



MVRD Regional Economic Prosperity Service - Companion Document to the Business Plan

July 2019

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1

Introduction and Context

1. Introduction

1.1 Background

Metro Vancouver's value proposition for international (and domestic) investment is multifaceted, as the region is a key economic and population hub with distinct logistical and talent advantages relative to other areas. Among other factors, the region benefits from its strategic geographic position (i.e. gateway to Asia and North-West USA), the presence of a talented and multicultural labour force, access to a large natural resource base, status as a global tourism destination, relative economic and political stability, and the reputation as one of the most livable metropolitan regions in the world. Despite these assets and strengths, there are several key challenges with Metro Vancouver's economic development landscape that could hinder the region's ability to attract global investment, including:

- a lack of alignment on regional priorities in terms of priority sectors and targets;
- a complex business environment;
- inconsistent branding and marketing;
- a lack of corporate headquarters' located in the region despite Vancouver consistently being ranked as an attractive place in which to work and invest; and
- low levels of market capitalization of existing headquarters relative to peer cities.

While these challenges can be viewed as the natural outcomes of having multiple economic development agencies each bringing unique perspectives, they can also stifle the region's ability to attract and retain global investment and speak with one voice to the world. For Metro Vancouver, this can lead to significant forgone investment and can diminish the region's ability to maximize its economic opportunities.

The trend towards a regional economic development focus reflects the current reality of where and how people live, work and invest. Today, over half of the world's population lives in urban areas; by 2050, two out of three people will do so¹. In addition, companies may reside in one part of an urban region, but those companies will draw on regional supply chains, use business services within the region and employ people residing in the surrounding communities. As a result, intra-regional municipal boundaries are increasingly irrelevant to investors.

An increasing body of business and academic literature points to the rising profile of city-regions as distinct entities on the global business stage. While national and sub-national governments play important roles in creating economic policies and promoting economic development in a variety of ways, there is increasing awareness that major cities warrant their own identity and presence in the global investment community. To accomplish this, cities are consolidating and streamlining regional economic development assets and capabilities into single investor-facing organizations that can serve as 'one-stop shops'.

In 2015, Metro Vancouver formed a Regional Economy Task Force to look at clarifying and strengthening Metro Vancouver's role in pursuing a collaborative approach to regional prosperity. In 2016, a Regional Prosperity Forum convened stakeholders in the Metro

¹ United Nations (2018). *World's Population Increasingly Urban with More Than Half Living in Urban Areas*.

Vancouver region to discuss the value of a multi-stakeholder collaboration aimed at promoting the region's economic prosperity. A Steering Committee and an Advisory Group (composed of regional leaders) were subsequently formed to explore the feasibility of a regional agency that would focus on 'Strategic Investments' to advance economic prosperity across Metro Vancouver region.

In July 2018, a Draft Business Plan was developed for a new regional entity tentatively called "Vancouver Global" to implement the regional prosperity vision. Subsequent to the development of the draft Business Plan, Metro Vancouver retained Deloitte to consult with stakeholders and economic development professionals across the region in order to provide further clarity on the current economic development landscape in the region, as well as the mandate, core activities and organizational structure of the proposed entity. The results from these consultations and associated research were summarized in a Companion Document to the draft Business Plan and presented to the Metro Vancouver Board for review in January 2019.

Following its review of the Companion Document, the Metro Vancouver Board directed staff to explore the feasibility of creating the proposed economic entity as a regional district function supported in-house by Metro Vancouver that would see Metro Vancouver create and operate a regional economic prosperity service. Metro Vancouver retained Deloitte to define the model and resources required to support such a service based on the experience of operating the National Zero Waste Council. Furthermore, the potential to leverage existing assets and activities of the federal and provincial governments to perform the relevant investment attraction functions would also be examined. This report summarizes the results of all research efforts and presents details on a regional economic prosperity service provided by Metro Vancouver to its member jurisdictions.

1.2 Nature of this document

This document is an evolution of the Companion Document to the draft Business Plan presented to the Metro Vancouver Board in January 2019. It is intended to provide the rationale for creating a service that could advance regional prosperity by focusing on attracting new strategic investment across the Metro Vancouver region, identify the scope and functions for this new service, and propose a model for how it could operate within Metro Vancouver. It differs from the Companion Document in that it assumes that Metro Vancouver will deliver the proposed economic development and investment attraction functions, and that all funding for the initiative will be provided by Metro Vancouver.

This report includes observations and recommendations based on consultations with 11 economic development organizations active in Metro Vancouver, two group workshops with an Economic Development Advisory Group, and working sessions with the Staff Implementation Working Group throughout November and December of 2018. Additional consultations were conducted in Spring of 2019 with representatives from Metro Vancouver, Global Affairs Canada and the Provincial Ministry of Jobs, Trade and Technology. Further details on the approach and stakeholders involved in developing this report are available in the Appendix.

1.3 Guiding principles and assumptions

The development of this document has been guided by the following principles and assumptions:

- **Metro Vancouver operates a regional economic prosperity service.** This report presents a model under which the proposed service will be delivered by Metro Vancouver.
- **Core funding will be drawn from Metro Vancouver's budget and be phased in over 5 years.** Funding will be phased gradually over a five-year horizon starting in 2019. The total annual funding is assumed to be \$0.4M in 2019, \$1.0M in 2020, \$1.5M in 2021, \$2.0M in 2022 and \$2.5M in 2023. It is possible for this to be supplemented by other sources, such as project-specific funding.
- **The vision for the model is consistent with the draft Business Plan approved in 2018.** The vision statement is to "[collaborate] to advance shared economic prosperity, livability and sustainability in Canada's Pacific gateway."
- **Attracting Foreign Direct Investment to the region is a priority function.** Since bringing new strategic investment to the Metro Vancouver region is viewed by stakeholders as the key objective of this initiative, this report assigns top priority to attracting Foreign Direct Investment.
- **The service delivered by Metro Vancouver will not replace the activities performed by member jurisdictions and other stakeholders.** It is assumed that municipalities and local stakeholders will continue to perform a range of activities to attract investment once the new service is fully established within Metro Vancouver.
- **Economic development organizations present in the region will collaborate with Metro Vancouver.** The new service proposed for Metro Vancouver assumes that the existing economic development stakeholders in the region will collaborate with Metro Vancouver as it performs this service.
- **Federal and provincial government agencies are supportive of Metro Vancouver's efforts to attract new investment to the region.** It is assumed that federal and provincial government agencies will work collaboratively with Metro Vancouver to assist in achieving regional investment attraction objectives.

2

Metro Vancouver's Economic Development Landscape

2. Metro Vancouver's Economic Development Landscape

2.1 Introduction to a regional approach to economic prosperity

Economic development policy does not reside squarely within the jurisdiction of any one government agency or department. In practice, successful policies and programs are created when governments at all levels work together with stakeholders from industry, academia and the not-for-profit sector to develop the conditions for a strong economy over the long term, while actively competing for investment with other jurisdictions. In British Columbia (BC), economic development activities are undertaken in some part by all three levels of government – federal, provincial and local – and a variety of non-government agencies.

This situation is consistent with other Canadian jurisdictions and brings both advantages as well as complexities and drawbacks that are explored further in this report. In this context, it is critically important that the objectives for regional economic development are consistent with the broader economic objectives of the provincial and federal governments. For the BC government, these objectives include improving prosperity across the province in a sustainable way that is shared across all income levels, regions and cultures. Provincial priorities include housing affordability, environmental sustainability and acknowledging the rights of BC's Indigenous population. Federal government goals align to those of the province, while also reflecting a drive towards greater diversity among sectors of the economy in western Canada as well as increasing the country's global competitiveness and exports.

The need for a regional approach

For large, thriving metropolitan regions like Metro Vancouver, coordinating economic development activities and speaking clearly with one voice to the global investment community is critical to ensuring that the region is competitive with other world cities. Metro Vancouver is competing fiercely for international investment dollars against large urban areas in other countries (and in other parts of Canada) that are investing aggressively in demonstrating their attractiveness for business and talent.

Below we profile a selection of economic development organizations that have regional mandates and mechanisms in place to ensure that a coordinated approach to economic development is being actioned:

Toronto Global – represents municipalities across Metro Toronto to international investors by promoting the region (rather than individual municipalities).

- Toronto Global is a partnership between the Cities of Toronto, Mississauga and Brampton, as well as the Regions of Durham, Halton and York, which historically may have gone to market independently.

- Notably, Toronto Global is also partnered with the Federal government (FedDev Ontario) and the Ontario government – with all three levels of government committing \$19.5M in total funding over three years.
- The organization has a ‘shared vision’ and works to service the needs of international investors under one umbrella, one brand and one unified message.

Montréal International – Created in 1996, this private-public partnership’s mission is to contribute to the economic development of Greater Montréal and enhance the region’s international status. Its mandate includes attracting FDI, international organizations and international strategic workers as well as promoting the competitive and international environment of Greater Montréal.

