

Framework for a
**Regional
Prosperity
Initiative**
in Metro Vancouver

GREEN PAPER

JUNE 2017

Introduction

In metropolitan areas across North America, leaders from the private and public sectors, academia, labour and community organizations have come together in the pursuit of regional prosperity. Through open discussion, the exchange of ideas and the review of experiences elsewhere, these leaders have come to understand that metropolitan areas are the economic units in today's world. The leaders have recognized the need for the various groups within a metropolitan area to "rise above specific local and sectoral mandates to focus on shared regional visions and objectives."¹ In the global competition for investment and people, it is the metropolitan areas, not the individual cities or sectors, who are the players.

The Metro Vancouver region is home to highly diverse, creative and innovative companies, public authorities, universities and local government agencies, many of which are engaged in important activities aimed at promoting the area and attracting investment and people. What the region is lacking is a mechanism to coordinate the efforts of these different groups and help them develop a shared vision and common goals. This lack of a collaborative and strategic approach to the region's prosperity is what sets Metro Vancouver apart from many competitor regions in Canada and the United States.

Leaders from all sectors in the Metro Vancouver region are aware of the lack of collaborative action and the disadvantage at which it places the region. Efforts to address the situation have begun and are starting to gain traction. This Green Paper is an attempt to support and advance these efforts. (A "green paper" is an early-stages report on a proposed policy or new idea, and is designed to stimulate thinking and discussion among interested parties without requiring a commitment to action.)

This Green Paper puts forward some general considerations and a proposed framework for a multi-stakeholder, collaborative regional prosperity initiative for the Metro Vancouver region.

This paper begins by making the case for the importance of a metropolitan-level approach to prosperity. A working definition of the term "prosperity" is offered, as is a review of the enablers of prosperity. An overview of the Metro Vancouver economy is then provided. Present and future challenges to the region's prosperity are identified. A review of past efforts at inter-party collaboration within Metro Vancouver is presented, followed by an account of lessons learned from experiences elsewhere. A "Made in Metro Vancouver Approach" is then put forward for consideration. The model is intended to be critiqued and improved; it is not presented as the definitive course of action to pursue. The paper ends with a suggestion for a Regional Forum on Prosperity in early 2016.

Businesses do not seek out townships or cities to call home, but rather thriving regions to join.

Entrepreneurs are not mindful of addresses, but rather vibrant areas from which to launch ideas. Talent is not mindful of jurisdictions, but is drawn to attractive and inviting places.

(Greater Lansing Next: A Plan for Regional Prosperity, p.4)

¹ Toronto Region Board of Trade (2014) Toward a Toronto Region Economic Strategy p.9

1 Importance of a Metropolitan Approach

Metropolitan areas as economic units

It would not be an exaggeration to say that the 21st century belongs to metropolitan areas. Today, over half of the world's population lives in urban areas; by 2050, two out of three people will do so.² Between 2005 and 2025, it is estimated that the metropolitan centres in the US and Canada will contribute 76 per cent of the growth in GDP.³ Metropolitan areas also tend to be wealthier than the rest of the economy. Within OECD countries, the GDP per capita gap between metropolitan centres and the rest of the economy is around 40 per cent.⁴

The rising importance of metropolitan areas as the loci of economic activity is matched by the profile of metropolitan areas in global affairs on a range of economic, social and environmental issues including action against climate change.

The world's first Metropolitan Generation is coming of age, and as a result, the world will be shaped increasingly by metropolitan values: industriousness, creativity, entrepreneurialism, and, most important, liberty and diversity...cities will become not just more culturally significant but also more politically powerful. Influence will shift gradually away from national governments and toward cities...

(Michael Bloomberg, Former Mayor of New York City)

To succeed as a global city, [it is important] to draw on the strength and economy of the entire region rather than any one player.

(Toward a Toronto Region Economic Strategy, Toronto Region Board of Trade, 2014, p.15)

In Canada and the US, the traditional model of a central city dominated by commercial and industrial activity and surrounded by bucolic suburbs has been evolving over the past half-century. Metropolitan centres today are best characterized as dynamic economic units of industry clusters, supporting services, and academic and research institutions that function across municipal boundaries. Companies choose to locate and invest in centres based on an assessment of the broader metropolitan areas in which individual cities are located. These companies know that the fortunes of any single city are shaped by the region as a whole – by the road and public transportation systems, air and sea ports, economic activities, natural environment and culture of the region to which the city belongs and contributes. Companies know, too, that it is the metropolitan regions, with their large scales, diverse offerings and opportunities that have the potential to draw and retain the talent that companies need to compete.⁵

² United Nations (2014). World's population increasingly urban with more than half living in urban areas.

³ McKinsey Global Institute (2011). Urban world: Mapping the economic power of cities.

⁴ OECD (2013) OECD regions at a glance.

⁵ Marc A. Weiss (2005). Teamwork: Why metropolitan economic strategy is the key to generating sustainable prosperity and quality of life for the world. Global Urban Development, Vol. 1, Issue 1.

A metropolitan approach to prosperity

In metropolitan areas across North America and beyond, collaborative efforts involving multiple parties are emerging to define shared goals and objectives, and to raise the profile of their regions as competitive centres of economic activity. These efforts recognize that in the global competition for investment and people, success requires a coordinated and strategic approach to development that recognizes the importance of skilled labour, efficient transportation, innovation, livability and lifestyle. Economic development efforts undertaken by individual agencies, corporations and groups at the local or sector levels are important and need to continue. Without greater coordination across the broader region, however, such efforts will ultimately be limited in their impact.

Prosperity is more than just the accumulation of material wealth, it is also the joy of everyday life and the prospect of an even better life in the future.

