



City of Richmond

Report to Committee

To: Finance Committee **Date:** March 13, 2017
From: Andrew Nazareth **File:** 08-4150-01/2017-Vol
 General Manager, Finance and Corporate 01
 Services
Re: **Resilient Economy Strategy (2014-2019) – Mid-Term Report and Proposed Initiatives**

Staff Recommendation

- 1) That the proposed additional work program for 2017-2018 towards fulfillment of the City's Resilient Economy Strategy, as described in the staff report dated March 13, 2017, from the General Manager, Finance and Corporate Services, be endorsed; and
- 2) That staff be directed to further develop new initiatives specifically related to industrial and new office development, and report back to Council.

Andrew Nazareth
 General Manager, Finance and Corporate Services
 (604-276-4095)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Development Applications	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
Business Licenses	<input checked="" type="checkbox"/>	
Major Events & Filming	<input checked="" type="checkbox"/>	
Intergovernmental Relations & Protocol	<input checked="" type="checkbox"/>	
Sustainability	<input checked="" type="checkbox"/>	
Real Estate	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

In 2014, the City of Richmond adopted the Resilient Economy Strategy 2014-2019 (the Strategy), an action plan developed under the framework of Chapter 6.0 – Resilient Economy of the City of Richmond Official Community Plan 2041. The Strategy further supports multiple near-term City priorities and objectives, including:

- a) Direct support of Council’s 2014-2018 Term Goal #8 Supportive Economic Development Environment:

Review, develop and implement plans, policies, programs and practices to increase business and visitor appeal and promote local economic growth and resiliency.

8.2. Opportunities for economic growth and development are enhanced.

- b) Indirect support of Council’s 2014-2018 Term Goals #4 Leadership in Sustainability and # 5 Partnerships and Collaboration:

4.1. Continued implementation of the sustainability framework – a resilient local economy is one of the pillars of the City’s sustainability framework.

5.2. Strengthened strategic partnerships that help advance City priorities – a number of economic development initiatives are implemented through partnerships with senior governments, business organizations and other partners.

The Strategy was developed through a participative process, under the stewardship of Council’s Economic Advisory Committee (EAC) and with engagement of a broad spectrum of business stakeholders and the broader Richmond community. Strategy implementation has been managed through departmental work plans with periodic Council updates, such as Council Term Goals annual reporting and the City’s annual report, or as action items are completed.

This report provides:

- I. Resilient Economy Strategy Implementation Update
A mid-term update on implementation of the Strategy, including initiatives and accomplishments over the 2014-2016 period.
- II. Current Economic Trends
Brief analysis of trends associated with business and the Richmond economy.
- III. Proposed 2017-2018 Work Plan and Priorities
Proposed ongoing and new initiatives for the 2017-2018 period.

Further, the report provides input from the Richmond Economic Advisory and a discussion on recommended project priorities for the 2017-2018 period.

Analysis

Resilient Economy Strategy Background

The overarching purpose of the Strategy is to retain fundamental sectors of the Richmond economy and grow sectors well suited to Richmond's infrastructure, workforce and other labour assets. It was developed with emphasis on actions that: can be undertaken by the City (with appropriate partnerships); enable a diversified economy while focusing on Richmond's growth potential industries, such as goods movement, transportation, tourism and technology; and concentrate on implementing a few high priority initiatives.

A fundamental characteristic of the Strategy is that it defines Richmond as a "resilient" economy that is capable of withstanding economic shocks. Acknowledging Richmond's role as the gateway for global trade within a growing Metro Vancouver region, the Strategy identifies the following three aspects to maintaining the community's economic resilience:

1. Retention and growth of existing employers, as represented by the City's commercial and industrial tax base and jobs, which enable the City to provide residents with services and amenities;
2. A steady share of regional employment in the sectors in which Richmond has a regional competitive advantage; and
3. A diversified economy which reduces Richmond's exposure to volatility in economic or environmental conditions.

Economic Goals

There are two overarching Strategy goals that guide economic development initiatives for the City:

1. Increase Richmond's attractiveness for businesses across a diversified range of sectors and strengthen sectors of strategic importance to Richmond's local economy that have substantial potential for growth in employment and tax base.
2. Continue to grow the employment base to maintain Richmond's share of total regional employment at its historic level of 10%, targeting a larger share of regional employment (10%) than regional population (8%).

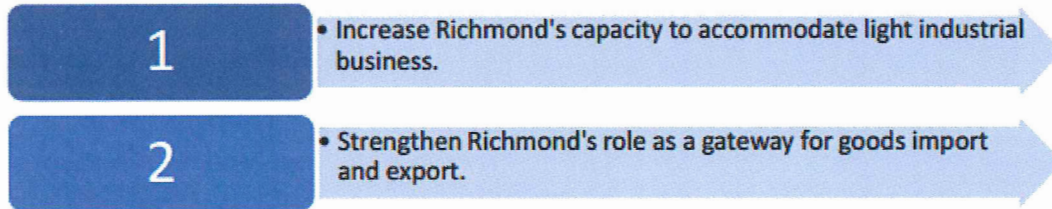
Major Strategies

The City is currently actioning nine main strategies to achieve the Resilient Economy Strategy goals. These are:

- 1 • Increase Richmond's capacity to accommodate light industrial business.
- 2 • Strengthen Richmond's role as a gateway for goods import and export.
- 3 • Increase the tourism sector in Richmond.
- 4 • Retain and support existing businesses.
- 5 • Increase Richmond's appeal as a Regional office centre.
- 6 • Support economic diversity, small business opportunities, and localization.
- 7 • Invest in stronger relationships with senior governments.
- 8 • Cooperate with the rest of the Region.
- 9 • Maintain a high quality of environment, life, and public services.

