustion-engine care phase-out announcements across Europe. The International Council on Clean Transportation. Retrieved from: <https://theicct.org/sites/default/files/publications/Combustion-engine-phase-out-briefing-may11.2020.pdf>

48 UK Government (2020) Government takes historic step towards net-zero with end of sale of new petrol and diesel cars by 2030. Retrieved from: <https://www.gov.uk/government/news/government-takes-historic-step-towards-net-zero-with-end-of-sale-of-new-petrol-and-diesel-cars-by-2030>

49 <https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/reduce-emissions.html>

50 Lampert, A. (2020) Quebec to ban sale of new gasoline-powered cars from 2035. Reuters. Retrieved from: <https://www.reuters.com/article/us-autos-canada-emissions/quebec-to-ban-sale-of-new-gasoline-powered-cars-from-2035-idUSKBN27W289>

51 Lutsey, N., Grant, M., Wappelhorst, S., & Zhou, H. (2018) Power play: How governments are spurring the electric vehicle industry. The International Council on Clean Transportation. Retrieved from: <https://theicct.org/publications/global-electric-vehicle-industry>

52 CBC News (2020) Governments unveil details of \$590M investment to help Ford Oakville plant make electric cars. CBC News. Retrieved from: <https://www.cbc.ca/news/business/ford-oakville-government-1.5754974>

53 Waddell, D. (2020) Unifor workers overwhelmingly ratify new FCA contract. Windsor Star. Retrieved from: <https://windsorstar.com/news/unifor-workers-overwhelmingly-ratify-new-fca-contract>

# What does the policy landscape tell us?

Windsor's strategy must consider the same broader policy landscape that any municipality must navigate, and where appropriate, seek to exploit. The COVID-19 pandemic makes the current policy landscape look unsettled and certain domestic political events, and funding commitments associated with them, have been postponed as a consequence.

Therefore Windsor, like all Canadian municipalities, is operating in a challenging political environment. Neither the provincial nor the federal government have a clear and compelling policy agenda, with sufficient money, to propel Windsor in the right direction. However, the federal government's broad priorities are clear, and Windsor should seek to exploit them because it is likely to be a post-COVID-19 political window of opportunity to do so.

The **Ontario provincial government** has a strong predilection towards industrial and manufacturing jobs. Manufacturing costs have been a major rhetorical focus – notably through the carbon tax debate and the price of electricity – and new economic grant schemes set up for PPE manufacturers<sup>54</sup> along with the 'Ontario Made' agenda.<sup>55</sup>

The current **Canadian federal government** will continue to commit to additional public spending, on their chosen priorities, despite a rising deficit. The recent Fall Economic Statement confirmed that the federal government is planning for the deficit to increase as further stimulus measures are adopted, including new grants schemes tied to economic recovery and helping support businesses to remain viable into summer 2021.<sup>56</sup> As a minority government with an election potentially less than a year away, further stimulus and an openness to additional spending on key sectors and regions can be expected. Areas where the federal government has a stake include:

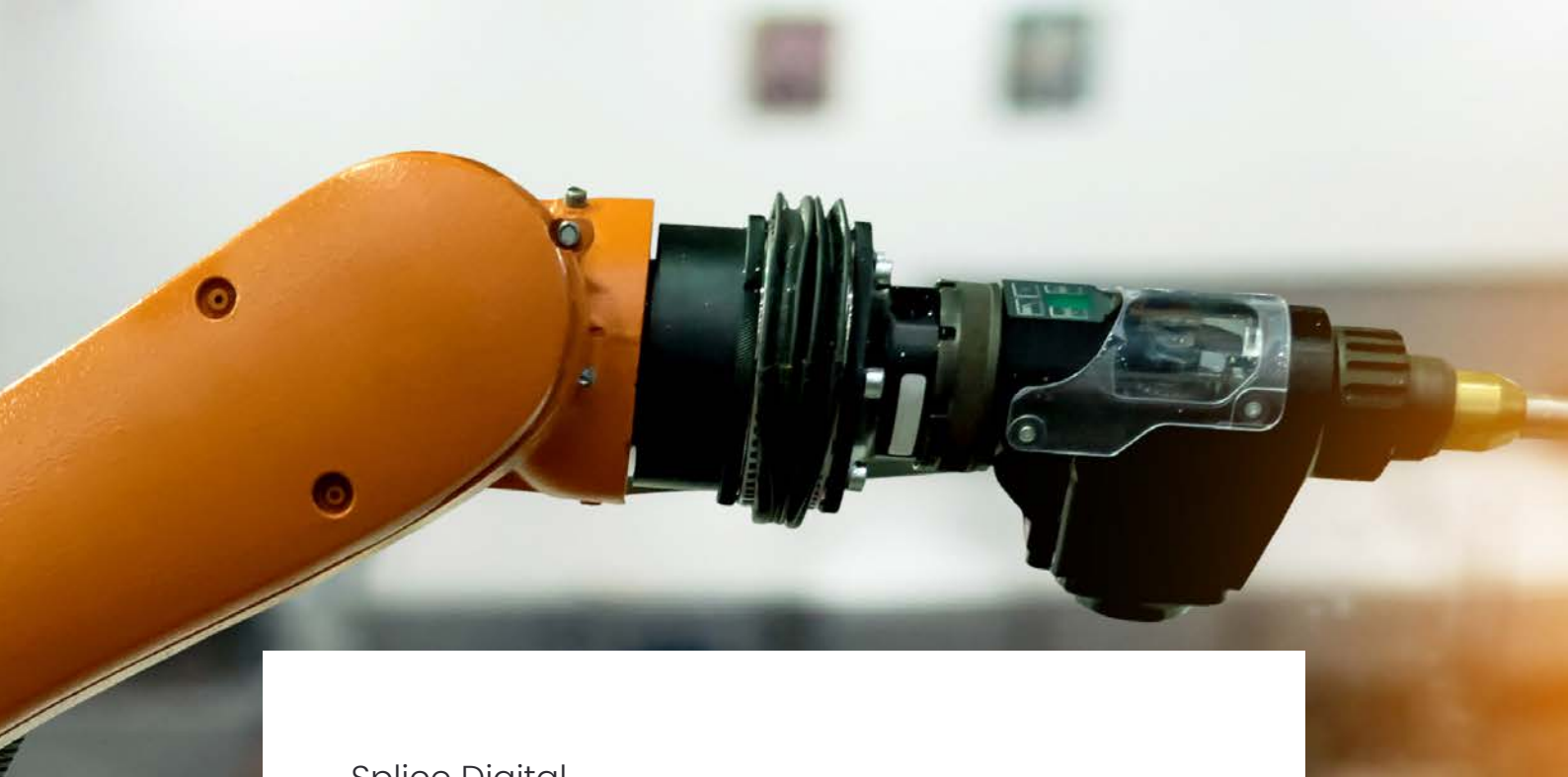
- **The green jobs agenda** – in terms of Windsor, that is most relevant to a) electric vehicles; and possibly b) hydrogen transport (which is often seen as the best solution for heavy duty vehicles). There is also c) the potential for carbon capture technologies for manufacturing more generally.
- **Trade and the border.** Trade friction has become a dominant theme in recent years, but the Liberal government is committed to free trade as a route to prosperity and will want to ease border controls as soon as possible following roll-out of a COVID-19 vaccine. Further reducing friction – within the confines of US politics – is likely to be desirable. On the border, the opportunities flow from initiatives of the Customs and Border Services Agency (CBSA), Public Safety Canada and Transport Canada who may see Windsor as a place for 21st century border innovation, to support faster trade and logistics flow – particularly as the new international bridge is constructed – combined with novel approaches to data that facilitate innovation, whilst ensuring security and privacy.

