

Supports Item No. 1  
CS&B Committee Agenda  
December 11, 2007



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: November 21, 2007  
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VanRIMS No.: 08-3000-11  
Meeting Date: December 3, 2007

TO: Standing Committee on City Services and Budgets

FROM: General Manager of Corporate Services

SUBJECT: Vancouver Economic Development Commission: 2008 Business Plan and Budget

RECOMMENDATIONS

- A. THAT Council receive for information the *Vancouver Economic Development Commission's 2008 Business Plan and Budget*, contained in Appendix C of this report.
- B. THAT Council approve the Business Climate Strategy Phase II project plan and release the \$50,000 of previously-approved funding to be applied toward the implementation of Phase 1 of the VEDC's Business Climate Strategy.
- C. THAT Council receive this update report and release the \$122,000 in previously-approved funding to the VEDC, to be applied toward the implementation of the VEDC's *2007-2010 Strategic Plan for the 2010 Olympic and Paralympic Winter Games*.

THAT Council receive this report for INFORMATION and defer the following recommendations and considerations to the 2008 Interim Operating Budget.

- D. THAT Council approve the VEDC one-time 2008 funding request of \$125,000, to be applied toward Phase 2 of the VEDC Economic Development Strategy, with funding and approval to be deferred to the 2008 Interim Operating Budget.
- E. THAT Council approve the request for \$828,000 in funding to maintain the existing service level; funding of \$828,000 has already provided for in the 2008 Interim Operating Budget..
- F. THAT Council approve an increase to the annual VEDC baseline funding for core services of \$295,000 without offset, prorated to \$196,700 in 2008, with funding and approval to be deferred to the 2008 Interim Operating Budget.
- G. THAT Council approve ongoing funding of \$295,000, prorated to \$196,700 in 2008, to fund selected recommendations in the October 2007 *VEDC Report on the Business Climate in the City of Vancouver*, to be released to the appropriate City department and/or to the VEDC, subject to report back to Council with the intended use and rationale, with funding and approval to be deferred to the 2008 Interim Operating Budget.

#### CONSIDERATION

- H. THAT Council approve an increase to the annual VEDC baseline funding for core services of \$590,000 without offset, prorated to \$393,300 in 2008, with funding and approval to be deferred to the 2008 Interim Operating Budget.

#### CITY MANAGER'S COMMENTS

The *Vancouver Economic Development Commission's 2008 Business Plan* includes a discussion of the VEDC's activities over the past year, enumerates the challenges the organisation has faced, states the VEDC's goals, and recommends the implementation and/or continuation of a number of initiatives intended to meet these goals.

Council will note that in this current plan, the funding request to the City is \$705,000 higher than the amount approved in the 2007 approved budget (a 71% increase). The VEDC 2008 business plan presents the rationale for this requested incremental funding; the organisation has come through a transitional period, and is now poised to build on the work the agency has done over the first decade of its existence. The VEDC plays an important role in ensuring that our City's economic development needs are addressed, and ultimately that our local and regional economies continue to thrive and grow.

The VEDC's 2008 incremental funding request to the City is made up of two parts:

- an ongoing amount of \$590,000, added to the VEDC baseline funding for core services, and
- a one-time amount of \$125,000, to be applied to Phase 2 of the Economic Development Strategy laid out in the VEDC's 2008 business plan.

With respect to the request for incremental annual baseline funding of \$590,000, staff recommends that Council approve half of this amount as an increase to the VEDC's ongoing baseline funding, and let the VEDC determine where best apply this funding in order to carry out their business plan objectives.

Staff is also recommending that Council approve the other half of this funding, for high-priority actions and initiatives arising from the *Business Climate Report*, with this ongoing funding to be released as appropriate to either a City department and/or to the VEDC, subject to report back to Council with the intended use and rationale.

With respect to the requested one-time \$125,000 in funding for Phase 2 of the VEDC's Economic Development Strategy, staff is recommending that Council approve this amount in full, to enable the VEDC to carry on the important work that was started in Phase 1 of this project.

The recently-published *Business Climate Report*, written under the guidance of some of the city's key business leaders, documented the need for the VEDC to have a clear strategy and greater resources in order to achieve their objectives. The authors of the report also illustrated the crucial link between the City's sustainability objectives, emphasizing that our environmental and social objectives two cannot be achieved without a strong and sustainable economy. Staff believes that the set of funding recommendations in this report will provide the resources to allow the VEDC to achieve their objectives, and demonstrate the City's commitment to Vancouver's long-term economic sustainability.

## COUNCIL POLICY

Council contracts with the Vancouver Economic Development Commission (VEDC) for the provision of economic development services through a service contract that details the nature of the relationship between the City and the VEDC. This contract is renewable every three years, at the discretion of Council. Per the terms of the contract, any obligation of the City to provide funding for each year of the three-year contract is subject to an annual review of the operating and financial results, and to Council approval of the operating budget for the upcoming year.

The specifics of the services to be delivered by the VEDC, and the amount of funding provided by the City to the VEDC, are determined each year through a business plan the VEDC brings to

Council for approval. As part of the 2007 Operating Budget approvals, in February 2007, Council approved annual baseline funding for the VEDC of \$798,750.

Outside of this standard funding cycle, in February 2007 Council also approved a one-time funding allocation of \$50,000 to the VEDC, to be applied toward the implementation of Phase I of the VEDC's Economic Development Strategy. The release of these funds is subject to Council approval of a project plan.

Similarly, in July 2007 Council approved the VEDC's *2007-2010 Strategic Plan for the 2010 Olympic and Paralympic Winter Games*, along with associated incremental funding from the City of \$330,000 (\$100,000 in 2007, \$122,000 in 2008, \$88,000 in 2009, and \$20,000 in 2010). The release of these funds in each year is contingent upon an update report from the VEDC delivered to Council, demonstrating progress against the deliverables detailed in this plan.

In July 2006, Council approved a set of Guiding Principles for Economic Development in the City of Vancouver.

In November 2007, Council received for information the VEDC's *Report on the Business Climate in the City of Vancouver*, and instructed staff to report back in collaboration with the VEDC with analysis and comment on the report's recommended actions.

## PURPOSE

The purpose of this report is to:

- present to Council the VEDC's *2008 Business Plan and Budget* for information (with Council's decision on the 2008 funding request to be deferred to the 2008 Interim Operating Budget),
- present to Council the VEDC's 2007 operating and projected financial results for information,
- seek Council approval for the release of previously-approved funding for implementation of VEDC's Business Climate Strategy implementation, and 2010 Plan,
- seek Council approval of additional ongoing funding to be added to the VEDC's baseline funding for core services, and to fund selected recommendations from the *VEDC Report on the Business Climate in the City of Vancouver*.

## BACKGROUND

The VEDC is an arm's-length, non-profit organisation that was established in the mid-1990s,

to provide economic development services on behalf of and to the City. As stipulated in the 2006 service contract with the City, the VEDC's mandate is:

- to provide leadership with respect to economic development in Vancouver,
- to promote Vancouver as a vibrant and diversified destination for business and investment,
- to assess and report on performance indicators for Vancouver and the VEDC, and
- to provide policy advice and recommendations as requested by Council as a whole, or as directed by the VEDC Board.

The VEDC currently has six staff members, and is governed by a fourteen-member Board. Board members are appointed by Council through the City's application process for appointment to advisory bodies. Alongside the Board are three ex-officio representatives from the Vancouver Board of Trade, Tourism Vancouver and the provincial government, as well as two designated Council liaisons. Collectively, the Board brings an array of knowledge and contacts in key areas that relate to economic development, such as communications, economics, international finance, technology, transportation and urban development. Starting in 2008, one-third of Board members serve a one-year term, one-third a two-year term, and one-third a three-year term, to achieve consistent member rotation.

## DISCUSSION

### 2007 FINANCIAL RESULTS

In past years, at the same time the VEDC has presented their business plan to Council, they have also presented their past-year financial results. Because in the current year the City's budget cycle has been advanced, it is only possible to report 2007 year-to-date financials to October 31, 2007 (details in Appendix A). The VEDC is projecting a budget shortfall of \$29,000 in 2007, to be funded from their reserves (details in Table 1).

The final 2007 financial statements will be delivered to Council by March 15, 2008, before the 2008 Interim Operating Budget is to be brought to Council for deliberation.

TABLE 1. VEDC PROJECTED 2007 FINANCIAL RESULTS,  
BASED ON YTD OCTOBER 31, 2007

#### NOTES TO TABLE 1

1. 2007 actuals are estimated based on year-to-date results to October 31, 2007.
2. Expenses: Office rent, professional fees, office expenses and core activities.

## 2007 ACHIEVEMENTS

Despite the significant staff turnover in 2007, the VEDC delivered the commitments that were made in their 2007 business plan. Appendix II of the *2008 Business Plan and Budget* contains a 2007 performance report, which discusses in detail the VEDC's achievements over the past year. These achievements are summarised in Table 2.