(Legatum Prosperity Index website)

Under a metropolitan approach to prosperity, agencies and groups that are focused on economic development join forces with local leaders from industry, business, academia, labour, the arts and local government to identify a collective vision and to create a broad strategy for the region. The strategy sets out goals and actions that build on existing strengths, but also addresses critical weaknesses that serve to discourage investment. This collective effort does not replace the need for local economic development agencies; on the contrary, strong and autonomous agencies are needed,

along with other key players in the region, to help implement their strategies while also cooperating with each other to maximize their individual and collective efforts.

What Is Prosperity?

In this Green Paper, the term “prosperity” is chosen intentionally in place of the more common “economic development” to emphasize the importance of environmental, cultural, and social factors to the economic health of the region. The term also reflects the strong sustainability commitments of several key stakeholders to the discussion in Metro Vancouver.

Regional prosperity can be measured in terms of desired outcomes: wealth, a comfortable standard of living, opportunities for people to pursue and maximize their skills, a better life for those economically-challenged segments of the population, and a natural environment that current and future generations can enjoy.

Any regional initiative that emerges in Metro Vancouver would need to craft its own definition of prosperity that speaks to the needs and aspirations of the residents and the assets of the region. In the meantime, the following working definition of prosperity is offered:

Sustained and thriving economic and employment opportunities based on entrepreneurship, innovation and efficient government policies and services that provide a high quality of life for all residents within a vibrant natural environment

Enablers of prosperity

A metropolitan approach can leverage the region's strengths and strategic economic assets to improve overall prosperity in a way that is simply not possible at a municipal level. Through the collaborative efforts of leaders in business, government, education and community organizations, the components that together shape and drive the region, the "enablers of prosperity", can be directed towards a shared vision and objectives. An important task of a multi-stakeholder metropolitan prosperity initiative is to establish forums and other venues to strategize how the region's enablers can be improved or adjusted to maintain existing businesses and industries in addition to attracting new investment and talent.

- **Skilled labour.** The workforce in a competitive metropolitan economy will need to be diverse – in skills, knowledge and experience – and will evolve. Supporting productive activities in business, government and other institutions will require the cooperation of educational institutions and proactive immigration policies.
- **Efficient infrastructure.** Infrastructure assets and services form the backbone of modern life as well as local and global commerce. They include energy and other utilities, high-capacity telecommunications and virtual networks, and transportation systems that allow people and goods to move throughout the region. In a knowledge-based and service-based economy, efficient infrastructure enhances the productivity of people and businesses.

Figure 1: Enablers of Prosperity



- **Quality of life.** Quality of life is a broad concept that attempts to capture the general daily experiences of people living in a particular place. Access to excellent healthcare, the presence of education and recreation opportunities, a sense of safety and community cohesion, efficient public transit and a healthy and protected natural environment are all factors that contribute to a high quality of life. While also a product of prosperity, a high quality of life is an enabler in attracting and retaining a range of residents, talent and companies.
- **Positive business climate.** A positive business climate features responsive and accountable governments that set fair taxes and fees, and that put in place regulatory environments conducive to growth and development.
- **Innovation capacity.** The capacity for innovation is nurtured by world-class research institutions engaged in the private, public and civic sectors but also by a culture which thrives on new ideas. These conditions support entrepreneurship within the region and attract new investment and talent. The commercialization of new technologies, processes and products drives economic growth. Innovation in the public sector in terms of approaches and policies can also be essential.
- **Centralized information.** Easy access to reliable, centralized information sources supports strategic planning across all productive sectors in the region, and facilitates transparent, effective decision-making.
- **Efficient land use.** A region's competitiveness depends on concentrating development in ways that allow for the efficient delivery of transit and public utilities, and that enable key sectors of the economy to grow, evolve and interact effectively with each other.
- **Positive profile and brand.** Attracting new talent and businesses can be greatly facilitated by showcasing a metropolitan area as a dynamic, globally competitive, and desirable place to live, work, visit and do business. The brand captures the positive characteristics generally associated with the place or re-fashions a new image.
- **Strong clusters.** A cluster is a group of firms and related economic actors and institutions that realize productive advantages from close proximity and professional connections. Strong clusters organically build on the unique strengths that drive wealth creation in a region, primarily through the export of goods and services.

