



City of Richmond

Report to Committee

To: General Purposes Committee **Date:** April 02, 2015
From: Cecilia Achiam **File:**
Director, Administration and Compliance
Finance and Corporate Services
Re: Richmond Business Development Program – 2014 Results

Staff Recommendation

That the staff report titled “Richmond Business Development Program – 2014 Results” dated April 02, 2015, presenting the analysis and outcomes from Richmond’s ongoing annual business retention, expansion and attraction program for 2014, be received for information.

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Finance and Corporate Services
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| REPORT CONCURRENCE | |
| CONCURRENCE OF GENERAL MANAGER | |
| REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE | INITIALS: |
| APPROVED BY CAO | |

Staff Report

Origin

Currently in its third year, the Richmond business retention, expansion and attraction program (also known as “Business Development Program” or “Program”) has been established to enhance the level of service and support for existing and prospective businesses, thereby enabling the retention and creation of jobs in the community to ensure a resilient local economy.

The Program is managed by the City’s Economic Development Office, and supports Council’s vision for a strong local economy and long-term community prosperity. Furthermore, the Program supports the goals of the Richmond Resilient Economy Strategy, which was adopted by Council in 2014, namely Economic Development Strategy 5.4: Retain and Support Businesses Already in Richmond.

Enclosed as Attachment 1 to this report is the publication titled “Richmond Business Development Report 2014” which details Program components and results from implementation in 2014; a summary and highlights are below.

Analysis

Program Context and Overview

Contributing 44.7% of the City’s municipal tax revenue and generating more than 126,000 jobs, local businesses are imperative to Richmond’s continued economic sustainability and community development. Currently over 14,000 businesses choose Richmond as their home.

The City’s Business Development Program provides one-on-one support on a wide variety of opportunities and challenges for existing and new businesses during their start-up, relocation and expansion phases. It also provides assistance in resolving specific business issues, and collects data on the overall local business community. Data collected through the Program is used to guide the development of City policies, programs and services to continually position Richmond as a competitive location for business growth and investment.

Core Program components include:

- Business outreach and engagement
- Survey of Richmond businesses and data analysis
- Business development opportunities – identification, servicing and completion
- Development of City programs for Richmond businesses

Business Outreach and Engagement

Businesses are made aware of the Program and services available to them through a variety of outreach and engagement channels including a comprehensive website, e-news, and social media

platform, an annual outreach campaign and a business appreciation event. A brief description and 2014 metrics for each channel are listed below:

- www.businessinrichmond.ca (over 3,000 visitors and 10,000 pages of information viewed) – a website tailored to Richmond’s business and investment audience. It serves as a single point of contact for business inquiries to the City, as well as a central source of information vital to business planning, such as zoning bylaws, market research, available land and facilities, local economic indicators, business regulations and available incentives. The site also features 24/7 self-serve access to tools developed specifically for businesses, including: SpaceList – a commercial and industrial site selection tool; the Funding Portal – a catalogue of public and private funding sources across Canada; Richmond Business Directory – an online, searchable and downloadable database of local companies; BizPaL – a custom generated list of required permits and licenses from all levels of government; and Sector Profiles – downloadable, printable publications containing specific resources and information for Richmond’s key economic sectors.
- Richmond in Business e-news (700 recipients monthly) – information on City initiatives, local business success stories and other data relevant to an audience of corporate clients and partner organizations.
- @RichmondEDO twitter account (1,370 followers) and Facebook account – posts and interactions relate to key economic sectors, City services available to businesses, partner initiatives and local business success stories.
- Business outreach campaign (targets 100 businesses annually) – executives and decision makers from major employers in key economic sectors are invited to complete the business survey and participate in the Program.
- City of Richmond Annual Business and Partner Appreciation Event (100 executive attendees) – in October 2014, the 3rd annual event centred on the significance of air transportation in positioning Richmond’s economy at the forefront of Asia Pacific trade.

