



Building the Next Metropolitan Centre

Realizing Surrey's Economic Opportunities

The City of Surrey Economic Strategy
2017-2027





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City of Surrey Economic Overview



PROGRESSIVE ECONOMIC POLICIES AND GROWTH

- 2nd lowest municipal tax for business in Metro Vancouver
- 3,000+ new businesses added in 2016
- Over \$13.7 Billion worth of new construction in the past 10 years
- Over 19 Million Square Feet of commercial and industrial space added in Surrey from 2006-2016



DYNAMIC DEMOGRAPHICS

- 2nd highest population in BC with 10.6% growth rate; poised to become the highest by 2041
- 1/3rd population 19 years of age or less
- 100+ languages spoken
- 40% of Surrey's population is comprised of immigrants



EDUCATION AND RESEARCH CAPABILITIES

- Over 20,000 students enrolled at Simon Fraser University and Kwantlen Polytechnic University Surrey campuses receiving education and training in fields including mechatronics engineering, computing science, business, health, interactive arts and technology
- 120 Faculty of Medicine students trained at the University of British Columbia teaching hospital located within Surrey Memorial Hospital
- Dedicated research and testing capabilities at Innovation Boulevard, Foresight Cleantech Accelerator, Powertech Labs and Surrey Memorial Hospital



GLOBAL CONNECTIVITY

- 2 international airports within 45 minutes
- Home to the largest modern, multi-purpose marine terminal on the West Coast of North America with convenient access to Port Metro Vancouver
- Direct access to major east/west and north/south highways
- 2 international United States border crossings
- Short (40 minutes) Skytrain commute from Downtown Vancouver to Surrey City Centre



RECOGNITION

- Twice named '*Top 7 Intelligent Communities*' by the New York-based Intelligent Community Forum
- '*Top 10 mid-sized cities for Business Friendliness*' by Financial Times' fDI American Cities of the Future
- '*Top 10 mid-sized cities for Connectivity*' by Financial Times' fDI American Cities of the Future
- '*Best Place for Small Business in Metro Vancouver*' by Vancity Credit Union

Strategic Overview



Building an economy that will transform Surrey into the region's next metropolitan centre will be founded on four key pillars: investment attraction, creating an innovation economy, building distinct and competitive business communities, and job creation & workforce development.

A SOLID FOUNDATION

Surrey is growing fast and, as an organization, The City of Surrey has made it a priority to build a strong foundation to facilitate sustainable, but rapid economic growth. Our commitment to date includes the following actions:

- The City of Surrey is committed to becoming a **regional nexus for commerce** and a nationally-recognized **centre for innovation** over the next decade.
- Over the past year, the City and its partners have **invested over \$1 Million** into developing new programs and laying down the foundations for the future.
- Surrey is currently home to over 18,000 businesses with 2,000-3,000 new businesses each year.
- Over the past 5 years, over **\$285 Million has been invested into long-term innovation** programs, university research and infrastructure in Surrey.

Our institutional and industry partners in this metropolitan transformation include Simon Fraser University (SFU), Kwantlen Polytechnic University (KPU), Fraser Health Authority (FHA), Powertech Labs, Foresight Cleantech Accelerator Centre, BC Innovation Council (BCIC), the Province of BC, and the Government of Canada.



SECURING OUR FUTURE

Transformation into a metropolitan centre will unlock new opportunities for local residents and businesses. From new well-paying jobs to the ability for entrepreneurs to realize their dreams in Surrey, the City will stimulate growth through strategic infrastructure investments and the deployment of innovative new programs including:

- The City of Surrey will create a vibrant business ecosystem that catalyzes the development of jobs, investment, entrepreneurship and innovation.
- Between 2017 and 2026, approximately **40,000 direct, indirect, and induced jobs** with a GDP impact of \$4 Billion can be achieved through a **proposed minimum \$5.0 Billion dollar partnership** spend into smart municipal infrastructure, including light rail transit.
- In a high growth scenario, **36,200 jobs can be created by 2025 at an annual growth rate of 8% by growing Surrey's priority sectors** including advanced manufacturing, clean technology, health technology, agri-innovation, and creative arts.
- As the City Centre builds out, the **City of Surrey will invest over \$40 Million into public amenities and parks** to create a vibrant core for residents and visitors to live, work, and play.
- **\$16.8 Billion worth of building development opportunities** in Surrey can be created over the next 10 years.
- **Surrey currently has 38% of the region's available industrial land base.** Significant opportunities exist to leverage our employment lands to shape the regional economy.
- **Five investment opportunity areas**, including entertainment/ lifestyle, digital and Information, Communications Technology, Smart Cities, Transportation & Logistics, as well as Research & Development were identified as priority opportunities for Surrey
- The City of Surrey Economic Development Division will **make 500 Surrey-based business visits over next 3 years** to introduce them to capacity building, innovation, and government service programs.
- This strategy will support four programs to facilitate Surrey's metropolitan transformation: **Invest Surrey & Partners, Innovation Boulevard, SparkBIZ Surrey, and a Labour Market Partnership initiative.**

Our Values and Guiding Principles

The City of Surrey's core values guide how we do our work and are fundamental to the relationships we are building with those we serve:



This Economic Strategy also includes core principles that are foundational to each program and initiative referenced in this document:

| | | |
|----------------------------|-----------------------|---------------------------------|
| Economic Resiliency | Transformative | Capacity Building |
| High Visibility | Evidence-based | Collaborative Leadership |

Part 1: Building North America's Next Metropolitan Centre

Vision

The City of Surrey will become the regional **nexus for commerce** and a nationally recognized **centre for innovation** within the next decade.

Mission

Create a vibrant business ecosystem that catalyzes the development of **jobs, investment, entrepreneurship and innovation** within the City of Surrey and facilitates a metropolitan transformation.

HIGHLIGHTS

- Surrey is set to become the most populated city in British Columbia over the next 30 years as 250,000 people from around the world seek to make a new life in one of the youngest and most culturally diverse cities in Canada.
- Surrey is a city in transition with approximately 1,000 new residents every month and accounts for approximately 30% of Metro Vancouver's growth.
- Transforming into a metropolitan centre creates new opportunities for businesses and a higher quality of life for local residents. Inbound talent migration from across the region is also increasing to realize well-paying job opportunities in Surrey.
- The City of Surrey is prepared to leverage modern environmental, social, and technological megatrends to position Surrey as a progressive future-oriented metropolitan centre.
- Surrey's metropolitan identity can be characterized by its young and diverse population, emergence as a commercial and transaction hub, and recognition as a progressive smart city.



A CITY IN TRANSITION

Surrey is a rapidly growing and dynamic community in transition, striving to maintain a balance between its agricultural heritage and its evolution as a dual metropolitan centre (with Vancouver). With a population of over 517,887, Surrey is set to become the most populated city in British Columbia over the next 30 years as 250,000 people from around the world seek to make a new life in one of the youngest and most culturally diverse cities in Canada.

Situated strategically within Metro Vancouver, Surrey accounts for more than 30% of the region's growth, in terms population as well as in industrial and commercial development. Surrey is at a critical crossroads. It is developing a distinctive metropolitan identity that is more than the individual impact of each of these growth factors.

The city's geographic size and diverse population are strong assets that can be harnessed to meet the needs of all residents, while addressing the challenges that inevitably arise in the transition from a bedroom community to a thriving metropolitan centre. The opportunity is here to build a sustainable city where residents live, work, play and enjoy a high quality of life. However, for this vision to become a reality, Surrey must adopt a forward-thinking mindset to ensure that the civic infrastructure and the economic base support the city's diverse communities and accommodate the rapidly growing population. The City of Surrey is rising to these challenges with confidence and is proving to be an innovative leader with a realistic and positive approach to tackling complex issues. In fact, Surrey was recently named as one of the Top 10 American Cities of the Future for business friendliness and connectivity by fDI Intelligence.

