



City of Richmond

Report to Committee

To: General Purposes Committee

TO GENERAL PURPOSES - MARCH 4 / 02
Date: February 10, 2002

From: Marcia Freeman
Manager, Business Liaison & Development

File: 4150-04-01

Re: Richmond Economic Development Strategic Plan - Draft Report

Staff Recommendation

1. That City Council endorse the Richmond Economic Development Strategic Plan;
2. That City Council direct staff to prepare a budget and implementation plan for the Immediate Action items identified in the Executive Summary and report back for consideration and approval.

Marcia Freeman
Manager, Business Liaison & Development

Att.

FOR ORIGINATING DIVISION USE ONLY		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER

Staff Report

Origin

At a Council / Staff workshop in July of 2000, a brief on Business Retention and Economic Development was presented. It outlined several key issues for discussion including:

- . The last economic development strategic plan for the City of Richmond was adopted in 1984. Since that time there have been significant changes in the population, demographic makeup, immigration, development and overall economic diversity of the City.
- . Greater demands on local economic development due to downloading by the federal and provincial governments.
- . Increased municipal competition between regions, provinces and the United States in retaining and attracting new business particularly in the advanced technology and light manufacturing sectors.
- . Airport related business has seen unprecedented growth while traditional and resource based sectors such as agriculture and fisheries continue to struggle.
- . The film industry continues to experience significant expansion (exceeding \$1 Billion in 1999) while the City's participation remains limited in comparison to other municipalities in the region.
- . The endorsement of a 2% hotel tax and resulting opportunities for a Trade and Exhibition Centre could have significant impact on the Tourism sector.

The brief also offered a number of strategic options for consideration.

Although not unanimously supported, Council directed staff to retain consultants to undertake an Economic Development Strategic Plan.

Study Objectives

In April of 2001, the City of Richmond retained Eric Vance and Associates, in association with Harris Consulting Inc., to assist in preparing the new plan. The study objectives were to:

- . Clarify the goals and objectives of an economic development and business retention strategy for the City of Richmond.
- . Define and address local economic development opportunities, constraints and issues, both in general and for each key sector of the local economy.
- . Develop strategies for pursuing opportunities and overcoming barriers.

- . Identify opportunities for existing businesses to expand and to attract new investment to the community.
- . Determine how economic development activities can best be carried out in the City, who should be involved, and their respective roles and responsibilities.
- . Ensure that the economic development plan is consistent with other City policies, goals and objectives.
- . Identify the intended results of the actions and a means for monitoring progress and effectiveness.

Analysis

The City of Richmond has had one of the fastest growing economies of all British Columbia communities over the past two decades. This growth has been partially population-driven and is reflected in the rapid development of the community's retail and service commercial sectors, as well as in the expansion of public services such as health care and education.

Even if Richmond does nothing to actively promote economic development, the City will continue to grow simply because it is part of an expanding metropolitan region of over two million people. However, without a proactive and highly focused approach to economic development that recognizes market trends and business needs, there are no guarantees that Richmond will attract the types of opportunities that will make a contribution to the City's vision and goals. Other communities have implemented economic development strategies targeting many of the same sectors that are driving Richmond's growth.

The City must be aggressive in targeting opportunities, promoting its strengths and ensuring that it maintains an environment supportive of economic development. It cannot do this alone. Partnerships and collaboration with other organizations are a critical part of maximizing the benefits.

The City can play a leadership role in identifying opportunities, facilitating development, investment and collaborations, and creating an environment that is supportive of economic development.

Financial Impact

The Economic Development Strategic Plan sets out a "blue print" for economic development. If Council chooses to endorse the plan they are not committed to implementing all of the strategies outlined in the document. Similar to the OCP, what gets implemented and when will depend on Council priorities and available resources, including the attraction of partners to work on some of the strategies.

By directing staff to prepare a budget and implementation plan for the Immediate Action items identified in the Executive Summary, the financial implications associated with the individual goals of the strategy can be considered and appropriated.

Conclusion

The City of Richmond Economic Development Strategic Plan seeks to improve the economic well-being and overall quality of life of the community. No single strategy, policy or program can assure success. However, by adopting a highly focused realistic plan based on an objective assessment of the communities competitive position and proactively pursuing the opportunities presented, the City's vision can be furthered and it's goals achieved.

It is therefore recommended:

1. That City Council endorse the Richmond Economic Development Strategic Plan;
2. That City Council direct staff to prepare a budget and implementation plan for the Immediate Action Items identified in the Executive Summary and report back for consideration and approval.



Marcia Freeman
Manager, Business Liaison and Development

:mf

CITY OF RICHMOND

ECONOMIC DEVELOPMENT STRATEGIC PLAN

DRAFT

February, 2002

Prepared With the Assistance of

ERIC VANCE & ASSOCIATES
Planning and Management Consultants

In Association With

HARRIS CONSULTING INC.
Planning & Development Strategists

CITY OF RICHMOND ECONOMIC DEVELOPMENT STRATEGIC PLAN

Table of Contents

	Page
Executive Summary	i
I Introduction	1
Study Objectives	2
Study Process	3
II What is Economic Development?	4
III City Goals and Objectives	6
IV Regional Trends	9
Business Structure and Location	9
Social Change	11
Greater Vancouver’s Economic Position	13
Summary	15
V Local Trends and Issues	16
Richmond’s Population	16
Richmond’s Resident Labour Force	17
Jobs In Richmond	19
Place of Work – Place of Residence.....	20
Household Income.....	21
Development Activity.....	21
Property Taxes and Development Cost Charges	22
Summary	24
VI Richmond’s Overall Competitive Position	26
Strengths	26
Challenges	27
VII Sector Opportunities	28
Agriculture	28
Airport	30
Commercial	33
Industrial Activity	39
High Technology	42
Tourism	44
Film	47

Fishing.....	48
Public Sector	49
Summary	52
VIII Economic Development Vision and Goals.....	53
IX Implementation.....	55
X Action Plan.....	58
XI Performance Monitoring.....	64
XII Conclusion.....	66
Appendices	
1. Contacts and Interviews	67
2. Glossary of Terms	69
3. Tables	70
4. Strategic Actions/Strategic Functions Matrix	79
5. Strategic Actions/Core Services Matrix	82

Executive Summary

The City of Richmond has had one of the fastest growing economies of all British Columbia communities over the past two decades. This growth has been partially population-driven and is reflected in the rapid development of the community's retail and service commercial sectors, as well as in the expansion of public services such as health care and education.

Even if Richmond does nothing to actively promote economic development, the City will continue to grow simply because it is part of an expanding metropolitan region of over two million people. However, without a proactive and highly focused approach to economic development that recognizes market trends and business needs, there are no guarantees that Richmond will attract the types of opportunities that will make a contribution to the City's vision and goals. Other communities have implemented economic development strategies targeting many of the same sectors that are driving Richmond's growth.

The City must be aggressive in targeting opportunities, promoting its strengths and ensuring that it maintains an environment supportive of economic development. It cannot do this alone. Partnerships and collaboration with other organizations are a critical part of maximizing the benefits.

The City can play a leadership role in identifying opportunities, facilitating development, investment and collaborations, and creating an environment that is supportive of economic development.

Regional Trends

- ◆ There is more clustering of industrial firms that are interdependent and interrelated in order to share resources and reduce costs, resulting in certain regions and areas gaining a competitive advantage and high profile in selected sectors.
- ◆ More non-industrial and quasi-industrial/commercial activities are seeking industrial land, a trend very evident in Richmond.
- ◆ Jobs are shifting away from traditional places of employment, home-based businesses and tele-commuting accounting for a growing share.
- ◆ An estimated 35% of new jobs in Greater Vancouver will be in light industrial and business parks.
- ◆ Canada's aging population is changing spending patterns and creating a rapid increase in the demand in sectors such as health care and leisure.

- ♦ The majority of Greater Vancouver's population growth will be through in-migration from other parts of Canada and other countries, creating new business relationships and linkages.
- ♦ Greater Vancouver is well positioned to compete in the global economy as a result of six strategic functions it serves, including gateway, exchange, network, central place, production and destination.
- ♦ Much of the region's future employment growth will be in community oriented (ie, population driven) community products and services, technology, film and television, tourism and transportation, communications and utilities. Other sectors likely to produce significant numbers of high quality jobs include finance, trade, electronic commerce, professional services and health and education.
- ♦ Greater Vancouver's economic performance is still strongly affected by what happens elsewhere in the province, including in the resource-based sectors, but the level of dependence is gradually declining.
- ♦ The US is the province's most important export market and its share of exports is increasing, with other Pacific Rim countries accounting for a much smaller (although still very important) share.

Local Trends and Issues

- ♦ The projected slowing of Richmond's population growth will affect the rate of new development in local population-serving sectors, particularly retail and service commercial. More development needs to be attracted that is not primarily reliant on the Richmond market.
- ♦ The aging of Richmond's population will create more economic development opportunities in sectors such as health care, but reduce the demand in other sectors, such as the public school system.
- ♦ Richmond's resident labour force characteristics are similar to those of the region as a whole and are expected to undergo the same changes as projected for the region.
- ♦ Richmond's resident labour force is large and has diverse skills and education, which will help the City in attracting a range of economic development opportunities.
- ♦ The majority of new jobs being created in Richmond are in service-oriented sectors, but there is still some employment growth in the goods-producing sectors, which are an integral part of the local and regional economies.
- ♦ One-half of Richmond residents are working in Richmond, including a growing number who are home-based.

- ◆ There will be even more local employment opportunities for Richmond residents in the future as the jobs to population ratio in 2021 possibly increases from the current ratio, driven in part by rapid growth at the airport.
- ◆ Workers traveling to Richmond from other communities have a dispersed commuting pattern and are creating more traffic congestion because many cannot be easily served by public transit.
- ◆ Household incomes in Richmond are around the regional average, which means the spending power per capita to support population serving local businesses is also around the regional average.
- ◆ Richmond has experienced a decline in its share of regional development activity. It needs to work aggressively to gain back lost market share.
- ◆ Industrial land prices are starting to increase in Richmond due to the declining supply of readily available industrial land.
- ◆ Commercial land prices are competitive and fall well within the range for commercial land in other suburban centres within the region.
- ◆ Richmond's commercial and industrial tax rates are very competitive and should be strongly promoted as part of demonstrating the City's business friendly environment.
- ◆ Richmond's commercial DCCs are low compared to many other Lower Mainland municipalities, but industrial DCCs are relatively high and may be impeding development when combined with rising prices caused in part by the declining supply of readily available industrial land.

Opportunities

- ◆ The major drivers of Richmond's economic growth will continue to be the airport, retail, high technology, and general industrial development, including at the two ports.
- ◆ Modest growth is likely in post-secondary education, health services, and film.
- ◆ Relatively little growth is expected in the shorter-term in agriculture, fishing, and public education, but these sectors all remain important components of the Richmond economy.
- ◆ Tourism has potential, but much will depend on what happens with the Richmond Trade & Exhibition Centre and the community's ability to market itself as a destination distinct from Vancouver through establishing and promoting attractions and events of interest to visitors.

Response

The Economic Development Strategic Plan recommends a number of strategies and actions for addressing Richmond's economic trends, issues and opportunities, beginning with an Economic Development Vision and Goals.

Economic Development Vision

Richmond's recommended Economic Development Vision is:

To be the acknowledged leader in economic development among Greater Vancouver municipalities, with a diversified economy that contributes to Richmond's quality of life by retaining existing businesses, attracting new businesses and investment, supporting employment opportunities suited to the resident population, and increasing City revenues.

Goals and Strategies

Three goals are recommended in support of this vision:

1. Position Richmond as a Distinct Community Within Greater Vancouver
2. Create a Municipal Management and Regulatory Environment Supportive of Economic Development
3. Help Grow Key Sectors of the Richmond Economy

For each of these goals, the Economic Development Strategic Plan recommends a number of strategies for implementation, with 33 strategies in total:

1. Position Richmond as a Distinct Community Within Greater Vancouver.

- A. Adopt Economic Development Strategic Plan, including Vision and Goals.
- B. Prepare a budget for the economic development function that reflects the resources needed for implementation.
- C. Create distinct Richmond brand image for economic development.*
- D. Prepare and implement marketing plan for economic development.

-
- **Corporate Branding** is defined as "a business process -- one that is planned, strategically-focused and integrated throughout the organization. Branding establishes the direction, leadership, clarity of purpose, inspiration and energy for a company's most important asset, it's corporate brand.
 - **Brand** is defined as "the sum of all characteristics, tangible and intangible that make the offer unique"
 - "Your brand is what people say about you when you're not around."

2. Create a Municipal Regulatory Environment Supportive of Economic Development.

- A. Secure appropriate resources to implement recommended strategies.
- B. Host Richmond Economic Development Forum.
- C. Create a comprehensive Commercial Strategy for Richmond similar to the City's Industrial Strategy.
- D. Ensure that a rolling five-year supply of appropriately zoned commercial land is available in Richmond.
- E. Work with the commercial development industry to ensure Richmond is on top of commercial trends and issues affecting economic development.
- F. Continue to pursue the extension of rapid transit to Richmond as part of making City Centre more attractive for commercial and residential development.
- G. Create a larger supply of readily available industrial land to meet future demand from a wide variety of businesses.
- H. Complete the review of Richmond's DCC program and ensure that the issues raised for the industrial sector are given consideration as part of this process.
- I. Incorporate economic development performance measures into City's Vibrancy Indicators.

3. Help Grow Key Sectors of the Richmond Economy.

- A. Encourage more value-added production and processing of agricultural products in Richmond.
- B. Participate in implementation of the recommendations of the 2021 Agricultural Viability Strategy to ensure the economic benefits to Richmond are maximized.
- C. Ensure all pertinent economic development issues are addressed in creating the new Accord (underway) between the City and VIAA.

- D. Support the VIAA in its efforts to lobby for changes to Canada's air policies, including securing Fifth Freedom rights and the opening up of the air cargo market.
- E. Support the VIAA in its efforts to renegotiate the terms of its rent agreement with the Federal government.
- F. Encourage the development of the Fraser Richmond port lands as a key component of the City's industrial strategy.
- G. Establish new Accords with Fraser River Port Authority (underway) and the North Fraser River Port Authority that include consideration of economic development issues.
- H. Create a larger supply of readily available Business Park Industrial (I3) land to meet future demand from high technology and other businesses.
- I. Promote the advantages of Richmond as a location for high technology businesses of all sizes and types.
- J. Encourage partnerships between high technology businesses in Richmond and research and educational institutions such as Discovery Parks, UBC, BCIT and Kwantlin.
- K. Continue to evaluate opportunities for the proposed Richmond Trade & Exhibition Centre to contribute to the City's economic development.
- L. Identify and develop additional attractions and events in Richmond, including arts and culture, heritage and recreational, that can be marketed to both tourists and Greater Vancouver residents.
- M. Adopt a policy stating that the City is "film friendly" and supports the industry operating in the community.
- N. Create a film location inventory for Richmond, particularly municipal properties, and provide to the BC Film Commission for its library.
- O. Review City regulations and fee schedules for the film industry.
- P. Encourage more value-added fish processing in Richmond
- Q. Support expansion of the local fishing industry into new fish species and products, including at Steveston Harbour.
- R. Support BCIT and Kwantlen University-College in their efforts to secure Provincial government funding for expansion.

- S. Help facilitate a closer working relationship between Kwantlin University-College and the Richmond business community.
- T. Promote Richmond's health care system and post-secondary educational institutions as advantages of locating in the City.

Immediate Actions

The most immediate actions required are:

- ◆ Adoption by City Council of the Economic Development Strategic Plan.
- ◆ Preparation of a budget for the economic development function that reflects the resources needed for effective implementation.
- ◆ Creation of a distinct Richmond brand image for economic development.
- ◆ Preparation of an aggressive marketing plan for economic development.
- ◆ Maintenance of a supply of appropriately zoned industrial land to meet future demand from a wide variety of businesses.
- ◆ Completion of the review of Richmond's DCC program.
- ◆ Creation of a comprehensive Commercial Strategy for Richmond similar to the City's Industrial Strategy.

I. Introduction

The City of Richmond has had one of the fastest growing economies of all British Columbia communities over the past two decades. This growth has been partially population-driven and is reflected in the rapid development of the community's retail and service commercial sectors, as well as in the expansion of public services such as health care and education.

The majority of the City's growth, however, has come from businesses whose markets are much broader in scope. They have been attracted to Richmond because of its central location in the region, commercial and industrial land availability, proximity to Vancouver International Airport, and business friendly environment. These businesses are predominantly in high technology, transportation and distribution, and light manufacturing.

Vancouver International Airport has been a particularly strong generator of jobs and business activity for the community, both at the airport itself and throughout Richmond. The North and South Fraser ports have also experienced growth as Greater Vancouver's goods movement system has expanded as part of the region's gateway function.

As a result of this economic growth, Richmond has achieved the highest jobs-to-resident labour force ratio in the region, with 1.3 jobs in the City for every Richmond resident in the labour force. This has given Richmond residents a wide range of employment opportunities within their own community.

The City's property tax base has also seen substantial growth, with annual property tax revenue to the municipality increasing from \$73 million to \$90 million over the past five years alone. This revenue supports a broad range of community amenities and services that contribute to the high quality of life enjoyed by Richmond residents. This quality of life is also a factor in attracting businesses to Richmond.

It can be reasonably concluded that even if Richmond does nothing to actively promote economic development the City will continue to grow simply because it is part of an expanding metropolitan region of over two million people.

For example, Richmond is projected to have about 7.7% of the region's population and 10.7% of the region's jobs by 2021 if the targets established by the Greater Vancouver Regional District's Livable Region Strategic Plan are achieved. This means that one out of every 13 people in Greater Vancouver will be living in Richmond and the community will have one out of every ten jobs in the region within 20 years.

However, without a proactive, focused approach to economic development, there are no guarantees that Richmond will achieve these targets, nor that the types of jobs and businesses attracted will make the desired contribution to the City's vision and goals.

Other communities have implemented economic development strategies targeting many of the same sectors that are driving Richmond's growth. Vancouver and Burnaby are aggressively pursuing the high technology sector and have put plans and infrastructure in place to accommodate it. A larger share of light industrial development is occurring outside the core of the region in areas such as south Surrey, Langley and Abbotsford that offer large tracts of reasonably priced land. Office development is continuing to concentrate in Vancouver and Burnaby, while Coquitlam and Port Coquitlam are attracting much of the major new retail development in the region.

The competition is not confined to other Lower Mainland communities. The airport and seaports in particular face intense international competition, especially from the US west coast, and are working hard to maintain market share. Past growth is no assurance of future growth in these sectors.

