



ADMINISTRATIVE REPORT

Report Date: January 5, 2009
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Meeting Date: January 20, 2009

TO: Vancouver City Council

FROM: General Manager of Business Planning and Services

SUBJECT: Vancouver Economic Development Commission 2009 Business Plan and Budget

RECOMMENDATIONS

- A. *THAT Council receive for information the "Vancouver Economic Development Commission's 2009 Business Plan and Budget," contained in Appendix A of this report.*
- B. *THAT Council approve the VEDC's request to maintain the \$1.123 million of existing funding to sustain the existing service level; this funding has already been provided for in the 2009 Interim Operating Budget.*
- C. *THAT Council approve the release of \$65,000 of previously-approved funding to the Vancouver Economic Development Commission for two annual events produced by the VEDC - the annual "Innovation" conference and the annual "Collaborating in the Regulatory Environment" conference; this funding has already been provided for in the 2009 Interim Operating Budget for implementation of the recommendations of the Blue Ribbon Council for Vancouver's Business Climate.*
- D. *THAT Council approve the release of \$110,000 of one-time 2009 funding to the Vancouver Economic Development Commission for the implementation of the Vancouver Economic Development Strategy; this funding has already been provided for in the 2009 Interim Operating Budget for implementation of the recommendations of the Blue Ribbon Council for Vancouver's Business Climate.*

- E. THAT Council release \$88,000 in previously-approved one-time funding to the Vancouver Economic Development Commission, to be applied toward the implementation of their "2007-2010 Strategic Plan for the 2010 Olympic and Paralympic Winter Games;" the source of this funding to be the Olympic Legacy Reserve.*
- F. THAT the Service Agreement between the Vancouver Economic Development Commission Society (the "VEDC") and the City of Vancouver be extended from January 1, 2009 to December 31, 2010, as contained in Appendix B, without any material change to its current form, subject to an annual review of the VEDC's operating and financial results for the preceding year, and to Council's approval each year of the upcoming year's business plan and operating budget.*
- G. THAT prior to any renewal of the Service Agreement between the VEDC and the City of Vancouver beyond December 31, 2010, the CEO of the Vancouver Economic Development Commission, in conjunction with the Director of Business Planning and Services, report back to Council with a comprehensive review of and recommendations for the mandate, structure and operating model of the VEDC.*

CONSIDERATION

- H. THAT Council approve the release of \$120,000 of one-time 2009 funding to the Vancouver Economic Development Commission for the VEDC's Neighbourhood Economic Development Program; this funding has already been provided for in the 2009 Interim Operating Budget for implementation of the recommendations of the Blue Ribbon Council for Vancouver's Business Climate.*

COUNCIL POLICY

City Council has a policy of contracting with the Vancouver Economic Development Commission (the "VEDC") for the provision of economic development services, with the general terms of the relationship currently defined through a Service Agreement. According to this Agreement, specific deliverables and associated funding for the VEDC are determined through approval of a business plan that is presented annually to City Council by the VEDC.

The Service Agreement is renewable each year at the direction of Council, subject to an annual review of the VEDC's operating and financial results, and to Council approval of the business plan and operating budget for the upcoming year. The VEDC's most recent business plan was presented to Council on December 3, 2007, and the associated 2008 funding was approved as part of the 2008 operating budget process.

On July 20, 2007, Council approved the following set of guiding principles, intended to give direction to the VEDC for its economic development strategy, and to generally inform City strategies, planning, policy development and decision-making:

- *Competitive Business Climate* - Vancouver will establish a competitive business climate that puts the city ahead of competitor jurisdictions.
- *World Class Industry Clusters* - Vancouver will identify, grow and build world-class export-oriented industry clusters that contribute to a diverse and resilient economy.
- *Strategic Infrastructure Investment* - Vancouver will make investments in infrastructure that are strategic, sustainable, and focused to deliver economic returns to the city.
- *High Quality of Life* - Vancouver will maintain a high quality of life that attracts and retains skilled and talented workers required to drive the city's economy.
- *Regional Leadership & Collaboration* - Vancouver will provide regional leadership for economic development.
- *Sustainability* - The City of Vancouver will be a global leader in sustainability practices, balancing social, environmental and economic considerations for the benefit of both residents and business.

In November 2007, Council received for information the VEDC's *Report on the Business Climate in the City of Vancouver*, the culmination of work done by the volunteer Blue Ribbon Council for Vancouver's Business Climate, in conjunction with the VEDC Board of Directors and staff. The authors identified the key issues relating to maintaining and strengthening Vancouver's business climate, and presented forty recommended actions related to these issues (Appendix C).

In September 2006, the General Manager of Business Planning and Services and the CEO of the VEDC reported back to Council with analysis and comment on these recommendations, and at that time, Council approved \$295,000 of ongoing funding to support a number of VEDC initiatives created in response to the Blue Ribbon Council's recommendations (to be used as either one-time or ongoing funding, with these funds to be released on an initiative-by-initiative basis, based on project plan and rationale).

In October 2007, the City of Vancouver became a participant in Metro Vancouver Commerce, a regional collaborative on economic development (originally referred to as the Task Force on Regional Economic Development Opportunities, or TRED0). According to the Memorandum of Understanding that lays out the terms of this collaborative, participating municipalities can decide whether to participate in each joint initiative on a project-by-project basis, and will only be required to contribute funding to those initiatives in which they take part.

PURPOSE

The purpose of this report is to:

- present to Council the VEDC's 2008 operating and projected financial results for information,
- present to Council the VEDC's 2009 Business Plan and Budget, and associated funding request, for Council's approval,
- seek Council approval for the release of previously-approved funding for the implementation of selected recommendations made by the Blue Ribbon Council for Vancouver's Business Climate,
- seek Council approval for the release of previously-approved funding for the VEDC's 2010 Plan, and
- seek Council approval to extend the VEDC service contract for a two-year period, to December 31, 2010.

DISCUSSION

VEDC'S 2008 ACHIEVEMENTS

The Business Plan attached in Appendix A lays out the Vancouver Economic Development Commission's 2008 achievements in detail, which include:

- the staging of a number of successful conferences and events, including a dynamic entrepreneurship conference that attracted over 1,600 youth and young adults, as well as a recent forum on improving the regulatory environment in the City,
- taking a leadership role in the design and management of Metro Vancouver Commerce, a recently-created, innovative regional economic development collaboration among neighbouring Lower Mainland municipalities,
- the planning and design work for an upcoming neighbourhood economic development event that will bring together business improvement areas, farmers' markets, City planners, realtors, and others who are interested in exploring the impact of Ecodensity, transit, sustainability and economic development outside the City core business district,
- a significant increase in leveraging funding from the City of Vancouver through attracting funding from other agencies for specific initiatives, with non-City revenues having grown from 5% of total VEDC revenues in 2006, to approximately 20% in 2008,

- the production of a high-quality business and investment guide, used as an effective business and investment attraction tool, and
- a number of initiatives related to preparing for and leveraging opportunities associated with the 2010 Winter Games, including staffing the Business Coordination Committee, a collaborative of representatives of diverse business stakeholders that have come together to prepare for the Games.

Table 1 shows an overview of the VEDC's achievements vis-à-vis their 2008 objectives; a more detailed discussion can be found in the 2009 Business Plan .

TABLE 1. VEDC ACHIEVEMENTS IN 2008, VERSUS 2008 BUSINESS PLAN OBJECTIVES

2008 BUSINESS PLAN OBJECTIVE	2008 ACHIEVEMENTS
STRATEGY 1: BUSINESS RETENTION AND GROWTH	
1. Business First: Expand Business First interview program.	Expanded Program into success stories which could be used in conjunction with 2010 Program.
2. BizMap: Expand BizMap program and broaden collaboration with BIAs.	Completed more Business and Neighbourhood profiles and will have all twenty complete by March 2009. Upgraded the capacity of the Bizmap website. Produced seminars for BIA's and members on various subjects.
3. Retention Program: New program to track business arrivals and departures; interview departing companies; enhanced collaboration with City on business retention; annual business climate update.	Evaluated all business licences in Vancouver. Produced a community profile. Worked with realtors to send us new leads via the deals they have done. Established a welcome package and started interviewing new and leaving companies.
STRATEGY 2: REGIONAL COLLABORATION AND INVESTMENT ATTRACTION	
1. Regional Attraction - Beijing: Program to create a regional presence in Beijing associated with the 2008 Summer Games.	Five participating municipalities. Two-day program specifically for Metro Vancouver Commerce. Provided economic development expertise to several other programs. Produced 300 leads that are being followed up on. Have had 4 delegations so far and 3 others in the planning stages.
2. Regional Attraction - Trade Shows: VEDC/regional presence at international trade shows.	Attended six different events and continue to follow up on leads generated. Evaluating participation in various shows.
3. Incoming Missions: Intensify work on incoming missions and delegations.	New presentations and materials. Working with many associations and government agencies to make sure we connect with as many delegations as possible.
4. Ethnic Community Development: Enhance outreach to ethnic business associations.	Working through various consulates. Attending meetings of many various associations.

2008 BUSINESS PLAN OBJECTIVE	2008 ACHIEVEMENTS
STRATEGY 3: ECONOMIC STRATEGY AND POLICY DEVELOPMENT	
1. Economic Development Strategy, Phase 1: Develop an economic development strategy for Vancouver.	Continued developing contacts and follow-ups with organisations who provided input during the Blue Ribbon Council Report, for input into the economic development strategy.
2. Metro Core Research - 2006 Data: Analyse 2006 Census data with focus on regional commuting patterns, to complement Planning Department work.	As census data became available VEDC is making use of it in conjunction with the work on MetroCore. Working with partner municipalities on other regional information.
SPECIAL PROJECTS	
1. 2010 Plan: Promote a strong, recognised Vancouver brand; increase trade and investment	Staffed the Vancouver Business Coordinating Committee. Part of the Visitor Information group at Vanoc. Developing a series of success stories. Working with staff on City Pavilion.
2. Economic Development Strategy, Phase 2: Produce an economic development strategy for Vancouver; strengthen relationships with organisations that will facilitate successful implementation of the strategy.	Began development of the strategy. Worked with Business Council of BC on "Opportunities 2020," a provincial economic development strategy; authoring a paper on the role of the city in the regional economy. This is one of twenty-five papers that will be presented at the June 2009 Summit.

RECENT HISTORY OF APPROVED VEDC FUNDING

Table 2 provides an overview of the various funding sources for the VEDC have been approved at different times over the past several years.

TABLE 2. RECENT HISTORY OF PREVIOUSLY-APPROVED FUNDING SOURCES FOR THE VEDC

FUNDING SOURCE	PURPOSE	DATE APPROVED	FUNDING TYPE AND RELEASE CONDITIONS	PREVIOUSLY-APPROVED AMOUNT
1. Core Service Contract Funding	Maintain VEDC's existing service level.	April 1, 2008	Annual funding, subject to review of prior year results and approval of coming-year business plan.	\$1,123,000
2. Funding for the Implementation of Blue Ribbon Council Recommendations	Implementation of the recommendations of the Blue Ribbon Council for Vancouver's Business Climate, by either the City or the VEDC.	April 1, 2008	Annual funding; release can be annual or one-time, subject to report to Council on with intended use and rationale.	\$295,000

FUNDING SOURCE	PURPOSE	DATE APPROVED	FUNDING TYPE AND RELEASE CONDITIONS	PREVIOUSLY-APPROVED AMOUNT
3. 2010 Plan Funding	Implementation of VEDC <i>2007-2010 Strategic Plan for the 2010 Olympic and Paralympic Winter Games.</i>	July 12, 2007	Four year schedule, funding source is the Olympic Legacy Reserve.	2007: \$100,000 2008: \$122,000 2009: \$88,000 2010: \$20,000

1. Core Service Contract Funding

In April 2008, as part of the City's 2008 Operating Budget approvals, Council approved annual funding of \$1.123 million to maintain the VEDC's current service level (referred to as "core service contract funding").

2. Funding for the Implementation of Blue Ribbon Council Recommendations

Also in April 2008, Council approved additional ongoing funding of \$295,000, to fund selected recommendations of the October 2007 *VEDC Report on the Business Climate in the City of Vancouver*. The release of this latter funding was subject to a report back with intended use and rationale for this funding.

In September 2008, the General Manager of Business Planning and Services and the CEO of the VEDC brought a report to Council that provided commentary and analysis on each of the forty recommendations of the Blue Ribbon Council for Vancouver's Business Climate. At this time, Council approved 2008 funding for eight specific initiatives: \$121,000 of one-time funding for six separate initiatives, and \$65,000 of annual funding for two annual conferences (details in Table 3). The release of City funding was contingent on confirmation from VEDC that the funding has been committed to the specified initiative.

The following table shows a summary of funding for implementation of the Blue Ribbon Council Recommendations that has been approved to date.