Business Survey Results

As part of the outreach campaign, a questionnaire is administered to select businesses annually to collect data on Richmond’s business climate and to guide the development of policies, programs and services that will ensure Richmond remains a competitive location for business growth and investment. Since the Program’s launch, 77 out of 198 companies contacted have completed the survey, representing a 39% response rate. In addition to basic data about a business, the survey collects information on a range of strategic business areas, including trade markets and growth plans, opportunities and constraints to expansion, employee concerns and workforce trends.

The overall sentiment among Richmond companies is positive: 92% of survey respondents plan to expand in the next two years, and 71% plan to hire more employees. This is consistent with local economic indicators such as decreasing commercial vacancy rates, rising trade volumes and

export market growth. Constraints to growth have been expressed, however, and include: challenges with employee access to work, commercial space availability and workforce development. Receiving this information provides an opportunity for staff to proactively support clusters of businesses with common issues and to address individual concerns.

Feedback collected is stored in a confidential database and used to connect businesses with City and partner resources and address individual business needs. Data is also used to gauge demand for business related policy and program development by a range of City departments.

Business Development Opportunities

Through the Program, individual business retention, expansion, attraction and start-up opportunities are identified, catalogued and serviced through to completion. Since Program launch, 130 individual opportunities have been created to work with businesses representing an average facility size of 60,000 square feet, annual revenue of \$60,000,000 and workforce size of 70 employees.

An opportunity is a qualified business lead (company or project) that requires the City's support to launch, grow or remain in Richmond. Most opportunities result in maintaining or adding jobs in existing businesses, and the profile of opportunities is representative of this; to date they have consisted of 39% retention, 27% expansion, 18% start-up and 16% attraction files.

Since its launch in 2013, the Program has directly contributed to the creation of 777 new jobs and maintenance of 3,652 existing jobs in the community through 47 completed opportunities. A further 83 active opportunities are ongoing, and more continue to be generated as businesses access the Program through the outreach and engagement channels or by directly contacting the Economic Development Office.

Program Development

An outcome of the Business Development Program is the rigor and amount of data it provides City-wide to inform policy and program development to address business needs and concerns. Out of those surveyed, 42 businesses indicated a desire to reduce their energy use and were connected to Energy Save Richmond to receive training, incentives and rebates for decreased energy use. To date, 44 buildings representing at least 4 million square feet of space have registered in this program, supporting the City's community sustainability goals including greenhouse gas emissions reduction, business resiliency and building energy management.

Another trend identified through the Program is the need to improve employees' access to their workplace, specifically those remote business parks underserved by public transit. To address this, the Economic Development Office is working with TravelSmart on the launch of a new initiative in 2015, aimed at exploring alternative transportation solutions to remote business parks.

Financial Impact

None. Costs associated with implementation of the Richmond Business Development Program are included in the existing economic development departmental budget.

Conclusion

The City of Richmond’s commitment to being a leading business and investment destination and the continued success of its Business Development Program have garnered international recognition. In 2014, Richmond was named the number one place to invest in Western Canada by Western Investor Magazine. The city was also ranked in the top 10 “American Cities of the Future” by fDi (Foreign Direct Investment) Magazine, and City of Richmond Economic Development Office services for businesses and investors were named among the top in Canada by Site Selection Magazine.

Since its launch in 2013 the Business Development Program has generated 130 opportunities and directly impacted the retention of 3,652 jobs and the creation of an additional 777 jobs. Now in its third year, the Program continues to engage the business community and successfully generate opportunities to enable job retention and creation. Businesses are continuously invited to access the City’s services for businesses through its www.businessinrichmond.ca website, business outreach efforts and other communication channels.



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Att. 1: 2014 Business Development Report

2014 Business Development Report

Start or grow your business in Richmond, British Columbia.

We can help.

A Top 10 “American Cities Of The Future”

In three categories, Richmond ranked in the top 10 by fDi Magazine - including 3rd overall among small cities in the Americas.

[Find out why](#) →

International Recognition for Richmond Economic Development

Site Selection Magazine names City of Richmond services for businesses and investors among top in Canada.