Richmond offers many advantages as a community in which to live and do business, but the City cannot assume that these advantages are obvious to new entrants to the Lower Mainland market. Richmond must be aggressive in targeting opportunities, promoting its strengths and ensuring that it maintains an environment supportive of economic development. It cannot do this alone. Partnerships and alliances are needed with the business sector and other public sector organizations to maximize the benefits and make the most effective use of available resources.

The City recognizes these opportunities and challenges, which are the impetus for preparing this new Economic Development Strategic Plan to help nurture an environment supportive of economic growth and diversification in Richmond in the coming years.

Study Objectives

Eric Vance & Associates, in association with Harris Consulting Inc, was retained by the City of Richmond in April 2001 to assist in preparing the new plan, which is strategic in focus. The study objectives were to:

- ◆ Clarify the goals and objectives of an economic development and business retention strategy for the City of Richmond.
- ◆ Define and address local economic development opportunities, constraints and issues, both in general and for each key sector of the local economy.
- ◆ Develop strategies for pursuing opportunities and overcoming barriers.
- ◆ Identify opportunities for existing businesses to expand and to attract new investment to the community.
- ◆ Determine how economic development activities can be best carried out in the City, who should be involved, and their respective roles and responsibilities.

- ◆ Ensure that the economic development plan is consistent with other City policies, goals and objectives.
- ◆ Identify the intended results of the actions and a means for monitoring progress and effectiveness.

Study Process

The process followed in preparing the plan included:

- ◆ regular reporting to the Manager, Business Liaison and Development;
- ◆ review of pertinent reports and data gathered from the City and other sources, such as the Official Community Plan, Corporate Strategic Plan, Industrial Strategy and draft 2021 Agricultural Viability Study;
- ◆ interviews and meetings with 60 people representing 33 organizations;
- ◆ attendance at a City of Richmond - Urban Development Institute (UDI) Liaison meeting, with a follow-up survey of UDI members active in the Richmond market; and
- ◆ review of the draft plan with City staff.

A list of the individuals who provided input and other assistance to the to the study is in Appendix 1.

II. What is Economic Development?

Economic development was traditionally defined as “growth and diversification of a community’s economic base.” This definition is still relevant for resource-based communities that rely heavily on one or two industries for their economic well-being, but it has less meaning for metropolitan regions like Greater Vancouver with complex economies.

The concept of “wealth creation” is becoming more commonly used in describing the role of economic development, at the heart of which is the notion that economic development should add value to the community as a whole as part of using the community’s resources (human, natural, financial, infrastructure, land base, etc).^{*} This value is typically measured in terms of jobs created and money injected into the local economy.

Economic development at any cost or to the benefit of a few is no longer an acceptable option in most communities, particularly if social and environmental values may be compromised. In short, economic development is intended to contribute to a community’s overall quality of life.

Among the typical objectives of community-level economic development activities that add value to a community are:

- ◆ Create a larger tax base, with a healthy balance among residential, commercial and industrial revenue sources.
- ◆ Provide a mix of local employment opportunities suited to the skills of residents.
- ◆ Support existing businesses in the community (business retention).
- ◆ Attract new businesses compatible with the community’s overall vision and goals.
- ◆ Provide a wide array of amenities and services locally.

For the purpose of this strategic plan, *economic development can be defined as “the process of adding value to Richmond’s resources to create wealth and jobs that contribute to creating a vibrant sustainable community.”*

Municipal Role in Economic Development

Municipal governments cannot force economic development to happen. Rather, their primary role in the economic development realm is to provide leadership and create an environment (eg, services, infrastructure, partnerships) supportive of the types of opportunities they would like to attract and to be proactive in promoting and pursuing

^{*} Appendix 2 contains a Glossary of Terms for this report.

these opportunities. It is up to the market to respond since it is ultimately businesses and investors that actually create the jobs and other economic benefits. Municipal government can be one of the facilitators of the process.

This process needs to begin with an objective assessment of a community's competitive position. There are many example of communities focused on unrealistic economic development objectives that are either out of sync with market realities or beyond their resources to achieve. It is far better to focus on a few carefully selected opportunities where there is a high likelihood of success than to apply large amounts of resources pursuing too many opportunities.

Richmond's economic development should be seen as community and client focused activity. To be effective, it needs to be managed by an overall strategic plan and vision, goals, objectives, policies and programs that support and enhance:

- ♦ the economic well-being of residents and businesses;
- ♦ the City's Corporate Vision, goals, objectives, priorities and initiatives.
- ♦ the Official Community Plan; and
- ♦ other plans and strategies, such as the Industrial Strategy, Agricultural Viability Strategy and infrastructure plans.

Economic development provides a range of needed and measurable services to clients, such as coordination, research and information, communication, marketing, regulation / licensing, planning and financial partnerships.

A long-term strategic focus, objectivity and committed resources are the key ingredients to success.

III. City Goals and Objectives

The City of Richmond has a number of existing goals, objectives and policies pertinent to economic development. This Economic Development Strategic Plan is intended to reinforce and complement the strategic directions already set by the City.

City Vision and Core Strategies

The City's vision is:

- ♦ To be the most appealing, livable and well managed community in Canada.

The City has established eight core strategies to assist in moving towards its vision. Two of these eight core strategies are particularly relevant to economic development:

- ♦ **Community Vibrancy:** To ensure that the appropriate network of community programs, services, and urban features are in place which maintain and enhance a high level of vibrancy, wellness, and quality of life.
- ♦ **Strategic Partnerships and Alliances:** To develop long-range strategies for working with key stakeholders in our community, in City operations, and in our service delivery.

Vibrancy Goals

The Community Vibrancy Strategy is one of Richmond Corporate Plan's core strategies. The strategy has three goals, all of which have implications for Richmond's economic development:

1. Create places that support vibrancy and "the connection of people": The intent of this goal is to develop physical spaces in Richmond that through their design, character, and location, encourage the connection of "people to people" in the community.
2. Develop programs, policies and special events that enhance community vibrancy: The intent of this goal is to encourage and support the development of programs and events that boost Richmond's civic pride and identity, and that encourage the interaction of our people.
3. Develop a partnership approach to vibrancy: The intent of this goal is to communicate and partner with various groups in the community (residents, businesses, and community agencies) to build mutual awareness and coordinated strategies that enhance vibrancy in Richmond.

Council's Top Priority Issues

City Council has identified 15 top priority issues for its term, four of which are directly linked to economic development, including:

- ♦ revenues;
- ♦ business retention;
- ♦ economic development strategy; and
- ♦ industrial strategy.

Some of Council's other priority issues also have implications for economic development, such as transportation long range planning, land acquisition strategy, and DCC rates and program.

Official Community Plan

There is an inextricable link between economic development and land use planning. The City's economic development strategies must recognize and support the guiding principals and objectives set out in the Official Community Plan (OCP).

In turn, the OCP must recognize the realities of the market place in terms of the types of economic development opportunities most likely to be attracted to Richmond. The City needs to ensure that the appropriate OCP policies are in place to support these opportunities, as long as they fit with the OCP's guiding principals and objectives.

Richmond's jobs and business objectives and policies are based on three guiding principles:

- ♦ To encourage job-intensive businesses.
- ♦ To foster a diverse economic base by building on the City's existing strengths and natural advantages.
- ♦ To support traditional activities of fishing and farming, particularly the protection and productive use of agricultural land (which makes up 49% of the land base).

Richmond's OCP also contains a Regional Context Statement that illustrates the policy links between the OCP and the Greater Vancouver Regional District's Livable Region Strategic Plan (LRSP), which is the regional growth strategy adopted by all member municipalities in 1996. It is through this process that the City has committed to working towards the growth management targets of 212,000 residents and 150,000 jobs by 2021.

Richmond's economic development strategies will have a significant influence on whether or not the targets are achieved.*

* It should be noted that these are targets that have been established for long-range planning purposes. The actual rate of growth in Richmond over the next 20 years could be more or less than targeted.

IV. Regional Trends

This section summarizes key socio-economic trends occurring at the regional level that will influence Richmond's economic opportunities.

Global Issues

The focus here is on regional rather than global trends since Richmond has more control over its competitive position at the regional level than on a world-scale. Nevertheless, it is important to acknowledge upfront that there are certain larger trends and issues that are influencing Greater Vancouver's competitive position, and therefore Richmond's economy, both positively and negatively.

Examples of these larger trends and issues include the increasingly aggressive competition for cargo business from US west coast ports (eg, Seattle-Tacoma, Los Angeles), the value of the Canadian dollar relative to the US dollar (which is a positive for Canadian exporters to the US, but a negative for Canadian importers from the US), the sudden drop in international travel by US citizens brought on by the events of September 11, the current state of Canada/US trade relations (as evidenced by the Softwood Lumber dispute), the decline in immigration to BC from Asian countries (which made a significant contribution to the province's economic growth through much of the last decade), and the current slump in the high technology sector (particularly among the so called dot-com businesses).

Business Structure and Location

Reorganization is Changing the Internal and External Relationships of Firms

Changes in industrial organization are occurring at two levels: the organization of work within companies; and, the nature of external relationships. The adoption of network principles within the firm is most evident in the development of closer relations between what were once considered distinct functions. Research and development, production, and marketing activities are being brought together to increase cross communication between the functions. This has resulted in more firms, including ones in the high technology sector, seeking locations where a diverse range of activities can be easily accommodated and are permitted by zoning regulations.

Large vertically integrated firms are being replaced with a number of smaller, intensively linked or networked companies. Networked production systems allow firms to increase their output by manipulating their relations with other firms, or by expanding their network, without expanding their own production or their own facility. Industrial firms focus on the business they do best and enter into agreements with other companies that can provide the necessary inputs into the production process.

One outcome of flexible manufacturing networks is more industrial clustering. These comprise interdependent and related industries, located within close geographic

proximity. Benefits include, for example, ease of access to supplies, sharing of support services, and access to specialized labour pools. Concentrations of similar industrial activities have proven to generate additional growth and continued viability in a community.

More Non-Industrial Activities are Seeking Industrial Land

Changes in corporate structure have resulted in a wider range of industrial and “quasi-industrial/commercial” activities seeking industrial land. While this may partially explain the drop in industrial land vacancy rates in many areas, a considerable portion of the decline can be directly attributed to large-format retailers locating on industrial land. This trend has been very evident in Richmond, which is one of the most attractive communities in the Lower Mainland for large-format retailers because of its central and highly accessible location.

Manufacturing Firms are Part of the Knowledge-Based Economy

More companies are refocusing their activities as the traditional manufacturing economy is being overshadowed by a knowledge-based economy. This shift is characterized by the move from a traditional manufacturing infrastructure to a computerized infrastructure. The implication is that computers are taking over routine activities, thereby facilitating a new set of work activities and new ways in which people in the workplace interact.

As the new knowledge-based sectors emerge, driven by further technical changes, fundamental shifts in the workplace are occurring, such as:

- ◆ companies becoming smaller as they employ fewer people and seek more flexible structures;
- ◆ the traditional industrial organization, which is well suited for routine work, is becoming flatter and offers more incentive to accommodate risk and problem solving;
- ◆ the new class worker, the technologist, is becoming the backbone of more organizations; and,
- ◆ jobs are shifting away from traditional places of employment.

Home-Based Business and Tele-Commuting Account for a Growing Share of Jobs

The shift of jobs away from traditional places of employment is most evident in the home-based business sector. Among the factors causing an increase in people working from home are the growing number of information-based and service-related jobs, more contract work and part-time employment, major improvements in computers and telecommunications, the effects of corporate restructuring, and the desire of employees to balance family and work.

The growth of home-based businesses and tele-commuting is expected to have some effect on the future demand for industrial land, especially for office parks. There will still be continued demand, but likely at a somewhat lower growth rate because of reduced office space requirements by many types of enterprises.

The Movement of Jobs from Urban to Suburban Communities will Continue

The past several decades have seen the movement of many industries from their traditional central city locations to suburban areas, a trend that has benefited suburban communities by providing more jobs and other economic benefits locally. There are a number of reasons for this migration:

- ◆ Modern manufacturing tends to be horizontal and land extensive. Suburban areas provide the necessary land at lower costs than urban areas.
- ◆ There have been major improvements in transportation networks and utilities at the urban fringe. Manufacturing no longer requires central business locations to make use of these networks and facilities.
- ◆ Environmental clean-up can make locating in urban areas more costly.
- ◆ Many office users, including some technology-based companies, are looking for larger, more cost effective locations with large floor plates and a large supply of parking. These are often difficult to find in central cities.
- ◆ The greatest savings compared to either downtown and regional town centres are achieved in business parks, which in many cases have lower rents and property taxes and low cost or free parking.
- ◆ Advances in telecommunications technology have lessened geographic constraints, allowing a wider range of businesses to easily operate outside the central cities.

The shift in industrial land use to the suburbs (which are becoming less like suburbs and more like complete communities) is very evident in Greater Vancouver. The Lower Mainland Employment Study concluded that about 35% of job growth will likely be in light industrial and business park locations and that communities in the central part of the Lower Mainland on the periphery of the core, including Richmond, are likely to attract much of this growth.*

Social Change

The Country's Population is Aging

*Coriolis Consulting Corp. and Dr. Tom Hutton, *Lower Mainland Employment Study*, prepared for the GVRD et al, June 1999.

The aging of Canada's population is becoming more widely recognized as one of the key trends affecting the economy in the coming decades. The median age in Canada now stands at 35, with 12% of the population over the age of 65. By 2021, the median age is projected to be 58 and 18% of the population will be over 65. The trend is similar for BC and Greater Vancouver.

This aging trend is affecting many segments of society. It is already being felt in areas such as housing, where there is stronger demand for housing geared to empty nesters and older single people, including those in need of care.

The heavier demands that will be placed on the health care system are widely acknowledged, but less clear is how the system will respond, particularly in light of the heavy costs to society of supporting the system. Home health care will be a rapidly growing industry, due to technological advances that are shortening the length of time that patients need to spend in hospital and also because many types of continuing care can be provided in the home cheaper than in a hospital. Regardless of how the health care system reshapes itself to respond to increasing demand, it will be a major source of job growth.

With a larger segment of the population retired or semi-retired, there will be more interest and participation in leisure activities. This will impact sectors such as recreation, arts and culture and generate a heavier demand for products and services in these areas, creating more job growth. The tourism sector will also be affected as more seniors, many of them relatively affluent, spend their leisure time traveling.

As more people retire, there will be more employment opportunities available. This will make it easier for younger people to gain employment. More people past the traditional retirement age of 65 will continue to work on either a full or part-time basis as the demand for skilled, experienced workers intensifies.

The Majority of BC's Population Growth is Through In-Migration

British Columbia's population growth is projected to outpace the national average over the next several decades because of economic opportunities and the province's attractiveness as a place to live. Much of this growth will occur in the Lower Mainland region.

In-migration to the province will account for about two-thirds of the population increase, with only one-third coming from natural internal growth. One-third of new residents will come from elsewhere in Canada, comprising both retirees and those in the labour force. The final one-third will be immigrants to Canada, many from Pacific Rim countries - a trend already well established.

These new residents to the province are creating different types of business opportunities and strengthening trading ties with other regions, particularly Asian countries. They are also influencing the commercial sector, where there is a rise in specialty retailers catering

to ethnic populations. These trends have become very evident in Richmond, which has become one of the preferred communities for Asian residency and investment in Greater Vancouver.

Greater Vancouver's Economic Position

The Region has Six Strategic Functions

The Lower Mainland Employment Study identified six strategic functions of the Lower Mainland in the domestic and international economies:

1. Gateway: an extensive transportation system (air, road, rail, port) that supports and attracts a wide range of commercial and industrial activities.
2. Exchange: the region serves as an exchange center for information and capital.
3. Network: the gateway and exchange functions and large immigrant population in the region has created an extensive network of national and international contacts.
4. Central Place: the region is the dominant center of trade and higher order business activity in the province.
5. Production: while not a major manufacturing center, the region supports a wide array of production activities, many of the value-added and tied to other sectors of the economy (eg, agriculture, wood, technology).
6. Destination: the region's lifestyle, natural environment and cultural attractions have made it a popular tourist destination.

Based on these attributes and an examination of current trends, the Lower Mainland Employment Study anticipates that much of the region's future employment growth will be in community oriented (ie, population driven) community products and services, technology, film and television, tourism and transportation, communications and utilities.

Other sectors identified by the study as also likely to produce significant numbers of high quality jobs include finance, trade, electronic commerce, professional services and health and education. These will not be the only sectors to grow, but they are the ones that are most likely to experience above average rates of growth.

However, it is important to note that neither the Lower Mainland Employment Study, nor other studies that have examined the future of Greater Vancouver's economy, have adopted the position that this growth will occur. Rather, to the degree that the economy continues to grow, it these sectors that are most likely be responsible for the growth. In other words, nothing is assured. Factors such as senior government fiscal and economic policies will influence the competitiveness of Greater Vancouver in the global economy.

The employment and other benefits associated with the anticipated high growth sectors of the economy will not be evenly distributed throughout Greater Vancouver. For example, the majority of the activity in the film and television industry is concentrated in Vancouver and Burnaby. Filming takes place throughout the region, but the studios, production facilities and related services are largely concentrated in or close to the core. Similarly, much of the tourism industry is focused on products and attractions in certain key areas of the region, notably Vancouver and the North Shore. More of the activity in these sectors will occur elsewhere in the region over time, but it would be unrealistic to assume that all communities will benefit from each sector of opportunity in the same way.

In any event, the benefits generated by these sectors ultimately work their way through to all areas of Greater Vancouver. The jobs themselves may be concentrated in certain communities, but the people who hold the jobs live throughout the region and spend their earnings in their home communities, thereby benefiting local businesses.

Most Job Creation is in the Service Sector

Only about 26% of jobs in Greater Vancouver are now in goods-producing and handling sectors, compared to 74% in service sectors. The region's goods-producing sectors are continuing to grow, but at a much slower rate than the service sectors.

This same trend is evident at the provincial level. This is important to note because there is a widely held perception that there are no longer opportunities in goods-producing sectors and that the province's economic future lies only in the service sectors.

The Performance of the BC Economy as Whole is Still Very Important to the Region

Another factor that will influence the growth of Greater Vancouver's economy is the performance of the provincial economy as a whole. A growing share of the economic activity in the Lower Mainland is unrelated to what is happening elsewhere in BC. However, the resource-based sectors that have traditionally driven much of the province's economy continue to directly and indirectly play a significant role in the Greater Vancouver economy, contributing to and benefiting from the region's gateway, central place and production functions.