A fundamental shift is occurring in the region. One of North America's newest Metropolitan centres is rising from the ground here in Surrey. In the same way as Bellevue is to Seattle and Mississauga is to Toronto, Surrey is becoming a key economic core and population hub in its own right, not merely an addendum to Vancouver. For the first time in its history, instead of being purely a net exporter of talent, Surrey is increasingly drawing talent from across the region and beyond to fuel its economic growth. This is being driven by the rapid influx of people – from immigration as well as from in-migration from surrounding rural population centres.

DEFINING THE MODERN METROPOLITAN CENTRE

Metro Vancouver unanimously endorsed Surrey and Vancouver as the region's two metropolitan centres in 2011. The next phase of Surrey's transformation will be a focused effort to shape its economic competitiveness and distinctive identity as a metropolitan centre. Significant private sector investment and partnership opportunities will be harnessed to generate wealth and prosperity while providing much needed capital to move this vision forward. This entails more than just rapidly densifying the city core. It must also take into consideration ways to enhance the distinctive character of each of the City's six business communities.

According to research conducted by the SECOR group, seven key factors contribute to the make-up of a dynamic metropolitan centre (Figure 1).



Figure 1: Major development factors in the most dynamic metropolitan areas. *Source: Literature review, SECOR Consulting.*

These factors are interdependent, creating synergies that increase the city's social vibrancy and economic competitiveness. While Surrey has begun the journey and has made substantial investments toward building this vision, including a commitment to build a Light Rail

Transit system connecting our communities to the rest of the region, there is more to be done to attract capital and talent into "the city of cities" and harness Surrey's diversity into a thriving metropolitan centre.

This economic strategy highlights four strategic priorities and objectives to support Surrey's transformation into a distinctive and vibrant metropolitan centre:



1. Attract Investment to Transform Surrey

Objective: To identify and unlock investment opportunities that will accelerate Surrey's metropolitan transformation over the next decade



2. Grow Surrey's Innovation Economy

Objective: To transform Surrey into a nationally recognized centre for innovation over the next decade



3. Build Distinct & Competitive Business Communities

Objective: To increase the market competitiveness of individual Surrey-based businesses and build the distinctiveness of each of Surrey's six business communities



4. Create Jobs and Develop our Workforce

Objective: To create one job per resident worker through retention, attraction, and development of Surrey's workforce over the next decade



WHAT DOES METROPOLITAN TRANSFORMATION MEAN FOR:

Surrey Residents

- More live, work, and play opportunities across the City
- More investment into arts and culture, as well as green space
- New well-paying employment opportunities closer to home
- More transit options, such as rapid transit and enhanced bus services
- More affordable housing options

Surrey Businesses

- Increased ability to attract skilled workers to support business growth
- Vibrant areas to conduct business and increase foot-traffic in commercial/retail centres
- Ability to build new business partnerships and access new options for financing
- Easier access to existing and new global market opportunities
- Modern smart infrastructure
- Enhanced government programs to support business innovation, growth, and expansion

GLOBAL MEGATRENDS SHAPING CITIES

Surrey has unique opportunities to exploit current megatrends as a way to position itself as a progressive and future-oriented metropolitan centre. Unlike older established urban cores that are expensive and challenging to retrofit, Surrey's relatively young economic foundation makes it easier to future-proof its core smart infrastructure. This opens up design and economic development opportunities that can rapidly take advantage of catalysts and innovations that can define Surrey's urban way of living in the 21st Century (Figure 2).



Figure 2: Emerging global science, technology and innovation trends influencing economic growth. Source: Delphi Group 2017.

Many of these trends and catalysts are enabled by the proliferation of digital technologies which are rapidly and fundamentally altering the economic and social landscapes. For example, disruptive apps such as AirBnB and Uber are becoming increasingly popular around the world as they facilitate competitive and often more

affordable options to existing market offerings. On the other hand, while the deployment of these innovative technologies seems inexorable, from the vantage point of city planning, the disruption of traditional industries needs to be a managed process.

SHAPING SURREY'S METROPOLITAN TRANSFORMATION

Table 1 highlights some key trends that will have an impact on Surrey's transformation into a metropolitan centre.

| | Trend | Potential Impact |
|--|--|--|
| Economic Trends | | |
|  | Industry 4.0 and robotic automation | Increased need to train and retrain the workforce in existing industries |
| | Rise of the sole-preneur and mobile businesses | Increased demand for flexible workspace to accommodate the workforce trends of the future |
| | Modern nationalism and the proliferation of economic protectionism | Increased need to support businesses explore new market access opportunities |
| Environmental Trends | | |
|  | Increasing risk of climate change | Increased need for sustainability-related education |
| | Decreasing cost of clean technology deployment | Increased need to understand the return on investment between competing technologies |
| Social Trends | | |
|  | Extensive migration of populations into cities | Increased demand for public transportation like LRT and meaningful local employment |
| | Aging population | Increased need for health care solutions and senior services |
| | Rising housing costs | Increased need for innovative affordable housing solutions |
| Technology Trends | | |
|  | Cities becoming a platform to showcase local technology | Increased opportunities for technology pilots in civic facilities and assets |
| | Increased speed of deployment of disruptive technologies into the market (e.g. sharing economy apps) | Increased need to support traditional industries understand how to adapt to new technologies |
| | Internet of things and the connected resident | Increased demand for broadband internet and related infrastructure |

Table 1: Key trends that can impact Surrey's transformation into a metropolitan centre.

INVESTING IN SURREY'S METROPOLITAN IDENTITY

The results from the 2016 National Household Census reaffirm Surrey as one of Canada's fastest growing cities with approximately 1,000 new residents per month choosing Surrey as their primary place of residence. Having over 38% Surrey's workforce coming from outside the City makes it a significant driver of regional employment. The City has also maintained a competitive business/industrial tax policy to support business growth, making it the second lowest in the region for the past decade. Beyond having readily accessible talent, a competitive tax regime, and rapid growth, Surrey's identity is also shaped by its strategic geographic location for business growth, being a cornerstone of Canada's Asia-Pacific Gateway, investing progressively into smart cities technologies and innovations, and its youthful and diverse population.

