



## IN CAMERA COUNCIL REPORT

Report Date: April 25, 2023  
Contact: Karen Levitt  
Contact No.: 604.873.7251  
RTS No.: 15662  
VanRIMS No.: 08-2000-20  
Meeting Date: May 9, 2023

TO: Vancouver City Council  
FROM: Deputy City Manager  
SUBJECT: Economic Development, Strategic Direction

### In Camera Rationale

This report is recommended for consideration by Council on the In Camera agenda as it relates to Section 165.2(1) of the Vancouver Charter:

*(c) labour relations or other employee relations*

*(k) negotiations and related discussions respecting the proposed provision of an activity, work or facility that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the city if they were held in public*

### Alternatives

- A. THAT Council direct the City Manager to report back to Council in collaboration with the CEO, Vancouver Economic Commission (VEC) with a comprehensive overview of the VEC's current mandate, lines of service, and programs/initiatives, in order for Council to provide direction that could include but not be limited to the following:
- i. affirming or refining the VEC's overarching mandate,
  - ii. initiating, halting or downsizing specific VEC programming streams,
  - iii. determining the overall amount of City funding to be provided to the VEC in the future, and
  - iv. deciding whether the VEC should remain a standalone entity or be merged into the City's organisation.

- B. THAT Council directs the City Manager in consultation with the CEO, VEC to report back to Council with a recommended decommissioning plan for approval that would include the financial, legal, human resource, community and economic implications, and recommendations about which if any VEC staff, programs, services and/or contracts could be transferred to the City or to third party entities.

### **Purpose and Executive Summary**

This report outlines the current status of the Vancouver Economic Commission (VEC) and provides two considerations for Council – to direct the City Manager to undertake work in consultation with CEO, VEC either to:

- a. return to Council with the appropriate information to allow Council to affirm or pivot the VEC's mandate, programming, budget and structure, or to
- b. return to Council with a recommended VEC decommissioning plan.

### **City Manager's Comments**

Considering the various objectives that Council has articulated in relation to economic development, questions that have been asked of staff regarding the mandate of the Vancouver Economic Commission and the \$3 million annual funding allocation to VEC, this current report is intended to solicit direction from Council regarding this investment and to ensure the VEC's mandate and programming is aligned with Council priorities.

Regardless of Council direction concerning the VEC's mandate and programming, we note that while there are pros and cons associated with maintaining the VEC as a standalone entity separate from the City. Should Council direct staff to undertake Consideration A of this report, staff intends to bring back to Council a recommendation that while the VEC brand could be retained, the VEC entity be decommissioned and its operations integrated into the City's organisation.

With the above, the City Manager is supportive of either of the two Alternatives put forward in this report for Council deliberation.

### **Context and Background**

#### The Vancouver Economic Commission

- **Mandate and programming.** Since its inception, the Vancouver Economic Commission has had several distinct mandates. Between 2013 and 2020, it had a strong focus on business investment attraction. In 2020 – in large part due to the creation of Metro Vancouver's Invest Vancouver regional economic development agency whose mandate includes investment attraction – the VEC's focus pivoted substantially to supporting the then-Council's policy objectives related to climate action, advancing a just and equitable economy, and reconciliation.
- **Governance.** The VEC is a standalone agency governed by the BC Societies Act, and until 2020, was overseen by a Board of Directors comprised of external appointees and a small number of City staff and/or elected officials.

- In 2020, Council approved a to change in the governance structure to create a much smaller **Board of Directors** comprised of three senior City executives: the City Manager, Deputy City Manager, and Chief Financial Officer.
  - At the same time, Council was named the **VEC Honorary Board**, with a mandate limited to amending the VEC’s bylaws, and appointing board directors.
  - As well, a **VEC Advisory Board** was established, comprised of approximately twenty business community members, with a mandate to provide expert advice to the VEC’s CEO and staff.
- **Budget.** The VEC currently has an annual budget of approximately \$3.6 million, of which \$3.1 million is funded by the City of Vancouver. The non-City funding is comprised of program-specific funding from the federal and provincial governments, non-profit entities, and the private sector.
  - **Staff team.** The VEC team is currently comprised of 15 to 20 people, and is situated within City leased space in close proximity to City Hall.

### Invest Vancouver

- **Mandate and programming.** Invest Vancouver was created in 2019 by the Metro Vancouver Board, and has been evolving their structure and operations since then, focusing on three lines of business: (1) strategic investment attraction, (2) data, research and policy, and (3) collaboration.
- **Governance.** Invest Vancouver is a department of Metro Vancouver, and is supported by a Management Board comprised of over thirty business leaders and academics from throughout the region, and an Advisory Board comprised of regional economic development professionals.
- **Budget.** Invest Vancouver’s annual budget is currently \$3.8 million, anticipated to increase to \$4.1 million by 2025. Through the established formula by which the City contributes to Metro Vancouver’s annual budget, the City of Vancouver funds approximately 40% of Invest Vancouver’s budget, which means the City’s portion is currently approximately \$1.5 million per year.
- **Collaboration with the VEC.** The VEC regularly collaborates with Invest Vancouver as opportunities arise.

## **Discussion**

### Current VEC mandate

The VEC’s current mandate is “... *to build a prosperous, inclusive, zero-carbon and resilient local economy, competitively positioned in the global market,*” with programming designed in accordance with their “four pledges.”