For example, resource exports accounted for 77% of the value of all merchandise exports from the province in 1998. Non-resource merchandise exports, which encompasses products such as electronic and telecommunications equipment, aircraft and aircraft parts, and computers and computer peripherals, are gaining in export share – increasing from 12% in 1990 to 23% in 1998 – but are still well behind the resource sectors.

In terms of trading partners, the United States is not only the most important destination for BC exports, but is also gaining share. In 1999, 67% of BC's international exports were to the US, compared to 43% a decade earlier. Pacific Rim countries (excluding the

US) accounted for another 24% of BC's international exports in 1999, of which 15% was Japan.

Summary

- ♦ There is more clustering of industrial firms that are interdependent and interrelated in order to share resources and reduce costs, resulting in certain regions and areas gaining a competitive advantage and high profile in selected sectors.
- ♦ More non-industrial and quasi-industrial/commercial activities are seeking industrial land, a trend very evident in Richmond.
- ♦ Jobs are shifting away from traditional places of employment, home-based businesses and tele-commuting accounting for a growing share.
- ♦ An estimated 35% of new jobs in Greater Vancouver will be in light industrial and business parks.
- ♦ Canada's aging population is changing spending patterns and creating a rapid increase in the demand in sectors such as health care and leisure.
- ♦ The majority of Greater Vancouver's population growth will be through in-migration from other parts of Canada and other countries, creating new business relationships and linkages.
- ♦ Greater Vancouver is well positioned to compete in the global economy as a result of six strategic functions it serves, including gateway, exchange, network, central place, production and destination.
- ♦ Much of the region's future employment growth will be in community oriented (ie, population driven) community products and services, technology, film and television, tourism and transportation, communications and utilities. Other sectors likely to produce significant numbers of high quality jobs include finance, trade, electronic commerce, professional services and health and education.
- ♦ Greater Vancouver's economic performance is still strongly affected by what happens elsewhere in the province, including in the resource-based sectors, but the level of dependence is gradually declining.
- ♦ The US is the province's most important export market and its share of exports is increasing, with other Pacific Rim countries accounting for a much smaller (although still very important) share.

V. Local Trends and Issues

This section examines the key social and economic trends and issues in Richmond that have implications for the City from an economic development perspective. The referenced tables are in Appendix 3.

Richmond's Population

Richmond is Projected to Grow at a Slower Rate Than the Region as a Whole

Richmond's current (2000) population is about 165,000. The City's average annual growth rate over the past decade has been above both the regional and provincial averages (Table 1). A significant share of the City's growth has been driven by immigrants from Asian countries, who have found Richmond to be particularly appealing as a place to live and do business.

Richmond's growth rate has slowed over the past several years, a reflection of the sluggish provincial economy and reduced immigration. However, the City has continued to attract residents at a faster rate than the region as a whole.

The Livable Region Strategic Plan (LRSP) has set the population target of 212,000 for Richmond by 2021 based on planned zoning capacity. If the target is achieved, it will add approximately 47,000 more residents to the community. This is a 28 % increase in the City's population - an average annual growth rate of 1.4 % over the next 20 years.

This is below the average annual growth rate projected for Greater Vancouver as a whole because most of Richmond falls outside the designated Growth Concentration Area of the LRSP. Again, it must be emphasized that this a target only. The City's actual population growth rate could end up being higher than currently projected, particularly if plans are put in place in the future to boost the residential density of some neighbourhoods.

Richmond's rate of population growth will influence economic development in the community from two perspectives. First, it will affect the retail and service commercial and public service sectors and the rate at which they grow. The Lower Mainland Employment Study estimates that about 40% of all employment is directly related to providing community services and retail goods and follows population distribution in the region.

Second, the new residents will create a larger local labour pool upon which employers can draw. Ready access to a large labour pool is a factor in attracting certain businesses and creates even more local employment opportunities for Richmond residents.

Richmond's Changing Demographics Will Affect the Demand for Certain Services

Richmond's population is similar in its demographic characteristics to both the regional and provincial populations (Table 2).

Demographic projections for Richmond indicate that there will be a gradual but pronounced shift in the age distribution of the community's population, with the estimated proportion of the population in the 45+ age group increasing from 34% in 1996 to 49% by 2021.

As the population ages, the proportion of the population in the 0-19 age group is projected to decline (from 27% in 1996 to 18% in 2021) because there will be fewer people in their prime child-bearing years. Even in absolute number terms, the population in the 0-19 age group is projected to decline.

An older population will influence the Richmond economy in a number of ways. For example, the demand for health care services and housing suited to seniors will increase significantly, creating more employment and business opportunities in these sectors. On the other hand, employment in the public school system will remain around current levels since no increase is projected in the City's school-age population.

Richmond's Resident Labour Force

The Relationship Between Labour Force and Population is Relatively Constant

There has been a relatively constant relationship between population size and participation in the labour force over the past two decades (Table 3). This trend applies not only to Richmond but also to the region and the province. BC Stats, the GVRD and others who have examined the relationship have concluded that it is likely to remain relatively constant in the future.

If Richmond's target population of 212,000 in 2021 is achieved, it is estimated that there will be approximately 118,000 Richmond residents in the labour force (ie, one person in the labour force for every 1.8 residents).

The LRSP target is 150,000 jobs for Richmond by 2021. This is a labour force to jobs ratio of 1:1.3, which is the same as the City's current ratio.

This target was set under the assumption by the LRSP that there would be about 20,000 jobs at the airport by 2021. The Vancouver International Airport Authority (VIAA) is now projecting a more ambitious rate of job growth for the airport, with an estimated 36,000 jobs by 2021. The City, GVRD and VIAA are jointly reviewing the jobs target of 150,000, which may end up closer to 170,000 – 175,000, or perhaps even higher given that growth at the airport generates considerable spin-off activity in other areas of Richmond.

In order to accommodate more jobs, either more land will have to be designated for commercial and industrial development or more intense use will need to be made of existing commercial and industrial areas. Richmond's urban development is constrained because of the ALR to the east, the Strait of Georgia to the east, the Fraser River to the

south and north, building height restrictions due to the airport and building depth restrictions due to the high water table.

If the number of jobs in Richmond by 2021 does end up in the range of 170,000 - 175,000, but the targeted population (and therefore resident labour force) of Richmond remains unchanged from the figure of 212,000, the labour force to jobs ratio will increase to 1:1.4

The net result is that a larger share of those working in Richmond will come from outside the community. This will make the ability to efficiently move people and goods an even greater challenge for the City.

If the number of jobs in Richmond does increase faster than currently anticipated by the LRSP (which is a strong probability), there will be pressure on the population target to also move upwards since some share of the new workers will want to live close to their places of employment in the City. A larger population and employment base will increase the rationale for improved intermunicipal rapid transit, which is one of the City's objectives.

The Labour Force Profile of Richmond Residents Matches That of the GVRD

The industry sectors in which Richmond residents work and their occupations are diverse, mirroring the characteristics of the regional labour force (Tables 4 and 5).

Most notable is the split in employment between what has been traditionally termed the goods-producing sectors of the economy (primary industries through to communications and other utilities in Table 4) and service sectors (wholesale trade onward in Table 4).

In 1996, 26% of Richmond's resident labour force was in goods-producing and handling sectors, compared to 30% in 1991. The absolute number of Richmond residents employed in goods-producing and handling activities also declined, from 21,200 in 1991 to about 20,400 in 1996. Most of the job losses were in the primary industries and manufacturing sector, with agriculture, fishing and fish processing particularly hard hit.

This is different than the regional trend, where there is still employment growth in the goods-producing sectors, but at a much slower rate than in the service sectors

Another notable trend is in the public sectors, defined as government, educational, health and social services. These sectors together employed about 13,600 Richmond residents in 1996, which was 17% of the City's resident labour force. In 1991, there were 12,500 Richmond residents employed in these sectors, which was also 17% of the resident labour force. The proportion of residents employed in these sectors therefore remained constant, but the number grew. As the population ages, more jobs will be created in health care and social services for seniors.

The dominant occupations of Richmond residents are in sales, service, business, finance and administration, which together account for almost half the jobs held by residents. These are the same occupations that dominate the regional labour force.

Richmond Residents Have Diverse Education and Skills

As with other characteristics of the Richmond population and labour force, the level of schooling of Richmond residents is similar to the GVRD profile (Table 6). Notably, 59% of Richmond's population age 15+ have some form of post-secondary schooling, including 31% with at least some university.

Of those Richmond residents with a post-secondary education, the dominant areas of training are in commerce, management, business administration, engineering and applied science technologies and trades, with 45% of the residents majoring in these fields of study (Table 7). These are also the dominant fields of study for GVRD residents as a whole.

The diverse education and skills of Richmond's resident labour force are a strength that helps in promoting economic development.

Jobs In Richmond

Richmond's Employment Base Has Been Growing Faster Than the Region Overall

Richmond has experienced significant growth in its employment base, increasing from about 85,700 jobs in 1991 to 100,300 jobs in 1996 (Table 8). This was 14,600 new jobs, an average annual increase of about 2,900 jobs (3.4%) over the five-year period. In comparison, GVRD employment grew by an annual average of 2.7% during the same period.

Much of Richmond's Recent Job Creation Has Been in the Service Sectors

Of the nearly 14,600 jobs created in Richmond between 1991 and 1996, about 75% were in service sectors and the remaining 25% in goods-producing and handling sectors (Table 8). In fact, on a net basis, there were only 2,500 new jobs created in the goods-producing and handling sectors, with 1,150 jobs lost in primary industries and manufacturing.

The construction sector dominated employment growth on the goods-producing side, which is a reflection of the rapid pace of residential and commercial development during the period.

The strongest growth on the service side was in the accommodation, food and beverage, and other (miscellaneous) services sector, followed by business services and then educational, health and social services. Educational services accounted for much of the public sector growth, driven by a large increase in public school enrolments. On the

other hand, the number of government services jobs in Richmond declined during the period as some Federal and Provincial government services downsized or relocated.

Over One-Quarter of Richmond's Jobs are in Sales and Service Occupations

Sales and service are the dominant occupations in Richmond (28%), a reflection of the community's large retail and service commercial base (Table 9). Notably, business, finance and administration accounted for another 20% of jobs, suggesting that office employment (which is where many of these types of jobs are found) is more prevalent in Richmond than may be readily apparent.

More Jobs Are Available in Richmond in Most Occupational Groups Than Richmond Residents Working in These Occupations

In examining the match between the jobs in Richmond and Richmond's resident labour force, it is more meaningful to compare jobs by occupation than by industry sector (Table 10). Occupational skills are generally transferable between industry sectors and are a better indicator than industry sectors of the match between what the resident labour force has to offer and what employers are seeking.

In absolute number terms, there are far more jobs available in Richmond than there are Richmond residents working in nearly every occupational group, meaning that residents have many employment opportunities locally.

There is a relatively small gap in absolute number terms in the arts, culture, recreation and sport, health, and primary industry-specific occupations, where there are fewer jobs available in Richmond than there are residents employed in these occupations. However these groups account for a relatively small number of jobs in Richmond.

Place of Work – Place of Residence

Some significant changes are occurring in where Richmond residents work, a reflection of larger regional trends.

More Richmond Residents are Working from Their Homes

In 1996, there were 5,500 residents whose primary place of work was at home, which was nearly 8% of the City's employed labour force (Table 11). In comparison, roughly 4,200 residents were working from their homes in 1991, meaning that the at-home labour force increased in Richmond by about 1,300 people over just five years.

The majority of residents working from their homes are in service-oriented businesses, with many in finance, insurance, real estate and business services. As the number of jobs in the service sector continues to grow, more employment in the City will be home-based.

The Majority of Richmond Residents Work in Richmond

Richmond is the number one place of employment for Richmond residents, with 51% working either in their homes or elsewhere in the City (Table 11). Another 24% of Richmond residents work in Vancouver, meaning that three-quarters of Richmond's labour force works in either Richmond or Vancouver.

This is a highly concentrated commuting pattern and certainly a different situation than many suburban municipalities in the region, where commuting patterns are becoming more dispersed as a smaller share of the region's employment is in Vancouver.

Workers Commuting to Richmond Are From Many Areas of the Region

Workers employed in Richmond come from many communities. Vancouver accounts for the largest share (35%) of commuters to Richmond, followed by Surrey (19%), Delta (14%) and Burnaby (9%).

This dispersed commuting pattern, coupled with the large share of jobs being created in business parks and light industrial areas throughout Richmond, creates a heavy reliance on private automobiles as the primary mode of travel. This is creating more traffic congestion, which is one of the challenges the City faces in promoting economic development.

Household Income

Richmond Households Have Average Incomes Similar to the Region as a Whole

The average household income in Richmond in 1995 was \$53,900, which was about the regional average (\$54,100) and above the provincial average (\$50,700).

Local household income is the key determinant of spending power in the community, affecting the size and characteristics of the commercial sector. However, Richmond's commercial sector also benefits from the large number of people working in the City who live outside Richmond. These workers spend some money locally, particularly in the food and beverage and retail sectors.

Development Activity

Richmond's Share of Regional Development Has Declined

Richmond's total building permit value declined from \$350.8 million in 1996 to \$169.5 million in 2000 (Table 12). The 2000 total was up slightly from the low of \$153.5 million in 1999, but still far below the five-year peak.

While part of the decline can be attributed to weak economic conditions, of greater concern is that Richmond's share of Greater Vancouver building permit value also

declined, from 9.2% in 1996 to 6.2% in 2000. This suggests that the City needs to work aggressively to capture back a larger share of the development market.

Industrial Land Prices in Richmond are Relatively High

Industrial land prices in Richmond, which typically range from \$475,000 to \$800,000 per acre, are higher than in many other Lower Mainland communities (Table 13). Higher land prices are not in themselves necessarily an impediment to economic development. As the Lower Mainland Employment Study notes, land cost has not been a major influence on business distribution in the region, with access and centrality being of greater importance in the locational decision for most firms.

However, Richmond currently has a low supply of readily available serviced and appropriately zoned industrial land. This has resulted in the lower end of the industrial land price range increasing from \$400,000 to \$475,000 in the past year. The rebounding economy will lead to greater pressure on Richmond's industrial land base as demand exceeds supply. At some point, access and centrality will not be sufficiently attractive to offset higher land costs. This will cause more businesses to look elsewhere for a location unless a larger supply of industrial land can be brought on stream.

Richmond's Commercial Land Prices are Competitive

A review of commercial properties currently on the market in Richmond indicates that asking prices are in the range of \$20 to over \$120 per square foot, with higher asking prices associated with the core area along and in the vicinity of No. 3 Road (Table 14).

Prices depend very much on both location and property size. Many of the current listings are small lots within commercially zoned areas and many of these are presently occupied by older residential buildings. There are few large, consolidated, sites listed that could accommodate larger format retail uses. Larger commercial sites, unlike industrial, rarely trade and when sites are acquired for commercial development, they are often industrial parcels with rezoning to commercial use anticipated to follow the transaction.

It should be noted in looking at Table 14 that any direct price comparisons between communities can be somewhat misleading in that retailers seek out sites to serve very specific markets and it is usually land availability and not price that will ultimately determine whether or not a retailer will choose to locate within a particular market area. What the prices shown in the table indicate is that the pricing of the sites currently available in Richmond falls well within the range for commercial land in other suburban centres within the region.

Property Taxes And Development Cost Charges

The Commercial Sector's Share of Taxes is Increasing

The majority (54%) of Richmond's property taxes came from the residential sector five years ago, but its share had declined to 50% by 2000 (Table 15). The share coming from the commercial sector is on the increase, rising from 41% to 45%. In contrast, industrial properties, both heavy and light, contribute a relatively small share (4%) of property taxes and have grown very little over the past five years.

The residential and commercial property classes will continue to generate most of Richmond's property taxes. There will be few new developments that would be classified by the BC Assessment Authority as true light or major industry (despite the fact that they may be in zones termed "industrial" in the City's Zoning Bylaw).

Richmond's Commercial and Industrial Tax Rates Are Very Competitive

Richmond's commercial property tax rate is second lowest in the region at \$9.93 per \$1,000 of assessed value (Table 16). This is just slightly above Surrey's rate of \$9.52 and well below the regional average of \$12.62.

Richmond's light industrial tax rate is also relatively low at \$12.54, compared to the regional average of \$17.00.

These low tax rates are a positive feature of Richmond that should be heavily promoted as part of the City's business attraction initiatives.

Richmond's Industrial DCCs Are Relatively High

Richmond's commercial Development Cost Charges (DCCs) are low compared to many other Lower Mainland municipalities, at \$11.08 to \$28.19 per square meter (Table 17).

On the other hand, the City's industrial DCCs are relatively high, at \$67,201 to \$162,333 per hectare.

DCCs account for only a small share of the cost of the typical development, but they are viewed as a concern by the development community, including in Richmond. The concern is heightened during tight market conditions, when profit margins are squeezed to the point where they tend to have more influence in the build/no build decision.

In its last two "Annual Report Cards" of the municipal costs imposed on new industrial and commercial development in Greater Vancouver municipalities, the National Association of Office and Industrial Properties (NAIOP) found Richmond to be among the lowest for office development and one of the highest for industrial development.

NAIOP did note, however, that "...the City of Richmond ...deserves credit for being the only jurisdiction among 17 to pay the GVRD levied water and sewer charges which in effect reduces their cost structure... We hope that other jurisdictions take note of Richmond's progressive steps in this regard."

The declining supply of industrial land in Richmond, combined with relatively high industrial DCCs, creates a situation that could reduce the City's competitive position in the region for industrial development. This requires consideration as part of the DCC review currently underway by the City.

Summary

- ◆ The projected slowing of Richmond's population growth will affect the rate of new development in local population-serving sectors, particularly retail and service commercial. More development needs to be attracted that is not primarily reliant on the Richmond market.
- ◆ The aging of Richmond's population will create more economic development opportunities in sectors such as health care, but reduce the demand in other sectors, such as the public school system.
- ◆ Richmond's resident labour force characteristics are similar to those of the region as a whole and are expected to undergo the same changes as projected for the region.
- ◆ Richmond's resident labour force is large and has diverse skills and education, which will help the City in attracting a range of economic development opportunities.
- ◆ The majority of new jobs being created in Richmond are in service-oriented sectors, but there is still some employment growth in the goods-producing sectors, which are an integral part of the local and regional economies.
- ◆ One-half of Richmond residents are working in Richmond, including a growing number who are home-based.
- ◆ There will be even more local employment opportunities for Richmond residents in the future as the jobs to population ratio in 2021 possibly increases from the current ratio, driven in part by rapid growth at the airport.
- ◆ Workers traveling to Richmond from other communities have a dispersed commuting pattern and are creating more traffic congestion because many cannot be easily served by public transit.
- ◆ Household incomes in Richmond are around the regional average, which means the spending power per capita to support population serving local businesses is also around the regional average.
- ◆ Richmond has experienced a decline in its share of regional development activity. It needs to work aggressively to gain back lost market share.
- ◆ Industrial land prices are starting to increase in Richmond due to the declining supply of readily available industrial land.