- Importantly, Montreal International focuses on an exclusive set of economic development activities to have a targeted scope of services. For example, issues related to the quality of life and environment are handled through the Communauté Métropolitaine de Montreal (CMM) – a public agency of the nearly 90 communities in the Greater Montreal region².
- Beginning in 2005, CMM developed the first of two five-year economic development plans focused on supporting the creation and expansion of eight industrial clusters: aerospace, audio-visual, finance, logistics and transportation, life sciences and health technology, information and communication, clean technology and international organizations. CMM has also developed more specific strategies to promote innovation and to attract FDI and strategic talent³.

Edmonton Global – incorporated in 2017, the organization is in the early stages of launch, but will aim to promote the Greater Edmonton region globally and to attract and retain business investment and trade for the region. The organization is made up of 15 member municipalities.

- Part of the genesis of Edmonton Global was a recognition that the Region of Edmonton had little brand awareness to international investors, as several local municipalities would go to market independently. Moreover, FDI attraction activities were dispersed across the region.

San Diego Regional Economic Development Corporation – The San Diego Regional Economic Development Corporation (EDC) is a unique example of regional collaboration on economic development and prosperity issues. It is an established organization that has evolved in response to changing economic realities in structure and in geographical scope. EDC provides companies with connections to accelerate their growth, data and research to make decisions, advocacy to maximize their investment, and the positioning needed to raise their profile and open new opportunities. The EDC also implements programs to help retain businesses, as well as attracting FDI.

Metro Denver – Metro Denver, which identifies itself as the United States’ “first regional economic development entity”, represents a large swath of the Denver regional community and acts on behalf of 70 counties, cities and economic development groups throughout Metro Denver and Northern Colorado⁴.

- To help achieve consensus, members operate under a Code of Ethics and Metro Denver has a set of account representatives that work directly with investors. Metro Denver has

² Framework for a Regional Prosperity Initiative in Metro Vancouver. Green Paper. June 2017.

³ Regional Prosperity Initiative Profiles.

⁴ Metro Denver Economic Development Corporation (2018). Regionalism.

stated that they share “the benefits of the region first, and individual communities second”⁵.

- Metro Denver also runs four industry coalitions responsible for providing a platform to promote industry expansion and coordinate federal and state government activities.

These agencies have a targeted scope of activities, and do not aim to usurp the functions of other existing economic development organizations. Instead, they collaborate with these organizations and work to execute a defined set of targeted activities that are centralized and that provide benefits to the entire region. The case for a regional focus to attracting investment in Metro Vancouver was made with these benefits in mind.

2.2 Understanding the players in Metro Vancouver’s economic development landscape

In order to define the role of Metro Vancouver (the agency) and the scope of tasks that it will take on, it is critical to first understand the current state of the economic development landscape that exists across the region. There is a wide spectrum of local organizations that focus on economic development activities, ranging in size, maturity, areas of focus, funding levels and sophistication. Below we profile a selection of the types of entities within the landscape today.



Local Governments

Several of the municipalities that make up the Metro Vancouver region perform local economic development activities, either through departments within their organizations (e.g. Richmond, Surrey, Coquitlam, Pitt Meadows and others) or through a devoted agency funded by the municipality (i.e. Vancouver Economic Commission). Municipal economic development departments tend to focus on municipality-specific economic and business issues, including local economic development strategy and policy, local industry support, capital attraction and support for small- and medium-sized enterprises.

- Two agencies stand out from other municipal organizations in the Metro Vancouver landscape – the City of Vancouver (through Vancouver Economic Commission) and the City of Surrey. Both agencies have relatively substantial budgets for economic development activities (Vancouver Economic Commission has about \$3M annually while Surrey has about \$1M), have dedicated staff with specialized expertise (Vancouver Economic Commission has 17 staff while Surrey has 7 staff) and participate in a wider range of activities than their municipal counterparts (including FDI attraction, domestic investment attraction, talent development and market research/intelligence). Vancouver Economic Commission also pursues international partnerships, analyzes international trade policy and works to attract capital to Vancouver.
- Metro Vancouver is the regional authority responsible for the provision of core utilities (drinking water, sewerage and solid waste management), regional services including regional parks and affordable housing as well as regional land use planning and regulatory services related to the achievement of regional objectives. In addition, Metro Vancouver is the political forum for discussion of significant regional issues. In this latter role, Metro Vancouver has facilitated a process of engaging key stakeholders to examine

⁵ Ibid.

the value of a regional and collaborative approach to advance prosperity across the region.

As discussed later in this section, much of the collaboration between municipal entities on economic development activities is currently informal, although it occurs frequently on a case-by-case basis.



Federal and provincial governments

A number of national promotion agencies are active in the Metro Vancouver region, including Global Affairs Canada, Western Economic Diversification and Invest in Canada. In addition, multiple ministries within the BC government have investment attraction or economic development mandates, most notably the BC Ministry of Jobs, Trade and Technology. Federal and Provincial government agencies perform a wide range of economic development activities, including (but not limited to):

- negotiating trade agreements;
- trade outreach in other geographies;
- providing grants and contributions for projects;
- assisting in international business development;
- policy and research; and
- branding and marketing.



Local businesses and industry associations

Local business organizations are active participants in the economic development landscape of most municipalities and focus mainly on advocacy for local businesses, growth and retention of new and existing businesses, as well as building and growing networks within their respective communities. Examples include Boards of Trade, Chambers of Commerce, Business Improvement Associations and Development Associations.

In some cases, municipal governments do not have a department or staff devoted directly to economic development and therefore local business organizations take on this role in some capacity. For example, the City of Burnaby does not directly perform economic development activities; instead, it contracts the Burnaby Board of Trade to fulfill this role.



Non-government entities with regional mandates

There are a number of non-government organizations whose mandates span the entire Metro Vancouver region (and beyond), including non-profit organizations, policy think tanks and business groups. Examples of these include the Business Council of BC (business advocacy, research and policy work on a provincial level), Union of BC Municipalities (advocacy for all municipalities to higher levels of government) and the Consider Canada City Alliance (a national network of cities aimed at attracting foreign investment across the country). Other groups include the Asia Pacific Foundation of Canada (research and analysis on Canada-Asia relations), the BC Economic Development Association (networking and education aimed at growing business in BC), and the Indigenous Business and Investment Council (connecting investors with Indigenous communities and businesses).




Post-secondary institutions

Metro Vancouver hosts a suite of academic institutions such as the University of British Columbia, Simon Fraser University, BC Institute of Technology, Kwantlen Polytechnic University, Emily Carr School of Art and Design and Capilano University. These institutions play a critical role in attracting and developing talent and offering opportunities for co-operative investment partnerships with the private sector – important features of the region’s value proposition to investors.

2.3 Defining economic development activities within the region

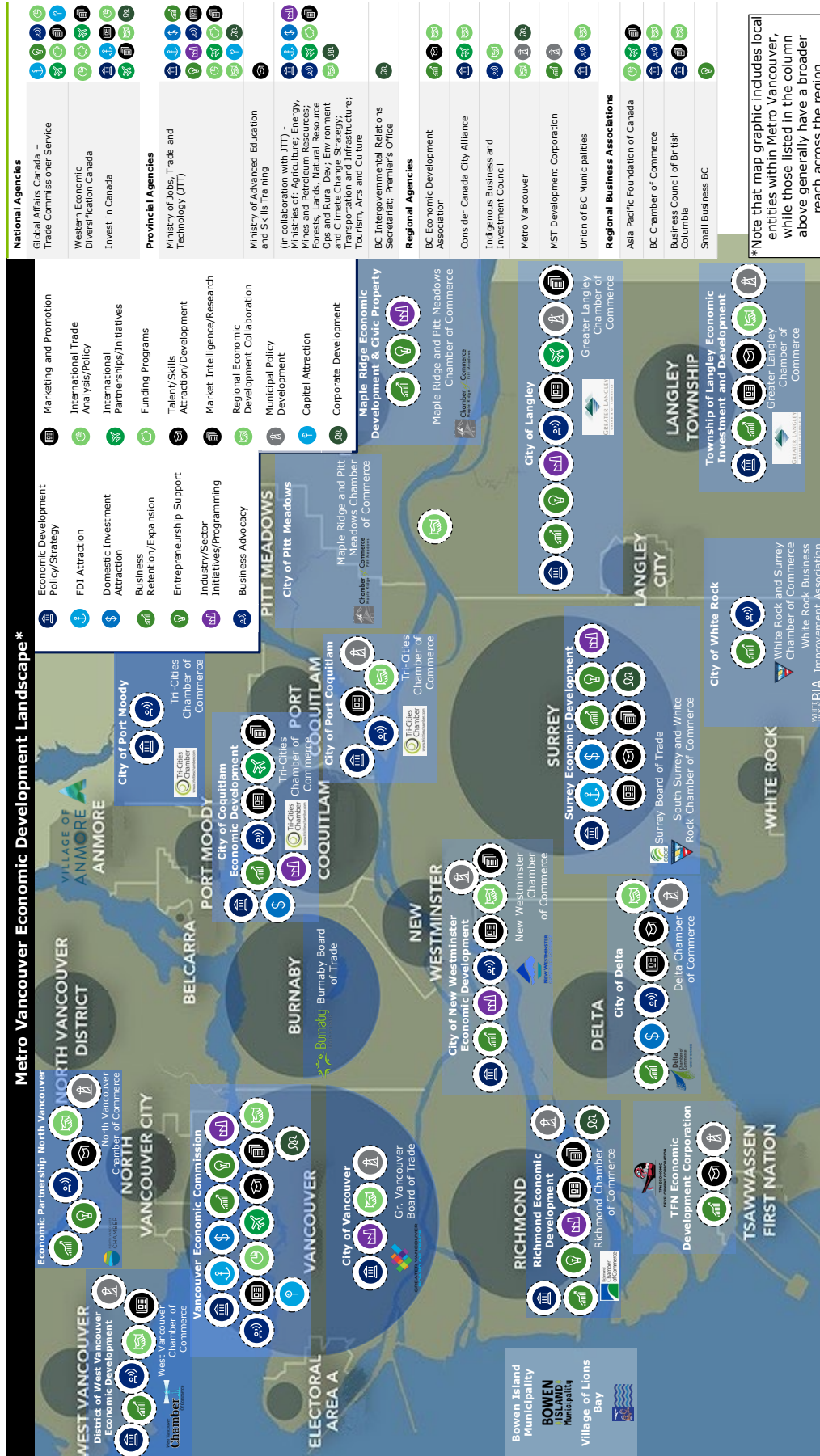
As described in the previous section, the entities comprising the Metro Vancouver economic development landscape focus on different activities. Often the same activity is identified and characterized in different ways, which can make it difficult to understand and appreciate the collective economic development capabilities of the region. To that end, this report uses a common taxonomy of economic development activities listed in the table below. In some instances, the definition of each activity has been tailored to reflect its characterization within the Metro Vancouver landscape. It is worth noting that some of these activities have somewhat different definitions or connotations in economic development literature or in other jurisdictions.