1. **Local Focus, Local Support.** *To ensure we keep our local economy strong, the support of existing businesses and talent in Vancouver remains our top priority. Vancouver enjoys a diverse and robust economy which provided some degree of stability despite the significant COVID-19 impacts.*

2. **Prioritising Climate Action.** *We acknowledge that Vancouver is a declared “climate emergency city” and we collaborated on the development of the Climate Emergency Action Plan (CEAP) that Vancouver City Council passed on November 17, 2020. As an agency charged to contribute to building a prosperous, inclusive and resilient economy for Vancouver, we have a strategic imperative to ensure Vancouver responds powerfully to mitigate impact, increase our adaptive capacity and capitalize on opportunity to build a diverse, zero-carbon economy.*
  
3. **Meaningful Reconciliation.** *The Vancouver Economic Commission acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh Nations and operates in a “City of Reconciliation” – meaning we look to form sustained relationships of mutual respect and understanding with local First Nations and the urban Indigenous community.*
  
4. **Prosperity for All.** *We acknowledge that economic prosperity must be measured through many lenses that account for a diverse set of social, environmental and economic factors. This “beyondGDP” view of economic prosperity acknowledges that embedding justice, equity, diversity and inclusion factors in the work we do will ensure our programming can be leveraged for the benefit of all.*

Current VEC programming

The following table provides examples of the programming the VEC currently delivers, many in partnership with other organisations. It is noted that currently, the VEC’s most intensive programming stream is related to climate action.

**TABLE 1. A SAMPLE OF THE VANCOUVER ECONOMIC COMMISSION’S CURRENT PROGRAMS**

PROGRAMMING STREAM	SAMPLE OF CURRENT PROGRAMS
Climate action	<ul style="list-style-type: none"> <li>• <b>Zero waste demonstration site.</b> Hub for innovators @ 1198 Kent to co-locate and explore the scaling up of technologies that reduce waste, increase resource recovery and green jobs, and decrease greenhouse gases</li> <li>• <b>Project Greenlight.</b> Demonstration platform that facilitates innovation challenges that accelerate smart and sustainable transformation, in partnership with FortisBC, TransLink, City of Vancouver, City of New Westminster, City of Coquitlam and QuadReal</li> <li>• <b>Greater Vancouver Circular Economy Network.</b> Convening and education for interested businesses</li> <li>• <b>Angels for Climate Solutions.</b> Provides startup tools and training, competition for prize money</li> <li>• <b>Implement VEC’s Zero Emissions Economic Action Plan (ZEETAP).</b> Action plan focused on advancing climate action and protection for businesses and workers</li> <li>• <b>BC Heat pump strategy.</b> To promote heat pump technologies/businesses locally</li> </ul>

PROGRAMMING STREAM	SAMPLE OF CURRENT PROGRAMS
Market intelligence	<ul style="list-style-type: none"> <li>• <b>Reports.</b> Vancouver economy reports</li> <li>• <b>Data.</b> Data and metrics</li> <li>• <b>Research.</b> Research papers (air mobility opportunities, circular food innovation)</li> </ul>
Just and equitable economy	<ul style="list-style-type: none"> <li>• <b>Tech bootcamps for newcomers.</b> Working with the Immigrant Employment Council of BC, develop bootcamps to provide newcomers with the necessary soft skills to be successful in the tech industry</li> </ul>
Indigenous economic prosperity	<ul style="list-style-type: none"> <li>• <b>Support UNDRIP work.</b> Support the advancement of work on the calls to action in the October 2022 City of Vancouver’s United Nations Declaration on the Rights of Indigenous Peoples Task Force report</li> <li>• <b>Indigenous investment framework.</b> Develop a new investment framework premised on Indigenous principles and convene stakeholders</li> </ul>
Film Commissioner	<ul style="list-style-type: none"> <li>• <b>Optimise City Hall interface.</b> Work with the film industry to optimise the filming regulatory framework and the industry’s interface with the City</li> <li>• <b>Relationships with the filming industry.</b> Steward relationships between the film industry and the City</li> </ul>
Support to the City	<ul style="list-style-type: none"> <li>• <b>FIFA World Cup 2026.</b> Contribute to the provincial and national planning and execution concerning the economic and tourism impact and legacies of the FWC2026 event</li> </ul>

## Financial Implications

There are no financial implications associated with this report.

In the case of Consideration A – in which staff would return to Council with a comprehensive overview of what the VEC currently does, with the intent that Council would either affirm or pivot the VEC’s mandate, programming, budget and structure – there could ultimately be operating budget savings if Council opted to reduce the size of the VEC, or incremental operating costs if Council opted to increase the size of the VEC.

In the case of Consideration B – in which staff would return to Council with a recommended VEC decommissioning plan – if Council opts to advance this path of action, staff anticipate that there would be ongoing operating budget savings, offset over the near term by the significant costs associated with winding down the VEC entity.

In either case, when reporting back to Council, staff would ensure that Council had all the necessary financial information to make an informed decision.

**Legal Implications**

There are no legal implications associated with this report.

In the case of Consideration B – in which staff would return to Council with a recommended VEC decommissioning plan – there would be legal implications and human resource associated with winding down of the VEC entity. If staff opts for this course of action, staff would ensure that Council had all the necessary legal information when making decisions associated with this course of action.

\* \* \* \* \*