TABLE 3. FUNDING FOR IMPLEMENTATION OF BLUE RIBBON COUNCIL RECOMMENDATIONS, APPROVED TO DATE AND 2009 REQUEST

INITIATIVE	DESCRIPTION AND PROGRESS REPORT	COV FUNDING - 2008	COV FUNDING - 2009 REQUEST
Annual Conference: Collaborating in the Regulatory Environment	Annual conference hosted by the VEDC, bringing together key industry stakeholders and City representatives for meaningful dialogue on improving regulation and customer service. Event held in October 2008 at the SFU Morris J Wosk Centre for Dialogue.	\$15,000	\$15,000
Annual Conference: Innovation	Annual conference hosted by the VEDC, providing a platform for young entrepreneurs and innovators to learn and collaborate. The first event held in November 2008 at the PNE Agrodome attracted over 1,600 youth and young adults.	\$50,000	\$50,000

INITIATIVE	DESCRIPTION AND PROGRESS REPORT	COV FUNDING - 2008	COV FUNDING - 2009 REQUEST
Business Gateway Project	Working with Western Diversification (WD), the Department of Foreign Affairs and International Trade (DFAIT), and various other municipalities, this program will involve calls to forty companies in Japan, China and Korea that would open a regional office here. 2008 funding is being carried forward due to a delay in external funding caused by the federal election.	\$32,000	\$0
Leveraging 2010 Program	Working with WD, DFAIT, various other municipalities and private companies, this program will identify and bring fifty companies that are considering opening regional offices to Vancouver during the 2010 Winter Games. 2008 funding is being carried forward due to a delay in external funding caused by the federal election.	\$24,000	\$0
Green IT Summit	This summit will involve a day of seminars and a keynote address, followed by workshops that will bring together information and communication technology-intensive companies from BC to learn best practices in the area of green information/communication technology. 2008 funding is being carried forward, as the event date has been moved to the Spring 2009.	\$20,000	\$0
Evaluation of Regional Licensing System for Mobile Businesses	This work is still underway; a consultant's report that outlines the various municipal bylaws and number of mobile businesses was delivered in late December 2008. Work in 2009 will involve evaluating options with a working group of municipal license personnel and moving toward a conclusion about recommended actions.	\$10,000	\$0
Commercialisation of Innovation Event	This event is intended to increase the commercial value of innovation and research undertaken in BC, and increase the ROI on research dollars spent at all levels of government and the private sector. 2008 funding is being carried forward, as the event has been moved to the Spring 2009.	\$25,000	\$0
Evaluation of Vancouver's Economic Development Model, Phase 1	This phase involves working with other municipalities to determine funding levels and sources. 2008 funding is being carried forward to fund a consulting contract for this work in 2009.	\$10,000	\$0
Economic Development Strategy Implementation	This work is anticipated to begin in 2009; there is a full description of this work in the VEDC's 2009 Business Plan in Appendix A.	\$0	\$110,000
Neighbourhood Economic Development Program	This work is anticipated to begin in 2009; there is a full description of this work in the VEDC's 2009 Business Plan in Appendix A.	\$0	\$120,000
TOTALS		\$186,000	\$295,000

3. "2010 Plan" Funding

In July 2007, Council approved the VEDC's *2007-2010 Strategic Plan for the 2010 Olympic and Paralympic Winter Games*, along with associated one-time 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 the plan.

VEDC'S 2009 FUNDING REQUEST

In their 2009 Business Plan, the VEDC is requesting total funding of \$1.506 million from the City of Vancouver. This represents 60% of VEDC's 2009 budget, which totals \$2.5 million. The other 40% of 2009 revenues is comprised of external fundraising, regional funding via Metro Vancouver Commerce initiatives, and funding carried forward.

Approximately 31% of the VEDC's 2009 budget will fund salaries, 44% will fund special events, initiatives, and conferences, and the remaining 25% will fund occupancy costs, office, general and administrative expenses.

For a number of the Blue Ribbon Council initiatives shown in Table 3, 2008 funding has been carried forward to 2009. This is due to timing delays, changes to the program, and/or disruptions to external funding due to the federal election. 2008 funding is carried forward for the Business Gateway Program, the Leveraging 2010 Program, the Green IT Summit, the Commercialisation of Innovation Event, and the Evaluation of Vancouver's Economic Development Model, Phase 1. In these instances, the VEDC management and Board of Directors has decided to defer the initiatives in order to ensure they are appropriately funded and executed as successfully as possible.

The VEDC is also proposing to carry forward 2008 funding for the implementation of the Economic Development Strategy (referred to as Phase 2 in the business plan). This work did not begin in 2008 as originally planned, and a series of consultative events and roundtables is now scheduled for 2009. While there has been a delay in beginning this work, the deadline for completion has not changed; this work will culminate in a June 2010 Vancouver Economic Summit, where the entire plan will be announced.

Table 4 provides a summary of the VEDC's 2009 funding request, cross-referenced to this report's recommendations.

TABLE 4. 2009 VEDC FUNDING REQUEST TO CITY OF VANCOUVER

FUNDING REQUEST	2009 AMOUNT	RECOMMEND- ATION	FUNDING SOURCE / EXPLANATION
Core Service Contract	\$1,123,000	B	No increase over 2008 approved amount.
Annual Conferences: "Collaborating in the Regulatory Environment" and "Innovation"	\$65,000	C	Previously-approved annual events, release subject to confirmation that funding has been committed.
Economic Development Strategy Implementation	\$110,000	D	Request release of previously-approved funding for implementation of Blue Ribbon Council recommendations.

FUNDING REQUEST	2009 AMOUNT	RECOMMENDATION	FUNDING SOURCE / EXPLANATION
Plan 2010	\$88,000	E	Previously-approved schedule, ends in 2010; source is Olympic Legacy Fund.
Neighbourhood Economic Development Program	\$120,000	H	Request release of previously-approved funding for implementation of Blue Ribbon Council recommendations.
Total COV 2009 Funding Requested	\$1,506,000		

SERVICE AGREEMENT EXTENSION

The term of the 2006 - 2008 Service Agreement between the VEDC and the City expired on December 31, 2008 (Appendix B). Section 12 of the Agreement allows for the City to renew the current Agreement upon its expiration. Recommendation F of this report recommends that Council extend the 2006 - 2008 Service Agreement for another two years, to December 31, 2010. Recommendation G instructs the Director of Business Planning and Services and the CEO of the VEDC to report back to Council with a comprehensive review of and recommendations for the mandate, structure and operating model of the VEDC, prior to any renewal of the Service Agreement beyond December 31, 2010.

It is noted that the 2006 - 2008 Service Agreement includes funding provisions for 2006 only. It specifies that for all other years of the Agreement, the VEDC is to present an annual business plan and operating budget to Council, with funding provided by the City to the VEDC to be approved annually by Council, conditional upon review of the preceding year's financial and operating results, and the current-year business plan. This means that while an extension of the current Service Agreement sets out the general terms and conditions of the relationship between the City and the VEDC, it does not commit Council to any funding obligations.

The 2006 - 2008 Service Agreement between the City and the Vancouver Economic Development Commission requires that the VEDC's activities include but not be limited to the following:

- providing leadership with respect to economic development in Vancouver,
- promoting Vancouver as a vibrant and diversified destination for business and investment,
- assessing and reporting on performance indicators for Vancouver and the Society, and
- providing policy advice and recommendations as requested by Vancouver City Council as a whole or as directed by the Society's Board of Directors.

The objectives, strategies and deliverables presented in the VEDC's 2009 Business Plan are consistent with these activities.

FINANCIAL IMPLICATIONS

Recommendations B, C, D and Consideration H total \$1.418 million in funding from the Operating Budget. All of these funding requests involve previously-approved funding, and none have an incremental impact on the City's 2009 budget over current levels.

Recommendation E represents a one-time draw from the Olympic Legacy Reserve of \$88,000, which has already been approved and budgeted for.

Recommendation F, the Service Agreement extension, has no direct financial implications for the City, because, per the current 2006 - 2008 Service Agreement, Council approves City funding for the VEDC annually, based upon a business plan, operating and financial results, and funding request that is submitted annually by the VEDC to Council.

CONCLUSION

This report recommends that Council maintain existing funding levels for the VEDC, and release a previously-approved funding for a number of initiatives that are described in their 2009 Business Plan.

As well, this report recommends extending the current Service Agreement between the City of Vancouver and the Vancouver Economic Development Commission for a period of two years, and instructs the CEO of the VEDC, in conjunction with the Director of Business Planning and Services, to report back to Council in 2010 with a review of and recommendations for the VEDC's mandate and structure.

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APPENDIX A
VANCOUVER ECONOMIC DEVELOPMENT COMMISSION 2009 BUSINESS PLAN



where business
grows naturally

2009 BUSINESS PLAN & BUDGET

Vancouver Economic Development Commission

January 6, 2009

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1. The Vancouver Economic Development Commission (VEDC)

VEDC was established by the City of Vancouver as an independent not-for-profit organization under The Societies Act in 1996. Previously, economic development activities had been carried out by a department in the City.

VEDC has a board of 15 people, chosen by City Council. Board members serve renewable three year terms; terms are staggered so that five board members come to the end of their terms each year. City Council appointments to the board are made early in the calendar year. Council also appoints two Councillors as liaisons to the board. Council liaisons have full access to all board meetings and documentation, but do not vote in board decisions.

The board meets eight times annually and elects its own officers. Current office holders are:

- Tom English (Fraser Milner Casgrain LLP), chair
- Maureen Kirkbride (Telus), vice-chair
- Gord Stewart (ICBA), treasurer
- Soren Harbel (BC Innovation Council), secretary
- Lino Siracusa (CMHC Granville Island), at-large

Other members are: George Adams (retired, MacMillan Bloedel transportation), George Bartel (Cantrav), Bruce Clayman (SFU), Robert Harper (Yellowhead Mining), Michael Heeney (Bing Thom Architects), Valerie Jenkinson (Nova Quality Training and Consulting), Karim Kassam (Ballard Power Systems), Rob Malli (Vancity), Julian Thorsteinson (international financial consultant), Sang-Min Woo (consultant).

VEDC has a CEO and seven other full time staff.

VEDC works under a contract with the City, which provides the bulk of its funding each year through the City's budgetary process. City funding is of two types: core (ongoing) and special project (one-time).

2. Recent History

City Council's purpose in establishing an independent VEDC was twofold – to allow it to work more closely with the private sector, and to attract non-City funding. Up until recently, VEDC struggled in both these areas – with very modest funding, it suffered chronic high staff turnover and became known mainly as a writer of quality reports with few resources to enable follow-up. VEDC also suffered because, for a number of years, the business community chose to focus on an unsuccessful attempt to secure senior government funding for region-wide economic development, rather than working with existing city-level organizations.

Relative to other municipalities, the City of Vancouver spends a modest amount on economic development:

City	Total Budget for Economic Development	No. of FTEs	Funded by
Winnipeg	\$1.7 M	8	<ul style="list-style-type: none"> city
Ottawa	\$9.97 M	29	<ul style="list-style-type: none"> city, province, federal governments and private sector
Toronto	\$11 M	35	<ul style="list-style-type: none"> city \$1.7 from federal grants for specific projects
Halifax	\$4.3 M	20	<ul style="list-style-type: none"> city, province, federal governments
Calgary	\$3.6M	20	<ul style="list-style-type: none"> city \$700K from federal grants for specific projects

Over the last two years, VEDC's effectiveness has increased exponentially:

- At the request of City Council, VEDC drafted economic development principles that became the basis for "Guiding Principles for Economic Development in the City of Vancouver" adopted by City Council in July 2006.
- In 2006, the City provided funding for VEDC to report on Vancouver's business climate. The report, completed in 2007, was the first comprehensive overview of the challenges facing the City's business community, along with recommendations on how these challenges might be addressed. The process of completing the study allowed VEDC to increase substantially its credibility and its linkages to the business community and City Hall. In 2008, City Council unanimously approved additional funding for VEDC to follow-up on the recommendations made in the report.
- In 2006, the City also provided funding for a three year program to take advantage of the economic opportunities provided by the 2010 Winter Games. VEDC's activities in this area led to a request by City staff for it to play a major role in the work of the Vancouver Business Coordinating Committee (VBCC).
- In 2007, the VEDC, along with a number of peer organizations in the region, created a new vehicle for regional collaboration on economic development. A virtual organization, Metro Vancouver Commerce (MVC), was set up under a Memorandum of Understanding that allowed municipalities in the region to collaborate on economic development activities on an ad hoc basis. In contrast with previous efforts to create an effective regional collaboration on economic development, MVC has been extremely successful under the leadership of the VEDC, and is well-positioned for further growth. Further information is available later in this report.
- VEDC has been able to achieve leverage of 10 to 1 on the City funding for some 2010 related activities and other projects, attributable to federal funding for specific projects, as well as partner funding for various Metro Vancouver Commerce initiatives.
- Additional funding has allowed VEDC to develop and implement a significant number of new and ground-breaking projects in 2008:

- First overseas mission – to Beijing, in conjunction with four Metro Vancouver Commerce partners. The mission’s events at the BC Pavilion were ranked as among the most successful there.
- Two successful new local events, one to encourage entrepreneurship (*Innovation*) and one to promote dialogue on regulatory issues between City departments and industry associations (*Collaborating in the Regulatory Environment*).
- A first-ever high quality Business and Investment Guide to the Vancouver economy, which has received excellent reviews from both the public and the private sector. The Guide “brands” Vancouver as green, entrepreneurial and innovative.
- Providing research, secretariat and other services to the Vancouver Business Coordinating Committee (VBCC) and playing a major role in information dissemination to the private sector.
- A variety of regional projects, including a regional economic development map and research on region-wide business licenses for mobile businesses.
- Detailed sector profiles for four sectors, including three related to sustainability, and a community profile based on analysis of City business licence data.
- These new activities strengthened existing relationships with the business community and City Hall, developed many new relationships, and raised the profile of the organization substantially.

