

**CAPITAL REGIONAL DISTRICT**  
**Regional Planning Services Department**

Staff Report to the Regional Planning Committee  
Meeting of Wednesday, November 20, 2002

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**SUBJECT:**

Regional Economic Development Strategy – Update Report #1

**BACKGROUND:**

**2001**

- March 28      The Board approves \$35,000 as a financial contribution to the preparation of a Regional Economic Development Strategy, to be carried out by the Capital Enterprise Partnership (CEP) (now the Greater Victoria Enterprise Partnership Society or GVEPS), subject to - approval of a project description, work plan, and a partnership agreement negotiated under section 176 of the *Local Government Act*.
- June 20      Regional Planning Committee (RPC) approves in principle the proposed Regional Economic Development Strategy Partnership Agreement. The proposed partnership agreement was subsequently revised in light of comments made by the regional solicitor.

**2002**

- January 9      The Board approves execution of a partnership agreement with the Greater Victoria Enterprise Partnership Society and a funding contribution of \$35,000 to undertake preparation of a Regional Economic Development Strategy (REDS) for the Capital Regional District, subject to receipt of final confirmation of project funding approval from Western Economic Diversification Canada.
- January 16     The Regional Economic Development Strategy partnership agreement between the CRD and GVEPS is signed.
- March 6      Telephone notification received from Western Diversification Canada that funding for REDS has been denied under the joint federal/provincial Western Economic Partnership Agreement.
- June 20      Verbal announcement from staff representative of Western Diversification Canada that a funding contribution of \$50,000 will be approved for the REDS.
- August 8      Announcement from Greater Victoria Enterprise Partnership Society and Western Diversification Canada of funding commitments of \$50,000 from WD and \$45,000 from private sector sources to support the Regional Economic Development Opportunities Blueprint project.

August 14      The Board approves the transfer of \$35,000 from the Regional Growth Strategy 1.330 budget to the Greater Victoria Enterprise Partnership Society.

### **DISCUSSION:**

The purpose of this report is to provide the members of the Regional Planning Committee with an update of the economic development strategy and an indication of the issues the consulting firm and Enterprise partners are dealing with.

#### **Project Overview**

The ‘Economic Development Opportunities Blueprint’ is a jointly funded project, managed through the Greater Victoria Enterprise Partnership Society (GVEPS). The society was formed for the purpose of this project, and includes representatives from the Chambers of Commerce, the Victoria Real Estate Board, Tourism Victoria, the Film Commission, Victoria Airport Authority, Business Victoria, Vancouver Island Advanced Technology Centre and Thrifty Foods. Staff from the Regional District participates as advisors, but are not members of the Society.

The initial terms of reference, prepared by the project-consulting firm, Grant Thornton, proposed the following project elements:

- Identify the economic strengths, weaknesses, opportunities and threats (SWOT analysis)
- Identify the key sectors of the regional economy
- Identify and evaluate economic development opportunities
- Assess the linkages and economic inter-dependencies among municipalities
- Create a brand image and identity for the region

Due to changes in funding allocations, the project scope will be reduced from the initial terms of reference. The branding initiative will not be part of the ‘Blueprint’. The Partnership and the consultants from Grant Thornton are working together to determine priority areas.

#### **Results of the First Partnership Workshop:**

The consulting firm held a workshop with the Enterprise partners to discuss project expectations and priorities.

##### **(1) Key Trends & Challenges in this region:**

The consultants and workshop participants discussed a number of economic trends and challenges affecting this region:

- There are significant job losses in the public sector, but no agreement on the magnitude or the overall economic impact of the cuts
- There has been a positive expansion in home business, marine-related technology and bio-technology
- As with all cities, there is a shortage of skill labour in technology and trades

- There is potential for growth in areas such as arts & culture-related tourism (including culinary tourism in the Peninsula and First Nations culture)
- There is an economic advantage in having three post-secondary institutions in the region (University of Victoria, Camosun College and Royal Roads University)
- We are feeling the effects of the economic uncertainty in the U.S., resulting from threats of terrorism and war in Iraq
- The local challenges to economic prosperity include the fragmented local-government structure, reliance on the public sector, high cost of doing business on an island, the absence of a business-friendly culture and the general complacency of the region's residents and elected officials

One participant described this region as a '*good place to be, not a good place to do*'.

## **(2) Project Expectations:**

There wasn't a clear consensus on what the 'Blueprint' should be, however, there were a number of suggestions. According to participants, the 'Blueprint' *should*:

- Describe what is needed for prosperity
- Provide a game plan, not a policy document
- Develop a vision
- Provide a guide for public sector investments so that governments know how to channel limited resources
- Provide the catalyst to economic changes, investments
- Provide information to new partners and businesses
- Give focus to economic-oriented initiatives.

Several economic development strategies have been created in the recent past for municipalities within the regional district. The strategy developed for the City of Victoria contains the same elements as those proposed in Grant Thornton's terms of reference. Other studies noted include the economic development strategy for Sidney, the Forest Renewal studies done for the Sooke and Port Renfrew area, the economic development sections of the municipal OCPs and the CEDCO sector studies. It was agreed that the consultants should review these, and use them as a guide. A key challenge for the consultants and the partnership will be to create a strategy that moves beyond the document stage to implementation and tangible economic benefits.

A key challenge, not unlike the regional growth strategy process, will be developing constructive collaboration among the partnership and others in the region with interests in economic development. There are many groups with interests in both conventional and community economic development within the region. Their ability to work collaboratively has been

constrained by the degree of competition among them for funding, authority and recognition. The link between traditional business interests in economic development and community economic development is, at best, tenuous.

The Grant Thornton consultants will be assessing the input obtained from the partnership workshop and will be modifying the areas of emphasis in the initial terms of reference to reflect this. The second update report will indicate the decisions made.

**RECOMMENDATION:**

That the Regional Planning Committee receive this report as information.

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Mark Hornell, Director  
Regional Planning Services

**EXECUTIVE DIRECTOR'S COMMENTS:**

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W.M. Jordan, Executive Director

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