- ♦ Commercial land prices are competitive and fall well within the range for commercial land in other suburban centres within the region.
- ♦ Richmond's commercial and industrial tax rates are very competitive and should be strongly promoted as part of demonstrating the City's business friendly environment.
- ♦ Richmond's commercial DCCs are low compared to many other Lower Mainland municipalities, but industrial DCCs are relatively high and may be impeding development when combined with rising prices caused in part by the declining supply of readily available industrial land. This issue should be considered as part of the City's DCC program review.

VI. Richmond's Competitive Position

The Lower Mainland Employment Study noted that the majority of Greater Vancouver's employment is "bound" to the region, particularly in sectors that are population-driven. Many businesses are therefore not susceptible to being drawn to other regions. They are here because there is a local market to be served.

Of greater interest from an economic development perspective are the footloose industries, which have more flexibility in their location decision. For this group, the Lower Mainland Employment Study identifies the region's principal advantages as being:

- ♦ geographic location on the North American coast of the Pacific Rim;
- ♦ high quality environment, including a high quality of life and outstanding natural beauty;
- ♦ extensive infrastructure, including marine ports, airport, highways, utilities and telecommunications, and visitor facilities;
- ♦ high quality public sector services and institutions, including education and health care;
- ♦ readily available energy and water;
- ♦ connectedness to international communities;
- ♦ political stability and rule of law; and
- ♦ strong financial institutions.

These are region-wide advantages that most Greater Vancouver communities can claim, at least at a macro-level. Of greater interest are the additional factors that make Richmond a superior location within the region, as well as the challenges it must address to enhance its competitiveness.

The following strengths and challenges are those that are most important to Richmond from an economic development perspective.

Strengths

The City of Richmond is viewed as **supportive of business and development**. A number of those who provided input to this study made this observation. This is not meant to imply that the City is lax in its regulations or that it is prepared to accept development at any cost. Rather, the City has demonstrated that it is prepared to work with the businesses community to address concerns and encourage economic development that contributes to the community's quality of life. This observation is

supported by a recent Urban Development Institute survey of its residential development members that rated Richmond as being the most efficient and cost effective municipality and having the best development process and the most efficient staff and Council.*

Richmond is **centrally located within Greater Vancouver**, with good access to the airport, US border, downtown Vancouver and many of the other key attractions and facilities in the region.

The City has a **large employment base** and offers a variety of job opportunities for both existing residents and those considering moving to Richmond.

Richmond has a **large land base** to accommodate development or redevelopment, although there are some issues to address in terms of availability and use (see Challenges below).

The City has **low commercial and industrial property tax rates** compared to most other Greater Vancouver municipalities.

The City of Richmond is in a **strong financial position**, which allows it invest in the infrastructure, programs and services needed to support existing businesses and attract new development.

Challenges

There is growing **competition from other Greater Vancouver municipalities** that have targeted many of the same opportunities as Richmond in key sectors such as high technology, commercial development and light manufacturing.

Richmond is **lacking a distinct identity** that clearly sets it apart from other Lower Mainland communities and as more than simply a suburb of Vancouver.

Richmond's **projected slower population growth rate** means that that local population serving sectors will also grow at a slower rate.

Traffic congestion is of increasing concern to local businesses, both in attracting customers and moving goods. This appears to be a particular concern along the No. 3 Road corridor.

There is a **declining supply of readily available industrial land** with appropriate servicing and zoning for light industrial use. This is driving up prices and could be causing some prospective development to go elsewhere in the region.

* Urban Development Institute, *Municipal Presentation Series 2002*, January 2002. The four municipalities included in the comparison were Burnaby, Coquitlam, Richmond and Vancouver.

VII. Sector Opportunities

This section examines the key sectors of the Richmond economy and their potential future contribution to the City's economic development and provides recommended strategies for each sector.

The City and other organizations have undertaken detailed studies of a number of sectors of the local economy. The intent here is not to replicate work already done, but rather to highlight the key opportunities and issues most pertinent to the Economic Development Strategic Plan.

Some sectors of the Richmond economy are larger than others and have more growth potential over the next few years. However, all sectors add value to the community and are important components of the City's economy.

Agriculture

Agriculture is the dominant land use in Richmond, with 38% of the City's land base designated as Agricultural Land Reserve (ALR). The last Farm Census in 1995 showed 247 farms in Richmond with an average size of 12.2 ha average size. This is relatively small compared to the BC average for farm size, but close to Lower Mainland average.

Richmond's OCP objectives for the agricultural sector are:

1. Continue to protect all farmlands in the Agricultural Land Reserve.
2. Maintain and enhance agricultural viability and productivity in Richmond.

Improving the viability of agriculture in Richmond is a challenge. A growing proportion (currently estimated at about 39%) of the ALR is not census farms, but used instead for purposes such as golf courses and residential (eg, hobby farms and estates). Richmond's gross farm receipts have also grown slower than the GVRD average.

There are a number of reasons for these trends. Farmers face issues such as poor drainage, labour shortages, competition from cheaper import products, and reduced access to food processors (a number of whom have shut down or relocated out of the Lower Mainland in recent years). Richmond farmers are not alone in facing these challenges, but being part of a rapidly urbanizing community appears to have intensified the effects.

More farmers are responding by moving into higher value-added production. For example, about 854 ha. (17.4%) of Richmond's roughly 3,000 ha. of farmland are now in cranberry production, while sectors such as livestock are decreasing. Greenhouse production, particularly flowers for export markets, has also increased in Richmond, but at a much slower rate than in communities such as Delta and Surrey. The City has only about 8% of the Lower Mainland's total greenhouse floor space.

As part of assisting the local agricultural sector, the City of Richmond, in partnership with the Richmond Farmers Institute, is nearing completion of a comprehensive study (the 2021 Agricultural Viability Strategy) to improve agricultural and ALR viability. This study, along with previously completed background research,^{*} identified the following broad strategies for assisting the agricultural sector:

- ♦ Increasing farmed land.
- ♦ Identifying agricultural opportunities.
- ♦ Removing constraints to farming.
- ♦ Diversifying agriculture.
- ♦ Improving services.

The specific solutions offered that are most pertinent to economic development include:

- ♦ Improve infrastructure (eg, drainage).
- ♦ Improve labour supply and affordability.
- ♦ Farmers markets / other local agricultural products marketing.
- ♦ Develop organic farms and markets.
- ♦ More local processing.
- ♦ Specialty / value-added products.
- ♦ Intensive agriculture (eg, cranberry farms and greenhouses).
- ♦ Securing more international markets via airport and close proximity to the US border.
- ♦ Securing a larger share of the local market.
- ♦ Agri-tours.
- ♦ Education / research.

Some of these solutions are clearly long-term and will require the participation (financial and otherwise) of many stakeholders to implement. In the shorter-term, the agricultural sector is likely to produce only modest new employment and wealth creation opportunities for Richmond compared to many other sectors of the local economy. It is, however, important that steps be undertaken now to help create an environment that will

^{*} City of Richmond Policy Planning Department, *Agricultural Survey Report*, March 2000.

allow agriculture to thrive in the long-term and ensure that the agricultural land base is preserved.

Recommended Strategies

The recommended agricultural sector strategy for the Economic Development Strategic Plan is:

1. Encourage more value-added production and processing of agricultural products in Richmond.
2. Participate in implementation of the recommendations of the 2021 Agricultural Viability Strategy to ensure the economic benefits to Richmond are maximized.

Airport

Vancouver International Airport is Richmond's largest employer, with an estimated 26,000 jobs located at the airport in aviation and related support sectors*. This is about one-quarter of the City's employment base.

The airport has seen tremendous growth in passenger volumes over the past decade (Table 18). Part of this increase has been a result of growth in the province's population, coupled with more business travel and tourism. However, the airport also benefited greatly from the implementation of the Open Skies Agreement between Canada and the US in 1995. This agreement allows service between any point in Canada and any point in the US, with no frequency/capacity restrictions, but applies only to Canadian and US carriers. While very beneficial to the airport, most of the growth triggered by Open Skies has now been realized.

The City of Richmond recognizes the importance of the airport to the local economy and states as one of its OCP objectives to:

- ♦ Support the Economic Development Vision of the Airport Master Plan.

Economic development is a theme that runs throughout many of VIAA's strategic documents. For example, a recent report by the Authority* states:

“VIAA operates an international airport for the purpose of providing outstanding transportation facilities and services to the community and ensuring that the airport contributes to economic development in British Columbia.”

* InterVistas Consulting, *The 2000 Economic Impact of the Vancouver International Airport*, February 2001. It should be noted that this figure of 26,000 jobs includes in sectors where not all the jobs are actually at the airport, such as ground transportation (eg, limos, taxis, BC Transit) and hotels.

* Vancouver International Airport Authority, *Airside and Non-Airside Land Management Guidelines*, August 2001.

It also states that one of the objects of the Authority's Letters Patent reads, in part:

“to generate, suggest and participate in economic development projects and undertakings which are intended to expand British Columbia's transportation activities and to generate economic activity in all areas compatible with air transportation.”

The airport's role in economic development is also a key theme in VIAA's Strategic Vision, has three key objectives:

- ♦ Become a premier intercontinental and North American Gateway by taking advantage of YVR's location and the Great Circle routes.
- ♦ Develop as a major international and domestic destination, capitalizing on the tourism appeal of SuperNatural British Columbia and its cosmopolitan demographics.
- ♦ Act as an intermodal distribution centre for the trans-shipment of freight by land, sea and air.

One means of ensuring that the economic development opportunities of the airport are maximized for Richmond is through the Accord signed between the City of Richmond and the VIAA. This Accord, which is currently being updated, provides the guidelines for coordinating and consulting on airport land use development and servicing. It is appropriate that the topic of economic development be given more profile in this new Accord given that it has been identified as a priority of both the City of Richmond and the VIAA.

It would also be appropriate for VIAA's plans for commercial development at the airport and on adjacent lands (eg, along Russ Baker Way) be part of the recommended commercial land study for Richmond. This will help to identify opportunities for the City as a whole to benefit from commercial development on airport lands, as well as ensuring coordination in the planning of Richmond's commercial development.

The potential economic development benefits to Richmond if the airport continues to grow as projected are clearly very significant. For example, VIAA believes that, if its objectives are met, there could be as many as 36,000 jobs at the airport by 2021, plus many spin-off jobs elsewhere in Richmond and the region

However, this growth is far from assured. Vancouver International Airport faces some significant challenges:

- ♦ Federal government international air policies are very protective of the Canadian airline industry, but stifle airport growth. Most significantly, Canada has no “fifth freedom” agreements with other countries. These agreements allow an airline to enplane/deplane local passengers or cargo from a foreign country to a second foreign

* Vancouver International Airport Authority, *1995 – 2015 Master Plan*, April 1996.

country, as long as the flight originates in the carrier's home country. Many countries now have such agreements in place. For example, the US has negotiated 53+ "fifth freedom" agreements.

- ♦ YVR has a very small share of the air cargo market because of Canadian air policies. Air cargo is a highly lucrative business and generates significant benefits in terms of employment and value-added to local economies. Only 6% of the cargo handled at YVR is on freighters, with the rest carried in the belly holds of passenger planes. At the typical US airport, one-third of cargo is on freighters and the volumes handled are much higher.
- ♦ Air Canada dominates the airport's carrier operations. The airline holds 78% of the airport's domestic passenger capacity, 29% of transborder capacity and 38% of international capacity (57% for the three areas combined). This heavy reliance on Air Canada means the airport is significantly affected by any changes in the business operations of one carrier,
- ♦ YVR faces aggressive competition from other airports, especially on the US west coast, that are operating under more liberal air policies.
- ♦ Other airports in the region (Abbotsford, Chilliwack, Pitt Meadows) have a large amount of unused capacity and are taking some business from YVR.
- ♦ YVR is the only airport in Canada that has no cap on the rent it pays to the Federal government, which owns the land upon which the airport is located. As a result, ground lease rent is the single biggest cost of running the airport and represents 26% of total airport revenues. This is affecting YVR's ability to grow and compete on a level playing field with other airports.
- ♦ Increasing ground traffic congestion is making it more difficult to move passengers and freight efficiently to and from the airport.
- ♦ The downturn in the economy, sparked in part by recent world events, has reduced air travel, leading to layoffs in the airline industry that have rippled through the aviation support sectors.

Recommended Strategies

The recommended airport strategies for the Economic Development Strategic Plan are:

1. Ensure all pertinent economic development issues are addressed in the new Accord between the City and VIAA.
2. Support the VIAA in its efforts to lobby for changes to Canada's air policies, including securing Fifth Freedom rights and the opening up of the air cargo market.

3. Support the VIAA in its efforts to renegotiate the terms of its rent agreement with the Federal government.

Commercial

Retail and related service commercial activities in Richmond make up a significant part of the City's economy and have been a major source of new jobs and tax revenue over the past two decades. Much of the commercial space in Richmond meets the day-to-day need of local residents while other facilities are designed to serve the needs of a population extending well beyond the City's boundaries. For example, many of the home furnishings and accessories stores along the eastern end of Bridgeport Road serve the whole of the Greater Vancouver region.

Estimates prepared for the GVRD indicate that there was a total of 7.1 million square feet of retail and service commercial floor space in Richmond in 1997, representing about 8% of the region's total.* Richmond's population also comprises about 8% of the total regional population.

Large Format Retail Activity

As noted, there are several region-serving retail businesses in the City. One example of this is the Costco Wholesale store located on Bridgeport Road. This store serves not only the Richmond area but large portions of Vancouver and other nearby municipalities as well. Another example is the IKEA store, which has served the whole of the Vancouver-centred market for more than two decades. A second IKEA store is scheduled to open in Coquitlam in late 2001, at which time the Richmond store's trade area will be reduced somewhat but will nonetheless continue to extend throughout Vancouver and into Burnaby, Delta, South Surrey, and beyond. Other stores in the vicinity of the Richmond IKEA store are region-wide destinations and will continue to draw customers from a wide area.

Much of the new retail and service commercial space being created in Richmond is more urban in its form and location. Concentrated along No. 3 Road in the vicinity of the City's two regional-scale enclosed shopping centres, Richmond Centre and Lansdowne Park, this new space is typically located on the ground floor (and in some instances on the second floor) of new mixed-use developments. Individual retail rental or strata units range in size from a few hundred square feet to several thousand square feet.

There appears at present to be an imbalance between the retail space that is being created and that which the retail industry is seeking. The area zoned C7 along No. 3 Road has created an urban mixed-use development pattern that includes quite small (500 - 1,500 square foot) retail units and chronic vacancies prevail.

* Coriolis Consulting Corp., *Forecast of DCC Revenues From 2000 To 2005*, April 2000.

Retailers intending to serve what is predominantly a suburban community such as Richmond are generally seeking larger commercial spaces (of say 5,000 to 20,000 square feet) in locations providing visibility, access, and parking. These uses have filled up much of the available land zoned C6 (mostly along Bridgeport Road) and the I4 zoned lands in the vicinity of IKEA.

The I4 zoning category limits retail uses to home furnishings, accessories, and home improvement and so has attracted such retailers as Home Depot, Sears Whole Home, and Linens & Things. Other operators such as US-based Best Buy, the large-format computer and personal electronics retailer that has just bought out Future Shop, seek spaces of 100,000 square feet or more. Best Buy is believed to be looking for a location in Coquitlam after failing to find a large enough site in Richmond. More of the large retailers such as Best Buy will bypass Richmond in favour of municipalities that can offer large sites that are appropriately zoned and offer easy access, visibility and parking.

One potential means to address this location issue and allow Richmond to compete with other municipalities in the region for these larger-scale retailers may be to broaden the uses permitted under I4. Another way may be to create more C6 lands. This could possibly be done along the north end of No. 3 Road and east from there along Bridgeport Road. However, this issue should be addressed in further detail as part of a comprehensive study of commercial development throughout Richmond to determine how any changes to zoning would affect other commercial areas of the community, such as City Centre.

The proliferation of large format retailing is a North American-wide phenomenon. It simply represents the present stage in the ongoing evolution of retailing, augmenting (and in some cases replacing) the once dominant department stores. Over the past few years, the average large format single category store size has been shrinking and now many more retail sales categories are represented in larger format stores than was the case a decade ago (for example, big box pioneers such as Costco and Home Depot have been joined by Sears Whole Home, Indigo Books and Music, Business Depot, Future Shop, Linens and Things, and many others). Typical floor areas have been reduced from 100,000 square feet or more down to as little as 8,000 to 25,000 square feet, depending on the retail category.

The new generation retailers complement the existing array of small specialty retailers as well as the very large box stores. By attracting these so-called medium format or "baby box" retailers, a community can ensure that its residents have available the widest possible choice of retail destinations from "mom and pop" businesses through to very large "superstore" formats, thus ensuring that local retail spending can be retained in the community.

Regional Scale Shopping Centres

The Richmond market is served by two long-established enclosed regional-scale shopping centres – the 770,000 square foot Richmond Centre and the 600,000 square foot

Lansdowne Park Shopping Centre. Both of these centres have undergone considerable expansion and renovation over the past 30 years and today Richmond Centre is the dominant player. Its strong position in the marketplace is reinforced by its major department store anchors – the Bay and Sears – which make it the single largest destination in the City for fashion and apparel shopping. The centre is virtually fully leased and has estimated annual sales (net of anchors) in excess of \$400 per square foot.

In contrast, Lansdowne Park has a vacancy rate of about 35 percent and non-anchor sales of only about \$270 per square foot. It lost its anchor tenant, Eatons, in 1999. Lansdowne Park is endeavouring to reposition itself as a destination for medium-format retailers, including Toys-R-Us and possibly such names as Future Shop and Home Outfitters among its sub-anchors. Zellers is planning to relocate to the ground floor of the former Eatons space in Lansdowne and will be closing its Richmond centre location.. While this should increase customer traffic at Lansdowne, it also creates the opportunity for Richmond Centre to attract a number of medium-format destination retailers into the space currently occupied by Zellers.