For 2008, non-City funding amounted to 20% of total VEDC funding, compared to 4% in 2007. VEDC’s structure has also turned out to be fortuitous: some federal departments, such as Western Economic Diversification Canada, prefer to fund not-for-profits such as MVC that serve several municipalities, rather than funding individual municipalities.

3. Vision and Core Activities

The VEDC board has developed the following vision statement, which lies behind all VEDC's activities, programs and initiatives:

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

VEDC's objective is to be:

- The lead agency for developing and implementing Vancouver's long term economic development strategy.
- A well respected source of economic information and intelligence about the region.
- The designer and executor of results-oriented economic development projects and initiatives.
- A reliable and responsive economic development resource to the City of Vancouver, peer organizations in the region, senior governments, businesses and business associations.

VEDC provides economic development leadership, expertise and information to support the growth and sustainability of a robust, competitive economy in Vancouver. As a business-led organization with strong links to City Hall, it is uniquely positioned to serve as the voice of the business community at City Hall, as well as the voice of City Hall in the business community.

VEDC's three highly inter-related core activities are:

- *Business Retention and Growth.* Work is carried out mainly in conjunction with Business Improvement Areas (BIAs) and industry associations, as well as with the Vancouver Business Coordinating Committee.
- *Regional Collaboration and Investment Attraction.* Senior governments, industry and bi-lateral business associations, other municipalities in Metro Vancouver Commerce, the Consular Corps and the City are key partners in this work.

- *Research and Policy Development.* Key collaborators are City departments, other levels of government, universities, research organizations and business associations.

4. Context for the 2009 Business Plan

The 2009 Business Plan (“Plan”) is based on an ambitious extension of the strategies and activities developed in 2008, together with some changes in emphasis to reflect three factors:

- *Economic Sustainability in unsettled times.* The fragile state of the global economy, and the potential for a local recession, have resulted in the following modifications in the Plan:
 - More emphasis on Business Growth and Retention, and less on Investment Attraction.
 - A new program to provide timely intelligence to City Hall on the state of the local economy, based on VEDC’s growing network of contacts in key sectors of the economy.
 - More emphasis on entrepreneurship as an alternative in tighter job markets, on neighbourhood economic development, and on nascent industries such as design and sustainable technologies.
 - Consideration of changes in the regulatory environment that could help offset the impact of a recession.
- *2010 Winter Games.* The Games offer a unique opportunity to position Vancouver favourably in the global market place, to engage the many business leaders that will come to Vancouver, and to pursue a multitude of business opportunities. The Games also pose a major challenge to “business as usual”. VEDC will continue to take the lead in working with business stakeholders on both the opportunities and the

challenges presented by the Games, and will ramp up its activities substantially from mid-2009 on.

- *Regional Collaboration.* Economic competition is among regions, rather than nations, and therefore regional collaboration is crucial to economic success. The Plan includes programs to build on the substantial momentum created by the Metro Vancouver Commerce initiative in 2008.

5. Business Retention and Growth

5.1. 2009 Activities

- *Neighbourhood Economic Development Program.* Activities with Business Improvement Areas (BIAs) in 2008 will be expanded to focus on the broader neighbourhood economies of which BIAs are a part.
 - Activities with BIAs
 - Completion of BizMap profiles, website upgrades, marketing brochures and training sessions for all 20 BIAs.
 - Presentations at BIABC conference in May 2009 on BizMap and retail development in tough economic times.
 - Completion of links/relationships with realtor communities.
 - Development and implementation of seminars aimed at capacity building in marketing and business development, and at sharing best practices among BIAs, including actions to foster local sustainability.
 - Neighbourhood Economic Summit
 - A full day summit focusing on BIAs outside the downtown and their neighbourhoods to be held in late spring, in conjunction with relevant City departments and other partners.
 - Subjects to be addressed include role of BIAs, opportunities for synergy between farmers markets and BIAs, advancing local sustainability,

marketing the unique features of each neighbourhood, role of events in building economic activity.

- Downtown Eastside
 - VEDC's developing links to BIAs in the DTES, to SFU's cultural initiative in the DTES, to Building Opportunities with Business (BOB), and to Vancity's social enterprise activities, will allow it to respond effectively to requests to support initiatives that advance the DTES economy.
- A welcome package, including a letter from the Mayor, is in development. Other items, as appropriate, will be information about sector associations, BIAs and BOB, broad based organizations such as the Vancouver Board of Trade and the Business Council of B.C., and business media such as Business in Vancouver. Information, from the City and others (such as the Lighthouse Building Centre, Building Owners & Managers Association, Sustainable Purchasing Network), on business sustainability best practices will also be included.

In concert with the Mayor's office, a protocol will be worked out for arriving companies according to their anticipated contribution to the local economy. According to this protocol, every new company would receive some form of welcome; some companies might receive an official visit from a City representative, others might be visited by VEDC staff and/or be featured on VEDC's website, or be sent the welcome package.

- Key companies that leave the city will be interviewed (about 2 per month), by phone or in person, to understand their reasons for moving.
- Intelligence from arriving and leaving companies will be provided to the City in quarterly meetings (see Research and Policy below).

Functioning neighborhood economies support happy and healthy citizens and workers and a high quality of life. This supports two of Vancouver's biggest competitive advantages: its renowned lifestyle and its skilled workforce.

Neighborhoods are where many of the issues discussed in the Blue Ribbon

Council Report actually play out: regulations, transportation, housing and densification, the interface of industrial and employment lands with residences, and others. Ensuring neighborhood support for economic initiatives and markets for goods and services that meet community needs are the building blocks on which a strong economic foundation for the city is laid.

As part of the Business Climate Report, VEDC gathered a group of eminent business people to form a Blue Ribbon Council, who provided 40 recommendations as part of the report.

This said, a number of the Blue Ribbon Council's Reports Actions relate directly to neighborhoods:

- *1-3 – Mayor and Council and senior City staff engage more frequently with the business community at business events:* Business Improvement Associations (BIAs) are important neighborhood-level business groups.
- *2-2 - Allow the opportunity for greater influence on City policy from established economics, business and labour organizations:* the event will be a concerted effort to engage communities through their BIAs.
- *4-1 – Undertake a comprehensive review of City regulations relating to business and development:* the event will solicit neighborhood perspectives on what works and what doesn't.
- *4-3 – Institute BizPaL to improve access, increase transparency, and create time savings in City regulatory processes:* the event will solicit input on how system has helped businesses.
- *6-1 – Establish strong land-use policies for industrial and commercial land to eliminate the possibility of conversion to residential development:* event will provide opportunity to consult with neighborhoods on the balance between employment and residences in their backyard.

- *8-1 - Support the execution of the recently-approved "2010 Plan"*: Event will help inform neighborhoods and BIAs about maximizing 2010 opportunities (ongoing activity).
- *9-1 – 9-6 – Transportation*: traffic and transit are major local concerns, and reinforcing the economic function of transport while soliciting input could help neighborhoods become more comfortable with ongoing changes such as the Gateway initiative.
- *12-1 – Pursue planning and development policies that provide a balance of housing options*: A critical issue for both community functioning and sustainability of the labour force.
- *13-1 – 13-3 – Crime & Safety*: further issue of major significance to neighborhoods.
- *Retention and Welcome Programs*. Based on 2008 work to identify timely information on businesses moving in and out of the city, VEDC will implement programs to welcome new businesses and seek exit interviews with leaving businesses.
- *Business Network*. Work in 2008 with industry associations, and to encourage entrepreneurship (Innovation Event) will be continued and expanded:
 - Sponsorships of the high profile international events of LifeSciences BC, New Media BC, the BC Technology Industry Association (BCTIA) and the wireless industry (WIN BC) will be continued. Two additional high profile events, in the creative and sustainable technologies industries, will also be sponsored
 - VEDC's entrepreneur event during Global Entrepreneur Week in November, *Innovation*, will be repeated. The event activates the entrepreneurial element of Vancouver's brand. In 2009, there will be more emphasis on:
 - increasing university students' attendance.
 - the fashion and design industries.

- entrepreneurship in advancing sustainability.

VEDC will also bring together all the many different local organizations that have events celebrating entrepreneurship, to seek synergies and ways to maximize activation of Vancouver's entrepreneurial brand year round.

- In conjunction with the BC Innovation Council, VEDC will sponsor an event (yet to be named) in spring 2009, aimed at discussing best practices in commercializing research findings, and developing a roadmap and toolkit for improving commercialization in B.C. The event will also feature the launching of a new program of volunteer-mentoring aimed at assisting start-up technology companies, with an emphasis on new media and sustainable technologies.
- Building on some preliminary work done in 2008, including participation in two of the community consultation processes developed by the City Office of Cultural Affairs (OCA), VEDC will look for more ways to support the fashion, sustainability, food and creative sectors. Three sector profiles related to sustainability were developed in 2008; profiles for fashion, and possibly other creative sectors will be developed in conjunction with OCA. In addition, showcase events/shows and a business toolkit will be developed for fashion start-ups.
- *2010 Winter Games programs.* Work begun in 2008 will ramp up significantly in 2009:
 - Coordination of business related 2010 Winter Games activities is done through the Vancouver Business Coordinating Committee (VBCC) – a diverse group of business community representatives that have come together to collaborate in preparing for the 2010 Winter Games. The VEDC serves as secretariat for the VBCC and as a prime conduit for information related to the Games to reach business associations, businesses and BIAs. During 2009, VEDC will:

- Develop unique web content for the business audience that is related to preparing for the 2010 Winter Games.
- Develop VEDC's website as a prime resources for business information about the Games on businesses.
- Set up Real Simple Syndication (RSS) feeds and other mechanisms to distribute Games-related information to the private sector in real time.
- Provide seminars on the impact of the Games to BIAs, City staff and other organizations.
- Assist BIAs in development of Community Celebrations and other showcasing activities (e.g. fashion shows).
- Document stories of entrepreneurial success in different parts of the City and deliver them to incoming unaccredited media to build publicity for neighbourhoods outside downtown. If funding permits, VEDC will collaborate with others to video-record compelling stories.
- Plan, with other organizations, including BIAs, Retail BC, restaurants and cultural organizations, specific marketing campaigns to implement in 2010:
 - During the Games, to advertise the offerings of parts of the City away from downtown, thereby reducing congestion. One possibility to be explored is developing partnerships between BIAs and industries seeking to attract talent to Vancouver. The partners would provide events during the Games that would be advertised as opportunities for visitors in the relevant industries to explore Vancouver's lifestyle away from downtown.
 - Post Games, to welcome residents back to downtown.

5.2. 2008 Plan & Performance

- *Plan.* The 2008 Plan had five elements:
 - Expand the BizMap program and work to upgrade the capacity of BIAs with seminars.

- Develop a program to track business arrivals and departures.
- Build the business network through event sponsorship and upgrades to VEDC's website.
- Assist with 2010 business readiness.
- Stage an entrepreneurship awareness event.
- *Performance.* Four elements of the Plan were delivered, and in many areas, performance exceeded Plan. The initiative to track business arrivals and departures is still under development, and is expected to be fully implemented in 2009.
 - Work with BIAs increased considerably from the Plan and addressed a broader scope of economic development issues, including expansion and updating of BizMap profiles to cover all BIAs, involvement with links to realtors, and participation in the City-wide BIA committee. In addition, VEDC provided information, facilitated meetings and developed seminars aimed at alleviating administrative burdens and building the capacity of BIAs.
 - A great deal of work was done to find the best way of tracking business arrivals and departures. Avenues examined include City business licences, commercial sources, internet listings and media information firms. A relationship with commercial realtors appears to be the most accurate, cost effective and up to date source. Tracking through realtors is currently being implemented, with results expected to flow consistently from spring 2009 on.
 - Event sponsorships and website upgrades were delivered as planned.
 - 2010 business readiness work on the VBCC and on website development was far in excess of that in the Plan. VEDC represented BIAs on the VBCC and provided follow-up meetings and assistance as necessary. In addition, 2010 seminars were provided to small businesses.
 - The *Innovation* event, with over 1,500 attendees, greatly exceeding initial targets.

6. Regional Collaboration and Investment Attraction

6.1. 2009 Activities

- *Regional Collaboration/Metro Vancouver Commerce (MVC)*. Building on the momentum established in 2008, work with MVC partner municipalities will focus on four areas:
 - Expanding the organization. MVC currently has seven members (District & City of North Vancouver, Richmond, Surrey, New Westminister, Port Moody and Vancouver) and several more (Port Coquitlam, Coquitlam, Delta, Maple Ridge) have expressed interest in joining. At the request of City Managers of participating municipalities, MVC will develop a more formal collaborative process, along with a process to admit more members.
 - Asia Pacific Gateway project. This project was planned for 2008, but was deferred due to federal funding delays. The plan is for two outbound missions to Asian countries to target potential investors; sustainability-related technologies will be a particular focus.
 - Leveraging 2010 Opportunities project. Another 2008 project impacted by federal funding delays. 50 companies in Europe, Asia and the U.S. which are interested in a physical presence in this part of North America will be identified, with an emphasis on clean technology, green industry, new media, logistics and wireless companies. Two representatives of each company will be invited to visit during the 2010 Games. Companies will be hosted in five waves of 10 companies each.
 - Regional licensing of mobile businesses. A consultant study will be available in early 2009; MVC partners will consider the findings and develop draft recommendations, which will then be discussed at a region-wide meeting. If there is a consensus to proceed, recommendations will be sent to all municipalities in the region for consideration.
 - Other activities. Two other activities are planned – joint development of data for economic development purposes, and sharing assessments of the

usefulness of specific economic development conferences and activities attended. In addition, MVC members will invite other members to their events, where appropriate, and will share with other members the findings of their research activities.

