Reducing Business Burdens: Great Ideas from Five Innovative Ontario Municipalities

Creating jobs and economic growth by reducing regulatory burdens facing Ontario's entrepreneurs and investors – The findings from five municipal pilot projects

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The opinions and recommendations contained in this Report are those of the Project Facilitator and may not necessarily represent the views or positions of the participating municipalities, AMO, or the Ontario Government, including MEDG. Any errors or other shortcomings in this Report are entirely the responsibility of the Facilitator.

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Executive Summary

In June of 2016, the Association of Municipalities of Ontario (AMO) entered into a contract with the Minister of Economic Development and Growth (MEDG) to launch a "Business Burden Reduction Project", focusing on ways that, in collaboration, both orders of government could identify opportunities to reduce the regulatory burdens of cost and delay on businesses. Following a broad invitation to Ontario municipalities, five municipalities volunteered to undertake individual pilot projects in specific areas of perceived burdens to business – the City of Barrie, the County of Bruce, the City of Hamilton, the City of London, and Peterborough Economic Development / the City of Peterborough. AMO contracted with a Facilitator, Michael Fenn, to work with the pilot projects and to prepare a summary report. This is a report on the progress and achievements of those five municipal "business burden reduction" pilot projects.

The pilot projects identified approaches that would make for better regulation, including: client-focused regulation; measuring aggregate and cumulative effects of regulation; "up-streaming" compliance procedures; process re-engineering; and, applying the Pareto principle to delegation.

The pilot projects yielded several innovative, "business burden reduction" breakthroughs results, including these four:

- Expanding employment and the municipal tax base by helping investors and expanding businesses use a "Sherpa" or "concierge" to guide them through an integrated, automated regulatory approvals process;
- Promoting investment and economic sustainability in rural and small town Ontario, by overcoming the gaps in business information facing individual entrepreneurs in the rural economy;
- Creating more construction employment and more housing supply by streamlining business processes in land-use development; and,
- Facilitating investment in Ontario's hospitality, beverage and tourism sectors by reducing the business licensing challenges facing craft brewers, micro-distillers and brew-pubs.

Using the regulatory reform measures identified in the pilot projects, municipalities across Ontario can assist in meeting these seven priorities:

- Increasing and sustaining employment, by reducing the complexity and cycle-time for complying with regulations;
- Making it easier for entrepreneurs to expand businesses and employment in rural Ontario;
- Creating welcoming track for external and domestic investors;
- Making more land readily or quickly available to accommodate new economic activities;
- Bolstering the regional tourism, hospitality and beverage industries;
- Increasing the supply of housing and the range of housing options; and,
- Increasing the success of regulation by making compliance easier, less costly, more predictable, evidence-based and results-focused.

Agenda for Action - Next Steps

Leadership does matter

The five volunteer municipalities did an outstanding job, as this report documents. However, there is a limit to what can be achieved in under a year in streamlining regulatory systems that have evolved over decades, especially when many are prescribed by statute and beyond their direct control.

There is considerable opportunity to do more, and the pilot projects point the way.

At the top of the list are things that Provincial ministries and agencies engaged in implementing and administering regulatory activities could do, in cooperation with municipalities, to reduce the burdens of time and cost that confront business operators and investors. More might also have been achieved, and additional pilot projects might have been undertaken, if there had been more direct political leadership given to these initiatives at the municipal level.

Looking forward, there is need for a whole-of-government commitment by the Province to reducing business burdens, in cooperation with their regulatory partners in municipal and regional authorities.

Experience with line ministries suggests that this initiative should see the *Regulatory Modernization Committee*, in consultation with AMO, target specific ministries and specific regulatory programs, including timeframes for achieving changes in the design of regulations and related procedures. The process should also involve political leadership, both in municipalities and in a variety of ministries, and their agencies. Finally, it should involve review and inspection staff from municipalities and Provincial ministries and agencies, with first-hand experience dealing with business applicants, as well as input from owners of regulated and licensed businesses.

A Call to Action

The Report concludes with a call to action, based on the findings of the pilot projects.

First, the ideas and process improvements identified by the pilot projects have broad applicability across the municipal sector. AMO and the MEDG should find ways to propagate these innovations – to make good ideas "contagious". This process should also be iterative. As other municipalities share their experience with similar regulatory and licensing improvements, all potentially benefitting municipalities should have access to them.

Second, the model for the AMO / MEDG pilot projects was a similar exercise undertaken by the City of Toronto's departments and a variety of ministries. With the passage of time, those initiatives have matured and their experiences should be shared with a wider, Ontario municipal audience facing similar issues.

Third, there is an opportunity for the Province, in consultation with AMO, to identify regulatory activities within its ministries and agencies that have a direct interface with municipal authorities, and where focus could be given to improving collaboration, including timeliness, effectiveness and sharing of responsibility. The Province needs to take a whole-of-government approach to this effort, to overcome "silos" and ministries' resistance to regulatory modernization affecting the municipal sphere. These specific seven opportunities are listed below:

Important Next Steps:

1. **The Province should commit those that play an important role in commenting on development applications to participate actively and collaboratively with those municipalities that develop automated or on-line systems to support the development-review process, where volumes justify it and where standards can be assured.**

2. **Where a larger municipality has developed a "concierge" program, the precedence and attention that Provincial ministries and agencies give to applications should reflect the judgment of municipal authorities on giving priority to specific good development applications.**

3. **The MOECC should make it a matter of Ministry policy to work with its municipal regulatory colleagues in, at least, the 20 largest municipalities, to introduce broader "Transfer of Review" delegations to any willing municipality, by the beginning of the next fiscal year.**

4. **As new planning legislation and policy are converted into procedures and practices, the burden on those creating jobs in the construction, development and home-building industries should ideally be reduced, not increased. Municipalities in general, and the Ministry of Municipal Affairs and the Ministry of Housing, in particular, should commit themselves to that goal.**

   Using the model pioneered by the City of Hamilton, lead ministries should involve municipal officials, applicants and other ministries in the design of the revised procedures and the establishment of results-focused "commenting" practices and timetables for both municipal departments and provincial and regional authorities.

5. **Rural municipalities, particularly working through their county governments, should enhance their "home-grown" economic development prospects by offering programs such as those delivered by the Bruce County Library Service and the County of Bruce.**

6. **As proposed in a recent forum in the Peterborough area, the Province should work with municipalities like Peterborough to re-engineer the full range of regulation imposed on small business operators.**

   The effort to re-engineer regulation should begin with the Ministry of Municipal Affairs establishing a working group comprised of municipal building officials and government representatives from other ministries/authorities such as Electrical Safety Authority (ESA), Fire Marshal, Technical Standards and Safety Authority (TSSA), Ministry of Labour and Ministry of Culture Tourism Sport (Heritage) and the Alcohol and Gaming Commission of Ontario (AGCO) to address overlapping scope and conflicting technical requirements between the *Building Code Act / Ontario Building Code* and other legislation/regulation.

7. **In the small business segment of the beverage alcohol sector, Ontario needs to develop a system of regulation and licensing that reflects clearly articulated public policy objectives, the dynamism of the sector and the clear trends in public tastes and expectations.**

Introduction

In our digital economy, moving a product or service from concept to marketplace can be measured in days. While much has changed in the economy, in business one fact has not changed: "time is money".

But if the cost of establishing a business or expanding a service is too high, or if takes too long, opportunities are lost, or go elsewhere. If the land development and building process is too costly, too protracted or too uncertain, expanding the supply of new and affordable housing is discouraged, and it is more attractive to build a factory or a research lab elsewhere.

So how do Ontario and Canada rank? In its annual review of the burdens facing entrepreneurs wanting to start a business, the World Bank ranked Canada a disappointing #22 (See: Appendix "A"). That put us in the company of Malaysia, Poland and Portugal, and far behind leading jurisdictions. Those leading jurisdictions, not surprisingly, include 'entrepreneurial' states like Hong Kong, Singapore, South Korea and Taiwan. But the top 15 also includes the "competition": the UK, the US, New Zealand, Australia, and most Scandinavian and Baltic countries.

Regulation serves important societal purposes. A rules-based society: regulates commerce and the workplace; protects public health and safety; preserves the quality of the environment, and our natural and societal heritage; and, ensures orderly residential and economic development. Without regulation, modern communities and our excellent quality of life would not be possible.

But as with all areas of human activity, an excess of a good thing can produce unintended or accumulated consequences. In the global competition for trade and investment, inefficient regulation is a self-inflicted constraint on economic activity and employment growth. Given the highly devolved nature of Canadian Confederation, layers of regulation can multiply and spread, with little attention to the cumulative effect on the economy and on individual entrepreneurs.

With that reality in mind, the Ministry of Economic Development and Growth (MEDG) and the Association of Municipalities of Ontario (AMO) initiated a Business Burden Reduction Project focused on businesses that are subjected to local regulation by municipal governments and provincial ministries and agencies. The Project consisted of five pilot projects undertaken by five innovative, volunteer municipalities across Ontario. This report provides a summary of their findings. This report also issues an invitation to other municipalities and to the Ontario government to adopt and promote these breakthrough regulatory "best practices".

Ontario Government's Business Burden Reduction Initiatives

Since 2014, the Minister of Economic Development and Growth has been required by statute to publish and table in the Legislature, before the end of June, an annual report that summarizes progress on reducing the regulatory burdens facing business in Ontario[1]. A common feature of business burden reduction reports has been to identify **the burden** being experienced by business, the cost being incurred in time and money, a description of **the solution** that was identified, and **the results** arising from implementing the solution, again expressed in estimated costs reduced for the applicant business in time and / or money.[2]

Since much business and other regulation in Ontario is carried out at the municipal level, the Ministry of Economic Development and Growth (MEDG) determined that there would be merit extending the Ontario Government's own burden reduction program to the municipal sector, beginning with Ontario's largest municipality, Toronto. In November 2015, the Ontario Government and the City of Toronto, in collaboration with business representatives, undertook a focused business burden reduction initiative, targeting eight areas with potential for reducing the barriers facing entrepreneurs, investors and business operators. In March 2016, the Mayor of Toronto and the Minister unveiled a report on progress in each of eight pilot projects, together with a recommendation for a ninth (regulations affecting "the sharing economy").

The Association of Municipalities of Ontario (AMO), representing the other 443 municipalities in Ontario, suggested to the Minister that there would be equal merit in a similar project being undertaken for municipalities beyond Toronto. The Minister concurred, and the AMO / MEDG "Business Burden Reduction Project" was the result. This report forms part of that Project.

Forthcoming measures by the Ontario Government

In mid-May 2017, the Ministry of Economic Development and Growth unveiled the latest round of "business burden reduction" measures, including an agenda for legislation in the autumn, focused on small business and "cutting red tape". These include:[3]

1. **Reducing regulatory costs:** Requiring all ministries to offset every dollar of new administrative costs to business, by removing $1.25 of old and unnecessary costs.
2. **Streamlining compliance for small business:** Ensuring that undue burdens aren't placed on small businesses when new or amended regulations are introduced, while maintaining robust environmental, health and safety requirements and other public interest protections.
3. I**nternational or national standards alignment:** Increasing harmonization with other jurisdictions and adopting international or national standards, where appropriate, when developing or reviewing regulations.
4. **Rewarding good actors:** Recognizing businesses that have a good compliance record and lowering their costs by reducing the requirements, such as the number of inspections, without compromising the environment health and safety, and other protections.

5. **Electronic transmission guarantee:** Providing businesses the option to electronically submit any required documentation to the Government of Ontario instead of more costly paper submissions.
6. **Government procurement:** Introducing a preferred procurement policy for small businesses that would help provide better access to government contracts.
7. **One-window service:** Developing a new program that would help small businesses access support, information and resources by phone, online and in person.
8. **Reducing fees and other costs:** Reviewing licence and registration fees paid with a goal of providing relief to small- and medium-sized businesses.

The municipal and provincial/municipal innovations summarized in this report complement objectives 2, 4, 5, 7 and 8.

It is also worth noting that major changes are coming to the land-use development process, including the Province's "fair housing plan". This commitment was featured in the recent media release from the Ontario Government:

> "*Creating a new Housing Supply Team with dedicated provincial employees to identify barriers to specific housing development projects and work with developers and municipalities to find solutions. As well, a multi-ministry working group will be established to work with the development industry and municipalities to identify opportunities to streamline the development approvals process.*"
> *(See: https://news.ontario.ca/mof/en/2017/04/ontarios-fair-housing-plan.html).*

Business Burden Reduction "best practices" for Ontario's Municipalities

Getting results: picking the best tools

One of the most interesting conclusions from the five pilot projects is that by borrowing practices from the business sector, we can achieve better regulatory results – with less cost and less delay – than by following traditional public-sector regulatory practices.

In addition to reducing the burden on businesses, the pilot projects also identified some clear benefits for regulatory authorities themselves, like municipalities and provincial ministries and agencies. The pilot projects pointed the way to substantive progress on a number of well-established public policy priorities. Effective regulation can also reduce demand on in-house resources and provide opportunities for saving taxpayers' money.

To achieve their regulatory breakthroughs, each of the five pilot projects identified and adopted one or more of the following five contemporary approaches to more efficient and effective regulation.

1. Client-focused regulation

In some cases, improved results come from adopting practices pioneered by the commercial service sector, aimed at seeing things through the eyes of the consumer or the client. This can mean making unfamiliar or confusing processes more understandable and predictable, particularly where the applicant may only have one occasion to go through the regulatory process. In other cases, good client-centred business processes can bring necessary information directly to the prospective entrepreneur or investor. This is especially helpful in more remote settings and in an era where sole-practitioner and small start-up businesses are increasingly the norm.

Municipal governments can also add value as "clients" of regulation or partners with the Province in designing and implementing procedures and practices that give effect to regulations. Municipalities frequently have the local knowledge, on-the-ground professional capacity, and subject matter expertise that lead to more effective regulation and results.

2. Appreciating aggregate and cumulative effects

The cumulative or aggregate impact of regulation is often not fully appreciated in the well intentioned but incremental, function-specific efforts by governments to reduce unnecessary "red tape". From municipal departments, health units and conservation authorities to the various branches of ministries, a myriad of bodies have authority to impose and interpret regulatory and licensing requirements.

Federal, provincial and municipal legislators do what they were elected to do: they legislate statutes, regulations and standards, and empower others to add to them. The merit of individual regulatory requirements and the way to implement them is routinely and openly debated, in most cases. However, the cumulative effect, from the perspective of the regulated person or enterprise, is rarely considered or measured.

Municipal and provincial officials administering regulatory regimes deal with specific regulations every day. They become quite expert in their subject matter and processes. They understand the scope, subtleties and logic behind the regulatory requirements and they are usually enthusiastic advocates for their specific objectives.

For most business applicants, however, it is a daunting task to understand and navigate the many, diverse and unfamiliar regulatory pre-conditions for expanding their business, developing their property or making an employment-creating investment in a community. For most of them, it is a rare or even one-off experience. Moreover, it can be a frustrating experience with what they would describe as "red tape" or "government bureaucracy": their entrepreneurial instincts for challenging non-value-added processes or questioning the need for an expense or fee rarely elicit a positive response from public servants, nor have the effect of expediting the approvals.

Above all, there is a need for upfront clarity of municipal requirements. Often applicants, particularly those less sophisticated, find out about additional requirements in middle of the process. The result is further delays and costs as these issues get sorted out.