[View Article](#) →

Richmond named “Top Town in the West”

Major logistics projects and transit-oriented development mark the future for economic development in Richmond, BC.

[View Ranking](#) →

Join the conversation on Twitter and Facebook, or contact us by phone or e-mail to talk about business and investment opportunities in Richmond, BC.

 604-247-4923

 economicdev@richmond.ca

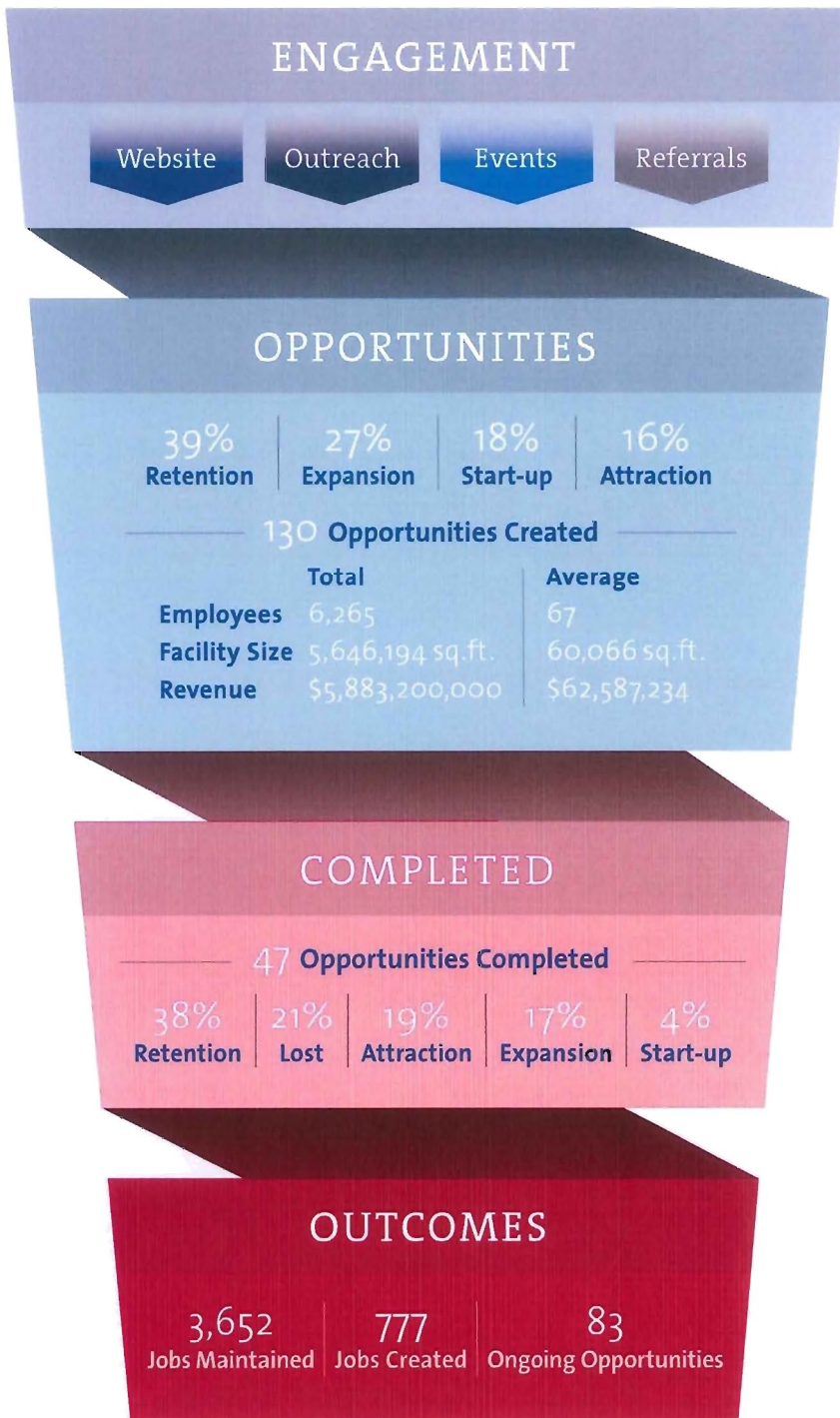
 www.businessinrichmond.ca

 @RichmondEDO

 /RichmondEconomicDevelopment

Business Program Outcomes

The City of Richmond Business Development Program provides businesses with one-on-one support during start-up, relocation or expansion. Established companies also access the program for help with resolving specific issues so they can continue to grow and be successful in Richmond. The graphic below demonstrates how the program works from initial business engagement to opportunity generation, business development support and jobs maintained or established in the community.



Now in its second year, the Program is generating more leads from inbound inquiries as more clients access the City’s business services through a variety of channels, including the www.businessinrichmond.ca website, social media and referrals.

130 total opportunities generated to date came from the following sources:

- 36% Direct contact with the Richmond Economic Development Office
- 35% Business outreach
- 22% Internal and external referrals
- 7% Events & other

An opportunity is a qualified business lead (company or project) that requires the City’s support to launch, grow or remain in Richmond. Richmond’s existing businesses are the primary source of opportunities (86 of 130 to date), which is in line with the economic development industry’s best practice to proactively focus on business retention.