- *Developing Leads.* Investment attraction depends on generation of actionable leads, many of which originate in private businesses. VEDC will continue to build its contact network, focusing on types of businesses that facilitate business location decisions, including lawyers, accountants, realtors and human resource companies. It will also build on 2008 work to expand relationships with Canadian Trade Commissioners abroad, BC economic development staff abroad, local consulates and trade commissioners, and ethnic (such as SUCCESS) and bi-lateral business associations (such as the Hong Kong Canada Business Association). Trade Commissioner contacts are particularly important because they can help differentiate between valuable incoming missions and those that are basically for tourism purposes.

Hosting network meetings with trade commissioners will continue; network meetings with B.C. Provincial Nominee Program (PNP) staff and related private sector organizations will be developed.

- *2010 Winter Games programs.* Specific materials and events will be developed to address the many opportunities to attract business, investment and talented individuals to Vancouver through the 2010 Games. Materials will be developed in a way that allows their use after 2010 for VEDC's ongoing economic development activities.
 - Presentations and information packages will be developed and tailored for qualified business visitors to the Games, particularly those invited by key sponsors. Presentations are being organized in conjunction with the 2010 Commerce Centre. Visitors will also be offered tours of the City and Games facilities, showcasing sustainability and other features.

- Incoming delegations and unaccredited media are likely to visit the city in increasing numbers, starting in mid-2009. Information packages for them will be developed, including presentations, sector profiles and success stories about local entrepreneurs.
- VEDC will co-sponsor, with the BC Innovation Council, an event in early 2009 (tentatively named “Green IT”) that will bring together the key technology staff of major 2010 Games sponsors and local technology companies, particularly those related to sustainability. In addition to plenary sessions, the event will feature opportunities for local companies to explore one-on-one the possibilities for technology collaboration with 2010 Games sponsors.
- Success stories will continue to be developed, for information packages and for display on the VEDC website. Depending on funding and cost sharing opportunities available, some stories could be in video.
- VEDC will work with the City in developing the economic element of the Host City Pavilion. Opportunities will be provided for companies and individuals interested in moving to Vancouver to register to receive individual briefings and information.
- VEDC will participate in the Chef de Mission two-day workshop, with the City and Tourism Vancouver.
- If appropriate, VEDC would develop missions led by the Mayor to North American cities to publicize the 2010 Games and encourage attendance. The missions would emphasize the City’s sustainability programs and invite collaboration on addressing sustainability challenges.

6.2. 2008 Plan & Performance

- *Plan.* The 2008 Plan had seven elements:
 - MVC mission to Beijing.
 - Targeted missions – outgoing to Asia and incoming from California.

- Outreach to ethnic and bi-lateral business associations, such as the Hong Kong Canada Business Association.
- Hosting incoming delegations.
- Development of Business and Investment Guide as well as materials for MVC to use in Beijing.
- Development of information packages, success stories and website.
- Participation in BC Summits.
- *Performance.* All elements of the Plan related to regional collaboration and investment attraction were carried out in 2008, as well as some activities not specified in the Plan. The one exception is the targeted missions initiative, which have been deferred as a result of delayed federal funding.
 - Five municipalities participated in the Beijing mission, along with federal and BC government partners, private sector associations and individual firms. The mission met its goals in terms of qualified leads developed. Its events at the BC Pavilion were ranked as among the most successful there. Elected officials in Beijing expressed support for the program, as did the industry associations with which MVC partnered to put on presentations in Beijing.
 - Outreach to organizations that facilitate business abroad went far beyond ethnic and bi-lateral business associations, such as the Hong Kong Canada Business Association, to include key local legal, accounting and realtor firms, as well as 80 Canadian trade commissioners abroad and 29 foreign trade commissioners in Vancouver. A network meeting of local trade commissioners, the first in a series, was held.
 - About 50 delegations have been hosted in 2008.
 - Over 1000 Business and Investment Guides have been distributed. Parts of the Guide have been translated into Chinese.

- A slogan (“Powerhouse. Paradise”), a website and collateral materials were developed for use by MVC in Beijing.
- Information packages, success stories and website upgrades were completed.
- VEDC participated in BC Summits to publicize the 2010 Games in Chicago and Beijing.
- MVC partners attended four international shows and shared their findings. VEDC attended the 2008 BioMarine show in Marseilles to prepare for Vancouver’s hosting of the event in 2009.

7. Research and Policy Development

7.1. 2009 Activities

- *Economic Development Strategy (EDS)*. Work on this project began in 2008. To avoid overlap with a major collaborative province-wide economic development project, *Opportunities BC 2020*, coordinated by the Business Council of BC (BCBC), VEDC is participating in *Opportunities BC 2020*, while conducting its own research more closely focused on the Vancouver City-region. Planned activities in 2009 include:
 - Finalization of a paper on regional economic development as part of *Opportunities BC 2020*, and discussion of the paper at the BCBC event.
 - VEDC Economic Summit in June that will:
 - Build on *Opportunities BC 2020* findings.
 - Present an overview of the Vancouver economy.
 - Summarize and discuss all research findings to date.
 - Seek public input.
 - Discuss plans to complete the EDS.

- Research roundtables on policies to support development of:
 - The creative sector
 - Tourism
 - Industrial and other employment land
 - Fashion industry
 - Food industry
 - Sustainability-related technologies
 - Economic development preferences of those under 25
 - Economic synergy with the rest of BC

A summary of findings from each roundtable will be developed.

- Research papers on the importance and development of:
 - The creative economy
 - Green technologies
 - Food production and distribution
 - The invisible economy
- In addition to on-going guidance from the VEDC board and City Council, the EDS will benefit from input from:
 - Fraser Basin Sustainability Conference (February)
 - BC Government Economic Summit (February)
 - BIAs of BC conference (May)
 - Economic Development Association of BC conference
 - BCBC *Opportunities BC 2020* event (June)

- Economic Development Associations of Canada & BC conference (September)
- VEDC events, including *Collaborating in the Regulatory Environment*, *Innovation*, Neighbourhood Economic Summit, *Green IT* event and yet-to-be named commercialization event
- VEDC's Academic Advisory Committee
- Discussions with City departments, Metro Vancouver Commerce partners and Metro Vancouver staff
- Discussions with industry associations and community groups
- The public, through VEDC's interactive website and events
- Posting on VEDC's website all materials related to the EDS, including research papers and summaries of events and research roundtables. The website will be interactive, to allow easy public feedback.
- Development of specific recommendations to the City, over the period July 2009 to June 2010.
- *Regulation Review*. Work in this area was requested and funded by Council following concerns raised by the private sector in VEDC's *Business Climate Report* to Council in October 2007. A successful event to bring together industry associations and relevant City departments was held in October 2008, and two follow-up events have already been agreed on by participants.
 - February 2009 event. A focus on technology innovations and regional issues is planned, with special emphasis on the possibility of regional business licences for mobile businesses.
 - October 2009 event. City staff have agreed to work with VEDC and others to present a format for assessing changes in regulatory burden from year to year at this event.

VEDC will also work with industry associations on development of a list of potential regulation changes for consideration that might offset some of the impacts of the economic slowdown, without compromising City regulatory goals.

- *Policy Input to City Hall.* City Council requested VEDC to provide quarterly briefings to Councillors and senior City staff on economic developments in the city. Senior staff have asked VEDC for an economic forecast and, to the extent possible, to provide economic commentary on issues before Council.
 - Quarterly briefings will continue, and will include an assessment of how local businesses are faring in the current economic slowdown, as well as intelligence from firms arriving in, and leaving, the city.
 - Policy briefs on issues of importance to the local economy will be developed for VEDC's board consideration, to the extent resources are available.
- *Sector profiles.* Research on specific sectors is an important building block for all VEDC activities. Sectors to be researched in 2009 include:
 - The creative sector
 - Fashion sector
 - Wireless sector

7.2. 2008 Plan & Performance

- *Plan.* The 2008 Plan had four elements:
 - Development of the EDS, including consideration of the future of the False Creek Flats.
 - Analysis of 2006 census data.
 - Working to address the regulatory issues in the *Business Climate Report*.
 - Quarterly meetings with Councillors and senior City staff.

- *Performance.* All parts of the Plan were carried out, except the analysis of 2006 census data, and a significant amount of new work was also completed.
 - Work on the EDS included:
 - Developing the work plan and schedule, including collaboration with *Opportunities BC 2020*.
 - Preparing a draft paper on the regional economy and key policy considerations.
 - Co-hosting a roundtable on False Creek Flats.
 - Participating in Metro Vancouver's economic development events.
 - Establishing an Academic Advisory Committee.
 - Recruiting researchers and establishing research projects.
 - The census data program was deferred because:
 - The most useful data is not yet available from Statistics Canada.
 - Customized tabulations are extremely expensive, and there is the possibility of getting some data from other agencies in the region, including Metro Vancouver Commerce.
 - Regulation Review work started with arranging meetings between City departments and those individual industry associations that had expressed most concerns during VEDC's work on business climate. It was agreed a broader, more inclusive approach would work better, so the October 29 event was arranged. The event featured the City Manager as the keynote speaker, as well as six other City speakers, seven private sector speakers and a speaker from the BC Ministry of Small Business and Revenue. Feedback from all participants was positive, leading to the plans for two follow-up events in 2009.
 - Policy input to City Hall included:

- Two quarterly meetings with Councillors and senior staff.
- An economic forecast, with particular reference to the development industry.
- A policy brief on Development Cost Levies (DCLs) when the issue was before Council.
- Participation in two working groups for the Office of Cultural Affairs.
- Profiles were completed for the following sectors:
 - Clean energy
 - Green buildings and sustainable urban planning
 - Environmental industry
 - International education
- A community business profile for the City was also developed, based in part on analysis of the City's business license data.

8. Corporate Operations

Corporate Operations includes:

- Communications
- Fund raising
- Human Resources
- Finance and Administration

8.1. Communications

VEDC substantially upgraded its communications capacity in 2008 by:

- Producing the Business & Investment Guide as well as numerous brochures.

- Redesigning its website, very substantially increasing the material available, providing regularly updated news, building a Board-members only area, and providing more interactivity.
- Developing a consistent “look” to all materials, including powerpoint presentations, business cards, pop-up banners, etc.
- Developing a media strategy.

In 2009, further major upgrades are planned to support increased activity levels, particularly those related to the 2010 Games and the EDS. Plans include:

- Enhanced web services, information and interactivity among the business community through online media and networking.
- Development of a quarterly e-newsletter.
- Implementation of a media strategy, focused on the 2010 Games, VEDC sponsored events and the EDS.

8.2. Fund Raising

Fund raising from the private sector remains a VEDC priority. Over the past two years, the organization has developed the track record and credibility to raise funds from the private sector, for specific initiatives. It is expected that fundraising for core operations will present more of a challenge, particularly in the current economic climate.

Accordingly, in 2009, fundraising will focus on seeking contributions, from the public and private sectors, for specific activities that provide visibility and other benefits for sponsors.

8.3. Human Resources

Full time staff are assisted, where appropriate, by consultants on short term assignments, so there are frequently 10 people working in the VEDC offices. In 2009, graduate students from SFU's Mathematics of Information Technology and

Complex Systems (MITACS) program, and other interns, will be deployed to carry out some research tasks on a cost-effective basis.

8.4. Finance & Administration

Accounting is handled by a part time accountant; books are audited annually. Board manuals, Employee manuals and financial procedure guidelines are in place and are all reviewed regularly by the VEDC board.

9. 2009 Business Plan Risk Assessment

This is a highly ambitious plan for a team of eight. Almost all projects depend in large part on collaboration from several partners, and sometimes collaboration is slow or difficult. In difficult economic times, some partners may not have the resources to be effective collaborators.

Major Metro Vancouver Commerce projects rely on federal funding; if this is delayed or disappears, the projects will not proceed in 2009.

The amount of work that will be required for the 2010 Winter Games, from mid-2009 on, cannot be determined in advance. To the extent more effort in this area is required, other projects will be delayed or abandoned.