I. Resilient Economy Strategy Implementation Update

A number of programs and projects have been initiated to action the nine core focus areas of the Resilient Economy Strategy. This section of the report provides a summary of projects and accomplishments under each of the nine strategies launched since the Resilient Economy Strategy was adopted in 2014, including key deliverables and outcomes to date.



A. Industrial Land Inventory Completed

Richmond collaborated with Metro Vancouver to produce the Industrial Land Inventory 2015 report. Key findings include:

- Richmond has a total of 1765 hectares of industrial land (Metro Vancouver definitions include mixed employment with industrial components).
- 1458 hectares or 80% of Richmond’s industrial land is developed .
- 307 hectares of industrial land are “vacant” (includes 170 hectares under management and/or ownership of the Vancouver Airport Authority, the Port of Vancouver, the City of Richmond).

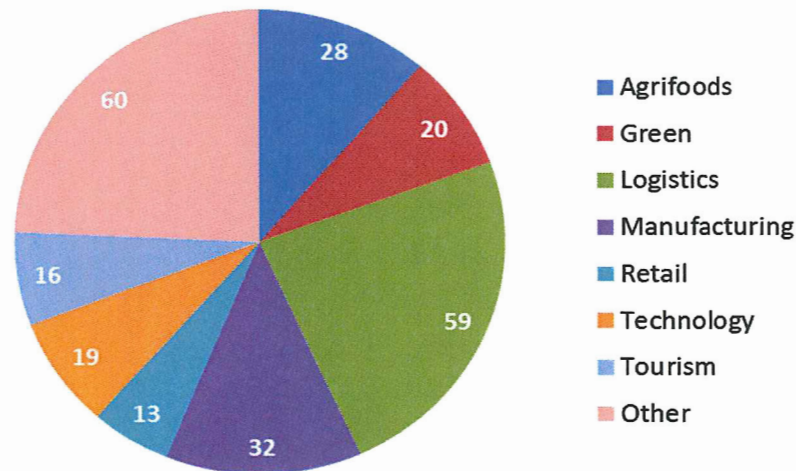
B. Riverside Employee Transportation Initiative

- Staff engaged Riverside area businesses to explore near term solutions to address their top business concern – employee access to work.
- A pricing/cost share model for a shuttle pilot was developed by a private operator with input from a champion group of four major Riverside businesses; shuttle pilot implementation has been stalled due to business concerns over cost.
- A major outcome of this initiative was increased awareness of Richmond businesses’ transportation challenges by TransLink, the Province of B.C., Metro Vancouver and other stakeholders. Medium and longer term solutions continue to be developed by the City and TransLink and include potential transit enhancements via the current work of the Southwest Area Transport Plan, as well as improvements to sidewalks, lighting, shelters and hard landing surfaces at bus stops via the City’s Transportation Department capital improvement programs.

C. One-on-one Business Development Services

Approximately 2/3 of clients of the City’s Business Development Program, administered by Economic Development, are in sectors utilizing industrial land, including Agrifoods, Green, Logistics, Manufacturing and Other sectors, as illustrated below.

Clients of the Richmond Business Development Program by Sector



3 • Increase the tourism sector in Richmond.

A. New Tourism Partnership Model Implemented

- Established new governance model and City representation at the Richmond Tourism Association (Tourism Richmond) Board of Directors.
- Developed partnership with the Richmond Hotel Association.

B. Municipal and Regional District Tax Increased to 3%

- Secured an estimated \$21 million investment in Richmond’s tourism sector over the 2017-2022 period from the 3% MRDT.
- \$5.1 million of MRDT revenue to be invested in City-led initiatives and programs, such as Sport Hosting, the Richmond Olympic Experience and the Britannia Shipyards National Historic Site.

C. Ongoing Investment in Tourism Growth

Richmond hotel revenues were at an all-time high \$190 million, and hotel occupancy was the highest in Canada at 83%, as of November 2016. City investments in tourism product development contributed significantly to local tourism growth. Key projects to date include:

- Implementation of the City's Sport Hosting Program

Housed at the Richmond Olympic Oval, the Sport Hosting Program continues to deliver results for tourism and the community, generating 16,333 room nights in 2016, including 465 room nights secured through Sport Hosting Incentive Grant sponsored events.

- Launch of the Richmond Olympic Experience (ROX)

2015 marked the launch of ROX, the most interactive sports attraction in North America and the first North American member of the International Olympic Committee's global Olympic Museums Network. In only one year of operation, ROX attracted 19,000 visitors from 40+ countries, 58 corporate events, 117 educational program bookings and over 7,000 student visits and 21 public programs. The ROX greatly enhanced the tourism offerings of the Richmond Olympic Oval, which placed as the 4th highest ranking attraction in Metro Vancouver in 2016, ahead of such local icons as Science World and the PNE.

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- Retain and support existing businesses.