Depending on its complexity, a business development opportunity can take between a few days and several years to complete. Of the 130 opportunities generated since the program was launched in 2013, 47 have been completed.

Program outcomes are measured as jobs maintained and created through the facilitation work of Richmond’s economic development team. 83 opportunities are currently in progress; and more continue to be generated through the Program’s lead generation channels.

What Businesses Said

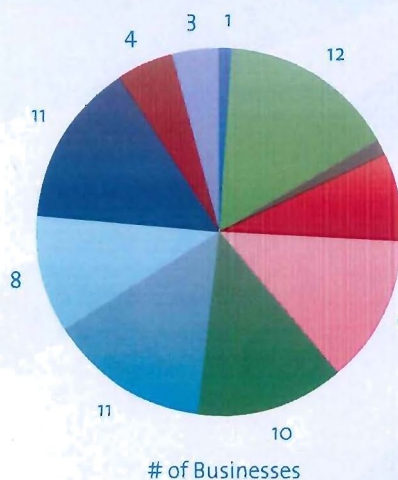
As part of the 2013 and 2014 business outreach efforts, 77 companies were surveyed on topics ranging from export markets and workforce to business operations and future expansion plans, as well as constraints to growth. The data collected is used to identify community-wide business needs and trends, and to guide City policies and programs that ensure Richmond remains a competitive location for business and investment.

Companies invited to complete the survey are locally established economic drivers spanning the sectors representative of Richmond's economy.

Profile of Survey Participants

Total # of businesses: 77 out of 198 contacted
Response rate: 39%
Average size of facility: 80,074 square feet
Average number of employees: 110
Average revenue reported: \$106,702,974
Total commercial space: 6,165,718 square feet
Total number of employees: 8,436
Total revenue reported: \$8,216,129,000

Surveys Taken by Sectors



Sectors

- Aerospace & Aviation
- Agriculture & Food Processing
- Tourism
- Retail
- Manufacturing
- Green Industries
- Information Technology
- Life Sciences
- Transportation & Logistics
- Construction
- Professional Services

Expansion Plans

92% of businesses surveyed indicated that they plan to expand their operations in the next two years.

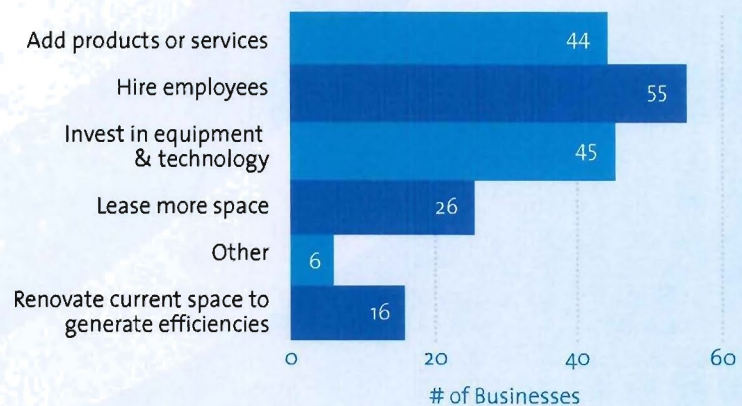
The most expansion opportunities were identified in the transportation & logistics, agriculture & food processing, information technology, green industries and manufacturing sectors.

