

CAPITAL REGIONAL DISTRICT
Regional Planning Services Department

Staff Report to the Regional Planning Committee
Meeting of Wednesday, September 17, 2003

SUBJECT:

Economic Development Opportunities Blueprint – Release of Final Report from GVEPS

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*.
- 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.
- Jan.16, 2002 The Regional Economic Development Strategy partnership agreement between the CRD and GVEPS is signed.
- Aug.8, 2002 Announcement from Greater Victoria Enterprise Partnership Society and Western Diversification Canada of revised funding commitments of \$50,000 from WD and \$45,000 from private sector sources to support the Regional Economic Development Opportunities Blueprint project. The majority of the private sector contribution is 'in-kind' valuation for staff resources.
- 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).

DISCUSSION:

The purpose of this report is to provide the members of the Regional Planning Committee with an overview of the “Economic Development Opportunities Blueprint” report. This report was prepared for the Greater Victoria Enterprise Partnership Society (GVEPS) by the consulting firm of Grant Thornton. The summary report has been distributed with the September 10, 2003 CRD Board Agenda. (If you require a copy, please contact Chris Campbell at Regional Planning Services (250) 360-3158)

This project, and the concept of an “enterprise partnership”, began with the Mayor’s Economic Summits held in 2000. At that time a “Capital Enterprise Partnership” was proposed to reflect public and private sector interests in the development of a regional economic development strategy and specific economic development projects. The partnership was based on elements drawn from models developed in Vancouver, Winnipeg, Calgary and Ottawa-Carlton.

The desire on the part of the partnership to undertake a region-wide economic development strategy reflected the rather dismal economic conditions at the time. The Conference Board of Canada in that year (2000) ranked BC ninth out of 11 provinces in economic growth and last in productivity growth. Real disposable incomes were falling as were property assessments in the region. Potential investors reacted negatively to the high taxes, unresolved land claims, poor labour relations and high levels of regulation. Members of the Mayor’s Summit steering committee saw a need to address the economic health of this region through an economic development strategy.

Concurrent with the activities of the steering committee, the CRD initiated a draft of the Regional Growth Strategy, and three related implementation initiatives. The RGS reflected the need for an economic development strategy as a result of the work of the Mayor’s Economic Summits and the *Capital Summit 2* held in conjunction with the development of the preferred approach for the RGS.

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 participated as advisors, but are not members of the Society.

Funding for the project was provided through Western Diversification (\$50,000) and the Capital Regional District (\$35,000).

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. One of the strategic initiatives is, 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.

The Opportunities Blueprint provides the starting point for addressing some of these objectives.

Overview of the Economic Development Opportunities Blueprint:

The “Blueprint” report was prepared by Grant Thornton LLP and Westland Resource Group. It provides an overview of the region’s strengths and weaknesses..

The Opportunities Blueprint establishes a *two-prong approach* to improving the economic health of the region:

1. Overcoming problems that are negatively affecting the local business climate; and
2. Enhancing existing, or developing new, business enterprises that are compatible with the region’s commitment to sustainability.

Under the section of *improving the local business climate*, the report recommends:

- Encouraging inter-jurisdictional co-operation
- Revitalizing the metropolitan core
- Addressing labour force issues
- Fostering improvement in resident attitudes toward economic development

The economic sectors identified as having the most *economic potential* in this region included:

- Advanced technology and knowledge-based business
- Tourism
- Marine science and industry
- Sport, art and culture

- Agriculture
- Education

Contained within the report are a number of *recommendations for local governments*. Some of these include:

1. Produce a regional inventory of available industrial and commercial land and space.
2. Continue the initiatives under the City of Victoria's Downtown Action Plan designed to address panhandling and drug use in the core.
3. Continue to promote housing development in the Metropolitan Core
4. Make foreshore land in Rock Bay available for marine industrial activity
5. Develop a cultural precinct around the Royal B.C. Museum.
6. Develop a performing arts centre
7. Recognize agricultural uses in OCPs and in economic development decisions
8. Establish a common voice to lobby for federal research funding.

Under the section, "improve inter-jurisdictional cooperation", the authors of the report suggest that local governments establish consistent industrial zoning guidelines and development approval processes. This recommendation follows from concerns expressed about the number of municipalities and their implications for economic development. The authors state (page 71 of the report):

The economic barriers associated with multiple local governments relate in part to the complication, confusion, and delays faced by investors or developers trying to understand different local tax structures, bylaws, zoning guidelines, approval process requirements, and associated rules and regulations. Fragmentation of governance also results in the lack of logical land use patterns in the region, and unnecessarily costly utilities and services, which negatively affect the quality of life of residents. Other widely held perceptions are that some local governments do not understand either economic development or the benefits of working together to encourage it and are not willing to support developers.

Since this perception exists, the Committee may want to consider establishing a committee or task-force to examine the nature and extent of the regulatory and other planning-related barriers to economic development. Starting points could include a sub-committee of the Inter-municipal Planning Advisory Committee (IMPAC) or a task force with broader representation, including the private sector.

The CRD has begun work on the commercial and industrial inventory.

The recommendations regarding the cultural precinct, development of the Metropolitan core and

the marine industry will need to be considered by the effected municipalities, particularly those in the urban core.

Some of the proposed initiatives may require the development of inter-jurisdictional agreements, programs and projects. The RGS provides some mechanisms for engaging the senior levels of governments in various partnership arrangements and implementation agreements. However, the proposed undertakings that affect only one or few municipalities do not need to be dealt with through the RGS. Very few of the recommendations contained within this report necessitate total consensus and resource commitments from all of the Capital Region's municipalities in order to start making improvements to the economic health of the region.

The report also makes recommendations for a regional economic development agency to continue the work of the Greater Victoria Enterprise Partnership Society and to promote consistent and integrated business development in local government. This is intended to be a private-sector/non-profit organization.

RECOMMENDATION:

That this report be received for information.

Tracy K. Corbett, MCIP
Senior Planner, Regional Planning Services

Mark Hornell, MCIP
Director, Regional Planning Services

EXECUTIVE DIRECTOR'S COMMENTS:

W.M. Jordan, Executive Director