A Strategic Beachhead and Transaction Hub

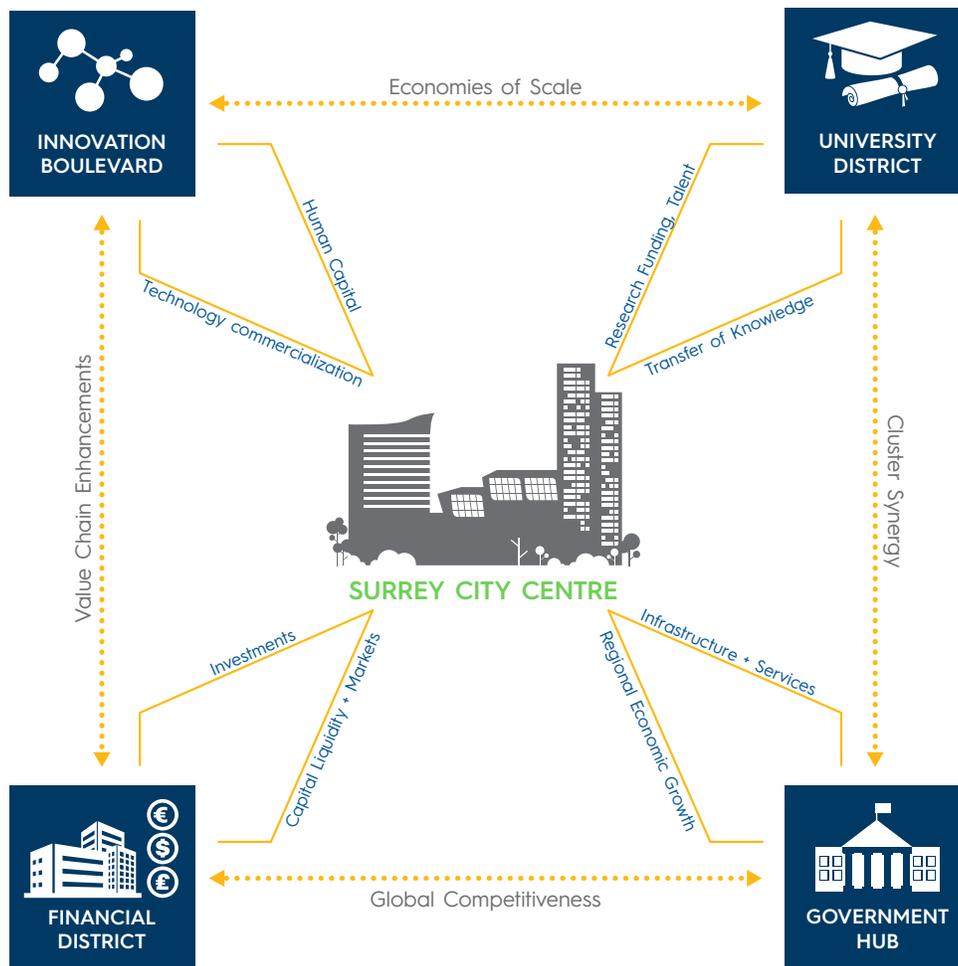


Figure 3: Four pillars that are shaping Surrey City Centre into a transaction hub.

Major strategic investments, such as the relocation of Surrey City Hall to Surrey City Centre, as well as the development of the Civic Hotel, Surrey's first luxury hotel, are finally coming to completion in 2017, making the first phase in Surrey's journey toward realizing its position as a metropolitan centre. Phase 2 of the transformation of the City Centre area will be marked by a focused effort to shape the area into a regional transaction hub and

strategic beachhead for major firms to expand their services and offerings into growing nascent markets, such as the Fraser Valley, as well as lucrative markets in the United States through Washington State.

Surrey's transaction hub is built on four key pillars that are driving the area into a vibrant place to do business (See Figure 3).

“ We work on major projects all around the world, including cities like Hong Kong, Washington DC and London, but our work in Surrey has in many ways been the most gratifying for us. This is in no small part because of the enthusiasm and energy of the Surrey community and being able to see the positive effects our work is having first hand. ”

- Michael Heeney, Principal, Bing Thom Architects



Financial District

The establishment of a number of credit union headquarters in Surrey, as well as a significant regional presence of major firms like TD Canada Trust and PwC is building the area into a financial district. All of these firms share one thing in common; they are strategically using Surrey City Centre as a beachhead for growing their businesses into the Fraser Valley market, while being connected to the rest of Metro Vancouver. This shift is driving an increased volume of financial transactions within the Surrey City Centre.

University District

With SFU Surrey’s new Sustainable Energy & Environmental Engineering building and KPU’s 3 Civic Plaza campus, the commercialization of technology and activities related to the transfer of knowledge are increasingly being facilitated in Surrey City Centre.

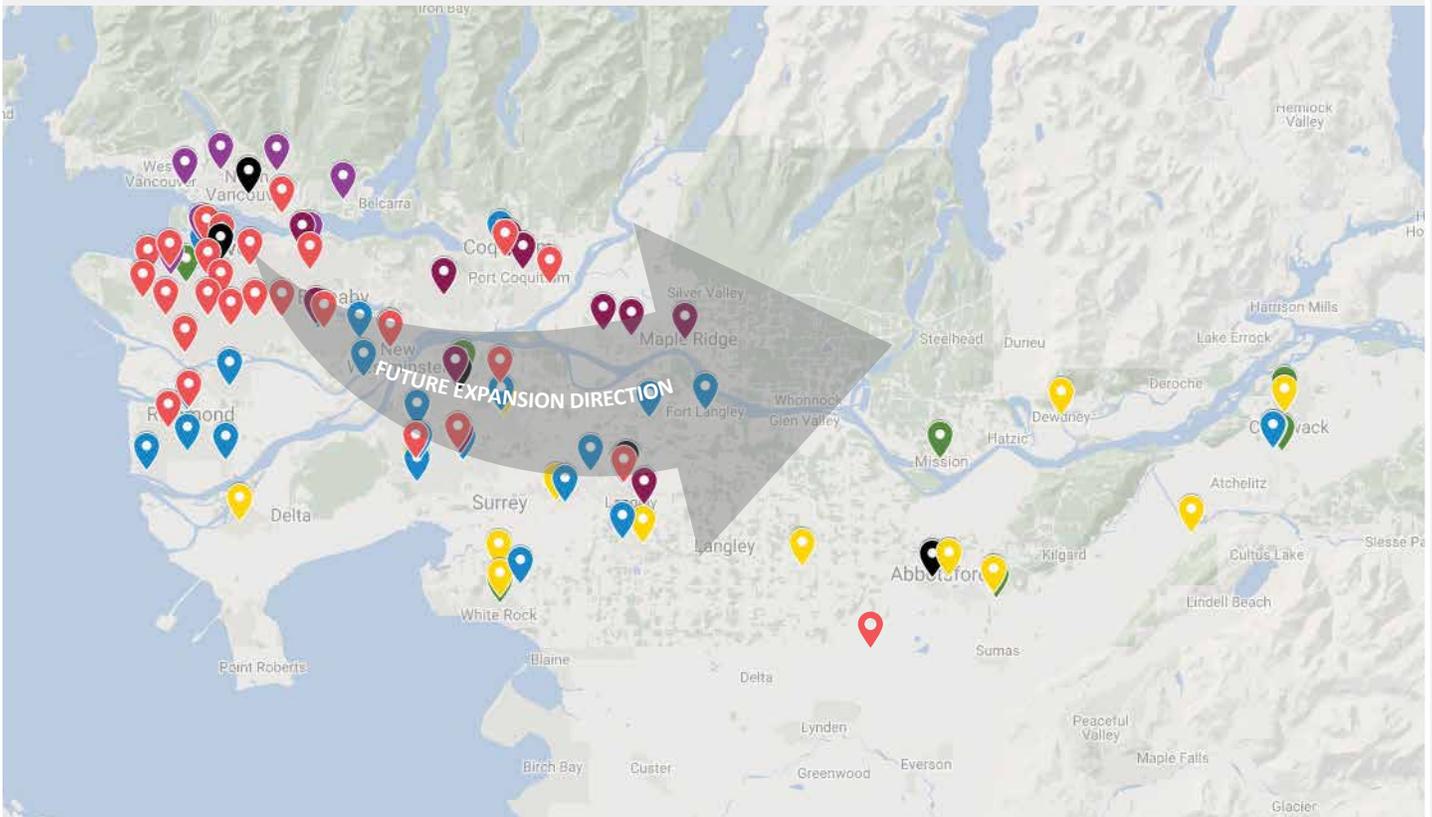
Government Hub

The presence of Surrey City Hall and the Canada Revenue Agency located centrally in the City Centre area is increasing the volume of government services being transacted nearby.

Innovation Boulevard

An agile partnership between the City of Surrey and Simon Fraser University, Innovation Boulevard is anchored in Surrey City Centre with a mandate to grow healthtech innovation and commercialization. Recently, Innovation Boulevard became Western Canada’s only health technology accelerator, supporting innovators from across the province through BCIC’s Venture Accelerator Network. Plans also exist to expand Innovation Boulevard’s support to include other key sectors, including clean technology and smart cities technologies, in the near future.