Both Richmond Centre and Lansdowne Park, which are very traditional suburban malls in their design and tenant mix, are somewhat constrained by their location within an increasingly urbanized core along No. 3 Road. Both centres rely on being highly accessible by private vehicles and increasing traffic volumes and congestion along No. 3 Road presents challenges for these two centres. The transit corridor along No. 3 Road divides the street, effectively truncating each centre's trade area and reducing opportunities for cross-traffic between these two centres. However, the transit corridor's long-term impact on the two centres remains to be seen since it has only recently begun operations and one of the hopes is that it will draw more shoppers into Richmond from the Vancouver market.

No. 3 Road Commercial Activity

Richmond's OCP places considerable emphasis on its City Centre area, with the objective of reinforcing the centre as Richmond's "Downtown" professional and service centre. Specific policies include:

- ◆ Develop the distinctive high-density core area of the City Centre as a premier business district with a high-quality image and vibrant arts, culture and entertainment facilities.
- ◆ Provide the necessary traffic and transit connections to establish the City Centre as a primary destination for Richmond businesses and households, the airport, downtown Vancouver and other Greater Vancouver town centres.
- ◆ Continue to promote No. 3 Road as the "spine" of the City Centre for rapid transit and, through civic beautification, as Richmond's "front door."

- ◆ Support office use in satellite locations outside the City Centre to provide business and household convenience services.

As noted, much of the new retail and service commercial street front space being created along No. 3 Road remains vacant and can be expected to suffer from limited demand for the foreseeable future, as this space is not meeting the needs of most suburban retailers.

The space can play a role in accommodating personal and professional service providers such as travel agents, law offices, medical, dental, and other health care services, and many financial services including accountants, bookkeepers, investments advisors, and others. However, it must be recognized that there are only so many users available in the market that may be interested in this type of space, particularly in the shorter-term.

Part of the key to attracting more small retailers, personal service providers and professional businesses into the area will be gaining more high density residential development in the core, as the City has planned in its OCP. This is a long-term process, with other regional town centres and downtown Vancouver competing for this same development.

Asian Shopping Centres

Richmond was one of the first municipalities in the region to see the creation of shopping facilities designed to meet the unique needs of the growing Asian population. Centres such as the Aberdeen Centre, Yohan Centre, Parker Place Mall, and Fairchild Square were developed in the past decade.

Aberdeen Centre was the first of the Asian Centres in Richmond and the owner, Fairchild Property Group has just announced plans to demolish the existing project to make way for a 380,000 square foot centre that will appeal to a broader market. The decision to replace a commercial structure that is only 11 years old suggests that as the Richmond retail market matures, other redevelopment may occur that allows projects to better meet the needs of the entire Richmond community rather than just one particular ethnic or cultural group.

Community Scale Shopping Centres

Some of the new retail space being created in Richmond is taking the form of community scale, open strip shopping centres. These centres, usually ranging in size from 20,000 square feet to in excess of 100,000 square feet, meet the day-to-day shopping and service needs of residents living within five to ten minutes' travel time. Community scale centres such as the new Ironwood Plaza and centres serving the Terra Nova and Blundell areas do very well. Other, older centres such as Shellmont Plaza have fared less well and are now candidates for, or are already seeing, re-use and redevelopment.

Continued population growth will require additional retail and service commercial space, especially to meet residents' day-to-day needs for goods and services. Planning of new residential areas will have to reflect this need.

Airport Retail

The Vancouver International Airport currently has a modest array of retailers and services, primarily targeting air travelers along with "meeters, greeters, and well-wishers". Recent additions such as a 7-11 store within the main terminal building expand the offerings from mostly impulse goods and services to more convenience-orientated items.

The airport lands have been talked about as a potential location for a region-serving retail concentration. Depending on the scale and mix of retail uses this could possibly impact existing retailers in Richmond, an issue that should be addressed as part of a comprehensive commercial study similar to the one undertaken for the industrial sector. However, unless a very large scale retail project is developed, it is unlikely that retail activity associated with the airport will have a great effect on Richmond's existing retail trade. The growing traffic congestion and the limited number of access and egress points between Sea Island and Richmond, Vancouver, and other population centres would severely limit the airport's ability to attract a major retail project.

Future Demand for Retail and Service Commercial Space

Building on the projections of commercial space demand contained in the City's DCC revenue forecasts from 2000 to 2005 and assuming that Richmond's population grows as projected, an additional 200 to 220 acres of retail and service commercial land will be required over the next 20 years, which is an annual average take-up of 10 to 11 acres.

This land area would support as much as 2.0 to 2.4 million square feet of retail and service commercial floor space needed to meet future market demand. Whether or not Richmond has the land base to support this much retail and service commercial development needs to be examined as part of the recommended commercial study. More intense commercial land use is one of the strategies that should be considered in order to minimize the pressure on agricultural lands to be removed from the ALR for redevelopment purposes.

Much of the initial new demand for retail space can be met through the repositioning program underway at Landsdowne Park shopping centre and through the lease up of other vacant and underutilized commercial space in Richmond.

The total warranted new space could be less if existing retailers and service providers were successful in meeting some of the new demand (certainly possible where there is excess capacity, less than efficient operations, or other factors that would allow existing retailers to reach a larger number of customers through existing premises). The

commercial floor area required within Richmond to meet future needs could also be diminished if new retail space is added elsewhere, for instance in Vancouver or in Delta. The new space needed in Richmond will take many forms. Certainly over the next five to ten years there will continue to be a demand for larger-format, destination retailers. Individual stores could range from 5,000 square feet to as much as 100,000 square feet.

As new residential neighbourhoods develop, there will be a need for community-scale facilities that might, for example include a grocery store, a drug store, family restaurants, and other, smaller goods and services providers.

Population growth could also trigger expansion of the regional-scale shopping facilities. While the Lansdowne Park Shopping Centre site has capacity to easily allow for a lateral expansion, the Richmond Centre site may require more intensive use.

Over time, the No. 3 Road corridor can be expected to become increasingly urban in its character and functioning. In time, the now vacant small street front commercial spaces may be fully occupied, mostly by service providers rather than by retailers.

The next five to ten years may also see the further redevelopment of the early Asian shopping centres in Richmond. A more complete integration of the Asian retailers and service providers into more “mainstream” shopping facilities such as the regional malls and community-scale centres can be expected to also occur over time.

As the City Centre area grows, it can be expected to attract a larger multi-tenant office presence. This may not necessarily translate into the creation of a major market for office development, but there could be opportunities for perhaps as much as 50,000 to 100,000 square feet of new office space in the Richmond market annually. A significant share of this demand could be met through business park development and it will not automatically flow into City Centre.

The commercial sector will be a significant generator of new jobs in Richmond based on these projections, although the rate of employment growth in the sector will likely be less than over much of the past two decades. Using standard industry guidelines, there could be in the range of 950 to 1,600 new jobs created in the sector annually. This includes 350 - 650 office jobs per year (one job per 150 sq. ft.) and 600 - 950 retail jobs (3 - 4 jobs per 1,000 sq. ft.).

The Role of Rapid Transit

The recent introduction of rapid bus service along the No. 3 Road corridor will enhance the City’s ability to move commuters to and from Vancouver. This is positive for economic development in Richmond to the degree that it relieves traffic congestion and allows for easier movement of people and goods within the community.

If high-speed rapid transit (ie, SkyTrain or a similar type of system) is introduced to Richmond at some point in the future, there could be additional economic development benefits for City Centre. For example:

- ♦ It would make it easier to get workers into and out of the centre, which could attract more office development. Rapid transit is likely a precursor to competing against other Town Centres in the region for any significant share of office development beyond that which serves the local market.
- ♦ It would help attract more residential development to City Centre, which means a larger local market to support more retail and other commercial development.

On the other hand, there is little evidence to suggest that rapid transit would have much effect on stimulating retail demand, although it does help certain types of service commercial, including restaurants, cinemas and entertainment venues. In this case, transit is helpful in bringing young adults to centres of entertainment.

Transit has no impact on large format retail and virtually none on the regional shopping centres (eg, Richmond Centre and Lansdowne Park), which are already well served by transit (and in any event may only be seeing no more than 10% of their customers arrive by other than private motor vehicle).

Recommended Strategies

The recommended commercial sector strategies for the Economic Development Strategic Plan are:

1. Create a comprehensive Commercial Strategy for Richmond similar to the City's Industrial Strategy.
2. Ensure that a rolling five-year supply of appropriately zoned commercial land is available in Richmond.
3. Work with the commercial development industry to ensure Richmond is on top of commercial trends and issues affecting economic development.
4. Continue to pursue the extension of rapid transit to Richmond as part of making City Centre more attractive for commercial and residential development.

Industrial Activity

Richmond has a large and evolving industrial base. A small but significant share of activity is in what can be termed "heavy" industrial use, such as lumber mills and bulk materials handling at the ports. However, the vast majority of new industrial development is so-called light industry, where processing and storage occurs indoors and is often combined with other uses, such as office. Much of this mixed-use activity is occurring in

business parks, which have become a dominant form of development throughout the Lower Mainland, a trend that will continue.

An important component of the City's industrial activity is the port community, including the Fraser River Port Authority (Fraser Port), which is a deep-sea port, and the North Fraser Port Authority (Port North Fraser), which functions entirely as a shallow draft waterway.

Fraser Port estimates that over 350 businesses and industries are dependent on port-related activities within its jurisdiction, with over 6,000 direct local jobs supported. * A portion of this activity occurs within Richmond. Notably, Fraser Port administers the Fraser Richmond upland area, which encompasses 694 acres and accounts for 55% of its total uplands areas. As such, the site of considerable importance both to Fraser Port and the City in terms of its development potential and resulting economic benefits.

Fraser Port's current and planned land uses for the Fraser Richmond lands include deep-sea and coastal terminal uses along the waterfront (eg, bulk cargo, containers, barge facilities) and industrial/business park uses on the remainder of the site. Fraser Port estimates that the four businesses in place or planned for Phases 1 and 2 of development (Adesa, Coast 2000, Doman and a major distribution centre/warehouse) will generate over 600 jobs as well as making a significant contribution to the City's tax base. Development of the balance of the lands over time will generate additional jobs and taxes for the City.

From an economic development perspective, the challenge for Richmond is that some of the industries that have thus far shown interest in locating at Fraser Richmond are not particularly job intensive, nor strategically connected to other industry sectors in the City. However, given the location of the site, it only appeals to certain segments of the market. It is an important part of the City's industrial land base, but should not be looked upon as the solution to the lack of readily available industrial land elsewhere in Richmond.

Port North Fraser is responsible for handling a significant share of the coastal marine traffic in BC and is home to over 80 companies, a number of which are in Richmond.** The greatest challenge facing the port is the pressure being placed on its industrial lands by competing land uses. This has resulted in greater fragmentation of the lands available for industrial development. Ensuring adequate land based transportation links to support industrial development along the river is also a priority for the port.

Port North Fraser has instituted a number of policies to remain competitive, including, for example, land banking, raising the profile of the port as an economic generator, exploring the concept of foreign trade zones, and developing marketing strategies to attract water-oriented industry. Marine tourism and recreation opportunities are also of interest to Port North Fraser, particularly in the Bridgeport area.

* Fraser Port, *Land Use Plan*, April 2000.

** Port North Fraser, *Land Use Plan*, 2000.

Richmond's OCP key industrial land use objective is to continue to reinforce the City as one of the major industrial employment centres in the Lower Mainland and a predominant location for airport-serving business. Among the specific policies are:

- ♦ Protect and augment the supply of industrial land by ensuring that there is an adequate amount of zoned and serviced sites to meet present and future needs.
- ♦ Ensure that both City and regional transportation planning for roads and transit systems supports the City's industrial land strategy, and facilitates and encourages the use of transit to key employment areas.
- ♦ Ensure that both the City and regional transportation planning for roads, rail and water facilitates the efficient movement of goods for industrial purposes.
- ♦ Protect, enhance and facilitate major transportation corridors serving industrial areas (eg, highways, roads, rail, watercourses).

The City undertook an extensive review of its industrial lands in 1999 and is currently implementing many of the recommendations that came out of the review.* As part of this process, one of the recommended objectives is to enhance existing partnerships and develop new ones to deliver a range of services outside the City's normal jurisdiction (eg, education, attracting industrial developments, creating a positive business climate, etc). Among the suggested strategic actions were:

- ♦ Work with Kwantlen College and other local training providers to promote and enhance training opportunities appropriate to Richmond's key industrial sectors.
- ♦ Consider working with local port authorities to create a free trade zone at one of their Richmond facilities.
- ♦ Monitor regional initiatives to improve providing information to international businesses.

As discussed earlier, two of the challenges facing the City in attracting more industrial development are the shortage of readily available industrial land suited to a range of users and the City's relatively high industrial DCCs. Addressing these issues will help enhance Richmond's competitiveness in attracting further industrial development and the resulting employment and municipal revenue benefits.

Recommended Strategies

The recommended general industrial strategies for the Economic Development Strategic Plan are:

1. Create a larger supply of readily available industrial land to meet future demand from a wide variety of businesses.

* *Richmond Industrial Strategy*, October 1999.

2. Complete the review of Richmond's DCC program and ensure that the issues raised for the industrial sector are given consideration as part of this process.
3. Encourage the development of the Fraser Richmond lands as a key component of the City's industrial strategy.
4. Establish new Accords with Fraser River Port Authority (underway) and the North Fraser River Port Authority that include consideration of economic development issues.

High Technology

The high technology sector, which encompasses a broad range of business types, has been a significant source of new jobs and businesses in Richmond since the 1980's and the City is one of the leading communities of high technology industry in the province.

A survey conducted last year found that three of the Top 20 high technology companies in BC are located in Richmond, including McDonald Dettwiler & Associates, MDSI Mobile Data Solutions, and Epic Data.* These three companies alone had combined revenues in 2000 of about \$440 million and employed almost 2,600 people (not all of whom work in Richmond).

Of the Top 100 high technology companies in BC, fourteen are located in Richmond. Only Vancouver and Burnaby have more high technology companies in the Top 100, with 27 and 22 respectively.

Examples of the types of products and services provided by Richmond's high technology sector include:

- ♦ Information systems and online information products.
- ♦ Advanced solutions for controlling and managing messages from diverse media.
- ♦ Internet-enabled service and workforce management solutions for service companies.
- ♦ Electronic data capture and wireless technologies for enterprise applications and e-business collaboration.
- ♦ Wireless data communications and software products.
- ♦ Digital imaging network systems for medicine.
- ♦ Wireless mobile data solutions.

* BC Business, *Tech 100*, November 2000.

The presence of the high technology industry in Richmond has helped attract other businesses to the City that either supply goods and services to these companies (known as “backward linkages”) or are users of their products and services (“forward linkages”).

The high technology companies in Richmond tend to be larger in size and many are involved in a variety of tasks, ranging from research and development to manufacturing and distribution. They have been attracted to Richmond because of the availability of land in a central location, with good proximity to the airport, US border and downtown Vancouver, as well as to suppliers and customers and a large, skilled labour force.

Because Richmond’s high technology sector is generally composed of businesses that are larger, more well-established and more diverse in their functions, the City has not experienced the same level of job losses and business closures as some other Lower Mainland communities have witnessed. There are not many of the small start-up “dot com” enterprises in Richmond, which have largely concentrated in the downtown Vancouver area, a number of which have recently folded.

Richmond has been very accommodating of the high technology sector in terms of land use regulations, with the City’s Business Park Industrial (I3) Zone offering considerable flexibility for businesses in the sector.

The City’s key OCP objective for the high technology sector is to reinforce Richmond as a preeminent location for advanced-technology or knowledge based businesses. Specific policies include:

- ♦ Expand the number of industrial sites in which independent offices are permitted, in order to accommodate office-based businesses (eg, software development, research, brokers, contractors). This may be achieved by rezoning strategically located industrial sites.
- ♦ Seek, and implement where appropriate and feasible, innovative ways of developing/redeveloping industrial land, in order to facilitate such features as mixed uses, higher building densities, etc. This may be achieved by undertaking a study focused on examining the factors needed to attract, develop and regulate advanced-technology businesses for the next generation of industrial land development.

Richmond will continue to attract a share of high technology activity, but there are several issues that need to be addressed from an economic development perspective:

- ♦ The declining supply of readily available light industrial land in the City is reducing the choices for prospective high technology businesses.
- ♦ Vancouver and Burnaby are attempting to gain a larger share of the market by planning for major centres of predominantly high technology development at False Creek Flats in downtown Vancouver, with up to 121 hectares (300 acres), and Lake

City in North Burnaby, with 166 hectares (410 acres). One of the advantages these two areas offer is proximity to the rapid transit system.

- ♦ Many of the high technology companies seeking a Richmond location are land intensive users. The office-oriented companies are predominantly locating in the inner urban centres, especially the smaller ones. In the short-term, this pattern is unlikely to change.

Recommended Strategies

The recommended high technology sector strategies for the Economic Development Strategic Plan are:

1. Create a larger supply of readily available Business Park Industrial (I3) land to meet future demand from high technology and other businesses.
2. Promote the advantages of Richmond as a location for high technology businesses of all sizes and types.
3. Encourage partnerships between high technology businesses in Richmond and research and educational institutions such as Discovery Parks, UBC, BCIT and Kwantlin.

Tourism

One of Richmond's OCP objectives is to strengthen tourism through the synergistic location of visitor accommodation and supporting services. Policies in support of this objective include:

- ♦ Concentrate hotels and commercial entertainment services in the City Centre so that visitors can take advantage of downtown services and amenities and therefore increase pedestrian activity.
- ♦ Create a special visitor and entertainment district at the northern end of the City Centre and West Bridgeport.
- ♦ Encourage a trade and convention facility which takes advantage of the market opportunity created by the proximity of the airport and highway connections, and which enhances the local hotel and tourism facilities.

Tourism Richmond, a non-profit, member driven association governed by a Board of Directors, has primary responsibility for the development and marketing of tourism in the community. Its primary source of funding is a 2% Hotel Tax that generates up to \$2 million annually, of which 50% is committed to the development and operation of a trade and exhibition centre.

Tourism Richmond has recently completed a marketing plan that sets out its strategies and actions for pursuing tourism opportunities over the next five years.* As the plan acknowledges, Richmond has faced a significant decline in occupancy levels and room rates in its accommodation sector due to oversupply and heavy competition.

Increasing the number of room nights for its members is a priority of Tourism Richmond, a challenge made more difficult in light of recent world events that have dramatically affected tourist travel in North America. Reduced room occupancy levels will reduce the amount collected through the Hotel Tax, which will in turn have some effect on Tourism Richmond's plans.