Activities	Example Tasks
 Economic Development Strategy and Policy	<ul style="list-style-type: none"> • Definition of economic development objectives and priorities • Creation of economic development framework and strategy for a particular organization and/or jurisdiction • Design of economic development programs and policies
 FDI Attraction	<ul style="list-style-type: none"> • Identification of a jurisdiction’s value proposition for international investors • Marketing of a jurisdiction to potential investors • Identification and servicing of investment leads or sharing of leads to close • Concierge assistance to guide investment (e.g., site selection services, business cases, supplier contacts)
 Domestic Investment Attraction	<ul style="list-style-type: none"> • Identification of a jurisdiction’s value proposition for domestic investors • Marketing of an area to potential investors • Identification of investment leads/sharing of leads to close • Concierge assistance to guide investment (e.g., site selection services, business cases, supplier contacts)
 Business Retention and/or Expansion	<ul style="list-style-type: none"> • “Aftercare” services for companies already invested in the region (i.e., support with business registration, contacts with partners, public authorities, research institutions, service providers, regulatory compliance assistance) • Assistance securing or expanding client base • Advice on legal, financial and corporate structure matters • Assistance with talent sourcing and recruitment
 Entrepreneurship Support	<ul style="list-style-type: none"> • Business/entrepreneurship coaching and/or mentoring services • Business-to-business match-making/supply chain development • Technology/start-up incubators/programming
 Industry/Sector Initiatives/Programming	<ul style="list-style-type: none"> • Targeted research and analysis of selected industries/sectors • Execution of industry/sector programming and events
 Business Advocacy	<ul style="list-style-type: none"> • Articulation of business’ interests/pain points to local, territorial and/or national governments or other stakeholders • Development and communication of evidence-based policy recommendations • Participation in round tables/sector organizations

 Marketing and Promotion	<ul style="list-style-type: none"> • Development of marketing and branding strategy • Design and development of marketing materials • Design and execution of marketing campaigns to promote value proposition for investment (i.e., local or international) • Event management
 International Trade Policy and Programming	<ul style="list-style-type: none"> • Policy support/analysis of international trade treaties/policies impact(s) on local economies • Participation in trade delegations • Export development/access programming to broaden customer base • Import assistance
 International Partnerships/Initiatives	<ul style="list-style-type: none"> • Execution of partnerships (e.g., Twin city initiatives/memoranda of understanding with other jurisdictions) • International research and development partnerships • International investment delegations
 Funding Programs	<ul style="list-style-type: none"> • Provision of programming or discretionary funding to support economic development goals/initiatives • Provision of sponsorships/funding for economic development initiatives
 Talent/Skills Attraction/Development	<ul style="list-style-type: none"> • Analysis of labour market demand and supply and research into talent issues and skills gaps • Participation in partnerships with post-secondary initiatives to support priority skills/talent development • Execution of job fairs and talent attraction programs
 Market Intelligence/Research	<ul style="list-style-type: none"> • On-going research and analysis of the economy (e.g., economic benchmarking) • Investment in paid data tools/data bases • Development of public or partner facing data assets/tools
 Regional Economic Development Partnerships	<ul style="list-style-type: none"> • Participation in, or stewardship of, stakeholder partnerships or initiatives with government or industry that represent regional economic interests • Articulation of regional economic development challenges and opportunities to relevant stakeholders
 Municipal Policy/Planning	<ul style="list-style-type: none"> • Making local planning decisions that will determine the future of communities • Preparing planning documents such as an official plan that sets the municipality's general planning goals and policies to guide land use • Executing urban planning and real estate approaches to attract investment and talent
 Capital Attraction	<ul style="list-style-type: none"> • Attracting additional funding sources into the region (e.g., Angels, Venture Capital Organizations)
 Internal Corporate Development	<ul style="list-style-type: none"> • Building internal capacity to deliver economic development services • Identification and attraction of new mechanisms/channels for economic development organizations (e.g. new partnerships, sponsorships)

2.4 Metro Vancouver's economic development landscape at a glance

The map below outlines a selection of the organizations that make up the Metro Vancouver economic development landscape ('the landscape'). The purpose of this map is to provide an overview of the organizations who have an economic development mandate in the region (and their capabilities). This is a simplified map, and does not include other actors relevant to economic development (e.g., post-secondary institutions). In addition, the map includes information received through consultations with stakeholders and through publicly available documents. The icons beside each organization correspond to the activities listed in the table above.



2.5 Observations on the landscape

An understanding of how the players in Metro Vancouver’s economic development space perform their functions and interact with one another is a critical precursor for determining the services that Metro Vancouver (the agency) will provide to the region. Research to develop the map and associated working group discussions surfaced a number of observations on the economic landscape. In general, the mapping reveals significant variability, overlaps and gaps in existing regional capabilities. Additionally, some common priorities with respect to industry focus can be found between agencies. Observations from research and stakeholder input are summarized below.

2.5.1 Economic development capabilities vary across Metro Vancouver

Several municipalities have a dedicated economic development function

As most municipalities devote relatively limited funds to economic development, few local agencies possess advanced economic development capabilities. Larger municipalities in Metro Vancouver stand out in their ability to fund dedicated staff and economic development activities (although the specific activities vary between municipalities). Key examples include Vancouver (through Vancouver Economic Commission), Surrey, Richmond, North Vancouver (through the Economic Partnership), Coquitlam, Pitt Meadows, Maple Ridge, City of Langley, New Westminster and Tsawwassen First Nation all have some level of capacity (although often small) in this regard.

Very few municipalities are focused on proactive FDI and international partnerships

Likely the reason few municipalities perform proactive attraction of FDI or substantial marketing and promotion in foreign or other Canadian jurisdictions is the significant costs and resources required to execute international activities. Only Vancouver Economic Commission (with an annual budget of approximately \$3M) and Surrey Economic Development (with a yearly budget of about \$1M) perform significant activities to attract foreign investment. Smaller municipalities rely on referrals from other municipalities, Provincial and Federal organizations, or the local business community (especially the real estate industry) as a means of contacting potential foreign investors.

A minority of organizations within the landscape have a formal regional mandate

Most economic development organizations are focused on their own municipality, with a few agencies focused on Metro Vancouver’s economy as a whole. Metro Vancouver (the agency) stands out as an organization with a regional focus, however it does not currently operate in an economic development capacity. It should be noted that in 2015 the Business Council of BC, along with the Provincial and Federal governments, established HQ Vancouver – a regional entity focused on FDI attraction. This entity however was discontinued in 2018. In addition, there are a number of organizations that advocate for individual industries that operate across the region (e.g., BC Tech, Clean Energy BC, DigiBC, CreativeBC, Geoscience BC, Lifesciences BC, Mining Association of BC and Motion Picture Production Association of BC). As there is a large number of these groups with a wide spectrum of industries and focus, they have not been included in the map above, although it is widely acknowledged that these play an important role in industry-specific development efforts within the Metro Vancouver landscape.

2.5.2 Common approaches to economic development exist across the region

Most municipal economic development activities are focused on retention and/or expansion of local businesses

Activities performed by municipal economic development departments tend to centre on developing, retaining and advocating for local businesses. These departments have robust knowledge of the composition of their business communities, extensive and well-established networks in their respective areas, and play a valuable role in connecting potential investors into this network and helping them navigate the local rules and regulations. By improving the business community, local economic development agencies aim to bring jobs to their areas and expand their municipal tax bases.