CASE STUDY: SURREY AS A STRATEGIC BEACHHEAD AND TRANSACTION HUB



As the financial sector moves eastward and establishing in Surrey, so are associated industries such as professional services firms like PwC, and financial technology companies such as Temenos and FINCAD.

Growing retail and business clients is essential for financial institution success, and fierce competition characterizes the existing market for financial services. While the majority of the Metro Vancouver market has been saturated by the “Big five banks” and other credit unions, branch growth has been comparatively slower in the South Fraser region until now. However, over the past five years, credit unions and financial institutions that have traditionally operated in Metro Vancouver have gradually begun expanding eastward using Surrey City Centre as a strategic beachhead into the Fraser Valley market where population growth is expected to happen.

Not only has there been an increase in credit union branches within the region, Coast Capital Savings and Westminster Savings have recently both established their corporate headquarters in Surrey’s financial district. In 2016, Vancity Credit Union also absorbed 12,500 sq ft in additional office space within the district to expand its operational functions within Surrey.



A GATEWAY TO INTERNATIONAL MARKETS

Surrey is a port city. Being home to one of the largest marine terminals in North America, as well as two of Canada's busiest land border crossings, Surrey facilitates bilateral trade between Canada and the US, as well as to Asia-Pacific markets. In fact, most of Canada's bulk agri-products grown in the Canadian prairies that are exported to Asia are transported through Fraser Surrey Docks with commodity trading firms locating nearby in Surrey City Centre.

Bilateral trade opportunities in Surrey are not restricted to the movement of goods. The signing of a Memorandum of Understanding between the governments of British Columbia and Washington State to establish the two jurisdictions as the **Cascadia Innovation Corridor** has established Surrey as the physical urban gateway between the two thriving jurisdictions. Cross border fibre optic connection opportunities

exist to increase the volume of data that can be transmitted between the two jurisdictions, which would facilitate greater integrations between the two economies. It's not just data; the power substations in Newton are also responsible for transmission of BC clean electricity into the US market.

Surrey and neighbouring US cities, like Redmond and Seattle, are already working together on collaborative efforts to advance knowledge sharing opportunities between cities, which can create new opportunities for local firms to access American markets.



A SMART & INNOVATIVE CITY

The City's commitment to become a smart city has already been recognized internationally. The New York-based Intelligent Community Forum has twice recognized Surrey as one of the world's **Top 7 intelligent communities**. To guide smart cities activities in Surrey, the **Smart Surrey Strategy** provides a vision that identifies four key areas of action including:

- 1. Social Engagement & Community**
- 2. Economic Growth**
- 3. Service Delivery Innovation**
- 4. Smart Cities Infrastructure**

To fulfill the City's commitment to these strategic areas, the City has invested in some of the region's most modern and sophisticated smart infrastructure. However it's not just about technology; it's also about the culture that the City prides itself in terms of being innovative and leading edge. The physical manifestation of this innovative culture is through the careful thought and decisions that have been made by the Mayor and Council and City staff to deploy solutions that best meet our residents' and businesses' needs.

Our investments into smart cities initiatives also catalyze investment from the private sector as part of innovative partnership models. Projects, such as Surrey's new organic biofuel facility, were only possible through a public-private partnership (P3). Light rail transit in Surrey will be another P3 opportunity as the project takes shape.

Leading Edge Smart Surrey Initiatives

- North America's first fully integrated, closed-looped, waste management system at the Biofuel Processing Facility
- North America's leading Traffic Management Centre utilizing a suite of Intelligent Transportation System applications, including over 400 traffic cameras, to actively manage the City's vast road network.
- State-of-the-Art District Energy System that utilizes renewable low-carbon energy sources and, by 2045, is expected to connect over 25 Million square feet of new development
- Forward-looking Broadband strategy that places Surrey among the leading North American cities for broadband connectivity and fibre infrastructure



LEVERAGING SURREY'S YOUTHFUL DEMOGRAPHIC AND BROAD CULTURAL DIVERSITY

Surrey's young and diverse population creates new opportunities for the City.

Our strategic intelligence suggests that businesses looking to establish operations in Surrey are often attracted to the city's unique demographic advantages. Having approximately one-third of Surrey's population under the age of 19 creates opportunities to provide business solutions to a large and energetic youth population who readily embrace the technological advances that are accelerating the rate of societal transformation, and who are looking to the City to plan, and react quickly to these changes.

Where other jurisdictions in the region are facing an aging workforce, our young population is also our future workforce. By working with our local school districts and post-secondary institutions, we can prepare them for future employment opportunities to help grow Surrey's economy.

The city's ethnic diversity also offers a strategic competitive advantage. For example, the large multicultural community provides

significant opportunity to promote the celebration of diversity, and enables the establishment of cultural business clusters across the City. The **Central Newton Cultural Commercial District**, along 128th Avenue in Newton, is a prime example of a distinctive cultural cluster that has become an established economic hub for local residents and visitors.

Part 2: Advancing Our Metropolitan Transformation

This strategy will focus on four priority areas. Each area is actioned through separate flagship programs that will support economic growth and metropolitan transformation in Surrey.

| <i>Attracting Investment to Transform Surrey</i> | <i>Growing Surrey's Innovation Economy</i> | <i>Building Distinct & Competitive Business Communities</i> | <i>Creating Jobs & Developing Our Workforce</i> |
|---|--|--|---|
| Flagship Programs | | | |
|  INVEST SURREY & PARTNERS | INNOVATION BOULEVARD |  SPARKBIZ SURREY | <i>Labour Market</i> PARTNERSHIPS |
| Key Program Activities | | | |
| Online Market Information & Analysis | Innovation Challenges | Capacity Building Programming | Retention Strategies |
| Investor Relations | Technology Accelerators | Value Chain Initiative | Attraction- Labour Mobility |
| Business Infrastructure Inventory | Innovation Ecosystem | Strategic Town Centre Positioning | HQP/ Skills Development |
| NEXUS Program | Sector Development | BIA/ Chamber Secretariat | Immigration-Local Immigration Partnership (LIP) |
| Strategic Partnerships | Culture Building Initiatives | Government Services Concierge | |
| Conferences & Events | Tech Meetups | | |
| Site Selector Tool | | | |



Objective

To identify and unlock investment opportunities that will accelerate Surrey's metropolitan transformation over the next decade.

Flagship Program



**INVEST SURREY
& PARTNERS**

Part 2.1: Attracting Investment to Transform Surrey

HIGHLIGHTS

- Over the next decade, more than \$5.0 billion worth of investments will be made in smart cities infrastructure, generating upwards of 40,000 direct, indirect, and induced jobs.
- \$16.8 Billion worth of building development opportunities in Surrey can be created over the next 10 years.
- Five investment opportunities were identified as priority opportunities:
 - Entertainment/Lifestyle,
 - Digital and Information, Communications Technology,
 - Smart Cities,
 - Transportation & Logistics, and
 - Research & Development/Innovation.
- Invest Surrey & Partners will be established as the City's investment attraction platform and will promote Surrey's investment opportunities to the world.
- New initiatives, such as the NEXUS development process improvement program and the advanced site selector tool, will increase the City's business friendliness.



Key Program Activities

Online Market
Information & Analysis

NEXUS Program

Investor Relations

Conferences & Events

Business Infrastructure Inventory

Site Selector Tool



OPPORTUNITY RICH & INVESTMENT READY

Over the next decade, the City of Surrey, with its partners, are projected to invest over **\$5.0 Billion** into smart infrastructure and community amenities. The goal is to create a liveable and vibrant city and become a prime investment-ready community that can create 40,000 new direct, indirect, and induced jobs. From the upcoming Light Rail Transit system to the new civic facilities across Surrey, we understand that civic investments mean more than infrastructure spending; they also create economic spin-offs for the community. Private sector participation is not only welcome, but essential to Surrey's metropolitan transformation - from transit-oriented development projects around future LRT stations, to the build out of advanced data hubs that will attract companies increasingly reliant on the digital economy, there exists opportunities for private sector participants to invest in Surrey.

