



DTES **STRONGER.**
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ECONOMIC REVITALIZATION **PLAN**





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E C O N O M I C R E V I T A L I Z A T I O N P L A N

SUCCESSFUL ECONOMIC REVITALIZATION IN THE DOWNTOWN EASTSIDE NEEDS COMMUNITY SUPPORT AND ACTION.

A new focus on cities by all levels of government presents Vancouver with the opportunity to expand its efforts to revitalize the economy of the Downtown Eastside.

This Vancouver Agreement Economic Revitalization Plan for the Downtown Eastside was developed in consultation with community groups, residents, businesses and business organizations. They provided the ideas and expertise needed to increase business activity and jobs in the area.

The Plan is an essential step towards taking advantage of the many economic opportunities on the horizon. From the redevelopment of Woodward's to the United Nations' World Urban Forum to be hosted by Vancouver in 2006 through to the 2010 Olympic and Paralympic Winter Games, several milestone events will stimulate job opportunities and business opportunities. The Plan will also build on key initiatives developed in partnership with the urban aboriginal community, including the Urban Aboriginal Strategy and Urban Aboriginal Housing Strategy developed by the Federal Government and the Provincial Aboriginal Social-Economic Strategy.

The Plan outlines strategies and actions to increase business activity and job creation – essential components of a safe, healthy, sustainable community. Supported by other Vancouver Agreement initiatives, the Plan addresses the safety and security concerns that businesses identify as the primary obstacle to new investment and job creation. And it goes further outlining initiatives and partnerships that will achieve economic growth.

Now is the time for community partners to confirm Plan elements and to look for ways they can be involved in building a sustainable economy in the Downtown Eastside.

To help assess the Plan and develop ideas for action a workbook is available from Celene Fung at 604.873.7043; e-mail: celene_fung@city.vancouver.bc.ca or on the Vancouver Agreement website: www.vancouveragreement.ca/



DOWNTOWN EASTSIDE ECONOMIC REVITALIZATION PLAN

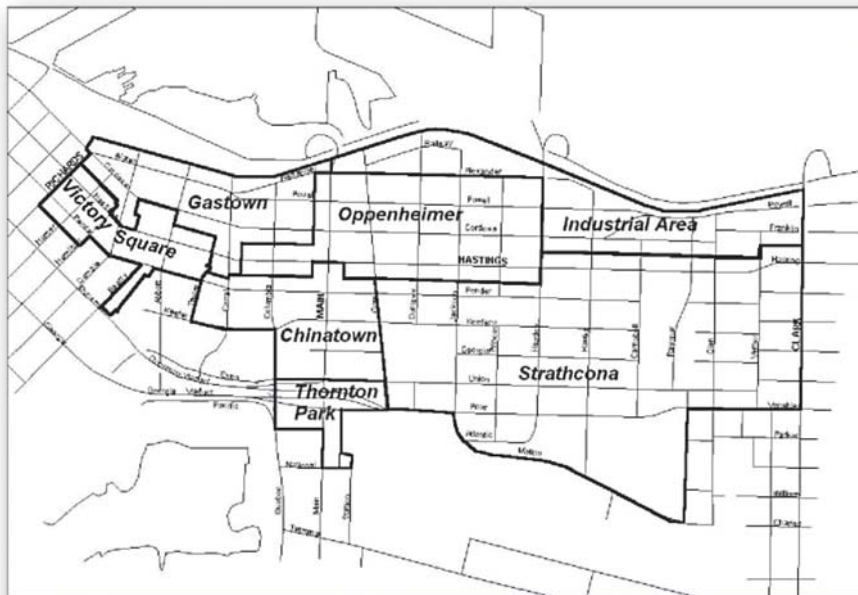
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I. The Economy in the Downtown Eastside

The Downtown Eastside is located in the heart of Vancouver's business activity. It is Vancouver's oldest community and includes Gastown, Chinatown, the Hastings Corridor, Oppenheimer, Strathcona, Thornton Park, Victory Square and the adjacent industrial lands. Traditionally, the area has been a stable home to older single men, immigrants, Chinese Canadians and urban aboriginal people.

Focus is often given to the Downtown Eastside's economic problems: the Woodward's closure in 1993 led other shops and restaurants to close; competition from other shopping districts hurt Chinatown and Gastown; the drug trade and accompanying problems contributed to more closings and low investment. The result has been less business activity and fewer job opportunities.