Many municipalities have a priority sector approach to economic development, but priority sectors differ between municipalities

Municipalities across Metro Vancouver focus on developing specific sectors (or industries) within their respective areas. While there is some overlap between the priority sectors of municipalities (the film industry being fairly common), there are significant differences between the sectors at the top of each municipality's priority list. For example, Surrey channels its efforts toward Clean Technology, Health Technology, Agricultural Innovation, Advanced Manufacturing and Creative Arts, while Coquitlam prioritizes Tourism and Film. At the same time, Richmond focuses on Agriculture, Healthcare, Retail, Film and Green Industries, while Vancouver Economic Commission prioritizes Film/TV, Media/Gaming, High Tech and Green Industries. Additionally, Federal agencies also define priority sectors for the province and the nation. For instance, Global Affairs Canada prioritizes Manufacturing, High Tech and Natural Resources (especially Energy), while Invest in Canada (in its early days) aims its efforts at knowledge-based sectors and those that align with the federal SuperCluster initiative.

2.5.3 Some key economic development functions are lacking in the region

Few municipalities have robust research/data analysis capabilities

A leading practice in economic development is following a data-driven approach, informed by rigorous research and analysis. However, very few local agencies have sophisticated research, data and analytical capabilities, with the exception of Vancouver Economic Commission and Surrey (the two largest agencies by staff and budget). Most economic development stakeholders consulted agreed that collaboration between municipalities on research and data analysis at a regional level would be beneficial to all parties in the Metro Vancouver landscape. Whether used internally by agencies or as client-facing data for potential investors, there is general consensus that a regional approach to economic development should involve a research and data function, including the provision of shared access to research and analytics tools and databases. In addition, local agencies pointed out that it is critical for data to be viewed at a municipal level as well as a regional level, as that data is needed to understand issues and make decisions with both perspectives in mind.

Specific focus on talent attraction and development is limited to larger municipal agencies

While there is consensus that talent attraction and development activities are vital to maintaining the region's competitiveness, few organizations have dedicated resources to execute these types of programs. The two larger municipal agencies (Vancouver Economic Commission and Surrey) have a dedicated focus on activities in this regard, and four other

local governments (Delta, Langley Township, North Vancouver Economic Partnership and Tsawwassen First Nation) identify as having some capability with respect to talent attraction. Notably, the Provincial government plays a significant leadership role in developing talent, as it maintains jurisdiction over education and skills training policies, and provides the majority of funding for postsecondary education in BC. Similarly, the federal government's overarching control of immigration policies is a key component of talent attraction in the region that cannot be duplicated by other entities.

Regional collaboration on economic development matters appears to be informal

Collaboration among economic development actors across the Metro Vancouver region appears to be largely ad hoc, or case specific. Most municipalities appear to have good relationships with one another (especially those that share borders), and express willingness to refer a potential investor to other areas of Metro Vancouver if those areas are a better fit for that investor. Referrals also occur when a municipality is unable to accommodate a certain type of investment within its borders (e.g., if a large manufacturing facility is needed and one municipality lacks significant land for the facility, the investor would be referred to a municipality that could better meet the investor's requirements). On occasion, municipalities will collaborate if a potential investment requires involvement from more than one municipality (e.g., a film is being made that uses two different jurisdictions for its production). However, municipalities also compete with each other for investment and prioritize bringing investment to their local area if it can be accommodated. This inherent competition is balanced with the need for municipalities to consider and recognize that investments elsewhere in the region can trigger important positive economic spillover effects into other parts of Metro Vancouver, as workers often live in adjacent municipalities to their place of employment and supply chains will be expanded across the region.

Very few municipalities have a well-established marketing/branding function for investors

Marketing and branding are key features of jurisdictions with advanced economic development capabilities. While most municipalities within the Metro Vancouver region have a website, logo, publications, public relations staff, etc., the majority do not participate in extensive proactive marketing and promotion to potential investors.

There is currently no significant coordinated effort to create a regional brand

While individual economic development marketing capabilities exist within the region, there is no regional brand with which investors can interact, or be exposed to. Stakeholders interviewed for this report saw value in articulating a single regional brand, but largely agreed that coordinated branding and marketing of the Metro Vancouver region is an activity that should be taken on centrally. Any common branding and communications materials should convey the comparative advantages of locating in the Metro Vancouver region and could be used by all municipalities undertaking economic development activities.

2.5.4 A regional approach could significantly enhance Metro Vancouver's collective economic development and investment attraction capabilities

General support has been expressed for a regional and collaborative approach to some economic development activities. Among the key issues and gaps that a regional approach could address are:

- Collaboration among municipalities is largely informal; there is a lack of alignment on strategic, outside investment being a priority for the region;
- No entity has a mandate to attract FDI on behalf of the region, making it a complex environment for investors to navigate;
- Fragmented resourcing makes it difficult to drive systematic, coordinated investment at a scale that is competitive internationally;
- Priority sectors/industries or target markets differ among municipalities; and
- There is no coordinated effort to build a regional brand.

There was general agreement among stakeholders that a regional approach should leverage assets already in place across the landscape, and that Metro Vancouver (in the execution of this regional approach) should consider the unique perspectives of all municipalities to ensure that all stakeholders are fairly represented. This includes municipalities retaining decision-making authority over issues specific to their jurisdictions and ensuring that elected municipal representatives maintain their autonomy over those issues. The potential for a Metro Vancouver model to address some of the gaps listed above is discussed in the next section.

3

Scope, Functions and Structure

3. Scope, Functions and Structure

3.1 Proposed Metro Vancouver regional economic prosperity service

Why Metro Vancouver?

Metro Vancouver has extensive experience in fostering collaboration across the region, as it works alongside its member jurisdictions in the provision of essential services including drinking water, sewerage treatment and solid waste disposal, along with regional services like parks, housing, land use planning and air quality monitoring. It should be noted that Metro Vancouver can only be effective in the provision of its current services by collaborating with its member jurisdictions. Collaboration, therefore, is a standard practice for Metro Vancouver and these new services within the agency—like all of its other services—is dependent on collaboration.

In addition, Metro Vancouver acts as a forum for the discussion of issues of regional significance. As a means to realize its zero waste objectives, Metro Vancouver established the National Zero Waste Council (NZWC) – a cross-sectoral leadership initiative to advance waste prevention and the transition to a circular economy across Canada. Metro Vancouver supports the Council’s work and provides a budget for program development that is allocated by the Council’s Management Board. Since the NZWC’s inception in 2013, the NZWC has built a solid reputation as an effective convenor of important stakeholders to advance change on the topics of food waste and plastics as well as the transition to a circular economy. The NZWC represents an established and successful model of how Metro Vancouver collaborates with key stakeholders to achieve stated objectives. Lessons learned from the operation of the NZWC can provide guidance on how a service delivered by Metro Vancouver could enhance regional collaboration on investment attraction activities.

Finally, the Metro Vancouver Regional District has the legislative authority through its supplementary letters patent to provide a regional economic prosperity service, as described in this report, to its member jurisdictions.

Leveraging Important Partnerships

Metro Vancouver can collaborate with the provincial government (specifically the Ministry of Jobs, Trade and Technology – or JTT) to assist with gathering and analyzing regional data used to support investment attraction. Currently, the International Strategy and Research Branch within JTT collects and analyzes regional data that is used within the Ministry by its Investor Services team. This presents an opportunity for Metro Vancouver to access information and analysis through JTT’s Investor Services team, once investment leads are identified. The Ministry currently shares data, analysis and investment information with several municipalities in the region, and has indicated that it is willing to collaborate with Metro Vancouver in a similar manner going forward. JTT employs a variety of tools to gather, track and analyze information on potential investment in the province, including Client Relationship Management software, Pitchbook, PayScale, FDI Marketbook and others. This could provide assistance to Metro Vancouver staff, who do not currently have access to

similar types of tools (although Metro Vancouver's Regional Planning Department does receive customized regional datasets from Statistics Canada at a regular frequency).

In order to initiate an agreement for sharing provincial information and analysis, a written request to the BC Minister of Jobs, Trade and Technology is required from Metro Vancouver. Once a response is received from the Minister, a formal agreement between both parties must be created before information can be exchanged.

Although working with a fairly limited budget, Metro Vancouver can leverage existing *FDI Attraction* activities currently executed by Global Affairs Canada and the BC Ministry of Jobs, Trade and Technology.⁶

With **Global Affairs Canada**, there is potential for an FDI-specific information-sharing relationship, as Global Affairs currently maintains 25-30 investment officers abroad that are focused on marketing investment opportunities in BC and Canada. Although many of the investment leads generated by Global Affairs are traditionally channeled through BC's Provincial government agencies, Metro Vancouver could collaborate with the investment officer network to seek out potential investors in foreign jurisdictions and to measure and track progress. Since Global Affairs Canada's Pacific regional office in Vancouver does not directly perform *FDI Attraction* activities, the relationship between the two organizations would likely be informal (as is currently the case for Global Affairs' collaboration with municipalities in the region).

The **BC Ministry of Jobs, Trade and Technology** directly performs *FDI Attraction* activities and has identified two areas that could be leveraged by Metro Vancouver for attracting investment: its trade and investment office network and its Investor Services Branch.