A. Business Development Program

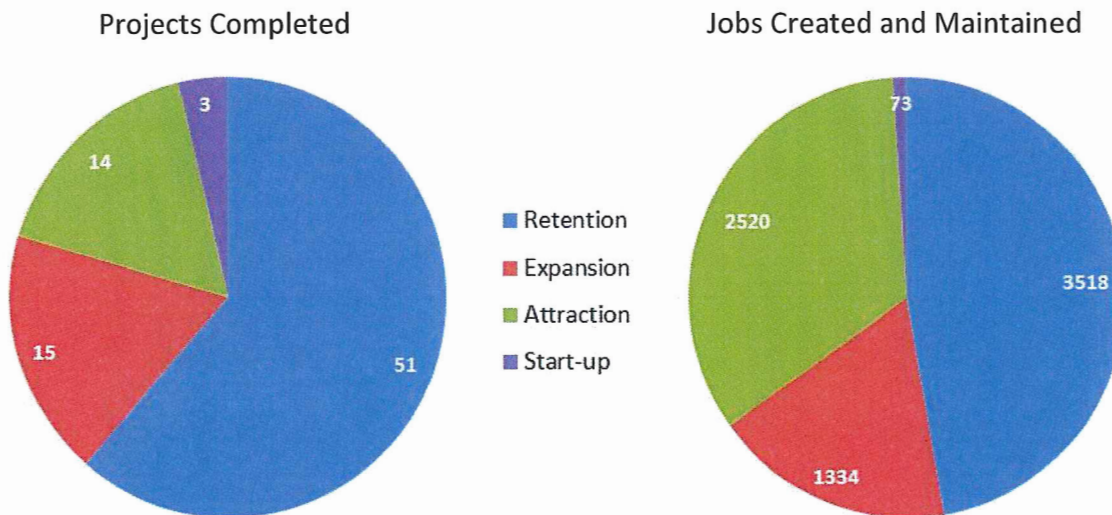
Launched in 2013, the City's Business Development Program builds business relationships and provides custom business trouble-shooting for Richmond businesses in key sectors. The program helps businesses:

- ✓ Navigate municipal processes, permits and licenses
- ✓ Hire and retain talent
- ✓ Find a business location
- ✓ Conduct market research
- ✓ Access funding and incentives
- ✓ Expand locally and internationally
- ✓ Commercialize a new product

- ✓ Get involved in the community
- ✓ Promote successes

Since its launch in 2013 to date, the program has engaged 240 unique clients on 270 business retention, expansion, attraction and start-up projects. 83 of the 270 Business Development Program projects have been completed to date, directly impacting the retention and creation of 6,775 jobs.

Richmond Business Development Program



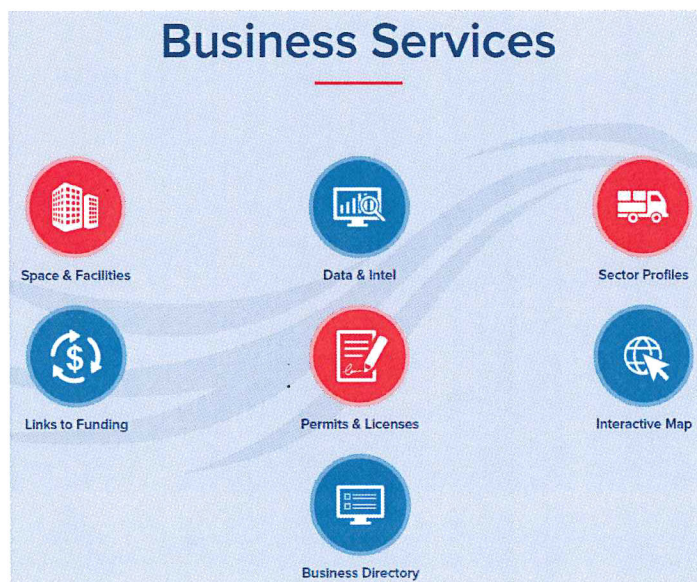
B. Business Engagement Portal

The City’s Business Engagement Portal is an online platform that delivers content and services to businesses, as well as engagement with business clients through a robust social media platform. Key components include:

- www.businessinrichmond.ca – the City’s business services and information portal was re-designed, updated to include a mobile version and re-launched in 2016. In the first 6 months, it generated the following results:
 - ✓ Increased new users (+33%)
 - ✓ Increased visitors (+47%)
 - ✓ 8,100+ pages accessed (+25% increase)
 - ✓ Bounce rate (-10% decrease) – visitors stay on the website after landing
 - ✓ Mobile more than doubling from 7% to 15% of total sessions
- Social media engagement – the City maintains active Economic Development social media channels, with a targeted audience of businesses and partners, including:

- ✓ 1969 followers of the @RichmondEDO account on Twitter
- ✓ 218 page likes of the RichmondEconomicDevelopment page on Facebook (launched in 2016 and growing)
- ✓ 700 subscribers of the Business in Richmond monthly e-newsletter (#RichmondBiz)
- Online self-serve tools for businesses – allow businesses to:
 - ✓ Search for facility space
 - ✓ Locate funding sources
 - ✓ View comprehensive profiles of Richmond’s key industries
 - ✓ Determine permitting and licensing requirements
 - ✓ Gather research and data
 - ✓ Directly access the City’s current online business directory
 - ✓ Directly access the City’s GIS search tool

Businessinrichmond.ca Online Tools



C. Sustainability Programs – energy programs for existing Richmond businesses:

- Building Energy Challenge – a friendly competition that reduced greenhouse gas emissions by 12% from 95 buildings comprising 7 million square feet of space
- ClimateSmart for Business Program – 13 businesses participated in 2016 to receive training and supportive tools

- Efficient Water Fixtures Program – delivered in 2016 that will save small food service businesses \$220,000 in utility costs each year.