10. 2009 Projected Budget

	2008 BUDGET	2009 BUDGET	\$ CHG, 2009 BUDGET / 2008 BUDGET	% CHG, 2009 BUDGET / 2008 BUDGET	% OF 2009 TOTAL BUDGET
REVENUES					
<u>City of Vancouver Core Funding</u>					
Core Service Contract	\$1,024,700	\$1,123,000	\$98,300	10%	44%
<u>City of Vancouver Project Funding</u>					
Plan 2010 & Olympic/Paralympic Initiatives	\$172,000	\$88,000	-\$84,000	-49%	
Economic Development Strategy	\$175,000	\$0	-\$175,000	-	
Sub-total, City of Vancouver Project Funding	\$347,000	\$88,000	-\$259,000	-75%	3%
<u>Blue Ribbon Council Initiative Funding</u>					
Annual Regulatory Dialogue Conference	\$15,000	\$15,000	\$0	0%	
Annual Entrepreneurial Vancouver Event - Innovation	\$50,000	\$50,000	\$0	0%	
Vancouver Economic Development Model, Phase 1	\$10,000	\$0	-\$10,000	-	
Project - Business Gateway Project	\$32,000	\$0	-\$32,000	-	
Project - Leveraging 2010 Program	\$24,000	\$0	-\$24,000	-	
Project - Green IT Summit	\$20,000	\$0	-\$20,000	-	
Project - Regional Licensing System Evaluation	\$10,000	\$0	-\$10,000	-	
Project - Commercialisation of Innovation event	\$25,000	\$0	-\$25,000	-	
Economic Development Strategy Implementation (Phase 2)	\$0	\$110,000	\$110,000	-	
Neighbourhood Economic Development Program	\$0	\$120,000	\$120,000	-	
Sub-Total, Blue Ribbon Council Initiative Funding	\$186,000	\$295,000	\$109,000	59%	12%
Sub-total, City of Vancouver Funding	\$1,557,700	\$1,506,000	-\$51,700	-3%	

	2008 BUDGET	2009 BUDGET	\$ CHG, 2009 BUDGET / 2008 BUDGET	% CHG, 2009 BUDGET / 2008 BUDGET	% OF 2009 TOTAL BUDGET
REVENUES (continued)					
<u>Project Funding Carried Forward</u>					
Plan 2010	\$0	\$140,000	\$140,000	-	
Vancouver Economic Development Model, Phase 1	\$0	\$10,000	\$10,000	-	
Project - Business Gateway Project	\$0	\$32,000	\$32,000	-	
Project - Leveraging 2010 Program	\$0	\$24,000	\$24,000	-	
Project - Green IT Summit	\$0	\$20,000	\$20,000	-	
Project - Commercialisation of Innovation event	\$0	\$25,000	\$25,000	-	
Economic Development Strategy Implementation (Phase 2)	\$0	\$110,000	\$110,000	-	
Total Project Funding Carried Forward	\$0	\$361,000	\$361,000	-	14%
<u>Non-City Revenues</u>					
Fundraising - Core	\$100,000	\$50,000	-\$50,000	-50%	
Fundraising - Special Projects	\$131,343	\$600,000	\$468,657	357%	
Plan 2010 External Funding	\$67,000	\$0	-\$67,000	-100%	
Metro Vancouver Commerce - Beijing 2008 Initiative	\$145,500	\$0	-\$145,500	-100%	
Interest Earnings	\$0	\$12,000	\$12,000	-	
Total Non-City Revenues	\$443,843	\$662,000	\$218,157	49%	26%
Sub-total, All Non-City Revenues	\$443,843	\$1,023,000	\$579,157	130%	100%
Transfer from Retained Earnings	\$100,000	\$0	-\$100,000	-	0%
TOTAL REVENUES	\$2,101,543	\$2,529,000	\$427,457	20%	100%

	2008 BUDGET	2009 BUDGET	\$ CHG, 2009 BUDGET / 2008 BUDGET	% CHG, 2009 BUDGET / 2008 BUDGET	% OF 2009 TOTAL BUDGET
EXPENDITURES					
<u>General & Administrative</u>					
Office Rent, Net of Lease Inducement	\$57,790	\$62,000	\$4,210	7%	
Salaries and Benefits	\$696,753	\$785,000	\$88,247	13%	
Communications and Website	\$20,000	\$25,000	\$5,000	25%	
Conferences and Events	\$30,000	\$25,000	-\$5,000	-17%	
Dues and Subscriptions	\$19,000	\$20,000	\$1,000	5%	
Meetings and Hospitality	\$25,000	\$25,000	\$0	0%	
Printing and Publications	\$20,000	\$25,000	\$5,000	25%	
Promotion and Sponsorship	\$85,000	\$95,000	\$10,000	12%	
Research and Data	\$85,000	\$95,000	\$10,000	12%	
Travel	\$25,000	\$25,000	\$0	0%	
Consulting Fees	\$100,000	\$100,000	\$0	0%	
Sub-Total, General & Administrative	\$1,163,543	\$1,282,000	\$118,457	10%	51%
<u>Office Expenses</u>					
Bank charges and interest	\$500	\$500	\$0	0%	
Insurance	\$4,000	\$4,400	\$400	10%	
Office supplies and equipment	\$15,000	\$42,000	\$27,000	180%	
Parking	\$5,000	\$5,000	\$0	0%	
Telecommunications	\$12,000	\$15,000	\$3,000	25%	
Sub-total, Office Expenses	\$36,500	\$66,900	\$30,400	83%	3%
<u>Projects (Details in Schedule A)</u>					
Annual Projects	\$65,000	\$65,000	\$0	0%	
One-Time Projects	\$715,500	\$470,100	-\$245,400	-34%	
Blue Ribbon Council Initiatives	\$121,000	\$580,000	\$459,000	379%	
Sub-total, Projects	\$901,500	\$1,115,100	\$213,600	24%	44%
Contingency Allowance	\$0	\$65,000	\$65,000	-	3%
TOTAL EXPENDITURES	\$2,101,543	\$2,529,000	\$427,457	20%	100%
SURPLUS (SHORTFALL)	\$0	\$0	\$0	-	

SCHEDULE A. PROJECT BUDGET EXPENDITURE DETAILS

	2008 BUDGET	2009 BUDGET	\$ CHG, 2009 BUDGET / 2008 BUDGET	% CHG, 2009 BUDGET / 2008 BUDGET
<u>Projects - Annual</u>				
Annual Dialogue on Innovative Service Delivery Conference	\$15,000	\$15,000	\$0	0%
Annual Entrepreneurial Vancouver Event - Innovation	\$50,000	\$50,000	\$0	0%
Total, Annual Projects	\$65,000	\$65,000	\$0	0%
<u>Projects - One-Time</u>				
Plan 2010	\$280,000	\$230,100	-\$49,900	-18%
Metro Vancouver Commerce Initiatives - Beijing 2008	\$160,500	\$0	-\$160,500	-
CISP Funding of Sector Profiles and Success Stories	\$43,000	\$30,000	-\$13,000	-30%
BIA Profiles WED	\$57,000	\$0	-\$57,000	-
Economic Development Strategy Implementation (Phase 2)	\$175,000	\$210,000	\$35,000	20%
Total, One-Time Projects	\$715,500	\$470,100	-\$245,400	-34%
<u>Projects - Blue Ribbon Council Initiatives</u>				
Business Gateway Project	\$32,000	\$295,000	\$263,000	822%
Leveraging 2010 Program	\$24,000	\$230,000	\$206,000	858%
Green IT Summit	\$20,000	\$20,000	\$0	0%
Regional Licensing System Evaluation	\$10,000	\$0	-\$10,000	-
Commercialization of Innovation Event	\$25,000	\$25,000	\$0	0%
Vancouver Economic Development Model, Phase 1	\$10,000	\$10,000	\$0	0%
Total, Blue Ribbon Council Initiatives	\$121,000	\$580,000	\$459,000	379%
TOTAL, PROJECT EXPENDITURES	\$901,500	\$1,115,100	\$213,600	24%

NOTES TO 2009 PROJECTED BUDGET

1. The 2008 budget shown in this table is the 2008 budget as presented and approved in the VEDC's 2008 Business Plan, incorporating the following subsequently-approved revenues, and associated expenditures:
 - a \$295,000 increase to annual core funding, approved as part of the City's 2008 budget process,
 - \$65,000 annual project funding for implementation of Blue Ribbon Council initiatives, approved in September 16, 2008 Council report (RTS 7049),
 - \$121,000 in one-time 2008 funding for implementation of Blue Ribbon Council initiatives,
 - \$30,000 in one-time 2008 funding from the Olympic Legacy Fund to develop a communications plan for the Business Coordination Committee.
2. The difference to Core City Contract funding of \$68,300 from 2008 to 2009 is due to annualization of 2008 pro-rated funding; this core funding has not been increased or adjusted for inflation for 2009.
3. Office Supplies and Equipment line item has increased because, starting in 2009, this incorporates capital expenditures for small office equipment (previously reported as "Capital Expenditures").
4. The budget presented in this table is cash-based (not accrual).
5. Several of the projects listed in Schedule A are jointly funded with other agencies; offsetting revenues are included in Non-City Revenues.
6. Project Funding Carried Forward is comprised of project funding received in 2008 that will be spent in 2009 to fund specific projects.
7. The differences in the 2008 budgeted revenues and expenditures in this table versus those in the Consolidated Statement of Revenues and Expenditures are due to cash versus accrual accounting presentations.

11. 2008 Year-To-Date Unaudited Financial Report

Statement of Financial Position (Unaudited) As at November 30, 2008

		30-Nov-08	30-Nov-07
		Actual	Actual
ASSETS			
Current assets			
Cash and short term investments		407,321	351,244
Accounts receivable	(Note 1)	7,158	4,240
Prepaid expense		18,803	2,362
Rent deposit	(Note 2)	5,519	5,519
		<u>438,801</u>	<u>363,365</u>
Property and equipment		58,207	60,590
		<u>497,009</u>	<u>423,955</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable		22,559	6,968
GST payable (receivable)		(7,253)	8,974
Deferred Revenue	(Note 3)	414,091	127,393
Lease inducement - current portion		949	949
Lease inducement - long-term portion		26,577	37,967
		<u>456,924</u>	<u>182,365</u>
Net assets			
Investment in equipment		75,032	21,673
Unrestricted		<u>(34,947)</u>	219,917
Net assets		<u>40,085</u>	<u>241,590</u>
		<u>497,009</u>	<u>423,955</u>

Note 1: Composed of \$3,150 in corporate sponsorship for Tredo and \$3,611 CISP funding.

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 \$101,783 City-BCS \$46,742, City-EDS \$107,434,

City-Plan 2010 \$136,641, City-MVC \$20,435 and Leadership Forum of \$1,056.

Also see accompanying Statement Of Changes In Net Assets.

**Statement of Changes in Net Assets
(Unaudited)
For the month of November 2008**

		Invested in Equipment \$	Unrestricted \$	Total 2008 \$	Total 2007 \$
Balance, beginning of year		30,322	129,057	159,379	158,298
Invested in equipment	Note 1	13,517	-13,517	0	0
Amortization of deferred lease inducement		7,593	-7,593	0	0
Amortization		23,600	-23,600	0	0
Excess (deficiency) of revenues over expenditures for the year			-119,294	-119,294	1,081
Balance, end of month		75,032	-34,947	40,085	159,379

Note 1:	Investment in Equipment	
	Quickbooks 2008	428
	In house e-mail exchange server	1,712
	IMAC computer	1,947
	Computers	6,691
	Office Furniture	2,739
	Total to date:	13,517

Consolidated Statement of Revenues & Expenditures (Unaudited)

For the month of November 2008

		<i>Current Month Actual</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Variance Favourable (Unfavourable)</i>	<i>2008 Annual Budget</i>
<u>Revenue</u>						
City-Core Service Contract City-Economic Development Strategy	(Note 1)	101,783	887,917	898,848	-10,931	1,054,700
City-Business Climate Strategy Implementation		7,566	17,566	21,667	-4,101	125,000
City - Plan 2010		25	3,258	8,000	-4,742	50,000
City - Special Projects 9/16/08		3,780	121,891	123,525	-1,635	257,811
		-	-	-	0	121,000
<u>Other revenues</u>						
Fund Raising		300	300	-	300	100,000
Federal Funding - CISP		-	3,010	7,328	-4,318	42,985
Federal Funding - WED		-	3,611	4,000	-389	67,400
TREDO - Beijing 2008	(Note 2)	-	136,998	160,500	-23,502	160,500
Interest earned		1,184	12,792	-	12,792	0
Total Revenue:		114,638	1,187,342	1,223,868	-36,526	1,979,396
<u>Expenses</u>						
Office rent, gross		6,006	64,217	63,415	-802	69,180
Less: Lease inducement		(949)	(10,439)	(10,439)	0	-11,390
Office Rent, net of recovery		5,057	53,778	52,976	-802	57,790
Professional fees		9,950	52,167	55,250	3,083	65,000
Salaries and benefits	(Note 3)	55,173	569,891	612,428	42,537	668,103
<u>Core Activities:</u>						
Communications and website		91	22,133	20,000	-2,133	20,000
Conferences and events		1,535	16,203	20,835	4,632	25,100
Dues and subscriptions		303	13,564	17,417	3,852	19,000
Meetings and hospitality		1,007	16,404	21,000	4,596	25,000
Printing and publications	(Note 4)	-	3,473	11,667	8,194	20,000
Promotion and sponsorship		15,048	81,477	80,000	-1,477	85,000
Research and data	(Note 5)	-	(39)	40,890	40,929	40,890

Travel	1,272	12,115	16,750	4,635	25,000
Office Expenses:					
Bank charges and interest	-	141	458	317	500
Insurance	217	2,397	3,667	1,270	4,000
Office supplies and equipment	1,992	14,597	13,750	-847	15,000
Parking	405	3,979	4,583	604	5,000
Telecommunications	950	8,465	11,000	2,535	12,000
Special Projects:					
Economic Development Strategy Business Climate Strategy Implementation	7,566 25	17,566 3,258	15,000 8,000	-2,566 4,742	125,000 50,000
BIA Profiles (WED) Business & Industry Profiles - (CISP)	1,132 112	8,376 11,261	12,500 12,000	4,124 739	126,690 85,970
Bridging the Regulatory Gap (core) Global Entrepreneurship Week (core)	- 106,140	- 111,177	- 5,500	0 -105,677	15,000 50,000
Green IT Summit	-	-	-	0	20,000
Commercialization of Innovation Event	-	-	-	0	25,000
VED Model Evaluation Phase 1 Metro Vancouver Commerce (<i>includes only new city funding</i>)	- 1,675	- 1,765	- -	0 -1,765	10,000 66,000
Plan 2010	3,780	121,890	123,818	1,928	257,811
TREDO - Beijing 2008 (Note 6)	-	136,998	160,500	23,502	160,500
Total Expenses:	213,430	1,283,036	1,319,989	36,953	2,079,354
Excess of Revenue over Expenses before Amortization and Capital Expenditures	(98,791)	(95,694)	(96,120)	427	-99,958
Amortization Expense (Note 7)	2,265	23,600	22,391	-1,209	24,427
Excess of Revenue over Expenses (YTD)	(101,056)	(119,294)	(118,512)	1,635	(124,385)

Notes to Variances on the Consolidated Statement of Revenues and Expenses**For the month of November 2008****Note 1****City-Core Service Contract**

The annual budget reflects the City's 2008 approved budget of \$1,024,700 less VEDC's \$15,000 contribution to TREDO and \$20,000 to Plan 2010, as well as the new \$65,000 core funding approved Sept 16, 2008 for Bridging the Regulatory Gap and Global Entrepreneurship Week. The negative variance is due to a timing difference between when the 2008 new funding was received from the City and the monthly allocation of the budget. The new core funding was received in December 2008.

