Economic Development in Vancouver:
Building a Prosperous, Equitable & Resilient Economy
Through Collaboration

Council Presentation by Gil Kelley, General Manager, Planning, Urban Design & Sustainability
and Catherine Warren, CEO, Vancouver Economic Commission

June 25, 2019
Presentation Outline

1. Overview of the Vancouver Economy
   Gil Kelley, GM Planning urban Design and Sustainability

2. VEC Focus and Program
   Catherine Warren, CEO Vancouver Economic Commission

3. PDS Focus and Program
   Gil Kelley, GM Planning urban Design and Sustainability
The Vancouver Economy

- Growing modestly over last 20 years
- Emerging diversity of sectors
- Affordability pressure (housing, commercial, industrial space)
- Largest employment centre in the province
- Part of a metropolitan & Cascadian economy
- Large share of employment is in small businesses
- Low vacancy rates for office & industrial space
- Some workforce constraints
### Job Growth

#### Increase/Decrease in Jobs by Sector in Vancouver, 2006 - 2016

<table>
<thead>
<tr>
<th>Sector</th>
<th>City of Vancouver % change</th>
<th>Metro Vancouver % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, scientific and technical services</td>
<td>+23%</td>
<td>+23%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>+27%</td>
<td>+18%</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>+20%</td>
<td>+31%</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>+23%</td>
<td>+22%</td>
</tr>
<tr>
<td>Information and cultural industries</td>
<td>+39%</td>
<td>0%</td>
</tr>
<tr>
<td>Educational services</td>
<td>+18%</td>
<td>+17%</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>+12%</td>
<td>+17%</td>
</tr>
<tr>
<td>Real estate and rental and leasing</td>
<td>+25%</td>
<td>+8%</td>
</tr>
<tr>
<td>Construction</td>
<td>+29%</td>
<td>+37%</td>
</tr>
<tr>
<td>Arts, entertainment and recreation</td>
<td>+14%</td>
<td>+17%</td>
</tr>
<tr>
<td>Management of companies and enterprises</td>
<td>+100%</td>
<td>+22%</td>
</tr>
<tr>
<td>Public administration</td>
<td>+3%</td>
<td>+33%</td>
</tr>
<tr>
<td>Utilities</td>
<td>+31%</td>
<td>+18%</td>
</tr>
<tr>
<td>Agriculture, forestry, fishing and hunting</td>
<td>+25%</td>
<td>-14%</td>
</tr>
<tr>
<td>Other services (except public administration)</td>
<td>0%</td>
<td>+5%</td>
</tr>
<tr>
<td>Mining and oil and gas extraction</td>
<td>-13%</td>
<td>+1%</td>
</tr>
<tr>
<td>Administrative support and waste management</td>
<td>-5%</td>
<td>+16%</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>-16%</td>
<td>+17%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>-17%</td>
<td>-9%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-26%</td>
<td>-12%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada 2016 Census: Jobs by NAICS (2 digit). Note that this data does not include jobs “with no fixed workplace address”.

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**Note:**
- The data presented includes jobs with a fixed workplace address.
- Percentages indicate growth (+) or decline (-) from 2006 to 2016.
- The City of Vancouver and Metro Vancouver percentages may differ due to jurisdictional differences.
Cascadia Megaregion