JTT's trade and investment office network is largely involved in trade missions to foreign jurisdictions and marketing BC to potential foreign investors. Currently, network representatives collaborate with individual municipalities, where working relationships are highly symbiotic, as trade and investment representatives gain from supporting agencies that bring in leads.

The Investor Services Branch at JTT is a team of eight people in Vancouver that primarily support servicing clients, once potential investors have been identified. For example, if a municipality or agency identifies a potential investor, the Investor Services Branch could provide that investor with information on municipal policies and local regulatory environments, and even offer after-care services if required. The Province has noted, however, that although the Investor Services team can provide after-care, these services are usually better suited to agencies at the municipal level.

In general, the stronger Metro Vancouver's alignment is to Provincial objectives and priority sectors of BC's economy, the stronger the collaborative potential between Metro Vancouver and the Province and the stronger the level of support for Metro Vancouver's efforts. As noted above, the Province would respond to a formal request for support, leading to a formalized framework for collaboration.

⁶ Note that the British Columbia office of Invest in Canada is currently at the development stage and does not yet perform *Investment Attraction* activities to a degree that could be leveraged by Metro Vancouver. As Invest in Canada's capacity to deliver *Investment Attraction* activities grows in the coming years, Metro Vancouver could consider collaborating with this organization more extensively. Any collaborative efforts should be aligned to Invest in Canada's efforts working with municipalities and economic development agencies in the region.

3.2 Critical success factors for a Metro Vancouver regional economic prosperity service

In addition to the tasks above, successful regional partnerships have a set of formalized features that enable collaboration across an economic development landscape. The successful rollout a Metro Vancouver regional economic prosperity service should consider the following success factors:

Documented roles and responsibilities:

Ensuring roles and responsibilities are clearly defined can help to formalize collaboration. Key examples can include a Charter and/or Terms of Reference document that outlines how and when members of various agencies work together to collaborate on tasks and share information. This document should be prepared in consultation with affected parties to ensure participation and buy-in from everyone involved.

Championing for Metro Vancouver's new service:

Metro Vancouver's regional economic prosperity service will be a significant new addition to the regional economic development landscape. Ensuring there are prominent individuals championing the launch of this new service—who have existing relationships with relevant stakeholders—can foster alignment among groups and steer successful collaboration. Recruiting a strong, well-known leader for the Executive Director position who will work to champion the service is also critical.

The persistence of ad hoc communication and an 'open door policy':

While Metro Vancouver will control the scope of how it interacts with other organizations, economic development activities and initiatives typically have several dependencies and are often interrelated. It is therefore critical to ensure that all organizations across the landscape have the ability to share ideas, promote initiatives of shared interest and collaborate informally.

Clear public articulation of role and mandate:

With multiple stakeholders and potentially significant public attention, it is imperative that Metro Vancouver clearly defines the role of the new regional economic prosperity service in the landscape and identifies its key activities in order to manage expectations and ensure stakeholders know precisely what this service does and does not do.

Scaling at a manageable pace:

With some initial success, organizations performing economic development functions may want to scale operations to take on additional activities and a broader mandate. However, it is also important to scale at an appropriate pace and be supported by the required level of talent.

Leveraging existing best practices and assets from the Metro Vancouver economic development landscape:

Across the region, there are several examples of best practices, processes, data, marketing material, research and collective experience that should be shared, centralized and uploaded where possible. Metro Vancouver should leverage any of these elements that have

already been successful across the region through collaboration with the respective delivery agencies.

3.3 Strategic Investment focus

The primary focus of the proposed regional economic prosperity service is attracting “Strategic Investment” to the Metro Vancouver region. As such, developing a clear definition of Strategic Investment is critical to understanding the role that Metro Vancouver will play in the landscape and to defining its operational scope. This definition must be meaningful to all members of the landscape, but also clear and focused so that it can be used to filter and prioritize potential investment targets. Research and consultations conducted for this report resulted in the following proposed definition of Strategic Investment:



Strategic Investments generate significant economic, employment and community benefits that improve the long-term competitiveness of the region.



As Metro Vancouver commences its new activities, this definition may be adjusted as part of a differentiating strategy and branding efforts. In particular, attention should be paid to distinguish the meaning of Strategic Investment from other similar terms commonly used in the investor community, such as “impact investing”, “triple bottom line investing” etc., that could confuse stakeholders’ perceptions of the goals and mandate of this new service.

It should also be acknowledged here that the geographical distribution of investment may differ across the region (i.e. the pipeline of investments could be more extensive for some municipalities than others). In some cases, municipalities may be less concerned with attracting a large dollar amount of investment and more focused on certain desired types of investments (e.g., investment in a specific industry or investment that draws significant attention to the region).

A detailed definition of the characteristics of Strategic Investments is provided in Appendix Section 5.2, which can serve as a starting point in evaluating potential investment opportunities.

3.4 Proposed functions and activities

The Metro Vancouver regional economic prosperity service will consist of three primary economic development functions:

1. Foster Collaboration:

Collaboratively developing the region’s objectives, priorities, protocols in handling leads and potential investors, as well as KPIs (including developing indicators and tracking performance) and maintaining a view of the economic development strategies/policies across the region.

2. Conduct Regional Data Collection and Research:

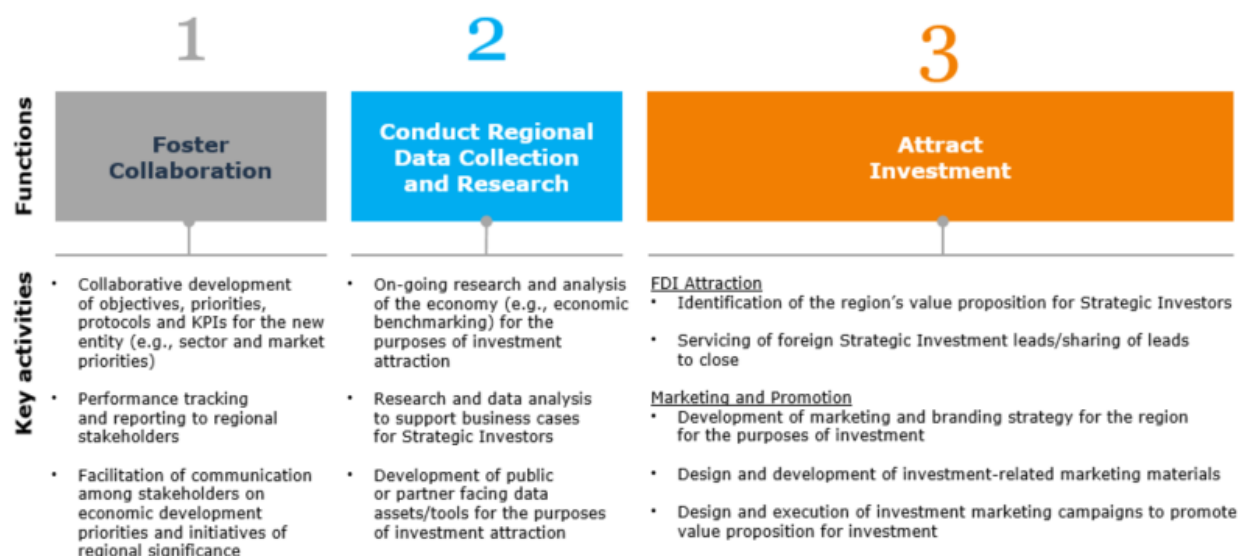
Research and analysis of the economy to support investment attraction, research and data analysis to support business cases for Strategic Investors, and the development of a client-facing portal to inform investors.

3. Attract Investment:

Activities aimed at attracting foreign investment (including identifying the region's value proposition for foreign Strategic Investors and servicing of foreign Strategic Investment leads/sharing of leads to close) and Marketing and Promotion activities (includes developing a marketing and branding strategy for the region, designing and developing investment-related marketing materials, and designing and executing investment marketing campaigns).

The following diagram presents the proposed list of activities in scope for each function. Note that the proposed activities here are described in their fully functional state in the fifth year (2023) and that this capacity will be gradually built over the four years following initiation.

Description of the functions and activities of the Metro Vancouver regional economic development service



A relatively narrow scope of tasks for the regional prosperity service has been intentionally recommended to be targeted and focused on the necessary activities to attract and retain Strategic Investment in the short term. This targeted scope has been collaboratively selected through consultations with the Staff Working Group and Economic Development Advisory Group, as along with subsequent discussions with Metro Vancouver, Global Affairs Canada and the Provincial Ministry of Jobs, Trade and Technology.

The table below illustrates the activities in scope for this new regional service alongside the activities that will be carried out by municipalities and other stakeholders in the economic development landscape.