2 Metro Vancouver the Region

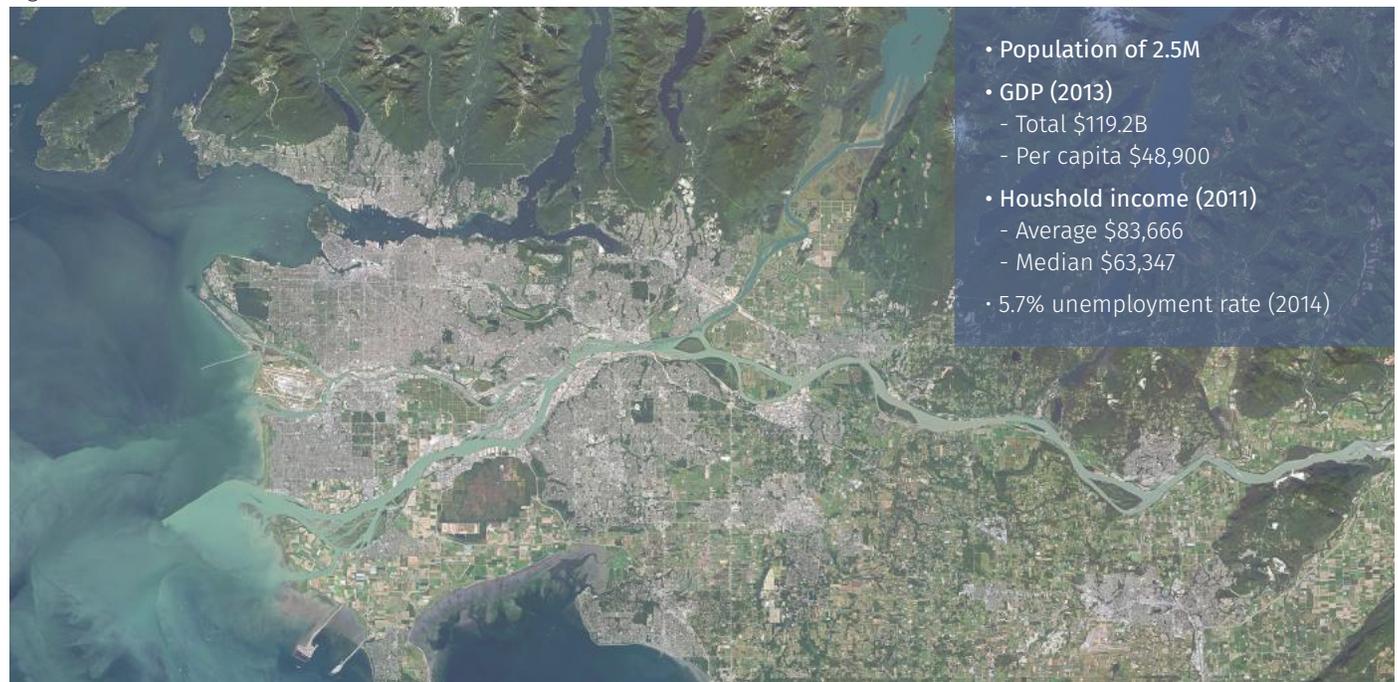
The metropolitan area of Vancouver is on the traditional homelands of the Coast Salish peoples. The governance of the region is multi-faceted including federal, provincial, First Nations, and local government jurisdictions that are both contiguous and overlapping. For the purposes of this report, the metropolitan area of Vancouver is consistent with the geographical boundaries of the Metro Vancouver Regional District and the Vancouver Census Metropolitan Area (CMA.)

In terms of prosperity, the Metro Vancouver region has a strong foundation – the regional economy accounts for more than half of the provincial GDP. In addition, the region is recognized globally for its overall livability, and has done especially well in international surveys of metropolitan areas on attributes such as “tolerance”, “presence of amenities” and “quality of place”. Building on these strengths will require a new level of collaboration among key parties.

The economy at present

A common characteristic of dynamic metropolitan regions is the emergence of a diversified economy dominated by the service sector – a feature that is certainly true of Metro Vancouver. The wholesale and retail trade employs about 15 per cent of the workforce in the region. Other important service sectors include: finance, insurance, real estate and leasing; professional, scientific and technical services; health care and social assistance; and educational services. In terms of goods production, construction and manufacturing are the important employment sectors. This diversification allows for greater responsiveness and resiliency in the face of changing economic trends and may support the emergence of industry clusters important to competitive metropolitan economies.

Figure 2: Metro Vancouver – the Basics



⁶ Martin Prosperity Institute rankings and Economist Intelligence Unit’s Livability Ranking.

⁷ Vancouver as a city-region in the global economy. A paper by the Vancouver Economic Development Commission for the Business Council of BC’s “Outlook 2020” Project. March 2010.

Within Metro Vancouver, the growth of the regional economy was driven, for many decades, by supplying services to the BC's resource extraction sector, including forestry, fishing and mining, and these industries continue to be important in the provincial economy and that of Metro Vancouver. However, the concentration of a diverse workforce with a range of skills and expertise, a complex and sophisticated network of businesses and industries, academic institutions, research facilities, and urban centres served by significant investments in infrastructure have helped to build a distinct metropolitan economy. Situated on Canada's West Coast and at the mouth of the Fraser River, this area has been an important centre for trade. With the economic importance of the Asian Pacific economies, this role as a gateway will continue to grow. The region is home to Port of Vancouver, the largest port in Canada and third largest in North America in terms of total tonnage moved. Port of Vancouver links the region and, through the region, the entire nation to Asia Pacific and the world. As the port and the volume of goods handled have grown over the years, so, too, have the number of businesses and jobs related to cargo handling, storage, distribution and transportation.

In addition to moving goods and commodities through the port, the cruise ship terminal at Canada Place welcomes upwards of 900,000 passengers each year. Vancouver International Airport (YVR) is another critical element of the gateway - it is the second busiest airport in Canada and the second most important trans-Pacific airport on the continent. More than 19 million passengers move through YVR every year in addition to a considerable amount of cargo. Two major B.C. ferry terminals facilitate the maritime movement of travelers and goods to and from the region to other destinations in the province.

Tourists and conventions are attracted to the natural beauty as well as to the recreational and cultural opportunities within the region. The tourism sector

contributes approximately \$6.1 billion to the Metro Vancouver economy annually and provides over 66,000 full time jobs.

The primary sector is relatively small but within the region, there are a few important industry groups. Unique to Metro Vancouver is the amount of good quality agricultural land within the metropolitan boundaries. In 2010, farms in Metro Vancouver generated 27 per cent of BC's gross farm receipts on only 1.5 per cent of the province's farmland. The agri-food sector includes this high value farm production, agri-tourism, and processing, packaging and distribution within Metro Vancouver of food harvested from the land and waters of BC.

The importance of forestry and mining in the province of B.C. along with the promise of liquefied natural gas is reflected in the natural resource firms that have located their executive offices in the region. Key examples include Teck Resources Limited, Goldcorp, Canfor, Western Forest Products, West Fraser Timber Company, Catalyst Paper Company, and Pacific NorthWest LNG.

