

COUNCIL MEMBERS' MOTION

2. Preserving Vancouver's Leadership in the Creative, Climate and Cleantech Sectors and Strengthening Local Economic Development

Submitted by: Councillor Boyle

WHEREAS

1. The increasing impacts of climate change, and government policy to mitigate those impacts, are driving a worldwide shift of capital and finance away from fossil fuels and toward decarbonized and de-climate-risked portfolios, with investors increasingly seeking to limit their exposure to climate and carbon risk in preparation for the global transition to a clean and sustainable economy;¹
2. In a competitive market for skilled workers, cities with vibrant main streets and public spaces enjoy a competitive edge, and the foundation of vibrant streets and spaces is strong, creative and diverse local businesses;
3. Employees increasingly prefer to work for environmentally sustainable companies.² Vancouver companies, seeking to attract and retain talent in a tight labour market, need to develop employee value propositions that address this shift;
4. Decades of work has gone into making Vancouver attractive to environmentally sustainable companies and competitively positioning our city to benefit from the global reorientation of capital towards climate resilient and climate-mitigating investments;
5. Vancouver has created and invested in institutions like the Vancouver Economic Commission to help attract environmentally sustainable companies, build the capacity of local leaders and businesses to promote their products and services globally and position Vancouver as an international leader in the green and creative economy;
6. Vancouver is home to leading clean technology companies, traditional resource sector industries that have invested in clean technology, a globally renowned creative economy that includes film, animation, game design, and more. These strengths position Vancouver well to grow in prosperity and prominence as the world shifts off of fossil fuels;
7. Investors across the world are increasingly incorporating Environmental, Social and Governance (ESG) factors into their investment decisions, making these factors a key consideration for any city looking to attract investment;

¹ "Clean energy investment is extending its lead over fossil fuels, boosted by energy security strengths", from the International Energy Agency. Available at: <https://www.iea.org/news/clean-energy-investment-is-extending-its-lead-over-fossil-fuels-boosted-by-energy-security-strengths>. And "Climate investing: Continuing breakout growth through uncertain times" from McKinsey Sustainability. Available at: <https://www.mckinsey.com/capabilities/sustainability/our-insights/climate-investing-continuing-breakout-growth-through-uncertain-times>

²<https://www.esqtoday.com/ibm-survey-employees-more-likely-to-accept-jobs-from-sustainable-companies/>

8. However, without continued focus, Vancouver risks moving against the grain of global investment patterns and ceding its leadership to other cities;
9. According to the Canadian Venture Capital Association, Q1 2023 saw a record-breaking amount of venture capital investment in the cleantech sector - with Alberta outpacing BC for the first time.³ Given these trends, cities that foster clean innovation will grow and prosper, while cities that do not will see their competitiveness decline, as capital is invested elsewhere and as they are exposed to greater climate and emissions driven costs;
10. Climate policy at multiple levels of government will expose carbon-emitting businesses to ever-increasing costs, highlighting the opportunity inherent in the green economy, and the disadvantages associated with delaying transition;
11. The competitiveness of Vancouver, the Lower Mainland, and all of British Columbia is already challenged by the dire shortage of industrial land, which make up just four per cent of the total land mass in the Vancouver region. This shortage continues to result in the loss of local jobs and investment. As an example, a recent Vancouver Board of Trade study showed that the economic impact of these lost opportunities to Calgary is estimated at over 6,300 direct jobs, \$477 million in wages, and \$500 million in GDP;⁴
12. Vancouver is also facing significant costs in the near future related to waste disposal in the region, coupled with significant environmental impacts resulting from the ongoing need to transport waste generated in Vancouver to other municipalities or regions. Local circular innovation and opportunities to drive Vancouver's local circular economy present tangible solutions for addressing serious economic, infrastructure, and climate challenges ahead;
13. The Vancouver Economic Commission has had a significant impact on Vancouver's economy, bringing in over \$3 billion in investment in technology, film and television production, and green economy businesses. The Vancouver Economic Commission has engaged and supported thousands of local stakeholders, workers and entrepreneurs over the past 28 years, housing considerable knowledge, networks, partnerships, and history that could be leveraged into the creation of Vancouver's new business and economy office;
14. Additionally, Vancouver has a knowledgeable and creative local business sector and a strong ecosystem of BIA and local business leaders who have valuable insight and suggestions for supporting small and local business development, retention and expansion in Vancouver. These local businesses are critical to the vibrancy, character and economic life of Vancouver;
15. A thriving local business sector strengthens the Vancouver economy. A 2019 study from LOCO BC found that local businesses recirculate up to 4.6 times more revenue than national or global chain stores or multinational

³ "Canadian Cleantech Sector Gains Momentum with Record Number of Investments in Q1 2023" from the Canadian Venture Capital and Private Equity Association. Available at: <https://central.cvca.ca/canadian-cleantech-sector-gains-momentum-with-record-investments-in-q1-2023>

⁴ "The Consequences of the Industrial Land Shortage" 2023 study from the Vancouver Board of Trade. Available at: <https://www.boardoftrade.com/advocacy/industrial-land-shortage>

corporations, keeping up to 63% of revenue in the local economy (vs 14% of revenue to multinationals). Local businesses produce up to 8.4 times more jobs per square foot and up to 8.1 times more revenue per square foot than multinationals;⁵

16. Building on these strengths, the new business and economy office could align Vancouver's goals for local economic resilience and global economic competitiveness in a deliberate and coordinated way. But in order to be successful and effective, it must be equipped with the knowledge, expertise and sufficient staffing and resources to accomplish this important work; and
17. The COVID pandemic has been hard on business, workers and residents, and has had significant impacts on the local economy. As we move forward, Vancouver has an opportunity to build on our strengths, taking a holistic approach to global economic competitiveness and local economic resilience and inclusion, growing an economy that serves all incomes, sustainably.

THEREFORE BE IT RESOLVED

- A. THAT Council direct staff that the City of Vancouver's proposed new Business and Economy Office should be structured to prioritize support to local businesses and to maintain strategic focus on economic sustainability that supports a resilient and diverse climate prepared economy;

FURTHER THAT Council direct staff to consult with local BIA and local business leaders, and with post secondary schools, non-profits, and other stakeholders who have been engaged with the Vancouver Economic Commission in community economic development work, to inform the purpose, vision, goals and formation of Vancouver's new Business and Economy Office, and report back with recommendations by Q2 2024. This consultation should also engage regional, provincial, national and global stakeholders who benefit from and support Vancouver's economic innovation;

AND FURTHER THAT Council direct staff to prepare a report that identifies Vancouver Economic Commission's social, relational and intellectual assets and identifies implications and opportunities to transfer them to the new Business and Economy Office, to ensure continuity and prevent delays to current projects and advances already achieved.

- B. THAT Council direct staff to resource the new Business and Economy Office with sufficient staffing and advisory strength to support local business and continue to strengthen Vancouver's leadership in the creative, climate, circular, and cleantech sectors.
- C. THAT Council direct staff to engage with Invest Vancouver on how Vancouver's strategic and competitive interests will fit into Invest Vancouver's mandate, and report back to Council on how this will be achieved.

* * * * *

⁵ "The Economic Impact of Local Businesses", from LOCO BC. Available at: <https://silkstart.s3.amazonaws.com/61c38e5e-0086-4492-93bb-10fd70e4f3fd.pdf>