TABLE 2. SUMMARY OF VEDC'S 2007 ACHIEVEMENTS

### 1. BUSINESS PLAN GOAL #1: SUPPORT RETENTION AND EXPANSION OF VANCOUVER'S BUSINESS BASE

ACTIONS/ DELIVERABLES	ACHIEVEMENTS
<p>A. ACTION: Support retention and expansion of Vancouver's business base, by providing information and key contacts, and facilitating access to new markets, by identifying strategic opportunities for growth and removing barriers to expansion.</p>	<ul style="list-style-type: none"> <li>▪ BUSINESS CLIMATE REPORT: Report on the Business Climate in the City of Vancouver was a significant retention activity.</li> <li>▪ INTERVIEWS &amp; ASSISTANCE: Conducted twenty Business First interviews with key executives, fielded 150 business assistance and information requests from local companies, and sponsored six local industry events.</li> <li>▪ WORKSHOPS: Conducted four 2010 Business Opportunities workshops, in collaboration with the provincial 2010 Commerce Centre.</li> <li>▪ LOCAL BUSINESS SUPPORT: Continued support of local BIAs through BizMap program.</li> </ul>
<p>B. ACTION: Attract new business investment to Vancouver by responding to location inquiries, and by leveraging economic opportunities leading up to the 2010 Games.</p>	<ul style="list-style-type: none"> <li>▪ 2010 PLAN: Developed an array of tools to promote Vancouver as a strong, recognised brand, plan for leveraging 2010 Winter Games to increase trade and investment is in place and is currently being implemented.</li> <li>▪ REGIONAL ECONOMIC DEVELOPMENT: One of the leaders in initiating a regional MOU, to provide a framework for Metro municipalities to coordinate regional economic development efforts.</li> <li>▪ OUTREACH TO ETHNIC COMMUNITIES: Worked with local ethnic business associations to improve cross-cultural communication related to trade and investment.</li> <li>▪ VISITOR SERVICES: Provided services to inbound trade and business-related delegations, and has provided custom expansion and relocation proposals to twenty-two qualified companies.</li> </ul>

<p>C. ACTION: Influence policies that impact Vancouver's business climate and competitiveness by raising awareness of underlying issues, communicating with City Council and staff and developing practical solutions and/or recommendations.</p>	<ul style="list-style-type: none"> <li>▪ BUSINESS CLIMATE REPORT: The report, completed this year, is a comprehensive overview of business climate issues in the City, based on VEDC analysis and benchmarking, and included interviews with over 100 business and community leaders, as well as the deliberations of a Blue Ribbon Council of business leaders. The report included several recommendations regarding the VEDC's relationships with government, which will be prioritised for implementation as part of the 2008 plan.</li> </ul>
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## 2. BUSINESS PLAN GOAL #2: PLAN FOR THE LONG TERM – AN ECONOMIC DEVELOPMENT STRATEGY

ACTIONS/ DELIVERABLES	ACHIEVEMENTS
<p>A. ACTION: Develop an economic development strategy: (i) establish a clear understanding of Vancouver's economy and competitive position, (ii) establish a clear sense of vision and goals, (iii) develop a detailed plan, and (iv) ensure action.</p>	<ul style="list-style-type: none"> <li>▪ BUSINESS CLIMATE REPORT: This goal has been met through the research, publication and follow-up on the VEDC's Report on the Business Climate in the City of Vancouver. Next phase of this Economic Development Strategy work is described in the 2008 Business Plan.</li> </ul>

## 3. BUSINESS PLAN GOAL #3: BUILD A STRONG ORGANISATION AND STRATEGIC RELATIONSHIPS

ACTIONS/ DELIVERABLES	ACHIEVEMENTS
<p>A. ACTION: Build VEDC profile and credibility with clients and funders by providing consistent, reliable and thorough information and services, and communicating role and successes.</p>	<ul style="list-style-type: none"> <li>▪ VARIOUS ACTIVITIES: Continued to build relationships with City staff and Council, website maintenance, increased distribution of a quarterly electronic newsletter, prepared media profiles and press releases as appropriate, continued developing professional materials and reports for clear communication, and hosted four local presentations about economic development issues and opportunities.</li> </ul>
<p>B. ACTION: Build VEDC capacity through staff and Board development.</p>	<ul style="list-style-type: none"> <li>▪ VARIOUS ACTIVITIES: Continued to strengthen the Board of Directors, provided professional board training and development for new Board members, developed management and staff team, streamlined VEDC's administrative load in order to enhance efficiencies.</li> </ul>
<p>C. ACTION: Build strategic relationships to leverage funds and coordinate strategies and activities.</p>	<ul style="list-style-type: none"> <li>▪ VARIOUS ACTIVITIES: Coordinated activities with City and provincial agencies, developed focused and strategic relationships with fifteen organisations to advance economic goals, participated in various relevant regional, provincial and national forums/events, and secured maximum matching contributions in project funding from partner organisations.</li> </ul>

**4. 2010 PLAN GOAL #1: PROMOTE A STRONG, RECOGNISED VANCOUVER BRAND**

ACTIONS/ DELIVERABLES	ACHIEVEMENTS
A. DELIVERABLE: Brand and positioning messages.	<ul style="list-style-type: none"> <li>▪ Completed: Contracted Vancouver-based design firm to deliver brand identity, positioning line and campaign concept for promoting Vancouver business globally.</li> </ul>
B. DELIVERABLE: Information package.	<ul style="list-style-type: none"> <li>▪ Completed: Developed information package, including facts and statistics, on Vancouver as a business destination, for responding to media and investment enquiries.</li> </ul>
C. DELIVERABLE: Website.	<ul style="list-style-type: none"> <li>▪ Completed: Contracted Vancouver-based new media firm to develop new website, based on revised brand and position.</li> </ul>
D. DELIVERABLE: Vancouver industry profiles.	<ul style="list-style-type: none"> <li>▪ Completed: Completed five industry profiles in partnership with industry associations: Life Sciences BC, BC Film Commission, New Media BC, Information &amp; Communications Technology, and Clean Technology.</li> </ul>
E. DELIVERABLE: Success stories.	<ul style="list-style-type: none"> <li>▪ Not completed: 2008-2010 deliverable.</li> </ul>
F. DELIVERABLE: Presentation kits.	<ul style="list-style-type: none"> <li>▪ Completed: Developed delivery/presentation mechanism for the VEDC/Vancouver pitch to inbound dignitaries and delegations interested in doing business in Vancouver.</li> </ul>
G. DELIVERABLE: Resource manual.	<ul style="list-style-type: none"> <li>▪ Not completed: 2008-2010 deliverable.</li> </ul>
H. DELIVERABLE: Briefing sessions.	<ul style="list-style-type: none"> <li>▪ Completed: The VEDC conducted four 2010 Business Opportunities workshops with specific industry sectors in 2007, in collaboration with the 2010 Commerce Centre/BC Secretariat, as a way of gauging local interest in consolidating and leveraging 2010-related economic development initiatives. These relationships will be used to set the stage for 2008-2010 briefing sessions. The four workshops were conducted using VEDC operating funds.</li> </ul>

**5. 2010 PLAN GOAL #2: INCREASED TRADE AND INVESTMENT**

ACTIONS/ DELIVERABLES	ACHIEVEMENTS
A. DELIVERABLE: eCampaign in partnership with Canadian Trade Commissioners in targeted countries	<ul style="list-style-type: none"> <li>▪ Completed: Conducted in-person introductory outreach to BC-based Canadian consulate corps; completed 2010-based eCampaign to global trade commissioners.</li> </ul>
B. DELIVERABLE: Presence at BC Business Summits	<ul style="list-style-type: none"> <li>▪ Completed: Represented Vancouver and VEDC at the Ministry of Economic Development/BC Secretariat booth, at International Business Summit in Chicago, November 2007.</li> </ul>



C. DELIVERABLE: Beijing 2008: Display at BC-Canada Pavilion	<ul style="list-style-type: none"> <li>▪ Completed: Completed planning and implementation activities for trade and investment display in BC-Canada Pavilion with Metro Vancouver municipalities as part of regional economic development MOU; received commitment from Western Economic Diversification and Ministry of Economic Development for \$115,000 in co-funding for this initiative.</li> </ul>
D. DELIVERABLE: Beijing 2008: Trade and investment mission to Beijing	<ul style="list-style-type: none"> <li>▪ Not completed: 2008 deliverable.</li> </ul>
E. DELIVERABLE: Beijing 2008: Vancouver Industry Seminars	<ul style="list-style-type: none"> <li>▪ Not completed: 2008 deliverable.</li> </ul>
F. DELIVERABLE: Vancouver 2010: Host City "Business Connection"	<ul style="list-style-type: none"> <li>▪ Not completed: 2009-2010 deliverable.</li> </ul>
G. DELIVERABLE: Vancouver 2010: Host City "Business Showcase"	<ul style="list-style-type: none"> <li>▪ Not completed: 2009-2010 deliverable.</li> </ul>
H. DELIVERABLE: Vancouver 2010: Host City "Business Info"	<ul style="list-style-type: none"> <li>▪ Not completed: 2009-2010 deliverable.</li> </ul>

## 2008 BUSINESS PLAN

The *VEDC 2008 Business Plan and Budget* has been developed within the framework of Council's Guiding Principles for Economic Development. The plan is developed around the following vision statement and objective:

*Vision statement: Vancouver is known around the world as much for the excellence of its business climate as for its quality of life.*

*Objective: VEDC's objective is to provide the economic development leadership necessary to support the growth and sustainability of a strong, competitive economy in Vancouver. As a business-led organization with strong links to the City, VEDC is uniquely positioned to serve as the voice of the business community at City Hall.*

The plan presents three core strategies designed to meet this objective: business retention and growth, regional collaboration and investment attraction, and economic strategy and policy development. Funding resources are allocated roughly equally among these three strategies. For each of these strategies, the business plan describes 2007 activities and the 2008 plan, as well as the connection between the Business Climate Report and the plan elements.

## A Note about the Economic Development Strategy and Business Climate Report

Originally, the VEDC's Economic Development Strategy was divided into two phases. The objectives of each of these were delineated in the VEDC's 2007 business plan: Phase 1 entailed developing an economic development strategy and plan, and Phase 2, initiating an industry cluster strategy.

With the publication of the *Business Climate Report*, Phase 1 of this work has now been completed. The plan for Phase 2 has been included in the 2008 business plan, and incorporates funding for some of the recommendations arising out of the *Business Climate Report*. Staff is therefore recommending the previously-approved \$50,000 in funding for the implementation of Phase 1 be released to the VEDC to be applied toward this work.

## FINANCIAL IMPLICATIONS

The Vancouver Economic Development Commission's 2008 Business Plan calls for 2008 operating expenditures of approximately \$2.1 million, as compared to the previous year's \$1.0 million. The VEDC's business plan has the City funding 80% of their 2008 budget (\$1.72 million), which represents a 71% increase over 2007 approved funding.

The VEDC's previously-approved and baseline funding from the City for 2008 is comprised of the following elements (shown in Section C of Table 3 on the following page):

- \$828,000 in baseline funding, equal to the previously-approved baseline funding, inflated by 2.0%, and
- \$122,000 in funding for the implementation of the VEDC's 2010 Plan, previously approved by Council and subject to a report back.

These three funding elements total \$1.01 million. The VEDC is requesting an incremental \$715,000 in funding (shown in Section D of Table 3), comprised of:

- \$590,000 (prorated to \$393,300 for 2008) increase to baseline funding, and
- \$125,000 one-time funding for the implementation of the Business Climate Strategy.

If all five of these funding elements were approved, this would represent \$1.468 million cost to the City's 2008 interim operating budget, with \$715,000 of this funding incremental over previously-approved and baseline funding.