5 • Increase Richmond's appeal as a Regional office centre.

A. Focus on City Centre

Development in Richmond’s City Centre is centered around the concept of complete communities where people can live, work and play. Rapid transit accessibility and multitude of public and private amenities designate City Centre as the logical place to establish a regional office center in Richmond. To that effect, staff continue to:

- Facilitate ongoing, grass roots introductions between companies and developers in the City Centre, with a goal to stimulate introduction of job-generating office space
- Implement the City Centre Area Plan (CCAP) Village Centre Bonus and other CCAP tools to encourage office as part of mixed-use development proposals

B. Enhancements in Richmond’s Office Parks

- Implemented accessibility and amenity improvements in business parks, including sidewalk and bus stop improvements and addition of food retailers
- Ongoing one-on-one support to business park managers, tenants and prospects through the Business Development Program

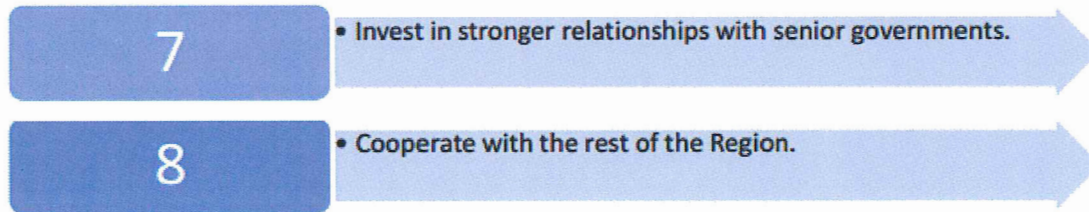
6 • Support economic diversity, small business opportunities, and localization.

A. Ongoing Small Business Support

- The City’s Business Development Program – 3/4 of clients are classified as small business, with 50 employees or less
- Linkage of local business to City opportunities in traffic management services and products, information technology and other areas of City business

B. Richmond Film Office – consistent record years:

- One-stop service and localization through location filming
- Record 276 filming days in Richmond in 2016
- Record local spend and nearly \$28 million in wages for 2016
- \$500,000 generated in service fees and location charges in 2016

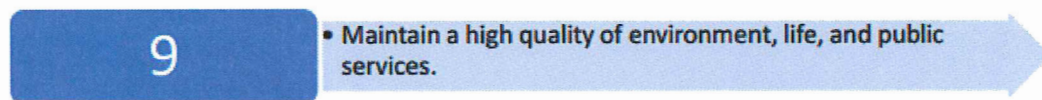


A. Intensified Senior Government Partnerships

- ✓ Joint business development visits with Global Affairs Canada
- ✓ Export development with B.C. Ministry of International Trade

B. Increased Regional Cooperation

- ✓ Implementation of the Metro West Inter-Municipal Mobile Business License
- ✓ Participation in the Metro Vancouver Regional Prosperity Initiative
- ✓ Hosting of joint regional partner events, such as the China Export Forum in partnership with the Canadian Manufacturers and Exporters (2014), the regional CleanTech Expo in partnership with the City of Surrey, and the Smart Regions and Airports conference, in support of YVR and Tourism Richmond.



A. Economic Research/Expertise to Internal and External Stakeholders

- Publication of quarterly economic indicators and reports
- Council Term Goals and City budget process economic forecasting
- Ongoing business engagement in public consultations

B. Integrated Business Perspective in Community Life

- Industrial/commercial development applications input
- Mobile vendors and night markets administration
- Business linkages for sponsorships and City events

II. Current Trends

This section of the report provides a high-level summary of both global and local trends that impact local businesses and highlight opportunities for future implementation of the Resilient Economy Strategy.

1) Global Trends

Overall economic trends that will be impacting the global economic and business climate over the next few years include:

- Ongoing downside risks to global growth
- Uncertainty in global trade due to trade policies
- Improved growth outlook for advanced economies
- Continued slowdown in China and emerging economies
- Canadian interest rate to remain low (currently at 0.5%)
- US/EUR interest rates continue gradual upward movement
- Commodity prices continue gradual recovery
- Canadian dollar around 75 US cents

2) Regional/Local Trends

Regional/local long term trends that will be impacting the local economy and Richmond businesses over the next few years include:

A. Population, Housing and Jobs

- Ongoing population, housing and jobs growth, at a slowing pace since 1996
- Slower jobs than population and housing growth since 1996