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II. A Commitment to Economic Revitalization

The Vancouver Agreement is a partnership of the Federal, Provincial and City governments to support sustainable, economic, cultural, social and community development in the City of Vancouver. Economic revitalization in the Downtown Eastside is a key Vancouver Agreement priority. Retaining existing business and attracting new business and, in the process, creating new employment opportunities for residents is fundamental to the creation of a sustainable community in the Downtown Eastside.

In this Economic Revitalization Plan, the Vancouver Agreement partners recognize that action to improve residents' health and housing and increase safety supports economic development. In turn, economic revitalization leads to safer streets and better housing.

This Plan focuses on the goal of economic revitalization in the Downtown Eastside. A full description of the Vancouver Agreement and its initiatives is on-line at www.vancouveragreement.ca or by calling 604-873-7267.





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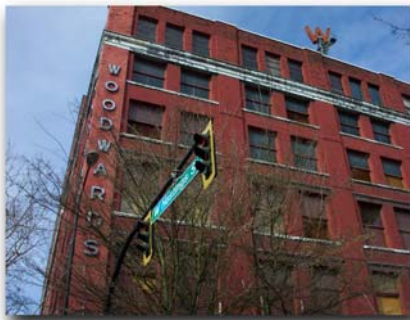


III. Goals for Economic Revitalization

The Economic Revitalization Plan is designed to increase the level and breadth of economic activity in the Downtown Eastside.

The Plan:

- > Promotes business retention and new business development
- > Assists businesses and residents to participate in and benefit from increased economic activities and job opportunities
- > Builds on the rich culture and heritage of the Downtown Eastside neighbourhoods, and
- > Contributes to a growing sense of community identity and pride





IV. Building on Strengths and Opportunities

The Downtown Eastside has key strengths that will help drive economic revitalization:

RICH HERITAGE

Almost 400 buildings in the Downtown Eastside are on the Heritage Register. Gastown and Chinatown are designated heritage districts. The area's heritage is an opportunity to promote tourism, culture and related retail products.

MAJOR DEVELOPMENTS

The 2010 Winter Games, the World Urban Forum in 2006, the Woodward's redevelopment, the Convention Centre expansion, tourism and retail developments and development along False Creek and the False Creek Flats can help generate attention, investment, employment and other economic spin-offs in the area.

DIVERSIFIED ECONOMY

The 2,300 establishments employing more than 20,000 people in the area represent widely diversified economic sectors.

LOCATION

With travel by over 150,000 vehicles per day and rail, port, passenger and light air cargo access, the Downtown Eastside is well positioned to access Downtown, Lower Mainland and export markets.

COMMITMENT

Residents, organizations and business are committed to revitalization.

PROPERTY COSTS

Property values and rents are significantly lower than in other parts of the city.

GROWTH OPPORTUNITIES

Studies show growth opportunities in tourism, the arts, education, housing, food processing, apparel and other economic sectors in the Downtown Eastside.



V. Overcoming Obstacles

To realize the opportunities the Economic Revitalization Plan addresses key challenges:

SAFETY AND SECURITY CONCERNS

Employers from all sectors say safety and security concerns are major obstacles to economic development.

HIGH COST OF UPGRADING BUILDINGS

Few property owners invest due to the cost of renovating older buildings to modern standards and the low market rents received in return.

HIGH VACANCY RATES

High commercial vacancies contribute to economic decline. Many vacant buildings do not meet occupancy standards and are not actively marketed.

SMALL LOCAL MARKET

Poverty and a small resident base create a small local market making business reliant on customers from outside the area.

PHYSICAL SEPARATION

Deteriorating links between Downtown Eastside neighbourhoods as well as with adjacent parts of the city means less business and little strategic cooperation.

LACK OF IDENTITY

Businesses and neighbourhoods are struggling to positively define themselves.

SCEPTICISM

Skepticism exists about the area's economic prospects.





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VI. Measuring Success

As the level and breadth of economic activity in the Downtown Eastside increases the Economic Revitalization Plan's success will be measured by:

- > Levels of investment
- > Total employment
- > Resident participation in the work force, and
- > The range of goods and services available locally





VII. Key Strategies

The economic revitalization of the Downtown Eastside requires stimulating business activity and employment opportunities by increasing demand for the products and services generated in the area while ensuring local organizations can competitively supply these products and services. Employment opportunities that result should be made accessible to local residents.

The Economic Revitalization Plan identifies three key strategies to stimulate business activity and generate local employment. The strategies are:

1. Increase demand for the Downtown Eastside’s products and services
2. Strengthen the capabilities of local suppliers
3. Increase employment opportunities

Business and community leaders agree: The Downtown Eastside must establish a cycle of growth, where each element reinforces economic activity and job creation. The three strategies are designed to create that cycle of growth - increased demand for goods and services spurs local business development and expansion. Employment opportunities are created for local residents. Higher local employment then helps increase demand.