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54 Government of Ontario (2020) News release: Ontario Helps Manufacturers Ramp Up Production of Personal Protective Equipment. Retrieved from: <https://news.ontario.ca/en/release/57091/ontario-helps-manufacturers-ramp-up-production-of-personal-protective-equipment>

55 Government of Ontario (2020) Province Proudly Promoting Ontario-Made Products to Spur Economic Recovery. Retrieved from: <https://news.ontario.ca/en/release/58995/province-proudly-promoting-ontario-made-products-to-spur-economic-recovery>

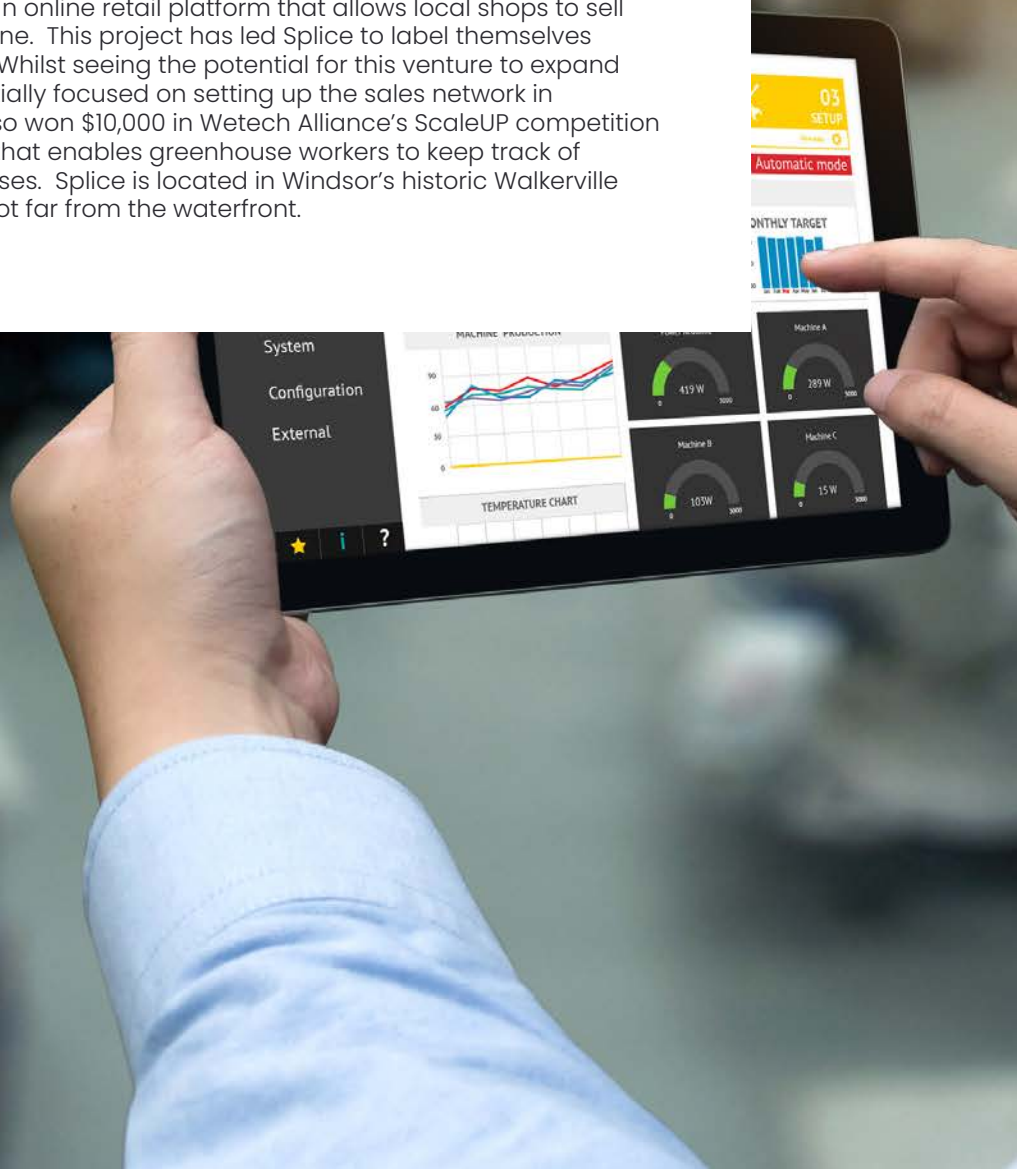
56 Government of Canada (2020) Fall Economic Statement. Retrieved from: <https://www.canada.ca/en/department-finance/news/2020/11/government-of-canada-releases-supporting-canadians-and-fighting-covid-19-fall-economic-statement-2020.html>



## Splice Digital

Splice Digital is a strategy, design and development agency in the technology sector, offering services in AI, machine learning, e-commerce, websites, applications and SAAS products. Splice has been highly successful, working for clients including Microsoft, Philips, Atari and Volkswagen.

Splice Digital has been active during the COVID-19 lockdown, setting up shopmytown.ca, an online retail platform that allows local shops to sell their products online. This project has led Splice to label themselves "a local Amazon". Whilst seeing the potential for this venture to expand globally, Splice initially focused on setting up the sales network in Windsor. Splice also won \$10,000 in Wetech Alliance's ScaleUP competition for their software that enables greenhouse workers to keep track of pests in greenhouses. Splice is located in Windsor's historic Walkerville neighbourhood, not far from the waterfront.



# 3. Proposed Strategy

Drawing upon the analysis for this project and understanding the relative position of Windsor's current economy, plus underlying factors like geography and demography, a strategy for future economic development was devised. This strategy was developed after further consultation with key stakeholders and key elements were explored with council members and others during the second phase of this project.

The strategy identified four key pillars necessary for Windsor to grow and prosper, with two representing a fundamental strength or opportunity of the city's context or position, and the remaining two representing a relative weakness to address, or a challenge to overcome. Strengths and opportunities are reflected in the first two pillars: **Location** and **Infrastructure**, and relative weaknesses or future challenges in the second two pillars: **Future economy** and **Talent**.

## L.I.F.T. Strategy for Windsor

*Securing our future and making Windsor Canada's best place for working families.*

*After COVID-19, Windsor must build back better: attracting new workers and jobs, building tomorrow's businesses, and strengthening trade and civic links across our open border with our American neighbours. The fundamentals are strong: Windsor is beautiful, safe and affordable – a wonderful place for working families. The L.I.F.T. strategy is designed to build on that.*

*Location: Our prime position close to the USA is our major strength – Windsor-Detroit is our future. Windsor Works will forge deeper connections, attract Michigan residents, and sell Windsor-Detroit. New civic events will improve the quality of life in our city and showcase our rich heritage.*

*Infrastructure: We must continue to invest in infrastructure as our population grows. Windsor Works will revive districts, improve mobility, increase housing supply to meet modern demands, and pursue development that seizes the opportunities from the new bridge and hospital.*

*Future Economy: Our manufacturing strength and skilled workforce means we can become a hub for innovation, new tech enterprises, and the auto sector of the future. Windsor Works will spearhead this transition and win new investment.*

*Talent: We must attract and retain more national and global talent. Windsor Works will support new start-ups, and reward entrepreneurs who locate here; so the city becomes a place where smart people want to move to study, work and be trained.*

# Location

**Geography and proximity to Detroit has shaped the city of Windsor. This will not change. Embrace the opportunities here and pursue scales and clusters. Experiment with innovative new ways to facilitate exchange of people and joint initiatives that thin the border divide and become better at selling Windsor-Detroit to the outside world.**

One of the most startling facts about Windsor is how closely economically tied it is to Detroit. This strategy is recommending becoming closer still. It does not mean Windsor should become Detroit, and this strategy does not assume the city needs to copy Detroit's policies (given the difference in context and that Windsor does not have the same municipal levers or philanthropic reserves to draw on). But Windsor does want to *utilize* Detroit so the City can:

- **Help the entire region grow.** Despite the international border, Windsor is part of the economic region that is growing, and Windsor has the skills and immigration benefits as a Canadian city that Detroit does not have. Windsor's growth will help Detroit as well, which in turn will help Windsor;
- **Attract people to Windsor from Canada.** Detroit has amenities that Windsor does not and cannot have, because it is bigger. It should be a draw because when people move to Windsor, they are really moving to Windsor-Detroit, and can access big city amenities easily, without sacrificing the benefits of small city living.
- **Attract people as visitors to Windsor from Michigan.** Students at, for example, Ann Arbor should be crossing the border frequently. They are the best graduate pool available to Windsor, and they should be spending time in the city and coming to know it. The more they form links, the more likely that some will choose to locate or start a business in Windsor and there will be permanent upsides.
- **Attract existing companies from Detroit to Windsor.** When companies do well in Detroit, they should be setting up a Canadian base in Windsor. This is particularly true for smaller but fast-growing start-ups in industries outside manufacturing.
- **Attracting companies from outside Michigan/Ontario to Windsor-Detroit.** The Amazon bid was a 'go big or go home' pitch. But there are plenty of other joint bid opportunities that will emerge, and Windsor should pursue these in collaboration with its US partner city – Windsor-Detroit before Windsor-Essex in such scenarios.

Tighter links with Detroit are the most likely approach to put Windsor on a growth path closer to the rest of Canada in the long run. It also has the great advantage of being much more in Windsor's control than specific manufacturing subsectors, which depend on a whole host of federal, provincial, and company actions to really succeed. Achieving this requires 1,000 actions all heading in the same direction, not one big policy. There is a good level of collaboration already happening ad hoc, and many examples were provided to show that cross-border relationships existed and joint initiatives were happening or had happened once in the past. Our proposition is that these links are not strong enough and they are not driven by a clear focus and corporate strategy by the city and government.

For this to be successful, the strategy does not presume a series of single, overt actions or major policy moves. Instead the interconnectedness between Windsor and Detroit must be nurtured with a thousand separate actions, all happening in the same direction but led by a varied group of actors, from municipal politicians and officials, to private businesses, civic organisations, and non-profit groups.