Richmond Population, Housing and Job Growth 1996 to 2016*

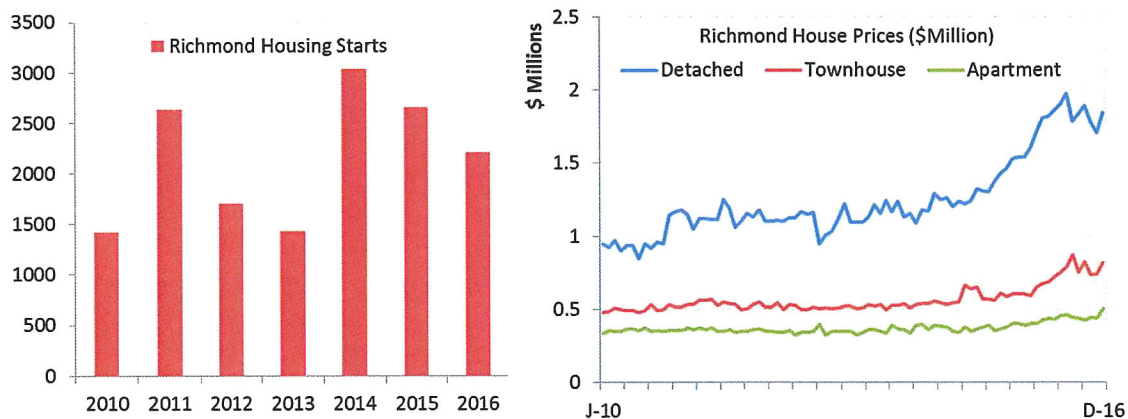
Indicator	1996	2001	2006	2011	2016
Population	148,867	164,345	174,461	190,473	198,309
Total Private Dwellings	50,925	58,272	64,367	71,170	77,478
Jobs	89,955	104,530	108,095	109,945	n/a
% Change	1996-2001	2001-2006	2006-2011	2011-2016	All periods
Population	10.4%	6.2%	9.2%	4.1%	33.2%
Total Private Dwellings	14.4%	10.5%	10.6%	8.9%	52.1%
Job Growth	16.2%	3.4%	1.7%	n/a	22.2%

* Job figures from 2016 National Household Survey available in November 2017

B. Development Activity

- A mild correction and slowing of housing starts and prices
- Opportunity for investment in commercial development

Richmond Housing Starts and House Prices 2010 to 2016



C. Tourism and Trade

- Lower Canadian dollar will prolong record-setting years for the tourism sector
- Global trade will maintain levels, preventing drastic trade policy changes in the United States

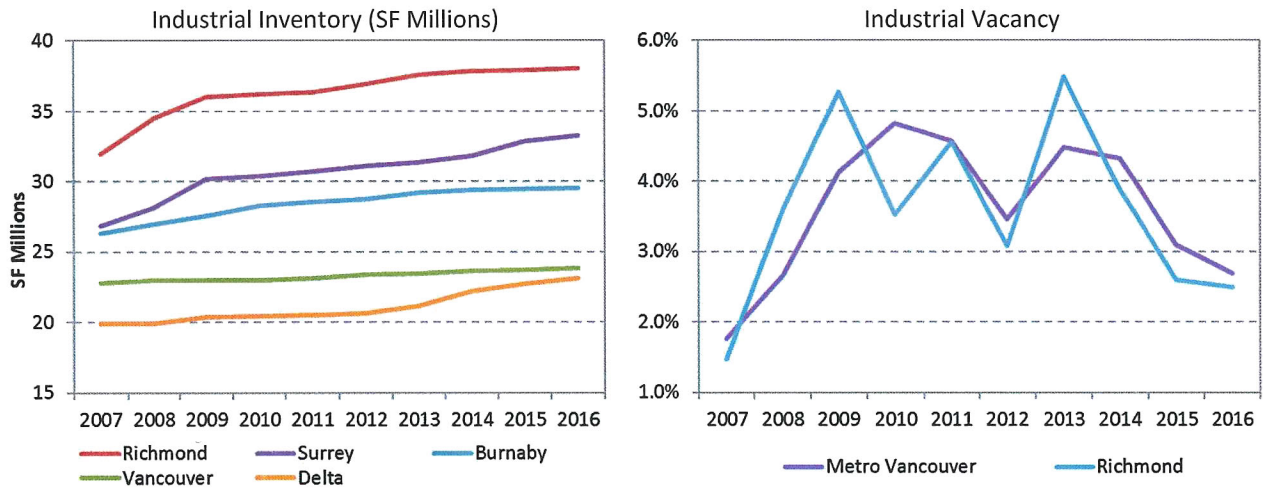
Regional/Local Tourism and Trade Indicators 2007-2016



D. Richmond Industrial Market

- Richmond’s industrial land is built up, with few inventory additions in the last 5 years.
- Richmond and regional industrial space vacancies are at critical lows.
- Multi-level warehousing, automated storage and retrieval systems, the Internet of Things and non-traditional business models, such as e-commerce and localized manufacturing and distribution, are key trends affecting industrial development.