<table>
<thead>
<tr>
<th>Geographical Area</th>
<th>Pop.</th>
<th>GDP ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro Vancouver</td>
<td>2.5 M</td>
<td>136 Bn</td>
</tr>
<tr>
<td>City of Vancouver</td>
<td>631,486</td>
<td></td>
</tr>
<tr>
<td><strong>Seattle Metro Area</strong></td>
<td>3.9 M</td>
<td>357 Bn</td>
</tr>
<tr>
<td>City of Seattle</td>
<td>724,745</td>
<td></td>
</tr>
<tr>
<td><strong>Portland Metro Area</strong></td>
<td>2.4 M</td>
<td>172 Bn</td>
</tr>
<tr>
<td>City of Portland</td>
<td>647,805</td>
<td></td>
</tr>
<tr>
<td><strong>Total Region</strong></td>
<td>8.8 M</td>
<td>665 Bn</td>
</tr>
<tr>
<td>Sacramento Metro Area</td>
<td>2.3 M</td>
<td>126 Bn</td>
</tr>
<tr>
<td>City of Sacramento</td>
<td>501,901</td>
<td></td>
</tr>
<tr>
<td><strong>San Jose-San Francisco-Oakland Area</strong></td>
<td>8.8 M</td>
<td>878 Bn</td>
</tr>
<tr>
<td>City of San Francisco</td>
<td>884,363</td>
<td></td>
</tr>
<tr>
<td><strong>Total Region</strong></td>
<td>11.1 M</td>
<td>1,004 Bn</td>
</tr>
</tbody>
</table>

Vancouver is the Largest Job Centre in the Region

Source: Statistics Canada 2016 Census: Jobs by NAICS (2 digit). Note that this data does not include jobs “with no fixed workplace address”
Goals for the Vancouver Economy

- Decrease income disparity & inequity
- Advance Vancouver’s position in the regional and global economy
- Contribute to sustainable prosperity
- Integrates land use & transportation
- Showcases creativity & innovation
- Lay foundation of reconciliation, equity and resilience
- Grow the trade sector
- Increase range of opportunities for inclusion of diverse residents
- Grow capacity for trade substitution and the circular economy
- Support a broad range of business sectors and a diverse workforce
- Acknowledge the informal economy
- Ensure Vancouver’s businesses succeed across boundaries
- Integrates land use & transportation
Key Challenges

• Affordability
• Limited land supply
• Displacement
• Workforce diversity
• Regulatory processes
• Uncertainty associated with rapidly changing technology
• Inclusion and equity for all
Planning for Economic Development

An ‘Eco-system’

• Various CoV departments (PDS, ACCS, ENG, DBL, BPPS, FIN)
• VEC, Board of Trade, BIAs and many more
• Education institutions
• Other levels of government
• Distinct roles & mandates
• Common interests & synergies
Economic Development Roles

Private

- Capital
- Talent
- Innovation

Public

- Land
- Labour
- Infrastructure
Looking Forward

• Opportunity in the Citywide Plan for deeper work on economy and shared vision

• Strengthening PDS Economic Function

• Better alignment and coordination between PDS and other CoV departments

• Creating a stronger working relationship & alignment between CoV & VEC
VEC/PDS relationship

- a valuable part of the economic eco-system
- working to better align strategic priorities
- supports different but related roles in building the local economy
- benefits Vancouver’s economy and its residents, businesses and economic sectors
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Vancouver Economic Commission

Economic Development for a Great City

Innovative | Creative | Sustainable | Inclusive
# Our Purpose

VEC works to build a **prosperous** and **resilient** economy in Vancouver

<table>
<thead>
<tr>
<th>Lead</th>
<th>Develop an economic vision for the City of Vancouver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enable</td>
<td>Foster and promote economic development in Vancouver</td>
</tr>
<tr>
<td>Advise</td>
<td>Advise City Council and staff on key economic development issues including critical land use, policy, and infrastructure issues for businesses</td>
</tr>
<tr>
<td>Measure</td>
<td>Develop key economic indicators to better gauge the City of Vancouver’s progress in the attainment of its economic development goals</td>
</tr>
<tr>
<td>Educate</td>
<td>Create an awareness in British Columbia of the importance of economic development to Vancouver’s future</td>
</tr>
<tr>
<td>Promote</td>
<td>Promote the City of Vancouver nationally and internationally</td>
</tr>
</tbody>
</table>
Our 21st Century City
Working With & For Business