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For each of the three strategies, the Plan identifies priorities. Under each of these priorities, the Plan describes various actions that should be taken.

STRATEGY #1: INCREASE DEMAND FOR THE DOWNTOWN EASTSIDE'S PRODUCTS AND SERVICES

Businesses invest and create jobs when demand for a product or service exceeds supply. This is not happening in the Downtown Eastside today. The local market is too small and numerous obstacles make it difficult to attract new customers from outside the region. The Economic Revitalization Plan identifies five priorities and a range of actions to increase demand for the products and services of the Downtown Eastside:

- > Take Advantage of Key Economic Drivers – Large projects increase demand through construction and operations. They also increase demand indirectly by focusing attention on the area and its revitalization and promoting new economic activity. The region must lever economic advantage from projects including:
 - The new National Cities Initiative
 - The 2010 Winter Games
 - The 2006 World Urban Forum
 - Woodward's redevelopment
 - New market housing, such as International Village and City Gate
 - Tourism and retail complexes such as Storyeum and Costco
 - The Vancouver Convention and Exhibition Centre expansion
 - Development along False Creek and the False Creek Flats

- > Create Strong Neighbourhood Brands – Many Vancouver residents do not have clear, positive images of the Downtown Eastside and its neighbourhoods. Effective branding can provide visitors and investors with a vision and understanding of the Downtown Eastside, speeding up the establishment of positive neighbourhood identities, and creating a willingness to live, shop and do business in the area.



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VII

- > Address Safety and Security Concerns – Downtown Eastside businesses and potential investors identify safety and security concerns as the primary obstacle to business retention and new business development.
- > Expand the Supply of Housing – More housing including improved housing for low income residents and additional market housing, will increase the number of permanent residents in the Downtown Eastside. This will help build the currently small local market, establishing stronger connections between business and residents and improving demand for a broader range of products and services.
- > Upgrade the Appearance and Strengthen the Links Within the Area – The Downtown Eastside has become a less attractive place to live, work and visit since its physical appearance worsened in the '90s. Shoppers hesitate to travel from one area to another. The loss of neighbourhood links makes it difficult to collaborate on projects. Public infrastructure improvements and new physical and strategic links will promote movement between Downtown Eastside neighbourhoods and with adjacent areas of the city.





ONGOING AND PROPOSED ACTIONS TO ACHIEVE STRATEGY #1

Priority	Action	Status
Take Advantage of Economic Drivers	Capture spin-off benefits	Proposed
	<ul style="list-style-type: none"> Establish formal process to structure major developments to create local jobs and business Ensure business & job suppliers are aware of opportunities 	Proposed
	Promote development of economic drivers meeting area objectives	Ongoing
Create Strong Neighbourhood Brands	Define the positioning of each neighbourhood	Ongoing
	<ul style="list-style-type: none"> Chinatown, Gastown, Strathcona and Hastings Corridor marketing programs 	
	Develop business and resident support for the positioning	Proposed
	<ul style="list-style-type: none"> Offer brand consistent products, services and experiences Support branding in promotions and communications 	Proposed
Address Safety and Security Concerns of Business and Investors	Implement a communications strategy	Ongoing
	<ul style="list-style-type: none"> Develop marketing plans targeting retail customers, tourism etc. Increase marketing cooperation across region 	Ongoing
	Create an atmosphere of safety and security	Ongoing
Expand Market Housing Supply	<ul style="list-style-type: none"> Enforcement coordination to reduce drug trade linked premises Enhanced police enforcement Enhanced street lighting Community foot patrols, e.g. Neighbours First Communicate success to public, business & organizations 	Ongoing
	Communicate strengths to prospective and new residents	Ongoing
	<ul style="list-style-type: none"> Increase awareness of social, cultural and economic revitalization Market Downtown Eastside products, services, programs 	Proposed
Upgrade the Appearance, Strengthen Links Within the Area	Promote new housing, including market housing	Ongoing
	<ul style="list-style-type: none"> Secure and improve housing for low income residents Attract market housing & facilitate development Complete Housing Plan for the area Market research 	Ongoing
	Rebuild physical links between neighbourhoods	Ongoing
	<ul style="list-style-type: none"> Carrall Greenway linking Chinatown and the Hastings Corridor to Gastown Silk Road improvements linking Chinatown to Library Square Upgrades to the Downtown Historic Trail Historic streetcar linking False Creek to Stanley Park Greenway linking International Village to Gastown 	Proposed
	Further public infrastructure upgrades	Ongoing
	<ul style="list-style-type: none"> Community Historic Markers Pedestrian lighting in Gastown, Victory Square and Chinatown The Millennium Gate Dr. Sun Yat-Sen Garden Courtyard Chinatown Memorial Plaza 	Complete
	Lever private sector participation with public sector investments	Ongoing
	<ul style="list-style-type: none"> Build processes & relationships to improve future projects Inclusive public space programming, e.g. events at Victory Square, Blood Alley New financial partnerships 	Ongoing
	Coordinate revitalization across neighbourhoods	Proposed
	<ul style="list-style-type: none"> Develop initiatives with multiple organizations 	Ongoing