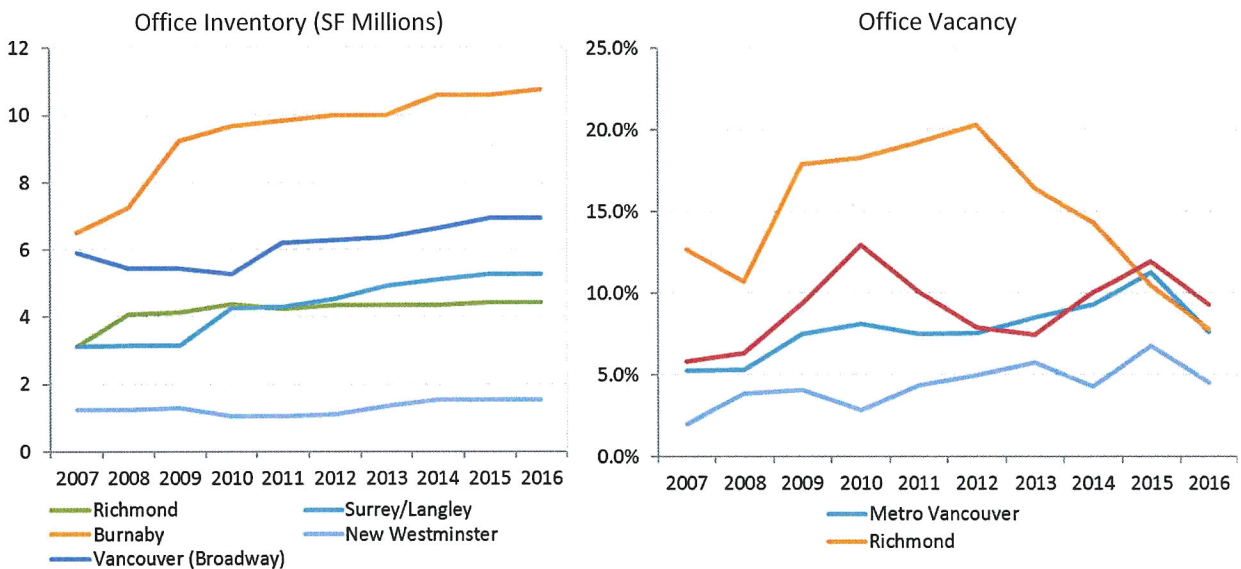
Industrial Market – Richmond and the Region 2007-2016



E. Richmond Office Market

- Limited new inventory has been added in Richmond in the last 10 years
- Richmond-wide office vacancy down to regional levels
- Current high demand, little availability and low vacancy at 2.3% in the City Centre. Investment in strata is the predominant product currently being added creating an obstacle to long-term skilled jobs in the City Centre
- Highly “amenitized” spaces for the next-gen office worker; mixed-use, walkability, social spaces and retail/dining options; shared collaborative spaces and declining square feet per employee are key trends influencing the office development sector

Office Market – Richmond and the Region 2007-2016



III. 2017-2018 Opportunities and Proposed Initiatives

Based on 2014-2016 achievements and in light of the key economic trends and opportunities over the 2017-2018 period, it is proposed that a number of economic development programs are continued and a set of new initiatives are undertaken to fulfill the Resilient Economy Strategy mandate. The proposed ongoing and new initiatives are listed below, under the corresponding focus areas of the Strategy:

1 • Increase Richmond's capacity to accommodate light industrial business.

2 • Strengthen Richmond's role as a gateway for goods import and export.

Ongoing Projects/Programs	New Initiatives
Industrial Land Protection through OCP Implementation	Zoning and Development Policies Review and Update – Industrial Land Intensification

3 • Increase the tourism sector in Richmond.

Ongoing Projects/Programs	New Initiatives
Sport Hosting Program	Destination Development Strategy
Destination Enhancements	Private Short-Term Rentals and the 3% Municipal and Regional District Tax – Provincial Engagement
Tourism Partnership Model Implementation	

4 • Retain and support existing businesses.

Ongoing Projects/Programs	New Initiatives
Business Development Program and One-on-One Business Support	Online Marketing Campaign
Businessinrichmond.ca	
Social Media/E-News	

5 • Increase Richmond's appeal as a Regional office centre.

Ongoing Projects/Programs	New Initiatives
Linking Businesses to Developers in City Centre	City Centre Office Development Policies Review
Business Park Support	City Centre Technology Hub Feasibility Study

6 • Support economic diversity, small business opportunities, and localization.

Ongoing Projects/Programs	New Initiatives
One-on-one Small Business Support	Richmond Public Library Small Business Series Support
Richmond Film Office	SmallBusinessBC MyBizDay in Richmond
	Agrifoods Sector Development

7 • Invest in stronger relationships with senior governments.

8 • Cooperate with the rest of the Region.

Ongoing Projects/Programs	New Initiatives
CleanTech Expo	Regional Mobile Business License (with Metro Vancouver)
Partner Referral Network	Regional Film Permit (with Metro Vancouver)

9 • Maintain a high quality of environment, life, and public services.

Ongoing Projects/Programs	New Initiatives
Economic Data and Reports	No new initiatives proposed.
Night Markets and Mobile Vendors	
Sponsorship/Event Support	
Business Engagement	

Economic Advisory Committee Input

At its meeting on March 9, 2017, the Richmond Economic Advisory Committee (EAC) received a presentation from staff on the implementation of the Resilient Economy Strategy to date, current trends and proposed initiatives for the next two years to fulfill the mandate of the Strategy. An ensuing EAC discussion notably focused on industrial and commercial lands (minutes from the EAC meeting are enclosed in Attachment 1), indicating a need for further work to be done in regards to Richmond’s industrial and commercial lands and policies. Consequently, the EAC passed unanimously the following motion:

It was moved and seconded that the EAC receive the Resilient Economy Strategy status update and support the (proposed) 2017/2018 economic development work plan.