Note 2**TREDO – Beijing 2008**

Negative variance is due a reallocation of the surplus municipal funding to deferred revenue which will be used for the next project under the new name of Metro Vancouver Commerce.

Note 3**Salaries and Benefits**

Positive variance is due to a timing difference and understaffing during the year.

Note 4**Printing and Publications**

Positive variance is due to the reduced operating costs of the new printer and the allocation of larger printing costs to special projects.

Note 5**Research and data**

Positive variance is due to a timing difference as a result of the late budget approval.

Note 6**TREDO – Beijing 2008**

Project came in under budget and surplus funds have been deferred. (See note 2)

Note 7**Amortization Expense**

Amortization of fixed assets assumes no salvage value and a 36-month amortization period for all capital assets except artwork which has a 60-month amortization period.

12. Metro Vancouver Commerce 2008 Report

On October 24, 2007 the Chief Administrative Officers from the City of Vancouver, Surrey, Richmond and the District of North Vancouver signed a Memorandum of Understanding to form TRED0 (Taskforce on Regional Economic Development Opportunities). A director from each community was appointed and activities commenced. Following a presentation to the Mayors Committee of Metro Vancouver, the CAO's from the City of North Vancouver, New Westminster and Port Moody signed on to be part of the group.

In November of that year we hired a consultant to work with us to build a brand and part of that was a name change from TRED0 to Metro Vancouver Commerce. Our logo and identity took shape in late 2007.

During this time TRED0 applied for funding from Western Economic Diversification for a project to attract investment, skilled workers and entrepreneurs from China using the BC/Canada Pavilion at the Beijing Olympics. This would represent the first time that the region of Metro Vancouver has been promoted as a single entity. A report on that initiative follows.

Several other initiatives were also completed or started during 2008. Reports on each follow. During the year the directors had several business meeting and the CAO's held two meetings for progress updates. Going forward MVC will have a strategic planning session in January to review our mission, confirm our goals and objectives and come up with a broad 3 year plan. MVC will also consider the 2009 Project Opportunities, Membership Expansion, and Society Status.

MVC now has a logo, business cards, banners in two languages, a website, uniforms, sales sheets, and enquiry protocol agreement to be sure that any leads generated were shared properly and other pieces to help promote its brand.

Beijing Olympics Project

Background

This project was originally for four municipalities in Greater Vancouver, working together under a Memorandum of Understanding commonly known as TREDO, to market the region as an investment, skilled worker and entrepreneur destination in the BC-Canada Pavilion in Beijing between May and September 2008.

At the time the project was conceived, TREDO had just got underway, and federal and provincial plans for the BC-Canada Pavilion were still evolving. As TREDO developed, and plans for the Pavilion were firmed up, many of the details of the project changed, with the concurrence of WD staff. The main changes were:

- TREDO grew from four municipalities – Richmond, Surrey, the District of North Vancouver and Vancouver - to five, with the addition of New Westminster.
- TREDO adopted the trading name of “Metro Vancouver Commerce” (MVC).
- The Province of BC declined to provide significant financial assistance to the project, since Greater Vancouver is not a priority area for the BC Ministry of Economic Development. The Ministry did provide significant in-kind support through the BC-Canada Pavilion, and through its efforts to attract Chinese businesses to MVC events.
- Individual trade associations, and their private sector memberships, made arrangements for their own short missions to the BC-Canada Pavilion. This resulted in a major change in the way MVC chose to represent the region in Beijing. Instead of having a skeletal staff in Beijing throughout the May-September period, MVC chose to mount its own short mission (June 9-10) and to otherwise focus its resources on providing support, through its detailed knowledge of the Metro Vancouver economy, on priority sectors presenting in the Beijing Pavilion. This meant that private sector representatives in Beijing worked through their industry associations, rather than through MVC.

Project Goals

MVC goals were to:

- Market Metro Vancouver to investors, entrepreneurs and skilled workers, particularly from China and other Asian countries.
- To raise Vancouver's international profile.
- Initiate relationships with Asia-based individuals, companies, government agencies and others.
- Develop 300 qualified leads.

In addition to these program goals, a key goal for all MVC members was to demonstrate that municipalities could work effectively together on:

- Developing a Metro Vancouver “brand”, sector priorities and associated marketing materials.
- Joint development and implementation of events abroad.
- Joint collaboration with senior governments and private sector partners.

To meet these goals, MVC municipalities undertook to:

- identify and document regional strengths in priority sectors.
- develop seminars and workshops, with trade associations and others.

Project Activities

A positioning consultant was hired and worked with all MVC partners to develop a regional “brand”, and materials to showcase the region, under the slogan “Powerhouse. Paradise.” Print materials were developed, translated and shipped to Beijing. A MVC website and static screen photos about Metro Vancouver and its sector priorities were

completed. Other display materials, including banners and uniforms, were also developed. All these activities were completed by June 6, in time for deployment at the MVC event in Beijing on June 9-10. (Items a, b & c of Timeline of Project Activity; performance indicator b).

All five partners in MVC participated in the Metro Vancouver Commerce Business and Investment Forum in Beijing. A strong public-private sector delegation was led by Mayors Watts of Surrey and Wright of New Westminister. Attached are two reports on the event from different perspectives (Appendix A: Beijing 2008 by Nellie Cheng, VEDC; Appendix B: BC-Canada Pavilion Report). In addition, MVC members also developed partnerships to support other presentations at the Pavilion.

- with DFAIT for Invest in Canada seminar, May 19 (VEDC)
- with BCTIA for International Technology Summit, May 21-23 (VEDC)
- with BC Film & TV, event, June 24/26 (District of North Vancouver)
- with Teaching & Learning, June 26/30 (New Westminister)
- with Tourism BC/CTC (Surrey, North Vancouver) This event was cancelled
- with LifeSciences BC, BC-China Research & Innovation Partnership Summit, May 26-27 (VEDC)
- total of 6 partnerships (performance indicator a; target 5)

The total number of industry contacts is still being calculated, but will be close to 300 (performance indicator c; target 300). A protocol for sharing contacts among MVC partners has been developed by the District of North Vancouver and formally accepted by all MVC members; an initial distribution of contacts among municipalities for follow-up has been made. A database of contacts is being developed and will be complete by October 31. (Timeline of Project Activity, item d, target December 31). These contacts will be followed up now but will also be used for future projects involving investment attraction as some of the companies realized that they had more work to do before they were ready to look at a regional office or investment in Metro Vancouver. Companies that showed the most interest will have one on one meeting with representatives of

Richmond and Vancouver during the Olympic game time. These contacts will also be included in the target list for Metro Vancouver Commerce's next project; Asia's Business Gateway to North America.

Significant follow-up activity is underway:

- four Chinese delegations are visiting Metro Vancouver as a direct result of this initiative (two to New Westminister, one each to Surrey and North Vancouver).
- Richmond is conducting a follow-up mission to Beijing (partly funded under this initiative).
- Mayor Sullivan and two City of Vancouver Councilors travelled to Beijing to follow-up on specific leads generated.

Expenses and Budget

	Budget	Actual
<u>Revenue</u>		
Municipalities	54,500	75,000 (note 1)
BC	25,000	2,000
Private sector	-	2,000 (note 2)
WD	80,500	80,500
Total	160,000	159,500
<u>Expenditures</u>		
Travel/accommodation	79,500	41,898 (note 3)
Display	40,000	36,756
Printed materials, translation	25,000	36,464 (note 4)
Pavilion charges	15,500	19,229
Follow up and staff costs		25,153
Total	\$160,500	\$160,500

Notes:

1. Participation of two additional municipalities
2. Private sector participation allowed expanded hospitality
3. See Background Section above. Revised plan for staff attendance in Beijing substantially reduced costs
4. Translation costs exceeded plan

Project Outcomes

All partners in MVC agreed that the project was worthwhile and met its goals in marketing, raising Vancouver's international profile, and making business contacts.

- Given that the BC Ministry of Economic Development assigns very low priority to economic development within the Lower Mainland, it is critically important that MVC continue to build on the base established by its activities in Beijing under this project. As a strong downturn in the US economy seems increasingly likely, and as the Lower Mainland prepares for an inevitable post-2010 slowdown, establishing a stronger Vancouver identity and presence in international markets must become a higher local priority
- While the final count of qualified leads is not yet available, MVC will be close to, or at, its target. Follow-up activities are already underway, both in China and from the region.
- All participants agreed the project was extremely important and useful in building their expertise and ability to represent and market the region and their own municipalities in Asia.
- Establishing a solid base for future collaboration among Metro Vancouver municipalities. The contacts made in Beijing will be valuable assets for future projects, such as the proposed project of Metro Vancouver Commerce, Asia's Business Gateway to North America.

All MVC partners strongly affirm that the project achieved and surpassed its goals of:

- building a Metro Vancouver Commerce “brand”.
- developing appropriate print and other marketing materials.
- developing excellent relations among economic development professionals from different municipalities.
- proving that municipalities can collaborate with one another successfully in major projects abroad that are difficult to do for the first time and that involve extensive joint collaboration with other levels of government.

The high degree of collaboration achieved on the project provides strong momentum to initiate other MVC projects in seeking investment from outside the region, using the lessons learned on this project. It also bodes well for the development of a regional capacity to begin to counter the more difficult economic times referred to above.

Lessons Learned

Many lessons were learned, including:

- The importance of preparation and excellent presentation materials.
- The need to build attendance at events from as many sources as possible, not relying on one contractor. As noted in appendix A, MVC had far better turn out at its event than other groups in the Pavilion did, because it did not just rely on the Provincially hired contractor.
- Attendees at events should be screened to make sure they are appropriate for the event’s purpose, if possible.
- Working with private sector lawyers, accountants and successful entrepreneurs adds significantly to credibility and audience response.
- Chinese participants pointed out that Vancouver’s image is that of a place to live, not to do business. This represents a fundamental challenge MVC and others must face

up to in order to be successful in attracting entrepreneurs, investment and skilled workers from China and elsewhere in Asia.

- Random events (the earthquake in Sichuan), locally available information (public holidays) and uncontrollable factors (the relative inaccessibility of the BC-Canada Pavilion) can have a strong influence on outcomes, notwithstanding excellent preparation.
- Mandarin speaking skills are extremely important for success
- The PNP program is very popular and there may be opportunities for MVC to link up with/leverage of Provincial PNP presentations in China and elsewhere in Asia Pacific.

Overall Assessment

In some areas (MVC collaboration, learnings), the project exceeded expectations

In other areas (attendance at June 9-10 event, cancellation of Tourism event), it did not meet expectations.

OVERALL, the project met expectations. VEDC invested \$15,000 in this project with a total cost of \$160,500.

Regional Mobile Business License

At the request of Mayor Watts of Surrey, MVC continues working on a project to develop a pilot project in Metro Vancouver for a regional mobile business license. MVC is working with the Provincial Government on this project and will have recommendations and next steps available in Q1 of 2009. To date a consultants report on the ramifications for each municipality has been completed and a committee of license professionals from eight municipalities is working to ensure that all questions can be answered and problems thought about before they arrive. VEDC invested \$10,000 in this project with a total cost of \$30,000.

Images of Metro Vancouver Magazine

MVC Directors agreed to sponsor the production of a promotional magazine on Metro Vancouver which we can use as another product in our toolkit of items to help attract businesses and skilled workers to Vancouver. This high quality publication will be available in Q2 of 2009 and there are no financial obligations involved in this publication. VEDC invested \$3,500 in this project that cost a total of \$18,500 for an advertisement.

Economic Development Opportunities Map

This product was produced and lists all 21 municipal business contacts, industrial business development zones, commercial business investment zones and agricultural areas. This map is being used by all participating municipalities. VEDC invested \$1,300 into this project where the total cost was \$6,550.