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**STRATEGY #2: STRENGTHEN THE CAPABILITIES
OF LOCAL SUPPLIERS**

The Economic Revitalization Plan is designed to increase demand for local products and services. To take advantage of increased demand, Downtown Eastside suppliers must be able to compete successfully against businesses from other regions. In the Downtown Eastside the supplier base has weakened in recent years and action is needed in four priority areas to ensure local businesses can benefit from better business opportunities.

- > Upgrade the Building Infrastructure – Businesses need usable, affordable buildings to operate from. The Downtown Eastside has a large supply of vacant or underutilized buildings, particularly heritage buildings. The cost of upgrading is an investment barrier and the upgrades required to meet modern standards can trigger regulations that add to already high costs. A result is high vacancy rates as buildings sit unimproved and underutilized.
- > Increase the Rate of Business Retention and Expansion – The business base in the Downtown Eastside has eroded in the past ten years. Studies show the trend continuing if no action is taken. Each business that closes harms the viability of remaining businesses by reducing commerce and the base that attracts customers.
- > Attract New Businesses to the Area – To compete effectively with other areas for retail and tourism business and broaden the range of products and services available in the Downtown Eastside new investment must be attracted. Attention should be focused on developing new immigrant businesses and small business clusters to create sectoral synergies. Partnerships with light industrial manufacturers will strengthen an important and unique business sector.
- > Improve the Readiness of Local Suppliers – To compete for new customers a supplier must: be aware of opportunities; be able to market their goods and services; and, be able to deliver the products as required. Many Downtown Eastside small businesses need assistance to build their capacity to compete and take advantage of opportunities like the 2010 Olympic and Paralympic Winter Games. Partnerships amongst smaller businesses and joint marketing can assist in attracting new clients.



ONGOING AND PROPOSED ACTIONS TO ACHIEVE STRATEGY #2

Priority	Action	Status
Upgrade Building Infrastructure	Provide financial incentives to heritage building investment <ul style="list-style-type: none"> • Incentives for Gastown, Chinatown and Hastings Corridor • Federal heritage legislation incentives • Consider lowering DTES development cost levies 	Ongoing Proposed Proposed
	Address regulations and policies that reduce re-investment in building infrastructure <ul style="list-style-type: none"> • Compliance alternatives to provide flexibility for upgrades • Building Bylaw amendments to encourage upgrading • Adjustment of assessment values to reduce property taxes 	Ongoing Proposed Proposed
Increase Business Retention and Expansion	Address policies and regulations hindering industrial land investment <ul style="list-style-type: none"> • Port lands review • Provide zoning certainty for industrial lands • Consider incentives for light industrial areas, e.g. Strathcona 	Ongoing Proposed Proposed
	Implement business retention program <ul style="list-style-type: none"> • Identify actions to help retain target businesses • Provide access to supports - technical and financial assistance, marketing, training, etc. 	Proposed Proposed
Attract New Businesses to the Area	Market the area to potential investors <ul style="list-style-type: none"> • Real estate database to show what is currently available • Program to market available real estate 	Ongoing Proposed
	Develop tools to assist businesses to set up operations in the area <ul style="list-style-type: none"> • Business development facilitator • Financial broker to facilitate financing • Focus on development of immigrant businesses and small business clusters 	Proposed Proposed Proposed
Improve the Readiness of Local Suppliers	Upgrade management capabilities <ul style="list-style-type: none"> • Mentoring program • Access to online tools • Access to education and training programs 	Ongoing Ongoing Ongoing
	Access to sales opportunities <ul style="list-style-type: none"> • On-line procurement database • Referral service • Other information and education services • Business development services (e.g. bid development, consortia development) 	Ongoing Proposed Proposed Proposed
	Support new business development <ul style="list-style-type: none"> • Business and social incubation programs • Self-employment program 	Ongoing Ongoing
	Develop industry resource centres <ul style="list-style-type: none"> • One stop services focused on a single industrial sector (e.g. apparel, food processing) 	Proposed
	Increased access to funding	Proposed



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STRATEGY #3: INCREASE EMPLOYMENT OPPORTUNITIES

The employment strategy connected to the Economic Revitalization Plan is designed to help local residents fill new jobs that will be created by increased business activity. To do this, action is required to assist residents to improve their employment readiness and job retention skills and to encourage employers to hire residents and work cooperatively with local employment organizations.