It isn't just the City that is making significant investments into transforming Surrey into a competitive location. By demonstrating leadership through strategic infrastructure investments, the City is attracting support from public institutions and private sector organizations alike.

For example, as a part of the City's Broadband Strategy, Telus invested \$250 Million to deploy a gigabit-enabled fibre optic network across the city, which will see over 90% of Surrey's residents and businesses access reliable broadband internet.

SFU and KPU have also both made strategic investments by establishing campuses in Surrey City Centre. Their expansion has, in turn, attracted a number of companies to relocate their headquarters to Surrey.

The recent clustering of six financial institution headquarters in Surrey City Centre is not only building out the City's financial district, but also attracting further investment and business interest from the financial sector. Financial technology firms such as FINAD and TEMENOS (SWX: TEMN) have created a significant presence around this hub.

These are just a few of the industries that are finding Surrey to be a strategic location.



“

We are headquartered in Surrey City Centre, which allows us to focus both on our national expansion as well as be a leader in Surrey's robust financial district.

”

- Don Coulter, President & Chief Executive Officer, Coast Capital Savings

Investment into Surrey's economy doesn't just flow from sources within Canada. In fact, as a port city, significant foreign direct investment dollars are adding to the local economy and providing a range of benefits to the city, including:

- New employment and business opportunities
- Effective utilization and maximization of local resources
- A more resilient local economy
- Access to new markets and supply chains
- Expansion of local capacity and skills
- Economic diversification and transformation

The City is developing strategies that will attract investment and shape its economic transformation as the second metropolitan centre in the region. These strategies also help the City identify which investment opportunities to prioritize in the short, medium and long term. Three key strategies are discussed in more detail below:

- 1. Establishing priority investment opportunity areas**
- 2. Creating an investment attraction platform**
- 3. Hosting conferences and events to promote investment opportunities**

ESTABLISHING PRIORITY INVESTMENT OPPORTUNITY AREAS

The City has identified a number of priority investment areas that have the potential to consolidate our position as a metropolitan centre. These investment areas were recently researched through a City-commissioned report, identifying market-driven opportunities that will add to Surrey’s competitive advantage for attracting follow-on investments and industry clusters. These opportunities and synergistic initiatives occur at the intersection of technological, demographic and real estate trends (Figure 4).

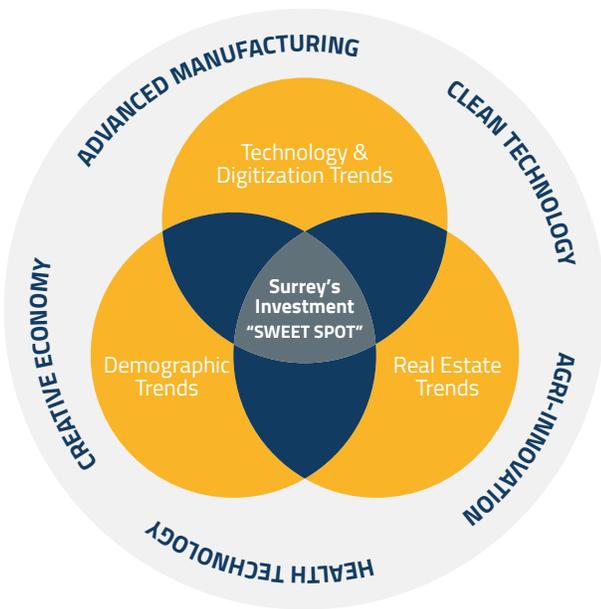


Figure 4: Surrey’s investment attraction opportunities exist at the intersection of technological, demographic, and real estate trends.

The City has established the following criteria for assessing high-impact investment opportunities:

1. Strengthens Surrey’s economic resiliency to market fluctuations
2. Attracts major employers and talent into the City
3. Provides well-paying and meaningful employment opportunities to Surrey residents
4. Increases business vibrancy and maximize Surrey’s existing competitive advantages
5. Provides products and services that increase Surrey’s quality of place, as well as the quality of life for residents
6. Future-proofs traditional industries and stimulates the creation of new clusters
7. Adds to the distinctiveness and competitiveness of the business community they are located

Five key investment attraction opportunity areas have been identified through research:

Priority Investment Attraction Opportunity Areas



**Entertainment/
Lifestyle**



**Digital
Information,
Communication
Technology**



**Smart Cities
Infrastructure**



**Transportation
& Logistics**



**Research &
Development/
Innovation**



Entertainment & Lifestyle Businesses

The City of Surrey has one of the largest populations of youth in the Metro Vancouver region with an increasing number of millennials. This young demographic is demanding more options, especially when it comes to entertainment and dining experiences. Many people in Surrey currently resort to going into downtown Vancouver or elsewhere in the region to satisfy their entertainment needs. Significant opportunities exist to develop an **Entertainment District** in Surrey that could provide a variety of experiences to various demographic cohorts, not just within Surrey, but also for other communities south of the Fraser River. New forms of entertainment include:

- Cinemas with VIP and 4D experiences
- Experience rooms (Virtual Reality, Escape, etc.)
- Brewpubs & micro-distilleries
- Performing arts centres
- Interactive arts museums
- Unique dining experiences
- Live music and dance venues
- Spectator arenas & conferencing venues
- Major sports and fitness establishments
- Film production studios

Strategic Opportunity Analysis:

In 2017, the North Surrey Arena will be rebuilt in Bridgeview near Scott Road Skytrain Station. The future increase in activity in this area presents a prime opportunity for investment into the establishment of an entertainment and sports district with ready access to Skytrain, which could draw people from across the region, as well as from the densifying Surrey City Centre area. Two additional opportunity areas are the potential redevelopment of the Cloverdale fairgrounds, as well as the attraction of cultural assets into the Central Newton Cultural Commercial District.

CASE STUDY: INVESTING IN A VIBRANT CITY CENTRE NEIGHBOURHOOD



Our vision is for Surrey City Centre to become a catalyst for major employment, services, higher-density housing, commercial, cultural, entertainment and institutional activities. City Centre will also be home to a diverse population, including new immigrants & established residents, young professionals, families & children, youth, and seniors. In fact, by 2031, it is anticipated that the City Centre population will rise to 65,000 residents and there will be 36,000 workers in the area. One of the key features of the area is its central location and connectivity to the region through the skytrain network, Frequent Transit Network (FTN) bus routes, as well as future rapid transit in Surrey.

However, it isn't all about financial investments that will transform Surrey City Centre into a vibrant area for people to live, work and play. The **Surrey City Centre Plan** outlines our vision for the area. Designs for improved walkability, livelier streets, parks, plazas, and green spaces are all core elements of the plan, created through years of consultation. While creating a commercial urban core will significantly shape the identity for the area, smaller distinct neighbourhoods around the core will contribute to the unique tapestry of Surrey City Centre.

To support this vision of a vibrant City Centre, the City of Surrey will invest over \$40 Million into public amenities and 10 new parks in the area. Additionally, plans to relocate the Interactive Arts Museum from Bear Creek Park to City Centre are underway, which will further enhance the variety of things to do for residents.