The apparel industry is relatively new but is growing with lifestyle brands such as Lululemon Athletica, John Fluevog Shoes, Mountain Equipment Coop (MEC), Arc'teryx Equipment (performance outerwear), and Herschel Supply Company (canvas backpacks) that are based in the region. These recognized brands coexist with much smaller local designers that have jointly created an industry known for creative design, technological innovation and sustainability.

Shipbuilding is once again important on the North Shore due to the recent \$8 billion federal government contract awarded to Seaspan for the construction of non-combat ships.

The region is also the traditional homelands of Coast Salish First Nations that are actively participating in the local economy by expanding development on

⁸ <http://www.tourismvancouver.com/media/corporate-communications/vancouvers-tourism-industry-fast-facts/>

their lands and building partnerships. First Nations businesses and communities are contributing to the metropolitan economy across a number of goods and service sectors, particularly tourism, natural resources and construction. One of the recent success stories is the development of Canada's second largest mall by the Tsawwassen First Nation. Another example is the partnership that the Musqueam Indian Band, Squamish Nation and Tsleil-Waututh Nation have formed by way of a protocol agreement. Over the last three years, the Musqueam, Squamish and Tsleil-Waututh (or MST) trio of First Nations has been involved in some of the biggest B.C. land deals of the decade, acquiring six properties across the region, totaling 160 acres and worth \$1 billion. With the fastest growing populations in the country, First Nation communities are playing an increasingly important role and contributing to the region's prosperity.

Industry clusters in Metro Vancouver

The emergence and dynamics of industry/employment clusters can be very important in shaping the character of metropolitan economies. Clusters have been defined as "networks of production of strongly interdependent firms (including specialized suppliers) linked to each other in a value-adding production chain. In some cases, clusters also encompass strategic alliances with universities, research institutes, knowledge-intensive business services, bridging institutions (brokers, consultants) and customers."⁹ Clusters thrive on networks created among people with diverse and specialized skills as well as synergistic links to other productive activities in a metropolitan region including entrepreneurship, new firm formation and the availability of capital. Clusters differ from industrial sectors which are standardized categories of businesses or institutions that produce similar products or services.

Techniques exist for identifying clusters that drive wealth creation in a region. Some potential examples include a **sustainable solutions** cluster that has emerged from the strong natural resources orientation of the region, and includes engineering and consulting firms involved in mitigating environmental impacts, tech firms developing regenerative technologies and new energy sources, and new businesses involved in practices associated with the circular economy or zero waste production.

Another is an **information technology** cluster. The cluster is diverse and dynamic, occupied by a combination of large, well-known companies and many small start-ups that thrive on connections to post-secondary institutions in the region for talent and research, good digital infrastructures and access to venture capital. A related but distinct cluster is **digital and entertainment media** which encompasses a wide range of creative firms and activities including visual effects and animation, film and TV production, digital media, video games and other interactive media that rely on similar networks, talent and technology to create quality content.

⁹ Theo J.A. Roelandt & den Hertog, Pim. (1999). Boosting Innovation, the Cluster Approach, Cluster Analysis and Cluster-Based Policy Making in OECD Countries: An Introduction to the Theme. Paris: OECD, p. 9.

Critical to being competitive in a knowledge and information based global economy is the quality of the post-secondary element of the education services sector. Post-secondary refers to academic and advanced research programs as well as vocation and technical training programs. In Metro Vancouver, these programs are provided by the ten degree-granting institutions in the region: BC Institute of Technology, Capilano University, Douglas College, Emily Carr University of Art + Design, the Justice Institute, Kwantlen Polytechnic University, Langara College, Simon Fraser University, Vancouver Community College, and the University of British Columbia. Together these institutions provide skilled workers for key clusters. The institutions are also places of critical research and technology development, both for the use in the market and as inputs to important public policies that contribute to the region's high quality of life and sustainability. Post-secondary institutions are also an important job generator as enrollments, particularly in terms of international students, grow.

Present and future challenges

The prosperity of the Metro Vancouver region is influenced by local market, social and environmental conditions, as well as by national and global forces. The region is facing some significant short and long term challenges, including most notably deteriorating affordability, competition for land, investment in transportation infrastructure, and climate change.

Deteriorating affordability

The gap between incomes and housing costs is top of mind for many residents, employers and local governments. Most reports on housing focus on the soaring price of single detached homes in the region. But detached homes represent only one housing option in a region where townhomes and condo developments have become increasingly prominent. A recent report by

Metro Vancouver found that housing and transportation costs combined – typically the two largest household expenditures – can eat up 40 per cent of household income for owners with mortgages, and 49 per cent for renters.¹⁰ In the case of renters, who must compete for a dwindling and threatened supply of purpose-built rental units, lower income households can spend up to 67 per cent of their income on housing and transportation. Compounding the affordability burden is income: the Metro Vancouver region has one of the lowest median household incomes among major Canadian metropolitan areas. A high housing and transportation cost burden, coupled with sub-par household incomes, challenges efforts to attract and retain labour.

Competition for land

Metro Vancouver, hemmed-in by the mountains to the north, ocean to the west, and Canada-US border to the south, has a limited supply of land on which to accommodate commercial, residential, industrial, agricultural, and conservation needs. Competition for this land base is a growing issue that will become only more pronounced in coming years as the region's population and economy continue to expand. The issue is particularly problematic for industrial lands. There is unrelenting pressure on these lands for residential, retail, and commercial uses, which offer higher immediate returns on investment. A shortage of well-located industrial lands and higher land costs inhibits job growth, discourages businesses from locating or expanding in the region, decreases productivity in the goods movement sector, and puts considerable pressure on agricultural lands.