There are two main thrusts to Tourism Richmond's strategy for attracting more visitors. One is to capitalize more fully on existing attractions in the City, such as Steveston. The other is the proposed development of the Richmond Trade & Exhibition Centre (RTEC), a 400,000 sq. ft. facility serving the trade show, exhibition and convention market.

In terms of promoting existing attractions to tourists, Richmond faces the same challenge as many other communities in the Lower Mainland. The majority of visitors are seeking the "big ticket" attractions and events, most of which are concentrated in the City of Vancouver and on the North Shore. Other communities, including Richmond, primarily benefit from the spillover effects.

Establishing Richmond as a distinct destination separate from the rest of the Vancouver market is not realistic. This is recognized in the Marketing Plan, which states: "Richmond cannot stand alone in terms of marketing the city as a destination. Richmond will be positioned as a cost-efficient and convenient place to stay when visitors are coming to Greater Vancouver. Richmond's proximity to the airport, downtown Vancouver, the Canada / US border, major highways and the Tsawwassen ferry terminal, together with a large inventory of quality accommodations, provides a distinct advantage over other major centres within the Vancouver lower mainland. This enables Tourism Richmond to market the city as a gateway..."

Convincing more visitors to the region to stay in Richmond will benefit the accommodation sector, along with ancillary services such as restaurants. However, it is also desirable to have these visitors spend part of their time in Richmond exploring local attractions and events. This means developing and promoting attractions that are truly different from what can be experienced elsewhere in the region. Steveston is certainly one of these attractions, but other local products need to be identified, made market-ready and aggressively promoted.

Identifying and helping develop these products is an important role the City can play. Richmond has many arts and culture, heritage and recreational facilities, attractions and events that could appeal to visitors if properly promoted. For example, the Bridgeport Market site may offer a range of tourism and recreation opportunities. This opportunity has been suggested in the Port North Fraser Land Use Plan and is an area where the City

* Tourism Richmond, 2000 – 2001 Marketing Plan.

and Port North Fraser may be able to collaborate in creating an attractive waterfront centre of activity targeted at visitors to the community.

Examples of other opportunities to draw more visitors to the City through greater promotion of Richmond's heritage areas and attractions (eg, Steveston Fishing Village, London Farm, Finn Slough) and cultural attractions and events (eg, the Buddhist Temple, Art Gallery, Gateway Theatre).

These attractions need not be promoted just to out-of-town visitors. There are two million residents of Greater Vancouver who offer a prime market for day visits to the community. The challenge is to get them to spend money with local businesses while they are in Richmond.

The other major initiative of Tourism Richmond is the RTEC, which has been the subject of a series of studies over the past several years. From an economic development perspective, there are several ways in which the centre would benefit Richmond, including:

- ♦ Supporting an estimated 60 person-years of employment at the facility itself, including full and part-time workers.*
- ♦ Approximately 156,000 additional room nights for Richmond area hotels annually.
- ♦ Potential spin-off benefits to other local businesses supplying goods and services both to the centre itself and to visitors.

There are a range of issues that still need to be resolved prior to determining the financial viability of RTEC, including location and committed funding sources. Certainly a location in close proximity to City Centre is desirable as part of satisfying Richmond's OCP objective of making City Centre a premier business district with a high quality image and vibrant arts, culture and entertainment facilities.

Recommended Strategies

The recommended tourism sector strategies for the Economic Development Strategic Plan are:

1. Continue to evaluate opportunities for the proposed Richmond Trade & Exhibition Centre to contribute to the City's economic development.
2. Identify and develop additional attractions and events in Richmond, including arts and culture, heritage and recreational, that can be marketed to both tourists and Greater Vancouver residents.

* Grant Thornton, *Market Demand Study – Proposed Richmond Trade and Exhibition Centre*, prepared for Tourism Richmond, November 10, 2000.

Film

The film and television industry is one of the fastest growing sectors of the provincial economy. The industry spent nearly \$1.2 billion in BC in 2000 on productions and directly employed 35,000 people. Most of this activity took place in Greater Vancouver.

The majority of the film industry's facilities are located in Vancouver, Burnaby and North Vancouver. However, all communities in the region, including Richmond, benefit from the presence of the industry. This happens in several ways:

- ♦ There were over 700 Richmond residents working in the film industry in 2000, with payroll of about \$8.6 million.* Some worked only a few hours as extras and others were employment full-time, mostly on film crews and in technical trades. Since they live in Richmond, most of their income is spent in the community.
- ♦ A number of Richmond businesses supply goods and services to the film industry, including some that cater almost exclusively to the industry. This supports even more employment in Richmond.
- ♦ The City directly derives benefits from the film industry. There were 98 film location permits issued in Richmond in 2000. This was up significantly over 1999, when 65 permits were issued.

A 1999 study concluded that the film industry still has significant potential for growth in Greater Vancouver.** The study emphasized, however, that there is heavy competition from other regions in North America for this opportunity and an environment supportive of the industry is needed to ensure the potential is fully realized.

It is unlikely that Richmond will establish a major presence in the film industry by attracting a large film studio or similar facility in the foreseeable future. Industry sources believe that, to the degree new facilities are built, they are likely to be in the vicinity of existing film facilities. Nevertheless, maintaining an environment in Richmond supportive of the film industry will yield local benefits, including continued employment of residents, revenue to local businesses, and revenue to the City.

Richmond is viewed by industry sources as generally supportive of the film industry. For example, the City has staff member responsible for film liaison, including dealing with questions and issues as they arise (eg, finding a location, noise and traffic congestion complaints). There is, however, more that could be done to support the film industry, which views the most supportive Greater Vancouver municipalities as being New Westminister, Surrey and North Vancouver District. These communities have made the film industry a priority sector for a number of reasons, including:

* BC Film Commission, *Regional Payroll Data – Special Tabulation*, June 2001.

** PricewaterhouseCoopers and Eric Vance & Associates, *Realizing the Potential: An Economic Development Strategy for Greater Vancouver's Arts and Culture Sector*, prepared for the Regional Cultural Plan Steering Committee, August 1999.

- ♦ Tremendous and increasing requests for filming.
- ♦ Recognition of economic impacts and job opportunities of filming for community.
- ♦ Recognition of the competitive marketplace for filming in Lower Mainland, dependent to some degree on the “film-friendliness” of a given municipality.
- ♦ Community complaints (disputes between filming and residents/businesses, exhaustion in some neighbourhoods, etc.).
- ♦ Perception by film industry that filming permits are not well-managed (too complicated) and/or too costly.
- ♦ Feelings of lack of control and coordination over filming among municipal staff.

All three of these communities have dedicated film liaison officers, whose positions are paid for by the revenue received from the film industry for permits, rental of municipal facilities and other services.

Notably, despite the limited resources put into attracting film activity, Richmond issued more permits (98) in 2000, than Surrey (76) and New Westminster (about 80) and only slightly fewer than North Vancouver District (108). This suggests that, with more aggressive marketing of Richmond to the film industry and an enhanced level of service delivery, the City should be able to attract an even greater share of the region’s film business.

Recommended Strategies

The recommended film sector strategies for the Economic Development Strategic Plan are:

1. Adopt a policy stating that the City is “film friendly” and supports the industry operating in the community.
2. Create a film location inventory for Richmond, particularly municipal properties, and provide to the BC Film Commission for its library.
3. Review City regulations and fee schedules for the film industry.

Fishing

The fishing industry was at one time the dominant sector of the Richmond economy along with agriculture. However, it has declined dramatically over the past two decades as a result of industry rationalization, Federal government fisheries policies, and reduced fish stocks, particularly among salmon species.

Despite the decline, it is still an important part of the local economy. For example, Steveston Harbour is home to more than 600 commercial fishing vessels and is the largest commercial fishing harbour on the BC coast. It also has a large Public Fish Sales Float that draws many visitors to Richmond.

The fishing industry is not expected to be a major source of new jobs and businesses in Richmond in the foreseeable future. However, there are some smaller scale opportunities that should be considered:

- ♦ The fishing industry is diversifying. In 1971, 20 fish species were harvested in BC waters. Salmon and herring products accounted for 81% of the industry. In 1998 there were 84 species harvested. Products derived from salmon accounted for 29 percent of the harvest, herring for 17 per cent and other species accounted for 54 per cent of the total wholesale value of commercial fisheries.* This is creating some new areas of opportunity for Richmond's fishing industry.
- ♦ There is more value-added processing of fish products in Richmond. There are 24 fish processing operations in Richmond involved in handling a wide array of products for both local and export markets.** Many employ only a small number of people, but several of the larger operations employ over a hundred people each during peak periods. More value-added processing is likely in the future to help compensate, at least in part, for the decline in the volume of fish landed.

Richmond's historically strong position in the fishing industry and its existing fishing industry infrastructure give the City some advantages in securing a share of opportunities as they arise.

Recommended Strategies

The recommended fishing sector strategies for the Economic Development Strategic Plan are:

1. Encourage more value-added fish processing in Richmond.
2. Support expansion of the local fishing industry into new fish species and products, including at Steveston Harbour.

Public Sector

As previously noted, the public sector is a significant source of economic activity in Richmond, accounting for over 10% of jobs in the City. Two areas of the public sector – health and post-secondary education – offer opportunities for growth over the next few years.

* BC Fisheries, *Fisheries Development and Diversification*, 2001.

** City of Richmond, *Richmond Business Directory*, 2000.

Health

The community's growing and aging population is creating more demand for health care services. This will create more employment in institutional settings, as well as in the commercial sector (eg, health care products and services). There will also be more opportunities in home care, which is one of the fastest growing areas of home care.

Richmond Health Services, which is part of the Vancouver Coastal Health Authority, has identified a number of priority health issues for Richmond, some of which will have implications for the City's economic development, including:

- ♦ Enhancing service integration across the health services in Richmond to improve access.
- ♦ Creating a single point of entry into the health services in Richmond.
- ♦ Changing service delivery processes in Richmond to reflect a client focus and a need for comprehensive continuity of care and service.

Examples of some of the areas of growth in Richmond's health care system over the next several years that may result from these priorities include:

- ♦ An increase of about \$6.0 million in acute care services at Richmond General Hospital, which will support another 90 full-time equivalent (FTE) jobs.
- ♦ Some shift in hospital beds from Vancouver to Richmond, creating as many as 200 new FTE positions.
- ♦ More home support services, resulting upwards of 100 new jobs.
- ♦ A new community health centre, which will support about 60 jobs.

Some of these jobs will be redistribution from Vancouver and others will be newly created positions. However, all will be new jobs for Richmond.

Post-Secondary Education

Both of Richmond's major post-secondary educational institutions – BC Institute of Technology (BCIT) and Kwantlen University-College – anticipate expansion, which will lead to more employment. The presence of these two institutions also enhances the City's reputation as a centre of education and provides a wide array of learning opportunities for Richmond residents.

BCIT's Aerospace and Technology campus at the airport has about 300 students enrolled at any give time in two-year diploma programs. The campus has a permanent staff about 25 people, with another 20 part-time instructors.

There has been significant growth at the campus, which has doubled in size over the past eight years. Over the next few years, BCIT hopes to more than triple its enrollment to about 1,000 students. Key to this increase is a planned \$15 million expansion of the campus, either at its existing location or, preferably, in a new location near the airport. This funding, which must come from the Provincial government, is not yet firmly secured.

If the expansion does go ahead, dozens of new teaching positions will be created and BCIT's position as a leader in aerospace and technology training programs will be further strengthened.

Kwantlen has about 4,700 students (full and part-time) whose primary campus is Richmond. It has a faculty and staff of nearly 400, including full and part-time employees.

Kwantlen also has strong reputation for some of the programs it offers. For example, its Fashion Design and Technology and Fashion Marketing programs are very highly regarded in Canada and draw students from across the country. Some of the other Kwantlen programs offered only at the Richmond campus include Journalism, Environmental Protection Technology, and Public Relations.

The Richmond campus has a designated FTE capacity of 2,400 students. This capacity has now been reached, meaning that expansion will be required at some point in order to continue to grow. Like BCIT, this depends upon funding from the Provincial government, which is uncertain at this point.

Support from the City of Richmond in pursuing funding commitments from the Province would be welcomed by both institutions. Kwantlen is also interested in forming a closer working relationship between the business community and itself, an area where the City could facilitate given its extensive network of connections.

Recommended Strategies

The recommended public sector strategies for the Economic Development Strategic Plan are:

1. Promote Richmond's health care system and post-secondary educational institutions as advantages of locating in the City.
2. Support BCIT and Kwantlen University-College in their efforts to secure Provincial government funding for expansion.
3. Help facilitate a closer working relationship between Kwantlin University-College and the Richmond business community.

Summary

- ♦ There are a variety of sector-specific opportunities that will drive Richmond's economic development in the coming years. Some of these opportunities will be realized without any action required by the City. However, in other cases the City has an important role to play in making sure they are secured
- ♦ The major drivers of growth will continue to be high technology, the airport, retail, and general industrial development, including the two ports.
- ♦ All these sectors face challenges and there is no assurance that they will continue to grow in the future as they have in the past.
- ♦ Modest growth is likely in post-secondary education, health services, and the film sector.
- ♦ Relatively little growth over the shorter-terms is expected in agriculture, fishing, and public education, but they remain important sectors of the local economy.
- ♦ Tourism has potential, but much will depend on what happens with the Richmond Trade & Convention Centre proposal and the City's ability identify and develop more local attractions and events that appeal to tourists and Greater Vancouver residents.

VIII. Economic Development Vision and Goals

This section sets out the recommended economic development vision and goals for Richmond, along with supporting rationale.

Economic Development Vision

To be the acknowledged leader in economic development among Greater Vancouver municipalities, with a diversified economy that contributes to Richmond's quality of life by retaining existing businesses, attracting new businesses and investment, supporting employment opportunities suited to the resident population, and increasing City revenues.

Rationale

Richmond has traditionally been in a strong position in attracting investment and development. Increased competition from communities such as Vancouver, Burnaby and Surrey means the City must work harder to secure opportunities that at one time may have naturally gravitated to Richmond.

Richmond cannot overtake the larger municipalities when it comes to performance measures such as the total value of building permits issued (although it can work to regain share). The City can, however, establish itself as the leader in the region in creating a business friendly environment that is conducive to economic development. It has demonstrated this same leadership in areas such as innovation in local government administration, community beautification, and technological innovation.

Progress in moving towards this vision can be measured in a number of ways, such as tracking the number and type of businesses and jobs created in the community, the type and value of building permits issued, and City revenue received from fees and permits, property taxes and other sources.

Goals

The Economic Development Strategic Plan has three goals:

1. Position Richmond as a Distinct Community Within Greater Vancouver

Rationale

The City's overall vision is "...to be the most appealing, livable, and well-managed community in Canada." In moving towards this vision, Richmond must create a distinct and memorable image in the marketplace – one that will help it in attracting residents, businesses, investment, and visitors – and set it part as more than just a Vancouver suburb.

This will require a proactive marketing program, aggressive promotion and the enthusiasm and commitment of many partners.

2. Create a Municipal Management and Regulatory Environment Supportive of Economic Development

Rationale

The City of Richmond is generally viewed as supportive of business and development. A number of studies and reviews have been undertaken of City regulations, policies and processes as part of improving customer service. More initiatives can be undertaken that would further enhance the environment for economic development, including business retention.

3. Help Grow Key Sectors of the Richmond Economy

Rationale

A number of opportunities have been identified in key sectors of the Richmond economy that would bring more jobs, businesses and other benefits to the community if secured. A variety of strategies and initiatives (summarized in Section X) are required in competing for these opportunities against other communities and regions.

IX. Implementation

This section discusses the organization and resources required to implement the recommendations of the Economic Development Strategic Plan.

Organization

The City's Business Liaison & Development Office is responsible for encouraging and facilitating economic development in Richmond. An important part of its mandate is providing employment opportunities for Richmond residents by facilitating development of a strong economy and business community.

The Manager, Business Liaison and Development is presently the only position that is a recognized part of the office, although two Business License Inspectors and a Business License Clerk report to the Manager.

The Office is part of Finance & Corporate Services and the Manager reports directly to the General Manager of the division.

The responsibilities of a typical municipal economic development function can encompass the following core services:

- ♦ Coordination
- ♦ Research and Information
- ♦ Communication
- ♦ Marketing
- ♦ Regulation / Licensing
- ♦ Planning
- ♦ Financial Partnerships / Projects

The specific areas of responsibility of Richmond's Business Liaison & Development Office have never been formally set out in City policies and procedures or organizational plans. It is important that this be done in order to establish a clear understanding of the areas for which the Office is responsible. This will allow appropriate allocation of resources and avoid gaps or overlaps in service delivery with other City departments.

Resources

The resources currently available to the Business Liaison & Development Office are fully utilized. Much of the Manger's time is spent dealing with issues that arise on a day-to-

day basis, such as disputes between business owners and other departments at City Hall, on-site filming problems (eg, complaints from affected businesses), business licensing concerns, and bylaw enforcement.

These concerns and issues are certainly important to the affected parties and deserve attention as part of maintaining a supportive business environment. However, it has put the Business Liaison & Development Office into a largely reactive mode, with limited time and resources available to be proactive in dealing with the larger strategic issues and opportunities that need to be addressed on the economic development front.

In order to implement the recommended strategies in this plan, additional resources will be required in the Business Liaison & Development Office, allowing the Manager to spend more time on the key strategic issues.

Greater use could also be made of an inter-departmental team approach on a project-specific basis where more staff support and other City resources are required to deal with an issue or opportunity. This inter-departmental approach, involving all Divisions to varying degrees, will be particularly important in implementing some of the recommended strategies, such as completion of a City-wide commercial land study.

Partnerships

The City of Richmond has a number of partnerships in place with other organizations. One of the City's Strategic Teams is in the process of establishing a centralized database identifying all existing partnerships and exploring opportunities to form new partnerships and alliances. The Business Liaison & Development Office routinely works with outside organizations on specific issues as the need arises.

There has been interest expressed by some of the key players influencing economic development in Richmond to form an even closer working relationship with the City in exploring opportunities and issues of common concern. At this point, the interest is largely in sharing information and ideas.

These partnerships could also be valuable in assisting the City in implementing some of the recommended economic development strategies.

It is recommended that the City take a leadership role in facilitating this process by hosting an Economic Development Forum that would bring together the key players influencing economic development in Richmond to discuss opportunities and issues. It is suggested that this Forum be held annually if participants, including the City, find it to be an effective means of sharing information and ideas, including forging partnerships.