Digital and Information, Communications Technology (ICT)

Businesses are increasingly reliant on digital technologies, with high speed broadband internet becoming an essential part of business success. In fact, in some instances, the ability of a business to readily access its secure data centre is an important part of its site selection criteria. With the growing demand for digital and ICT infrastructure due to an increasingly mobile workforce south of the Fraser, significant opportunities exist for Surrey to become a hub for digital services. Multiple service providers have expanded the local WiFi network in Surrey, enabling thousands of hotspots for customers over the past few years. Potential areas of Digital and ICT investment include:

- Data centres, colocation centres, and carrier hotels
- Regional and cross-border fibre optic connectivity
- Wireless connectivity
- Internet exchanges
- Industry 4.0 industrial automation & robotics

Strategic Opportunity Analysis:

Surrey is the gateway to British Columbia and Canada for the Pacific American States within the Cascadia Innovation Corridor. Skydance Studios, for example, is one business that requires the transmission of large volumes of data through this corridor to complete its films. There is already an increasing volume of data and information being transmitted throughout the corridor and this makes areas like Campbell Heights and the South Surrey area ideal locations for data centres and associated digital infrastructure.



Smart Cities Infrastructure

Building Surrey into a modern state-of-the-art metropolitan centre can only be done with participation from private sector investors. In fact, the deployment of modern technologies is enabling new business models to be unlocked and ventures to be formed. From next-generation, privately-operated, clean energy vehicle charging stations to mobile-enabled advertising platforms using beacon sensor technologies, the possibilities are expanding.

Public private partnerships opportunities also exist with major infrastructure projects in Surrey. The City's Organic Biofuel facility is an example of a public-private partnership (P3) with Orgaworld that will see North America's largest facility of its kind being constructed. Other emerging opportunities such as Light Rail Transit (LRT) and increasing the available affordable housing stock across the City will also unlock potential P3 opportunities for investment. Key smart cities infrastructure investment opportunities include:

- Light Rail Transit
- Clean energy vehicle charging stations (EV, Hydrogen, Natural Gas, etc.)
- Smart mobility and traffic management
- Affordable housing & rental properties
- Green buildings
- Smart LED sensor technologies
- Smart utilities & renewable energy

Strategic Opportunity Analysis:

Unlocking multi-modal transportation options in Surrey will create unique business and investment opportunities. The South of Fraser Rapid Transit Network is a two-phased project that will see 27-km of high-quality, street-level light rail transit transform Surrey into connected, complete and liveable communities. This project will not only create P3 investment opportunities, but will also create transit-oriented development opportunities for sustainable densified communities adjacent to the LRT network. Over time, this increased population will create demand for new retail and commercial businesses localized to the communities connected through the system.



Transportation & Logistics

Surrey is a port city at the epicentre of Metro Vancouver and the Fraser Valley, with superior access for global trade by road, rail, air and sea. However, while we are seeing an increasing volume of goods being moved through the City each day, the nature of how we trade is changing. Automation and robotics technologies are projected to reduce operational costs by 3.6% per annum, which is seen as a motivator for the development of new businesses and business models.¹ Additionally, new business models, such as Amazon Prime's one-day shipping commitment, will have a significant impact on how future businesses will need to operate if they are to remain competitive.

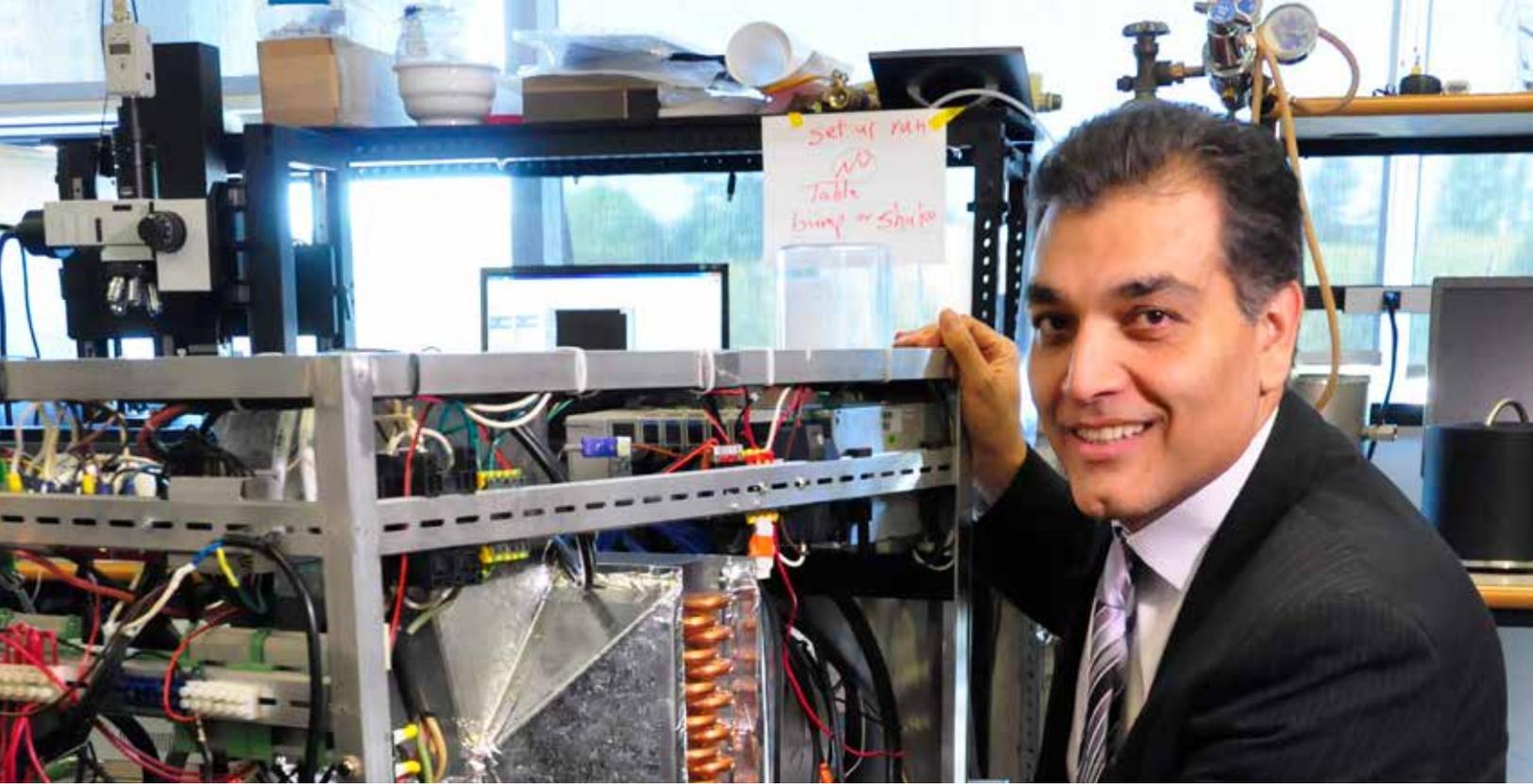
Potential transportation & logistics opportunities include:

- Centralized warehousing for international and domestic goods distribution
- Drone-ports
- Car sharing & autonomous vehicles
- On-demand 3D printing manufacturing
- Integrated logistics & customer support hubs

Strategic Opportunity Analysis:

Effective transportation and logistics operations require quick access not just to communities in Surrey, but also to the entire region. Cloverdale is the most centrally located community in Surrey and contains a number of industrial development opportunities to accommodate next generation transportation businesses. Additional opportunities for integrated logistics hubs to be established also exist near Fraser Surrey Docks in Bridgeview and close to the US border in Campbell Heights.

¹ PwC, *Industry 4.0: Building the Digital Enterprise - Transportation and logistics key findings*, 2016.