While Council is only asked to approve the 2008 funding associated with the current VEDC Business Plan, it is noted that the plan includes budget projections for 2009 and 2010

which also incorporate significant increases in City funding, projected to grow from \$1.5 million in 2008, to \$1.9 million in 2009, and to \$2.4 million in 2010 (shown in Section B of Table 3).

TABLE 3. VEDC'S 2008 FUNDING REQUEST,  
FINANCIAL IMPLICATIONS FOR THE CITY OF VANCOUVER (\$000S)

	2007 BUDGET	2008 BUDGET	2009 BUDGET	2010 BUDGET
<b>A. VEDC BUDGET</b>				
Total Expenditures	\$1,080	\$1,845	\$2,238	\$2,772
<u>Revenues</u>				
City of Vancouver Funding	\$1,055	\$1,468	\$1,938	\$2,372
Other Funding Sources	\$25	\$377	\$300	\$400
Total Revenues	<b>\$1,080</b>	<b>\$1,845</b>	<b>\$2,238</b>	<b>\$2,772</b>
COV Share of Total Funding	98%	80%	87%	86%
<b>B. FUNDING REQUEST TO THE CITY OF VANCOUVER</b>				
Baseline funding: Core Services Contract	\$799	\$1,221	\$1,850	\$2,352
Project: EDS Phase I: Business Climate Strategy	\$106	\$0	\$0	\$0
Project: EDS Phase I Implementation & Phase II	\$50	\$125	\$0	\$0
Project: 2010 Plan	\$100	\$122	\$88	\$20
<b>Total City of Vancouver Funding Request</b>	<b>\$1,055</b>	<b>\$1,665</b>	<b>\$1,938</b>	<b>\$2,372</b>
<b>C. COV FUNDING: BASELINE &amp; ALREADY-APPROVED</b>				
Baseline funding: Core Services Contract	\$799	\$828	\$845	\$862
Project: EDS Phase I: Business Climate Strategy	\$106	\$0	\$0	\$0
Project: EDS Phase I Implementation & Phase II	\$50	\$0	\$0	\$0
Project: 2010 Plan	\$100	\$122	\$88	\$20
<b>Total COV Funding: Baseline &amp; Already-Approved</b>	<b>\$1,055</b>	<b>\$950</b>	<b>\$933</b>	<b>\$882</b>
<b>D. VEDC INCREMENTAL FUNDING REQUEST OVER BASELINE LEVEL &amp; ALREADY-APPROVED FUNDING</b>				
Baseline funding: Core Services Contract	\$0	\$393	\$996	\$1,480
Project: EDS Phase I: Business Climate Strategy	\$0	\$0	\$0	\$0
Project: EDS Phase I Implementation & Phase II	\$0	\$125	\$0	\$0
Project: 2010 Plan	\$0	\$0	\$0	\$0
<b>Total VEDC Incremental Funding Request to COV</b>	<b>\$0</b>	<b>\$518</b>	<b>\$996</b>	<b>\$1,480</b>
% Increase over Baseline & Already-Approved	0%	55%	107%	168%

**NOTES TO TABLE 3**

1. Baseline funding is increased by an inflation index each year (2.0% for 2008), and is subject to Council approval of the 2008 business plan and budget.

2. Funding for implementation of Phase 1 of the Business Climate Strategy was approved by Council in February 2007; release of funds is subject to Council approval of the project plan.
3. Funding for implementation of the VEDC's 2010 Plan was approved by Council in July 2007; release of funds is subject to a report back on progress to date.

## CONCLUSION

This report presents to Council the *VEDC 2008 Business Plan and Budget*, along with an overview of the VEDC's 2007 achievements and financial performance. The 2008 business plan clearly articulates the vision and objectives of the VEDC, as well as the strategies and actions planned to meet these objectives. The plan calls for significantly increased City funding, over prior-year levels.

Staff is recommending that Council approve the current baseline funding amount and half of the requested incremental baseline funding, and as well, release two previously-approved funding allocations.

Staff is further recommending that the other half of the requested incremental baseline funding be approved, and released subject to staff and the VEDC reporting back on recommended actions and initiatives arising from the recent *Business Climate Strategy* report, with these funds released to a City department and/or to the VEDC, as appropriate.

\* \* \* \* \*



**VANCOUVER ECONOMIC DEVELOPMENT COMMISSION**

**FINANCIAL STATEMENTS**

**FOR THE MONTH ENDING OCTOBER 31, 2007**

*Prepared by: Yvonne Turkenburg*

*Date: 11/9/2007*

**VANCOUVER ECONOMIC DEVELOPMENT COMMISSION**

**Statement of Financial Position**

**As at October 31, 2007**

		<b>Oct 31/07</b>	<b>Oct 31/06</b>
		<b>Actual</b>	<b>Actual</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and short term investments		470,826	357,281
Accounts receivable	(Note 1)	8,480	-
Prepaid expense		7,673	2,944
Rent deposit	(Note 2)	5,519	5,519
		<u>492,498</u>	<u>365,744</u>
<b>Property and equipment</b>		63,568	77,159
		<u>556,066</u>	<u>442,903</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts payable		46,158	10,557
Accrued liabilities		-	-
GST payable		12,143	12,297
Deferred Revenue	(Note 3)	238,712	153,827
Lease inducement - current portion		1,898	1,898
Lease inducement - long-term portion		37,967	49,357
		<u>336,878</u>	<u>233,563</u>
<b>Net assets</b>			
Investment in equipment	(Note 4)	18,965	25,903
Unrestricted		200,223	183,436
Net assets		<u>219,188</u>	<u>209,339</u>
		<u>556,066</u>	<u>442,903</u>

**Note 1:** Composed of four BIA's contribution to 2007 BizMap commercial profiles: Hastings North, Strathcona, West End and Yaletown

**Note 2:** Rental deposit on the 1075 W Georgia office space, comprising the final month's rent.

**Note 3:** Composed of revenue received in advance for City-Core funding of \$140,167, City-2010 funding of \$89,226, City-BCS funding of \$8,263 and Leadership Forum of \$1,056.

**Note 4:** Investment in equipment is a residual of property and equipment less current and long-term lease inducements. Also see accompanying Statement Of Changes In Net Assets.

**VANCOUVER ECONOMIC DEVELOPMENT COMMISSION**

**Statement of Changes in Net Assets**

**For the month of October 2007**

	Invested in Equipment \$	Unrestricted \$	Total 2007 \$	Total 2006 \$
<b>Balance, beginning of year</b>	30,300	127,998	158,298	147,271
Invested in equipment (Note 1)	9,361	(9,361)	0	0
Amortization of deferred lease inducement	4,755	(4,755)	0	0
Amortization	(25,450)	25,450	0	0
Excess (deficiency) of revenues over expenditures for the year	0	60,891	60,891	62,068
<b>Balance, end of month</b>	18,965	200,223	219,188	209,339

**Note 1:** Purchase of Adobe CS3 software upgrade and bookcase in June, 2007, LCD projector and screen in March 2007 plus proceeds of \$400 for sale of surplus equipment in Feb/07 (net cost \$2,554)

Sept/07 purchased computer equipment for new staff members and camera equipment for a cost of \$5,394.

Oct/07 purchased 7 Maximizer CRM licenses and a new phone for the conference room for a cost of \$1,814.

**VANCOUVER ECONOMIC DEVELOPMENT COMMISSION**

**Statement of Revenues & Expenditures**

**For the month of October 2007**

	<b>Current Month Actual</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>YTD Variance Favourable (Unfavourable)</b>	<b>2007 Annual Budget</b>	<b>Annual Budget Remaining (vs. Actual)</b>
<b>Revenue</b>						
City-Core Service Contract	70,083	<b>658,583</b>	661,875	(3,292)	<b>798,750</b>	<b>140,167</b>
City-Business Climate Strategy (Note 1)	29,327	<b>114,705</b>	106,000	8,705	<b>106,000</b>	<b>(8,705)</b>
City - Plan 2010 (Note 2)	-	<b>10,774</b>	60,000	(49,226)	<b>100,000</b>	<b>89,226</b>
<b>Other revenues</b>						
BIA Profiles (Note 3)	8,000	<b>14,000</b>	-	14,000	<b>0</b>	<b>0</b>
Interest earned	1,121	<b>7,823</b>	-	7,823	<b>0</b>	<b>0</b>
<b>Total Revenue:</b>	<b>108,532</b>	<b>805,885</b>	<b>827,875</b>	<b>(21,990)</b>	<b>1,004,750</b>	<b>220,688</b>
<b>Expenses</b>						
Office rent, gross	5,535	<b>53,915</b>	54,167	252	<b>65,000</b>	<b>11,085</b>
Less: Lease inducement	(949)	<b>(9,490)</b>	(9,490)	0	<b>11,390</b>	<b>20,880</b>
Office Rent, net of recovery (Note 4)	4,586	<b>44,424</b>	44,677	252	<b>53,610</b>	<b>9,186</b>
Professional fees	128	<b>4,726</b>	10,583	5,857	<b>12,700</b>	<b>7,974</b>
Salaries and benefits (Note 5)	53,053	<b>453,826</b>	485,417	31,590	<b>582,500</b>	<b>128,674</b>
<b>Core Activities:</b>						
Communciations and website (Note 6)	-	<b>11,501</b>	8,333	(3,168)	<b>10,000</b>	<b>(1,501)</b>
Conferences and events	1,060	<b>16,308</b>	12,500	(3,808)	<b>15,000</b>	<b>(1,308)</b>
Dues and subscriptions	1,480	<b>5,384</b>	2,167	(3,217)	<b>2,600</b>	<b>(2,784)</b>
Meetings and hospitality	638	<b>6,870</b>	7,500	630	<b>9,000</b>	<b>2,130</b>
Printing and publications	324	<b>3,792</b>	8,125	4,333	<b>9,750</b>	<b>5,958</b>
Promotion and sponsorship	580	<b>4,901</b>	16,667	11,766	<b>20,000</b>	<b>15,099</b>
Research and data	1,527	<b>5,345</b>	16,667	11,322	<b>20,000</b>	<b>14,655</b>
Travel	1,739	<b>5,464</b>	17,500	12,036	<b>21,000</b>	<b>15,536</b>
<b>Office Expenses:</b>						
Bank charges and interest	9	<b>355</b>	250	(105)	<b>300</b>	<b>(55)</b>
Insurance	219	<b>2,191</b>	2,667	476	<b>3,200</b>	<b>1,009</b>
Office supplies and equipment	2,122	<b>7,996</b>	12,500	4,504	<b>15,000</b>	<b>7,004</b>
Parking	414	<b>3,063</b>	2,333	(730)	<b>2,800</b>	<b>(263)</b>
Telecommunications	758	<b>7,144</b>	8,250	1,106	<b>9,900</b>	<b>2,756</b>
<b>Special Projects:</b>						
Business Climate Strategy (Note 7)	29,327	<b>114,705</b>	106,000	(8,705)	<b>106,000</b>	<b>(8,705)</b>
Plan 2010 (Note 8)	-	<b>21,548</b>	96,000	74,452	<b>160,000</b>	<b>138,452</b>
<b>Total Expenses:</b>	<b>97,961</b>	<b>719,543</b>	<b>858,135</b>	<b>64,140</b>	<b>1,053,360</b>	<b>333,817</b>
<b>Excess of Revenue over Expenses before Amortization</b>	<b>10,570</b>	<b>86,342</b>	<b>(30,260)</b>	<b>116,602</b>	<b>(48,610)</b>	<b>(134,952)</b>
Amortization Expense (Note 9)	526	<b>25,451</b>	29,589	(4,138)	<b>35,506</b>	<b>10,056</b>
<b>Excess of Revenue over Expenses (YTD)</b>	<b>10,044</b>	<b>60,891</b>	<b>(59,848)</b>	<b>120,739</b>	<b>(84,116)</b>	<b>(145,007)</b>