Foreign Direct Investment Promotion Leverage 2010 Opportunities

This is a project which MVC has requested funding from WD, Department of Foreign Affairs and International Trade (DFAIT) and private corporations to bring companies that are considering opening an off shore office in North America to Vancouver during the 2010 games. Company representative would be brought to Vancouver in 5 waves of 10 companies (each with two people) for a total of 100 individuals representing 50 companies. These companies would be introduced to Metro Vancouver's opportunities for investment, taken on site tours, meet with representatives from the sector they represent and provided with Olympic opportunities. This would enhance Metro Vancouver's brand as a Global Business Centre, stimulate investment interest in Metro Vancouver among business visitors and bring foreign direct investment into Metro Vancouver. This project funding was delayed due to the Federal election however, will be pursued in Q1 2009. VEDC will invest \$32,000 and the total budget will be \$340,000.

Metro Vancouver, Asia's Business Gateway to North America

The project will leverage the Federal Government Asia Pacific Gateway and Corridor Initiative and the Vancouver 2010 Olympics to promote Metro Vancouver as the best place for Asian firms to establish a North American presence and regional headquarters targeting 50 Asian companies for corporate visits with investment promotion presentations, detailed discussions and service consultation. Partners for this project include WD, DFAIT, BC Ministry of Technology, Trade and Economic Development (TTED) and private sector partners. This project was severely delayed by the Federal election and may have to be revised before it can go ahead. It was scheduled for a pilot visit during the Vancouver Symphony tour of China. As the funding was delayed DFAIT did invite some corporations to a reception and the concert in three cities in China. Meetings will be held in January to discuss this project. VEDC will invest \$24,000 and the total budget will be \$260,000.

Statistical Information and Purchasing

It is felt that each municipality could benefit by reducing its expenditures on statistics if we could combine our needs and group purchase. A funding request has been made through the Community Investment Support Program (CISP) to determine what each community requires, the best sources and costs for our relevant needs. VEDC will not invest anything in this portion of this project. We will be asked for funding when it comes to purchasing sometime in Q2 of 2009.

APPENDIX B
SERVICE AGREEMENT BETWEEN THE VANCOUVER ECONOMIC DEVELOPMENT SOCIETY AND
THE CITY OF VANCOUVER, EXPIRES DECEMBER 31, 2008

THIS AGREEMENT made effective as of the 1st day of January, 2006.

BETWEEN:

VANCOUVER ECONOMIC DEVELOPMENT SOCIETY, a non-profit society incorporated pursuant to the laws of the Province of British Columbia, having its registered office at 1620 - 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9

(hereinafter called the "Society")

OF THE FIRST PART

AND:

CITY OF VANCOUVER, a municipal corporation with offices at 453 West 12th Avenue, Vancouver, British Columbia, V5Y 1V4

(hereinafter called the "City")

OF THE SECOND PART

WHEREAS the parties hereto have agreed to enter into this Agreement upon the terms and conditions set forth herein.

NOW THEREFORE WITNESSETH that in consideration of the premises, covenants, promises and agreements herein contained and the payment of \$1.00 each to the other (the receipt and sufficiency of which is hereby acknowledged by each of the parties) and other good and valuable consideration, the parties hereto covenant and agree each with the other as follows:

1. The term of this Agreement shall be three (3) years commencing on the 1st day of January, 2006 and ending on the 31st day of December, 2008 (the "Term") unless otherwise earlier terminated pursuant to the terms of this Agreement; Provided that any funding to be provided to the Society by the City pursuant to this Agreement, including without limitation the payment by the City of any Annual Fee (as hereinafter defined), shall be subject to review and approval by the Mayor and Councillors for the City ("Council") on an annual basis. Accordingly, the parties covenant and agree that the Society shall have no right to receive and the City has no obligation to provide any funding for the second or third year of the Term, respectively, unless and until Council passes resolutions approving future funding for each respective year.

2. The City may terminate this Agreement for any reason whatsoever, at any time prior to December 31, 2008 or at any time during any renewal of this Agreement, upon giving the Society ninety (90) days (the "Notice Period") prior written notice of such termination. The termination of this Agreement will be effective upon the expiry of the Notice Period (the "Termination Date"). Notwithstanding anything to the contrary contained in this Agreement,

if this Agreement is terminated by the City prior to the expiry of the Term, or any renewal term, the City shall pay to the Society on a pro-rata per diem basis only that portion of the Annual Fee (hereinafter defined) and of any program costs or contract costs that are approved by and funded by Council pursuant to this Agreement (collectively hereafter defined as the "Special Program Costs") for the proportion of the days in the respective calendar year during the Term, or of any renewal term, that have passed prior to the Termination Date less any instalment payments of the Annual Fee or Special Program Costs already paid or delivered by the City to the Society for that respective year. The pro-rata portion of the Annual Fee and any Special Program Costs payable by the City to the Society shall be calculated by multiplying the Annual Fee or the Special Program Costs by a fraction the numerator of which is the number of days elapsed in the respective calendar year of the Term, or any renewal thereof, until the Termination Date and the denominator of which shall be 365. If the City prior to the Termination Date shall have paid to the Society by way of instalment payments or on a lump sum basis, all or any portion of the Annual Fee or the Special Program Costs which exceeds the amount that would be payable by the City calculated on a pro-rata per diem basis, then the Society shall refund to the City any such overpayments within ten (10) days of the Termination Date. Except as specifically provided for in this section, the Society acknowledges, covenants and agrees that it is not entitled to and waives all rights and claims to any remuneration, compensation or damages of every nature and kind whatsoever, in lieu of notice or otherwise, in respect of or on account of the early termination of this Agreement by the City.

3. In addition to any other services, work and obligations that the Society is to perform or provide for or on behalf of the City, as specifically set out in this Agreement, including Appendix "A" attached hereto, the Society shall during the Term of the Agreement:

- (a) provide leadership with respect to economic development in Vancouver;
- (b) promote Vancouver as a vibrant and diversified destination for business and investment;
- (c) assess and report on performance indicators for Vancouver and the Society; and
- (d) provide policy advice and recommendations as requested by Vancouver City Council as a whole or as directed by the Society's Board of Directors.

Activities will include, but are not limited to, the following:

- (e) economic development leadership;
- (f) attract, retain and expand businesses;
- (g) act as a conduit between government and business/expeditor;
- (h) trade delegations/missions;
- (i) research and provide economic information; and
- (j) performance measurement;

all as more fully set out in the Business Plan (hereinafter defined) (collectively the "Services").

4. During the Term of this Agreement, the Society shall perform the Services and carry on its activities and functions in accordance with the respective business plans and operating budgets for each year of the Term, which must be approved annually by the City for each year of the Term (each of which annual business plan and related operating budget is hereinafter defined as the "Business Plan"). A copy of the Society's 2006 Business Plan is attached hereto as Appendix "A". Any amendments to any Business Plan, after the respective Business Plan has been approved by the City, shall only be made by mutual agreement of the parties. Prior to or concurrently with Council approving any funding for the Society for the 2007 or 2008 years of the Term, it is a condition of this Agreement and of any funding being provided by the City that the Society prepare a Business Plan acceptable to the City and that the City, in its sole discretion, approves each year's Business Plan and operating budget. Subject to City approval, a Business Plan for each of the 2007 and 2008 calendar years of the Term will be attached, respectively, as Appendix "A" in place of the 2006 Business Plan. In the event of any inconsistencies, discrepancies or conflicts between this Agreement and the respective Business Plans, the terms of this Agreement shall prevail.

5. The Society covenants and agrees that any programs, projects or initiatives listed or described in each year's respective Business Plan which are to be funded wholly or partly by the City with funds other than the Annual Fee shall be funded and carried out in accordance with the specific terms and conditions specified in this Agreement and otherwise in accordance with any Council approvals with respect thereto.

6. Subject to Section 2 herein, the City shall pay to the Society an annual fee for each year of the Term as approved by Council (the "Annual Fee"). For greater certainty, the City shall have no obligation to pay to or provide funding the Society for any year of the Term, unless and until Council has specifically approved in writing an Annual Fee for each respective year of the Term. The 2006 Annual Fee, as approved by Council, shall be SIX HUNDRED AND SEVENTY-TWO THOUSAND (\$672,000.00) DOLLARS plus applicable Net Goods and Services Tax (the "Annual Fee"). The 2006 Annual Fee includes a staff compensation adjustment (the "Staff Compensation Adjustment") of THIRTY THOUSAND DOLLARS (\$30,000.00) for half of the 2006 calendar year of the Term. Subject to receiving Council's approval to provide funding to the Society for the 2007 and 2008 calendar years, Council, in its sole discretion, may provide a SIXTY THOUSAND (\$60,000.00) DOLLARS Staff Compensation Adjustment, adjusted for inflation, for the full 2007 and 2008 calendar years, respectively. The Annual Fee shall be payable in advance in quarterly instalments, with such payments due on the first day of January, April, July, and October during the Term or at such times as otherwise determined by the City. As of the date of execution of this Agreement, the Society acknowledges receiving from the City the advance payments of ONE HUNDRED FIFTY-FOUR THOUSAND (\$154,000.00) DOLLARS, ONE HUNDRED NINETY-ONE THOUSAND FIVE HUNDRED (\$191,500.00) DOLLARS and ONE HUNDRED EIGHTY-FIVE THOUSAND (\$185,000.00) DOLLARS (all excluding Net GST), which were made by the City in January, May and June 2006 respectively. Without derogating from the provisions of Section 2 herein, but for greater certainty, the City shall not be liable, responsible or obligated to make any further instalment payments of any portion of the Annual Fee after the end of each year during the Term or the Termination Date and shall be entitled to a refund of any over payments of the Annual Fee in accordance with Section 2 herein. The Society covenants and agrees that the Annual Fee for each year of the Term is inclusive of and not in addition to any interim funding provided by the City to the Society,

prior to the date of execution of this Agreement. The Society covenants and agrees that any interim funding or payments made by the City to the Society relating to the Society's operations during any calendar year of the Term, prior to Council approving the entering into of this Agreement or approving any funding for the 2007 or 2008 calendar years, respectively, shall be deducted from or credited towards the Annual Fee to be paid for that respective year once approved.

7. The Society covenants and agrees that the City's funding obligations pursuant to this Agreement or otherwise, are limited to and are to be made on an annual basis subject to section 2 herein. Any funding to be provided by the City to the Society for the 2007 and 2008 years of the Term is conditional upon Council's review and approval, in its sole discretion, of the preceding year's operating and financial results, respectively, and Council's approval, in its sole discretion, of the upcoming year's Business Plan, including the operating budget, respectively.

8. In addition to the 2006 Annual Fee, the City covenants and agrees to fund and to pay to the Society the sum of FORTY-THREE THOUSAND FIVE HUNDRED (\$43,500.00) DOLLARS to cover the costs of retaining in a contract position a project manager (the "Project Manager") for half of the 2006 calendar year to work on the Society's economic development strategy (the "ED Strategy"). The Project Manager shall perform the following functions in relation to the ED Strategy:

- (i) define the scope of the ED Strategy;
- (ii) develop terms of reference for key stakeholders;
- (iii) establish a project plan and timeline; and
- (iv) fulfill all applicable project management duties.

The City shall have no obligation to fund the balance of or the second half of the Project Manager's one year contract position for the first half of the 2007 calendar year, unless Council specifically approves such funding as part of Council's 2007 funding approval.

9. The Society covenants and agrees to provide to the City in the 2006 calendar year, by no later than July 31, 2006, unless such date is extended by the City in its sole discretion, a project plan and a detailed budget for the ED Strategy for Council's review and consideration. If Council, in its sole and absolute discretion, approves the project plan and budget, then Council shall pay to the Society an additional sum of SIXTY-TWO THOUSAND FIVE HUNDRED (\$62,500.00) DOLLARS (the "ED Program Costs") representing funding for the second half of the 2006 year of the Term in order to fund the development of the ED Strategy. Any further funding by the City of the ED Strategy for the 2007 and 2008 years of the Term shall be subject to Council approval in each of the respective years.

10. The Society covenants and agrees that:

- (a) All drawings, audiovisual materials, information, plans, research, analysis, models, designs, studies, specifications, reports and other documents or products produced, received or acquired by the Society or any of its consultant (s) or by any of its or their employees, agents, directors, officers, independent

contractors or volunteers as a result of or incidental to the Services or the ED Strategy or any other programs or initiatives funded wholly or partly by the City (collectively the "Material") shall be the sole property of the City. The City shall have the right to utilize all of the Material for its benefit in any way it sees fit without limitation;

- (b) The Material shall be delivered by the Society to the City forthwith following the expiration or sooner termination of this Agreement, or any renewal thereof, PROVIDED THAT the City may, at any time or times prior to the expiration or sooner termination of the Agreement, give written notice to the Society requesting delivery to the City of all or any part of the Material and in which event the Society shall forthwith comply with such request;
- (c) The Society hereby transfers all its rights, interest and ownership in and to the Material to the City and assigns to the City sole copyright in the Material. The Society agrees that all its rights, interest and ownership of the Material is to be considered to have been transferred, and any copyright in the Material is to be considered to have been assigned by the Society to the City upon the creation of the Material. The Society hereby irrevocably waives, in favour of the City, the Society's moral rights in respect of the Material. The Society shall obtain in writing, from its employees, servants, agents, directors, officers, independent contractors and volunteers (the "Society's Personnel") and its consultants, or from any other source used, all required assignments and waivers, including waivers of moral rights, releases of interest and acknowledgements necessary to transfer title to any copyright in the Material to the City; and
- (d) The Society hereby represents and warrants that the portion of the Material produced by the Society or the Society's Personnel or by its consultant(s) will not infringe any patent or copyright or any other industrial or intellectual property rights including trade secrets.