Economic development activities delivered by Metro Vancouver (and those retained by Existing Agencies)



3.5 Governance, structure, resources and team

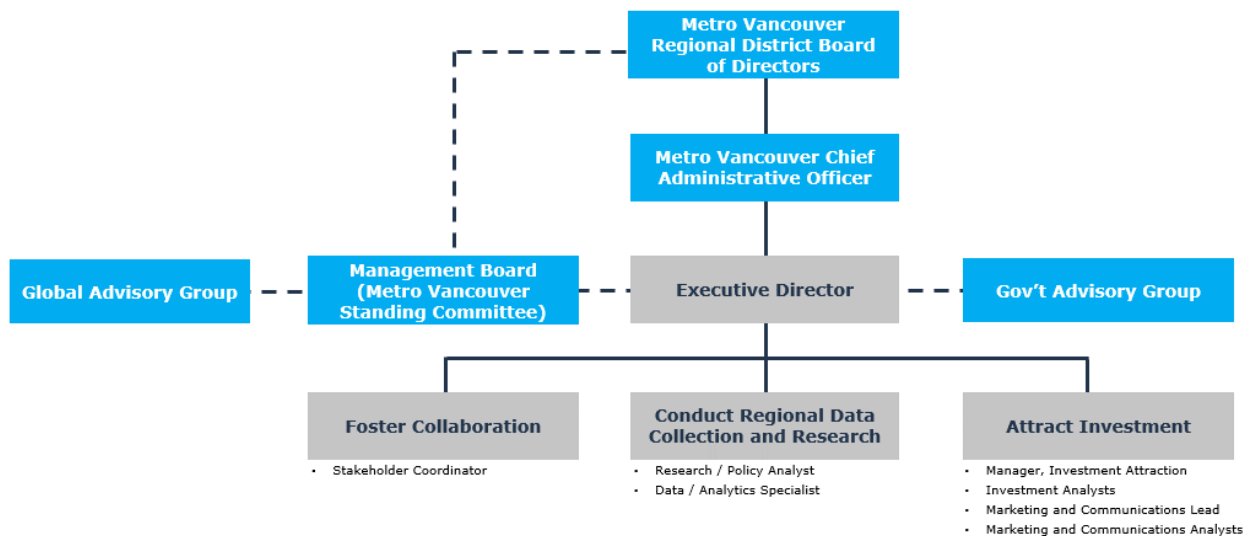
Key components of the Operating Model include:

- **Governance:** The Metro Vancouver Board will determine a process for nominating members to a Management Board for this new service, who will provide strategic advice to the Executive Director.
- **Leadership:** In the Operating Model (see below), the Executive Director will support the Management Board. It is recommended that a high-profile and accomplished professional is selected for the role in order to effectively drive partnerships across the region and interactions with high-profile international investors.
- **National Zero Waste Council model:** Following the NZWC model, the Metro Vancouver regional economic prosperity service will receive guidance from a Management Board whose members will be determined through a nomination process approved by the Metro Vancouver Board. The Management Board will meet at a regular frequency throughout the year and will focus on providing strategic direction, business planning and overseeing the operations of the service through the Executive Director.
- **Advisory Groups:** In addition to the Management Board, two important Advisory Groups will provide strategic input. A Global Advisory Group will be a relatively small group of executive leaders, who, through annual meetings, are able to provide an outside perspective on global trends and opportunities. Similar to Metro Vancouver's staff advisory committee structure, the Government Advisory Group will be comprised of senior managers from all Metro Vancouver member jurisdictions who are responsible for

economic development or long term planning as well as representatives of First Nation, Provincial and Federal economic development agencies. This group will meet more frequently to provide advice on economic development issues, policies and procedures as well as to facilitate the exchange of data and information on economic development activities within the region to the Executive Director and the staff of this new service.

The diagram below illustrates the Operating Model along with suggested positions that can assist Metro Vancouver in performing this new service. Please refer to the five-year budget in Section 3.6 of this document for the resourcing plan and associated spending over a 5-year period.

Proposed Operating Model within Metro Vancouver



As outlined in the Operating Model diagram, there are a number of employed positions that will be needed for this service to deliver its core functions. The job titles are listed below according to function, with a general description of the skills required. Note that this list is not exhaustive and is presented as a list of suggested positions that can assist Metro Vancouver in performing these functions.

Executive Director

- Proven dynamic and energetic leader, and primary spokesperson in a similar or related agency
- Experience making high-level decisions about policy and strategy
- Ability to create a work environment that promotes strong performance and morale
- Expert understanding of government and the region's economic development landscape
- Executive management of governments and key stakeholders
- General finance and budgeting
- Ability to build consensus and relationships among executives, partners and staff, including negotiation skills
- Issues management, decision making and delegation

Stakeholder Coordinator

- Works to engage important stakeholders through a variety of events and venues, including an annual forum
- Develops and implements communication strategies to keep stakeholders informed of the activities of the new service
- Facilitates the development of protocols and other agreements that enables the success of the other functions

Policy/Research Analyst

- Strong math, organization, critical thinking and problem solving skills
- Exceptional presentation, research and verbal/written communication
- Ability to summarize and explain complex information in a communicable manner
- Ability to recognize patterns/trends in large data sets and use numbers and statistics to develop business strategies

Investment Attraction Lead

- Public relations expertise
- Experience with creating a marketing campaign, strategy and plan
- Experience with online marketing, including social media, and content marketing

Marketing and Communications Lead/Analysts

- Outstanding written and verbal communication skills
- Strong knowledge of communication practices and techniques
- Proven experience creating targeted content

Data/Analytics Specialist

- Excellent communication and presentation skills
- Results-driven and ability to handle multiple projects
- Proficient in business intelligence tools, software and dashboards

3.6 Operating budget and funding

This report assumes that the budget for delivering the new service will be built gradually over a five-year horizon starting in 2019. The service is assumed to be funded entirely by Metro Vancouver, with a total annual budget of \$0.4M in 2019, \$1.0M in 2020, \$1.5M in 2021, \$2.0M in 2022 and \$2.5M in 2023.

It is possible for this funding to be supplemented by other sources, such as project-specific funding, similar to how the NZWC uses funding for specific projects and initiatives.⁷ An example of potential supplementary funding is the CanExport program. The program is offered each year by Global Affairs Canada and provides grants of between \$5,000 and \$350,000 to small businesses and other organizations to support the development of export

⁷ Project-specific funding can come from both private and public sector sources (an example of this could include collecting and disseminating non-confidential data that is of interest to the private sector).

opportunities. Through the course of researching information for this report, Global Affairs confirmed that Metro Vancouver is eligible for CanExport funding.

As this is a new service, Metro Vancouver will need to hire an Executive Director as well as administrative and technical staff to deliver new investment attraction and other activities described above.

The following detailed budget (and subsequent text explaining the contents of the table) is proposed for this new service, consistent with the phased funding approach and the functional scope described in previous sections:

Proposed Budget:

	2019		2020		2021		2022		2023	
Expenditure Categories	Staff (FTE)	Budget (\$M)	Staff (FTE)	Budget (\$M)	Staff (FTE)	Budget (\$M)	Staff (FTE)	Budget (\$M)	Staff (FTE)	Budget (\$M)
<i>Foster Collaboration</i>										
Collaborative development of objectives, priorities, protocols and KPIs				\$0.05	0.5	\$0.10	0.5	\$0.15	0.5	\$0.20
Performance tracking and reporting to regional stakeholders					0.5	\$0.05	0.5	\$0.05	0.5	\$0.05
Subtotal				\$0.05	1.0	\$0.15	1.0	\$0.20	1.0	\$0.25
<i>Conduct Regional Data Collection and Research</i>										
Research and analysis of the economy for the purposes of investment attraction					0.5	\$0.10	1.0	\$0.10	1.0	\$0.10
Research and data analysis to support business cases for Strategic Investors					0.5	\$0.10	1.0	\$0.10	1.0	\$0.10
Development of public or partner facing data assets/tools			1.0	\$0.30	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00
Subtotal			1.0	\$0.30	1.0	\$0.20	2.0	\$0.20	2.0	\$0.20
<i>Attract Investment:</i>										
<i>FDI Attraction</i>			1.0	\$0.20	2.0	\$0.60	4.0	\$1.00	5.0	\$1.35
Identification of the region's value proposition for foreign Strategic Investors										
Servicing of foreign Strategic Investment leads/sharing of leads to close										
<i>Marketing and Promotion</i>		\$0.05	1.0	\$0.10	1.5	\$0.20	1.5	\$0.20	1.5	\$0.20
Development of marketing and branding strategy for the region										
Design and development of investment related marketing materials										
Design and execution of investment marketing campaigns										
Subtotal		\$0.05	2.0	\$0.30	3.5	\$0.80	5.5	\$1.20	6.5	\$1.55
<i>Leadership and Administration</i>	2.0	\$0.35	2.0	\$0.35	2.0	\$0.35	2.0	\$0.40	2.0	\$0.50
Total Expenditures	2.0	\$0.40	5.0	\$1.00	7.5	\$1.50	10.5	\$2.00	11.5	\$2.50

Foster Collaboration

The collaborative development of objectives, priorities and protocols involving member jurisdictions, partners and key stakeholders. In addition, the identification of KPIs and performance tracking and reporting to regional stakeholders are initiated in Year 2, to establish strong working ties with member jurisdictions and other stakeholders.

A key activity for this new service will be to develop, in collaboration with its member jurisdictions, the protocols and processes for how investment leads will be handled by the regional service and when they will be passed to municipalities for after-care services (e.g. helping businesses attract more capital or talent and helping them grow their respective market shares). Another important task will be to define Strategic Investment and priorities for this new service (as described in Section 3.3).