## Art Gallery of Windsor

The Art Gallery of Windsor is a good example of institutions that have fostered stronger Windsor-Detroit relationships. In fact it has it in its mission statement that the gallery should be “distinct from yet complementary to our largest art museum neighbour, the Detroit Institute of the Arts (DIA),” and should serve “the southwestern Ontario region and the international border community of Windsor, Ontario, Canada and Detroit, Michigan, USA.” In addition to a 2020 exhibition entitled ‘Detroit, we love you’, the gallery has done four exhibitions focusing on Detroit since 1999. In the Detroit Institute of the Arts, General Motors sponsors the centre for African American art.

Windsor must be an attractive location to site a new business. A suite of policies designed to achieve this result are proposed, and most involve steps that will allow better marketing of the advantages of doing business in Windsor, and also concrete incentives that will encourage more businesses to choose Windsor.

The city would benefit from a dedicated Business Attraction Centre, serving as a one-stop-shop for all business grants, planning and development information and advice. This would streamline the process of relocation and make it easier for businesses to move to Windsor and benefit from the grants that they may be eligible for.

In addition to new incentives for locating in the downtown, Windsor could also support quality of life in the downtown core by attracting new businesses through a popup shop grant program, which would allow external retail businesses to set up a subsidized temporary store in downtown Windsor as a way of testing the local market. These popup shops could help fill vacant retail spaces in the downtown area, boosting the attractiveness of the area to tourists and residents. The program would also open a path for these businesses to set up more permanent presences in the city, contributing to long-term economic growth.



# Infrastructure

**The City is on track to be the beneficiary of several major infrastructure investments that can be utilized to its advantage and that will support this strategy. New infrastructure is needed to support a growing population and enhanced quality of life for Windsor residents. New residential expansion will maintain affordability and support the regeneration of the downtown districts.**

Improving the quality of life for residents in Windsor – in other words making the city more liveable – is an important goal that will power the broad appeal that Windsor wants to make to investors and new residents. The quality of life in some urban areas is diminished by poor or ageing infrastructure. With the exception of an ageing sewer system, Windsor is not a municipality whose economy is undermined by inadequate infrastructure. However, it will be important to continue to invest in infrastructure to support the city as it grows and to ensure that certain districts are successfully regenerated. In this regard, this pillar of the strategy encompasses both the hard infrastructure required to sustain a dynamic economy and growing population (transport, housing etc.), and also the wider civic infrastructure needed to make Windsor's downtown more attractive, and with new amenities and attractions that make the city more liveable.

In addition, some recent investments have shown the benefits of infrastructure. For a city of its size, Windsor has recently benefited from significant provincial highway upgrades<sup>57</sup> (in preparation for the interchange with the new international border crossing) and it has a profitable airport with room to expand that has moved from being a debt burden to providing (prior to COVID-19) an annual dividend payment to the city.<sup>58</sup> As air travel and air freight volumes recover the city should review how the airport can play a larger role in the economic development strategy proposed, including the ability to access federal grants for capital works and other upgrades to allow expansion and modernisation of the terminal.

Two forthcoming major infrastructure investments should also not be underestimated in terms of their ability to catalyse future growth and diversification. Even though they have been conceived as national or regional assets, both of the two major inbound investments should allow the city to take much better advantage of the potential size of the Windsor-Detroit region:

- **a new international bridge across to Michigan in 2024**, currently under construction, which will expand capacity and provide new connections such as a pedestrian and cycle path;
- **a new major acute care hospital serving the whole region** with a location now agreed on by the City and County and planned to arrive later in the decade.

These should be a key focus for the city administration and although both the bridge and the hospital are sponsored, funded or controlled by either the federal or provincial governments, necessary engagements should begin early with local and regional partners for how the city of Windsor can derive the maximum benefit from their construction.

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57 The Canadian Press (2008) \$1.6B highway to link 401 with new international bridge at Windsor. CBC News. Retrieved from: <https://www.cbc.ca/news/canada/toronto/i-6b-highway-to-link-401-with-new-international-bridge-at-windsor-1.748276>

58 KPMG (2019) Consolidated Financial Statements: The Corporation of the City of Windsor. Retrieved from: <https://www.citywindsor.ca/cityhall/-/Financial-Documents/Documents/2019%20CCW%20Consolidated%20Trust%20Fund%20Financial%20Statements%20-%20To%20City%20Website.pdf>

Windsor is also fortunate in terms of civic infrastructure with forthcoming plans for a main library attracting interest and ongoing work to develop the waterfront and improve the public space in the downtown core. Windsor will need to continue to encourage development downtown so the City centre can be rejuvenated and densified. This will stimulate the local service economy with a larger residential population sustaining higher foot traffic and leisure demand for restaurants, cafes and retail.

Efforts underway to revitalize the downtown core are having an impact and these initiatives should be accelerated where possible. The arrival of as many as nine developers with active schemes proposed or in progress for downtown Windsor, including the major redevelopment of the Grace Hospital site and new apartment tower construction is a strong signal that rising land values and improved market conditions have triggered a long overdue flurry of development activity where it is highly needed.

The social issues associated with homelessness and drug addiction were outside the remit of an economic development project, however it will be necessary to improve the response to these complex social problems in parallel with efforts to improve the downtown core. The city has a plan to address these challenges and they are ones shared by many cities across the country and the continent. Improving downtown will go hand in hand with tackling the perception that exists that the homelessness and drug addiction make this neighbourhood undesirable.



# Future Economy

**Windsor should turn its history – as a trading hub and car city – to its advantage. By preparing for a future economy defined by high tech green industries and free trade across modernized borders, Windsor should pursue diversification in modern technology sectors. This will support good salaries, a high-skill supply chain, and provide wider local economic benefits.**

## Protect and pivot to the future auto sector

The car industry is undergoing a once-in-a-century transition, with the rise of electric, hydrogen-powered and autonomous vehicles. While this shift will not take place overnight, independent forecasts<sup>59</sup> predict that it will be decades before electric cars make up a majority of global new car sales. If Windsor cannot transition to this new model, it will lose a key driver of its economy. Car production in Ontario is responsible for **more than 100,000 highly productive jobs.**<sup>60</sup>

With the exception of Tesla, there has been no major new non-Chinese manufacturer of cars in over fifty years. While the ongoing structural changes do create new opportunities, the safest assumption is that the rise of a new Canadian car producer is a long shot. As Windsor's own history demonstrates, the Canadian car industry can continue to thrive by being an attractive location for foreign investment and supporting a wider supply chain that feeds into the industry.

These changes are likely to significantly alter the value structure and supply chain for car production: with significantly fewer parts, greater reliance on software, and the costs of batteries a crucial factor. However, this shift also creates an opportunity for Windsor – reversing the trend that has seen car production and investment in the last few decades move to areas with lower labor costs. The region will never win from a race to the bottom in wages, but Windsor, and Canada as a whole, can be competitive in pushing forward the state-of-the-art.

Canada currently has more obvious strengths and underlying advantages in autonomy, than electric vehicles. The future market for autonomous, non-electric vehicles is likely to be relatively small – and electric vehicles are likely to take a significant share of the consumer market sooner. One danger is that Canada ends up failing to take advantage of its autonomous potential, because its industry fails to make the transition through traditional internal combustion engines to electric.

Simultaneously, Windsor should continue with its current drive to 'diversify within its current specialisation' – in other words, do what is possible to help the automotive industry adapt. This is WEEDC's automobility strategy. It has some near-term political mileage in its green (federal) and industrial (provincial) crossover, and it is the city's best retention strategy. Just as Windsor benefitted from the original rise of internal combustion engines and the spillover effects of the mass car production pioneers in Detroit, it should seek to do the same with the future auto sector. This also offers the chance to reverse the trend of the last few decades, where Windsor – in common with many North American industrial cities – has been losing out to countries with lower labor costs.

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59 Bloomberg NEF (2020) – Electric Vehicle Outlook. Retrieved from: <https://about.bnef.com/electric-vehicle-outlook/>

60 Government of Ontario (2019). Driving Prosperity: The Future of Ontario's Automotive Sector. Retrieved from: <https://www.ontario.ca/page/driving-prosperity-future-ontarios-automotive-sector>

Transitioning to autonomous and electric vehicle design and production makes the industry more focussed on high-end manufacturing, but to do that the city needs to make sure it has the underlying infrastructure and skills mix it needs. One part of that is tech and software, and a world-class ramp-up factory facility that can support a wider EV ecosystem in the region. However, it also seems likely that having a battery factory in the province will be crucial – across the globe, governments are investing time and resources in trying to make this happen, including in Germany and the UK. While Windsor already has access to a battery plant in Michigan, having one in Canada would provide significant extra capacity and it is likely that if one is located in Canada it will come to either Quebec or Ontario. Windsor already has some tax incentives that can help attract car manufacturers – but more needs to be done to make the case both to federal government and directly with the private sector that Windsor is a competitive place to make this happen.

Investments from the federal and provincial governments – which have occurred elsewhere in Ontario – will be required to support a pivot to advanced manufacturing and EV cluster industries. Southern Ontario has historically been the site of significant automotive manufacturing. It would be wise and appropriate for upper orders of Government to include Windsor-Detroit when crafting national automotive strategies and programs. Sustained and coordinated action across all levels of Government should be encouraged.