28 of the businesses surveyed are considering a location change; of those, **25** are looking for commercial space elsewhere in Richmond, and **14** are searching for the most suitable facility throughout all of Metro Vancouver.

Of the businesses with expansion plans, the most significant constraints to expansion identified are:

- 1. Lack and/or affordability of space & facilities (28 businesses)**
- 2. Lack of skilled workers (27 businesses)**
- 3. Timing (22 businesses)**
- 4. Financing (21 businesses)**

Expansion Plans - Next 2 Years



Sales & Markets

73% of businesses surveyed reported an increase in sales during the last two years; 19% reported no change, and 4%, a decrease.

Currently 41% of businesses export their products and services to regional and Canadian markets; the second most significant market for local companies is the United States (19%). 15% of companies surveyed have sales in Asian countries including China, India and Japan, and benefit from Richmond's premier position in North America as a gateway for trade with Asia Pacific.

In the next two years the majority of businesses (65%) plan to grow their exports. 21% of businesses indicated a desire to grow their sales in the US, and 16% throughout Canada. The next largest target markets are China (14%), Europe (12%) and Latin America (12%), which is consistent with Federal and Provincial market development initiatives.

Future Export Growth by Markets



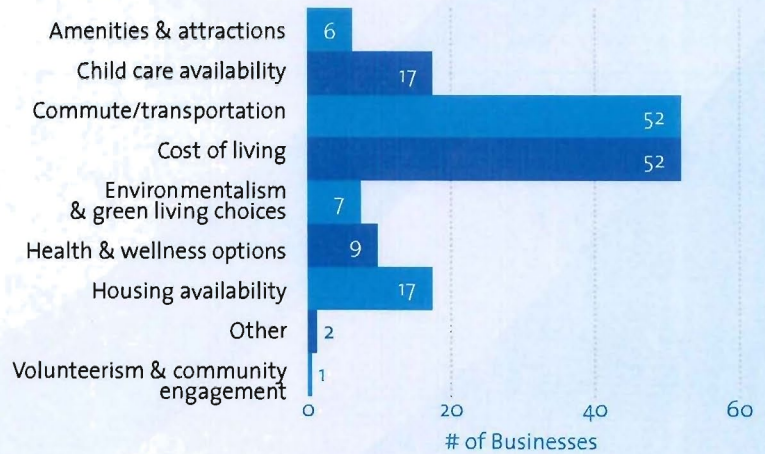
Employee Concerns

52 companies representing 7,014 employees cited commute and transportation to be their employees' top concern.

The challenges to workforce attraction and retention are ranked below:

1. Commute/transportation – 52 companies with 7,014 employees
2. Cost of living – 52 companies with 6,450 employees
3. Child care availability – 17 companies with 3,229 employees
4. Housing availability – 17 companies with 2,705 employees