See accompanying notes



**Note 1**

**City – Business Climate Strategy Revenue**

Variance is due to a timing difference. The original budget was allocated evenly over 7 months with the anticipated completion in July 2007. Subsequently, the project completion date was extended to October 31, 2007. The revenues and expenses are recognized as they are received. The variance will be eliminated when the project concludes.

**Note 2**

**City – Plan 2010**

This amount represents 50% funding for the current expense identified under special projects.

**Note 3**

**Other Revenue – BIA Profiles**

Unbudgeted funding from BIA's for their commercial district profile updates. Work is currently being completed by Lucent Strategies and Small Business BC and the related expenses are reflected under Research and Data.

**Note 4**

**Office Rent, net of lease inducement**

Composed of gross rent of \$54,998 less \$9,490 in lease inducements amortized over the term of the lease. In addition, a refund of \$1,084 was received in April 2007 relating to an overpayment of 2006 property taxes and operating expenses.

**Note 5**

**Salaries & benefits**

Variance is due to staff vacancies in the first half of the year.

**Note 6**

**Core Activities – all**

Variances are due to timing differences. The budget has been allocated evenly over 12 months but actual expenses have not been incurred evenly over the same period.

**Note 7**

**Special Projects – Business Climate Strategy**

See note 2.

**Note 8**

**Special Projects – Plan 2010**

New budget approved in July 2007 for Plan 2010. The total budget is comprised of \$25,000 in federal funding, \$100,000 from the City of Vancouver and \$35,000 from VEDC. The current expense will be submitted for 50% funding from the federal government.

**Note 9**

**Amortization Expense**

Assumes no salvage value and 36-month amortization period for all capital assets except artwork at 60-month amortization period. A year-to-date adjustment was posted in Oct/07 to reflect assets fully depreciated.

**VANCOUVER ECONOMIC DEVELOPMENT COMMISSION**

**Excess Funding Over Operating Expenses**

**For the month of October 2007**

	2007 YTD Actual	2007 YTD Budget	YTD Budget-to-Actual Increase (Decrease)		Annual 2007
<b>City - Core Service Funding</b>	658,583	661,875	(3,292)	0%	798,750
<b>Operating Expenses</b>					
Office Rent before lease inducements	53,915	54,167	-252	0%	65,000
Professional fees (audit, tech services & legal)	4,726	10,583	-5,857	-124%	12,700
Salaries and benefits	453,826	485,417	-31,590	-7%	582,500
Core Activities (Note 1)	59,565	89,458	-29,893	-50%	107,350
Office Expenses (Note 2)	20,749	26,000	-5,251	-25%	31,200
<b>Total Operating Expenses</b>	592,781	665,625	-72,844	-12%	798,750
<b>EXCESS FUNDING OVER OPERATING EXPENSES</b>	65,803	-3,750	69,552	106%	0
<b>Other Sources of Funding</b>					
City - Business Climate Strategy	114,705	106,000	8,705	8%	106,000
BIA Profiles	14,000	0	14,000	100%	0
<b>New Programs Approved in F07:</b>					
2010 Plan	10,774	60,000	-49,226	-457%	100,000
Interest income	7,823	0	7,823	100%	0
Draw from accumulated surplus	9,361	11,667	-2,306	-25%	14,000
<b>Total Other Sources of Funding</b>	156,663	177,667	-21,004	-13%	220,000
<b>Special Project Expenses</b>					
Business Climate Strategy	114,705	106,000	8,705	8%	106,000
2010 Plan	21,548	96,000	-74,452	-346%	160,000
Capital expenditures	9,361	11,667	-2,306	-25%	14,000
<b>Total Special Projects and Capital Expenditures</b>	145,614	213,667	-68,053	-47%	280,000
<b>Excess Other Sources over Expenses</b>	11,049	-36,000	47,049	0	-60,000

**Note 1: Core activities are composed of:**

*Conf. & Events  
Meeting & Hosp.  
Printing & Publication  
Communications & website*

*& Research & Data  
& Travel  
& Promo & Sponsor.*

**Note 2: Office expenses are composed of:**

*Bank Charges & Int.  
Parking  
Insurance*

*& Office Supplies & Equipment  
& Telecommunications*

APPENDIX B.  
SUMMARY OF PRESENTATIONS FROM THE INAUGURAL MEETING OF ECONOMIC  
DEVELOPMENT AGENVIES FROM CANADA'S MAJOR CITIES, MAY 2007

	TOTAL BUDGET	BUDGET NOTES	STAFF	ORGANISATION STRUCTURE	AREAS OF FOCUS
<b>Vancouver</b> –Vancouver Economic Development Commission	\$1.0 million	incl. base budget of approx \$790K plus one-time project funding of \$165K	6 fte	<ul style="list-style-type: none"> <li>▪ Not-for-profit</li> <li>▪ 15 member Board appointed by City Council</li> <li>▪ 3-year terms</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic Development:</li> <li>- Policy/ economic planning</li> <li>- Trade &amp; investment facilitation</li> </ul>
<b>Calgary</b> – Calgary Economic Development	\$4.5 million	incl. base budget of \$3.2M from City, \$500K from private sector, \$350K from other levels of gov't	30 fte	<ul style="list-style-type: none"> <li>▪ Not-for-profit</li> <li>▪ 14 member Board appointed by City Council</li> <li>▪ 2-year terms</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic Development:</li> <li>- Investment &amp; trade development</li> <li>- Research &amp; policy analysis</li> <li>- Small business development</li> <li>- Workforce development</li> <li>- Marketing &amp; communications</li> </ul>
<b>Edmonton</b> – Edmonton Economic Development	\$30.0 million	est. \$3 - \$4 M for econ dev; \$3 - \$4 M for tourism; \$12 - \$13 M for convention centre	250 f/t & 650 p/t	<ul style="list-style-type: none"> <li>▪ Ec. Dev. Corporation</li> <li>▪ Board appointed by City Council</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic Development</li> <li>- Cluster strategy – 7 areas of focus</li> <li>▪ Tourism</li> <li>▪ Conventions – incl. convention centre expansion</li> <li>▪ Research park</li> <li>▪ Tech incubation</li> </ul>

	TOTAL BUDGET	BUDGET NOTES	STAFF	ORGANISATION STRUCTURE	AREAS OF FOCUS
<b>Winnipeg – Destination Winnipeg</b>	\$3.2 million	incl. \$1.3M from City, \$1.2M from province; half of budget allocated to econ dev, half to tourism	22 fte	<ul style="list-style-type: none"> <li>▪ Not-for-profit</li> <li>▪ 12 member Board appointed by Council, plus ex-officio from Mayor's office and from Premier's office</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic Development</li> <li>▪ Tourism</li> </ul>
<b>Ottawa – Ottawa Centre for Research &amp; Innovation</b>	\$6.6 million	incl. \$1.6M from City, \$700K from memberships, \$4.3M from activities	62 fte	<ul style="list-style-type: none"> <li>▪ 45 member Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic Development:</li> <li>- Networking &amp; Education</li> <li>- Entrepreneurship support</li> <li>- Global marketing / business attraction</li> <li>- Workforce development</li> <li>- Advocacy</li> </ul>
<b>Montreal – Montreal International</b>	\$9.1 million	incl. \$2.3M from Gov't of Canada, \$2 M from province, \$3.2 M from metro Montreal, \$500K from city, \$1M from private sector	50+ fte	<ul style="list-style-type: none"> <li>▪ 24 member Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic Development:</li> <li>- Attracting foreign investment</li> <li>- Attracting international org'ns</li> <li>- Facilitating international immigration / foreign workers</li> <li>- Cluster strategies for life sciences, info &amp; communic's tech, aerospace)</li> </ul>

	TOTAL BUDGET	BUDGET NOTES	STAFF	ORGANISATION STRUCTURE	AREAS OF FOCUS
<b>Halifax</b> – Greater Halifax Partnership	\$4.7 million	-	23 fte	<ul style="list-style-type: none"> <li>▪ Not-for-profit</li> <li>▪ 13 member Board, drawn from private sector “investors”</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic Development:</li> <li>- Business retention and expansion</li> <li>- Immigration</li> <li>- Trade development</li> <li>- Business recruitment</li> <li>- Research</li> </ul>
<b>Toronto</b>	n/a	n/a	n/a	▪ n/a	▪ n/a

**NOTES TO TABLE**

1. Source: Vancouver Economic Development Commission.



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## INTRODUCTION

### VEDC: THE FIRST DECADE

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The Vancouver Economic Development Commission (VEDC) was formed in 1996, a period of considerable economic uncertainty. This was the last year of a period in which BC's economy, measured in real GDP per capita, shrank in five of six years. But as the economy recovered and, in particular, with the award of the 2010 Winter Games to Vancouver, there has been less concern about the City's economic future.