“I want to start a business in Vancouver”
Entrepreneurship & Industry Support

“I need to know how big the market is for my product”
Sector Support & Promotion

“I need great people who will grow with my business”
Talent Development

“I need funds to grow my business in Vancouver”
Capital Access

“I want to sell my product outside of Vancouver”
Trade & Direct Investment

“I need people to know we have great businesses here”
Vancouver Brand Marketing
Current Sector Focus

TECHNOLOGY  GREEN ECONOMY  ENTERTAINMENT  IMPACT BUSINESS
What We Deliver

Cluster Development
Strengthen and build powerful economic clusters

Markets
Connect local businesses to global markets and partners

Capital
Increase the flow of investment capital from local and global sources

Talent
Develop, attract and retain top talent

Strategic Engagement
Special programs that enable and support our key sectors

Business Expansion & Employment
Attract high-impact, values-aligned employers to Vancouver

Promotion
Promote Vancouver as a destination for business, capital and talent

Research & Market Intelligence
Data and analysis for economic transformation
Select VEC Initiatives

**INNOVATIVE**
- Tech Deploy. Network
- Capital Mentorship Program
- Asia Pacific Market Engagement
- Startup Genome
- AI Cluster Development

**CREATIVE**
- Career Fair
- Cross-Border Animation Tour
- Film Tourism
- E-Sports Roundtable
- Labour Market Analysis

**SUSTAINABLE**
- Green Jobs
- Greening Business
- Green Buildings
- Thriving Vancouver
- Sustainable Production Forum

**INCLUSIVE**
- Benefit Companies
- Industrial Affordability
- New Metrics for Economic Prosperity
- Female Founders & Funders
- Indigenous Collaboration
<table>
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<tr>
<th>How We Deliver</th>
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</thead>
<tbody>
<tr>
<td>Hosts 20-25 inbound delegations</td>
</tr>
<tr>
<td>3-4 outbound missions</td>
</tr>
<tr>
<td>2-4 publications: market and investment insights</td>
</tr>
<tr>
<td>Intergovernmental engagement &amp; advocacy</td>
</tr>
<tr>
<td>Responds to 200+ of local business inquiries</td>
</tr>
<tr>
<td>Presents at 10-15 conferences</td>
</tr>
<tr>
<td>Contributes to 25+ COV strategies &amp; committees</td>
</tr>
<tr>
<td>4 – 6 industry &amp; academic partnerships</td>
</tr>
<tr>
<td>100+ strategic business attraction pipeline</td>
</tr>
<tr>
<td>20+ workshops for 100s of businesses</td>
</tr>
</tbody>
</table>
VEC Funding Sources

City Support and 3rd Party Funding

<table>
<thead>
<tr>
<th>City of Vancouver</th>
<th>Private Sector Sponsorship</th>
<th>Public Sector Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,100,000</td>
<td>$1,395,000 Target</td>
<td></td>
</tr>
</tbody>
</table>

$4,495,000 in Total (2019)

SELECT CORPORATE & GOVERNMENT FUNDERS

- Regus
- pwc
- bdc
- British Columbia
- creativebc
- Mitacs
- Global Affairs Canada
- CanExport
- Discovery Foundation
- SFU
- JW Marriott
- TD
- NRC-IRAP
Core Funding Comparison

Funding from Federal & Provincial governments for Canadian municipal economic development agencies

- **Toronto Global** $3,828,096
- **Montreal International** $3,604,000
- **Quebec International** $2,660,000
- **Calgary Econ. Development** $2,000,000
- **Edmonton Econ. Development** $2,000,000
- **Halifax Partnership** $1,082,128
- **Winnipeg Econ. Development** $120,000
- **Waterloo EDC** $69,049
- **Vancouver Econ. Commission** $0