11. As a condition of the City entering into this Agreement, the Society covenants and agrees that it has at the time of execution of this Agreement and will continue throughout the Term to engage by means of employment or a contract for services a qualified person or firm with a high level of skill and a proven track record in the delivery of economic development and business promotion services (the "Consultant") to do the following:

- (a) to provide economic expertise, to support the provision of policy advice on economic development issues facing the City of Vancouver as requested by Vancouver City Council as a whole or as directed by the Society's Board of Directors;
- (b) to professionally manage the Society; and
- (c) to oversee and ensure the delivery of the Services, the ED Strategy (if approved) and any other City funded programs in a highly qualified manner.

12. The City may, in its sole and absolute discretion, if the Society duly and punctually observes and performs the terms, conditions and covenants to be observed and performed by it in accordance with this Agreement, grant the Society a renewal of the Agreement upon the

expiration of the Term, on such terms and conditions as required by the City and as agreed to by the Society.

13. The Society shall present and deliver to the City a proposed annual Business Plan and operating budget not later than the end of October in each year of the Term, or as otherwise requested by the City, to meet the requirements of the City's annual budget process, if the Society wishes that the City consider renewing or extending this Agreement or entering into a new agreement on similar terms with the Society to provide the Services. Each annual Business Plan, including the operating budget, must be satisfactory to the City and be approved by the City prior to any funding being provided by the City for the 2007 and 2008 years, respectively.

14. The Society covenants and agrees that it shall not enter into any contracts that are for a term or duration greater than one year or which otherwise would create or incur any financial commitments or obligations upon the Society which go beyond the period of funding approved by the City under this Agreement. Any contracts that the Society proposes to enter into which are for a term or duration that extends beyond the end of any calendar year for which the Society has received approved funding from Council or which are for a duration of more than one (1) year shall require Council's approval in writing.

15. The Society shall maintain proper financial records and provide annual audited financial statements to the City signed by an officer or director of the Society and certified as correct by the auditor of the Society (who shall be a chartered accountant or other licensed public accountant acceptable to the City), with the same to be delivered not more than three (3) months after the expiration of each calendar year during the Term or the expiration or sooner termination of this Agreement. The City shall have access to and the right to review and make copies of all of the financial records of the Society, with such access to be during business hours on any business day during the Term or any renewal term of this Agreement.

16. The City may, from time to time hereafter, assign to the Society a City staff liaison (the "City Liaison") to whom the Society, if a City Liaison is assigned, will be required to communicate with and report all developments and any information to be provided to the City pursuant to this Agreement. The City Liaison shall be entitled, but not obligated, to attend any meetings of the Society and shall act as a contact person for the Society. The Society acknowledges and agrees that the City and the City Liaison shall have no responsibility or liability with respect to the Society carrying out its obligations pursuant to this Agreement and no act or omission, including any negligence by the City Liaison or the City shall in any way limit, derogate or release the Society from its obligations under this Agreement, including without limitation any obligations to release or indemnify the City or any City Personnel. The Society acknowledges and agrees that the City is in no way obligated to assign a City Liaison to the Society and that the absence of a City Liaison shall in no way limit or release the Society from its obligations to report to the City as provided for in this Agreement.

17. The Society covenants and agrees that it is required to file with the City's Clerk Office for the review of Council, a summary report of the results of its activities and accomplishments, within ninety (90) days of the end of each calendar during the Term and of the expiry of the Term or any renewal thereof.

18. All notices required to be given pursuant to this Agreement shall be deemed to have been given, if delivered, when delivered to the following address of the Society and the City, and, if mailed, three (3) business days after being mailed by prepaid registered mail at a Government Post Office within Canada to the following address of the Society and the City, or to such other address as the parties hereto may from time to time designate in writing:

TO THE SOCIETY: VANCOUVER ECONOMIC DEVELOPMENT SOCIETY
Suite 1620 - 1075 West Georgia Street
Vancouver, British Columbia
V6E 3C9

TO THE CITY: THE CITY OF VANCOUVER
453 West 12th Avenue
Vancouver, British Columbia
V5Y 1V4

Attention: City Clerk

19. Where the context permits this Agreement shall enure to the benefit of and be binding upon not only the parties hereto but also their respective successors and assigns.

20. Nothing herein contained shall be construed as in any way constituting this a partnership or joint venture between the parties hereto, or be construed to evidence an intention of the parties to constitute such a relationship. Neither party shall hold itself out contrary to the terms of this section, nor become liable or bound by any representation, act or omission whatsoever of the other party contrary to the provisions of this section.

21. All contracts, whether of employment or otherwise, entered into by either party with respect to this Agreement shall be made by such party as principal and not as agent of the other party and the other party shall have no liability therefore, including without limitation with respect to any employment contract or contract for services as required or provided for in this Agreement.

22. Should any provision of this Agreement be void, voidable, or unenforceable for any reason whatsoever, it shall be considered separate and severable from the remaining provisions of this Agreement, which shall remain in full force and be binding upon the parties as if the unenforceable provision had not been included.

23. This Agreement shall be construed and governed by the laws of the Province of British Columbia and laws of Canada as applicable and each party hereto irrevocably attorns to the jurisdiction of the Courts of the Province of British Columbia.

24. All references shall be read with such changes in number and gender as may be appropriate according to the references to a male or female person, or a corporation.

25. Any waiver by the Society or by the City of the strict performance of any condition, covenant or agreement herein contained shall not constitute a waiver of or abrogate such or any other condition, covenant or agreement nor shall it be deemed a waiver of any subsequent breach of the same or of any other condition, covenant or agreement.

26. This Agreement shall not be modified, varied or amended except by an instrument in writing signed by the parties hereto.
27. This Agreement shall not be assigned by the Society without the prior written consent of the City which consent may be arbitrarily withheld.
28. The Society shall pay any goods and services, multi sales, use, consumption, value added or similar taxes, of whatever name levied by the Government of Canada, or by any provincial government which is separately imposed upon and payable by the Society on or in respect of the payment of the Annual Fee, or related to the employment, hiring or contracting with the Consultant, or in respect of any other sum payable under this Agreement or any renewal thereof. The Society covenants and agrees to pay any such taxes directly to the appropriate taxing authority or to the City if the City is required to collect such taxes on behalf of and as agent of the taxing authority. In the event that any Goods and Services Taxes which are payable under this Agreement are not separately imposed upon and payable by the Society, but are imposed upon and payable by the City, the Society will pay the same to the City forthwith upon demand.
29. Time shall be of the essence in this Agreement.
30. Each obligation and provision of this Agreement, even though not expressed as a covenant, is considered to be a covenant for all purposes.
31. All schedules to this document are to be read and construed and deemed to be apart of this Agreement and are binding upon the parties hereto as if incorporated herein. If there are any contradictions or direct discrepancies between this Agreement and anything set out in the schedules attached hereto, the terms of this Agreement shall prevail over the terms of the schedules.
32. Nothing contained in this Agreement shall be construed as a limitation upon the powers of the City as a municipal corporation.
33. The covenants herein on the part of the Society and the City which, as of termination of this Agreement or the Term or by the passage of time or otherwise, remain unfulfilled, undischarged or otherwise outstanding shall nevertheless survive such termination and remain in full force and effect and be binding upon the parties so long as any such covenant remains unfulfilled, undischarged, or otherwise outstanding, whether in whole or in part, except for and subject to Section 2 herein and the payment of the Annual Fee.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their proper officers duly authorized in that behalf as of the day and year first above written.

CITY OF VANCOUVER



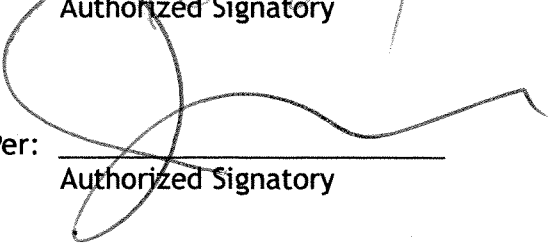
Per: _____
Authorized Signatory

#96226v4 

Vancouver Economic Development Society
Services Contract 2006 - 2008

VANCOUVER ECONOMIC DEVELOPMENT SOCIETY

Per: 
Authorized Signatory

Per: 
Authorized Signatory

APPENDIX C
RECOMMENDATIONS OF THE OCTOBER 2007
BLUE RIBBON COUNCIL REPORT ON THE BUSINESS CLIMATE IN THE CITY OF VANCOUVER

HIGH PRIORITY SHORT-TERM PROJECTS

Action 1-1	Mayor and Council support the implementation of this Strategy with clear communication to the public.
Action 2-1	Create the senior position of City Economist.
Action 5-1	Request that Metro Vancouver and/or the Provincial Government facilitate a process to create a regional economic development strategy and formal economic development organization for the Metro Vancouver region.
Action 3-1	Comprehensively review the structure, funding and mandate of the Vancouver Economic Development Commission, including its role in regional economic development.
Action 4-1	Undertake a comprehensive review of City regulations relating to business and development.
Action 3-2	Undertake the proposed Phase 2 of the Economic Development Strategy.

HIGH PRIORITY ONGOING INITIATIVES

Action 5-2	Establish, with interested regional partners, joint initiatives for marketing Metro Vancouver for investment attraction and addressing other economic development issues of common interest.
Action 6-1	Establish strong land-use policies for industrial and commercial land to eliminate the possibility of conversion to residential development.

MEDIUM PRIORITY SHORT-TERM PROJECTS

Action 4-2	Review internal City policies to ensure innovative and efficient delivery of public services.
Action 4-3	Institute BizTalk to improve access, increase transparency, and create time savings in City regulatory processes.
Action 4-4	Provide customer service training to frontline City employees.

MEDIUM PRIORITY ONGOING INITIATIVES

Action 1-2	Develop regular points of contact for Mayor and Council and the business community.
Action 2-2	Allow the opportunity for greater influence on City policy from established economics, business and labour organizations.
Action 8-2	Establish systematic contact with Ministry of Economic Development staff to identify and pursue collaborative international marketing and trade promotion initiatives, particularly in the Asia Pacific region.

Action 9-3	Review City transportation regulations to enhance the efficient movement of goods within and through the city, with particular emphasis on hours of operation restrictions.
Action 10-3	Work with the business community, the Vancouver School Board, universities and colleges, and other post-secondary institutions to raise the profile of entrepreneurship among secondary and postsecondary students.
Action 10-4	Facilitate dialogue between the business community and post-secondary educational institutions to encourage a closer match between educational programs and business needs and to promote commercialization of innovation.

LOWER PRIORITY SHORT-TERM PROJECTS

Action 11-4	Develop marketing initiative to attract skilled managers and workers to Vancouver.
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LOWER PRIORITY ONGOING INITIATIVES

Action 1-3	Mayor and Council and senior City staff engage more frequently with the business community at business events.
Action 8-3	Capitalize on existing Sister City relationships.

SUPPORT EXISTING INITIATIVES

Action 4-5	Explore, with municipal partners in Metro Vancouver, the creation of a regional business licensing system.
Action 6-2	Support existing industrial land by ensuring appropriate buffers around industrial activity, limiting non-industrial uses, and encouraging more intensive use.
Action 7-1	Use a variety of City policies, the specifics of which will be determined through consultation with project partners to support the development of the Great Northern Way Campus.
Action 8-1	Support the execution of the recently-approved "2010 Plan".
Action 9-1	Support regional transportation improvements proposed and ongoing through the Pacific Gateway Program that foster business and commerce.
Action 9-4	Ensure that land use is supportive of regional transportation through densification.
Action 11-3	Encourage Federal/Provincial governments to provide universal access to child care, and continue to support child care through City policies, thereby allowing greater participation of women in the workforce.
Action 12-1	Pursue planning and development policies, including the Ecumenist initiative, that provide a balance of housing options.
Action 13-1	Ensure the business community is engaged in seeking solutions to crime and safety issues through the Project Civil City initiative.
Action 13-2	Pursue complementary crime-reduction initiatives that address affordable housing, substance addictions, and mental illness.

Action 13-3	Support the Vancouver Police Department in its efforts to reduce all crime in the city, including property and violent crime.
Action 14-1	Implement the recommendations of the Property Tax Policy Review Commission.

INFLUENCING OTHERS

Action 9-2	Support further development of the regional transportation system, with a high priority on public transit, that is based on demonstrated need and public good, not on political considerations.
Action 9-5	Ensure that transportation rights of way are protected.
Action 9-6	Support the use of transportation demand management techniques.
Action 10-1	Support the post-secondary education sector as a critical link in developing a superior workforce through advanced education and research, and support the principles of excellence in the Province's Campus 2020 Plan for post-secondary education.
Action 10-2	Support programs through the Vancouver School Board, Provincial and Federal agencies, and other educational service-providers to increase the educational focus on the areas of (1) science, technology, engineering and mathematics (STEM); (2) lifelong professional development; (3) adult basic literacy and numeric; and (4) early childhood education.
Action 10-5	Support the expansion of funding for graduate student places.
Action 11-1	Support Federal and Provincial governments in initiatives to streamline immigration and temporary worker programs and make them more responsive to domestic labour market requirements.
Action 11-2	Encourage Federal/Provincial governments to enhance integration of immigrant workforce, including more efficient evaluation and recognition of credentials, and assistance with technical and language training.