Since 1996, the VEDC has grown from a concept to a small organization focused on three core activities: business retention and growth, investment attraction, and economic development strategy and planning. While making a modest contribution to the City's economic growth, the VEDC has not lived up to all the expectations of its founders. In particular, it has been unable to achieve a significant level of on-going funding from sources other than the City of Vancouver. The result has been insufficient resources for the VEDC to be fully successful in each of its core activities.

In assessing the VEDC's performance over the past decade, two factors should be taken into consideration:

- As the BC economy soared, spending on economic development became a lower priority
- Per capita spending on economic development in the region is far less than in other major Canadian cities, and in many smaller BC communities.

Vancouver is the only major Canadian city without a region-wide economic development agency. This has had a negative impact on the VEDC's performance from two perspectives:

- A regional approach to investment attraction is both more credible to potential investors, and more cost effective.
- Local private and public sector support that might otherwise have gone to the VEDC has been focused on efforts to create a regional economic development entity; the latest of several such efforts, the Greater Vancouver Economic Council, is currently inactive, after several years of unsuccessful lobbying for community support.

BC's growth in real GDP per capita peaked at 3.4% in 2004, and is expected to continue to grow at a respectable rate, slightly above 2%, through 2010. But, as documented in the VEDC's *Report on the Business Climate in the City of Vancouver* (Phase 1 of the VEDC's Economic Development Strategy), and by leading business commentators, our region's continued prosperity in the post-2010, post pine beetle economy is by no means assured. Vancouver's prominent role in the regional economy is also coming into question, as growth in suburban areas continues to outstrip that in the City. There is growing concern about how the City's economy can continue to thrive.

### 2007: A TRANSITION YEAR

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For the VEDC, 2007 has been the worst of times and the best of times. Two CEOs left the organization within the space of five months; this and other staff turnover resulted in a significant loss of organizational memory.

On the positive side, through the exceptional efforts of its volunteer Board, the VEDC was able to recruit a strong new team and deliver all of its 2007 goals and targets.

In addition, thanks to leadership from City Council, the VEDC was able to play a more prominent role in the business community than in previous years. Council's approval of Guiding Principles for Economic Development added credibility to the VEDC's activities. Two special projects funded by Council, the Business Climate Strategy (BCS) and the 2010 Plan, gave the VEDC an opportunity to strengthen its relationships with partners in both the public and the private sector, as well as to develop a dialogue with labour, arts, social and not-for-profit groups. One particularly important partner in the VEDC's efforts was the Blue Ribbon Council of leading business people, who generously volunteered their time to develop business climate recommendations to the City as part of the BCS *Report*.



When the latest effort to create a regional economic development entity faltered in 2007, the VEDC took the initiative, with its counterparts in Richmond and Surrey, to develop an inter-municipal Memorandum of Understanding (MOU) to advance regional collaboration on economic development. This initiative has generated tremendous interest, and is on track to include eight municipalities by year end. As a result, the VEDC and its counterparts in other municipalities are now at the forefront of regional efforts to attract investments from around the globe.

The VEDC is therefore ending 2007 on a high note. Its challenge in 2008 will be to maintain the momentum that was created in 2007, through City Council's leadership and the collaboration of its many partners in the public and private sectors.

#### VEDC: A SECOND DECADE

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In mid-2007, the VEDC Board considered the possibility of abandoning its work on economic policy and focusing its limited resources on retention and attraction activities. The Board subsequently decided to continue and strengthen its policy-related activities, due to:

- Recognition by the Blue Ribbon Council of the need for more spending on economic development
- Strong support by the Blue Ribbon Council for proceeding with Phase 2 of the Economic Development Strategy; and
- Successful completion of the BCS *Report* and development of the MOU on regional collaboration
- Awareness of the many important issues related to economic development that the City will address in 2008, including:
  - *Region-wide land use and transportation investment plans*
  - *Strategies to strengthen the economic contribution of the arts/cultural sector*
  - *Potential conversion of land intended for commercial or industrial uses to residential development*
  - *EcoDensity and other strategies to enhance the environmental sustainability of the region and the City*

The VEDC's 2008 Business Plan has been developed within the framework established by Council's Guiding Principles for Economic Development, giving roughly equal attention to the three core activities of:

- Business retention and growth
- Regional collaboration on investment attraction
- Economic strategy and policy development

There is strong synergy among these three types of activity, so work in each area significantly enhances the VEDC's capacity in each of the other two areas.

In order to perform strongly in these three areas, the VEDC needs significantly more funding, as documented by the Blue Ribbon Council. While the VEDC cannot avoid being largely dependent on funding from the City in the short term, it has committed to raising more of its funds from other sources each year. Non-City funding amounted to 2.4% of funding in 2007, and is estimated to rise to 18% in 2008, largely because of additional funding sources for the 2010 project. The VEDC's goal is to raise about half of all funds from non-City sources within a decade.

The VEDC recognizes that, to be successful in pursuing these three activities, changes are required to its mandate and structure, as recommended by the Blue Ribbon Council. The VEDC has committed to working with City staff to bring forward recommendations in these areas early in 2008.

## VISION FOR ECONOMIC DEVELOPMENT IN THE CITY OF VANCOUVER

### VISION STATEMENT

Vancouver is known around the world as much for the excellence of its business climate as for its quality of life.

### OBJECTIVE

The VEDC's objective is to provide the economic development leadership necessary to support the growth and sustainability of a strong, competitive economy in Vancouver. As a business-led organization with strong links to the City, the VEDC is uniquely positioned to serve as the voice of the business community at City Hall.

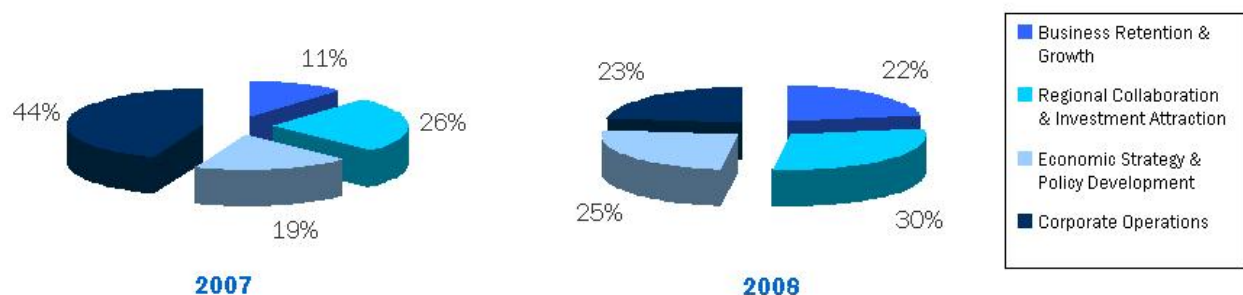
### CORE STRATEGIES

The VEDC will achieve its objective through three core strategies, which are described in detail on subsequent pages:

- 1) **Business Retention & Growth:** By developing an information network among firms, business associations and the City, and by expanding and refocusing its Business First interview program, the VEDC will provide timely and relevant information to the City about changes in the business climate. This information will enable the VEDC to work proactively with the City on ways to retain more businesses, and to provide more opportunities for existing businesses to meet their growth and other needs in the city. Business Retention & Growth will double its share of VEDC expenditures, from 11% to 22%.
- 2) **Regional Collaboration & Investment Attraction:** Building on the 2010 Project approved by Council, the MOU on regional collaboration, outreach to ethnic business associations begun as part of the business climate study, and support leveraged from senior governments and trade associations, the VEDC will, for the first time, develop a strong capacity to attract foreign investment through proactive prospecting. Regional Collaboration & Investment Attraction will account for the largest share of VEDC expenditures in 2008 (30%).
- 3) **Economic Strategy & Policy Development:** The VEDC will undertake Phase 2 of the Economic Development Strategy, as well as addressing key economic development policy issues raised in the BCS Report. Economic Strategy & Policy Development will increase as a share of expenditures, from 19% in 2007 to 25% in 2008.

Pursuit of these strategies is supported by Corporate Services, comprised of Marketing Communications, Information Systems, and Finance & Administration. Corporate Services will shrink from 44% of VEDC expenditures in 2007, to 23% in 2008.

### Budget Allocation by Function - 2007 vs 2008



## STRATEGY 1: BUSINESS RETENTION & GROWTH

Strategy 1	2007	2008
Funding: City of Vancouver	\$ 106,000	\$ 390,000
Funding: Other Sources	\$ 14,000	\$ 72,000
<b>Sub-Total</b>	<b>\$ 120,000</b>	<b>\$ 462,000</b>

### 2007 ACTIVITIES

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The VEDC's on-going retention activities have been modest, focusing on Business First interviews, sponsorship of events, and support of Business Improvement Areas (BIAs) through the BizMap program. In addition, the VEDC supports existing businesses through seminars and workshops, its website and the information it provides in response to queries.

### IMPLICATIONS OF BCS REPORT

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The BCS *Report* identified three areas where action needs to be taken by the VEDC in order to provide a more timely and relevant flow of information to City Hall:

- Better understanding the needs of existing businesses seeking to grow, and how this relates to City policies and to concerns about lack of employment related land in the City and the region
- Better understanding the challenges faced by businesses in areas where safety and the state of the public realm are a major cause for concern, and working to find ways to alleviate these challenges
- Tracking the type and number of businesses arriving and leaving the City, and the reasons behind their location choices

### 2008 PLAN

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- 1) **Business First:** The VEDC will continue and expand its Business First interview program. The focus of the program will be changed to probe more deeply into issues identified in the BCS *Report*:
  - *Businesses with issues identified in the BCS Report will be targeted for interview (eg. property owners and tenants in areas zoned for industrial use, companies seeking expansion opportunities)*
  - *Interview questions will be adapted to probe issues identified by the BCS Report (eg. concerns about regulations)*
- 2) **BizMap:** The VEDC will continue to expand the BizMap program, and will broaden its collaboration with BIAs, working especially with BIAs, and other business-related organizations such as Building Opportunities with Business (BOB), in areas where safety is a particular concern.
- 3) **Retention Program:** The VEDC will develop a new program to track business arrivals and departures, working with business license information from the City and information from realtors, industry associations such as Building Owners & Managers Association (BOMA) and National Association of Industrial & Office Properties (NAIOP), and BIAs. With collaboration from others, interviews will be arranged in advance of the expiration of major leases, as well as where companies choose to leave the City. Information from all these activities will be brought forward regularly to both City staff and to Council, through the regular meetings with businesses to be established further to Council's decision on November 15, 2007, as well as by other means. In instances where swift City action could land a new business, or avoid losing an existing business, the VEDC will contact the City immediately. As regular information flows to the VEDC are developed, the VEDC will use them to create an annual update for the City on how the business climate is changing, with separate information on key geographic areas.