3. “Up-streaming”

Again learning from the world of commerce, regulation can be made more efficient by encouraging the applicant prepare a ‘complete application’ in advance and at their own pace, often using custom-tailored or interactive on-line guidance. Organizations from Amazon and the travel industry to financial institutions and low-fee investment services have adopted this model with evident success. Applied to a regulatory context, “up-streaming” allows applicants to attest to the fact that the regulatory requirements have been met, perhaps with the assistance of a licensed professional. Such assurances can be relied upon by the regulating authority, with the clear understanding that misrepresentation will have consequences, if selective audit uncovers culpable or avoidable non-compliance.

As with contemporary income tax administration, this model produces a consistent approach by applicants and a quick decision on individual submissions, despite large numbers of submissions. Some regulation, such as in-vehicle driver’s examinations or aircraft pilot’s licenses, may always require direct monitoring and oversight. But much regulation lends itself to being done with a lighter touch, reduced resources, and client-adoption of established standards.

4. Process re-engineering

Commercial organizations from Toyota to Disney have long recognized the value of process re-engineering. Innovations such as Six Sigma, LEAN manufacturing and TPS (Toyota Production System) have contributed to improved productivity, throughput, and efficiency in workplaces as diverse as factories, amusement parks, water treatment plants and hospitals. In TPS and Six Sigma systems, for example, improvements are achieved in the way goods and services are produced, by identifying and reducing three factors:

(1) physical waste and wasted or “useless” effort (what its Japanese pioneers call “muda” or **無駄**);

(2) overburden, stress, lack of training, unclear, ill-considered or “impossible” objectives (“muri”); and,

(3) unevenness, inconsistency, or “outliers” (“mura”).

By using similar techniques, and aided by academic experts in the cases of Hamilton and Peterborough, the pilot project municipalities found ways to streamline, coordinate and simplify their regulatory efforts, without sacrificing the primary goals of regulation.

5. Applying the Pareto principle to delegation

Much recent work on reducing “red tape” and the cost of administering regulations, by Ontario and its municipalities, has been focused on taking a so-called risk-based approach to site inspection, compliance assurance and audit, and to requirements from applicants for licenses and permits. Using the Pareto principle, or the so-called “80/20 rule”, low-risk activities receive less attention. The typically larger volume of low-risk applications are “triaged”, in favour of focusing attention on the 20% of regulated activities that will likely cause most problems, or where evidence points to the greatest risk of regulatory non-compliance, system failure or public harm.

However, public concerns about regulatory failure and the consequences of omissions are an ever-present feature of a risk-averse public sector in every jurisdiction. It is abetted by an ever-vigilant world of auditors-general and conventional

and social media critics, and the "ministerial responsibility" principle, which says that political leaders are accountable for regulatory failures.

Public involvement often has benefits, in reviewing processes leading to decisions, and in addressing so-called NIMBY reactions. Yet these factors combine to favour an approach that treats all applications for approvals as meriting equal attention, since theoretically, any case might lead to problems. In addition, weak data collection may make it difficult to make an evidence-informed decision on risk candidates.

But not all risks are equal. In fact, spreading limited regulatory resources too thinly risks lack of detailed attention where it might be most warranted. It certainly makes regulatory processes protracted and unpredictable.

The ability to focus scarce government professional resources on those files meriting greater attention improves the success rate of regulation. One of the quickest ways to zero-in on files needing extra attention is to identify ways in which low risk files can be processed by the applicant, or the applicant's licensed professional, or by an approval authority closer to the applicant and more familiar with local conditions and circumstances. The pilot projects identified some interesting opportunities to "triage" applications and applicants.

A proven approach is to delegate greater pre-approval and approval authority to municipalities, within the framework of established provincial regulations, or by a formal delegation-of-authority agreement between a provincial ministry and a municipal government. Experience suggests that we would see more inclination to take a "calculated risk", based on a pre-assessment of outcomes, or on more active piloting of regulatory reform models.

Although it was not part of the London pilot project, it is the MEDG's view that there may also be some potential for further "up-stream" delegation to the applicant's professional consultants under the MOECC's "Qualified Persons" program, under which designated, licensed professionals (e.g., a licensed professional engineer) can certify compliance with environmental regulations and policies, in support of an application for some types of "environmental compliance approvals" (ECAs).

Business Burden Reduction Breakthroughs Results - Four Innovations

While each pilot project contained several innovations, the overall business burden reduction accomplishments fell into four broad categories.

1. Finding a "Sherpa" or "concierge": expanding employment and the municipal tax base by guiding investors and entrepreneurs through an integrated, automated regulatory approvals process

Competition for business investment in Ontario is intense, both among Ontario municipalities and with other Provinces and States, with NAFTA jurisdictions offering a wide range of inducements and incentives. Smoothing the way for entrepreneurs can produce very positive results for a municipality, but there are corresponding negative consequences from telling a prospective investor to wait in the queue and puzzle-out the regulatory process. Similar to Hamilton's pilot project,

and supported by an on-line application monitoring system called APLI, Barrie's Business Concierge Program offers to guide an applicant business through the maze of local and provincial regulation, if it meets certain criteria.

2. Promoting investment and economic sustainability in rural and small town Ontario

The Bruce County Library System is an institution that prides itself on being a contemporary and relevant presence in the nine communities that its 17 branches serve. As an information hub, the local library provides a range of resources needed in rural communities, going well beyond the conventional notion of a public library.

The County of Bruce and the Bruce County Library System sponsored a range of programs for new or prospective entrepreneurs, ranging from classroom training to access to in-library and on-line resources. Those looking to create or expand their businesses in a rural setting learned how to overcome basic business obstacles. From putting together a first business plan for financial institutions and investors, to accessing regulatory information through BizPal and other local economic development information, the use of the library as a business information hub produces immediate local results.

3. Generating construction employment and more housing supply by streamlining the land-use development process

The use of process-review and LEAN re-engineering for land-development applications, including selective delegation of provincial approval authority, shows how the burdens of cost and delay can be dramatically reduced. Done successfully, it also yields serviced land to meet pressing housing needs, and to accommodate those wishing to establish businesses.

4. Facilitating investment in Ontario's hospitality and tourism industry – the case of micro-breweries, micro-distilleries and brew-pubs

The regulatory business burdens faced by any small business are considerably amplified when that business is a micro-brewery, a micro-distillery, a brew-pub, or even a restaurant serving liquor, wine and beer. The Peterborough pilot project shone a helpful light on the burdens facing these businesses, not only in meeting the requirements of the Alcohol and Gaming Commission of Ontario (AGCO), but also using a LEAN review to streamline its own approval processes.

The Pilot Projects

In the annual reports on business burden reduction made to the Legislature by the Minister of Economic Development and Growth, a standard format is followed. For each measure taken, the report describes the burden being faced by the business operator or applicant, including the costs being borne by the applicant, both directly by fees and in expenses incurred to meet regulatory requirements. Next, the Minister's report outlines the solutions that have been developed to address those burdens and costs. And, finally, the report summarizes the results that were achieved, with a particular focus on money saved and timelines improved.

As we look at each of the five pilot projects under the AMO / MEDG Business Burden Reduction Project, the same format will generally be followed.

Pilot Project # 1 – The City of Barrie

A concierge approach to business

The Burden

The City of Barrie has enjoyed tremendous growth and development over the last two decades, making it one of Canada's most rapidly growing cities. Residential, commercial and industrial investment within the current built-boundary of the City has driven that growth. Looking forward, the Ontario Government's growth targets for Barrie will drive further population and employment growth.

Significantly, a recent annexation expands the City's boundaries to the south, adding approximately 5,700 acres of land, and Downtown Barrie has been designated as an Urban Growth Centre in the Province's Growth Plan. To meet these targets and to position the City for future success, comprehensive plans and strategies have been put in place that will help Barrie continue to thrive in the coming years.

With Barrie's rapid growth, has come "growth pains", as City officials try to facilitate the many needs of businesses looking to expand or establish themselves in Barrie. Some are business enterprises themselves, and others are in the land development industry, preparing land for industrial and commercial enterprises and the housing for their employees.

In 2012, to revisit the City's economic direction and priorities, an action plan called *Ideas in Motion* was launched. To build this action plan and to better understand the needs of businesses and the challenges that they face, Barrie conducted a comprehensive forum with the local business community. Over 200 business representatives attended from a variety of business sectors, and five clear actions emerged: Alignment; Business Ambassadors; University Ready; Our Identity and Open for Business.

To move forward on the *Open for Business* initiative, a staff team comprised of senior staff from across the organization was

formed to develop an action plan focused on improving customer experience and reducing barriers to doing business in Barrie. The action plan included a number of initiatives, ranging from several detailed process improvement reviews, to the development of both customer service and City-to-business communication plans.

The work of the Open for Business initiative began with a survey of the business community, which helped identify where improvements needed to be made. The burdens being faced by businesses in their dealings with the City of Barrie were quite clear: the majority of respondents saw room for improvement in the level of service they were receiving from City staff. The comments received from the survey were ones that are quite common among municipalities, highlighting the difficulties in navigating City processes.

Among the respondents' more colourful expressions of dissatisfaction were these:

- *"Sometimes I feel as though running a business in Barrie is more akin to running an obstacle course."*
- *"Change-manage organizational culture to be a door and window – rather than a wall."*
- *"Work with groups instead of against them. Try to accommodate instead of antagonize."*

The survey was followed-up by a number of one-on-one interviews with businesses that identified an interest in providing more detailed feedback. In addition, some sector specific meetings were held. In combination, these survey, interview and meeting results helped City officials both identify the burdens being encountered by business, and acted as the foundation for an Open for Business action plan.

One of the biggest regulatory-based challenges facing businesses was evidently the difficulty they encountered in navigating the process for securing various kinds of licenses, permits and approvals, through the regulatory regimes administered by the City and its regulatory partners at the regional and provincial levels.

In particular, navigating through the development process can be confusing and time consuming for business clients of any municipality. There are multiple processes administered through multiple departments and although staff do their best to provide direction, the true onus is on the business owner/developer to navigate themselves through the various application procedures.

The rapidly growing City of Barrie was certainly sensitive to this issue. In the past, improvement efforts had been made within departmental processes seeking greater clarity and efficiency. However, when considering the entire development process from land transactions (if City-owned lands are being purchased), through to obtaining building occupancy, the coordination and flow between procedures can be a challenge for the uninitiated client. After adding the need for various required applications, permits and/or sign-offs from external agencies, it becomes additionally daunting for business clients.

Having these multiple points of contact (internal or external) can result in delays both from expectations and from requirements being miscommunicated, as well as a lag time being created between application procedures that could possibly proceed concurrently.

The same holds true for existing businesses that may be experiencing a City-related issue that is impeding business function. This could be anything from parking or road construction difficulties, to zoning or building renovation challenges.

The ability to expedite good applications only works when each step in the process, including provincial approvals, meshes with municipal efforts to deal with applications efficiently and effectively. (The City of London case study detailed the ways in which the MOECC's (Ministry of Environment and Climate Change) approval requirements could influence the speed and cost of an Environmental Compliance Approval (ECA).)

Another example is the Ministry of Transportation's five regional Corridor Management Offices and Regional Development Review Co-coordinators, which play a key role in the development approvals process.

(See: http://www.mto.gov.on.ca/english/engineering/management/corridor/)

To the extent that the MTO is timely, flexible and results-based in its response, the process moves forward. Where MTO's response is not timely or does not give priority to a file, those delays are effectively beyond the control of the municipality, but that likely does little to satisfy a business applicant.

Any or all of these factors can result in a business decision to abandon investment plans or to relocate with the goal of finding a more accommodating business environment.

As in other cities, Barrie's Business Development Department is often the first point of contact for business owners / developers either entering into the development process or experiencing a City-related issue. Tight timelines or miscommunication / lack of understanding regarding the business requirements to move a project forward, or the costs involved, are frequent concerns. A "green light" may be given at first, but then later in the process it is identified that something has been missed or an outside agency approval is required, which was not initially well communicated.

The Cost

What is it worth to a business or investor to see an application move through the approvals process more expeditiously and without unforeseen additional costs? It is likely best expressed in terms of time saved. As the London and Hamilton pilot projects indicated, many weeks can be saved with more effective processes and related client information. By way of illustration, in the Hamilton case, subdivision approvals would go from an average of 3.5 years to about six months. In the London case, the time taken to secure typical environmental approvals could be reduced by 90%.

With avoidable regulatory delays, return-on-investment is reduced for business, carrying costs rise, and the opportunity to redeploy resources to the next project is lost. For end-users, delay means putting-off starting a business and hiring employees, or having less supply available in a competitive housing market. Although hard to calculate with precision, in an active development environment like Barrie, these avoidable costs can potentially translate into millions of dollars lost to businesses and the regional economy.

How much difference could this make? Consider the number of housing starts approved in Ontario, and in major Ontario centres. In Barrie, for example, the annual number of housing units produced in 2016 was 1,723. In Hamilton, the housing starts totaled 3,269 and for London, 3,116. Excluding Toronto, the totals for Ontario's major urban regions totaled 32,836. (For details, see CMHC table at: https://www03.cmhc-schl.gc.ca/hmiportal/en/#TableMapChart/35/2/Ontario). By bringing nearly 33,000 housing units to market earlier, assuming the Ontario average home cost in April 2017 of $726,523 (CMHC, including Toronto; median: $590,000), Ontario would accelerate the delivery of nearly $24 billion in new housing.

The Solution

In addition to the "Open for Business" action item that emerged from the City of Barrie's *Ideas in Motion* plan, another one of the action items (called "Alignment") contributed to the development of a strategic portfolio at the City called Invest Barrie. The Invest Barrie portfolio provides a more comprehensive approach to investment in the City by bringing together several city departments and aligning their activities through an integrated economic strategic framework that drives economic diversification and resiliency, and promotes a pro-business climate at City Hall.

Under the sponsorship of Invest Barrie, City staff have developed a two-pronged program to facilitate enterprises trying to navigate the complex Provincial/Municipal approval processes that face those wishing to establish or expand a business, or to receive approval to proceed with a major development initiative. Particular attention has been paid to promoting business and development activity in the large area recently annexed to the City. Barrie has branded this overall initiative as its "Business Concierge Program". Complementing this initiative is a development-processing software program entitled APLI, which is described below.

The goal of the Business Concierge Program is to provide business owners, developers, and investors with a formal service that offers simplified and time-sensitive development process facilitation and/or rapid and coordinated issue resolution through the convenience of a single point of contact within the City of Barrie.

Although Invest Barrie has always engaged in facilitating projects through the development process, or assisted with issue resolution, it has been primarily an ad-hoc approach without a formalized process. The concierge program is intended to both formalize, in process, the facilitation work done by Invest Barrie, as well as to integrate all relevant City Departments into that process to create a more robust, cohesive and customer-centric approach to development across the City. Through this approach the City will also be proactive in identifying projects at the start of the process, and promoting greater customer engagement and satisfaction by communicating key milestones and requirements. Customer needs will also be communicated to the concierge team, so as to ensure that there is a 2-way understanding/alignment of expectations. Having a process flow will also drive spin-off efficiencies to projects not in the Business Concierge Program.

A secondary goal of the program is to identify areas for process improvement captured through client feedback evaluations, and staff input. This feedback will be reviewed with the Department Managers/Directors and the Advisory Committee to help trigger discussions and analysis activities for process improvements.