Conduct Regional Data Collection and Research

The development of a **client-facing investor portal** for the Metro Vancouver region will be frontloaded to Year 2, with the expectation that the operation and maintenance of the asset beyond Year 2 can be funded from Metro Vancouver's existing IT budget.

This would be a regional asset intended to assist investors and the public in accessing investment-related information for municipalities across the region. The regional portal would be similar in nature to the City of Surrey's Site Selector website, which is interactive

for users and updated frequently with city-specific data and content.⁸ Creation of the portal was selected as an early priority, as it not only works indirectly to attract investment to the region, but also can provide a valuable service for economic development staff in the municipalities. In the early research supporting this report, regional stakeholders noted that a client-facing portal containing regional data and analysis would be beneficial for the region as a whole, largely because such a portal would likely be a cost-prohibitive investment for small member jurisdictions.

It should be noted that significant research and data analysis capabilities (including some data visualization capabilities) currently exist within Metro Vancouver’s Regional Planning and External Relations department, and that these capabilities can be built upon with a few additional resources. For example, Metro Vancouver staff have developed dashboards for tracking a variety of indicators, such as the Metro 2040 dashboard (which reports on metrics that track progress on the goals established in Metro 2040, the regional growth strategy). Variables such as jobs in urban centres, GHGs from building sources and travel by transit are consistently updated and the public can view the data on the site or download it in spreadsheet format.

As noted above in Section 3.1, there is also potential to collaborate with JTT’s International Strategy and Research team with regards to specific identified leads. This team has a wide range of access to investor-specific software and tools that will be valuable as Metro Vancouver develops business cases for potential investment in the region.

Attract Investment

The budget and resources for *FDI Attraction* activities reflects the fact that this is the priority for this service, with 1 FTE starting in 2020 growing to 5 FTEs in 2023. The associated allocation of funds in Year 5 is over \$1.3M, representing over 50 per cent of the overall budget. Activities for *FDI Attraction* staff include identifying value propositions for foreign investors, building business cases, liaising with potential investors, as well as servicing and sharing investment leads with municipalities.

Staff resources should be allocated toward *Marketing and Promotion* starting in Year 2, as staff will develop a regional branding strategy, develop marketing materials and execute marketing campaigns for the region.

During consultations, stakeholders noted that the development and use of branding and marketing materials for the region would be very valuable to economic development teams within municipalities.

Leadership and Administration

The budget allocates at least \$350k annually for leadership and administration, as securing a qualified and capable leader is critical to the credibility and success of the organization – and the Executive Director’s salary should be reflective of this.

⁸ Note that the City of Surrey has significant expertise in designing and building digital assets, and has a history of working collaboratively with other municipalities in the region (e.g. White Rock, Langley) to construct these assets. It is possible that Metro Vancouver could seek to leverage the City of Surrey’s experience when developing its investor portal.

3.7 Implementation plan

The following list outlines a proposed timeline for the five-year implementation of the new service within Metro Vancouver, including significant milestones in each year.

Year 1 (2019) - \$0.4M: Establish the Right Leadership

- Hire Executive Director
- Hire one administrative staff member
- Confirm terms of reference and establish the Management Board
- Confirm the name for the new service and make a public announcement
- Develop and confirm implementation plan with Metro Vancouver Board

Year 1 Milestones: Executive Director and administrative staff hired; Implementation plan confirmed.

Year 2 (2020) - \$1.0M: Initiate Major Functions

- Establish systems for collecting and sharing information/data (in conjunction with member jurisdictions agencies and other stakeholders)
- Develop a marketing strategy, including a regional brand (including input from those municipalities that will be going to market using the new brand)
- Build a client-facing investor portal for the Metro Vancouver region
- Establish a Global Advisory Group and a Government Advisory Group to inform the Management Board
- Hire staff for *FDI Attraction and Marketing and Promotion*

Year 2 Milestones: Marketing/branding strategy developed; Agreement on use of regional brand; Agreement on procedures for working collaboratively with regional partners; Hiring for *FDI Attraction and Marketing and Promotion* initiated; Development of a client-facing portal.

Year 3 (2021) - \$1.5M: Enhance Major Functions

- Continued ramp-up of *FDI Attraction*
- Allocate resources under *Conduct Regional Data Collection and Research* to perform research and data analysis once the investor portal is up and running, hire one more staff
- Hire staff under the *Foster Collaboration* pillar

Year 3 Milestones: Expanded capacity for *FDI Attraction*; Agreement on policies and procedures that will guide the handling of investment inquiries between Metro Vancouver and member jurisdictions; Data analysis and research for investor attraction is initiated.

Year 4 (2022) - \$2.0M: Further Enhance Major Functions

- Continued ramp-up of *FDI Attraction*, hiring more staff
- Ramp-up of *Conduct Regional Data Collection and Research*, hiring more staff and achieving full capacity

Year 4 Milestones: Further expand *FDI Attraction* and *Foster Collaboration* activities; *Conduct Regional Data Collection and Research* achieves full capacity.

Year 5 (2023) - \$2.5M: Full Capability

- Continued ramp-up of *FDI Attraction* and *Foster Collaboration* activities, hiring more staff
- All Major Functions at full capacity

Year 5 Milestones: Organization at full capacity.

3.8 Key Performance Indicators

As a leading practice, economic development organizations publish ongoing updates on progress to stakeholders. Identifying the correct performance metrics and targets is critical in establishing a common understanding of what success looks like for the organization and maintaining support for it among stakeholders. At a high-level, the metrics can be segmented into two categories: Operational Metrics and Outcome Metrics.

Operational metrics:

Operational metrics measure the level of operational activity that the Metro Vancouver service is producing, and relate to the transformation of inputs (e.g., funding and time) into outputs, and are therefore reflective of the operational efficiency of the organization. Examples of operational metrics are listed below and have been categorized under the new functions.

Foster Collaboration

- Number of events/initiatives occurring within the regional landscape (e.g., round tables, working sessions, etc.)
- Number of partners actively participating in events and initiatives led by Metro Vancouver
- Number of published reports on progress/KPIs to partners

Conduct Regional Data Collection and Research

- Number of research and analysis reports executed
- Number of businesses cases produced

Attract investment

- Dollar value of investment(s) brought in monthly, quarterly and/or annually
- Number, size and dollar value of investments currently being developed (i.e., investment pipeline)
- Conversion rate/level of pipeline investment into closed/won deals
- Square footage of new real estate development(s) attributed to attracted Strategic Investments
- Jobs created and retained associated with investments
- Number of trade missions supported/executed

Outcome metrics:

Outcome metrics measure the regional economic and community outcomes on which the new service is focused, and are reflective of its overall effectiveness or organizational

impact. As such, these metrics tend to examine long-term effects and can be more challenging to track or attribute. Examples could include:

- Economic contributions to the region from attracted investments (e.g., increases in output, GDP, incomes or government revenue)
- Development/enhancement of specific sectors, clusters or supply chains (e.g., growth in the number/scale of firms, productivity growth, mitigation of supply chain gaps, export capacity)
- Recognition of the region within global rankings (e.g., in The Economist’s Most Liveable Cities report)
- Enhancement in the “brand” value of Metro Vancouver (e.g. based on a repeatable methodology)
- Impacts of community partnerships built by Strategic Investors (e.g., number of people who participated and benefited from a training partnership executed by an investor)
- Growth in the number workers/subject matter experts within specific clusters/segments in the economy (e.g., a growth in the number of engineers within the region)
- Growth in government revenues (e.g., increase in income or property tax revenues associated with investments)
- Follow on investment attributed to an initial “anchor” investment (e.g., significant expansion of facilities/employment footprint over time, further investment of subsidiaries or parent companies)
- Creation of new or nascent clusters of economic activities, or expansion and reinforcement of existing clusters

Considerations for KPIs

Measuring outcomes and attributing success requires careful analysis based on best-in-class methodologies that are defensible and clearly attribute the role of the new service in the success that is being measured. This consideration is particularly relevant when assessing the role the organization plays in helping an investor locate within the Metro Vancouver region, as investment decisions and site selection choices can be shaped by several macroeconomic and market forces beyond the control of an economic development organization.

The metrics presented above are meant to serve as examples for the organization to consider as it formalizes its approach to KPIs and reporting. The following guidelines could also be helpful in this process:

- The number of KPIs should represent a balance between providing a holistic view of the organization’s performance and effort required to collect data and report on KPIs
- KPIs could be implemented in phases, by focusing on shorter-term operational metrics first and outcome-based metrics over the longer-term
- KPIs should reflect the mandate of the organization and align to its functions
- Performance should be measured at regular intervals
- Metrics should be validated by relevant stakeholders (e.g., investors, other levels of government)
- Approaches to calculating or ‘proving’ success within each KPI should be agreed upon, transparent and reviewed by subject matter experts
- KPIs should be easy to understand for non-experts

4

Conclusion and Next Steps

4. Conclusion and Next Steps

This report presents a regional approach to attracting Strategic Investment to the Metro Vancouver region, assuming the establishment of a new regional economic prosperity service within Metro Vancouver. The proposed model for this new service builds on the experience of the National Zero Waste Council, an initiative led by Metro Vancouver. The Council demonstrates a collaborative approach that encourages leaders from outside Metro Vancouver to work towards a shared goal and also considers the capacity and collaborative potential of regional stakeholders.