Source: Stone-Olafson, 2016
VEC’s Value & Values

Return on Investment

$3.1M
CoV Core Funding

22
Full-time Staff

Strategic Initiatives & Targeted Programs

$600M
Economic Value Generated Annually

$1 of CoV Core Funding

$193
Economic Value Generated Annually

*does not include 3rd Party Funding
Value Beyond ROI to CoV

- Leadership in economic development
- Advocacy in support of City priorities
- A conduit between business and City Hall
- Convening with purpose
- Policy recommendations from street level
- Cluster development
- Serving 25+ working groups for City Hall
Risks to Businesses

- Industrial affordability
- Talent attraction & retention
- Lack of regional coordination
- Institutional rigidity
- Access to capital
- Lack of diversity
- Climate emergency
From Risk to Opportunity: Industrial Affordability

VISION

To eliminate risks to crucial industrial infrastructure, retain vital employment, and address industrial affordability

✓ Research to understand new industrial realities

✓ Industrial Concierge Services

✓ Assistance for businesses in light industrial zones (affordability, staff, infrastructure)
From Risk to Opportunity: Tech Deployment Network

VISION

Create the most sustainable, innovative, and connected technology ecosystem in the world

✓ Providing City assets as test beds to innovators

✓ Piloting and commercializing new green technologies

✓ Due diligence for startups
Strengths & Opportunities

Grow & Collaborate


INNOVATIVE  CREATIVE  SUSTAINABLE
Future-proofing Our Local Economy

- A world class research partnership
- Multi-stakeholder advisory board
- Research key issues impacting our region’s economic future e.g. affordability
- Anticipate risks and opportunities to guide policy
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PDS Role in Economic Development

- Research & policy
- Engaging a broad spectrum of voices
- Land use approvals
- Support for demonstration programs
- Housing, community amenities, livability
PDS Economic Development Functions

Research & Data

Land Economics

Government to Government Relations (including First Nations)

Institutional & Regional Alignment

Infrastructure Planning

Capacity-Building Through Funding/Grants

Financing Growth

Policy Development & Implementation

Monitoring & Evaluation

Stakeholder Engagement

Strategic Planning
PDS Economic Development Initiatives

City-Wide & Regional
- Employment Lands & Economy Review
- Retail/Commercial District Small Business Study
- Business Improvement Areas Program
- BizMap
- On-line Business Guides

Community Planning
- Citywide Plan
- Community Economic Development (Land Use & Infrastructure)
- Unpermitted Vending Study
- DTES & The Flats: Affordable Space Activation
- DTES Capital Grant Program
- Complete Communities / Neighbourhood Shopping Areas
- Chinatown Transformation

Sustainability
- Circular Economy Policy & Programming
- Green and Digital Demonstration Program
- Mass Timber & Construction Costs Research
- HVAC Trades Skills Needs Assessment
- Climate Emergency Economic Impact Study
Employment Lands & Economy Review

Is a city-wide review that:

• Identifies key economic trends, drivers & disruptors

• Examines how to ensure appropriate supply of land and job space to support growth of economy

• Confirms current state of the economy

• Utilizes comprehensive engagement strategy

• Aligns with Metro Vancouver & TransLink

• Results in policy recommendations

• Serves as a key input to City-wide Plan
Is a neighbourhood-specific study to:

• Document change in the number and proportion of small independent retail/commercial businesses over time

• Develop indicators to monitor and evaluate viability of neighbourhood shopping areas

The study will:

– examine small businesses in 6 BIA shopping areas: South Granville, Commercial Drive, Marpole, Hastings North, Collingwood, West Broadway

• Provide foundation for small business policy and support

• Develop an annual ‘Report Card’ on small business viability

• Complete in Fall 2019
A City-wide Plan
PDS/VEC Joint Work 2019

Current & Ongoing Initiatives

- City-wide Plan
- Employment Lands & Economy Review
- Industrial affordability, temporary and shared spaces, mini storage policy review
- Step Code Economics Study
- Low Carbon Innovation Hub
- Economic Transformation Lab