Since provincial and regional agencies play a major role in the approval processes for creating and expanding businesses, and for approving new developments, some of the delays that businesses find frustrating are beyond the direct control of City staff, but that fact may be invisible to business clients. To those in the business community who rarely use the approvals process, it's all just "city hall bureaucracy". As a result, the Business Concierge Program will rely on solid relations with the staff of the "approval" agencies, and will work toward a synchronized process with those agencies.

Based on the findings of the previous investigations, a framework was developed for the Business Concierge Program, including: underlying principles, criteria for program admittance, program process maps, roles and responsibilities, required training, and evaluation procedures.

Projects that utilize the service could include new businesses planning to set-up in Barrie, existing Barrie businesses

constructing new facilities or undergoing building expansions, or existing Barrie businesses experiencing a City-related issue that is impeding business operations or growth.

The program is intended for non-residential, non-retail businesses/developments that fit within the City's business development strategic sectors (high-tech, advanced manufacturing sectors in particular).

At the discretion of Invest Barrie leadership, other sector businesses located in or locating to strategic locations, larger developments, complex projects, or projects with larger potential employment growth may also be eligible to receive Business Concierge services. Some business inquiries or applications will be "triaged" into conventional processes, with a specific point of contact, such as those with easily resolved issues or questions.

Development projects or business issues facilitated through the Business Concierge Program will receive personalized guidance through City processes. Efforts will be made to expedite approvals wherever possible, including the assignment of a Project Lead to carry the project/issue through to completion, with the aid of members of a Tactical Team, and ongoing monitoring of progress by the Advisory Committee of senior management.

Figure 1: Business Concierge Program Roles and Responsibilities

Advisory Committee (GM of Infrastructure & Growth Management, GM of Community & Corporate Services, Executive Director of Invest Barrie)
- advisory role for complex or high profile projects/ issues
- review feedback & process barriers/improvements

Customer Service Representative or other Department receiving inquiry
- transfers business inquiries to Business Development Department if cannot be easily answered by person receiving the inquiry

Project Lead (Business Devlopment Officer)
- responsible for facilitating project/issue through to completion
- responsible for direct client communication updates
- responsible for escalating project/issue to Manager/ Department Heads and/or Advisory Committee if required
- responsible for collecting and compiling feedback for review of process improvement

Director, Business Development
- determines which projects are eligible for Concierge Program
- assigns Project leads

Investment Readiness Team (Project Leads, Managers from Planning, Building, Engineering & Business Development)
- meet bi-weekly to discuss potential upcoming development projects, to help anticipate resources that may be required for Concierge Projects, and potential issues that are arising from current Concierge Projects.

Tactical Team Members (Department Manager to assign staff member)
- must have the capability, attitude and technical knowledge to answer questions on behalf of the department
- are responsible to keep Project Lead up to date on actions (copied on e-mails, etc., until APLI is up and running and able to provide enough detail)

A Business Development Officer will be assigned as the Project Lead. The Project Lead will be responsible for facilitating the project/issue through to completion. This will include direct client communication updates, escalating the project/issue to Manager/Department Heads and/or Advisory Committee if required. The Project Lead will also collect and compile feedback for review and process improvement.

An Advisory Committee consisting of the General Manager of Infrastructure and Growth Management, General Manager of Community and Corporate Services, and Executive Director of Invest Barrie, will play an advisory role for complex or high profile projects or issues. Tactical Team Members will be assigned on a process-by-process basis by Department Managers to represent the Departments required to participate on the project. Tactical Team Members will be expected to have the capability, attitude and technical knowledge to answer questions on behalf of the department. They will be responsible to keep the Project Lead up to date on progress/actions related to the project.

The Investment Readiness Team comprised of Project Leads, Managers from Building, Planning, Engineering, & Business Development will not be involved in the day-to-day responsibilities of the Concierge Program, but will meet bi-weekly to discuss potential upcoming development projects to help anticipate resources required for future Concierge projects and potential issues that may arise with those projects. This team will also discuss any issues related to current Concierge projects and help determine if the Advisory Committee should be consulted for further assistance.

(Note: The Business Burden Reduction Project Facilitator concluded that some mechanism for internal business advocacy should be piloted within host municipalities, involving both municipal staff and provincial staff from targeted ministries.)

(Appendix "B" outlines the City of Barrie's multi-faceted expedited process in graphic form.)

APLI – Using technology to enhance Provincial / Municipal Coordination

The success of the Business Concierge Program also depends on developing better business relations with Provincial and regional agencies, on which a number of enabling decisions depend. This effort will be aided by a new suite of business software developed by the City, featuring an external "business portal", entitled APLI (i.e., Applications, Permits, Licenses and Inspections). Utilizing this program will help the Business Concierge Program Project Leads to easily and immediately access information on the status of Business Concierge Program development projects.

APLI was launched internally in April, 2017, to be followed in August or September by a customer-facing portal to serve business clients and their consultants, and other applicants, as well as permit-granting authorities or "commenting agencies", such as the local offices of Provincial ministries.

APLI replaces the City's 15-year-old AMANDA software application with a modern, versatile platform powered by Accela. It provides enhanced on-line options, better tools, and increased transparency for both customers and staff.

For clients, this will mean:

- 24/7 online access to submit permit applications, check inspection results, register two-unit houses and more.
- Ability to save applications and access them later without losing any data.
- Easy-to-use online portal with automatic prompts helping ensure information is entered correctly before customers can proceed.
- Receive real-time inspection results and status updates via email.

For staff, APLI will mean:

- Better tools to help staff do their jobs (task tracking, electronic document review and mobile inspections/enforcement).
- Reduced duplication, re-work & manual circulation of supporting documents.
- Increase in the quality of applications submitted.
- Enhanced system integration (ERP, GIS, Cityworks / Archibus) & reduction of standalone applications.

Phase 1 will include all building permits, inspection and complaints, planning pre-consultations, site plan applications, committee of adjustments – consents, minor variances, zoning, and property standards complaints.

The APLI Planning Team has also identified as an area of opportunity for improvement, improved timelines for receiving required comments and approvals from external agencies, such as the Ministry of Transportation (MTO) and/or conservation authorities, during the development process.

Plans include a joint approach to these external agencies by the members of the City's APLI planning team to ask for the support of regional Ministry and agency staff, with both the Business Concierge and APLI programs.

This is a process in which the MEDG could play a leadership role, as part of an effort to facilitate the participation in APLI by provincial ministries and agencies.

The APLI model may have implications well beyond Barrie. If the APLI model proves successful, there is also a role for the MEDG to assist other municipalities and provincial ministries to develop a similar capacity to collect regulatory data and to undertake regulatory analysis, using a single database. In several of the Toronto "transference" projects, shared databases among municipal and provincial authorities made verification and license-issuing easier, for example, for vehicle-dependent businesses.

The APLI team would like external agencies to consider using the City's APLI system to review plans and to submit comments electronically to help make the process more efficient. There is also a proposal to ask for Provincial and regional agencies for their support for the Business Concierge Program; in particular, to give priority processing to candidate Business Concierge projects. The process will begin with demonstrations of the APLI Program for local staff of provincial and regional agencies, and to provide them with information about the Business Concierge Program.

Pending final approvals and the broader launch of the APLI portal, selected development proposals are now being run through the Business Concierge program, on a trial basis.

The Results

As explained and quantified in more detail in the Hamilton pilot project report, the benefits arising from expedited development approvals are many and significant, in both time-savings for business clients and in economic impact.

Any major shift in the way in which an organization does business requires a corresponding program of "change management" within the workforce charged with implementing the change. Complementing the shift in its approach to processes, the City is working on infusing an attitudinal culture shift from "why this doesn't work" to "how could this work?" to help the City be more 'Open for Business'. This work entails continuing to uphold necessary standards but also challenging existing policies, standards, and interpretations to ensure that they continue to meet the test of "common

sense".

In addition to following procedures, City staff is tasked with the job of enforcing standards and regulations that can be difficult for the outside person to comprehend. It is easy to become "siloed" into job-specific functions, ignoring its place in the overall scope of the intended development. Senior management at the City is working to remind staff of the importance of communicating these regulations, processes and standards in a way that fully explains the reasoning behind the decisions being made. It also empowers staff to consider alternatives, where they exist, and ensure that those options are fully explained to the client.

Staff Training

Invest Barrie will deliver a presentation for staff explaining the Open for Business concept and why there is a need for a Business Concierge Program. The presentation provides an overview of the Business Concierge Program and sets expectations for anyone who may be asked to work on a Business Concierge project.

The City is also considering business writing / customer service training for those that play key roles in client communication during the development application process. Municipal staff is also receiving training in the effective use of the APLI program.

Feedback Survey

A draft feedback survey has been prepared to help determine from the client's perspective the value the Business Concierge Program did or did not add. This will be used to evaluate the overall value of the program, as well as to help identify any areas within the City for process improvement.

Pilot Project # 2 – The City of London

Quicker environmental approvals

The Burden

One of the emphases of the Province's overall Business Burden Reduction initiative is to find ways to improve the coordination of the Provincial and local regulatory activities that confront entrepreneurs and investors. An area that is often cited by development industry clients and other businesses as needing attention are the procedures for securing environmental compliance approvals (ECAs). ECAs must be issued for activities described in subsection 9(1) and 27(1) of the *Environmental Protection Act* (EPA) and, in subsection 53(1) of the *Ontario Water Resources Act* (OWRA).

Business clients complain about protracted processing time and the associated costs of delay.

The Cost

To enable expansion of commercial enterprises and residential construction, physical infrastructure is a pre-condition. Since in business, "time is money", inordinate and unnecessary delays discourage business investment.

Delays in securing ECAs result in costly delays and carrying costs for those developing properties for commercial purposes. Delays also mean deferring the date on which economic activity begins and new or expanded properties are added to the tax rolls. In the case of residential and mixed-use developments, delays reduce the supply of new housing and construction-sector employment.

The Solution

The City of London's pilot project devised a three-pronged approach to accelerating consideration and approval of ECAs. The strategy combined improving internal processes, engaging applicants at an early stage, and finally, working with Ministry of Environment and Climate Change (MOECC) officials to expand the scope of delegation to City staff by the MOECC.

Under the Provincial / Municipal "Transfer of Review" program, designated municipalities review ECA applications and supporting documentation for specified "less environmentally sensitive" works. If the application meets statutory and operational conditions, the municipality's professional staff prepares a "draft certificate of approval" supporting the application. Municipal officials then submit the application with a "Letter of Recommendation" to the MOECC for final processing and approval. In this process, municipalities recommend but do not approve ECAs. The Ministry retains authority for issuing ECA approvals under the OWRA and the EPA. However, the technical review is done locally, thus reducing the burden on MOECC staff and accelerating the MOECC phase of the process.

Other, more complex applications require a "Direct Submission" process and those applications are submitted directly to the MOECC for review and approval.

The City of London's pilot project ("Environmental Compliance Approvals for New Development and Growth Infrastructure") aimed to overcome valid business complaints about the delays and associated cost inherent in processing ECA applications. The City aimed to achieve results by streamlining the process for issuing Environmental Compliance Approvals (ECAs) for growth-related infrastructure, with a particular focus on improving the "cycle time" from initial application to final approval. The goal is achieved by expanding the scope of delegation to municipal professionals under a formal Provincial / Municipal Agreement, under the "Transfer of Review" Program.

The Results

"Best Management Practices" for processing ECA applications

To prepare applicants more effectively for the application process, the City has made efforts to inform industry stakeholders about the ECA process, specifically targeting ECA applicants. An informational slide deck was prepared for the industry, and further information is provided on an individual applicant basis, beginning with initial consultations, if the need for an ECA is identified.

Confirming Private Owners' Responsibility for Private ECAs

As in other municipalities, London's past practice was to withhold Site Plan Approval (SPA) for applications requiring private infrastructure subject to an ECA, until the ECA was issued. The *Environmental Protection Act* (EPA) states that works subject to an ECA shall not be constructed prior to MOECC approval. In parallel, London's Municipal Zoning By-law requires the provision of municipal services to support any development proposals. As a result, servicing drawings for proposed developments were reviewed to the point of acceptance but routinely stamped "subject to MOECC Approval". Only limited, conditional permits for internal site works could be considered at the discretion of the City's Chief Building Official, while the applicant waits for the ECA application to be processed.

These procedures represented a clear burden to time-sensitive business applicants and other development applicants. While the "Best Management Practices" referenced above have helped avoid delays on some files, the turnaround time for issuing ECAs had become a recurring issue, particularly for those files requiring "Direct Submission", which are often top-priority business clients.

Interestingly, ECAs are issued by MOECC under Part II.1 of the *Environmental Protection Act,* which is not considered "applicable law" for the purposes of the *Ontario Building Code*. That distinction affords an opportunity for streamlining approval processes. As a result, municipal building officials can issue a building permit prior to issuance of an ECA. London's Zoning By-law also provides the caveat "unless pursuant to an agreement made under S.41 of the *Planning Act* dealing with the provision of services".

To support the Business Burden Reduction Pilot Project, London decided to adjust its practice in the case of private site works subject to an ECA. It decided to proceed with granting SPAs and issuing full permits prior to issuance of an ECA, with the addition of a new standard clause being incorporated into the Development Agreement, acknowledging the Owner's obligation to obtain necessary MOECC permits prior to constructing any of the affected works.

Optimizing "Transfer of Review" delegation

On an ongoing basis, City of London staff makes an effort to maintain positive communication and to build trust with the MOECC officials in London and Toronto. Improved understanding of the Ministry's needs has helped City staff advise applicants in preparing complete, well-supported applications in order to improve their likelihood for success. (This advice applies both to "Transfer of Review" applications processed by the City, and "Direct Submission" applications submitted directly to the Ministry).

Continuing to build on that established basis of trust, London has proposed widening the terms of the "Transfer of Review" agreement, based on the outcome of a similar agreement between MOECC and the City of Ottawa. Optimizing the scope of work considered under "Transfer of Review" has significant benefit for both municipalities and the Ministry. Municipalities can offer reduced review timelines for a greater number of ECA applications. With fewer files reviewed under the "Direct Submission" category, the Ministry can focus its efforts and its limited professional resources on reviewing the most essential works (those with the greatest potential for environmental impact). The MOECC should also be able to improve review timelines for those "Direct Submission" applications, due to the reduced volume of files to be reviewed in detail and processed.

While the City retains some responsibilities with Direct Submission applications, it largely involves a Declaration on behalf of the municipality, that the municipality has no objection to the construction of the works in the municipality.

When more activities are added to the list of functions delegated to municipalities under the Transfer of Review Agreement, the results for business applicants are dramatically quicker processing times for their development proposals.

Direct Submissions require 1-2 days for processing of the Declaration by the City "clearing" the design of the development, after which the observed turn-around time by MOECC on a Direct Submission ECA application is between 6 and 9 months. By contrast, applications that are eligible for delegation to the City under the Transfer of Review process take approximately one week for City staff to review, comment and forward to the MOECC with a recommendation letter. Once the City's recommendation letter has been received by the MOECC, the Ministry typically processes the ECA application in three to four weeks.

As a result, the waiting time for ECAs on good development proposals is reduced for business applicants from as much as 36 weeks for "Direct Submission" applications, to an average of four weeks for "Transfer of Review applications", a time saving of 32 weeks, or nearly 90%.