Marketing and Promotion

As part of moving from a reactive to proactive mode in creating a distinct image for Richmond in economic development, more focus needs to be put on marketing and

promotion. This needs to be linked to the City's broader strategy for creating a distinct image for itself within Greater Vancouver.

It is therefore recommended that a marketing plan be created by the Business Liaison & Development Office. Among the items that should be covered by the plan are:

- ♦ Marketing focus – what is being marketed and who are the target markets?
- ♦ Promotional strategies – how can the target markets be most effectively reached?
- ♦ Promotional material – what specific materials are needed in promoting the City?
- ♦ Use of City website – how can the website be used as an information dissemination tool?
- ♦ Participation in trade shows and other events – how can these be used to promote the City?
- ♦ Joint initiatives – who can the City partner with in its marketing and promotion initiatives?

Subject to City Council's endorsement of this Economic Development Strategic Plan, the next step should be preparation of a budget by the Business Liaison & Development Office detailing the multi-year financial resources required for implementation

X. Action Plan

This section presents the recommended strategies and actions for achieving Richmond's Economic Development Goals. For each strategy, the lead group responsible for implementation is identified, along with the results expected and the timeframe.

While it is intended that all the strategies be implemented over the next three years (2002 – 2004), some are ongoing initiatives that will continue beyond the timeframe of the plan.

Goal #1 – Position Richmond as a Distinct Community Within Greater Vancouver.				
Strategies and Actions	Lead Group	Results Expected	Timeframe	
			2002	2003 2004
A. Adopt Economic Development Strategic Plan, including Vision and Goals.	Council	Economic Development Strategic Plan adopted by Council by end of 2001.	X	
B. Prepare a budget for the economic development function that reflects the resources needed for implementation.	Business Liaison & Development	Budget prepared and adopted by Council.	X	
C. Create distinct Richmond brand image for economic development.	Business Liaison & Development	Image created and integrated with overall City image and positioning strategy.	X	
D. Prepare and implement marketing plan for economic development.	Business Liaison & Development	Marketing plan prepared and implemented within next year	X	

Goal #2 – Create a Municipal Management and Regulatory Environment Supportive of Economic Development.					
Strategies and Actions	Lead Group	Results Expected	Timeframe		
			2002	2003	2004
A. Secure appropriate resources to implement recommended strategies.	Business Liaison & Development	Budget prepared and approved by Council.	X		
B. Host Richmond Economic Development Forum.	Business Liaison & Development	Forum organized and held in 2002, with evaluation of usefulness as an annual event.	X		
C. Create a comprehensive Commercial Strategy for Richmond similar to the City's Industrial Strategy.	Urban Development	Commercial Strategy completed and approved by Council.	X	X	
D. Ensure that a rolling five-year supply of appropriately zoned commercial land is available in Richmond.	Urban Development	Pre-zoning program developed and implemented.	X	X	X
E. Work with the commercial development industry to ensure Richmond is on top of commercial trends and issues affecting economic development.	Business Liaison & Development	Consultation and information gathering process developed and implemented.	X	X	X
F. Continue to pursue the extension of rapid transit to Richmond as part of making City Centre more attractive for commercial and residential development.	Urban Development	Importance of rapid transit to Richmond continues to receive region-wide attention.	X	X	X
G. Create a larger supply of readily available industrial land to meet future demand from a wide variety of businesses.	Urban Development	Continued implementation of Industrial Land Strategy and larger supply of industrial land brought on stream.	X	X	X
H. Complete the review of Richmond's DCC program and ensure that the issues raised for the industrial sector are given consideration as part of this process.	Finance & Corporate Services	Review completed and appropriate changes implemented.	X		
I. Incorporate economic development performance measures into City's Vibrancy Indicators.	Strategic Planning	Performance measures incorporated and tracked on regular basis.	X		

Goal #3 – Help Grow Key Sectors of the Richmond Economy.					
Strategies and Actions	Lead Group	Results Expected	Timeframe		
			2002	2003	2004
A. Encourage more value-added production and processing of agricultural products in Richmond.	Business Liaison & Development	Attraction of more value-added processing over time.	X	X	X
B. Participate in implementation of the recommendations of the 2021 Agricultural Viability Strategy to ensure the economic benefits to Richmond are maximized.	Urban Development	Economic development benefits are maximized for the City as implementation proceeds.	X	X	X
C. Ensure all pertinent economic development issues are addressed in creating the new Accord (underway) between the City and VIAA.	Urban Development	Economic development issues included in Accord.	X		
D. Support the VIAA in its efforts to lobby for changes to Canada's air policies, including securing Fifth Freedom rights and the opening up of the air cargo market.	CAO and Council	Support strategy created and implemented by City.	X		
E. Support the VIAA in its efforts to renegotiate the terms of its rent agreement with the Federal government.	CAO and Council	Support strategy created and implemented by City.	X		
F. Encourage the development of the Fraser Richmond port lands as a key component of the City's industrial strategy.	Urban Development	Accelerated development of Fraser Richmond lands.	X	X	X
G. Establish new Accords with Fraser River Port Authority (underway) and the North Fraser River Port Authority that include consideration of economic development issues.	Urban Development	Economic development issues included in Accords.	X	X	
H. Create a larger supply of readily available Business Park Industrial (13) land to meet future demand from high technology and other businesses.	Urban Development	Larger supply of 13 land brought on stream in City.	X	X	X
I. Promote the advantages of Richmond as a location for high technology businesses of all sizes and types.	Business Liaison & Development	Continued attraction of large share of region's high technology industry.	X	X	X
J. Encourage partnerships between high technology businesses in Richmond and research and educational institutions such as Discovery Parks, UBC, BCIT and Kwantlin.	Business Liaison & Development	More partnerships created.	X	X	X
K. Continue to evaluate opportunities for the proposed Richmond Trade & Exhibition Centre to contribute to the City's economic development.	Tourism Richmond	Full range of opportunities identified and feasibility determined.	X		
L. Adopt a policy stating that the City is "film friendly" and supports the industry operating in the community.	Business Liaison & Development	Adoption of film industry policy by Council.	X		

Goal #3 – Help Grow Key Sectors of the Richmond Economy (...continued).				
M. Create a film location inventory for Richmond, particularly municipal properties, and provide to the BC Film Commission for its library.	Business Liaison & Development	Inventory created and provided to BC Film Commission.	X	
N. Review City regulations and fee schedules for the film industry.	Business Liaison & Development	Regulations and fees reviewed and amended as appropriate.	X	
O. Encourage more value-added fish processing in Richmond.	Business Liaison & Development	Attraction of more value-added processing over time.	X	X
P. Support expansion of the local fishing industry into new fish species and products, including at Steveston Harbour.	Business Liaison & Development	Continued diversification of local fishing industry.	X	X
Q. Support BCI and Kwantlen University-College in their efforts to secure Provincial government funding for expansion.	CAO and Council	Support strategy created and implemented by City.	X	
R. Help facilitate a closer working relationship between Kwantlen University-College and the Richmond business community.	Business Liaison & Development	More interaction between Kwantlin and local businesses.	X	X
S. Promote Richmond's health care system and post-secondary educational institutions as advantages of locating in the City.	Business Liaison & Development	More focus on the education and health care systems as contributors to Richmond's economic development.	X	X

Linkages Between Richmond's Strategic Actions and Greater Vancouver's Strategic Functions

The strategic actions set out in this plan are linked in various ways to the six strategic functions of Greater Vancouver identified in the Lower Mainland Employment Study, as discussed in Section IV under "Greater Vancouver's Economic Position". A matrix showing these linkages (excluding the strategic actions that are organizational in nature) is included in Appendix 4.

Linkages Between Richmond's Strategic Actions and Core Economic Development Services

The strategic actions set out in this plan are also linked to the seven core economic development services discussed in Section IX. A matrix showing these linkages (excluding the strategic actions that are organizational in nature) is included in Appendix 5.

XI. Performance Monitoring

This section identifies performance measures that can be used to track progress in achieving the Economic Development Goals. It incorporates and builds upon the livability/vibrancy indicators identified in Richmond's City Vision and Core Strategies.

Job Creation

- ◆ Statistics Canada labour force data.
- ◆ Industry surveys and profiles.
- ◆ Business license records.
- ◆ Survey of Richmond employers.
- ◆ Top 5 sectors that employ Richmond residents.
- ◆ Top 5 employment sectors (by number of employees).
- ◆ Live-work ratio.

Retention of Existing Businesses

- ◆ Business license records.
- ◆ Commercial and industrial floor space vacancy rates.
- ◆ Number of business bankruptcies.

Attraction of New Businesses and Investment

- ◆ Business license records.
- ◆ Survey of Richmond businesses.
- ◆ Annual building permit values (residential, commercial, industrial).
- ◆ Number of square feet of new commercial and industrial space developed and leased.
- ◆ YVR passenger and cargo volumes.
- ◆ Fraser Port and Port North Fraser cargo volumes.
- ◆ Property tax rates.

- ◆ Total and per capita retail sales.

Increased Tourism

- ◆ Annual visitor statistics.
- ◆ Visitor survey.
- ◆ Survey of accommodation sector and tourism attraction operators.

Expansion of Tax Base

- ◆ Building permit data.
- ◆ BC Assessment Authority assessed land values.

Film Industry Activity

- ◆ Film permits issued annually.
- ◆ Filming days in Richmond.
- ◆ Richmond residents employed in film sector and annual payroll.

Economic Well-Being

- ◆ Household income (average and median).
- ◆ Percentage of Richmond residents receiving Basic BC Benefits and Employment Insurance.
- ◆ Education levels.

Much of this information is already routinely collected by the City. It needs to be organized in a database that allows tracking over time in order to identify trends and issues specifically as they relate to economic development initiatives and goals.

XII. Conclusion

The City of Richmond has a large and diverse economy. Even if Richmond does nothing to actively promote economic development, the City will continue to grow simply because it is part of an expanding metropolitan region of over two million people.

However, without a proactive and highly focused approach to economic development that recognizes market trends and business needs, there are no guarantees that Richmond will attract the types of opportunities that will make a contribution to the City's vision and goals. Other communities have implemented economic development strategies targeting many of the same sectors that are driving Richmond's growth.

The City must be aggressive in targeting opportunities, promoting its strengths and ensuring that it maintains an environment supportive of economic development. It cannot do this alone. Partnerships and collaboration with other organizations are a critical part of maximizing the benefits. The City can play a leadership role in identifying opportunities, facilitating development, investment and collaborations, and creating an environment that is supportive of economic development. These are all important ingredients in allowing the City of Richmond to realize the recommended Economic Development Vision:

To be the acknowledged leader in economic development among Greater Vancouver municipalities, with a diversified economy that contributes to Richmond's quality of life by retaining existing businesses, attracting new businesses and investment, supporting employment opportunities suited to the resident population, and increasing City revenues.

Appendix 1 – Contacts and Interviews

Rick Antonson, Tourism Vancouver
 Lisa Bailey, CB Richard Ellis
 Doug Bastin, Grant Thornton Management Consultants
 David Baxter, Urban Futures Institute
 Jim Bruce, City of Richmond
 Cathy Carlile, City of Richmond
 Suzanne Carter-Huffman, City of Richmond
 Ron Climenhaga, Richmond Health Services Society
 Tom Corsie, Fraser Port
 Linda Coyle, Kwantlin College
 Terry Crowe, City of Richmond
 Jeff Day, City of Richmond
 Mark DesRochers, BC Film Commission
 Jim Dickson, Canadian Imperial Bank of Commerce
 George Duncan, City of Richmond
 Joe Erceg, City of Richmond
 David Egan, PricewaterhouseCoopers
 Jane Fernyhough, City of Richmond
 Marcia Freeman, City of Richmond
 Chuck Gale, City of Richmond
 Florence Gordon, Richmond Chamber of Commerce
 Lawrence Green, Royal LePage
 Gordon Hardwick, BC Film Commission
 Lois Hourston, Tourism Richmond
 David Huffer, Vancouver International Airport Authority
 Kari Hultala, City of Richmond
 George Hunter, BC Technology Industries Association
 Paul Kariya, Fisheries Renewal BC
 Sophie King, Urban Development Institute
 John Korenic, Vancouver International Airport Authority
 Jonathan Lazar, Mapleleaf Properties
 Carol Liber, Tourism Richmond
 Glen MacRae, North Fraser Port
 Don Matthew, Richmond Chamber of Commerce
 Dave McClelland, City of Richmond
 Mark McLean, Richmond Vancouver Health Board
 Kevin Meikle, Royal LePage
 Dave Mitchell, British Columbia Institute of Technology
 Ken Morris, Richmond School District
 Stu Morrison, Royal LePage
 Anne Murray, Vancouver International Airport Authority
 Michael Naylor, City of Vancouver
 Brian Nosko, Colliers/ Lansdowne Shopping Centre
 Ralph Perkins, GVRD Planning and Development Services

Gord Petrie, O&Y Properties (formerly Cambridge Shopping Centres)
Cynthia Pyburn, CRI International Consulting
Bruce Richardson, CB Richard Ellis
Abe Sayson, CB Richard Ellis
Lani Schultz, City of Richmond
Kim Schuss, Dorsett Realty
Raymond Segat, Vancouver International Airport Authority
Graeme Silvera, National Association of Industrial and Office Properties
Ray Spaxman, Spaxman Consulting Group
Bob Thompson, Greater Vancouver Economic Partnership
Rob Tivy, Tourism Richmond
Angelo Tsakumis, Royal LePage
Kathryn Warren, Tourism Richmond
Victor Wei, City of Richmond
Ron Wratchko, Cadillac Fairview
Greg Yeomans, GVRD Planning and Development Services

Appendix 2 – Glossary of Terms

The following terms used in this report are explained for those not familiar with some of the terminology commonly used in economic development.

Economic Development – See discussion in Section II (page 4) of report.

Industry Sectors – refers to all sectors of a community's economy, regardless of the type of activity, and includes both goods producing and service industries.

Goods Producing Industries – those sectors of the economy involved in the production and processing of goods, including resource based industries (eg, fishing, agriculture, mining, forestry) and manufacturers.

Service Industries – those sectors of the economy involved in providing services, either to individuals or businesses, including sectors such as retail trade, professional and business services, and accommodation.

Labour Force – includes all people age 15+ who are either employed (full or part-time) or seeking employment.

Employed Labour Force – includes only those people age 15+ who are employed (full or part-time).

Resident Labour Force – residents of Richmond age 15+ who are employed (full or part-time) or actively seeking employment, regardless of where they are employed.

Richmond Employment / Richmond Jobs / Richmond Employment Base – jobs (full or part-time) located in Richmond.

Home-Based Businesses – businesses where the work is primarily conducted in the home, although it does not need to be exclusively confined to the home.

Appendix 3 – Tables

Table 1: Actual and Projected Populations *

	Richmond		GVRD		BC
	Population	Avg. Annual Growth Rate %	Population	Avg. Annual Growth Rate %	Avg. Annual Growth Rate %
1986	108,000	-	1,381,000	-	-
1991	127,000	3.5	1,603,000	3.2	2.5
1996	155,000	4.4	1,910,000	1.9	3.0
1997	159,000	2.6	1,949,000	2.0	2.0
1998	162,000	1.9	1,973,000	1.2	1.0
1999	164,000	1.2	1,991,000	0.9	0.6
2000	165,000	0.6	2,011,000	1.0	0.9
2011	188,000	1.3	2,393,000	1.7	1.6
2021 – BC Stats	203,000	0.7	2,741,000	1.5	1.4
2021 - LRSP	212,000	1.4	-	-	-

Sources: GVRD, BC Stats, Statistics Canada.

Table 2: Current and Projected Age of Population

Age Group	1996			2021		
	Richmond	GVRD	BC	Richmond	GVRD	BC
		%	%		%	%
0 to 4 years	8,300	6	6	8,700	4	5
5 to 19 years	30,800	21	20	28,500	14	14
20 to 44 years	58,800	39	41	63,400	31	34
45 to 64 years	34,700	23	21	59,700	29	29
65 years +	<u>16,200</u>	<u>11</u>	<u>12</u>	<u>44,700</u>	<u>22</u>	<u>19</u>
Total	148,800	100	100	205,000	100	100

Source: BC Stats, Statistics Canada.

Table 3: Historical Relationship Between Labour Force Participation Rates and Population (Labour Force to Population Multiplier)

	1981	1986	1991	1996
Richmond	1.8	1.7	1.8	1.9
GVRD	2.0	2.0	1.9	1.8
BC	2.0	1.9	1.9	1.9

Note: Includes both employed and unemployed residents.

Source: Statistics Canada.

* The City of Richmond has produced its own population estimate for 2000 (year-end) of 160,200, based on building permit data. The population estimates used by the GVRD and BC Stats have been used in Table 1 to ensure consistency in making comparisons with other years and geographic areas. These estimates are slightly higher than the official Canadian Census figures. They have been adjusted upwards by BC Stats to compensate for what is widely believed to be an undercounting of the population by the Census.

Table 4: Richmond Residents' Sector of Employment, 1996 (Labour Force Age 15+)

Industry Sector	Richmond Residents		GVRD Residents
		%	%
Primary industries, including agriculture	1,110	1	1
Manufacturing	7,450	10	10
Construction	4,020	5	7
Transportation and storage	5,490	7	5
Communication and other utilities	2,315	3	3
Wholesale trade	5,870	8	6
Retail trade	9,255	12	12
Finance and insurance	4,265	6	4
Real estate	2,190	3	3
Business services	6,825	9	9
Government services	2,550	3	4
Educational services	4,775	6	7
Health and social services	6,305	8	9
Accommodation, food and beverage services	6,125	8	8
All other	<u>8,210</u>	<u>11</u>	<u>12</u>
Total	76,765	100	100

Note: Includes both employed and unemployed residents. Some totals may not add exactly due to rounding.

Source: Statistics Canada.

Table 5: Richmond Residents' Occupations, 1996 (Labour Force Age 15+)

Occupation	Richmond Residents		GVRD Residents
		%	%
Management	9,405	12	10
Business, finance and administration	18,060	24	21
Natural and applied sciences	4,305	6	5
Health	3,345	4	5
Social science, education, government service and religion	4,035	5	7
Art, culture, recreation and sport	1,810	2	3
Sales and service	21,295	28	27
Trades, transport and equipment operation	8,075	11	12
Primary industry-specific	1,140	1	2
Processing, manufacturing and utilities and all other	<u>5,290</u>	<u>7</u>	<u>8</u>
Total	76,765	100	100

Note: Includes both employed and unemployed residents. Some totals may not add exactly due to rounding.