Agriculture is an important economic activity within several municipalities in the region; in addition to high value food production there are opportunities in agri-tourism to be realized. Agricultural lands are subject to constant development pressure but as recognized by the provincial Agricultural Land Reserve legislation, however,

¹⁰ The Metro Vancouver Housing and Transportation Cost Burden Study: a new way of looking at affordability. 2015.

protection of these lands ensures opportunities for future generations in food production. In all, the need for innovative and flexible land use policies is paramount to making the best use of this very scarce resource.

Investment in transportation and transit infrastructure

To accommodate the one million new residents expected by 2040, focused attention and investment will be needed to grow the region's transportation system. As experienced in the recent transit plebiscite, however, building support among funding partners and the public for major investments in transportation infrastructure is a challenging task. Renewed efforts on the part of leaders from all sectors and throughout the region will be needed to convince decision-makers of the critical need to target resources for new transit and transportation infrastructure. The efficient movement of people and goods throughout the region is both an indicator of, and a requirement for, regional prosperity.

Climate change

2015 was one of the hottest years on record across the globe.¹¹ In BC, high temperatures, limited precipitation and forest fires emerged as evidence of climatic conditions deviating from historical norms. Reducing greenhouse gases, scaling up renewable energy sources, and adapting to changing climatic conditions are the subject of international deliberations as well as the action plans of local governments across Metro Vancouver. The cost of adapting to climate change may be significant, but doing nothing is no longer an option. As Mark Carney, Governor of the Bank of England, recently said: "Alongside major technological, demographic and political shifts, our very world is changing. Shifts in our climate bring potentially profound implications to insurers, financial stability and the economy."¹²

The flip side of all of these challenges is the opportunities they create. Climate change, for example, creates new opportunities for developing innovative

and sustainable practices that reduce energy use and greenhouse gas emissions, for building more resilient systems and infrastructure, and for developing clean and renewable sources of energy. Climate change also highlights the need for agencies to work together in developing and implementing strategies. In The Netherlands, the City of Rotterdam has forged a dynamic relationship with its port authority, local businesses, industry and academic institutions under the *Rotterdam Climate Initiative*. The initiative aims to reduce CO₂ emissions and make the region of Rotterdam "climate proof".

An opportunity to plan for the future

Many metropolitan economic initiatives have emerged out of economic crisis, current or anticipated. Metro Vancouver is not in a period of crisis, but is facing challenges that, taken together, will threaten the region's long-term prosperity. The efforts of individual agencies, while important, cannot continue to be conceived and pursued in the absence of a broader strategy that recognizes the metropolitan area as the economic unit, and that builds on the strengths of the region as a whole. There is a growing recognition that purposeful dialogue involving all stakeholders is needed to consider and, ultimately, direct the region's economic growth and prosperity.

Building a collective vision will require leadership and teamwork. In the recent transit plebiscite, leaders in the public, private, civic and labour sectors pulled together to advocate for a "yes" vote on a 0.5 per cent region-wide sales tax. Though unsuccessful in its objective, the effort demonstrated a willingness and ability on the part of business and community leaders to build an alliance and to dedicate resources on an initiative that benefitted the quality of life in, and improved competitiveness of, the broader metropolitan area. This willingness to collaborate for the benefit of the region will be essential in enabling Metro Vancouver to compete against other metropolitan areas, and to achieve long-term prosperity.

¹¹ <http://mashable.com/2015/08/17/july-hottest-month-on-earth/>

¹² "Breaking the tragedy of the horizon – climate change and financial stability" Speech given at the Lloyd's of London on September 20, 2015.

3 Learning from the Past

The Metro Vancouver region is unique among prominent midsize and large metropolitan areas in North America for its lack of any strategic, regional approach to prosperity. There have been efforts in the past to cooperate on limited economic development initiatives; however, none of these initiatives succeeded for any considerable period of time. The most notable examples were the Greater Vancouver Economic Partnership (GVEP), the Greater Vancouver Economic Council (GVEC) and Metro Vancouver Commerce (MVC).

Greater Vancouver Economic Partnership and Greater Vancouver Economic Council

The GVEP was in place from 1999 to 2002; the GVEC existed, subsequently, from 2004 to 2005. GVEP was given a mandate to market the Lower Mainland (Whistler to Hope) to prospective businesses, and to develop a site selection database. GVEC was broader in its scope with a mandate to “stimulate investment and new employment in the Greater Vancouver Region by creating a clear vision and economic strategy for the Region, within a sustainability context.”

In both cases, the private sector provided leadership with some financial support, primarily, from the federal and provincial governments. Municipalities, with the exception of the City of Vancouver, were not consulted in the early stages of either effort, and were thus not engaged in developing the missions. The reason given at the time for not including municipal leaders was that their interests lay in their own municipalities rather than at the broader regional level. In both cases, the lack of buy-in from municipalities was viewed as a limitation by other potential participants.

Metro Vancouver Commerce

In 2007, the Regional Collaboration on Economic Development – Memorandum of Understanding, was developed by the Cities of North Vancouver, Surrey, Richmond and Vancouver. The collaborative initiative sought to capitalize on interest in the region being generated by the 2010 Olympics. Ultimately, the collective transformed into MVC in 2009 and added five new members: Maple Ridge, Port Moody, Coquitlam, New Westminster and the District of North Vancouver. The mandate was expanded to include the development of trade and investment programs designed to benefit the region. After the Olympics, MVC folded.

Lessons learned

The examples of the GVEP, GVEC and MVC are useful to consider in the current discussion on regional prosperity. Perhaps the most important lesson offered by these examples concerns the need for cross-sector collaboration. In each case, meaningful participation was limited – to the private sector, in the cases of the GVEP and GVEC, and to the local public sector in the case of MVC. The inability or unwillingness to “broaden the tent” to include players from all sectors is believed to be at the root of these initiatives’ limited duration and impact. Every sector – local government, business, industry, civic, academia – has an important role to play in achieving prosperity. All should be involved in developing, governing and implementing joint efforts to benefit the regional economy.

