



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: November 28, 2006
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Meeting Date: December 12, 2006

TO: Vancouver City Council

FROM: General Manager of Corporate Services

SUBJECT: Vancouver Economic Development Commission (the "VEDC")
Economic Development ("ED") (Business Climate) Strategy - Phase I
Progress Report

RECOMMENDATION

THAT Council release the previously approved 2007 Program Costs of \$106,000 in order for the VEDC to continue Phase I of the ED (Business Climate) Strategy project plan through July 2007. Source of funding from the 2007 Operating Budget that was pre-approved in July 2006 subject to a progress report.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval for the foregoing.

COUNCIL POLICY

Council has a policy of contracting with the VEDC for the provision of economic development services through a service contract. The contract is renewable every 3 years at the discretion of Council; provided that any obligation of the City to provide funding for each year of the 3-year contract will be subject to an annual review of the operating and financial results, and audited financial statements for the preceding year; and Council approval of the business plan and operating budget for the upcoming year. Current agreement allows the City to terminate the service contract on 90-day notice.

PURPOSE

The purpose of this report is to:

- Provide Council with a Progress Report for Phase I of the VEDC's ED (Business Climate) Strategy.
- Request that Council release the previously approved 2007 portion of the project costs of \$106,000 in order to enable to VEDC to carry on with Phase I of the project plan.

BACKGROUND

In March 2006, Council approved the funding of an ED (Business Climate) Strategy in principle, subject to receiving a detailed project plan from VEDC. In July 2006 VEDC presented that project plan to Council, resulting in the approval of total project costs of \$212,000. The project plan outlined the development period July 2006 to July 2007, with half the project funds released and spent in 2006 and the other half to be released and spent in 2007.

Based on this project plan, Council approved release of the 2006 funding of \$106,000. Council pre-approved \$106,000 for 2007 project costs, with the release of funds subject to receiving a progress report from VEDC/City Staff in December 2006.

Council approved a project plan focused on developing strategies to build a strong, dynamic and competitive business climate, building on Council's adoption of six specific economic guiding principles. Since Council's approval, VEDC became aware of the Vancouver Board of Trade's initiative "Spirit of Vancouver", a regional visioning process. Concerned that this may lead to some confusion among stakeholders, VEDC and the consulting team developed a revised approach to the ED (Business Climate) Strategy, focusing more heavily on one-on-one meetings with a wide range of stakeholders to receive input. While some aspects of the approach have changed the deliverables, the budget and timelines remain the same.

VEDC has provided progress details to City Staff which is outlined in the following staff report.

DISCUSSION

The following provides a description of Phase I ED (Business Climate) Strategy activities completed to-date.

Stakeholder Meetings:

- Letters sent to 60 stakeholders inviting them to participate in one-on-one interviews.
- 6 new contacts have been added to the list of stakeholders as a result of referrals and some gaps in information bringing the total to 66 stakeholders.
- 31 interviews completed (as at Nov. 22); 24 interviews scheduled up to Dec. 2; 11 interviews remain to be scheduled.
- High level of enthusiasm from all stakeholders with 100% of those contacted agreeing to participate.

Communications Draft Plan Completed:

- Plan will be further developed based on the information obtained through the interview process. Communications goal is to broadly inform, engage and discuss business climate issues.

Whitepaper #1:

- Draft completed for "State of Vancouver's Competitiveness."
- Paper distributed for input and comment (November and December).

Phase I of the ED (Business Climate) Strategy is on budget and with completion date targeted for July 2007.

Status

The following table provides a list of specific Phase I milestones achieved to-date and the status of each:

MILESTONE	DATE	STATUS
Council approves Six Economic Guiding Principles.	Jul.11 06	Complete
Presentation of detailed process plan to Council. Council approved the release of approved funding.	Late Jul. 06	Complete
The team of Vann Struth, Harris, Vance and Spooner selected.	Aug. 06	Complete
Process plan presented.	Aug. 06	Complete
Revised process plan presented.	Sept. 06	Complete
Letter from City of Vancouver and VEDC mailed to stakeholders requesting interviews.	Oct. 06	Complete
Interviews with stakeholders to be conducted by consultants to identify key business climate issues and identify and recruit leadership team.	Oct. - Dec. 06	In-Progress
Communications plan (Draft) presented; final version will incorporate feedback from interviews with stakeholders and is due Dec, 2006.	Nov. 2006	Draft Complete
First white paper completed "The State of Vancouver's Competitiveness."	Nov. 06	Draft Complete Summary document being written

The following table provides a list of the remaining milestones to be achieved in Phase I:

MILESTONE	DATE
External perceptions survey.	Dec. 06
Leadership Council Formed.	Dec. 06
Leadership forum # 1.	Feb.12 07
"The Vancouver Advantage" draft paper completed and distributed for comment/input.	Feb.28 07
"Bridges and Gaps to Vancouver's Advantage" draft paper completed for comment and input.	Mar.12 07
Leadership forum # 2.	Apr.3 07
"Putting Vancouver Ahead of the Competition" draft paper completed for comment and input.	May.15 07
Leadership forum # 3.	Jun.4 07
"Creating the Vancouver Advantage" draft paper completed with final recommendations and implementation plan.	Jun.30 07

FINANCIAL IMPLICATIONS

The total budget for the ED (Business Climate) Strategy Phase I is \$262,000, which includes the City's contribution of \$212,000. In order to ensure project continuity through July 2007 and that deliverables are accomplished on schedule, the VEDC and City Staff recommend Council release the previously approved 2007 portion of Phase I Project Costs of \$106,000.

Total Phase I Project Cost	\$262,000
External Funding/In-kind contributions	<u>(\$50,000)</u>
	\$212,000
Received from City Jul. 2006 - Dec. 2006	<u>(\$106,000)</u>
To be released from City Jan. 2007 - Jul. 2007	\$106,000

Source of funding from the 2007 Operating Budget that was pre-approved in July 2006 subject to a progress report back to Council in December 2006.

CONCLUSION

This report provides Council with a progress report for Phase I of the VEDC's ED (Business Climate) Strategy. Staff recommends that Council release the 2007 portion of the program costs of \$106,000 to enable the VEDC to complete the strategy in 2007.

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