

CAPITAL REGIONAL DISTRICT
Regional Planning Services Department

Staff Report to the Regional Planning Committee
Meeting of Wednesday, January 22, 2003

SUBJECT:

Regional Economic Development Strategy – Update Report #2

BACKGROUND:

- Mar 28, 2001: 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, 2001: Regional Planning Committee (RPC) approves in principle the proposed Regional Economic Development Strategy Partnership Agreement. The proposed partnership agreement was subsequently revised in light response to comments made by the Regional Solicitor.
- Jan. 9, 2002: 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 (Attachment A).
- Jan.16, 2002 The Regional Economic Development Strategy partnership agreement between the CRD and GVEPS is signed.
- Mar.6, 2002 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, 2002 Verbal announcement from staff representative of Western Diversification Canada that a funding contribution of \$50,000 will be approved for the REDS.
- Aug.8, 2002 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.
- Aug.14, 2002 The Board approves the transfer of \$35,000 from the Regional Growth Strategy 1.330 budget to the Greater Victoria Enterprise Partnership Society (GVEPS).
- Nov. 20, 2002 Update report #1 presented to Regional Planning Committee. Suggestions made by Committee members forwarded to members of the GVEPS.

DISCUSSION:

The purpose of this report is to provide the members of the Regional Planning Committee with an update of the economic development strategy. For the benefit of the new members of the Regional Planning Committee, an overview of the project is included for information.

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.

Funding for the project is provided through Western Diversification (\$50,000) and the Capital Regional District (\$35,000). Members of the GCEPS are contributing expertise and project management.

Relationship to the Regional Growth Strategy:

The Regional Growth Strategy (RGS) establishes eight key strategies for managing growth through collective actions of the municipalities and electoral areas within the Capital region. The eight strategies include:

1. Keep urban settlement compact
2. Protect the integrity of rural communities
3. Protect regional green and blue space
4. Manage natural resources and the environment sustainably
5. Build complete communities
6. Improve housing affordability
7. Increase transportation choice
8. Strengthen the regional economy.

The RGS identifies a number of economic issues that should be addressed as part of the implementation program. These include finding ways to:

- Maintain and enhance the Metropolitan Core as the economic heart of the region to ensure that the City of Victoria achieves a minimum share of 20% of the region’s employment growth to 2026.
- Enhance job creation in the urban Western Communities to achieve a minimum jobs/population ratio of 0.35 by 2026.
- Expand and diversify the economy of formerly resource dependent communities.
- Ensure the long-term affordable supply of strategic economic resources such as water, aggregate and energy.
- Increase economic activity in forestry and agriculture including high-value and specialized agriculture and value-added forestry.

- Address the shortages of designated space-extensive industrial & business land in the region in locations consistent with the overall goals regarding community completeness, transportation balance, and a network of major centres within an urban containment boundary.
- Include high-value, clean industry and business in the Metropolitan Core and Major centres.
- Attract, develop and maintain a highly skilled workforce
- Reduce poverty in the Capital Region.

A starting point to addressing these many and varied objectives is the region's funding and data contribution to the GVEPS' economic development study.

Greater Victoria Economic Development Opportunities Blueprint:

The GVEPS has contracted the services of Grant Thornton LLP and Westland Resource Group to undertake the "opportunities blueprint". The company is producing a document that will include the following components:

1. A situational analysis
2. An economic development assessment of the region's strengths, weaknesses, opportunities and threats (SWOT)
3. An assessment of economic interdependencies among municipalities within the Capital region
4. A comprehensive assessment of economic development opportunities and identification of priority areas
5. An implementation framework

The "opportunities blueprint" will identify the various aspects of this region that are likely to help – and hinder, economic development. Those aspects may include: the demographic makeup of the region, local development policies and regulations, transportation access, location amenities, and so on. (Attachment B & C)

Project Status:

The consultants are currently developing the first part of the opportunities blueprint – the situational analysis. A situational analysis describes the current economic situation or environment based on an examination of external and internal factors. The analysis is looking at the global, national, provincial and local economic context, as well as the social and economic makeup of the region and its policy and planning context. The situational analysis will assess the effect of senior government policies, investment climates and trading patterns, labour market conditions, and market conditions on this region's economy.

Work has also begun on the SWOT assessment. This is a comprehensive assessment of the region's strengths, weaknesses, opportunities, and threats.

Strengths and weaknesses usually refer to conditions within, or internal to, the region. For example – the region's mild winter climate is a strength, and the high cost of housing may be considered a weakness. Opportunities and threats usually refer to conditions external to the region. For example, the economic uncertainty created by the events of September 11th are a threat, a decision by a cruise company to have their ships retrofitted in the region's ship yards is an opportunity.

The consultants are assessing the strengths, weaknesses, opportunities and threats of elements such as: the region's location, labour force, infrastructure, quality of life (*e.g. setting, climate, lifestyle*), economic factors (*e.g. income levels, strength of Canadian dollar*), image and attitudes (*e.g. image of region portrayed in provincial/national media, pro or anti-business attitudes, etc.*) and existing economic sectors (*e.g. changes in public administration*).

The opportunities blueprint will also examine the strengths, weaknesses, opportunities and threats associated with specific economic sectors. These include:

- Agriculture
- Construction
- Manufacturing
- Trade (retail & wholesale)
- Transportation & warehousing (*esp. ferry services, airport, float plane & heliport services, and trucking companies*)
- Finance, Insurance and Real Estate
- Advanced technology (industries that produce goods or services with a significant high-tech component)
- Educational services (*esp. post secondary programs*)
- Health care
- Culture, arts, sports & recreation
- Tourism
- Public administration (government services)

Next Steps:

The consulting team will be conducting a series of focus groups with the mayors of the CRD member municipalities and the directors of the electoral areas, first nations, and business operators within the next month. One-on-one interviews will be conducted with a number of organizations such as business associations, commissions, financial institutions, post-secondary institutions and community and social planning groups.

Once the focus groups and interviews are completed, the consultants will be developing an evaluation matrix for the blueprint. This will guide the evaluation of economic opportunities. Also to be developed is the vision for economic development in the region, the economic development objectives and the assessment of inter-jurisdictional economic linkages. This will conclude the background component of the Opportunities Blueprint.

The next phase of the project will involve applying the evaluation matrix to the list of potential economic opportunities, and identifying priorities. The priority opportunities for economic development will be carried forward into an implementation plan.

RECOMMENDATION:

That this report be received for information.

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EXECUTIVE DIRECTOR'S COMMENTS:

W.M. Jordan, Executive Director

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