Source: Statistics Canada, 1996 Census

Table 6: Level of Schooling of Richmond Residents, 1996 (Population Age 15+)

Highest Level of Schooling Achieved	Richmond Residents		GVRD Residents	
		%		%
Less Than Grade 9	8,030	7		7
Grades 9-13	41,375	34		33
Without graduation	24,755	20		20
With graduation	16,620	14		13
Trades Certificate or Diploma	3,175	3		3
Other Non-University Education	30,090	25		27
Without certificate or diploma	8,500	7		7
With certificate or diploma	21,585	18		20
University	37,525	31		30
Without degree	15,865	13		13
With bachelor's degree or higher	<u>21,660</u>	<u>18</u>		<u>17</u>
Total	120,200	100		100

Source: Statistics Canada.

Table 7: Post-Secondary Education of Richmond Residents, 1996

Major Field of Study	Richmond Residents		GVRD Residents	
		%		%
Educational, recreational and counseling services	5,455	10		10
Fine and applied arts	2,615	5		6
Humanities and related fields	3,260	6		7
Social sciences and related fields	4,415	8		10
Commerce, management and business administration	15,505	28		24
Agricultural and biological sciences/technologies	2,475	5		5
Engineering and applied sciences	3,330	6		5
Engineering and applied science technologies and trades	9,220	17		19
Health professions, sciences and technologies	5,465	10		10
Mathematics and physical sciences	<u>2,590</u>	<u>5</u>		<u>4</u>
Total	54,335	100		100

Source: Statistics Canada.

Table 8: Jobs in Richmond by Industry Sector, 1991 and 1996*

Industry Sector	Jobs in Richmond				Change 1991-1996
	1991		1996		
		%		%	
Primary industries	1,510	2	1,090	2	(420)
Manufacturing	14,645	17	13,920	17	(725)
Construction	4,475	5	6,450	5	1,975
Transportation, storage, communication and utilities	15,745	19	17,420	19	1,675
Wholesale trade	7,690	9	9,305	9	1,615
Retail trade	10,945	13	11,760	13	815
Finance, insurance and real estate	5,310	6	6,450	6	1,140
Business services	5,215	6	8,110	6	2,895
Government services	2,580	3	2,225	3	(355)
Educational, health and social services	6,290	7	8,775	7	2,485
Accommodation, food and beverage and other services	<u>11,285</u>	<u>13</u>	<u>14,745</u>	<u>13</u>	<u>3,460</u>
Total	85,690	100	100,255	100	14,565

Sources: Statistics Canada and Greater Vancouver Regional District, The Employed Labour Force by Industry Sector and Place of Work in Metropolitan Vancouver January 1995 and The Employed Labour Force by Place of Work and Industry Sector in the Vancouver Census Metropolitan Area, 1996, October 1998.

* Some caution should be exercised in comparing the 1991 and 1996 employment figures in Table 8. The 1996 figures have been developed by GVRD Policy and Planning staff based on reworking of 1996 Census data to account for a large number of Greater Vancouver residents who were recorded as having no-fixed-place of work. This was especially prevalent in the construction and transportation sectors. It is possible that the 1996 employment estimate for Richmond is somewhat overstated as a result of allocating the no-fixed-place of work labour force. The 1996 Census figure for Richmond (ie, without including no-fixed-place of work employees) was 89,955.

Table 9: Jobs in Richmond by Occupation, 1996

Occupational Group	Jobs in Richmond	
		%
Management	11,340	11
Business, finance and administration	20,335	20
Natural and applied sciences	6,625	7
Health	2,635	3
Social science, education, government service and religion	4,420	4
Art, culture, recreation and sport	1,680	2
Sales and service	27,990	28
Trades, transport and equipment operation	17,850	18
Primary industry-specific	920	1
Processing, manufacturing and utilities	<u>6,460</u>	<u>6</u>
Total	100,255	100

Note: The jobs in each occupational group in 1996 have been adjusted upwards from Statistics Canada's figures by the consultants to account for workers with no-fixed-place of work using a similar methodology to that used by the GVRD in adjusting jobs by industry sector for 1996.

Source: Statistics Canada.

Table 10: Comparison of Richmond Residents' Occupations and Jobs in Richmond, 1996

Occupation	Richmond Residents		Jobs in Richmond		Difference
		%		%	
Management	9,405	12	11,340	11	1,935
Business, finance and administration	18,060	24	20,335	20	2,275
Natural and applied sciences	4,305	6	6,625	7	2,320
Health	3,345	4	2,635	3	(710)
Social science, education, government service and religion	4,035	5	4,420	4	385
Art, culture, recreation and sport	1,810	2	1,680	2	(130)
Sales and service	21,295	28	27,990	28	6,695
Trades, transport and equipment operation	8,075	11	17,850	18	9,775
Primary industry-specific	1,140	1	920	1	(220)
Processing, manufacturing and utilities	<u>5,290</u>	<u>7</u>	<u>6,460</u>	<u>6</u>	<u>1,170</u>
Total	76,765	100	100,255	100	23,490

Note: Some totals may not add exactly due to rounding.

Source: Statistics Canada.

Table 11: Employed Richmond Residents' Place of Work, 1996

Usual Place of Work		%
In City, at home	5,515	8
In City, outside home	<u>30,480</u>	<u>43</u>
Total in City	35,995	51
Vancouver	17,585	24
Burnaby	3,180	5
Delta	1,940	3
Surrey	1,275	2
All other (incl. no-fixed-place-of-work)	<u>10,775</u>	<u>15</u>
Total	70,750	100

Source: Statistics Canada.

Table 12: Richmond's Development Activity – Building Permit Values

	Total Building Permit Value (\$ 000's)	Share of GVRD Total (%)	Share of Richmond Total (%)			
			Residential	Commercial	Industrial	Other
1996	350,816	9.7	64	16	4	16
1997	293,905	8.5	39	37	20	4
1998	275,436	9.3	32	26	16	26
1999	153,491	5.8	53	28	12	7
2000	169,500	6.2	50	32	11	7

Sources: City of Richmond, GVRD.

Table 13: Greater Vancouver Average Industrial Land Prices – Quarter 2, 2001

	Land Value (000's per acre)	Warehouse Lease Rates (per sq. ft./annum)
North Shore	\$1,000 - \$1,300	\$6.75 - \$7.95
Vancouver	\$800 - \$1,200	\$5.50 - \$8.00
Burnaby	\$600 - \$1,000	\$5.00 - \$7.00
Richmond	\$475 - \$850	\$5.50 - \$7.00
Coquitlam	\$400 - \$650	\$5.00 - \$6.50
Delta	\$400 - \$650	\$5.50 - \$7.00
New Westminster	\$400 - \$600	\$4.50 - \$6.00
Surrey	\$400 - \$550	\$4.50 - \$6.50
Langley	\$350 - \$500	\$4.50 - \$6.50
Maple Ridge	\$250 - \$350	\$4.50 - \$6.00
Port Coquitlam	\$225 - \$400	\$4.50 - \$5.95
Abbotsford	\$175 - \$450	\$3.50 - \$5.00

Source: Royal LePage.

Table 14: Greater Vancouver Commercial Land Prices – 2000 / 2001

	<u>per sq. ft</u>		<u>per sq. ft</u>
Vancouver Downtown		Richmond	
Georgia Street	Up to \$600	City Centre (No. 3 Road)	\$60 - 120
Robson Street	Up to \$1,000	Non-City Centre	\$18 - 40
Burrard Street	\$200 - 600	North Vancouver	
Hornby / Howe Street	\$200 - 500	Lonsdale	\$125 - 200
Downtown South	\$100 - 200	Marine Drive	\$100 - 200
Davie Street	\$125 - 175	West Vancouver	
Denman Street	\$200 - 325	Ambleside	\$150 - 200
Vancouver Other		Dundrave	\$150 - 200
South Granville	\$175 - 200	Coquitlam	
Broadway West	\$150 - 225	North Road	\$20 - 35
Broadway East	\$100 - 150	Lougheed	\$20 - 35
East Hastings	\$50 - 70	Port Coquitlam	
Kingsway	\$50 - 100	Shaughnessy	\$20 - 35
Main / Fraser / Victoria	\$40 - 100	Port Moody	
Burnaby		St. Johns Street	\$15 - 40
Kingsway (Metrotown)	\$75 - 120	Surrey	
Kingsway (East of Metrotown)	\$30 - 60	Whalley / Guildford	\$18 - 35
East Hastings	\$35 - 80	Newton / Fleetwood	\$14 - 25
New Westminster		White Rock	
Columbia Street	\$60 - 90	Marine Drive	\$30 - 75
6th Street	\$90 - 100	Town Core	\$18 - 35

Source: Real Estate Board of Vancouver.

Table 15: Richmond's Municipal Property Tax Revenue*

Property Class	1996		2000		Change	
	(000's)	(%)	(000's)	(%)	(000's)	(%)
Residential	\$38,866	54	\$44,584	50	\$5,718	15
Commercial (Business)	29,963	41	40,663	45	10,700	36
Industrial-Light	2,472	3	2,674	3	202	8
Industrial-Major	763	1	834	1	71	9
All Others	<u>661</u>	<u>1</u>	<u>784</u>	<u>1</u>	<u>123</u>	<u>19</u>
Total	\$72,725	100.0	\$89,539	100.0	\$16,814	23

*Includes taxes collected for general and debt purposes.

Source: City of Richmond.

Table 16: Comparison of Municipal Property Tax Rates - 2000*

Municipality	Commercial	Light Industry
Abbotsford	12.63	14.02
Burnaby	12.82	12.88
Chilliwack	12.68	10.71
Coquitlam	17.57	18.97
Delta	12.43	14.41
Langley City	11.21	11.21
Langley District	11.43	14.13
Maple Ridge	12.00	13.39
New Westminster	17.77	31.03
North Vancouver City	10.09	20.85
North Vancouver District	10.55	22.76
Pitt Meadows	12.68	19.78
Port Coquitlam	13.96	21.67
Port Moody	12.44	26.18
Richmond	9.93	12.54
Surrey	9.52	9.52
Vancouver (averaging)	14.87	14.94
Regional Average	12.62	17.00

*Rates per \$1,000 of assessed value. Includes taxes collected for general and debt purposes.

Source: Ministry of Municipal Affairs.

Table 17: Comparison of Current Municipal Development Cost Charges

Municipality	Commercial (\$ per square meter)	Industry (\$ per hectare)
Abbotsford	50.12	90,837
Burnaby	none	none
Chilliwack	15.96	107,600
Coquitlam	45.96	209,918 - 460,931
Delta	26.81	98,784
Langley City	9.47 - 21.41	46,436
Langley District	50.33	113,800
Maple Ridge	12.25	44,565
New Westminster	45.08	0 - 1,158,329
North Vancouver City	57.35	168,135
North Vancouver District	37.64	137,490
Pitt Meadows	16.70	114,185
Port Coquitlam	40.34 - 179.36	43,283 - 161,561
Port Moody	11.94	51,981
Richmond	11.08 - 28.19	67,201 - 162,333
Surrey	34.76	104,902

Source: Ministry of Municipal Affairs

Table 18: Vancouver International Airport Traffic Volumes

	1990	2000	2015 Projection
Passengers	9,544,300	16,066,851	22,000,000
Cargo (in and out) Metric Tonnes	141,174	251,771	452,000

Source: YVR Vistas.

Appendix 4. Strategic Actions / Strategic Functions Matrix

The following matrix shows the linkages between Richmond's economic development strategic actions (excluding the strategic actions that are organizational in nature) and the six strategic functions of Greater Vancouver, which include:

1. Gateway: an extensive transportation system (air, road, rail, port) that supports and attracts a wide range of commercial and industrial activities.
2. Exchange: the region serves as an exchange center for information and capital.
3. Network: the gateway and exchange functions and large immigrant population in the region has created an extensive network of national and international contacts.
4. Central Place: the region is the dominant center of trade and higher order business activity in the province.
5. Production: while not a major manufacturing center, the region supports a wide array of production activities, many of the value-added and tied to other sectors of the economy (eg, agriculture, wood, technology).
6. Destination: the region's lifestyle, natural environment and cultural attractions have made it a popular tourist destination.

The areas where the linkages are strongest are marked with an "X".

Richmond Strategic Actions	Greater Vancouver Strategic Functions					
	Gateway	Exchange	Network	Central Place	Production	Destination
Host Richmond Economic Development Forum.		X	X			
Create a comprehensive Commercial Strategy for Richmond similar to the City's Industrial Strategy.				X		
Ensure that a rolling five-year supply of appropriately zoned commercial land is available in Richmond.				X		
Work with the commercial development industry to ensure Richmond is on top of commercial trends and issues affecting economic development.				X		
Continue to pursue the extension of rapid transit to Richmond as part of making City Centre more attractive for commercial and residential development.	X					
Create a larger supply of readily available industrial land to meet future demand from a wide variety of businesses.				X	X	

Continued...

Richmond Strategic Actions	Greater Vancouver Strategic Functions					
	Gateway	Exchange	Network	Central Place	Production	Destination
Complete the review of Richmond's DCC program and ensure that the issues raised for the industrial sector are given consideration as part of this process.				X	X	
Encourage more value-added production and processing of agricultural products in Richmond.					X	
Participate in implementation of the recommendations of the 2021 Agricultural Viability Strategy to ensure the economic benefits to Richmond are maximized.					X	
Ensure all pertinent economic development issues are addressed in creating the new Accord (underway) between the City and VIAA.	X					
Support the VIAA in its efforts to lobby for changes to Canada's air policies, including securing Fifth Freedom rights and the opening up of the air cargo market.	X					
Support the VIAA in its efforts to renegotiate the terms of its rent agreement with the Federal government.	X					
Encourage the development of the Fraser Richmond port lands as a key component of the City's industrial strategy.	X				X	
Establish new Accords with Fraser River Port Authority (underway) and the North Fraser River Port Authority that include consideration of economic development issues.	X					
Create a larger supply of readily available Business Park Industrial (I3) land to meet future demand from high technology and other businesses.				X	X	
Promote the advantages of Richmond as a location for high technology businesses of all sizes and types.				X		
Encourage partnerships between high technology businesses in Richmond and research and educational institutions such as Discovery Parks, UBC, BCIT and Kwantlin.		X	X			

Continued...

Richmond Strategic Actions	Greater Vancouver Strategic Functions					
	Gateway	Exchange	Network	Central Place	Production	Destination
Continue to evaluate opportunities for the proposed Richmond Trade & Exhibition Centre to contribute to the City's economic development.				X		X
Identify and develop additional attractions and events in Richmond, including arts and culture, heritage and recreational, that can be marketed to both tourists and Greater Vancouver residents.						X
Adopt a policy stating that the City is "film friendly" and supports the industry operating in the community.				X		
Create a film location inventory for Richmond, particularly municipal properties, and provide to the BC Film Commission for its library.				X		
Review City regulations and fee schedules for the film industry.				X		
Encourage more value-added fish processing in Richmond.					X	
Support expansion of the local fishing industry into new fish species and products, including at Steveston Harbour.					X	
Support BCIT and Kwantlen University-College in their efforts to secure Provincial government funding for expansion.		X	X			
Help facilitate a closer working relationship between Kwantlin University-College and the Richmond business community.		X	X			
Promote Richmond's health care system and post-secondary educational institutions as advantages of locating in the City.				X		

Appendix 5. Strategic Actions / Core Services Matrix

The strategic actions set out in this plan are also linked to the seven core economic development services discussed in Section IX. The following matrix shows these linkages. The areas where the linkages are strongest are marked with an "X".

Richmond Strategic Actions	Core Economic Development Services						
	Coordination	Research & Information	Communication	Marketing	Regulation/Licensing	Planning	Partnerships
Adopt Economic Development Strategic Plan, including Vision and Goals.	X					X	
Prepare a budget for the economic development function that reflects the resources needed for implementation	X					X	X
Create distinct Richmond brand image for economic development.				X			
Prepare and implement marketing plan for economic development.		X		X			
Secure appropriate resources to implement recommended strategies.	X					X	X
Host Richmond Economic Development Forum.			X			X	X
Create a comprehensive Commercial Strategy for Richmond similar to the City's Industrial Strategy.		X				X	
Ensure that a rolling five-year supply of appropriately zoned commercial land is available in Richmond.						X	

Continued...

Richmond Strategic Actions	Core Economic Development Services						
	Coordination	Research & Information	Communication	Marketing	Regulation/Licensing	Planning	Partnerships
Work with the commercial development industry to ensure Richmond is on top of commercial trends and issues affecting economic development.	X		X			X	
Continue to pursue the extension of rapid transit to Richmond as part of making City Centre more attractive for commercial and residential development.				X		X	
Create a larger supply of readily available industrial land to meet future demand from a wide variety of businesses.				X		X	
Complete the review of Richmond's DCC program and ensure that the issues raised for the industrial sector are given consideration as part of this process.					X		
Incorporate economic development performance measures into City's Vibrancy Indicators.		X					
Encourage more value-added production and processing of agricultural products in Richmond.	X			X			
Participate in implementation of the recommendations of the 2021 Agricultural Viability Strategy to ensure the economic benefits to Richmond are maximized.				X		X	

Continued...

Richmond Strategic Actions	Core Economic Development Services						
	Coordination	Research & Information	Communication	Marketing	Regulation/Licensing	Planning	Partnerships
Ensure all pertinent economic development issues are addressed in creating the new Accord (underway) between the City and VIAA.					X		X
Support the VIAA in its efforts to lobby for changes to Canada's air policies, including securing Fifth Freedom rights and the opening up of the air cargo market.			X				X
Support the VIAA in its efforts to renegotiate the terms of its rent agreement with the Federal government.			X				X
Encourage the development of the Fraser Richmond port lands as a key component of the City's industrial strategy.				X		X	X
Establish new Accords with Fraser River Port Authority (underway) and the North Fraser River Port Authority that include consideration of economic development issues.					X		X
Create a larger supply of readily available Business Park Industrial (I3) land to meet future demand from high technology and other businesses.				X		X	
Promote the advantages of Richmond as a location for high technology businesses of all sizes and types.				X			

Continued...

Richmond Strategic Actions	Core Economic Development Services						
	Coordinat- ion	Research & Information	Communic- ation	Marketing	Regulation/ Licensing	Planning	Partnerships
Support expansion of the local fishing industry into new fish species and products, including at Steveston Harbour.				X			
Support BCIT and Kwantlen University-College in their efforts to secure Provincial government funding for expansion.			X				
Help facilitate a closer working relationship between Kwantlin University-College and the Richmond business community.	X						
Promote Richmond's health care system and post-secondary educational institutions as advantages of locating in the City.				X			