



City of Richmond

Report to Committee

To: General Purposes Committee **Date:** February 24, 2003
From: Marcia Freeman **File:** 4150-04-01
Manager, Business Liaison & Development
Re: **Economic Development Strategic Plan Status Update**

Staff Recommendation

That staff, with input from the Richmond Economic Advisory Task Force and the City's Economic Development Strategy Team, be directed to review and update the Economic Development Strategic Plan to incorporate the issues reflected in this report.

Marcia Freeman
Manager, Business Liaison & Development

Att.

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ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER

Staff Report

Origin

At the General Purposes Committee meeting on February 3, 2003 staff presented a report which provided (i) a Business Liaison and Development and Business Licencing 2003 Work plan (ii) a job description for a contract Business Development Coordinator (iii) a 2002 Year in Review and (iv) a Status Report on the Implementation of the Economic Development Strategic Plan. Staff were directed as follows:

“That the report (dated January 29th, 2003, from the Manager, Business Liaison and Development), regarding the Business Licencing and Business Liaison and Development 2003 Work Plan, be referred to staff for report to the General Purposes Committee in one month’s time with a draft strategic plan, including budget implications”

This report responds to the referral motion of February 3, 2003 with a review of events since the approval of the City’s Economic Development Strategic Plan, and recommends actions that reflect Council’s latest consideration of the issue.

Analysis

In March of 2001 the City engaged the professional consulting services of Eric Vance and Associates to undertake a 3 Year Economic Development Strategic Plan. Over the next 10 months staff worked with the consultants conducting a detailed environmental scan and some 95 broad based consultative interviews with business, individuals, organizations, public sector agencies and members of Council. On March 11, 2002 the Economic Development Strategic Plan was endorsed (Resolution No. R02/5-7) and staff were requested to include: (i) The creation on a “blue ribbon” committee to develop the implementation strategies, and (ii) diversification to ensure that an economic climate was created for “good” and “bad” times which included businesses that did not solely rely on the Richmond market.

The approved strategic plan includes the following 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.”

Three goals were set out 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 recommended a number of strategic actions for implementation, with 31 strategic actions in total.

At the request of Council, an update of the Economic Development Strategic Plan was included in the Service Level Review report dated August 6, 2002. The update delineated the individual actions, departments responsible, results expected and the current status of each item.

Budget and Resources for Implementation of the Plan

The approved Economic Development Strategic Plan is supported by many departments within the City. As the plan was endorsed in the first fiscal quarter of 2002 with budgets and work programs already underway, individual departments, where possible, adjusted and harmonized their programs to incorporate as many of the strategies as were feasible. Several of the action items were already in existing work programs and in some cases work was previously underway when the plan was endorsed. For example: the pursuit of a Rapid Transit Extension and Building Approvals Department Review (Urban Development). In other cases, actions were budgeted for 2002 although the projects had not started before the strategy was endorsed. For example the Development Cost Charges Review (Finance and Corporate Services Department) and the Richmond Marketing Awareness Campaign (Business Liaison and Development).

At the end of 2002 as part of the 2003 budget process the Economic Development Strategic Plan goals and actions were reviewed. Outstanding items were evaluated and incorporated into the following years work plans. For example, the Policy and Planning Department included provisions for implementation of recommendations from the Agricultural Viability Strategy and for a Commercial Land Strategy. The Business Liaison and Development Department included a Marketing Plan for Economic Development and a Film Policy Review.

As of January 2003 the City was 10 months into the 3-year plan. Of the 31 actions set out, 20 items have been initiated, completed or are of an ongoing nature. 10 items are in 2003 work plans or pending budget approval and one item is currently under review as the Corporate Strategic Teams reorganize. (Appendix A shows the current status of the strategies and actions set out in the Economic Development Strategic Plan)

The Richmond Economic Advisory Task Force

One of the outstanding items was the formation of a “*Blue Ribbon Committee*” to provide public input into the economic development planning process. At the General Purposes Committee meeting on February 3, 2003 Council recommended that the “*Blue Ribbon Committee*” take the form an Economic Advisory Task Force and directed staff to develop a Terms of Reference and to promote public participation in the task force through news releases, direct mail and individual referrals. The closing date for application to the task force was February 28th and Council appointments are anticipated by mid-March.

The Task Force objectives outlined in the adopted Terms of Reference include providing:

1. A clear understanding of the City’s current economic climate.
2. Recommendations for further implementation of the City’s Economic Development Strategic Plan.
3. Expert advice to Council on key issues related to economic development (opportunities and constraints), including options and recommendations for priority actions.
4. Recommended benchmarks for measuring effectiveness of economic development initiatives.
5. Recommendations for soliciting ongoing economic advice from the community.