Research & Development and Innovation

While over \$285 Million has been invested to create Surrey's innovation ecosystem over the past 5 years, significant new opportunities exist for private sector investment to grow Surrey into a nationally significant innovation and enterprise hub. Technology start-ups and growth companies typically do not take on more capital assets and resources than necessary, which in turn creates opportunities for boutique innovation services that can support these companies in Surrey. Courier companies like UPS have also recently entered the manufacturing space, leveraging 3D printing technology to provide just-in-time prototyping services for their clientele.² Sample Research & Development (R&D) and Innovation businesses include:

- Shared office and manufacturing space
- Maker space
- Rapid prototyping and industrial 3D printing services
- Incubators & accelerators for start-ups and growth companies
- Technology testbeds and demonstration sites
- Technology testing and verification labs

Strategic Opportunity Analysis:

Currently much of Surrey's innovation assets are located in Northern Surrey in proximity to Innovation Boulevard and Simon Fraser University. However, neighbouring industrial areas of Bridgeview and Newton provide optimal locations for the establishment of research & development business nodes. Foresight Cleantech Accelerator Centre and Powertech Labs are already major anchors in Newton that have the potential to cluster clean technology companies in the area.

² UPS, 'UPS To Launch On-Demand 3-D Printing Manufacturing Network' in *UPS Pressroom*, 18 May 2016, viewed on 20 April 2017, <https://www.pressroom.ups.com/pressroom/ContentDetailsViewer.page?ConceptType=PressReleases&id=1463510444185-310>

CASE STUDY: SKYDANCE STUDIOS TO INVEST \$100 MILLION PER YEAR IN SURREY PRODUCTION



While 2016 was a record breaking year for film productions in the Metro Vancouver region, it created a significant shortage of studio space for new productions. Skydance Studios, maker of such Hollywood blockbusters as Terminator, Star Trek, and Mission Impossible had just been awarded an eight season run of Altered Carbon and was looking to set up production in the region. The former Pacific press building in Newton was a dream location come true.

Having explored other facilities in the US and Europe, Skydance saw the potential of converting the building into 75,000+ square feet of production space to create one of the world's longest (460 ft) and tallest (50 ft) sound stages. However, they needed to start production immediately in order to meet tight schedules with Netflix.

Over the course of 6 months, the Economic Development Division, working in partnership with the BC Ministry of International Trade, helped Skydance Studios fast-track their permitting through City Hall to meet their deadlines. Skydance Studios is currently injecting over \$100 Million into the local and provincial economies, and has created 400 jobs.



**INVEST SURREY
& PARTNERS**



CREATING AN INVESTMENT ATTRACTION PLATFORM - REALIZING THE OPPORTUNITIES

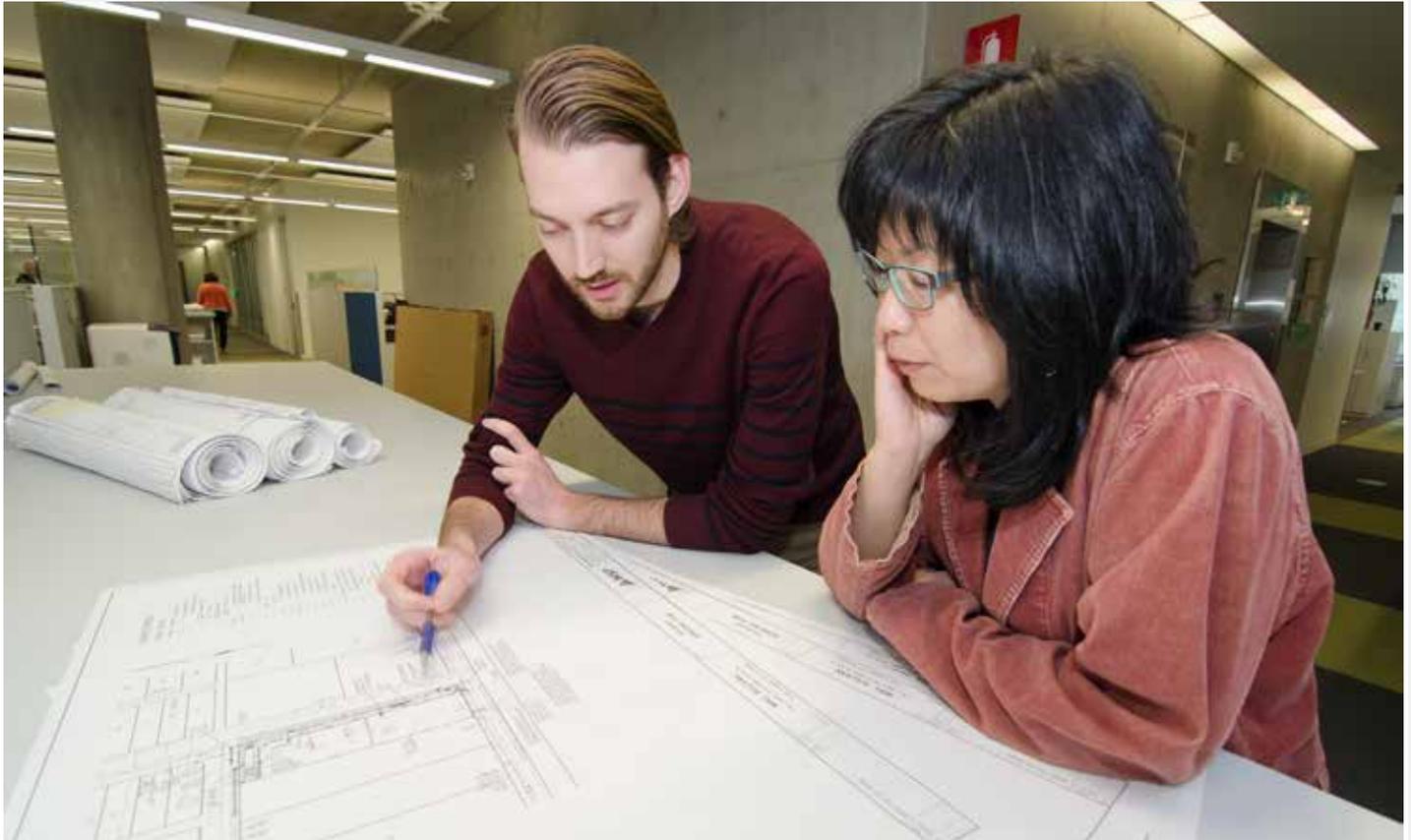
Attracting investment into Surrey is a team effort between the City's Economic Development Division, the BC Ministry of International Trade, and Global Affairs Canada. International development groups such as HQ Vancouver also support Surrey's efforts by communicating local opportunities to international businesses seeking to make foreign direct investments (FDI). To augment these initiatives, the City of Surrey will be establishing its first investment attraction platform and brand: **Invest Surrey & Partners** (ISP) – a strategic response to the increasing interest in Surrey's market opportunities and to the need for more intelligence sharing.

Invest Surrey and Partners, as the name suggests, shows that the City understands that investment attraction is not just about building out physical assets and businesses, but also exploring opportunities to facilitate partnerships and create alliances with our institutional and business community members to generate wealth and prosperity. Over the next few years, ISP will become a robust network of businesses, academia, and government partners that will work together to tell Surrey's investment readiness story locally, and internationally.

Invest Surrey & Partners will:

1. Provide a new personalized experience and services to prospective investors and business leaders looking to join Surrey's metropolitan transformation
2. Deploy new automated online technologies, including an advanced site selector tool
3. Facilitate strategic partnerships and alliances with local businesses and academic institutions
4. Provide market analysis to support investment decision-making in Surrey
5. Streamline civic development permitting processes in Surrey City Centre through the new NEXUS program

NEXUS PROGRAM FOR DEVELOPMENT PROCESS IMPROVEMENTS



With more than 30% of Metro Vancouver region's growth taking place in Surrey, the demand for new housing, commercial, and industrial space remains strong. An effective and reliable review process of development applications is important to ensure that housing product remains affordable and that critical timelines for commercial and industrial projects are met for applicants and clients.