Not all ECAs are suitable for Transfer of Review and some may justify a longer processing time. However, many less complex ECA applications can be evaluated adequately by professional staff in the employ of municipal engineering departments.

Pilot Project # 3 – The County of Bruce

Removing barriers to rural enterprise

The Burden

For the past several decades, the issues facing major urban centres have often been those of managing growth. In small-town, rural and northern Ontario, however, the challenges are more likely to lie in holding onto or generating economic activity, as well as in leveraging local assets and less frequent economic opportunities. Often, the primary source of economic growth in rural areas is home-grown entrepreneurs.

In rural and northern Ontario, the challenges facing existing businesses and prospective entrepreneurs and investors can be magnified by distance, isolation, lack of connectivity, limited specialized resources, and smaller local markets for their goods and services. Geography can also limit the information available to those looking for business education and business opportunities in a large region, as well as information about regulatory requirements. The challenges facing Bruce County businesses have parallels in many parts of non-metropolitan Ontario.

Even when a municipality has enrolled in programs like MEDG's BizPal, such as the Town of Saugeen Shores in Bruce County, an office in one part of the County may not meet the needs of a business owner or potential business owner in another part of the county. Meeting the regulatory demands of provincial and regional authorities can be a daunting prospect. Finding ways to connect with peers in a region's business and farming communities can also be an obstacle that is not easily overcome.

The Cost

Entrepreneurs in rural Ontario can face significant costs to research, understand and follow regulatory requirements. Lack of readily available business information can cause some to waste time and money launching businesses or making applications for regulatory approval that later prove incomplete or ill-considered. In other cases, the apparently daunting array of barriers to starting or expanding a business may cause an entrepreneur to abandon an initiative.

Where local businesses in small-town and rural Ontario find a sustainable niche, they are not the only ones who benefit. Without successful local businesses to add to the dynamism of rural Ontario and its economy, the services and infrastructure of local municipalities and communities become more difficult to sustain.

The Solution

The County of Bruce has been a leader in encouraging local suppliers and relocating enterprises to take advantage of the multi-billion dollar investments associated with the Bruce Power nuclear reactors refurbishment program. The County's "Spruce the Bruce" initiatives have also promoted opportunities for local businesses in such areas as agri-food and tourism. (See: http://www.brucecounty.on.ca/business/spruce-the-bruce.php).

The County of Bruce is pursuing the County's goal of moving to "one-window" access to business-development information, with a Business Burden Reduction Project that enlisted the local resources of the County Library system. Bruce County Public Library leads the pilot project and has teamed up with Bruce County's Corporate Policy and Economic Development Department on a venture that offers local businesses within Bruce County's eight local municipalities a one-stop business information portal and referral service, through printed and on-line material.

Working collaboratively with libraries means communities in every corner of Bruce County can access the same business development information and participate in business outreach programs aimed at both established local business people and potential entrepreneurs.

This initiative is part of the County's Economic Development Strategy, which focuses on providing strategic sector and business development services for visitors, residents and businesses, thereby fostering, promoting and supporting entrepreneurs and business opportunities. (With Bruce Power's multi-billion dollar commitment to refurbishing its nuclear reactors, the County is also leading an innovative, three-county effort with Bruce Power, to find ways to enlist local businesses to supply this construction program, as well as to attract suppliers to relocate to the region.)

All library locations throughout the County now provide support to new companies, existing businesses, and emerging small businesses by providing accessible and easy to find information about the County and its economic development partners. This initiative also advances the library's corporate strategic priority to collaborate with the community and to form new partnerships, by specifically creating new partnerships with county departments and with the business community.

The business burden reduction pilot project was launched on January 31, 2017, and has three main components. The project utilizes all 17 local branches of the Bruce County Public library in eight municipalities (across nearly two hundred kilometers, from Tobermory to Walkerton to Kincardine).

The Results

The pilot project has led to the following:

- Free on-line access to the "Business to Bruce" website, providing a wide range of business supports
- Printed information on business development in Bruce County, provided by economic development staff, along with library resources related to business development
- A series of Small Business Seminars in library branches around the County, providing information on a variety of business topics

The impacts of the project can now be tracked through analysis of web traffic and the speaker sessions.

Various library locations throughout the County act as the main portal for new companies, existing businesses, and emerging small businesses, by providing accessible and easy to find information about the County and its economic development partners. This regional collaboration means resources from various municipalities can be shared across the County and can reduce the investment required to achieve the same results in each municipality. The project includes collaboration at the County level to provide relevant and timely business information for the public to access at various library locations.

The Small Business Seminar dimension of the pilot project, delivered at various locations, included an orientation to on-line

commerce, an important opportunity for entrepreneurs dealing with the relative isolation and smaller-size market potential of Bruce County. A typical seminar for new and prospective entrepreneurs, focusing on drafting business cases, was held in the Town of Saugeen Shores (Port Elgin) on April 18, 2017 (attended by the AMO / MEDG Project Facilitator). See photos below:

Port Elgin Library, site of business seminar

County of Bruce / Bruce County Library Business Seminar, April 18, 2017

Bruce County Library Business Support Information, Port Elgin Library

Bruce County Library Business Support Information, Port Elgin Library

Pilot Project # 4 – Peterborough Supporting the hospitality, brewing and tourism sectors

The regulatory business burdens faced by any small business are considerably amplified when the business is a micro-brewery, a micro-distillery, a brew-pub, or even a restaurant serving liquor, wine and beer. As Hamilton staff observed, this one of the most difficult and complex approval processes, in part because, unlike other planning-approval applications, the liquor-licensed premises applications are often led by businesses that are unfamiliar with development approval processes.

Visiting foreigners, including Americans, are often puzzled by our inconvenient, "nanny State" approach to brewing, distilling, selling and serving beverage alcohol. Particularly in border cities and tourist areas, it is a reaction that undermines efforts to promote the hospitality industry to a US market that might see Canada a convenient, welcoming and currency-favourable inexpensive destination.

The Peterborough pilot project shone a helpful light on the burdens facing these businesses, despite the acknowledged (and refreshing) recent client-service efforts of the regulator (Alcohol and Gaming Commission of Ontario, or AGCO). Nor are the burdens all the responsibility of the primary regulator, the AGCO. The City of Peterborough's LEAN review of its own approval processes has led to a much more proactive, all-of-government approach by the City to reviewing and granting approvals to good applications, in time for them to take full advantage of the often seasonal markets in this emerging field.

Peterborough Economic Development Commission represents the City of Peterborough, the County of Peterborough and the County's constituent local municipalities. For its Business Burden Reduction Pilot Project, Peterborough tackled the challenges facing entrepreneurs wanting to establish or expand micro-breweries and micro-distilleries.

While focused on micro-breweries, the findings of this pilot project have important implications for micro-distilleries, "brew pubs" and licensed restaurants generally. Discussions among the Project Facilitator, MEDG staff and staff at the Province's Alcohol and Gaming Commission (AGCO) suggest that there are business burden reduction opportunities in several areas currently requiring licensing by the AGCO.

The project also aimed to create tools and guidelines to assist entrepreneurs navigating the City's development approvals process. In the course of its work, the pilot project identified several areas where Provincial and City policies, practices and regulations could be modified to remove business burdens.

The Burden

The process for obtaining permits to construct a new or expand restaurant, a so-called "brew pub", and / or microbrewery / micro-distillery can be a protracted, expensive and often frustrating endeavour for business applicants. The participants in the pilot project lamented from their experience that there are no clear costs, guidelines, timelines or roles that map out the process from a user's point of view. Businesses become frustrated at the perceived complicated process. This results in fewer businesses investing and some enterprises withdrawing their expansion plans.

Craft brewery / micro-distillery businesses have reported a significant challenge to navigate successfully the licensing, regulation, planning and inspection approvals process. Conversely, the municipal approval authority (the City) advised that there were significant challenges in interpreting, administering and enforcing existing legislation and regulations. Special mention was made about the challenges of applying the existing suite of rules and practices to new types of business and to new "mixed-use" business proposals.

There is a also a large volume of often apparently conflicting rules under such Provincial legislation and regulations as the *Employment Standards Act,* the *Ontario Building Code*, the *Ontario Fire Code* and the licensing regulations of the Alcohol and Gaming Commission of Ontario (AGCO), each of which is encountered before a project can be completed and business begun.

In many cases there lacks a single point of contact and source of definitive, expert advice. Various codes appear to be applied through multiple inspections/inspectors with different interpretations. There is differing, often contradictory, code information from different departments/approval bodies, notably among Provincial ministries and agencies. In too many cases, municipalities are left to resolve inconsistencies in codes and policy interpretations on their own (e.g., building code vs. liquor licensing; building code vs. 'densification' targets; mixed use vs. 'main use' in zoning and official plan designations). The adequacy of timely and available training was also cited as a problem for those doing enforcement and inspection.

Existing codes are detailed and impose significant restrictions on the operation of these types of businesses. Moreover, periodic changes in requirements/codes/policies make it difficult for industry experts to remain current with the law and contemporary practices.

In addition to restrictions on business operations, the associated property development is restricted by zoning by-laws and Official Plan goals, some of which are not contemporary, and some of which change unexpectedly. In a number of cases, discussions with municipal Fire Services can be too late in the process, resulting in revisions to plans and unanticipated costs. Likewise, Conservation Authority regulations appear to change quite often. Particular concern was expressed about environmental regulations of various kinds, and the City's rules governing parking. There also appeared to be some inconsistency between legal requirements and land-use planning regulations.

For their part, municipal staff noted that changing / evolving building codes on 4-5 year cycles present a significant challenge to municipal staff charged with administering and enforcing these technically complex code requirements. For professionals supporting those making applications, the challenge can be even greater (engineers, architects, designers, builders, etc.). Over all, the pilot project heard that there is a significant need for more funding resources to be committed to training on code changes.

While transferring provincial policy authority to municipalities in areas like building codes may be helpful, building code revisions expand the burdens on municipalities and their staff, in implementing goals like energy conservation.

Liquor licensing in Ontario

Compared with much of the rest of North America and Western Europe, the process for regulating beverage alcohol in Ontario seems to reflect a by-gone era. When the statutory and regulatory foundation for liquor licensing was established during the Prohibition and Temperance eras, alcohol was a widespread societal scourge. Its production and distribution was too closely linked with organized crime. There were tragic risks to consumers, especially from unlicensed production and "bootleg" distribution. On a local basis, there were clear motivations for liquor regulation and its policy objectives:

maintenance of public order in an era of widespread alcohol abuse; the absence of much social stigma when the inebriated operated motor vehicles and workplace machinery; and, the nanny-state goals of well-intentioned "social engineers".

But times have changed.

Too often, contemporary Ontario liquor regulations, while periodically reformed, still do not meet any express and significant modern societal objectives. Much of liquor licensing and regulation in Ontario now functions more as a mechanism for market control, "supply management", and restraint of trade, introducing significant 'barriers to entry' for new products and retailing concepts, especially for small-scale enterprises and employers.

Few could explain, for example, why small wineries can market their products at farmers' markets, but craft brewers and distillers cannot. Or why regional craft brewers cannot deal directly with eligible local retailers, without the market intervention and fees of the LCBO and the Beer Store.

The seamless transition of the craft brewery retailer from producer to local distributor, or from by-the-glass vendor to packaged goods retailer responds to local market conditions and entrepreneurial vision. But the regulations have not caught-up, and they do not deal with outcomes. The governing regulations stand squarely in the way of these dynamic and evolving market transitions, by treating each category separately, and giving little credit for being established businesses and having a good track record. To compound the business burden, established craft brewers are charged a fee for each new application and inspection, and must wait in the queue like a start-up business, adding to an already punitive tax regime and a rapidly rising LCBO tariff for small-scale brewers.

The regulatory complexity of liquor rules is also slow to respond to new market developments, such as the mushrooming interest in craft beer, the shift of public tastes from liquor to wine, the desire to foster a domestic wine industry, or the benefits from encouraging new participants in the Canadian beverage alcohol industry. Liquor regulation certainly does not make it easy to prosper and expand in the hospitality and tourism industries.

In absence of significant reforms to the regulation of liquor in Ontario, however, the Peterborough pilot project aimed to do two achievable things: to map-out for small investors and entrepreneurs the best ways to comply with liquor regulations and the other regulations that interact with them; and, to suggest "tweaking" of existing rules and implementation practices, based on a LEAN analysis of existing procedures and hurdles.

The Cost

The goal of Peterborough's business burden reduction pilot project was to streamline the process by identifying time delays, duplication and redundant steps within the development approvals process, particularly for craft brewers and distillers. These costly complications can delay establishing or expanding a business and add additional costs to such a project.

While undergoing business consultations through the Ontario Ministry of Agriculture Food and Rural Affairs' "Business Retention and Expansion" program, Peterborough Economic Development discovered that several businesses had expressed frustration and incurred financial loss as a result of the perceived level of bureaucracy involved in obtaining a building permit and related approvals, including liquor licensing requirements. In fact, when asked if they would repeat the effort to secure the necessary approvals for a new or expanded business investment, the owners said they would not.

The Solution

The Peterborough Business Burden Reduction Pilot Project had the following goals:

- Improved and efficient process map
- Creating effective checklists for users to navigate the approvals process
- Increase staff efficiency in processing applications
- Simplified and streamlined process to open or expand a new restaurant, "brew pub" and /or micro-brewery

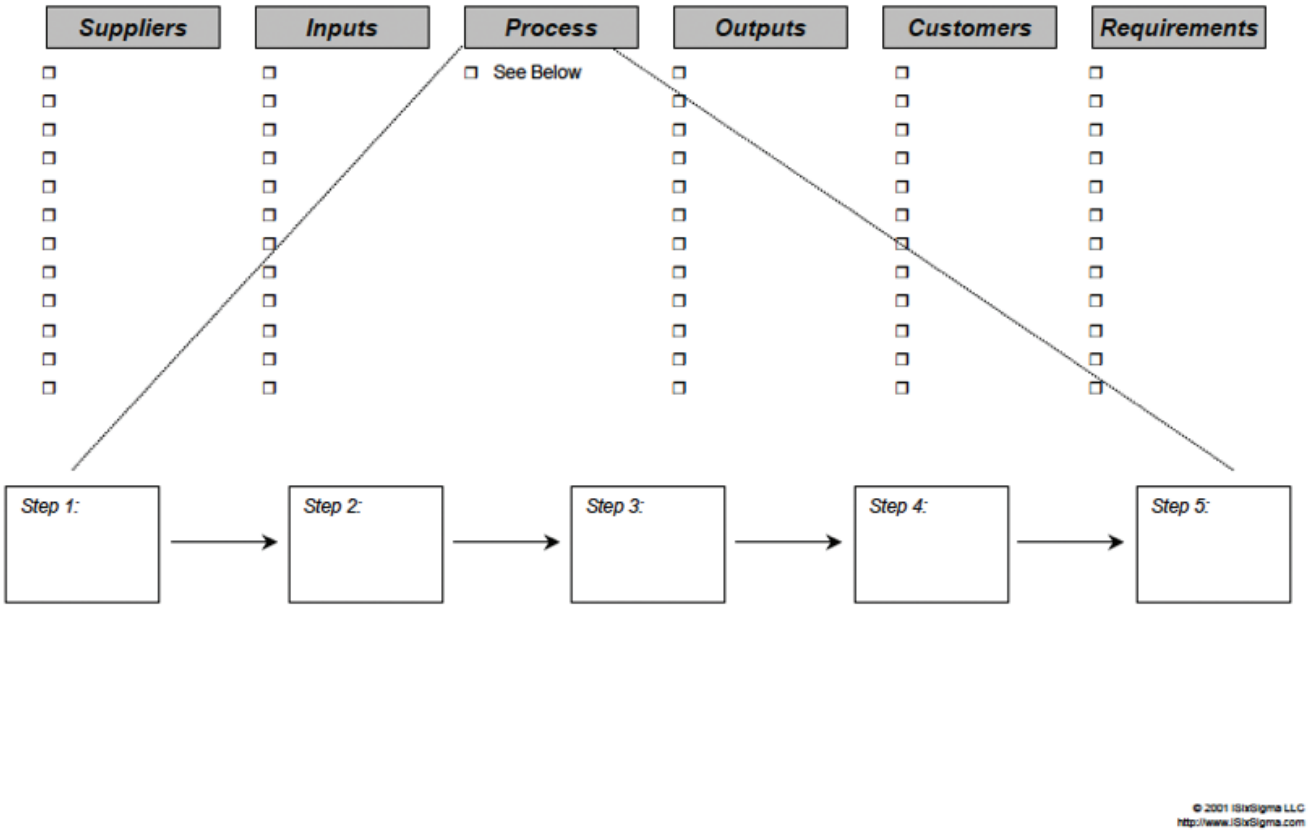
Peterborough's pilot project began by mapping out the process for obtaining a building development approval for a new or expanding microbrewery / micro-distillery establishment in this tourism-focused City and County.