## STRATEGY 2: REGIONAL COLLABORATION & INVESTMENT ATTRACTION

Strategy 2	2007	2008
Funding: City of Vancouver	\$ 245,000	\$ 395,000
Funding: Other Sources	\$ 25,000	\$ 235,000
<b>Sub-Total</b>	<b>\$ 270,000</b>	<b>\$ 630,000</b>

### 2007 ACTIVITIES

Prior to 2007, regional economic development activities at the VEDC were limited to participation in Metro Vancouver's Regional Economic Development Sub-committee (REDS), and providing information packages, meeting arrangements and introductions to qualified incoming firms and missions. These activities continued at the same level in 2007, and the quality of information provided was improved.

Three new activities began in 2007. The most important of these was the signing of an MOU on regional collaboration. Work has already commenced on two items under the MOU:

- Preparations for investment attraction in Beijing in 2008; and
- Data and information development to support investment attraction.

A related important new activity, the 2010 project, is described under Special Projects. The third new activity, outreach to ethnic communities, commenced as part of the *BCS Report*, and is outlined in Appendix II.

### IMPLICATIONS OF BCS REPORT

The *BCS Report* placed strong emphasis on regional collaboration in economic development, and close working relations with senior levels of government. The *BCS Report* was completed before the VEDC was able to finalize the regional MOU and start to leverage funding and collaboration from the provincial and federal governments; thus the *BCS Report* foreshadowed the progress that has since been achieved.

### 2008 PLAN

- 1) **Regional Attraction – Beijing:** As described in Special Projects, the key 2008 goal for the 2010 Plan is to capitalize on progress made in 2007. Beijing will be an important test of the VEDC's capability to develop relationships and attract investment through prospecting abroad. It will also be a test of the VEDC's capacity to work closely and effectively with senior governments and other municipalities, and to leverage additional funding on the basis of investments made by City Council. The Beijing program is conceived, by the VEDC and by its industry, municipal, provincial and federal partners, as the start of an integrated program that will continue through 2010 in Vancouver, and then to London through 2012. This will allow the VEDC and its partners to nurture relationships over a multi-year period for successful investment attraction. The VEDC is approaching the 2010 opportunity as a way to develop and implement a legacy of investment attraction, focused primarily on Asia Pacific nations.
- 2) **Regional Attraction – Trade Shows:** In addition to the work already begun under the regional MOU, the VEDC will attend economic development-related international trade shows. The MOU has been deliberately designed to be open ended, to accommodate more activities as appropriate, and some of these may be undertaken in 2008, as opportunities and available funding dictate.
- 3) **Incoming Missions:** During 2008, the VEDC will continue and intensify its work on incoming missions and delegations, which should increase in number as we get closer to 2010. Work begun in 2007 to strengthen our data and information base will continue in 2008, both unilaterally, and in conjunction with our MOU partners.
- 4) **Ethnic Community Development:** The VEDC will also ramp up its outreach to ethnic business associations, to build the local networks that are an important complement to outreach to foreign investors, as well as an excellent source of investment leads.

### STRATEGY 3: ECONOMIC STRATEGY & POLICY DEVELOPMENT

Strategy 3	2007	2008
Funding: City of Vancouver	\$ 200,000	\$ 450,000
Funding: Other Sources	\$ 0	\$ 70,000
<b>Sub-Total</b>	<b>\$ 200,000</b>	<b>\$ 520,000</b>

#### 2007 ACTIVITIES

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Prior to its development of the *BCS Report*, the VEDC's involvement in policy issues had been limited, with mixed success. The *BCS Report* consumed a significant part of the VEDC's resources and Board time in 2006 and, more particularly, in 2007. It also offered the VEDC an unparalleled opportunity to develop closer relationships across the entire business community, as well as with other parts of the community.

#### IMPLICATIONS OF THE BCS REPORT

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The *BCS Report* identified four areas where economic strategy and policy development is critical:

- Developing an economic development strategy and vision for the City, in the context of its role in the regional economy
- Developing of policies and approaches that reduce regulatory burden on businesses, while increasing economic and environmental sustainability
- Developing policies to preserve and develop lands for employment purposes, with specific reference to the Great Northern Way Campus (GNWC)
- Developing a suite of policies that allow the City economy, especially the MetroCore area, to thrive and attract the employees it needs to grow, while accommodating regional land use and transportation trends, and supporting EcoDensity and other efforts to enhance environmental sustainability

#### 2008 PLAN

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- 1) **Economic Development Strategy – Phase 2:** This 2008 plan includes development of an economic development strategy for the City, as proposed when the business climate study was undertaken (see Special Projects). It is anticipated that this strategy will include any work on implementing the recommendations of the *BCS Report* that Council directs to the VEDC. The economic development strategy will include consideration of the future of the False Creek Flats area (including GNWC) and other industrial areas of the city, from an economic development perspective. In addition, the VEDC will participate in any related charettes and planning processes it is invited to join.
- 2) **MetroCore Research – 2006 Data:** The VEDC will obtain and analyse custom tabulations of 2006 census data, as they become available, to provide a more detailed analysis than has been possible to date of regional commuting patterns in and out of the MetroCore area. This will complement work already done by the Planning Department, and assist development, with Planning and other City departments as appropriate, of approaches to strengthening the MetroCore economy, while reducing traffic in and out of the City.

## CORPORATE OPERATIONS

Corporate Operations	2007	2008
Funding: City of Vancouver	\$ 399,400	\$ 480,000
Funding: Other Sources	\$ 0	\$ 0
<b>Sub-Total</b>	<b>\$ 399,400</b>	<b>\$ 480,000</b>

## MARKETING COMMUNICATIONS

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To successfully deliver this plan, the images and messages used to promote Vancouver as an economic destination must be seen as credible by the VEDC's audiences, requiring a marketing communications strategy and sufficient resources. Areas of strategic focus in marketing communications will include:

- Brand strategy and positioning, including the application of this 2010 Plan deliverable to all corporate marketing and communications initiatives, such as print materials, Web, display signage and corporate reports.
- Internal and external communications/public relations, including enhancements to distribution systems, further development of social marketing programs, and continued relationship-building in local, regional and national media.
- Creative services, advertising and promotions, leveraging in-house VEDC design, writing and production resources.
- Direct/database marketing, including the growth and segmentation of the VEDC database and use of a Customer Relationship Management (CRM) solution for distribution and tracking/reporting.

## INFORMATION SYSTEMS

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In order to anticipate and account for the pace and scope of technological change, and its impact on VEDC operations, the organization will require a dedicated, internal information systems function to manage and implement the following areas:

- Telephony, computer systems and desktop support
- Data systems and security
- Network and server systems and operations
- Office security systems
- Web development and maintenance

## FINANCE & ADMINISTRATION

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The VEDC will require dedicated support resources to manage the increased flow of financial management and administration requirements that result from the organization's growth and increased activities:

- Financial operations
- Performance reporting
- Human resources
- General office administration

## SPECIAL PROJECTS

### 2010 PLAN

All 2007 actions for the 2010 Plan were completed, and are summarized in Appendix II: 2007 Performance Report. The VEDC will continue much of the 2007 tool development in 2008, under Goal 1: Promote a Strong, Recognized Vancouver Brand, including:

- Application of the new Vancouver business brand and positioning messages to an expanded, improved and growing website, and all VEDC corporate marketing materials.
- Revisions and updates to the Vancouver business information package, provided by Business Development to all inbound missions and trade delegations.
- Engage industry associations to build on 2007 industry profiles.
- Introduction and promotion of a series of Vancouver Success Stories.

The VEDC will also begin to focus on team development, leveraging relationships initiated and renewed in 2007, to support the 2010 Plan and its outcomes. To this end, the VEDC will develop a resource manual and begin to conduct briefing sessions in the first quarter of 2008.

GOAL 1: Promote a Strong, Recognized Vancouver Brand	2008 BUDGET
Information Package	\$ 40,000
Website	\$ 10,000
Vancouver Industry Profiles	\$ 35,000
Success Stories	\$ 10,000
Resource Manual	\$ 5,000
Briefing Sessions	\$ 2,000
<b>Sub-Total</b>	<b>\$ 102,000</b>

Under Goal 2, Increase Trade & Investment, the VEDC will activate the Vancouver brand in 2008 to key audiences, through:

- eCampaigns to Canadian Consulate contacts around the globe, providing the international consular corps trade and investment news and information updates for distribution to foreign networks.
- VEDC presence at BC Business Summits, representing Vancouver and the VEDC's role as host of 2010-related trade and investment opportunities.

2008 will also be the year Beijing hosts the 2008 Summer Games. The VEDC will:

- Host the Vancouver business display at the BC-Canada Pavilion during the Games
- Conduct Vancouver Industry Seminars with Vancouver-based companies and industry associations, matchmaking these organizations with potential Chinese trade and investment partners
- Accompany Mayor Sullivan during his planned trade and investment mission to close the 2008 Summer Games, and open the Paralympic Games, in Beijing.

GOAL 2: Increase Trade & Investment	2008 BUDGET
eCampaign in partnership with Canadian Trade Commissioners in targeted countries	\$ 0
Presence at BC Business Summits	\$ 15,000
Beijing 2008: Trade and Investment Mission to Beijing	\$ 20,000
Beijing 2008: Vancouver Industry Seminars	\$ 20,000
<b>Sub-Total</b>	<b>\$ 55,000</b>

## ECONOMIC DEVELOPMENT STRATEGY: PHASE 2

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The BCS *Report* was planned as the first phase of a two phase process to develop an economic development strategy for the City. The VEDC plans to undertake Phase 2 of the strategy in 2008.