4 Examples from Elsewhere

To inform the ideas put forward in this Green Paper, prosperity and economic development initiatives from across North America were researched:

- **Greater Victoria**

Greater Victoria Development Agency is an industry led organization focused on promoting economic development in the region based on sustainability and market-based principles. This regional approach has been developed to retain and develop local talent and businesses.

- **Greater Seattle**

The Puget Sound Regional Council (PSRC) and the Trade Alliance of Greater Seattle have forged a partnership to enhance the economic vitality of the Greater Seattle metropolitan area. PSRC, the regional planning authority, provides research and analysis to

support the partnership and has developed a regional economic strategy that “lays out a comprehensive game plan to grow jobs and economic activity.” The Trade Alliance is a private sector based organization focused on attracting international interest to the region.

- **Greater Portland**

The Greater Portland Inc. (GPI) is a public-private partnership that works to shape the economic future of an area that spans two states and seven counties and to market Greater Portland to the world. GPI has organized itself to provide services that promote effective collaboration and mobilization of resource. In late 2015, GPI released *Greater Portland 2020* which is a five year action plan to achieve economic prosperity by aligning business, education and civic leaders around regional economic priorities.”¹³

Figure 3: Metropolitan Economy/Prosperity Initiatives Studied



¹³ www.greaterportland2020.com

- **San Francisco Bay Area**

The metropolitan area around San Francisco experiences robust economic growth and is the model of how new technologies and industry clusters emerge from the synergies between business and academic research. This model has been accomplished without a multi-party collaboration on issues related to prosperity or a common economic strategy. In 2014 the Bay Area Council Economic Institute engaged business leaders and other stakeholders in the development of *A Roadmap for Economic Resilience* to identify the top opportunities for securing the region's global competitiveness and economic vitality while providing for greater opportunities for the region's residents to benefit from on-going prosperity. Central to the roadmap is a recognition that the metropolitan nature of the economy requires a regional approach to addressing issues related to the labor pool, housing, job centers and commute flows.¹⁴

- **Los Angeles County**

The Los Angeles County Economic Development Corporation (LAEDC) provides collaborative, innovative and strategic economic development leadership to promote the competitiveness and prosperity of Los Angeles County which includes 88 cities and communities. This leadership comes from the expertise and counsel of business, government and education members and partners involved. In addition, LAEDC undertakes economic research and analysis, provides strategic assistance to government and business, and advocates for action in specific areas of public policy.

- **Greater San Diego**

San Diego Regional Economic Development Corporation is a nonprofit corporation funded by more than 150 companies and public partners committed to enhancing the prosperity of San Diego County. Since 1965 the SDREDC has worked to attract, retain and grow the number of businesses and good quality jobs in the more than 18 communities in San Diego County. More recently the focus has been to encourage the more dynamic local companies to engage with foreign markets, both by exporting and exploring foreign investment. The unique links to the Baja California economy and region is another part of the package.

- **Calgary Region**

Managed by an independent Board of Directors, Calgary Economic Development is a not for profit corporation funded by the City of Calgary, community partners, the private sector and other orders of government. The guide for CED is the 10 year economic development strategy for Calgary which includes a regional perspective. The connection to the 15 communities in the Calgary Region is through the Calgary Regional Partnership which is a collaboration of municipalities focused on resolving the challenges that transcend municipal boundaries.

- **Metro Denver**

The Metro Denver Economic Development Corporation (MDEDC), the first regional economic development entity in the United States, brings together over 70 cities, counties, and economic development agencies in the nine-county Metro Denver and Northern Colorado area to promote the region's prosperity. A collaborative approach to growing and diversifying the regional economy has been built on the exchange of ideas and collaboration supported by a code of ethics that supports the shared objectives. Initiatives of MDEDC are driven by the priorities identified by eight industry cluster advisory committees.

¹⁴ <http://www.bayareaeconomy.org/report/a-roadmap-for-economic-resilience>

- **Greater Austin**

Opportunity Austin is a five-year, five-county economic development initiative aimed at fostering job-creating investment in Central Texas. Launched in 2004 by the Greater Austin Chamber of Commerce, the focus was to create new jobs in the region through a variety of programs funded by the business community. The success of Opportunity Austin in the first five years has led to Opportunity Austin 3.0.

- **Greater Minneapolis-St. Paul**

Minneapolis St. Paul Region Economic Development Partnership (MSP) is a public-private partnership dedicated to promoting economic and population growth for the 16 county metropolitan area. The focus of the Greater MSP initiative is primarily to provide the rationale for businesses and talented and younger workers to relocate to the region. The Partner Council meets regularly to discuss the activities of the partnership, to coordinate regional marketing activities and outreach with Greater MSP staff, and to address regional challenges and opportunities.

- **Waterloo Region**

The Waterloo Region Economic Development Corporation (WREDC) is a new initiative, established in 2015 to foster, support and deliver a coordinated approach to enhancing the prosperity of the Waterloo region that includes seven municipalities. WREDC is funded by the participating local governments and governed by a board of 13 directors selected from the private sector. The Board is charged with implementing the 2014 Waterloo Region Economic Development Strategy that articulates the strategic directions and actions designed to strengthen “a distinct, sustainable, high performance, urban rural region.” The Strategy is the outcome of extensive public engagement process to develop a regional approach to maintaining the region’s economic growth sectors.