With the right investment by federal, provincial and local government, Windsor can secure the long-term future of the Canadian car industry. As the gateway to Detroit and the heart of the American car industry, the analysis suggests Windsor can play a vital role in pulling together Canada's own strengths with those of the USA.

## Vehiqilla

Vehiqilla Inc. is a cybersecurity company specializing in automotive cybersecurity, enabling cyber risk mitigation for connected & autonomous vehicles (CAVs). Vehiqilla has positioned itself at the forefront of automotive cybersecurity by offering services such as Automotive Cyber Governance, V2X Security, Threat & Risk Assessment, ISO 21434, Cyber Monitoring and Fleet Incident Management. Vehiqilla was founded in early 2020 by AJ Khan who recognized the need to fill the gap in attention paid to cybersecurity in vehicles. The focus on transformation towards Automobility in Windsor beckoned and in September 2020, Vehiqilla moved its Headquarters to Windsor.

Vehiqilla is working with many strong partners such as Windsor's Institute of Border Logistics and Security (IBLS), St. Clair College and University of Windsor to develop the core knowledge base for automotive cybersecurity. Vehiqilla's location in Windsor is a strong selling point for Vehiqilla as it is now part of a growing auto-tech cluster in Southern Ontario. Vehiqilla definitely benefits from the region's vibrant automotive and logistics sectors, access to talent from higher education facilities and the Virtual Reality CAVE, as all these are major pull factors that can make Windsor "the Silicon Valley of Automobility".



## Canada and car production

Windsor has a long and important history as Canada's automotive capital. It was the site of Canada's first large-scale automobile production and, in the 1920s, Windsor's automotive industry was the engine behind Canada becoming the second largest producer of automobiles in the world. The automotive industry continues to be a key economic driver for the region with car production in Ontario responsible for over 100,000 highly productive jobs.<sup>61</sup>

However, the future of the automotive sector both globally and locally is changing with the rise of electric, hydrogen-powered and autonomous vehicles. Forecasts show that over the coming decades, electric vehicles will begin to overtake internal combustion engine (ICE) vehicles as the majority of global new car sales.<sup>62</sup> Further, countries around the world have started setting dates to phase out the production and sale of ICE vehicles.

The global and local trends suggest that the automotive industry is changing. Further, the federal and provincial governments' October 2020 \$590 million investment in Ford's new EV-producing Oakville plant has shown that the government is prepared to directly support this transition.<sup>63</sup> Given this environment, Windsor should seek to protect its automotive industry and pivot towards the new models of operation (i.e. EVs and autonomous vehicles) to prepare the industry for the future and maintain the City's reputation as the epicentre of Canada's automotive industry.

Canada is significantly behind other countries in electric cars, responsible for just 0.4% of global production.<sup>64</sup> Since 2009, only 6% of wider industry investment has been in Ontario, despite the region making up 13% of North American vehicle production.<sup>65</sup> Of the \$300bn in publicly announced investment in electric vehicles, none is explicitly earmarked for Canada.<sup>66</sup> In order to turn this around, and ensure the industry remains globally competitive, more investment in underlying infrastructure and skills is needed. If designed right, this can help ensure that Windsor, and the wider Ontario region, take advantage of the economies of scale that come from being located close to Detroit, and the investments in electric and automobility being made by manufacturers there.

In future decades, cars are likely to follow the trend already seen in many other industries – with an increasing share of the value of car production captured by software. In cars, this software will both help create increasingly autonomous vehicles, but also run the factories that produce them. There are over 200 companies already developing connected and autonomous vehicles in Ontario<sup>67</sup>, while Canada is home to many of the world's leading researchers in AI and machine learning. To really take advantage of this, however, more links are needed between this expertise and the on-the-ground manufacturing that takes place in Windsor.

Car production remains highly national compared to other manufacturers, with the majority globally serving the local or nearby markets: 80% of electric vehicles produced are sold in their home region.<sup>68</sup> Ensuring a strong domestic market is an important element of securing Canada's pre-eminence in electric vehicles more generally – but Canada is lagging behind other economies in the incentives it has put into place moving to electric vehicles.

61 The Government of Ontario (2020) Driving Prosperity: The Future of Ontario's Automotive Sector. Retrieved from: <https://www.ontario.ca/page/driving-prosperity-future-ontarios-automotive-sector>

62 BloombergNEF (2020) Electric Vehicle Outlook 2020. Retrieved from: <https://about.bnef.com/electric-vehicle-outlook/>

63 CBC News (2020) Governments unveil details of \$590M investment to help Ford Oakville plant make electric cars. CBC News. Retrieved from: <https://www.cbc.ca/news/business/ford-oakville-government-1.5754974>

64 Sharpe, B., Lutsey, N., Smith, C., & Kim, C. (2020) White Paper: Power Plant: Canada's Role in the Electric Vehicle Transition. International Council on Clean Transportation. Retrieved from: <https://www.pembina.org/reports/canada-power-play-zev-04012020.pdf>

65 The Government of Ontario (2020) Driving Prosperity: The Future of Ontario's Automotive Sector. Retrieved from: <https://www.ontario.ca/page/driving-prosperity-future-ontarios-automotive-sector>

66 Sharpe, B., et al. (2020) White Paper. International Council on Clean Transportation.

67 KPMG (2020) Canada's Automotive Future. Retrieved from: <https://assets.kpmg/content/dam/kpmg/ca/pdf/2020/02/canadas-automotive-future-2020.pdf>

68 Sharpe, B., et al. (2020) White Paper. International Council on Clean Transportation.



## Advanced manufacturing

Tied to the development of the auto industry will be the ecosystem of technology and engineering disciplines that arise from progress in advanced manufacturing.

In Ontario specifically, advanced manufacturing has played a special role in creating high-quality jobs and economic growth throughout the region. Representatives from across the regional government have acknowledged its importance and reaffirmed their commitment to supporting the sector.

Windsor-Essex is an important region in advanced manufacturing both within Ontario and the wider North American region. It is home to more than 1,000 manufacturers that contribute \$3.5bn annually to the region's GDP across the automotive, aerospace, food processing, pharmaceutical, nutraceutical and medical devices industries.<sup>69</sup>

Local government has supported the growth of the sector through substantial investments, such as the recent \$5.2m investment in a program delivered by Canadian Manufacturers & Exporters (CME) to support small to medium sized manufacturers in southern Ontario.<sup>70</sup> Windsor is also home to Automate Canada, a national association that leads and advocates for the Canadian automation industry by offering business support to SME's in the industry and acting as the voice of the industry to all levels of government, amongst other activities.<sup>71</sup> The large majority of the association's members are located in Windsor, highlighting the city's role as a key region for the sector.

### Agri10x

Agri10x claims to be the world's first Artificial Intelligence and blockchain-enabled global e-marketplace connecting farming with traders. Agri10x uses AI, blockchain and the internet of things to provide real-time synchronisation of supply and demand. The company also identifies supply side issues such as soil health so that these problems can be resolved, with the aim of increasing yields and boosting profits. Using data from their platform, Agri10x provides farmers with best practice advice, for example when to sell certain crops, to help farmers boost their profits.

Before setting up the Agri10x trading platform in 2019, the company carried out three years of research into the farming community and markets, digitizing their warehouses and quality assaying centres in preparation for the platform's launch. In only a few years, Agri10x has experienced rapid growth, with over 73,000 farmers and 3,000 traders signed up, using over 10 logistics centres, 75 warehouses and 50 quality centers. It currently employs 265 people across five countries, with headquarters in India and Windsor, Canada. This year, Agri10x was one of 25 winners of the global Scale Challenge competition for disruption of supply chains and logistics, winning eight months of mentorship and support from Walmart.

69 WindsorEssex Economic Development (2020) Advanced Manufacturing. Retrieved from: <http://choosewindsorsex.com/manufacturing>

70 Government of Canada (2020) Equipping southern Ontario manufacturers to increase productivity and competitiveness. Retrieved from: <https://www.canada.ca/en/economic-development-southern-ontario/news/2020/03/equipping-southern-ontario-manufacturers-to-increase-productivity-and-competitiveness.html>

71 Automate Canada (2020) About Automate Canada. Retrieved from: <https://www.automatecanada.ca/about/>

## The business of borders

One part of the future economy of Windsor will comprise logistics, freight and other similar sub-sectors that exist because of trade flowing into the huge US market. Windsor's prime location on the US-Canada border will become even more strategically important for Canada once the new international bridge opens in 2024, significantly increasing the capacity for goods and people to move across the border. The border itself could become a focal point for advanced technologies and new innovation. With some additional city support, existing local voices (the Institute for Borders, Logistics and Security (IBLS), now part of WEEDC, and the Cross-Border Institute at the University of Windsor), should continue to inform national policy.