### Objectives

- Produce an economic development strategy for the City that is well known, well understood and well supported in the community
- Stimulate and strengthen on-going relationships among organizations that will facilitate successful implementation of the strategy

### Conceptual framework

- 1) The strategy will consider ways in which Metro Vancouver, as a small region, can compete in the global economy, and also the role of the City of Vancouver within the regional economy
- 2) The study will start by considering five broad sectors in the economy that provide earnings from outside the region:
  - *MetroCore as the Gateway to BC and the region's downtown*
  - *High tech/creative sector*
  - *Pacific Gateway/manufacturing*
  - *Vancouver as a "Destination City" for tourists, retirees, second homes, students*
  - *Green/engineering and related technologies*

A breakout of these sectors into smaller categories (eg. new media, apparel manufacture, arts) will be done where appropriate at a later stage. The synergies and conflicts among the broad sectors will be explored

- 3) The geographic focus will separately identify issues and strategies for :
  - *MetroCore (with separate identification of issues in areas such as the Downtown Eastside)*
  - *Industrial areas (including False Creek Flats and other relevant parts of MetroCore)*
  - *The rest of the City*
- 4) The study will focus on sustainability from four perspectives:
  - *Economic and business sustainability*
  - *Social sustainability, including impact on quality of life, ethnic communities, different income levels and different levels of education*
  - *Environmental sustainability*
  - *City fiscal sustainability*

### Timing

The strategy will be completed in about 18 months. The VEDC will report progress and findings to Council approximately every 4-6 months; information shared with Council will then be made available to the public.

### Methodology

Because the work will focus as much on development of relationships and buy-in as on development of the strategy itself, it is not possible to provide a detailed methodology at the outset.

The study process will be managed by the VEDC itself so that the VEDC can strengthen relationships with key groups as the work progresses. Consultants will be hired for specific tasks necessary to advance the work (eg studies of specific issues or industries, facilitation of meetings, collection and analysis of data, etc)



The study will:

- 1) Recruit a small, highly qualified study management team (including a senior City staff person)
- 2) Develop an overview of the key issues and opportunities to be addressed in the strategy
- 3) Recruit appropriate volunteer committees (with consultant/staff help as required) to address these issues, identify any detailed research that may be needed, and bring forward recommendations. Volunteers for committees will be recruited as appropriate from business associations, not-for-profits, labour, educational and cultural institutions, social groups, etc
- 4) Host meeting(s) to bring together the various different sets of results, and seek ways to reconcile differences and maximize synergies
- 5) Produce a draft strategy and circulate widely for input
- 6) Produce a final strategy document and implementation plan

#### **Public input**

Opportunities for public input will be built into the process. All presentations and work of committees will be posted on the VEDC's website with opportunities for the public to respond. Those with relevant expertise may be invited to present to specific committees as appropriate.

The VEDC will host major public forum at the draft strategy stage of the process, with opportunities for additional public consultations further in the process.

#### **Relation to other activities and reports**

The study will not recreate work already done at the federal (eg. Pacific Gateway), Provincial (tourism, technology strategy, 2020 Campus, VANOC, etc.), or regional (land use and transportation plans) levels.

The VEDC will work with appropriate City departments to ensure City priorities, including planning, sustainability, cultural, social issues are appropriately addressed. In addition, the study will consider any follow-up items from the BCS *Report* referred to it by the City.

## FINANCIAL SUMMARY

### 2008 FUNDING REQUIREMENTS

The following table provides a summary of 2007 operating and project costs, and 2008 funding requirements.

OPERATING EXPENSES, OVERHEAD & PROJECTS	2007 BUDGET	2007 ACTUAL <sup>1</sup>	VARIANCE 2007 Budget vs Actual	2008 BUDGET	INCREASE 2007 Actual vs 2008
Expenses	660,200	600,300	-9%	1,125,000	70%
<i>Salaries and benefits</i>	582,500	371,500	-36%	975,000	67%
Office Expenses	31,200	25,300	-19%	59,000	89%
Core Activities	107,400	124,000	16%	376,000	250%
<b>Total Operating Expenses &amp; Overhead</b>	<b>\$798,800</b>	<b>\$749,600</b>	<b>-6%</b>	<b>\$1,560,000</b>	<b>95%</b>
Project: EDS Phase I: Business Climate Strategy	106,000	114,700	8%	-	
Project: EDS Phase I Implementation & Phase II	-	-		175,000	
Project: 2010 Plan	125,000	125,000	0%	357,000	
<b>Total Special Projects</b>	<b>\$231,000</b>	<b>\$239,700</b>		<b>\$532,000</b>	
<b>TOTALS</b>	<b>\$1,029,800</b>	<b>\$989,300</b>	<b>-4%</b>	<b>\$2,092,000</b>	<b>103%</b>

1. Projected, based on YTD to October 31, 2007.

### 2008-2010 FUNDING REQUIREMENTS - PROJECTION

The table below provides a 4-year projection of funding requirements.

OPERATING EXPENSES & OVERHEAD	2007 BUDGET	2008 BUDGET	2009 BUDGET	2010 BUDGET
Expenses	660,200	1,125,000	1,476,500	1,908,500
<i>Salaries and benefits</i>	582,500	975,000	1,306,500	1,698,500
Office Expenses	31,200	59,000	60,000	74,500
Core Activities	107,400	376,000	315,000	370,000
<b>Total Operating Expenses &amp; Overhead</b>	<b>\$798,800</b>	<b>\$1,560,000</b>	<b>\$1,851,500</b>	<b>\$2,353,000</b>
Project: EDS Phase I: Business Climate Strategy	106,000			-
Project: EDS Phase I Implementation & Phase II		175,000		-
Project: 2010 Plan	125,000	357,000	88,000	20,000
Project: TBD			300,000	400,000
<b>Total Special Projects</b>	<b>\$231,000</b>	<b>\$532,000</b>	<b>\$388,000</b>	<b>\$420,000</b>
<b>TOTAL VEDC BUDGET</b>	<b>\$1,029,800</b>	<b>\$2,092,000</b>	<b>\$2,239,500</b>	<b>\$2,773,000</b>

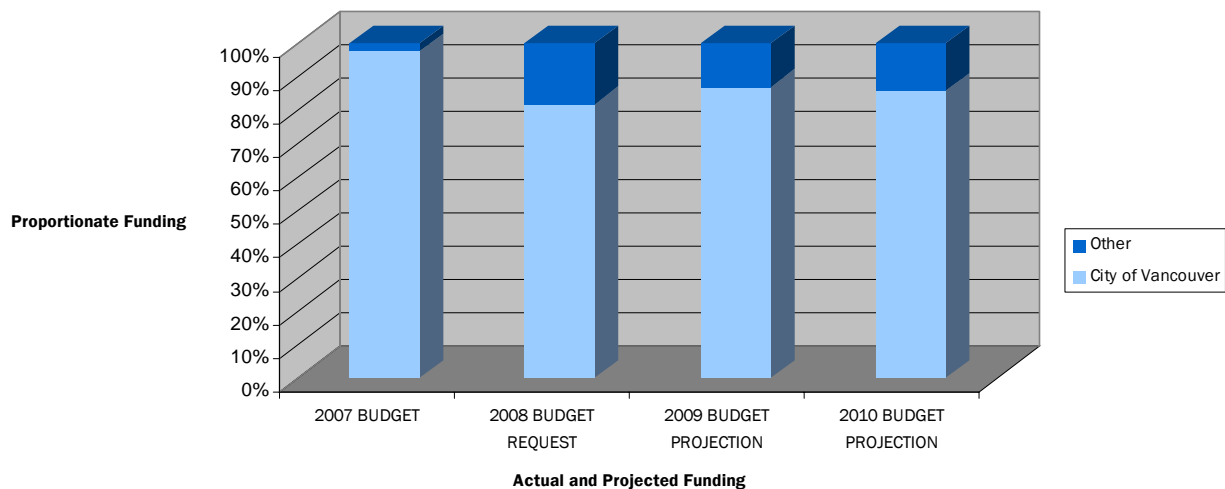
## 2008-2010 FUNDING SOURCES

The table below summarizes expected sources of funding from 2008 to 2010, compared to 2007.

FUNDING SOURCES	2007 BUDGET	2008 BUDGET	2009 BUDGET	2010 BUDGET
<b>City of Vancouver</b>	<b>1,004,800</b>	<b>1,715,000</b>	<b>1,939,500</b>	<b>2,373,000</b>
Core Services Contract	798,800	1,418,000	1,851,500	2,353,000
Project: EDS Phase I: Business Climate Strategy	106,000	-	-	
Project: EDS Phase I Implementation & Phase II	-	175,000	-	
Project: 2010 Plan	100,000	122,000	88,000	20,000
<b>Other</b>	<b>25,000</b>	<b>377,000</b>	<b>300,000</b>	<b>400,000</b>
<b>Total Funding</b>	<b>\$1,029,800</b>	<b>\$2,092,000</b>	<b>\$2,239,500</b>	<b>\$2,773,000</b>
<b>Total Budget</b>	<b>\$ 1,029,800</b>	<b>\$ 2,092,000</b>	<b>\$ 2,239,500</b>	<b>\$ 2,773,000</b>

With the expectation of adding new funding partners, the funding commitment by the City of Vancouver to the VEDC, expressed as a proportion of total funding requirements, will drop from 98% to 86% over four years.

**2007-2010 VEDC Sources of Funding**



## APPENDIX I: 2007 FINANCIAL REPORT

At time of this document's preparation, financial statements are only available through October 31, 2007.