Discussion on Recommended Project Priorities

A key aspect of Richmond’s OCP 2041 is that it maintains Richmond’s existing urban footprint, with future growth to be accommodated through densification. This statement applies not only to population and housing but also to businesses, with future business growth to be accommodated within the City’s existing employment lands. The Employment Lands Strategy, adopted by

Council in 2010 and integrated in the OCP, recognizes that Richmond's lands are limited and that trade-offs will likely be made to balance community priorities. The Resilient Economy Strategy follows the OCP directives and proposes to achieve future business growth through densification in industrial areas and introduction of commercial and office space through redevelopment of key areas of Richmond, such as City Centre.

Focus on Industrial Land

The industrial market trends highlighted in Section II above indicate that Richmond's industrial land have peaked in greenfield development potential, while demand for industrial space continues to grow. The only notable development proposal of recent history has been the proposed re-development of the landfill at Ecowaste in East Richmond.

To accommodate current and future growth of Richmond's industrial business base, which is integrated with Richmond's global gateway infrastructure assets (YVR and the Port of Vancouver), the City's priorities need to shift away from availability of industrial land to use of industrial land. Furthermore, the recent EAC discussion on industrial land highlighted the need for urgent action, an urgency that is also reinforced by the consistent lack of industrial land and low industrial vacancies in Richmond and the region. Staff worked closely with Metro Vancouver to complete the Industrial Land Inventory 2015 project. However, a recent meeting with Metro Vancouver staff indicated that further work on industrial land intensification will not be initiated in the near future due to varying priorities and resources. As a result of these developments, staff propose that Richmond initiate its own industrial land intensification policy review and commence this project over the 2017-2018 period.

Focus on Office Development

Similar to the industrial market, the office market in Richmond indicates undersupply of office space due to virtually no new job-generating product added over the majority of the last decade. Historically high vacancy rates have been eradicated and Richmond's business parks are achieving high levels of occupancy. Meanwhile, Richmond technology businesses are growing and in need of space that is accessible and close to amenities.

There are a number of projects at various stages of the development approval process that include an office component (such as iFortune, Yuanheng and others). However, at this stage, none of these proposals have indicated building non-strata office space. Small-size strata, often held as an investment and leased out at retail rates, is the type of product recently introduced in the City Centre (Aberdeen Square in 2012 and the upcoming pre-sold stratified International Trade Centre are two recent projects). This type of product does not correspond to the demand generated by technology firms and other employers creating high skilled jobs. At just over 2%, office vacancy along the Canada Line is virtually non-existent and well below the regional 7% rapid transit corridor vacancy in Metro Vancouver. Businesses that are growing in Richmond's business parks and businesses that are looking to locate near transit and amenities are choosing other jurisdictions due to lack of product along Richmond's own rapid transit corridor – the Canada Line. As a result of these developments, staff propose that a City Centre office development policy review be initiated over the 2017-2018 period.

Financial Impact

Should any of the proposed new initiatives require further funding, staff will bring such funding requirements forward to Council for approval.

Conclusion

Implementation of the 2014-2019 Resilient Economy Strategy is well under way. There has been substantial progress made towards implementation of Council's current economic development agenda, with over 6,700 jobs created or maintained to date and a number of programs and projects implemented under the nine focus areas of the Strategy. Current trends and input from the City's Economic Advisory Committee indicate that opportunities exist in a number of areas for both ongoing programs and new initiatives to fulfill the mandate of the Strategy. The City's ongoing Business Development Program, industrial development policies, office development in the City Centre and the tourism sector are a few of the key initiatives seeking Council endorsement for implementation over the 2017-2018 period. Furthermore, current trends and the Economic Advisory Committee indicate a need to focus on industrial land intensification and introduction of office in the City Centre as major priorities for the 2017-2018 period. Specific project details will be brought forward to Council as initiatives are developed and implemented.



Neonila Lilova
Manager, Economic Development
(604-247-4934)

Att.1 Economic Advisory Committee – Draft Minutes from Meeting Held on March 9, 2017



RICHMOND ECONOMIC ADVISORY COMMITTEE

Regular Meeting
Held Thursday, March 9, 2017
6911 No. 3 Road
Meeting Room M.2.002
Richmond City Hall
18:00-20:00

In Attendance:

Kristina Bradley
Nick Chopra
Tom Corsie
Nigel Evans
Tom Land
Michael Priest
Parm Sandhu – Chair
Ray Segat
Paul Schaap
Paul Tilbury
Michael Yeung
Katie Ferland
Neonila Lilova

Regrets:

Bruce Rozenhart
Ray Segat
Murray Wilks
Cllr. Derek Dang
Cllr. Chak Au

- 1) The Chair called the meeting to order at 6:00 pm and went over the agenda
- 2) Roundtable introductions and welcome to new members
- 3) Resilient Economy Strategy – mid-term update
 - a) The Manager, Economic Development provided an update on implementation of the Resilient Economy Strategy to date, current trends and proposed initiatives for the 2017-2018 period (a copy of the presentation is attached).

b) The following discussion ensued:

- A question was asked as to whether the City's transportation portfolio fits under the resilient economy agenda to which staff answered that transportation supports economic development objectives but fits under a different department and under the City's broader transportation portfolio, as part of community-wide transportation, not economic development only
- A question was asked as to whether the proposed industrial land policy work is the same work as the employment lands study done for the OCP. Comments regarding industrial land conversion pressures and Metro Vancouver's work in the area. Staff answered that the goal with this proposed new initiative is to get more granular than the OCP and prior industrial land work.
- A discussion ensued on the pressures on industrial land and the City's outdated policies of addressing such pressures, e.g.:
 - proliferation of spot rezonings due to high specificity of permitted uses
 - pressure on existing stock (such as car dealerships)
 - new business models (e.g. e-commerce)
 - non-traditional uses, such as the movie business which do not leave anything open for long-term employers
 - other non-traditional uses, such as recreation which are allowed as the community strives to have livability yet operators migrate to the least expensive industrial stock, not being able to afford commercially zoned
 - projects that have to sell some off as strata to make it work financially – these parts of industrial are becoming “mancaves” for personal storage and not employment generators
- A discussion regarding the City's ability to attract high paying jobs in the City Centre ensued. It was suggested that a rapid transit link connecting City Centre to 22nd Street would be beneficial and solve transportation challenges in the future. It was suggested that City Centre projects need to include fibre optic connectivity to attract technology uses, office, the internet of things. It was suggested that City Centre provides the connectivity and amenity for office based businesses, unlike the remote business parks in Richmond.

c) The Chair commented that the discussion demonstrates a lot of passion for the industrial policy project and that the EAC supports the 2017-2018 proposed initiatives . To that effect, the following motion was considered and unanimously passed:

It was moved and seconded that the EAC receive the Resilient Economy Strategy status update and support the (proposed) 2017/2018 economic development work plan.

4) City Updates

Staff provided the following high-level status updates to EAC members:

- Regional Prosperity Initiative:
 - an initiative of Metro Vancouver which began in 2015
 - it has had a series of regional stakeholder roundtables
 - governed by a steering committee of Metro Vancouver Directors
 - has a working group of various business/academia organization
 - no corporate structure yet
 - currently looking at “quick win” projects and engaging municipal staff on mobile business licenses and film permits
- Municipal and Regional District Tax (MRDT)
 - Staff provided background on the MRDT and advised that the City has successfully increased the rate from 2% to 3% on the price of accommodation
 - This will result in an estimated \$21 million towards tourism initiatives in Richmond for the July 1, 2017 to June 30, 2022 period, including destination marketing, sport hosting, and tourism product development
- Business Regulations
 - Council has voted to prohibit marijuana retail operations in City zones
 - Council is considering regulating short terms, under the Bed & Breakfast provisions of the City’s business licensing regulations and associated bylaws
 - Ride sharing – staff advised EAC of recent Provincial announcements on deregulating the taxi industry in preparation for the potential future entry of ride-sharing platforms
- Provincial Tax Deferment Program
 - In response to large increases of property assessed values for 2017 due to lag in the BC Assessment process, the Province has expanded the tax deferment program to families with children (previously restricted to 55+ property owners)
 - Under the program, the province pays the 2017 property tax for eligible owners, essentially providing a very low interest rate loan until the following year when it is expected assessments will adjust down
- George Massey Tunnel Replacement Project
 - The Ministry of Environment issued an environmental approval certificate for the project on February 14, 2017. DFO, FLNRO permits are next prior to start of construction

- The Agricultural Land Commission also approved the GMTR project on February 27, 2017
- Staff continue to work on technical implementation aspects related to the project through bi-weekly working group meetings
- 2017 City Budget Approved
 - \$103 million capital budget
 - \$376 million operating budget, 2.95% increase:
 - 1.89% tax increase at same levels of service
 - additional level increase at net impact of 0.56% (including 0.48% for 11 additional RCMP and 3 support staff)
 - additional 1% transfer to reserves per Council's long term financial management strategy
 - 0.5% reduction due to use of stabilization rate
- Canada 150 Community Celebrations
 - The Canada 150 celebration in Richmond is a multi-faceted year-long initiative with over 60 events
 - A full program can be found at <http://www.richmondcanada150.com/>
- City Grants
 - Council approved approximately \$800,000 in health, social, cultural, recreational and child care community grants
- Major Facility Priorities
 - Council considered the next phase of facility projects, after Minoru and the Brighthouse Fire Hall. Top candidates are the City Centre Community Centre North (which was recently secured through the Yuanheng development project), the Steveston Community Centre and Library project, the Lawn Bowling Clubhouse, the Britannia Shipyards National Historic Site Completion project and a new animal shelter.
 - Council has approved \$2 million towards feasibility studies for these projects.

5) Other Business

- An EAC member requested more global trends, best practices and comparatives to other jurisdictions

- It was suggested that it would be beneficial for EAC members to have a sense of the desired outcome before meeting and more time allocated for discussion/contribution
- It was suggested that EAC members should add “burning issues” and topics of interest for discussion to the meeting agenda when it is sent out prior to the meetings

Meeting adjourned at 19:55

Chair:

Recorder:

Parm Sandhu

Neonila Lilova/Katie Ferland

Attachment 1: Resilient Economy Strategy – Mid-Term Report, Trends and 2017/18 Priorities