For Windsor, which benefited from the first fixed crossing to Detroit when the Ambassador Bridge opened more than 90 years ago, having a modern bridge and 21<sup>st</sup> century border crossing is essential. Further federal and provincial government investments are necessary to make the main 401 highway investments pay off, including modern interchange and point of entry plazas, that allow for efficient and rapid screening of traffic, all of which will help drive regional economic growth.

Planning should get underway soon for how the bridge can accommodate new developments such as autonomous vehicles. As autonomous fleets are developed and licensed, the city should future-proof the region and allow for driverless trucks to cross the border. As a first step, the city – which co-owns the Detroit-Windsor Tunnel – should use its ownership position to design and trial innovative technologies and cross-border autonomous transit solutions, and prepare for how such technologies could be utilized for the new bridge. The city should also be engaging with the Windsor Detroit Bridge Authority (WDBA) to plan for how it can capture the maximum benefits of the Gordie Howe bridge, before it opens in four years. There is no reason why Windsor should not seek to become the leading national test site for innovative border technologies, and showcase these at a dedicated annual 'Future Borders Conference' in partnership with federal government agencies.

# Talent

**Windsor should pursue a three-part talent strategy: i) training for skills in current and future high demand; ii) retention of skilled graduates of the College, the University and the Michigan/Windsor-Essex regions; iii) attracting more skilled people from the rest of Canada and abroad.**

**Doing this successfully will, in turn, make it easier to attract new businesses into Windsor that can be supported through talent incentives and with a dedicated tech incubator and accelerator. The talent strategy is inextricably linked to proposals on infrastructure: without a thriving downtown and amenities, Windsor will find it more challenging to attract and retain new talent.**

**This strategy must be underpinned by joint leadership from the educational and political institutions of Windsor through a 'Windsor Talent' steering committee, with a clear remit and 'joint accountability framework' with educational institutions and the private sector.**

## Windsor's skills needs

Through the Workforce Windsor Essex Development Board, Windsor has real-time, highly granular data on current occupations in demand and has conducted analysis of the longer-term trends into the labor force.<sup>72</sup> This analysis suggests that:

- Workers are attracted to come to and stay in Windsor by wider factors than employers – the top scoring answers are around cost of living and housing, and a family friendly environment, as well as by commuting proximity to Detroit
- When asked about the type of companies that Windsor residents want to work for, 'traditional' metrics such as security and benefits were rated evenly with 'softer' metrics such as company culture and a work life balance
- In terms of things which would make Windsor more attractive to workers, specific job opportunities were rated highly, but so were wider areas about the quality of living in Windsor
- There is a particular issue of 'brain drain' among young, graduate educated people. Windsor was relatively strong in attracting workers with skilled trades and College credentials, but weaker in attracting and retaining University-educated workers between 2011 and 2016. For every two workers who moved to Windsor-Essex from another part of Canada with a University education, three left.

On the back of this analysis, Windsor published a major strategy into talent management in early 2020 – just before Covid-19 understandably made this agenda take a back seat. This analysis showed that the occupational sectors most projected to be in demand were a mixture of graduate roles and highly skilled trade roles.

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<https://www.workforcewindsor-essex.com/startyqg-survey-results/>

Rank	Occupation
1	Registered nurses and registered psychiatric nurses
2	Other instructors
3	Mechanical engineers
4	Engineering managers
5	Information systems analysts and consultants
6	Industrial engineering and manufacturing technologists and technicians
7	Retail sales supervisors
8	Social and community service workers
9	Electricians (except industrial and power systems electricians)
10	Early childhood educators and assistants

This is somewhat different to the overall picture for Canada. Analysis of annual employment data by sector (statistics from StatCan<sup>73</sup>) and annual growth rates for specific industries between 2015–2019, show that Canada’s big growth areas are in highly skilled occupational roles, particularly in public services, and then in relatively low-skill roles particularly in the service industries. This is a pattern seen across the OECD.

Windsor, therefore, unsurprisingly given its manufacturing base, has a higher demand for skilled manufacturing jobs than much of the rest of the country. While the Windsor Works strategy is designed to support diversification into other sectors, including tech, this means that a successful talent strategy must support intermediate, non-graduate skilled jobs as well as public and private sector professionals and tech workers (please see Appendix for more details). It is also crucial that Windsor education institutions be prepared for the switch to electric vehicle manufacturing, and the new roles required for autonomous vehicles.

This means that there are two clear training focuses required for Windsor:

- Reversing the ‘brain drain’ of graduates so that by 2025, the inflows of graduates match the outflows of graduates, and an ambitious goal that by 2035, Windsor is a net importer of graduate labor.
- Upskilling non-graduate workers into skilled trades with a particular focus on those occupations which are forecast to be high growth in the Windsor Essex region, such that by 2030, none of the high growth areas currently identified in WEEDC analysis in skilled trades are reporting labor market shortages.

This should sit alongside the third priority for Windsor on talent – attracting the best internationally. Canada is an attractive second location for American businesses partly because of its immigration policies, which makes the attraction of talent in areas of global shortage, including tech, easier. Windsor should take advantage of this potential comparative advantage to strengthen the Detroit–Windsor region, and help attract businesses.

73 Statistics Canada. Table 14-10-0202-01 Employment by industry, annual. Retrieved from: <https://doi.org/10.25318/1410020201-eng>. Canadian wide statistics highlight growth areas in Professional, scientific and technical services; Educational services; Health care and social assistance; Accommodation and food services; and Public Administration.

## Windsor Talent committee

Both of Windsor's post-secondary institutions – St. Clair College and the University of Windsor – have a key role in developing talent in the local economy and also stimulating growth through spin-off innovations their own faculty and graduates generate. Both institutions have engaged with local initiatives designed to benefit the broader Windsor community, but there is scope to go further.

Windsor should therefore prioritize the creation of a specific action plan with both the University and the College, under a 'joint accountability framework', with a goal of making significant progress against two, equally important, targets: increasing the graduate retention into Windsor and building on the demand for skilled trade (non-graduate) roles in high growth jobs and industries. It should set clear high-level goals and take forward a number of actions to make progress towards them.

This 'joint accountability framework' should take the form of a high level 'Windsor Talent' steering group, chaired by the Mayor and with permanent representation from the University President and the College President, as well as representatives from K-12 school board chairs, WEEDC and major employers in the region. It should have a small budget to be able to commission independent analysis and research and should be chaired by the Mayor in order to convene senior leaders who would be able to decide on changes to local educational course portfolios, admissions arrangements, or anything else that might be required such that they attract, train, and retain the citizens who pass through their institutions.

We understand that senior leadership at both the University and College are keen to contribute more to the economic development of Windsor, recognising the considerable benefits they enjoy from being based in Windsor, and the institutional advantages they have received, including in terms of physical real estate in the downtown area.

The funding and accountability for both post-secondary institutions flow from the province, rather than the municipality, and is structured around five-year strategic plans tied to mandate agreements signed with the Ontario Ministry of Education. Updated agreements for 2020-25<sup>74</sup> have a reformed funding formula that introduced an outcome-based performance framework, of which one core element is community impact and economic-impact (institution specific). Closer alignment with the city will help both institutions demonstrate their delivery against these two strategic outcomes.

With more focus from the city, the goal will be for both post-secondary institutions to be more engaged in shaping city initiatives designed to support economic growth and community prosperity. In practice this will mean both post-secondary institutions being closely tethered to the city and council and all entities committing more time, corporate focus, and financial resources to align their work on teaching, attraction, graduate retention, research and others with the economic growth and civic agenda of their home city.

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74 Government of Ontario (2020) Strategic Mandate Agreement 2020-25, College of St. Clair. Retrieved from: <https://www.ontario.ca/page/2020-2025-strategic-mandate-agreement-st-clair-college-applied-arts-and-technology>

Government of Ontario (2020) Strategic Mandate Agreement 2020-25, University of Windsor. Retrieved from: <https://www.ontario.ca/page/2020-2025-strategic-mandate-agreement-university-windsor>



Both of Windsor's post-secondary institutions will have their own ideas for ways that they can help drive forward the local economy, whether that is in relation to schooling, skills, graduate retention, or entrepreneurship. There are a number of specific areas which Windsor, through this new talent steering group, could make progress on – including actions that should be taken by the College and University:

- **Strengthen the training offer in the automotive sector.** The existing collaboration between the University and College should be expanded and deepened to develop the talent base required to sustain an innovative cluster in both technology as well as the future of automotive industry – which will continue to require skilled tradespeople but also increasingly graduate labor and those trained in advanced software and engineering involved in modern automotive manufacture. The University of Windsor has had a quarter century of formal industry partnership on automotive research<sup>75</sup>, via the FCA-backed Automotive Research and Development Centre (ARDC)<sup>76</sup>, and this has been augmented by the more recent 'CHARGE' Lab focused on electric and autonomous vehicle R&D which has had support from Ford and other industry partners and recently won federal grants to expand its programming.
- **A mapping of the course offerings from St. Clair College in particular and a comparison to labor market needs.** It is important to strike a balance between student demand for courses in tertiary education, and the wider needs of the economy and the labor market. Analysis as to whether shortage areas and high growth areas of the economy are being met by course offerings, particularly in the College, should be a priority – and the steering committee should discuss how to change course portfolio if needed to meet employer demand. This exercise is made more important by the expected growth in student enrolment at the College projecting a further 18% increase in the number of international full-time headcount across their campuses in Windsor by 2025, with a 10% increase in domestic full-time students over the same period (albeit this is not a trend that the university is projecting). St. Clair has already begun the process of seeking out R&D and potential program development in areas that reflect local economic demand, including autonomous vehicle design, components, etc.; EV design and maintenance; cybersecurity for automobility and Supply Chain Management; green technology with a focus on reuse of vehicle batteries; smart manufacturing, and greenhouse technology.
- **Focus on the talent pipeline created by the 'R&D arc'.** As discussed above, an "R&D Arc" should be established between University of Windsor, Western, Michigan State, Ann Arbor, and Wayne State. This will increase the amount that students in Michigan hear about Windsor and therefore improve the chances they might move there after graduation. Branding Windsor within the "R&D Arc" could make it more likely for STEM graduates to seek job opportunities there. It will also increase the visibility of Windsor as a base for new spin off companies emerging from this group of Universities.
- **Incentivize skilled immigrants from key regions in the United States to move to the City.** The U.S., and Michigan specifically, should be a priority for obvious reasons: physical proximity, a large number of highly skilled and highly educated workers, and a political relationship through CUSMA that makes immigration relatively easy. Subsidising visa fees for skilled workers and their families would make Windsor companies more competitive with U.S. companies in attracting local talent. This policy would be particularly useful for attracting graduates from top tier Universities in Michigan, such as the University of Michigan Ann Arbor, for whom the financial cost of immigration may be a barrier.

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75 University of Windsor (2020). Retrieved from: <https://www.uwindsor.ca/engineering/388/university-windsor-fiat-chrysler-canada-automotive-research-and-development-centre-ardc>

76 Fiat-Chrysler Automotives (2016) ARDC 20<sup>th</sup> Anniversary Press Kit. Retrieved from: <https://media.fcanorthamerica.com/newsrelease.do?id=12558&mid=>

- Focus on attracting international migration, for example from Hong Kong.**

Clearly, the global environment for immigration will continue to shift. But Windsor should be on the lookout for opportunities. For example, the current situation in Hong Kong provides a significant opportunity for attracting skilled immigrants. As China tightens its grip on the region, more and more residents are seeking to emigrate – according to a recent poll 43.9% of Hong Kong residents would emigrate if given the chance.<sup>77</sup> Canada has always been a popular choice for immigrants from Hong Kong, it has the second largest Hong Kong diaspora after the U.S.,<sup>78</sup> and between 2015 and 2019 the number of annual immigrants from Hong Kong increased from 900 to 1,500.<sup>79</sup> Windsor should capitalize off this trend by selling itself as the best city in Canada for Hong Kong immigrants to settle in. The City should try to reach residents of Hong Kong before they have moved through online advertising and by working with immigration services and Universities in Hong Kong. Windsor should also work with immigration services throughout Canada to reach immigrants that have already moved but have not decided on a location to permanently settle.

## Attracting talent

Alongside this, as we have discussed, the City should continue to focus on providing incentives to businesses to relocate and grow within Windsor and continue to improve the amenities and leisure facilities in the city, which is important to many employees in deciding where to work and settle (especially younger ones).

Our interviews with tech companies in Windsor highlighted the importance of those amenities, but also the lack of specific incentives for the tech sector. Given the growth of tech in Detroit and Ontario, and the likely continued diffusion of software and AI into all sectors, this should be a priority.

As well as the traditional financial incentives, such as relief from property taxes or grants for relocating employees, the city should explore talent-related incentives. This includes:

- Infrastructure – there is a need for a larger scale business catalyst hub. Although Windsor already has several initiatives (‘The Accelerator’, the University’s ‘EPICentre’, and the ‘Genesis Centre’ tied to St. Clair College), these are outside the downtown core and consideration should be given to combining these so, together, the critical mass enables a larger entrepreneurial hub to be created that attracts more start-ups and serves as a vehicle to drive downtown regeneration – especially if combined with a co-working space;
- Specific incentives to support the identification and costs of finding international talent.

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77 The Hong Kong Institute of Asia-Pacific Studies (2020) *Press release: Survey Findings on Views about Emigration from Hong Kong*. Communications and Public Relations Office, The Chinese University of Hong Kong. Retrieved from: [https://www.cpr.cuhk.edu.hk/en/press\\_detail.php?id=3379&t=survey-findings-on-views-about-emigration-from-hong-kong-released-by-the-hong-kong-institute-of-asia-pacific-studies-at-cuhk](https://www.cpr.cuhk.edu.hk/en/press_detail.php?id=3379&t=survey-findings-on-views-about-emigration-from-hong-kong-released-by-the-hong-kong-institute-of-asia-pacific-studies-at-cuhk)

78 Nair, R. (2020) Hong Kong residents eye immigrating to Canada as new security law comes into effect. *CBC News*. Retrieved from: <https://www.cbc.ca/news/canada/british-columbia/hong-kong-canadian-immigration-1.5661164>

79 CIC News (2020) Canada eyeing more immigrants from Hong Kong. *CIC News*. Retrieved from: <https://www.cicnews.com/2020/07/canada-eyeing-more-immigrants-from-hong-kong-0714942.html#gs.lvo6q>

# Other areas to support wider development

- **Culture/amenities/leisure** – Windsor’s future potential does not hinge on a major cultural investment or another retail-led regeneration effort. However in order to reward inward migration and to attract new residents, the city needs to continue to offer residents, and especially working families, good amenities and new leisure/arts and active transportation infrastructure. Recent waterfront developments are an example of projects that will improve Windsor’s quality of life and create new focal points for residents and visitors to enjoy. A new central location for a library will fulfil the same purpose and should be prioritized, along with steps to make cycling and walking more attractive.
- **Fleet and logistics.** The regulatory changes applied to the trucking industry operating (with digital driver logs limiting journey times to 11 hour shifts)<sup>80</sup> have increased the attractiveness of Windsor as a base for firms transporting goods by road into the US. In response, there has already been an increase in Ontario trucking operators registering their businesses in Windsor (and relocating from London and Hamilton and other cities). This shift should be encouraged, with the city exploring ways to support these logistics companies to expand in the city so they can grow their fleets and serve even more of the US market. Tech businesses may emerge that seek to service the security/data/customs needs that link to the border in the coming decade, and the city and the University should use existing organisations (the IBLIS and CBI) to pursue opportunities that come their way. More national attention on Windsor’s prime trading position as the new bridge nears completion should be expected.



# Part III: Recommendations

# Part III:

# Recommendations

This strategy is long-term and it will take a sustained and concerted effort not only by the city but by the institutions, businesses, and people within Windsor. Therefore, the report recommends a new team within the City to oversee delivery, but also metrics and partnerships for administrators, councillors and all organizations in Windsor – such as the University and College – which have an outsized impact on its success and reputation.

Strategy documents should set out a clear direction and demonstrate that choices have been made and priorities have been set. Often the recommendations in such strategies are vague and lack specific examples of how certain goals might be realized (or have been exemplified elsewhere, as an inspiration). To aid the city of Windsor as it deliberates on the future course for the city, this report outlines some practical steps that can be taken to realize the vision. These are outlined in accordance with the proposed strategy across the four pillars (L.I.F.T.), in part II.

The policies that would support this strategy and the actions that Windsor may choose to take are varied, but also constrained by the limits set on municipal authorities in law. The recommendations in this report acknowledge that many policies or initiatives are co-dependent on other actors, including higher levels of government. Where actions are proposed for Windsor that are dependent on external funding or in some way decided elsewhere, Windsor's political leadership should become advocates for those changes and seek to persuade Provincial and Federal decision-makers of their merits.

The policies are designed to be implementable, although given the project duration, they are high-level ideas at this stage still requiring legal, financial and administrative input. Further detail on practical ideas that Windsor could adopt to realize this strategy are listed in [Appendix \(5. Policy Proposals\)](#).



# Location

## Attract Michigan

**Goal: Attract more Michigan businesses, workers, students and tourists into Windsor**

Policy 1: Become a better place to site Michigan businesses.

*Promote Windsor as the perfect location for US firms to open their Canadian offices and offer direct support for them to do so.*

### ACTIONS:

- Form a city-backed venture capital fund to act as an accelerator for high-growth start-ups with its own governance (arms-length from city administration);
- Improve the relocation support package through a new 'Business Attraction Centre' – a "one-stop-shop" for development and planning, and new business grants;
- Create a new Community Incentive Plan CIP for Michigan SMEs with tax/planning incentives, giving the programme broader applicability to the tech / SME sector.

Policy 2: Become a hotspot for highly skilled USA workers and their families.