Initial work on the pilot project was conducted as a facilitated, participatory round table over two sessions, in a 'neutral environment'. LEAN Facilitation was provided through Fleming College's "Kawartha Trades and Technology Centre". Participants invited represented most of the local regulatory and licensing organizations, as well as the local businesses that are impacted.

- Peterborough Economic Development
- Peterborough Chamber of Commerce
- City of Peterborough, CAO 's Office
- City of Peterborough, Building Department
- City of Peterborough, Planning Department
- City of Peterborough, Clerks Office
- Peterborough Fire Services
- Otonabee Region Conservation Authority
- Publican House Craft Brewery http://www.publicanhouse.com/about-the-brewery/media/
- Smithavens Brewing Company http://www.smithavensbrewing.ca/about-us/
- Persian Empire Distillery http://www.persianempire1.com
- Construction Project Manager, Alair Homes (Publican Tied-House Restaurant)

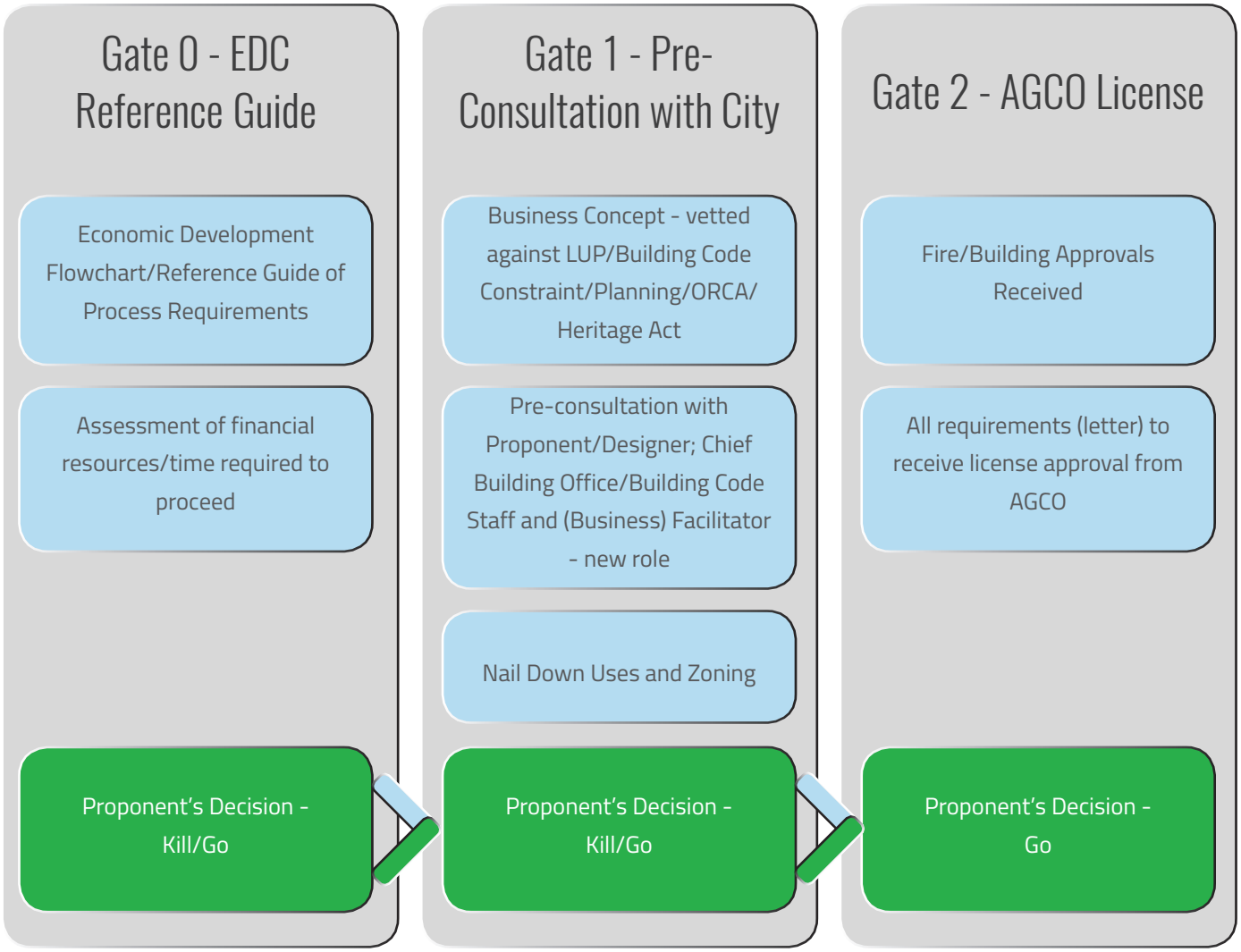
The basis for re-engineering the approvals process was by using the LEAN process-improvement tool and SIPOC Analysis from the Six Sigma process (SIPOC: Suppliers, Inputs, Process, Outputs, Customers, Requirements).

SIPOC Diagram



The participants were able to map out the “current” state and to expose the licensing / regulation challenges that added time and cost to the approvals process.

Gated Process for Licensing and Approval of Multi-Use Brewery/Distillery Establishments - Future State



The Results

Using the process improvement tool and SIPOC analysis, the participants identified opportunities to streamline the process for securing the necessary approvals from various municipal, regional and provincial permitting and licensing authorities. They also identified objectives for the future, both those within municipal control and those requiring provincial action or other measures.

The business and government officials working on the pilot project made a number of recommendations, based on their analysis, for items that required attention by City officials, City Council and the appropriate Provincial and regional regulators. These fell into several categories:

Education

- Ensure accessible training programs are available for enforcement officials at the time of new code releases and on an ongoing basis
- Ensure appropriate resources are made available to municipal staff to deliver provincially set programs
- Make training available to industry professionals: architects, designers, engineers, etc.
- Encourage provincial bodies to share regulation among Ministries and agencies
- Establish a facilitation process with industry representatives, municipal and provincial regulators.

Communication / Resources

- Create a 'One Door for Access' by establishing a municipal Development Facilitator – a professional position
- Consolidate best practice resources (e.g., British Columbia Startup Check List, BizPal) and create a 'Gated" approval process.
- Improve the access to information and reporting
- Ensure 'agencies' such as the Fire Service (fire code inspection) and Conservation Authority officials are formally involved the start of the planning process for a new enterprise, like a micro-brewery or brew pub
- Municipalities must have policies to adapt by-laws and zoning regulations as the business environment evolves
- Ensure municipal legal departments are involved in policy planning and training

Code Inconsistencies

- Establish a process for validating building and land-use planning policy across agency boundaries
- Encourage Provincial ministries to communicate code policy development with one another
- Improve access to and delivery of information – training
- Develop a process for adjudication in cases of conflicting regulations

Policy "Downloading"

- Recommend that building codes be used exclusively for the development of safe, healthy, accessible buildings rather than policy initiatives such as 'densification' or energy efficiency
- Provide provincial resources - funding and training - where additional responsibilities are assigned to municipal authorities, such as sewage system inspection
- Provide regulatory changes to accompany situations where policy is created to address changes in the business environment – e.g., mixed-use businesses, new types of licensing
- Building codes do not address new kinds of businesses, e.g., distillery/place of assembly, live/work food service operations.
- Businesses need to diversify to survive and overcome situations where 'reality bumps up against regulation'

In addition to the lessons learned by those participating in the pilot project, the City of Peterborough used the findings of the pilot project to initiate a substantial internal restructuring of its processes and procedures, with the objective of focusing regulatory activity on corporate objectives and better customer service for investors and businesses.

The City's Chief Administrative Officer identified the need to coordinate the activities of individual departments and to ensure that an attitudinal shift took place among those who are responsible for ensuring that the regulations are observed. This can-do approach might range from modifying the way in which the regulation is applied or enforced, through to assisting applicants with the preparation of complete applications, with all the ingredients that will ensure greater prospects of early approval.

For its part, the Province should ensure that the various regulations are internally consistent. Peterborough identified a number of areas where property-related Provincial regulations conflicted (Building Code, Liquor Regulations, Fire Code, etc.). Unless these regulatory conflicts are resolved, applicants are faced with costly and frustrating "do-overs", and local authorities are left to adjudicate another government's apparently inconsistent rules.

In a recent forum attracting regional representatives from municipalities (including building officials) and the building and development industry posed the following question to Ontario Government staff:

"*Will the Ministry of Municipal Affairs establish a working group comprised of building officials and government representatives from other ministries/authorities such as ESA, Fire Marshal, TSSA, Labour and Culture Tourism Sport (Heritage) to address overlapping scope and conflicting technical requirements between the BCA/OBC and other legislation/regulation? The current situation is complicating enforcement for municipalities and providing poor service to those undertaking development of any type in Ontario.*"

Pilot Project # 5 – City of Hamilton

Regulatory process "re-engineering" and continuous improvement

Ontario's economy owes a great deal of its prosperity to the role played by residential, industrial and institutional construction. New home construction and redevelopment creates demand for a wide range of products and services, from appliances, decor and fixtures, to the services of architects, surveyors and landscapers. The land-development industry supplies the increasing demand for affordable housing, as well as for non-residential business and institutional uses. The construction industry and its trades are a primary driver of the Ontario economy, with a higher economic-multiplier effect than most other sectors.

However, the land-development field is among the most heavily regulated in Ontario, imposing very significant burdens of cost and time on those advancing worthwhile development proposals. Under Bill 139, the Province is proposing to effect some major changes to the land-use development appeals process and the role of the Ontario Municipal Board.[4] However, applicants will still be required to meet a significant regulatory burden before their plans are approved and their permits are issued.

The use of process-review and re-engineering for land-development applications, including selective delegation of provincial approval authority, shows how the burdens of cost and delay can be dramatically reduced. Done successfully, it also yields serviced land to meet pressing housing needs, and to accommodate those wishing to establish businesses.

The City of Hamilton's Business Burden Reduction pilot project grew out of a set of initiatives known as "Hamilton Open For Business". Since its inception, Open For Business has been overseen by City Council's Open for Business Sub-Committee and led by an experienced Director.

The goals of Open for Business are to improve the City of Hamilton's urban development application processes using a "continuous improvement" program that examines opportunities for:

- Eliminating unnecessary steps and streamlining the current approval processes;
- Establishing clear guidelines and City expectations for development applications;
- Technology to assist staff and reduce processing timelines;
- Establishing and tracking clear performance metrics for development approvals; and,
- Developing staff and improving customer service to businesses and the development industry.

Through the City's General Manager of Planning and Economic Development, the City Council Sub-Committee receives regular reports on "continuous improvement" efforts. These reports often take the form of Case Studies. They examine individual past applications or groups of applications where issues have arisen. Then the reports make recommendations for changes in existing policies and procedures to improve the quality and speed of decision-making. A Continuous Improvement Team, made up of Senior Staff from both the Planning and Economic Development and the Public Works Departments meet on a regular basis to suggest and review these "cases".

As part of the streamlining process, Hamilton Open for Business also created a "One-Stop Shop" on the first floor of City Hall, comprised of staff from licensing, planning and economic development. One aspect of the One-Stop Shop is the "Small Business Enterprise Centre". This one-stop counter welcomes small business operators and helps them to understand all provincial and municipal requirements, for establishing or expanding a business and the associated development requirements. This central focus eliminates the need for an entrepreneur to navigate the many departmental "counters" for approval requirements at City Hall and beyond.

The Burden

One of the recurring issues for the City of Hamilton and other municipalities is the municipal planning application approval deadlines (time-frames) imposed by Provincial statute and Regulation. Some are too short, resulting in avoidable, time-consuming and costly tribunal processes (OMB) that also reduce the ability of stakeholders and residents to participate in finding solutions. Other processes allow too much time for all local and provincial agencies to comment on applications, and thus impede the ability of municipalities to meet reasonable turn-around times for business applicants.

Although originally conceived as an incentive to expedited consideration of development files and to overcome stalling of difficult decisions, the deadlines in the Ontario Planning Act (180 days) were cited as examples of target dates that cannot reasonably be met by significant development proposals in an urban environment. As a result they often have the perverse result of prematurely triggering costly and avoidable hearing processes, which inevitably take longer than the process they were designed to shorten.

Recently, the Province proposed a number of changes involving the land-use planning process, the role of the Ontario Municipal Board, and a "fair housing plan". Some of these appeals periods will be changed under proposed legislation, as will the permitted grounds for time-related appeals. The process measures pioneered by Hamilton will need to be modified to respond to these new initiatives. (See: https://news.ontario.ca/mof/en/2017/04/ontarios-fair-housing-plan.html)

Partly due to a 2012 Ontario Municipal Board Decision, the City of Hamilton adopted the practice of making sure that any applications for minor variances from the City's zoning by-law were successfully completed, before starting to process a business applicant's site plan application (where minor variances are frequently required). Minor variance applications can take as much as 120 days to process, with 90 days being typical. Site plan applications follow a similar timetable.

In other cases, the process for doing water service assessments (e.g., Form 1 – installing a public water main to serve a new development, or hooking-up to City water and sewer lines) was only commenced after the "green light" from engineering reviews.

Similarly, commercial and industrial applicants seeking a building permit could only begin that process after they had successfully navigated the site plan process on which building permits are always conditional, if site plan approvals are required.

Even when applicants were willing to incur the cost and risk of some overlapping of processes, or the possibility that an application might be refused on one of the parallel approval "tracks", there was a staff concern that progress on one track could be undermined by any changed conditions on another track. In addition, changes in an application requiring some further amendment would typically place an application "at the bottom of the pile" in the "last-in, last-out" processing

regime followed by many "commenting agencies" and City departments.