Council Term Goals and Priorities 2003 – 2005 – Economic Development Strategy Team

Based on a review of current issues and trends, discussions with Council members and input from staff, five top priority areas emerged as Council Term Goals. These priorities form the basis from which the City’s Corporate Plan will be updated, and subsequent City work programs aligned. The Corporate Plan proposes 7 Strategy Teams to address these priorities including one dedicated to economic development.

Council’s goal for the Economic Development Strategy Team is:

“To enhance the City’s economic well being and financial sustainability through initiatives that capitalize on the City’s waterfront, that diversify the City’s revenue sources, that attract, retain and grow desirable business and industry, and that promote community economic development benefits.”

Review and Update of the Economic Development Strategic Plan

Richmond has seen significant changes in its economic climate since initial work on the strategic plan began. Some of the more decisive influences include: a new Municipal government motivated to achieve its substantial term goals, a new Provincial government and its considerable changes to public policy, the distressing impacts of the events of 911, and the enormous opportunities that will be presented with a successful Olympic bid to name a few.

With the breadth and depth of expert advice on new economic opportunities and initiatives that will be provided by the Richmond Economic Advisory Task Force and the strategic planning and implementation support that will be available through the Economic Development Strategy Team, the opportunity to review and update the City's Economic Development Strategic Plan seems very timely.

To this end, staff believes a review and update of our current plan, to incorporate the many influences noted above, is very appropriate. To complete such a review, staff proposes the following:

1. Work with the newly formed Richmond Economic Advisory Task Force achieve objectives including options and recommendations on keys issues related to economic development.

Target Completion: March – September 2003

2. Work with the Economic Development Strategy Team to review progress on the existing strategic plan and investigate opportunities to work with the other 6 Strategy Teams to achieve Council Term Goals in economic development.

Target Completion: March – September 2003

3. With assistance from the Economic Development Strategy Team, and incorporating recommendations from the Richmond Economic Advisory Task Force, present a draft updated Economic Development Strategic Plan.


Target Completion: January 2004

Financial Impact

There is no financial impact to this report. However, any new initiatives resulting from work done by the Economic Development Strategy Team or recommendations from the Richmond Economic Advisory Task Force would be brought forward as part of Council's normal approval process.

Conclusion

The City must be aggressive in targeting opportunities, promoting its strengths and ensuring that it maintains an environment supportive of economic development. With expert advice from community and business leaders and sound planning, facilitation and implementation by City staff, Councils goal of enhanced economic well-being and financial sustainability can be achieved.



Marcia Freeman
Manager, Business Liaison & Development

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Economic Development Strategic Plan Implementation Program Status Update

Goal #1 – Position Richmond as a Distinct Community within Greater Vancouver					
Strategic Actions	Active Tasks	Lead Group	Results Expected	Budget Implications	Status
A. Adopt Economic Development Strategic Plan, including Vision and Goals.	Prepare report and present to committee for endorsement	Business Liaison & Development	Economic Development Strategic Plan adopted by Council	none	Completed Plan endorsed March 11, 2002
B. Prepare a budget for the economic development function that reflects the resources needed for implementation.	<p>For 2002:</p> <ul style="list-style-type: none"> • Review current budget and assign items which can be undertaken with existing resources <p>For 2003:</p> <ul style="list-style-type: none"> • Prepare budget for remaining Strategic Actions 	Business Liaison & Development	Budget prepared and adopted by Council Working from already adopted 2002 budget 2003 Budget and Workplan endorsed	none	Completed Initiated first 20 of 31 items from existing 2002 budget Pending Council approval
C. Create distinct Richmond brand image for economic development.	<ul style="list-style-type: none"> • Form steering committee, issue RFP, retain consultants • Conduct initial workshops and interviews • Review workshop analysis report • Receive design presentation • Final Campaign blueprint • Organizational roll-out 	Business Liaison & Development	Deliver a 'blueprint' for a differentiated positioning campaign that enhances the City's image as a highly desirable place to live, work and do business	\$30,000 from 2002 budget	Completed Completed Completed Completed Expected end of February Target completion end of March 2003

Economic Development Strategic Plan Implementation Program Status Update

Goal #1 – Position Richmond as a Distinct Community within Greater Vancouver

Strategic Actions	Active Tasks	Lead Group	Results Expected	Budget Implications	Status
<p>D. Prepare and implement marketing plan for economic development.</p>	<p>With completion of “Campaign Blueprint”:</p> <ul style="list-style-type: none"> • Plan & execute focused local/regional advertising designed to create a distinct “brand” image for Richmond • Develop industry – specific advertising and promotion to key sectors identified in the Economic Development strategic Plan. • Investigate further promotional opportunities and partnerships including trade shows, direct mail/email, familiarization tours, etc. 	<p>Business Liaison & Development</p>	<ul style="list-style-type: none"> • Increased level of awareness of the City of Richmond as a potential business location • Increased awareness and business activity in key market sectors • Increased involvement in partner-leveraged marketing and promotional activities 	<p>\$20,000 in 2003 budget</p>	<p>Target Completion Spring – Fall 2003</p>