*Exploit the ways that Canada offers a better immigration system; good healthcare for working families; and highly skilled potential employees.*

### ACTIONS:

- Fund employee incentives (a 'Welcome grant') to enable Windsor-based businesses to improve their offer to top US tech talent;
- Subsidize US passport cards for Michigan residents to encourage more flow of students and young professionals across the border;

Policy 3: Establish better underlying links between Windsor and Detroit/Michigan.

*Invest more time to strengthen existing relationships and to forge new networks for collaboration between political leaders and civil society in Detroit and Windsor*

### ACTIONS:

- Promote academic partnerships and seek to establish a post-secondary "R&D Arc" between University of Western Ontario, Windsor, and Michigan State; University of Michigan; and Wayne State;
- Set a target for number of successful 'trade missions' into Michigan and set KPIs for councillors and administration (and a pairing scheme), for Windsor-Detroit to encourage more underlying connections
- Strengthen relationships between Windsor and the Detroit entrepreneur cluster to foster partnerships over time and host more joint conferences with Detroit on themes of shared interest (healthcare, trade, automobility)

# Sell Windsor–Detroit

**Goal: Attract businesses, students, and residents from the rest of Canada, to the Windsor–Detroit region**

## Policy 1: Attracting businesses from outside into Windsor–Detroit

*Partnering with Detroit and selling the city internationally as one region will attract more attention.*

### ACTIONS:

- Work with Detroit and the Canada-US Business Association to establish a new Windsor–Detroit Board of Trade and use this as vehicle to promote the region internationally;
- Target more joint bids between the cities and development authorities.

## Policy 2: Selling Windsor–Detroit through targeted cultural events

*Windsor has an under-appreciated history that could be used more effectively to build a civic brand, with new or expanded public events used as a way of telling the story of the region and its rich history.*

### ACTIONS:

- Launch 'Prohibition Week' to showcase the shared history of the two cities, and a "Celebrate Windsor and Detroit" theme to an expanded Windsor International Film festival – i.e. local directors, films about Motown, etc.;
- Develop an expanded 'Freedom Festival' over the July holiday weekend annually, and new joint sporting events with Detroit;
- Work with the Tourism Board to seek access to Belle Isle Park and other cross-border tourism projects.

# Infrastructure

## Improve infrastructure and revive downtown

**Goal: Improve Windsor's quality of life and make it more liveable for young working families as the city grows**

Policy 1: Build the housing stock that meets incoming demand

*Windsor has an ageing housing stock and current models assume 7,000 units across the whole city are needed over a 20-year timeframe, but more diversity of housing type is needed too.*

### ACTIONS:

- To retain Windsor's comparative advantage of affordable housing, the city must continue to increase housing supply, including homes that appeal to the people that the city wants to attract – graduates, professionals, younger working families – while also providing a greater variety of housing supply (walk-ups, townhomes, larger 3-bedroom condominiums);
- Windsor should create a new residential housing strategy for the downtown and set a goal of significantly increasing the residential population in the downtown core (a target of 3,000 new units within a decade would be ambitious but achievable);
- Continue to work to secure these developers and promote and approve schemes that will drive downtown regeneration, as well as in other parts of the city (including the nine Business Improvement Areas<sup>81</sup>) to increase population density.

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81 Business Improvement Areas in Windsor. Retrieved from: <https://www.citywindsor.ca/business/business-improvement-areas/Pages/Business-Improvement-Areas.aspx>

## Policy 2: Complete riverfront revitalisation

*Windsor must do more to attract people to its best physical asset – the clean and developed waterfront. As a draw for people in Windsor, but also in Detroit, steps should be considered for how to make the riverfront a destination, and how to use it to keep people downtown.*

### ACTIONS:

- Complete the Riverfront Implementation Plan goals through the establishment and construction of all the destination beacons on the waterfront that attract regular visits by both residents and tourists;
- Schedule more pop-up events on the waterfront, including an annual Christmas Market, local Community Theatre (Shakespeare in the Park), craft markets, international cultural celebration events and historical (ghost) tours.

## Policy 3: Improve urban mobility

*Windsor remains a very car-centric city but that is changing. This is being addressed through an 'Active Transportation Master Plan'<sup>82</sup> and the city should continue to offer new transport options for residents, including trialling innovations that make getting around the downtown core and into Detroit without a car much easier.*

### ACTIONS:

- Windsor has a large student population and a flat topography, but limited public transit. An e-scooter scheme with an established provider (Bird, Tier, Lime) would allow more people without access to private cars to get around and demonstrate that Windsor is open to new low emission transport solutions;
- Ongoing investment in roads to address congestion and tackle air pollution, as well as in public transport with a modernized bus fleet, and continue plans to support 'active transportation' and make cycling and walking more attractive;
- Explore the feasibility of an autonomous bus link through the Detroit-Windsor Tunnel, which the city co-owns.

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82 City of Windsor (2019) *The Active Transportation Master Plan* Action 3A1 (p79). Retrieved from: <https://www.citywindsor.ca/residents/Construction/Environmental-Assessments-Master-Plans/Documents/Active%20Transportation%20Master%20Plan%20Final%20Report.pdf>

# Future Economy

## Become the site of Canada's future auto sector

**Goal: Protect and pivot - maintain Windsor's current strength in cars and adapt alongside the industry's global transition to electric vehicles**

### Policy 1: Invest in future auto manufacturing infrastructure and skills

*Take forward a series of actions to increase the likelihood that Windsor will secure its position as the site of the future auto sector in Canada.*

#### ACTIONS:

- Establish Canada's first ramp-up factory for EV/autonomous vehicles;
- Work with Universities in Ontario and Michigan to develop a common skills plan and curriculum for future auto workers, in close partnership with Windsor's post-secondary institutions;
- Invest in new business parks, employment lands and supportive infrastructure.

### Policy 2: Build up expertise in software and cyber-security

*The Windsor auto industry must increasingly comprise both advanced manufacturing and software engineering that can leverage Canada's comparative advantage.*

#### ACTIONS:

- Launch a public-private investment fund for companies that would include a focus on electric/smart vehicles innovation;
- Create a second campus for the Automotive and Surface Transportation Research Centre in Windsor;
- Explore the creation of a regulatory sandbox for self-driving vehicle research and trials.

### Policy 3: Commit to the future auto industry and advocate for a stronger government lead around electric, hybrid, hydrogen and autonomous vehicles

*Windsor's voice in the debate about the future of the auto industry will be important.*

#### ACTIONS:

- Advocate for a national EV innovation and manufacturing mandate;
- Make new investments in EV charging infrastructure locally;
- Seek partnership with local and national union leaders to support the transition to EV manufacturing.



# Diversify via building up adjacent sectors

**Goal: Lean into pre-existing strengths – education, borders, healthcare – so they comprise more of Windsor’s economy in the future**

## Policy 1: Develop Windsor’s health sector strengths

*Given Windsor’s healthcare workforce, the Jamieson plant, and the impending construction of a major new acute care hospital, the city should seek to leverage these investments to grow the health and nutraceuticals sector locally and facilitate health tech and wellness company spin-offs.*

### ACTIONS:

- Explore how to upgrade the University of Windsor’s offering to ensure an enhanced pipeline of local medical training and healthcare research that can integrate with the demands of the future healthcare economy, including for when the new regional hospital opens.
- Create an outline masterplan for a health R&D site to adjoin the new hospital.

## Policy 2: Explore border and trade strengths and put Windsor on the map as a border innovation zone

*Build on the city’s geographic advantage to promote the Free Trade Zone, attract more logistics firms and solidify Windsor’s reputation as a modern border city that exploits innovative cross-border technology.*

### ACTIONS:

- Develop the IBLs and the CBI and host a major showcase conference on 21<sup>st</sup> century borders to promote innovative technology, policies and procedures;
- Promote the Free Trade Zone and encourage more firms to locate in Windsor to take advantage of its custom and tax benefits;
- Work with WDBA to create a plan to exploit the data value from the new Gordie Howe International Bridge

# Talent

## Attract and retain more national and global talent

Policy 1: Establish a Windsor Talent committee focused on training and retaining highly educated people.

*A joint accountability framework and partnership among educational institutions, the city and the private sector can support training for current and future skills needs.*

### ACTIONS:

- Analysis of labor market shortages and new business skills requirements and courses at the College and University;
- Support the creation of a new incubator, accelerator, and training hub downtown;
- Develop a strategy to encourage international students studying in Windsor to stay in Windsor.

Policy 2: Leverage Windsor's post-secondary educational institutions.

*Both the University and the College should play a greater role in the future of Windsor's economy and work closely with the city and other private sector partners to contribute to economic development.*

### ACTIONS:

- Work with the University and College to improve links with employers, and upskill the local workforce, ensuring their course offerings meet market demand;
- Pursue the University's proposal for a computer science and technology hub downtown that could also have an incubator role for tech start-ups and a coworking space;
- Nudge better University and College collaboration through programmes that link professional students with tech-minded entrepreneurs.