- **Greater Toronto**

The Greater Toronto Marketing Alliance (GTMA) is a public-private partnership that serves as the point of contact for businesses exploring opportunities in the Greater Toronto Area (GTA). The partnership brings together the 29 municipalities and regions in the GTA, other orders of government, not-for-profit organizations, and a broad cross section of private sector corporations to provide services for businesses interested in locating in the GTA. It does not have a broader prosperity agenda.

- **Greater Montreal**

Montréal International is the result of a private-public partnership. Its mission is to contribute to the economic development of Greater Montréal and enhance its international status. This includes attracting foreign direct investment, international organizations and strategic talent while promoting the competitive environment of Greater Montréal. Montréal International is a non-profit organization that receives funding from the private sector and all orders of government. Issues related to the quality of life and environment are handled through the Montreal Metropolitan Community – a public agency of the nearly 90 communities in the Greater Montreal region.

- **New York Region**

The Regional Plan Association (RPA) is a distinguished urban research and advocacy organization that has worked to improve the prosperity, infrastructure, sustainability and quality of life of the New York-New Jersey-Connecticut metropolitan region. The development of long-range plans and policies to guide the region’s growth is the cornerstone of the RPA. Since the 1920s, RPA has produced three landmark plans for the region and is working on a fourth plan that will tackle the urgent challenges facing the region, including climate change, fiscal uncertainty and declining economic opportunity. The RPA is a public-private partnership.

Detailed profiles of initiatives will be available on-line and in hard copy as a separate package.

Characteristics of initiatives studied

Mission. While the missions of metropolitan initiatives span a broad spectrum, most are focused on attracting new business and investment to the region through greater promotion of the region's economic assets and quality of life. Retention and expansion of existing businesses are also common objectives, as is workforce development. Less common are efforts aimed at improving the business climate, fostering innovation and working together to enhance the region's livability.

Services. The collection and assessment of data, the undertaking of research and the formulation of a regional economic strategy and/or cluster-based strategy constitute core activities in most of the initiatives examined. In addition, almost all of the initiatives focus considerable attention on efforts to market their regions. A majority offer some form of business advisory services, primarily targeted at site selection, as well as initiatives related to workforce development.

Governance. The most common organizational structure for regional initiatives is an independent, non-profit, member-based public-private agency. The board, in most instances, includes a diverse group of members and representatives though a few have involvement exclusively from the government or the private sector. Staffing levels in organizations examined vary from two to forty.

Funding. Most initiatives rely heavily on membership fees for funding. The board, in most instances, includes a diverse group of members and representatives though a few have involvement exclusively from the government or the private sector.



Key takeaways

The review of metropolitan prosperity initiatives points to some key lessons for Metro Vancouver. Consider the following points:

1 Commitment to region

Discussion is needed on the roles of local economic development organizations within the metropolitan area to ensure that the various efforts underway and planned complement each other. The need to promote the strengths of the region as a whole, and a recognition of the importance of a collective regional vision, are important items on which to focus the discussion.

2 Phased approach to building credibility

Successful initiatives start modestly and build the credibility needed for a broader role. Greater Portland Inc. (GPI) is a case in point. GPI formed in 2011 to focus on marketing and promotion, and to foster growth in exports and foreign direct investment. GPI's success over the first few years gave it the credibility it needed with regional stakeholders to undertake the development of a comprehensive regional economic strategy.

3 Commitment to action

Successful initiatives identify a comprehensive and strategic set of implementable, focused actions driven by a high-level vision. Commitment to the actions, in the form of stable funding and ongoing involvement, is critical.

4 Adaptability

As the economic landscape changes in a region in response to competitive, technological and social factors, the prosperity initiative must adapt.

5 Member engagement

Collaborative initiatives must ensure that members are engaged frequently and in meaningful ways. Regular engagement ensures that the initiative is on track and has the backing of key players. Most initiatives engage members through meetings of the board and committees; some hold other workshops on special topics and/or general economic summits. It is also important to align the interests of the members with those that benefit from a program or other action.

5 A ‘Made in Metro Vancouver’ Approach

This section presents a proposed model for a multi-stakeholder, regional prosperity initiative in Metro Vancouver. The model has been designed with the history, current needs and future challenges of the region in mind. It is presented, in the true spirit of a green paper, to generate discussion and debate, not to prescribe a particular course of action. Readers are asked to consider how the model may or may not meet the needs of the region, and how it might be improved.

Mission

A broad mission for the regional initiative is proposed as a starting point: **Position Metro Vancouver as a vibrant and innovative centre in which leaders from all sectors work collaboratively to achieve economic prosperity for all.** Much of the initiative’s ability to further define and to fulfill this mission will come through its role in facilitating dialogue among, and encouraging action from, partners.

Services

It is proposed that the regional initiative develop and undertake services in a phased manner, beginning with the “connectivity” of regional partners.

Connectivity

Even before the formal creation of the new entity, regional partners will see benefit from the collaboration and coordination among them in beginning to work together and discuss regional issues. In coming together, regional partners can build the relationships necessary for effective advocacy on issues of regional importance, and together leverage their individual strengths for effective action. Early discussions will help inform future steps, including determining early priority actions for quick wins.

Figure 4: Phased Approach to Service Provision by Proposed Initiative



Research and analysis

A full inventory of regional economic assets, clusters, opportunities and needs would be undertaken.

This information, which has value in and of itself, would be needed to help leaders better understand the metropolitan economy, and (ultimately) inform a regional action agenda. On an ongoing basis, a centralized base of current, reliable and useful economic data would be maintained, including:

- the distribution and dynamics of key clusters and sectors;
- identified gaps between industry requirements and existing skills in the workforce, and education offerings and enrolment;
- an evaluation of the efficacy of existing education, training and placement programs to fill workforce gaps;
- foreign direct investment levels and exports; and
- data related to innovation including research and development expenditures, patents issued, startups created, and venture capital funding levels.