	2007 BUDGET	YTD BUDGET	REMAINING	% 2007 BUDGET
<b>Revenue</b>				
City-Core Service Contract	\$ 798,750	\$ 658,583	\$ 140,167	18%
City-Business Climate Strategy	\$ 106,000	\$ 114,705	\$ (8,705)	-8%
City - Plan 2010	\$ 100,000	\$ 10,774	\$ 89,226	89%
Other funding sources	\$ 25,000	\$ 25,000	\$ 0	
Other revenues	\$ -	\$ 21,823	\$ -	
<i>BIA Profiles</i>	\$ -	\$ 14,000	\$ -	
<i>Interest earned</i>	\$ -	\$ 7,823	\$ -	
<b>Total Revenue:</b>	<b>\$ 1,029,750</b>	<b>\$ 809,062</b>	<b>\$ 220,688</b>	<b>21%</b>
<b>Expenses</b>				
Office rent, gross	\$ 65,000	\$ 53,915	\$ 11,085	17%
<i>Less: Lease inducement</i>	\$ 11,390	\$ (9,490)	\$ 20,880	183%
<i>Office Rent, net of recovery</i>	\$ 53,610	\$ 44,424	\$ 9,186	17%
Professional fees	\$ 12,700	\$ 4,726	\$ 7,974	63%
Salaries and benefits	\$ 582,500	\$ 453,826	\$ 128,674	22%
<b>Total Expenses:</b>	<b>\$ 660,200</b>	<b>\$ 512,467</b>	<b>\$ 147,733</b>	<b>22%</b>
<b>Core Activities</b>				
Communications and website	\$ 10,000	\$ 11,501	\$ (1,501)	-15%
Conferences and events	\$ 15,000	\$ 16,308	\$ (1,308)	-9%
Dues and subscriptions	\$ 2,600	\$ 5,384	\$ (2,784)	-107%
Meetings and hospitality	\$ 9,000	\$ 6,870	\$ 2,130	24%
Printing and publications	\$ 9,750	\$ 3,792	\$ 5,958	61%
Promotion and sponsorship	\$ 20,000	\$ 4,901	\$ 15,099	75%
Research and data	\$ 20,000	\$ 5,345	\$ 14,655	73%
Travel	\$ 21,000	\$ 5,464	\$ 15,536	74%
<b>Total Core Activities</b>	<b>\$ 107,350</b>	<b>\$ 59,565</b>	<b>\$ 47,785</b>	<b>45%</b>
<b>Office Expenses</b>				
Bank charges and interest	\$ 300	\$ 355	\$ (55)	-18%
Insurance	\$ 3,200	\$ 2,191	\$ 1,009	32%
Office supplies and equipment	\$ 15,000	\$ 7,996	\$ 7,004	47%
Parking	\$ 2,800	\$ 3,063	\$ (263)	-9%
Telecommunications	\$ 9,900	\$ 7,144	\$ 2,756	28%
<b>Total Office Expenses</b>	<b>\$ 31,200</b>	<b>\$ 20,749</b>	<b>\$ 10,451</b>	<b>33%</b>
Special Project: Business Climate Strategy	\$ 106,000	\$ 114,705	\$ (8,705)	-8%
Special Project: Plan 2010	\$ 125,000	\$ 21,548	\$ 138,452	111%
<b>Total Expenses:</b>	<b>\$ 1,029,750</b>	<b>\$ 729,033</b>	<b>\$ 335,717</b>	<b>33%</b>

## APPENDIX II: 2007 PERFORMANCE REPORT

On February 1, 2007, City Council approved the VEDC 2007 business plan and budget. The business plan detailed three corporate goals and outcomes to be achieved over the course of the year.

### GOAL #1: SUPPORT RETENTION AND EXPANSION OF VANCOUVER'S BUSINESS BASE

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#### Retention

The *Report on the Business Climate in the City of Vancouver* is the VEDC's most significant retention activity to date. With the support of a volunteer Blue Ribbon Council, input from over 100 business and community leaders was collected, analysed and consolidated into 40 recommendations presented to City Council on November 15. It was supported by additional economic analysis and benchmarking from VEDC staff and consultants, as well as city, stakeholder and media outreach at time of release, raising awareness of the issues, the realm of economic development, and next steps.

The VEDC also sustained its core retention program in 2007, and fulfilled three business plan commitments:

- 20 Business First interviews with key executives
- Over 150 business assistance and information requests from local companies
- Sponsorship of 6 local industry events

The VEDC conducted four 2010 Business Opportunities workshops in collaboration with the BC Secretariat and various sector associations in 2007, to gauge local interest in Games-related business development. These relationships will be used to set the stage for 2008-2010 briefing sessions. The four workshops were conducted using VEDC operating funds.

The VEDC also continued its support of local BIAs through its BizMap program. Existing profiles of 8 BIAs were updated, and an application has been submitted to Western Economic Diversification to fund profiles for the remaining 11 BIAs that did not opt into the 2005/06 program. In addition, the VEDC funded the development of a consolidated BizMap commercial profile for the City of Vancouver as a whole.

#### Investment Attraction

VEDC expansion activities in 2007 focused in four areas:

- 1) 2010 Plan (see Special Project: 2010 Plan)
- 2) Regional MOU: Regionalization of economic development is critical for any Metro Vancouver municipality wishing to establish a strong brand in the expanding global economy. In 2007, the VEDC led the successful creation of a region MOU on economic development collaboration. Originally conceived as an initiative of Vancouver, Richmond, Surrey and the District of North Vancouver, the concept has generated significant momentum and attracted commitment from five municipalities, and interest from many others, to collaborate on:
  - *investment prospecting in Beijing in 2008*
  - *data development for economic development*
  - *investment attraction events*
- 3) Outreach to Ethnic Communities: Local communities have extensive ties investment prospects in Asia Pacific nations. The VEDC worked with local ethnic business associations to resolve cross-cultural communication challenges that impact outside trade and investment.
- 4) Visitor Services: The VEDC continued to provide services to inbound trade and business-related delegations in 2007, including hosting, presentation and business support. The VEDC provided custom expansion and relocation proposals to 22 qualified companies. The VEDC has strengthened its network of contacts with associations, and representatives from all levels of government.

**GOAL #2: PLAN FOR THE LONG TERM – AN ECONOMIC DEVELOPMENT STRATEGY**

In 2006, City Council directed the VEDC to pursue an economic development strategy in two phases. Phase 1 was an assessment of the city's business climate, and development of a vision and recommended next steps.

On November 15, the VEDC presented its final *Report on the Business Climate in the City of Vancouver*, which included:

- An assessment of the City's current business climate and competitive position;
- A vision for the business climate (see page 2) ;
- A set of 40 recommendations to improve the business climate; and
- A priority shortlist of recommendations for immediate action by City Council.

At the November 15<sup>th</sup> presentation to the City Services and Budgets Committee, City Council unanimously approved a resolution to address two key areas of concern identified in the *BCS Report*:

- Improving the relationship between City Hall and the business community; and
- Reducing the regulatory burden on businesses.

The VEDC's 2008 budget request includes funding for Phase 2 of the economic development strategy.

**GOAL #3: BUILD A STRONG ORGANIZATION AND STRATEGIC RELATIONSHIPS**

The profile and credibility of the VEDC have increased significantly during 2007, due to Goals 1 and 2, and our work with the 2010 Plan, summarized below. Despite significant staff turnover that threatened achievement of Goal 3, the organization was at full capacity as of September 5, 2007, and achieved its 2007 targets:

TARGET	2007 RESULTS
<b>Build VEDC profile and credibility with our clients and funders</b>	
Continue to build strong relationships with City staff and Council	Achieved
Maintain a current website with key statistics and information about Vancouver	Achieved
Distribute a quarterly electronic newsletter; increase subscriber base	Achieved
Prepare media profiles and press releases	Achieved
Continue developing professional materials and reports for clear communication	Achieved
Host 4 local, public presentations to raise awareness about economic development opportunities	Achieved
<b>Build VEDC capacity</b>	
Continue to build a strong, cohesive Board of Directors	Achieved
Provide board training and development at the start of the year for new board members	Achieved
Attract and retain experienced and capable staff	Achieved
Attend professional development conferences to provide training opportunities for staff	Achieved
Review and reduce VEDC's administrative load to free up resources and increase capacity	Achieved
<b>Build strategic relationships</b>	
Coordinate activities with city and provincial departments/secretariats/ministries	Achieved
Develop focused and strategic relationships with 15 organizations to advance economic goals	Achieved
Participate in relevant regional, provincial, and national forums and events	Achieved
Secure maximum matching contributions in project funding from partner organizations	Achieved

In 2007, sources other than the City of Vancouver accounted for just 2.4% of the organization's funding. Relationships established and renewed in 2007 provide additional funding opportunities for near-future budget cycles, and are reflected in the section entitled "2008-2010 Funding Sources". The VEDC's long term strategy is to maximize alternative funding opportunities, and reduce reliance on funding from the City.

The VEDC achieved expected outcomes of the activities in this goal, including building an organization that is:

- stable, providing consistently superior service;
- strong, contributing to the long-term goals of the City of Vancouver;
- influential, able to affect change;
- effective, bringing additional resources to the City.
- connected, through strategic relationships.

#### SPECIAL PROJECT: 2010 PLAN

Funding for the 2010 Plan in 2007 was \$160,000, representing contributions by the City of Vancouver, the VEDC, and the Department of Foreign Affairs and International Trade Community Investment Support (CISP) Program.

The intent of the 2010 Plan was to serve as a catalyst to raise the profile of Vancouver as a location of choice for business, increase the city's business opportunities, and create enduring, sustainable economic legacies for our city.

Following the Plan's approval in July, 2007, the VEDC pursued two primary courses of action:

- Created a 2007 implementation plan, in order to ensure 2007 deliverables could be achieved in the time remaining in the fiscal and operating year;
- Engaged Metro Vancouver municipalities to advance regional economic development collaboration opportunities, primarily by leveraging collective resources, in support of international trade and investment activities of mutual interest.

By year-end, the VEDC successfully implemented the actions that were expected in 2007 under each of the 2010 Plan's two primary goals:

GOAL 1: Promote a Strong, Recognized Vancouver Brand	2007 BUDGET	RESULTS
Branding & Positioning Messages	\$ 25,000	Achieved
Information Package	\$ 55,000	Achieved
Website	\$ 15,000	Achieved
Vancouver Industry Profiles	\$ 35,000	Achieved
<b>Sub-Total</b>	<b>\$ 130,000</b>	

GOAL 2: Increase Trade & Investment	2007 BUDGET	RESULTS
eCampaign in partnership with Canadian Trade Commissioners in targeted countries	\$ 0	Achieved
Presence at BC Business Summits	\$ 5,000	Achieved
Beijing 2008: Display at BC-Canada Pavilion	\$ 25,000	Achieved
<b>Sub-Total</b>	<b>\$ 30,000</b>	

By way of a Memorandum of Understanding (MOU), the VEDC is collaborating with four other Metro Vancouver municipalities to on the action entitled *Beijing 2008: Display at BC-Canada Pavilion*:

- City of Richmond
- City of Surrey
- City of Vancouver
- District of North Vancouver