The Cost

In business and in homebuilding, time is money. Time-sensitive supply-chain contracts can be lost. Commercial businesses can miss the lucrative Holiday season or tourist seasons. Homebuilders that are financing their construction activities can miss their construction schedules and lose access to building trades. Delay defers hiring and economic production. It also defers the date on which new businesses are added to the tax rolls and when new properties can add to the supply of family homes and building lots. The City recognized that slow, sequential approval processes were exacting a high price on the City's business clients.

Process costs themselves can be significant, requiring applicants to engage a range of professional consultants and advisors to deal with the complex issues involved in land development and infrastructure. When process delays trigger OMB hearings or other tribunal procedures, applicants and municipalities must gear-up for adversarial processes leading to a hearing, often requiring both sides to engage specialized legal counsel and independent consultants to develop the case and to serve as qualified witnesses. In addition to the cost of these processes, scheduling them can push-off the date for a decision well beyond what investment plans anticipated.

The Solutions

The solution appeared to lie in process re-engineering. Were there ways to ensure the same regulatory outcomes, without imposing the cost of delay and duplication implicit in traditional approval processes?

Draft Plans of Subdivision

Hamilton conducted a LEAN process review on its draft subdivision plan approval process. As with the Peterborough pilot project, the City engaged a LEAN expert (Anil Gupta from McMaster University) to outline how LEAN can be applied to development applications, and expanding the LEAN process to other review and approval processes. As noted earlier, the LEAN process is modeled on the Toyota Production System (elimination of "muda", "muri" and "mura", in Japanese re-engineering jargon). Municipal officials from Hamilton and Waterloo Region have toured the Cambridge Toyota plant to learn first-hand how to apply these process-improvement tools.

As part of the LEAN review, City pilot project staff and other colleagues met with staff in various City Departments and with Conservation Authorities' staff, to focus on turn-around times for agency comments on draft subdivision plans. The new process "went live" in February 2017.

Sequential Processing

The concept outlined earlier – making sequential processes into parallel processes – was implemented in three important and high volume areas. The City has now re-engineered the processes for securing minor variances, water service assessments, site plan approvals, engineering reviews and building permit applications. Applicants have the option to run

them in parallel, with the understanding that some processes are conditional on others and may require re-submission. However, even in the case of re-submission, applications requiring relatively modest revisions receive priority processing, in consideration of the time already spent "in the queue".

Client-focused services

These innovations were, in part, a result of listening to "the consumer": the City's business and development industry clients seeking development approvals. Municipal officials have an obligation to protect the public interest and to listen to those affected by urban development. But the business investor and the landowner also have a fundamental right to fair and expeditious consideration by regulatory authorities, such as municipal governments and those administering provincial statutes and regulations. In this context, the voice of the client needs to be heard.

As a preliminary step in Open For Business, City staff interviewed over a 100 people involved in the development approval process, from small business operators and major developers, to those with whom those clients interact, like City Councillors and staff in various departments. Those consultations yielded fully 48 recommendations for an action agenda, as well as the resources to support the continuous improvement program.

Later, as noted above, the review of the Draft Plan of Subdivision process review undertook an extensive, preliminary consultation with clients and stakeholders, helping Hamilton officials to focus their attention on main areas of delay and client dissatisfaction.

Other easy, 'low-tech' process innovations

Some other innovations achieved through this process reform work were surprisingly simple but effective, such as fewer circulation letters, where one standard consultation form letter goes to all reviewing parties. For example, simply having conveniently available publications on guidelines and processes, such as City engineering requirements, assist in understanding and help to create a more comprehensive application from the outset.

A Caution

Much of the work of the pilot project relates to the development process governed by the *Planning Act* and the *Ontario Municipal Board Act*. Many of the dynamics within the approvals process, both at the technical level and at the political approval level, are influenced by the deadlines in the legislation, after which appeals can be initiated. Business applicants and municipal officials also recognize that some matters may be resolved at the Ontario Municipal Board, which influences their willingness to reach a negotiated settlement of issues in a timely manner.

While this report was being developed, the Government of Ontario announced that it would be seeking legislation to effect major changes to the development approvals process, most particularly in relation to the role of the to-be-renamed Ontario Municipal Board. Business applicants will still be required to meet a significant regulatory burden before their permits are issued, but the specifics will change to reflect new statutory and procedural requirements. Whether widening the role of municipal councils and objectors in the approvals and appeals processes will affect the cycle time and associated costs on

applications is an open question at this early stage.

The Results

If a municipality can reduce the cycle time for processing a good development proposal by months, it is worth a great deal to the business applicant. If a process improvement yields consistently better and more predictable processing times in a large municipality, it benefits hundreds of businesses, large and small. It saves financing, accelerates the timetable for commercial sales and production, and it puts people to work. In Hamilton's case, the conceptually simple insight of paralleling regulatory processes has reduced the time burden on business applicants considerably.

Some innovations, such as the plan of subdivision processing reform described below, involve major changes but yield major advances. However, other innovations achieved through Hamilton's process reforms are relatively simple but effective, such as fewer circulation letters, where one standard consultation form letter goes to all reviewing parties. The City has calculated that this "telescoping" alone typically saves five business days for business applicants.

Removing unnecessary steps and duplication in the process will avoid frustration, delays and additional costs for applicants. Specific examples include processing multiple approvals concurrently rather than sequentially, such as concurrent Building Permit review and Site Plan Approvals, which could save up to three months of processing time.

New zoning by-laws and categories can eliminate the need for additional approvals. An example would be removing parking requirements in older commercial areas, or where changes in land use or road widening requirements for development are not likely to occur.

The City has developed process maps to apply to individual development applications, the results of which will be aggregated and rolled-up to "dashboards". The Open for Business initiative continues to examine opportunities for using technology to allow for digital applications and enhanced staff capacity for processing. Hamilton noted that finding the right metrics can be challenging. The City is trying to use technology to record and quantify, as a solution.

Hamilton also notes that a better understanding of the progress and potential of process reforms could be greatly improved if "comparables" were available from similar municipalities. The pilot project staff suggested that this is an area where Provincial ministries (e.g., MEDG, or Municipal Affairs for planning applications) might play a constructive role, including discussions about the ways in which municipal pilot projects could evaluate and report their successes.

A key part of support for municipal/provincial partnership in regulatory reform would be development of Ministry databases, e.g. MMA database on approval times/costs for various planning applications in a range of municipalities that would inform both policy and regulatory development.

A big breakthrough – re-engineering the development approval process

Hamilton's pilot project focused on making process improvements to the process for approving Draft Plans of Subdivision, the basic building block of large-scale residential and commercial / industrial development in Ontario, governed by the Ontario's Planning Act and related legislation. Hamilton described its multi-faceted reform journey in the following terms.

The business burden in subdivision approvals

Every organization's processes have problems: over-complexity, defects, and opportunities for improvement. Frequently, improvement has to be one (small) step at a time: a continuous-improvement process based on trial-and-error, experimentation and learning.

As the City pointed out, performance improvement is based on improving processes. Front line employees are often the greatest source of knowledge of process, problems, root causes, solutions; they should drive improvement projects. Within the City as in any organization, the performance of a process is ultimately the responsibility of the leaders; their role in the improvement effort is to support the project team.

In Hamilton, the baseline (2010-14) average process 'lead' time (from 'Application Deemed Complete' to 'Draft Plan Approval') for subdivision development applications was 1,350 days, or roughly 3.5 years (versus the previously discussed *Planning Act* requirement of processing within 180 days). Roughly half of that time was consumed by the City's review processes. But approximately half of that protracted period was consumed awaiting comments, permits or consents from federal, provincial and regional agencies, and by time taken by the applicants themselves and their consultants, as they worked to meet process compliance requirements or revision requests from public agencies, including the City.

Finding the solutions to business burden in subdivision approvals

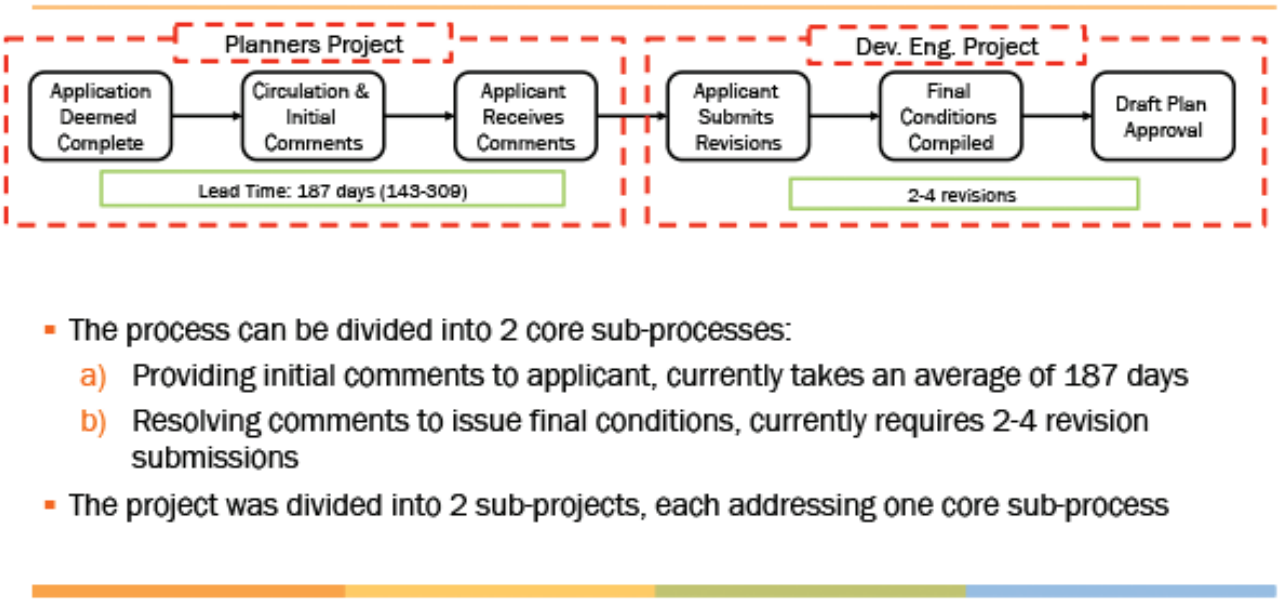
Hamilton's goal was to reduce the average process time for the parts of the process in its control by 20%, since as mentioned above, the file was estimated to be in the City's hands about half the time as it moved through the approvals process.

The subdivision approval process was divided into two core sub-processes:

- Providing initial comments to applicant, taking an average of 187 days when the pilot project began; and,
- Resolving comments to issue final conditions, requiring 2-4 revisions of engineering submissions when the pilot project began.

As a result, as illustrated in Figure 2, the subdivision process improvement project was divided into two sub-projects, each addressing one core sub-process; one led by community planning staff, the other led by development engineering staff.

Figure 2: Current Situation & Focus Area Identification



The City also undertook a Stakeholders Survey (see Appendix "C" for process and results).

As a result of this work, a sub-project led by community planning staff was chosen, with the following goal:

Goal: Get all issues identified and initial comments communicated to stakeholders within 90 days of 'Deemed Complete', against the current performance of over 180 days.

This sub-project was framed as follows:

- Prepare "Current State" Process Map and Key Issues
- Receipt and distribution of applications is administratively heavy for planners
- Expectations for comments/conditions is not clear/followed – what is expected, timelines
- Follow-up and governance system is inconsistent

As a result of this work, a sub-project led by community planning staff, was chosen with the following goal:

Reduce turnaround time for revisions to 6 months – 3 months for developers to revise and 3 months for review

This sub-project was framed as follows:

- Prepare "Current State" Process Map and Key Issues
- Response comments back to applicant is not formalized; departments tend to work in isolation;
- Inconsistent follow up with applicant after comments have been communicated;
- Applicant submits revisions on their own timeline; no expectation is set. Therefore no schedule planning is possible within Development Engineering.

Getting results: reducing the cycle-time for subdivision approvals

The result of applying new process improvements to the subdivision approval process has been to greatly reduce the targeted cycle-time on typical applications.

From a pre-reform average cycle time of 1,350 days or over 3.5 years (including delays related to the applicant and provincial agencies), the new standard will be closer to six months!

How was this achieved? The reporting-out of the pilot project teams explains the analysis and commitments that will yield the dramatic savings in time and money:

Planners' Sub-Project Solution Recommendations:

1. Distribution of application and request for comments

- Fee calculation template has been developed to assist with calculation of the correct application fee
- Distribution list has been streamlined and digital distribution will be leveraged
- Standardized distribution cover letter reduces letters from 4 to 1
- Digital and paper distribution will be handled by Planning Clerks
- Comments requested within 30 days from all departments (increased from the current 21 days)
- Applications to be tracked on a visual management system

2. Management of initial comments submission

- All departments, including planning have 30 days to review file, prepare and submit comments
- Planner consolidates all comments and circulates to all departments
- In the event of non-response from any department, a standardized 3-stage resolution process is initiated. The approach is to problem-solve the issue through collaboration and dialogue
- Planner attempts to resolve with staff in commenting department
- Supervisor attempts to resolve with supervisor in commenting department
- Manager resolves with manager in commenting department

3. Introducing the POST (Plan of Subdivision Team) Meeting (excludes applicant)

- All commenting departments are invited to join a POST meeting to discuss and resolve any issues with comments
- Scheduled as a standing meeting
- POST meeting date and time for a particular application will be specified on the distribution cover letter
- Planner consolidates all comments and sends out along with agenda before the POST meeting
- Issues will be discussed in the meeting, standard meeting agenda has been developed. If possible, issues are resolved; otherwise next steps are decided
- Planners take notes and circulate internally after meeting

4. Issuance of consolidated initial comments

- After POST meeting, planner ensures all issues/contradictions with comments are worked out; SPM & senior management assistance is sought as needed
- Initial comments are consolidated and sent to applicant, no later than 90 days after application was received
- Simultaneously, the applicant is invited to a meeting with the planner and development engineering to explain comments and answer questions.

Development Engineering Sub-Project Solution Recommendations:

1. Explanation of initial comments and setting commitment for revision submission

- Meet with applicant and planner two weeks after comments have been issued to explain specifications and requirements; planner organizes meeting and circulates action items
- Agree to a timeline with applicant for responding to comments; a 45-days response time is requested and gets priority processing
- If applicant needs more time or does not respond in time, offer to make file 'Dormant'

2. Streamlined handling of revisions submitted

- Revisions submitted to Planner, distribute to commenting departments
- 4 key departments (Infrastructure Planning, Public Works, Conservation Authority, Corridor Management) issue comments to Planner and copy Dev. Eng. within 30 days
- Development Engineering resolves contradictions, finalizes conditions and completes approvals within additional 30 days

3. Internal department work process streamlining

- All applications are managed in a one-piece-flow visual management queue; allows more timely handling of application and better resource planning and management
- Engineering quiet work room is being set up with appropriate large working table, computer and job aids. Engineers expected to block off time on a daily basis to work in the quiet room uninterrupted; expected to improve productivity

The next steps in the implementation of the revised process:

- Finalize process artefacts and documentation; a revised process manual to be distributed
- Communicate new process and expectations to all teams in commenting departments, Development Industry Liaison Group, and Open For Business Sub-Committee
- Initiate new process on files currently under review; 'Go-Live' date was February 1, 2017.

The process performance will be closely monitored and adjusted as required.