Policy 3: Attract highly skilled workers from across Canada and abroad.

*Take steps to ensure that talent chooses Windsor as a place to study or settle, and combine proactive marketing with targeted incentives to increase the appeal of Windsor.*

### ACTIONS:

- Subsidize the visa fees for skilled immigrants coming to work in Windsor;
- Direct marketing of Windsor to skilled immigrants abroad (e.g. the United States, Hong Kong, India)

# Key Enablers

The strategy proposed in this report is intended to be more than a conceptual framework. Because it is evidence-led and informed by the political and policy context, it is designed as the foundation for a series of coordinated actions. Local public administration officials and stakeholders will need to be further consulted regarding some of the specific recommendations, including legal and fiscal frameworks. Nevertheless, there are certain key enablers that – were they to be absent – would likely undermine the strategy and its chances of success. The three most important enablers are:



## Enabler 1: Senior municipal leadership, with a city hall team focused on delivery of the strategy

Visible, sustained leadership from the Mayor and Council will be necessary to maintain focus and momentum beyond the next election. Chances of success will increase if this goes alongside a **special delivery unit** with a clear remit. This would be an in-house team reporting to the Mayor and Council who are dedicated to economic development focused only on the municipality (not the broader Essex region). They would be empowered to create project-specific working groups across various municipal departments (planning, legal, engineering, permitting) to support economic development objectives, track KPIs and manage ongoing reporting to Mayor and Council.

**Next step: Seek endorsement from City Council for the L.I.F.T. Strategy to be developed and overseen by a new delivery unit to be setup within City Hall.**

## Enabler 2: Recruit key external players to the mission

Alongside the clear narrative and sustained leadership of the Mayor and Council, this L.I.F.T. agenda needs support from external parties – some of whom (like the post-secondary institutions) have not been deeply engaged on economic development before. Use the city's convening power and leadership to establish new groups that can support the strategy, including a **'Windsor Works Taskforce'** – a new 8-10-member group of important decision-makers in Windsor's local community. This would bring together those with the most at stake from this strategy succeeding and would have a majority of members from the private sector. In addition, consider setting up a new **Economic Development Committee of City Council** to involve council members earlier in key issues.

**Next step: establish a new 'Windsor Works' taskforce to advise on and shape the development of initiative within the L.I.F.T. Strategy, which would be regularly convened by the Mayor's Office.**

## Enabler 3: Define, update and report key metrics regularly

Within or alongside this strategy report, the city should set out the key metrics that will measure progress against the goals. Some of these metrics will be new and will need collecting/calculating for the first time. Consult, and develop, these metrics internally and share them publicly regularly – at least annually – and consider committing to a transparent **Online Scorecard** for the benefit of Windsor's businesses and residents.

**Next step: Agree a suite of metrics to measure progress and report regularly for the benefit of partners and the public.**

# Key Success Metrics

Measuring progress is essential to the realisation of any strategy. The city should determine how it wants to be judged for the actions it decides to take. The L.I.F.T. strategy has sufficient focus that a set of outputs and outcome metrics could be developed that would align with each of the four pillars, and then would serve as a ten-year goal. As an illustration, a picture of what success looks like by 2030 might include:

By 2030, as a result of Windsor's L.I.F.T. Strategy, the city should have...

- Increased its population by more than the Ontario average;
- Graduates comprising a larger share of the Windsor-Essex workforce;
- US citizens comprising a larger share of (a) visitors; (b) business owners (c) students;
- Increased workforce productivity (even if automation means the local auto sector employs fewer people);
- Highly skilled manufacturing comprising a larger share of Windsor's economy than it does today;
- Higher volumes of cross-border movements (people and goods) than 2020;
- The productivity gap with rest of Canada closing;
- Citations and patents in the area rising;
- Greater interaction between the council, officials the and economic development agency and their counterparts in Detroit/Michigan, and similar metrics adopted by the University and College, including around academic partnerships.

There is also specific data that Windsor currently does not routinely collect that it should be capturing and monitoring as part of this strategy. These include the following:

- Data on attitudes to Windsor – for example among University leavers and why they stay or go, and incoming residents;
- Windsor's workforce demographics (especially nationality/education) by sector;
- Views of Windsor from a) Ontario; and b) Michigan (with an emphasis on the latter)
- Survey tourists/visitors/students in Windsor on a regular basis;
- A dataset for cross-border activity that Windsor can utilize;

**Next step: Identify the missing metrics needed to begin baselining performance and collaborate with partner institutions to collect data to inform the city's economic development agenda.**





# Conclusion

# Conclusion

The opportunities available to Windsor's people will not materialize on their own. The purpose of a strategic plan for economic development is to catalyze growth and position Windsor to leverage underlying strengths. New and emerging opportunities must be seized. They cannot be missed.

For that to happen in Windsor, it requires a clear strategy – and one that is possible to communicate. Local stakeholders must be brought onboard. Citizens must be inspired. Businesses must see action. But, to maintain momentum as circumstances change, a strategy of this kind must be owned and directed by the political and civic leaders of the city.

This project has attempted to capture the essential elements of the city of Windsor that represent strengths and opportunities, as well as potential challenges. The proposed L.I.F.T. strategy outlined in this report is evidence-led and designed to be easy to communicate and politically achievable. If adopted, it would present a positive agenda for Windsor that could galvanize the community towards shared goals. It may also provide the focus and direction that many stakeholders have urged, and the means of bringing local businesses, civil society and the city itself closer together.

Our research leads to one key conclusion: that Windsor is economically tied to Detroit and they can do more to help each other grow and prosper so that Detroit's recovery is a wave that Windsor can ride to become a bigger and better place to live as a result – principally by attracting more people, jobs and investment from the USA and from other parts of Canada. As the world emerges from COVID-19 and with expectations that the international border will reopen in 2021, Windsor needs to do more than just return to normal. The city needs to make the most of its proximity to Detroit and grow the business, academic and cultural links with its US neighbour at every level. Windsor will always be a Canadian city, not a suburb of Detroit, but if Windsor expands and the connections deepen across the Detroit river, so that more people come to see it as one dynamic region, then Windsor will become a more diverse and resilient economy and a more successful city in its own right.

Thankfully that goal does not mean reinvention. In fact, many of Windsor's strengths – the assets that make it attractive as a place to study, invest and settle – are either not widely known or are just under-appreciated. In this regard, the city could achieve some important parts of the strategy simply by more effective and sustained efforts at civic marketing, in an alliance with existing agencies and local partners. It is in this respect that the city may not have done enough in recent years: proactively communicating what makes Windsor special – both to the rest of Canada and beyond.

Not enough people outside the city recognize a fundamental truth about Windsor: that uniquely, and due to history and to the border, the city represents the best of both worlds. It is a small city of a quarter of a million residents that is close enough to a metro area of almost 4 million people to give Windsor residents the advantages of those big city amenities without the downsides. The L.I.F.T. strategy is therefore broad and ambitious, but crucially it is also rooted in Windsor's existing strengths. By taking an approach that builds on the best of Windsor, the L.I.F.T. strategy should be both deliverable and effective, securing the city's future as a great place to live, work and play, as it prepares for the next chapter in its history.

## Next steps

Throughout the fieldwork and analysis, the legal, political and regulatory limitations on small municipalities have been at the forefront of the thinking. Unlike cities in the United States, Windsor does not have all the levers it might want in order to control its own destiny, and any plan for the future of the city is dependent not just on other agencies and tiers of government, but on the sustained political leadership of the Mayor and the Council themselves. The purpose of this project was to advise and to offer an outline of the right strategic course for Windsor to take. The political leadership of the City must decide whether it supports the analysis and agrees with the proposed strategy.

The specific recommendations are not all within the grasp of the City of Windsor, and even the ones that are, have been designed more to stimulate discussion and provide direction on appropriate next steps. Significantly, this report outlines dozens of broad policy actions, some of which are easier to implement than others. Taken together, these recommendations, and their natural successors, would easily represent 3-5 years of implementation activity. The authors hope they serve as a catalyst for ideas that might achieve the stated objectives, even if the exact recommendation is not followed to the letter. They reflect the authors' judgment of what would turn this strategy into a practical plan of action, but they are not the only way of achieving the desired objectives.

The policy actions vary in their complexity and novelty and also in their likely cost. It was not required as part of this project to undertake a detailed costing exercise for the proposals contained in this report. For such proposals to be fully considered by Council, the City administration would need to undertake full modelling and cost estimates based on data accessible to them or supplied by partner agencies.

The City can take immediate steps to begin down the path identified in the L.I.F.T. Strategy and as a first step, should seek endorsement from Council for the direction of travel outlined in this report. However, it will then be for the city to commission the necessary reviews, modelling and implementation studies to ensure that elements contained in this strategy can be costed before being implemented.

# Appendix

01. Economic Regeneration

02. Economic Incentives in Ontario cities

03. Border Cities Comparison

04. Deep Dive: Detroit

05. Policy Proposals

06. Municipal Affairs

Bibliography





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