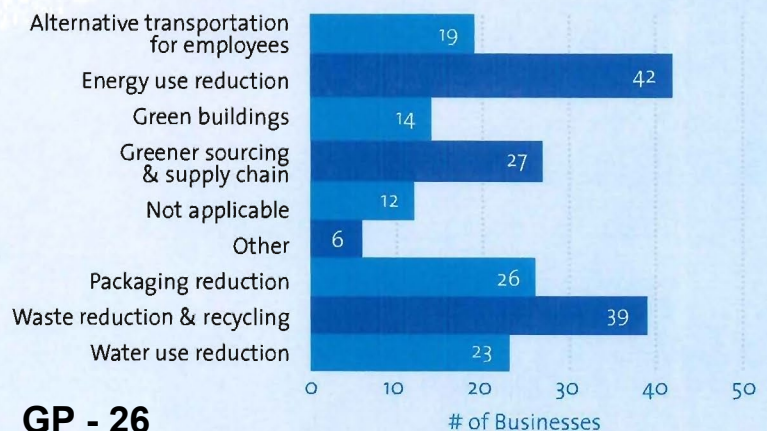
Critical Issues for Employees



Sustainability Plans

The majority of businesses surveyed indicated that they plan to increase the environmental sustainability of their operations within the next two years. The most frequently cited measures were energy use and waste reduction, greener sourcing and supply chains, and alternative transportation for employees.

Sustainability Measures



Online Business Tools

The following tools have been developed to provide 24/7 self-serve, online access to the most commonly requested information by business and investment clients.

They are available at www.businessinrichmond.ca.



Search all commercial and industrial real estate listings to find the perfect business location.

Search Now →



Explore interactive, up-to-date statistics on housing & development, tourism & trade, business growth and commercial space.

Explore Stats →



View, filter or download information on 13,000+ Richmond businesses.

View Info →



Find available loans or grants through a database of 7000+ government and private funding sources.

Access Funding →



Generate a custom list of required business permits and licenses from all levels of government, in one place.

Generate List →



Use Richmond's dynamic mapping system to find information on commercial properties such as zoning, rights of way, legal details and taxation amounts.

Find a Property →



View, download or print information about Richmond's key sectors including major employers, available government incentives and industry research and networks.

Download or Print →

Services Provided

The Richmond Economic Development Office works with businesses to:

- Assist with commercial, office and industrial site selection
- Provide support during business start-up, expansion or relocation
- Source economic, property, demographic and other statistical information
- Identify incentives for locating in Richmond
- Facilitate municipal permits, licenses and processes
- Serve as a liaison between businesses, City departments, other government agencies and partners
- Connect businesses with local and regional services and resources

Case Studies



Popular car sharing company car2go expands into Richmond

After car2go accessed the City of Richmond's business development services online, the Economic Development Office facilitated the company's expansion into Richmond's City Centre.

As a result, the company added 50 new Smart cars to its fleet. It now offers car sharing services to over 75,000 members throughout North Vancouver, Vancouver and Richmond, providing alternative transportation options for residents and employees.

Car2go joins the efforts of Modo and Zipcar, already in Richmond, in helping achieve the City's goal to provide alternative transportation solutions while reducing greenhouse gas emissions.



Businesses receive help to reduce energy use, save money

Using data collected through the Business Development Program's survey tool, 15 businesses were identified that had indicated a desire to reduce their energy consumption. These businesses (representing 1 million square feet of commercial space) were connected to the City's Building Energy Challenge, where property owners and managers receive tools, incentives, funding and training to measure and reduce their energy use.

So far, 44 buildings representing at least 4 million square feet of space have registered in the Building Energy Challenge. Participating businesses will be able to reinvest the money they save on energy costs, while reducing their environmental footprint.



130 businesses helped to locate, expand or remain in Richmond

Businesses contact the City of Richmond Economic Development Office on a wide variety of topics. Services offered include assisting with site selection, facilitating municipal permits and processes, making introductions to service providers and partner agencies, and providing information such as market research data and industry sector profiles.

So far, 130 companies in all sectors and sizes have used these services throughout their start-up, relocation and expansion phases.



Transportation solutions for Richmond business parks

In late 2014 the City and TravelSmart signed a Memorandum of Understanding to jointly explore alternative transportation solutions, such as carpooling and car sharing, in business and industrial parks throughout Richmond. This pilot program addresses a major concern raised through the Business Development Program's survey: 52 companies representing 7,014 employees cited commute/transportation as their employees' top concern.



Start or grow your business in Richmond, British Columbia. We can help.

Join the conversation on Twitter and Facebook, or contact us by phone or e-mail to talk about business and investment opportunities in Richmond, BC.

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