Conclusions

While the goal of business burden reduction is obviously to reduce the burden on business, there are positive implications for the public agenda. Using the regulatory reform measures identified in the pilot projects, municipalities across Ontario can assist in meeting many public priorities:

- Increasing and sustaining employment across urban Ontario, by reducing the discouraging complexity and cycle-time between a decision to create or expand a business and the date when employees are hired and economic activity expands;
- Improving the ability of small entrepreneurs and start-up investors to create and expand businesses and employment in rural Ontario, thus making rural communities and municipal tax bases more sustainable;
- Increasing the supply of housing and the range of housing options, and the associated construction employment, by expediting the land-use planning and building permit processes for good quality development proposals;
- Creating a clear and welcoming track for external and domestic investors, recognizing their need for greater certainty and the tight timelines imposed on them by competitive global industrial procurement and production processes;
- Making more land readily or quickly available to accommodate new commercial and production facilities, for manufacturers, researchers and start-ups;
- Bolstering the tourism, hospitality and beverage sectors in regional economies across Ontario, if contemporary and results-focused liquor regulation keeps pace with those rapidly changing markets; and,
- Increasing the success of environmental, safety, employment and economic regulation by making them more risk-based, evidence-supported and results-focused, and making compliance easier, less costly, and more timely and predictable.

In addition, there is also an obvious opportunity to deploy municipal resources more effectively and to save money for taxpayers.

Business Burden Reduction – Calculating the benefits

In its red-tape reform initiatives, the MEDG reports on the savings in time and money achieved by various ministries. While the savings are precise, the subject matter being studied is uniform and transaction data is collected and analyzed for all of Ontario by the ministry branch involved.

By contrast, savings in cycle-time in hundreds of municipalities across Ontario are more difficult to calculate or project. The savings to business applicants associated with better information, simplified or expedited approvals, or the ability to initiate post-approval business activities more quickly would inevitably be a matter of guesswork.

There are, however, order-of-magnitude estimates that one might translate into financial or economic terms. The assistance given to prospective small business applicants – from better business preparation to process navigation support – will gain them time, financial savings, and more entrepreneurial success.

The identified business burden reductions in land-use development saw the municipal portion of the cycle time reduced by more than half, while increasing the supply of housing and employment lands. The Ministry of Environment and Climate

Change (MOECC) Transfer of Review delegations can reduce approval times from months to weeks, while leaving more resources for complex applications handled directly by MOECC technical staff.

If we can accelerate by weeks or even months, Ontario's annual production of 33,000 homes, and increase our inventory of investment-ready business locations, that is worth billions of dollars to the Ontario economy. It would also result in municipalities collecting the development charges that are needed to fund infrastructure projects.

Business Burden Reduction – Effecting change and overcoming resistance

One of the challenges facing any Provincial or municipal effort to reduce the burden of regulation lies in the willingness of functional regulators to agree and to embrace the need for reform. In a bureaucratic and political structure like the Ontario Public Service (OPS), that reform message is communicated (and implemented) most effectively "from the top".

Line ministry staff may understand the goals of reduced red tape and burden reduction. They are, however, often reluctant to make changes to their specific programs and procedures in response initiatives that may appear unrelated to their mandates, such as a reduction to the burden on business applicants. The focus of provincial executives and regulatory staff is understandably on program objectives, their regulations and statutes, and the Ministry's mandate letters.

In fact, ministries are often adding to the regulatory regime, or not motivated to act quickly to enact often-disruptive process improvements. The professional staff of individual regulatory, inspection and enforcement functions – in ministries, agencies and municipal departments – can lose sight of the broader implications of pursuing their traditional approach. They can also be resistant or inattentive to ways in which their specific program or policy objectives can be met with fewer burdens on applicants.

In recent years, business-related regulatory activity has expanded in scope and frequency, such as adding energy efficiency objectives and requirements to the Building Code. These regulatory changes have on-the-ground implications for architects, builders, inspectors and applicants. If they fail to receive advance notice and adequate preparation and training, or if the details come after the start of the building season, compliance is at risk and costs and delays are inevitable. Redoing plans to meet late-arriving or poorly communicated regulatory demands is a costly, time-consuming and unnecessary burden to business.

The "tone is set from the top". Without explicit and consistent support for broader business burden reduction initiatives from political leadership and senior public service executives, "business as usual" will persist. Staff in several ministries have shown a willingness to assist municipalities to improve the efficiency of regulatory processes. They need to be encouraged and empowered to continue do so.

Next Steps - An Agenda for Action

Making good ideas 'contagious' – scaling-up "best practices" across Ontario

There is an opportunity for the MEDG and AMO to continue their collaboration on business burden reduction, by creating a marketplace for proven innovations. By focusing on the applicant's experience, the five pilot project sponsors have made significant improvements to their processes and outcomes. Other municipalities will have had similar experiences.

In the municipal sphere, there are some 100 municipalities with a population over 25,000 where process improvements could make a material difference to the daily volume of regulatory and licensing applications. There is a long tradition of collegial sharing of good ideas among municipalities in Ontario. The five pilot projects have pioneered innovations that, if marketed more broadly, would be adopted more broadly. In fact, we may find that other municipalities have used these or other measures themselves to reduce business burdens. Publicizing that feedback can further enhance the value of the recommended improvements.

The Economic Developers Council of Ontario (EDCO) was an early and enthusiastic supporter of this AMO / MEDG initiative and helped to generate a number of the preliminary expressions of interest that led to the five pilot projects. EDCO might be willing to play a role in helping AMO and MEDG to identify and catalogue proven new innovations, as well as the follow-on experience of other municipalities with the innovations documented here.

At the Provincial level, the *Regulatory Modernization Committee* (discussed below) could take the following specific steps to clear away some of the non-value-added regulatory burden facing business in Ontario, in cooperation with their regulatory partners in municipal government.

Specific next steps

1. Barrie's APLI system points to the potential of a "tell us once" form of automated, integrated development application processing in municipalities across Ontario. But as Hamilton pointed out, application processing is typically only a municipal responsibility for half its cycle: the rest of the time it is in the hands of ministries, agencies, the applicants and applicants' professional representatives.

   The Province should commit those that play an important role in commenting on development applications to participate actively and collaboratively with those municipalities that develop automated or on-line systems to support the development-review process, where volumes justify it and where standards can be assured. In addition to ministries (like MTO's Corridor Management Office, and the MOECC's environmental approvals function), this commitment and direction should extend to those key regional agencies governed by provincial legislation, like the conservation authority and the health unit.

2. Barrie's "concierge" program offers a common-sense approach to welcoming worthwhile new or expanding business investment. Success in navigating the labyrinth of the approvals and permitting processes requires a can-do approach, knowledge of the requirements and options, and in particular, the cooperation of approval authorities beyond municipal control. Commenting agencies (ministries and regional authorities) must discharge their legal and functional responsibilities in a conscientious manner and that role should be respected. But they also share responsibility for keeping Ontario prosperous.

   Where a larger municipality has developed a "concierge" program, the precedence and attention that Provincial ministries and agencies give to applications should reflect the judgment of municipal authorities on giving priority to specific good development applications.

3. Following the precedent of the City of Ottawa, the City of London (ON) has identified a significant opportunity to expedite the issuing of "environmental certificates of approval", through delegating functions to municipal professionals ("Transfer of Review"). This process allows the MOECC to focus its staff resources on complex files, while leaving more routine applications in the hands of competent local professionals in the municipality. Based on the Facilitator's observation, the procedure for effecting these self-evident process improvements is both protracted and episodic, and given no apparent priority across Ontario.

   The MOECC should make it a matter of Ministry policy to work with its municipal regulatory colleagues in, at least, the 20 largest municipalities, to introduce broader "Transfer of Review" delegations to any willing municipality, by the beginning of the next fiscal year.

4. With the introduction of new legislation covering the Ontario Municipal Board, land-use planning and housing policy, municipalities should take the opportunity to redesign their development-related approval policies, using the models pioneered by Hamilton, Barrie and Peterborough. As those municipalities have demonstrated, innovations like LEAN process review, Six Sigma, and the Toyota Production System have much to teach those managing development approval processes, including both municipal governments and the provincial and regional authorities on whose processes they rely.

As new planning legislation and policy are converted into procedures and practices, the burden on those creating jobs in the construction, development and home-building industries should ideally be reduced, not increased. Municipalities in general, and the Ministry of Municipal Affairs and the Ministry of Housing, in particular, should commit themselves to that goal

Using the model pioneered by the City of Hamilton, lead ministries should involve municipal officials, applicants and other ministries in the design of the revised procedures and the establishment of results-focused "commenting" practices and timetables for both municipal departments and provincial and regional authorities.

5. Bruce County demonstrated the important role that 21st century library branches can play in providing services to support existing businesses and aspiring entrepreneurs. Much of Ontario's recent economic activity is in start-ups and small enterprises. But lack of good business information and the risk of failure in new ventures are constant concerns. Particularly in rural Ontario, these concerns may discourage prospective business and in particular, business expansion.

   Rural municipalities, particularly working through their county governments, should enhance their "home-grown" economic development prospects by offering programs such as those delivered by the Bruce County Library Service and the County of Bruce.

6. Peterborough Economic Development and the City of Peterborough took-on the complex processes facing those looking to establish or expand businesses involving beverage alcohol. In the process, it used LEAN re-engineering to identify opportunities to enhance the approvals process within "city hall".

   The practical experience of front-line inspection staff (both municipal and provincial / agency) was an important part of Peterborough's innovations and it should be replicated in any comprehensive review of the procedures, practices and requirements.

   As proposed in a recent forum in the Peterborough area, the Province should work with municipalities like Peterborough to re-engineer the full range of regulation imposed on small business operators. **The effort to re-engineer regulation should begin with the Ministry of Municipal Affairs establishing a working group comprised of municipal building officials and government representatives from other ministries/authorities such as Electrical Safety Authority (ESA), Fire Marshal, Technical Standards and Safety Authority (TSSA), Ministry of Labour and Ministry of Culture Tourism Sport (Heritage) and the Alcohol and Gaming Commission of Ontario (AGCO) to address overlapping scope and conflicting technical requirements between the Building Code Act / Ontario Building Code and other legislation/ regulation.**

   There have been some well-intentioned efforts by the AGCO at better education of applicants and improved client service, including more on-line application processing. More are planned for the near future. The Facilitator's conclusion is, however, that the regulatory burdens facing entrepreneurs in this field are unnecessarily complex. In some important respects, they may not even serve specific, important policy objectives, much less anticipate changes in market conditions and the global regulatory environment.

   In the small business segment of the beverage alcohol sector, Ontario needs to develop a system of regulation and licensing that reflects clearly articulated public policy objectives, the dynamism of the sector and the clear trends in public tastes and expectations.

A second look at the Toronto Pilot Projects – What has happened? What can be adapted and adopted by others?

The business burden reduction initiatives documented here had their origins in the City of Toronto / MEDG Project detailed elsewhere in this report. A number of the Toronto initiatives were still in their gestation phase when the five pilot projects described in this report were launched. Some involved developing IT systems; others involved entirely new regulatory activities, such as those related to ride-sharing services like Uber, or on-line accommodation services, like Airbnb. In the City's restaurant-licensing program, its complexity proved to require more time to reform.

As a result, there would be merit in revisiting the City of Toronto pilot projects, both those originally targeted for "transference" to the rest of the broader Ontario municipal sector, and other Toronto projects that have taken longer to reach fruition.

Balancing regulatory benefits and economic burden – the case of liquor regulation

Beyond the process improvements, of course, there remains the question of whether regulations continue to make sense. A good illustration is liquor licensing and regulation. Is Ontario's complex skein of liquor regulations justified, given the changes in society and the beverage alcohol marketplace? The modest reforms recommended by Ed Clark and partially implemented by the Province are unlikely to alter the current approach to liquor regulation, with its foundations in era when the sale of alcohol was associated with organized crime, and restricting its availability was a moralistic imperative.

As Canada prepares to legalize marijuana consumption, restrictive trade practices imposed on small-scale craft brewers seem increasingly out of date. Liquor regulations do impose largely non-value-added business burdens on the hospitality and beverage industries. With robust municipal enforcement of zoning, site plans, property standards, the Fire Code, the Building Code and the plumbing code, and with health unit and policing oversight, is it still good public policy to have AGCO inspectors determining things like whether washroom fixtures are adequate in small-scale licensed premises? In this field as in any other, the social and economic value of regulation should demonstrably exceed its cost to businesses and to taxpayers.

At a minimum, the Province should ensure that the various regulations are internally consistent: Peterborough identified a number of areas where property-related regulations conflicted (Building Code, Liquor Regulations, Fire Code, etc.), leaving local authorities to adjudicate another government's apparently inconsistent rules. A round-table of those engaged in enforcement at the local and provincial levels could easily enumerate the areas of friction and inconsistency.

Leadership does matter

It is the Facilitator's belief that more might also have been achieved, and additional pilot projects might have been undertaken, if there had been more direct municipal political leadership given to these initiatives at the municipal level.

The design of the pilot projects program did not call for involving elected representatives, or municipal chief administrative

officers (CAOs), since the focus was on technical processes and the administration of regulations. But leadership does matter. In Hamilton, there was a steering committee of interested Council members: the obligation for regular reporting gave focus, impetus and support to the initiatives. In Bruce County, the commitment of the CAO and the Chief Librarian drove the pilot project. In Peterborough, the Chief Administrative Officer and the President of Peterborough Economic Development lent conspicuous support to the initiative.

The same could be said of the involvement of political and senior management leadership at the Province. While the senior staff of the MEDG were very supportive of the initiative, there is always need for either political direction, or "corporate" commitment, within any large public sector organization, to overcome "silos" and resistance to change.

AMO and MEDG should give consideration to the best way to propagate the good ideas and process improvements that have been produced or targeted by the pilot projects. That likely requires a role for the Minister of the MEDG and the Ministers responsible for those ministries and agencies where process improvements could make the biggest gains, including MOECC, MMA, MNRF, MTO and AGCO. On the civil service side, it also requires the continuing involvement of the Secretary of the Cabinet and the Deputy Minister of Economic Development and Growth. At the municipal level, it means involving political and managerial leadership, specifically, the chief administrative officer or city manager.

Looking forward, there is need for a whole-of-government commitment by the Province to reducing business burdens, in cooperation with their regulatory partners in municipal and regional authorities.

Provincial leadership in business burden reduction initiatives

There is considerable opportunity to do more, and the pilot projects point the way. At the top of the list are things that Provincial ministries and agencies engaged in implementing and administering regulatory activities could do, in cooperation with municipalities, to reduce the burdens of time and cost that confront business operators and investors.

While the message from political leadership is a commitment to easing the regulatory burdens, it needs to be reflected in the practical daily processes through which all manner of regulatory controls are implemented and administered. For the most part, the burden reduction accomplishments in the five pilot projects were achieved by municipalities "largely on their own" (to quote one provincial observer). There were, nonetheless, encouraging examples of enterprising collaborative efforts by individual provincial staff.

Line ministries and agencies have taken a proactive, creative approach to reducing business burdens in a number of areas wholly within provincial jurisdiction. These accomplishments are catalogued in the Ministers' annual business burden reduction reports for the past several years. From that foundation, the Province and its agencies need to pursue process improvements with their municipal partners with the same vigour, confidence in their peers, and sense of urgency.