The engagement and support of member jurisdictions and other stakeholders in the region's economic development activities will be critical to the success of this new service, given the region's complex economic development landscape. As envisioned, Metro Vancouver will work *with* member jurisdictions and other stakeholders in the region, rather than *alongside* them, to ensure that critical information is shared and that no work is being duplicated. The activities under the *Foster Collaboration* function in particular will play an important role in ensuring that stakeholders in the region are informed and invested in Metro Vancouver's efforts to attract Strategic Investment to the region.

The general conclusion of this document is that it is feasible to move forward with the proposed regional economic prosperity service, assuming Metro Vancouver receives support and collaboration from its members and other agencies (including Global Affairs and the BC Ministry of Jobs, Trade and Technology). Given the changes in the scope of the service as well as the operating budget, the expectations for the magnitude of Strategic Investments attracted and the timing of such investments with the proposed new service within Metro Vancouver should be tempered relative to what was envisioned in earlier stages of this initiative.

5

Appendix

Appendix

5.1 Working Group and Stakeholders Interviewed

Implementation Staff Working Group Members

- Siobian Smith, Senior Manager, International Strategy and Research, Ministry of Jobs, Trade and Technology
- Donna Jones, General Manager, Investment and Intergovernmental Relations, City of Surrey
- Eleena Marley, Manager, Business Relations, City of Vancouver (withdrew after October 10, 2018)
- Heather Schoemaker, General Manager, External Relations Department, Metro Vancouver
- Ann Rowan, Manager, Collaboration Initiatives, External Relations Department, Metro Vancouver

Stakeholders Interviewed

- Greg D'Avignon (Business Council of BC)
- Sean Elbe (Invest in Canada)
- Donna Jones, Stephen Wu (City of Surrey)
- Neonila Lilova (City of Richmond)
- Eleena Marley (City of Vancouver)
- David Munro (City of Coquitlam)
- Yaa-Hemaa Obiri-Yeboah, Christian Hansen, Renee Umezuki (Global Affairs Canada)
- Siobian Smith (Province of BC – Ministry of Jobs, Trade and Technology)
- Patrick Stafford-Smith (North Shore Economic Development Partnership)
- Trevor Todd, Emmanuelle Barras (Western Economic Diversification)
- David van Hemmen (Greater Vancouver Board of Trade)
- Catherine Warren, James Raymond, Juvarya Veltkamp (Vancouver Economic Commission)
- Neal Carley, General Manager, Parks, Planning and Environment, Metro Vancouver

Workshop Attendees

- Donna Jones (City of Surrey) – Workshop 1 only
- Tess Kitchen (Metro Vancouver)
- Neonila Lilova (City of Richmond)
- Eleena Marley (City of Vancouver)
- Yaa-Hemaa Obiri-Yeboah (Global Affairs Canada)
- James Raymond (Vancouver Economic Commission)

- Aaron Robinson (Metro Vancouver)
- Ann Rowan (Metro Vancouver)
- Heather Shoemaker (Metro Vancouver) – Workshop 1 only
- Siobian Smith (BC Ministry Of Jobs, Trade and Technology)
- Catherine Warren (Vancouver Economic Commission) – Workshop 1 only
- Stephen Wu (City of Surrey)

5.2 Characteristics of Strategic Investment

The following points offer further clarity on the definition of Strategic Investments as well as provide some direction or criteria for evaluating potential investment opportunities that Metro Vancouver could use to deliver a regional economic prosperity service:



Regional economic contributions: the ability to demonstrate significant direct, indirect and/or structuring contributions to the region's economy. Example criteria include:

- Direct contributions to regional GDP, employment, income and government revenues
- Indirect economic contributions arising from stimulated activity across associated supply chains
- Support of existing businesses across the region and offering existing firms opportunities to grow and expand
- Long-term, "structuring" or dynamic impacts, such as contributions to critical infrastructure, economic diversification, cluster development, supply chains or human capital attraction/development that benefit the region broadly



High-quality, sustainable employment opportunities: the ability to attract and retain within the region jobs with highly desirable characteristics. These may include:

- Location of executive-level / decision-maker roles (e.g., global or national leads of specific business functions) or subject matter expert roles (e.g., bringing a globally renowned researcher into the region)
- Salaries/wages above geographic/sector/industry averages
- Employment in priority occupations/sectors that are positioned for significant growth or where significant demand exists
- Contributions to permanent, full-time jobs in contrast to short-term, seasonal jobs
- Jobs with higher than average employment multipliers (i.e. that indirectly stimulate employment in other sectors)



Impact on the international profile of the region: the enhancement of the perceived attractiveness, profile or reputation of the region on a global stage as a place for business and talent in target economic areas. Examples include:

- High-profile, "flagship" investments that command significant industry and public attention (regardless of size)

- Investment by a firm that can serve as an “anchor” or catalyst for development of a cluster in an area of economic priority to Metro Vancouver
- First-ever expansion into Canada for a major firm with potential for further investments
- Establishment of a global center of excellence, R&D center or differentiated offering
- Investment resulting from a high-profile global public site selection competition
- Enhancing the capacity of firms within the region to be innovative and conduct business in sustainable ways



Investment proposal maturity: the presentation of a mature investment proposal with well-articulated intentions and business plan. Example criteria include:

- Presence of a detailed business case
- Clear definition of investment size/scale
- Progression of site selection and talent sourcing activities



Significant social or community benefits in the region: well-defined benefits to quality of life, workforce or social diversity and cohesiveness, indigenous community reconciliation, health and safety, education and other benefits. Examples include:

- Direct community contributions (e.g., funding commitments to community initiatives or organizations)
- Execution of specific programs/initiatives that benefit the community (e.g., training partnerships with local schools, colleges or universities)
- Sponsorship or donation to community events/initiatives (e.g., sports teams, cultural events or local hospitals)
- Participation in local Chambers of Commerce or community organizations
- Engagement of indigenous communities in project delivery and operations
- Investments in public safety, security, education or health outcomes

The proposed criteria listed above are suggestions for assessing investment opportunities. The leadership of this new service within Metro Vancouver will be responsible for determining the exact evaluation and prioritization approach.

5.3 Out of Scope Activities

The activities listed below are not in scope of the proposed model, as these are already executed effectively by other economic development agencies in the region, including provincial government agencies, federal government agencies, municipal economic development staff, as well as Boards of Trade, Chambers of Commerce and other organizations. Out of scope activities include:

Business Retention and/or Expansion

- “Aftercare” services for companies already invested in the region (i.e., support with business registration, contacts with partners, public authorities, research institutions, service providers, regulatory compliance assistance)
- Assistance securing or expanding client base
- Advice on legal, financial and corporate structure matters
- Assistance with talent sourcing and recruitment

Entrepreneurship Support

- Business/entrepreneurship coaching and/or mentoring services
- Business-to-business match making/supply chain development
- Technology/start-up incubators/programming

Industry/Sector Initiatives/Programming

- Targeted research and analysis of selected industries/sectors
- Execution of industry/sector programming and events

Business Advocacy

- Articulation of business’ interests/pain points to local, provincial and/or federal governments or other stakeholders
- Development and communication of evidence-based policy recommendations
- Participation in round tables/sector organizations

International Trade Policy/Programming

- Policy support/analysis of impact(s) of international trade treaties/policies on local economies
- Participation in trade delegations
- Export development/access programming to broaden customer base
- Import assistance

Internal Corporate Development

- Building internal capacity to deliver economic development services
- Identification and attraction of new mechanisms/channels for economic development organizations (e.g., new partnerships, sponsorships)

Economic Development Policy/Strategy

- Definition of economic development objectives and priorities
- Development of economic development framework and strategy for a particular organization and/or jurisdiction
- Design of economic development programs and policies

International Partnerships/Initiatives

- Execution of partnerships (e.g., Twin city initiatives/memoranda of understanding with other jurisdictions)
- International research and development partnerships
- International investment delegations

Funding Programs

- Provision of programming or discretionary funding to support economic development goals/initiatives
- Provision of sponsorships/funding for initiatives to support economic development

Talent Attraction/Development

- Analysis of labour market demand/supply and research into talent issues and skills gaps
- Participation in partnerships with post-secondary initiatives to support priority skills/talent development
- Execution of job fairs and talent attraction programs

Municipal Policy/Planning

- Making local planning decisions that will determine the future of communities
- Preparing planning documents such as an official plan which sets the municipalities general planning goals and policies to guide land use
- Executing urban planning and real estate approaches to attract investment and talent

Capital Attraction

- Attracting additional funding sources into the region (e.g., Angels, Venture Capital Organizations)

Domestic Investment Attraction

- Identification of a jurisdiction's value proposition for domestic investors
- Marketing of an area to potential investors
- Identification of investment leads/sharing of leads to close
- Concierge assistance to guide investment (e.g., site selection services, business cases, supplier contacts)

5.4 Disclaimer

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