Action agenda

To guide and coordinate the efforts of stakeholders, the development of an action agenda – a regional strategy with a focus on implementable actions – would be undertaken. Leaders from all sectors would come together to articulate a vision for the region, to identify priorities, and to assign responsibility for actions. The agenda would include actions to build the capacity and competitiveness of economic sectors and/or clusters as well as actions requiring multi-stakeholder collaboration to enhance the livability and sustainability of the metropolitan area.

The agenda may in fact not be a document but a process. Instead of developing a regional action agenda, Metro Denver has identified the eight important clusters that drive the metropolitan economy. The focus of Metro Denver's work is then identified by the needs and initiatives that emerge from the eight cluster advocacy groups.

What could a regional action agenda look like?

Regional economic prosperity action agendas, or strategies, reflect an understanding by stakeholders that metropolitan areas must identify and focus scarce resources on priorities in order to produce maximum benefits for all. Findings from a study of regional action agendas in other centres are described here.

Developing the agenda. Significant stakeholder input on a broad set of topics is important at the outset of the process in order to develop a common understanding of the challenges and opportunities facing the region, and to set an agreed-upon base for action. As an example, New York recently convened a broad coalition of experts and leaders for a series of discussions on various topics, from sea level rise adaptation to the future of work, in an effort to develop an integrated look at the region's natural and built environment as well as issues more directly related to economic activity.

Content of the agenda. Content typically includes a focus on the economic fundamentals of the metropolitan region – specifically, the competitive advantages and the areas that require improvement. Efforts often start with developing an understanding of existing businesses in the region and their supply chains in order to identify ancillary industries or other synergies that should be targeted. Another common focus concerns workforce development, including strategies for enhancing certain fields at post-secondary institutions and recruiting people with needed skills and expertise.

More recent prosperity action agendas incorporate a stronger focus on transportation infrastructure as a requirement for metropolitan prosperity.

Accountability for action. Some action agendas identify the strategies and actions that just the regional initiative will implement. Others, such as Calgary, Portland and Seattle, are more comprehensive and include important and related actions to be undertaken by member organizations.

Potential future services

Guided by the wishes of member organizations, additional services could be established and undertaken through the regional initiative. For example, a consistent branding and promotional strategy could be developed for the region, based on the direction set in the action agenda. The initiative would establish the brand value proposition for the Metro Vancouver region, and could develop industry-specific marketing materials. Target audiences would be identified and core messages would be crafted. Promotion efforts at the metropolitan level should complement the marketing campaigns of economic development initiatives at the local level. On-going engagement with boards of trade, chambers of commerce and municipal economic development offices would be important.

Additionally, the research into regional labour markets and skills required to maintain competitive clusters could point to the need for enhanced specialized programs aimed at workforce development and attracting investment. The challenges to livability in the region – affordability, congestion and mobility, ecosystem protection – could be addressed through strong advocacy efforts organized through the initiative.

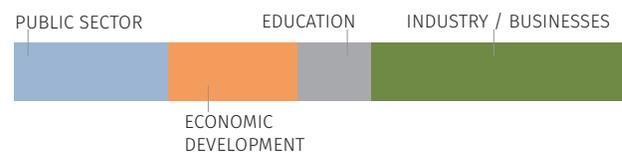
A desire on the part of local development agencies to provide advice on site selection for the region as a whole through a single point of contact could be addressed through a regional business advisory service. To further complement the work of local groups, the new regional organization could use its research expertise to identify companies within targeted clusters to develop leads and prospects, and to support business recruitment and expansion strategies. Outbound sales and recruitment trips involving member organizations could be organized. The regional organization could gather market intelligence to identify opportunities for and threats to sectors located in the region.

Governance

The proposed model is an independent, non-profit regional prosperity agency created and governed by leaders from all sectors that make up the regional economy, including business, industry, academia, civic organizations, labour and local government. A board of directors would be broad in terms of interests represented, but would also be small enough to be effective. Most board members, it is expected, would come from sectors other than government – an approach that would help to ensure that the initiative remained focused on and responsive to the needs of all groups in the economy. Board committees would provide opportunities for participation in strategy development and other key activities by a full spectrum of agencies, including civic groups.

The board's structure might resemble the composition shown in the accompanying graphic. As noted earlier, past attempts at a regional economic approach in Metro Vancouver, as well as the experiences in other metropolitan areas, have shown that it is important to have cross-sector collaboration.

Figure 5: Proposed Composition of Board



Initial staffing would be minimal. An executive director, supported by a small group of economists and business analysts would support the board in its various activities.

Funding

Similar to other successful metropolitan prosperity initiatives, funding would come primarily from member organizations. Other sources, such as grants from other orders of government, could be used to supplement money raised, but not to drive or control the initiative.

Local government may need to provide a certain amount of start-up funding to help the initiative get started. It would be important to ensure, however, that such funding remained time-limited and capped.



6 Next Steps

In the immediate future, discussions will be organized with the range of stakeholders in regional prosperity including local economic development groups, boards of trade, representatives of economic sectors and clusters, civic organizations, labour, academia and media. The discussions will explore the need for regional prosperity initiative, and will present the ideas outlined in the Green Paper. Efforts will be made to find common ground for moving forward.

In early 2016, Metro Vancouver (the regional government) will organize and host a “Forum on Regional Prosperity”. The event will bring together representatives of all sectors, along with thought leaders from the Metro Vancouver region, to discuss possibilities. The desired outcome will be some form of collaborative, regional initiative focused on positioning the Metro Vancouver region as a competitive and vibrant metropolitan economy. The exact form that the initiative takes will be up to the Forum participants.



metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

JUNE 2017