With the support of the Government and under the leadership of the Secretary of Cabinet, a Committee of Deputy Ministers has been struck to lead the regulatory reform efforts, on behalf of the Ontario Government. That Committee – the *Regulatory Modernization Committee* – has a broad mandate to pursue this agenda. However, the Committee does not typically focus on areas of intersection between Provincial and Municipal governments.

A great many Provincial policies are implemented through municipal regulation. Many more Provincial regulations are administered by municipal public servants. It may, therefore, make sense for the *Regulatory Modernization Committee* to focus on those points of intersection. This report demonstrates that many progressive municipalities are willing and able to collaborate in meeting these regulatory reform objectives.

At a minimum, the Province should commit itself to seeking-out the experience of those who enforce provincial regulations at the municipal level, to identify where inconsistencies, duplication and conflicts in requirements appear to exist, and then commit to reconciling them.

Broad commitments and open-ended timetables for implementing reforms appear to be ineffective, when left to line ministries and program professionals committed to their own regulatory objectives.

Experience with line ministries suggests that this initiative should see the *Regulatory Modernization Committee*, in consultation with AMO and the City of Toronto, develop an agenda that targets specific ministries and specific regulatory programs, including timeframes for achieving changes in the design of regulations and related procedures. The process should also involve political leadership, both in municipalities and in a variety of ministries, and their agencies. Finally, it should involve review and inspection staff from municipalities and Provincial ministries and agencies, with first-hand experience dealing with business applicants, as well as input from owners of regulated and licensed businesses.

Appendices

Appendix A

World Bank rankings for ease of establishing a business, by country

TABLE 1.1 Ease of doing business ranking

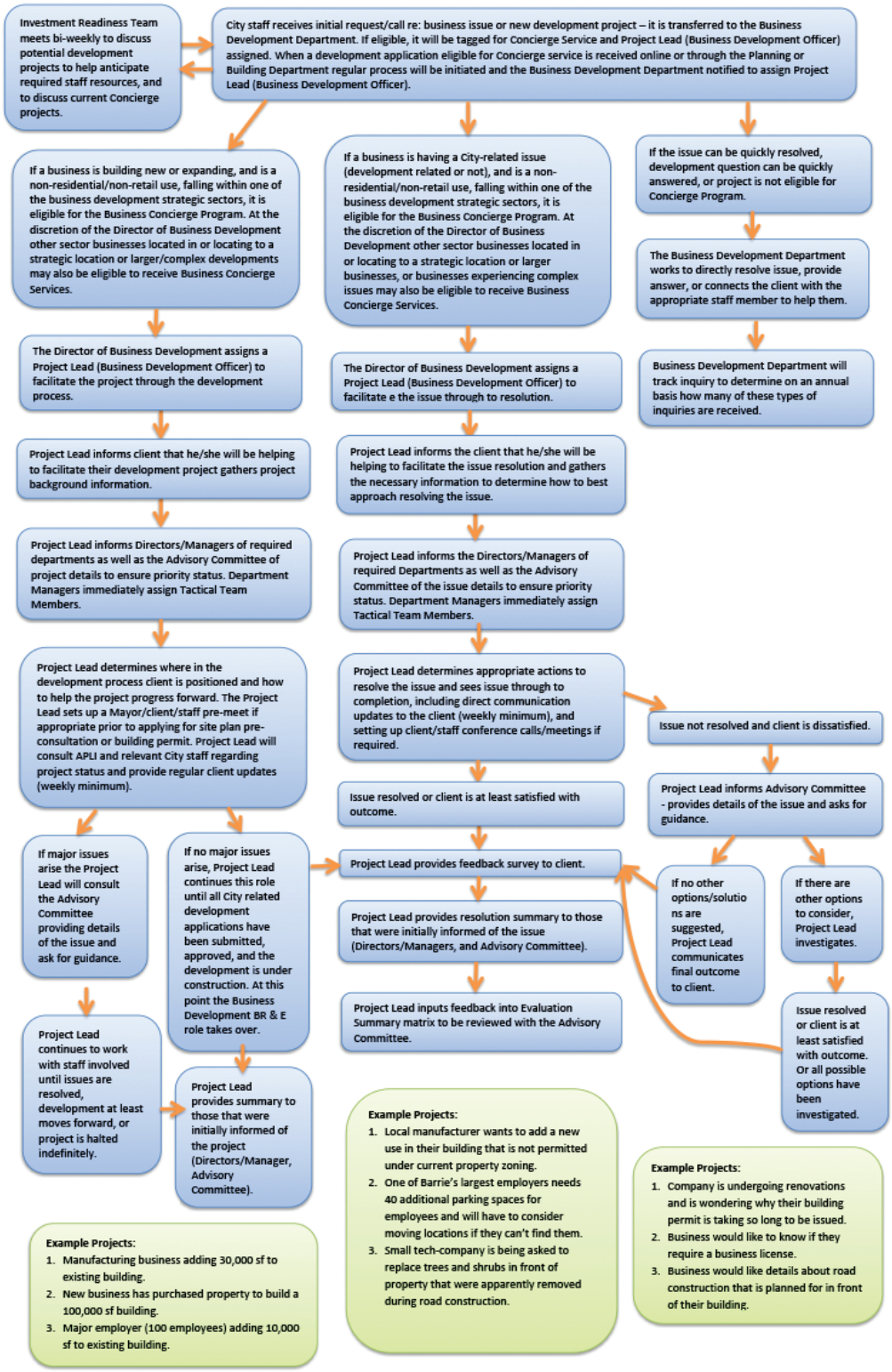
Rank	Economy	DTF score	Rank	Economy	DTF score	Rank	Economy	DTF score
1	New Zealand	87.01 ↑	65	Azerbaijan	67.99 ↑	128	Tajikistan	55.34 ↑
2	Singapore	85.05 ↑	66	Oman	67.73 ↑	129	Cabo Verde	55.28
3	Denmark	84.87 ↑	67	Jamaica	67.54 ↑	130	India	55.27 ↑
4	Hong Kong SAR, China	84.21 ↑	68	Morocco	67.50 ↑	131	Cambodia	54.79 ↑
5	Korea, Rep.	84.07 ↑	69	Turkey	67.19	132	Tanzania	54.48 ↑
6	Norway	82.82 ↑	70	Panama	66.19	133	Malawi	54.39 ↑
7	United Kingdom	82.74 ↑	71	Botswana	65.55 ↑	134	St. Kitts and Nevis	53.96
8	United States	82.45	72	Brunei Darussalam	65.51 ↑	135	Maldives	53.94
9	Sweden	82.13 ↑	73	Bhutan	65.37 ↑	136	Palau	53.81 ↑
10	Macedonia, FYR	81.74 ↑	74	South Africa	65.20	137	Mozambique	53.78
11	Taiwan, China	81.09 ↑	75	Kyrgyz Republic	65.17 ↑	138	Grenada	53.75
12	Estonia	81.05 ↑	76	Malta	65.01 ↑	139	Lao PDR	53.29 ↑
13	Finland	80.84	77	Tunisia	64.89 ↑	140	West Bank and Gaza	53.21 ↑
14	Latvia	80.61 ↑	78	China	64.28 ↑	141	Mali	52.96 ↑
15	Australia	80.26 ↑	79	San Marino	64.11 ↑	142	Côte d'Ivoire	52.31 ↑
16	Georgia	80.20 ↑	80	Ukraine	63.90 ↑	143	Marshall Islands	51.92 ↑
17	Germany	79.87	81	Bosnia and Herzegovina	63.87 ↑	144	Pakistan	51.77 ↑
18	Ireland	79.53 ↑	82	Vietnam	63.83 ↑	145	Gambia, The	51.70 ↑
19	Austria	78.92 ↑	83	Qatar	63.66	146	Burkina Faso	51.33 ↑
20	Iceland	78.91 ↑	83	Vanuatu	63.66 ↑	147	Senegal	50.68 ↑
21	Lithuania	78.84 ↑	85	Tonga	63.58	148	Sierra Leone	50.23 ↑
22	Canada	78.57	86	St. Lucia	63.13	149	Bolivia	49.85 ↑
23	Malaysia	78.11	87	Uzbekistan	63.03 ↑	150	Niger	49.57 ↑
24	Poland	77.81 ↑	88	Guatemala	62.93 ↑	151	Micronesia, Fed. Sts.	49.48
25	Portugal	77.40 ↑	89	Samoa	62.17 ↑	152	Kiribati	49.19 ↑
26	United Arab Emirates	76.89 ↑	90	Uruguay	61.85 ↑	153	Comoros	48.69 ↑
27	Czech Republic	76.71 ↑	91	Indonesia	61.52 ↑	154	Togo	48.57 ↑
28	Netherlands	76.38 ↑	92	Kenya	61.22 ↑	155	Benin	48.52 ↑
29	France	76.27 ↑	93	Seychelles	61.21 ↑	156	Algeria	47.76 ↑
30	Slovenia	76.14 ↑	94	Saudi Arabia	61.11 ↑	157	Burundi	47.37 ↑
31	Switzerland	76.06	95	El Salvador	61.02	158	Suriname	47.28 ↑
32	Spain	75.73 ↑	96	Trinidad and Tobago	60.99	159	Ethiopia	47.25 ↑
33	Slovak Republic	75.61 ↑	97	Fiji	60.71	160	Mauritania	47.21 ↑
34	Japan	75.53 ↑	98	Zambia	60.54	161	Zimbabwe	47.10 ↑
35	Kazakhstan	75.09 ↑	99	Philippines	60.40 ↑	162	São Tomé and Príncipe	46.75 ↑
36	Romania	74.26 ↑	100	Lesotho	60.37 ↑	163	Guinea	46.23 ↑
37	Belarus	74.13 ↑	101	Dominica	60.27	164	Gabon	45.88
38	Armenia	73.63 ↑	102	Kuwait	59.55	165	Iraq	45.61 ↑
39	Bulgaria	73.51 ↑	103	Dominican Republic	59.35 ↑	166	Cameroon	45.27 ↑
40	Russian Federation	73.19	104	Solomon Islands	59.17 ↑	167	Madagascar	45.10 ↑
41	Hungary	73.07 ↑	105	Honduras	59.09	168	Sudan	44.76
42	Belgium	73.00	106	Paraguay	59.03	169	Nigeria	44.63 ↑
43	Croatia	72.99 ↑	107	Nepal	58.88	170	Myanmar	44.56 ↑
44	Moldova	72.75 ↑	108	Ghana	58.82 ↑	171	Djibouti	44.50 ↑
45	Cyprus	72.65 ↑	108	Namibia	58.82	172	Guinea-Bissau	41.63 ↑
46	Thailand	72.53 ↑	110	Sri Lanka	58.79 ↑	173	Syrian Arab Republic	41.43
47	Mexico	72.29 ↑	111	Swaziland	58.34 ↑	174	Liberia	41.41
47	Serbia	72.29 ↑	112	Belize	58.06	175	Timor-Leste	40.88
49	Mauritius	72.27 ↑	113	Antigua and Barbuda	58.04	176	Bangladesh	40.84 ↑
50	Italy	72.25 ↑	114	Ecuador	57.97 ↑	177	Congo, Rep.	40.58
51	Montenegro	72.08 ↑	115	Uganda	57.77 ↑	178	Equatorial Guinea	39.83
52	Israel	71.65 ↑	116	Argentina	57.45 ↑	179	Yemen, Rep.	39.57
53	Colombia	70.92 ↑	117	Barbados	57.42 ↑	180	Chad	39.07 ↑
54	Peru	70.25 ↑	118	Jordan	57.30 ↑	181	Haiti	38.66 ↑
55	Puerto Rico (U.S.)	69.82 ↑	119	Papua New Guinea	57.29 ↑	182	Angola	38.41
56	Rwanda	69.81 ↑	120	Iran, Islamic Rep.	57.26 ↑	183	Afghanistan	38.10
57	Chile	69.56 ↑	121	Bahamas, The	56.65	184	Congo, Dem. Rep.	37.57 ↑
58	Albania	68.90 ↑	122	Egypt, Arab Rep.	56.64 ↑	185	Central African Republic	36.25
59	Luxembourg	68.81 ↑	123	Brazil	56.53	186	South Sudan	33.48
60	Kosovo	68.79 ↑	124	Guyana	56.26 ↑	187	Venezuela, RB	33.37
61	Greece	68.67	125	St. Vincent and the Grenadines	55.91	188	Libya	33.19
62	Costa Rica	68.50 ↑	126	Lebanon	55.90	189	Eritrea	28.05 ↑
63	Bahrain	68.44 ↑	127	Nicaragua	55.75 ↑	190	Somalia	20.29 ↑
64	Mongolia	68.15 ↑						

Source: Doing Business database.

Note: The rankings are benchmarked to June 2016 and based on the average of each economy's distance to frontier (DTF) scores for the 10 topics included in this year's aggregate ranking. For the economies for which the data cover two cities, scores are a population-weighted average for the two cities. An arrow indicates an improvement in the score between 2015 and 2016 (and therefore an improvement in the overall business environment as measured by *Doing Business*), while the absence of one indicates either no improvement or a deterioration in the score. The score for both years is based on the new methodology.

Appendix B

City of Barrie - Outline of Business Concierge Program



Appendix C

City of Hamilton Stakeholders' Survey Process and Results

Questionnaire to clients: What process steps impact approval time?

As a point of departure, a survey was designed by the project team to get feedback and input from the "customers" of this process:

- Clients were asked: *What parts of the process should we focus on for greatest impact on reducing "lead time" and what are the key issues with these areas of the process?*

The survey also invited interested respondents to a face-to-face focus group discussion to generate potential improvement suggestions.

An on-line survey was sent to a list of fifty-five private planning consultants and engineering consultants that was compiled by the project team. To this list was added the members of the Hamilton Home Builders Association, the major stakeholder group in the land-development and building industry in the region. The survey response was very good, with twenty-five responses; six were also invited to attend a Focus Group session.

Endnotes

[1] *Burden Reduction Reporting Act*, 2014, S.O. 2014, c. 12, Sched. 1:

Annual report on burden reduction

2. (1) The Minister shall make available to the public an annual report with respect to,

(a) actions taken by the Government of Ontario to reduce burdens; and

(b) the Government of Ontario's future burden reduction goals.

Publication of report

(2) The Minister shall ensure that the report is,

(a) published on a Government of Ontario website or in such other manner as the Minister considers advisable; and

(b) available to the public on or before June 30 in each year or, if the regulations prescribe another date, on or before the prescribed date in each year.

Tabling

(3) The Minister shall table the annual report in the Legislative Assembly as soon as possible after it is published.

[2] MEDT Burden Reduction Reports:
2016: https://www.ontario.ca/page/2016-burden-reduction-report
2015: https://www.ontario.ca/page/building-better-business-climate-ontario-2015-burden-reduction-report
2014: https://www.ontario.ca/document/business-sector-strategy-burden-reduction-open-business

[3] "Ontario Helping Businesses Save Time and Money: Province to Introduce Measures to Help Small Businesses and New Legislation to Cut Unnecessary Red Tape", Ministry of Economic Development and Growth News Release (Toronto: May 19, 2017); Found at: https://news.ontario.ca/medg/en/2017/05/ontario-helping-businesses-save-time-and-money.html?utm_source=ondemand&utm_medium=email&utm_campaign=o

[4] See: Bill 139/17, *Building Better Communities and Conserving Watersheds Act*, 2017, found at: http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&Intranet=&BillID=4936

AMO
Association of
Municipalities Ontario