Economic Development Strategic Plan Implementation Program Status Update

Goal #2 – Create a Municipal Regulatory Environment Supportive of Economic Development

Strategic Actions	Active Tasks	Lead Group	Results Expected	Budget Implications	Status
A. Secure appropriate resources to implement recommended strategies.	<ul style="list-style-type: none"> Prepare 2003 work plan to address outstanding actions in Economic Development Strategic Plan Prepare 2003 budget to address specific programs identified in work plan 	Business Liaison & Development	Budget (and work plan) prepared and approved by Council	All remaining actions addressed in the existing Business Liaison and Development Budget with the exception of 1. Commercial Land Strategy 2. Implementation of Agricultural Viability Strategies which are pending budget approval	Pending Council Approval
B. Host Richmond Economic Development Forum.	Forum proposed to take place in the form of an Economic Advisory Task Force <ul style="list-style-type: none"> Work with Council to develop terms of reference & objectives, and recruit members Form Task Force and undertake facilitated sessions to achieve objectives set out in terms of reference Report to Council 	Business Liaison & Development	Report to Council providing input, feedback and advice on economic development planning and ways to enhance and manage City resources to promote and encourage economic development for the short and long term	<ul style="list-style-type: none"> Marginal meeting expenses, stationery supplied, etc.) If external facilitator is retained, cost of approx. \$5,000 	March 2003 October 2003
C. Create a comprehensive Commercial Strategy for Richmond similar to the City's Industrial Strategy	<ul style="list-style-type: none"> Proposed funding for study in 2003 budget 	Urban Development	Commercial Strategy completed and approved by Council in 2004-5	Requested in 2004 to prepare study	November 2003 Pending Budget Approval
D. Ensure that a rolling five-year supply of pre-zoned commercial land is available in Richmond	Monitoring	Urban Development	Pre-zoning program developed and implemented	None	Ongoing

Economic Development Strategic Plan Implementation Program Status Update

Goal #2 – Create a Municipal Regulatory Environment Supportive of Economic Development					
Strategic Actions	Active Tasks	Lead Group	Results Expected	Budget Implications	Status
<p>E. Work with the commercial development industry through groups such as the International Council of Shopping Centres, Retail Council of Canada and Building Owners and Managers Association to ensure Richmond is on top of commercial trends and issues affecting economic development.</p>	<ul style="list-style-type: none"> • Work with local commercial business groups • Meet with Shopping Centre Managers (Lansdowne, Richmond Centre, Conway Richmond, etc.) to identify and address key issues 	Business Liaison & Development	Consultation and information gathering process developed and implemented	none	Ongoing
<p>F. Continue to pursue the extension of rapid transit to Richmond as part of making City Centre more attractive for commercial and residential development.</p>	Actively planning and assisting in this initiative	Urban Development	Rapid transit into Richmond to be determined	none	Ongoing
<p>G. Create a larger supply of readily available industrial land to meet future demand from a wide variety of businesses.</p>	Promoting a wide range of projects (e.g. FRPA, YVR)	Urban Development	<ul style="list-style-type: none"> • Continued implementation of Industrial Land Strategy • Larger supply of industrial land brought on stream 	Varies	Ongoing
<p>H. Complete the review of Richmond's industrial DCC program.</p>	Completed	Finance & Corporate Services	Review completed and appropriate changes implemented	Additional revenues to City	Complete (endorsed by Council)
<p>I. Incorporate economic development performance measures into City's Vibrancy Indicators.</p>	This item is pending reorganization for the City's strategic teams	Strategic Planning	Performance measures incorporated and tracked on regular basis	none	Under review