The VA has developed a Downtown Eastside Employment Strategy with a comprehensive approach to increasing employment levels amongst local residents. Employment Strategy Priorities include:

- > Enhance Employment Readiness and Job Retention Skills – Many Downtown Eastside residents do not have long-term work experience due to multiple personal and systemic barriers. Addressing these barriers takes time and commitment. Strong case management, service coordination and flexibility are necessary to help residents' progress from support services through employment skills and training to jobs.
- > Strengthen Employer and Community Links – With residents better prepared for employment, actions are needed to encourage local employers to hire residents.



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ONGOING AND PROPOSED ACTIONS TO ACHIEVE STRATEGY #3

Priority	Action	Status
Enhance Employment Readiness and Job Retention Skills	Provide coordinated continuum of employment related programming by finalizing and implementing the DTES Employment Strategy	
	<ul style="list-style-type: none"> • Broad spectrum of pre-employment and employment programs • Case management approach • Affordable, quality daycare 	Ongoing Ongoing Ongoing
	Employer participation in local hiring and employment programs	Ongoing Proposed Proposed
Strengthen Employer and Community Links	<ul style="list-style-type: none"> • Participation in existing training programs • Develop hiring processes and criteria supporting local hires • Employer awards/recognition 	
	Provide tools to link employers with potential applicants	Proposed Proposed Proposed
	<ul style="list-style-type: none"> • Internet site linking employers and applicants • Candidate screening service • Employer participation in skills training development 	



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VIII. Next Steps

Successful economic revitalization in the Downtown Eastside needs community support and action. The Economic Revitalization Plan for the Downtown Eastside was developed in consultation with community groups, residents, businesses and business organizations. They provided their ideas and expertise to create the three strategies that will increase business activity and job creation in the area.

To develop support, determine priorities and expand participation in the Economic Revitalization Plan initiatives, key partners – business, community organizations and residents – will review the Plan. The review will confirm Plan elements and set in motion the actual partnerships and initiatives needed to increase business activity and investment in the Downtown Eastside.

The review will include:

1. Discussion with business and business organizations for their input and ideas for implementation, involvement and further action
2. Discussion with community sectors to provide input and ideas for implementation, involvement and further action
3. A Forum to bring together the key partners to develop priorities for action, and collaborations implementing the Plan



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IX. Action Plan

Consultation on the Economic Revitalization Plan begins in January, leading to release of an Action Plan for implementation by businesses, business organizations, community groups, residents and the Vancouver Agreement partners.





AT A GLANCE: THE ECONOMIC REVITALIZATION PLAN

The Downtown Eastside Economic Revitalization Plan		
Vancouver Agreement Goals		
<ul style="list-style-type: none"> • Economic revitalization • Improvements to residents' health and housing • Increased public safety 		
Economic Revitalization Plan Outcomes		
<p>The Plan intends to increase the level and breadth of economic activity in the area, as measured by the:</p> <ul style="list-style-type: none"> • Level of investment • Total employment in the area • Participation of local residents in the work force • Range of goods and services available 		
Economic Revitalization Plan - Key Strategies		
<ol style="list-style-type: none"> 1. Increase demand for the Downtown Eastside's products and services 2. Strengthen the capabilities of local suppliers 3. Increase employment opportunities for local residents 		
Strategy #1:	Strategy #2:	Strategy #3
<p>Increase Demand</p> <ul style="list-style-type: none"> • Take Advantage of Key Economic Drivers • Create Strong Neighbourhood Brands • Address Safety and Security Concerns • Expand the Supply of Housing • Upgrade Area Appearance and Strengthen Area Links 	<p>Strengthen supplier capabilities</p> <ul style="list-style-type: none"> • Upgrade Building Infrastructure • Increase the Rate of Business Retention and Expansion • Attract New Businesses to the Area • Improve the Readiness of Local Suppliers 	<p>Increase Employment Opportunities for Local Residents</p> <ul style="list-style-type: none"> • Enhance Employment Readiness and Job Retention Skills • Strengthen Employer and Community Links