Economic Development Strategic Plan Implementation Program Status Update

Goal #3 – Help Grow Key Sectors of the Richmond Economy

Strategic Actions	Active Tasks	Lead Group	Results Expected	Budget Implications	Status
A. Encourage more value-added production and processing of agricultural products in Richmond.	Work with industrial real estate agents, Marketing and Trade department of Agriculture and Agri-Food Canada, existing food processing businesses and others to promote additional business activity in this sector. <ul style="list-style-type: none"> • Awaiting RAVS approval by Council • Establish Agriculture Advisory Committee 	Business Liaison & Development	Attraction of more value-added processing over time	Nominal Targeted advertising in 2003 budget	Ongoing (with recent successes like Que Pasa Mexican Foods and Yves Veggie Cuisine)
B. Participate in implementation of the recommendations of the 2021 Richmond Agricultural Viability Strategy (RAVS) to ensure the economic benefits to Richmond are maximized.	<ul style="list-style-type: none"> • Awaiting RAVS approval by Council • Establish Agriculture Advisory Committee 	Urban Development	Economic Development benefits are maximized for the City as implementation proceeds.	Varies annually	Pending budget approval
C. Ensure all pertinent economic development issues are addressed in the New Accord between the City and VIAA	New City – YVR accord can be drafted in 2003	Urban Development	A new accord in 2005. City's interest better protected.	none	<ul style="list-style-type: none"> • Not started • Awaiting city • FRPA outcome
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 & Council	Support strategy created and implemented by City		
E. Support the VIAA in its efforts to renegotiate the terms of its rent agreement with the Federal government		CAO & Council	Support strategy created and implemented by City		
F. Encourage the development of the Fraser Richmond port lands as a key component of the City's industrial strategy.	Actively servicing lands with FRPA	Urban Development	<ul style="list-style-type: none"> • Developed lands • Jobs 	As per agreements	Ongoing development

Economic Development Strategic Plan Implementation Program Status Update

Strategic Actions	Active Tasks	Lead Group	Results Expected	Budget Implications	Status
G. Create a larger supply of readily available Business Park Industrial (I3) land to meet future demand from high technology and other businesses.	<ul style="list-style-type: none"> Exploring opportunities with private sector and city owned land Exploring Eco-industrial initiatives 	Urban Development	Additional I3 land	None at the time	Ongoing
H. Promote the advantages of Richmond as a location for high technology businesses of all sizes and types.	<ul style="list-style-type: none"> Complete Richmond Marketing Awareness Campaign 	Business Liaison	Continued attraction of large share of region' high technology industry	Nominal. Targeted advertising in 2003 Budget	Targeted completion November 2003
I. Encourage partnerships between high technology businesses in Richmond and research and educational institutions such as Discovery Parks, UBC, BCIT and Kwantlen.	<ul style="list-style-type: none"> Exploring partnerships Participating in Eco-industrial Strategy 	Business Liaison and Urban Development	More partnership created	none	Target completion August 2003
J. Continue to evaluate opportunities for the proposed Richmond Trade & Exhibition Centre to contribute to the City's economic development.	<ul style="list-style-type: none"> Discussions with senior governments 	Urban Development TAG	DFO lands acquired by City	TBA	Negotiation
K. Adopt a policy stating that the City is "film friendly" and supports the industry operating in the community.	<ul style="list-style-type: none"> Conduct a review of existing film policy including a competitive analysis of municipalities in the region Solicit input from the BC Film Commission on how to build "film friendly" policies 	Business Liaison	Adoption of a Film Industry policy by Council	none	Target Completion September 2003
L. Create a film location inventory for Richmond, particularly municipal properties, and provide to the BC Film Commission for its library.	<ul style="list-style-type: none"> Explore opportunities to promote Richmond to the film industry, including the creation of a photographed location inventory for the Film commission Library 	Business Liaison	Inventory created and provided to BC Film Commission	\$3,000 in 2003 Budget	Target completion November 2003

Economic Development Strategic Plan Implementation Program Status Update

Strategic Actions	Active Tasks	Lead Group	Results Expected	Budget Implications	Status
M. Review City regulations and fee schedules for the film industry.	Conduct a review of existing film policy including a competitive analysis of municipalities in the region	Business Liaison	Regulations and fees reviewed and amended as appropriate	Potential new City revenues	Target completion June 2003
N. Encourage more value-added fish processing in Richmond.	Work with Trade Officers from Agriculture (Agri Food) Canada to promote fish processing business attraction	Business Liaison	Attraction of more value-added processing overtime.	none	Ongoing
O. Support expansion of the local fishing industry into new fish species and products, including at Steveston Harbour.		Business Liaison	Continued diversification of local fishing industry.	none	Ongoing
P. Support BCIT and Kwantlen University-College in their efforts to secure Provincial government funding for expansion.		Business Liaison	Support strategy created and supported by Council.	none	Ongoing
Q. Help facilitate a closer working relationship between Kwantlen University-College and the Richmond business community.	Facilitate working group between members of the business community and ups. from Kwantlen/BCIT to explore opportunities for partnership	Business Liaison	<ul style="list-style-type: none"> • More interaction between Kwantlen and local businesses; • More partnership created (labour market needs, mentoring, entrepreneurship programs, etc.) 	none	Target completion August 2003
R. Promote Richmond's health care system and post-secondary educational institutions as advantages of locating in the City.	Include promotion of Healthcare and Education in Economic Development Marketing Plan.	Business Liaison	More focus on the education and health care system as contributors to economic development	Marginal (in Marketing Plan)	Included in 2003 Marketing Plan