The City of Surrey's NEXUS program for developers has been established with the intent of developing a fast track process for qualifying applications. The program is proposed to consist of two main streams. One stream accelerates projects that are consistent with and are an integral part of the City's strategic plans, such as those noted in the Mayor's annual State of the City Address, including the LRT and key City Centre enhancements. The second stream fast tracks projects which provide a significant economic benefit to Surrey and would support the City's economic development strategy, targeting a job-to-resident ratio of 1:1. These projects will be vetted and approved by the City of Surrey's senior management team for entry into the NEXUS program.

HOSTING CONFERENCES AND EVENTS - STARTING A GLOBAL CONVERSATION

Over the past decade, the City has been a leader in developing distinct conferencing products to bring together thought-leaders from around the world. From the Surrey Economic Summit to sold-out Innovation Boulevard events, people are being drawn to Surrey to learn about and explore economic opportunities. Most recently, the City created the Greater Vancouver Clean Technology Expo & Championship to showcase Surrey's and Metro Vancouver's clean technology strengths. In the past two years, over 1,000 people have watched 70 companies compete for cash prizes, as well as have the opportunity to meet with international investors. In 2016, the City was delighted to bring North America's largest cleantech angel-investor network, Element 8, from Seattle, WA, to this event. In two short years, the Championship has become the largest of its kind in Western Canada for the clean technology sector, and an example of the City's innovation leadership across the region.

Invest Surrey & Partners will build on the success of the Greater Vancouver Cleantech Championship and host four key conferencing events (Figure 5) to facilitate strategic discussions on the potential impacts of global investment and business opportunities on Surrey's transformation into a powerful metropolitan centre for the region.



Figure 5. Conferencing assets being developed by the City of Surrey.

AUTOMATED SITE SELECTOR & MARKET INTELLIGENCE TOOL

The screenshot shows a web browser window with the URL www.investsurrey.ca. The page features a dark blue header with the Invest Surrey & Partners logo and navigation links for OVERVIEW, RESOURCES, INVEST, and CONTACT. Below the header is a large banner image of a city skyline with the text "Find the space you're looking for" and "Already know the address? Search here." Below the banner is a search form with the following fields:

| | | | | |
|----------------------------------|-------------------------|-----------------------------|-------------------------------|-----------------------|
| Looking for Building ▼ | Type Retail ▼ | To Lease or Buy ▼ | Sqft Min Max | Find the space |
|----------------------------------|-------------------------|-----------------------------|-------------------------------|-----------------------|

To support an increasing volume of interest in investment opportunities across the City, the Economic Development Division is developing a unique automated site selector tool as part of the new investsurrey.ca website to be launched in October 2017.

Information that can be downloaded includes:

- Relevant location intelligence data with available sale/ lease opportunities
- Business Community profile
- Market analysis related to the business community of the site selected
- Key demographic data
- Contact information to learn more about the opportunity

The tool will be curated by Economic Development staff to ensure information is up-to-date and will provide business owners, real estate brokers, and the general public with select parameters important to their specific interests. Users will gain insights into current listings and development opportunities, as well as the ability to download customized strategic and analytical reports to support investment decision-making.

Design aspects of the tool include:

- An intuitive and user-friendly interface that facilitates easy navigation
- Integration of the site selector tool with the Invest Surrey and Partners platform
- Information and data shared through the tool will be relevant and current



Objective

Transform Surrey into a nationally recognized centre for innovation over the next decade.

Flagship Program

INNÖVATION
BOULEVARD

Part 2.2: Growing Surrey's Innovation Economy

HIGHLIGHTS

- Over the past 5 years, the City of Surrey, in partnership with the BC Government, the Government of Canada, and local universities have invested over \$285 Million into innovation infrastructure and programs to create a foundation for Surrey's innovation ecosystem.
- The City's Economic Diversification Strategy focuses on five key sectors for growth:
 - Advanced manufacturing,
 - Agri-innovation,
 - Clean technology,
 - Health technology, and
 - Creative arts.
- Surrey's innovation agenda can be broken down into 3 priority areas:
 - Building an Innovation Ecosystem,
 - Supporting technology commercialization, and
 - Economic diversification.
- Surrey has a well-developed network of services, incubators, and support systems that promote and facilitate innovation across Surrey, including leading edge post-secondary institutions, innovation support organizations, industry associations, as well as access to regional and international investors.
- Surrey is home to Western Canada's only cleantech and healthtech accelerators: the Foresight Cleantech Accelerator Centre and Innovation Boulevard. Together, these accelerators support the commercialization of innovative technologies in Surrey.



Key Program Activities

Innovation Challenges

Technology Accelerators

Sector Development

Building Innovation Ecosystem

Culture Building Initiatives



Over the past 5 years, the City of Surrey, in partnership with the BC Government, the Government of Canada, and local universities have invested over \$285 Million into innovation infrastructure and programs to create a foundation for Surrey's innovation ecosystem. This investment will grow as talent and new R&D facilities cluster around key innovation assets that the City is strategically deploying across the municipality.

Why is this focus on innovation so important to Surrey's transformation into a metropolitan centre? Metropolitan centres are becoming the epicentre of innovation as people migrate to these dynamic urban centres to pursue economic opportunity. By definition, innovation is the pursuit of solutions that ultimately lead to increased economic productivity, and, by extension, to the competitiveness of local industries relative to their global rivals. According to research conducted by the BC Business Council, both Canada, and more specifically, British Columbia currently have a productivity challenge. Production costs per hour are greater in BC than in other provinces, and do not compare favourably with other countries.³

Innovation is a fundamental necessity for companies to succeed locally, and on an international scale. However, innovation is not taking place as much or as rapidly as it should in Canada. Indeed, the Conference Board of Canada ranks the nation 13 out of 16 among benchmarked cities.⁴ Surrey can be a significant part of Canada's efforts to improve the scope, scale and rate of innovation.

As a municipal government, The City believes that it is not only important to ensure proper land-use policies are in place to foster innovation, but that there are also progressive support programs to ensure companies can be competitive and successful in the marketplace. Based on that philosophy, innovation is more than the commercialization of new technologies. It is also the effective deployment of business solutions that can improve efficiency and productivity of individual companies within an industry sector. For example, **G-Pak Technologies Inc.**, based in South Surrey recently received \$2.5 Million in repayable contribution through Western Diversification Canada's Western Innovation Initiative (WINN) to manufacture their bio-based compostable single-use coffee pods. Supporting companies to access funding to scale-up their operations and innovate creates economic spin-offs for the entire community.

Surrey's innovation agenda can be broken down into 3 priority areas:

- Economic Diversification
- Building an Innovation Ecosystem
- Supporting Technology Commercialization

³ BC Business Council of British Columbia. 'Innovation for Jobs and Productivity: Fostering High-Growth BC Businesses, Creating More High-Paying Jobs'. September 2016.

⁴ The Conference Board of Canada, *Innovation Detail and Analysis*. April 2013, viewed on 20 April 2017, <http://www.conferenceboard.ca/hcp/details/innovation.aspx>

“ Meaningful innovation, the kind that has transformative impact on our economy and society, requires an often elusive combination of focus, people, collaboration, and culture. Surrey has these ingredients and is uniquely positioned to be a global hotbed of innovation excellence. ”

- Dr. Sarah Lubik, Director of Entrepreneurship, Simon Fraser University



ECONOMIC DIVERSIFICATION & SOLVING GLOBAL CHALLENGES

The City has identified five key priority sectors as part of its **2016 Economic Diversification Strategy**. These sectors were identified based on their industry growth potential, ability to leverage existing strengths, support differentiation, and create positive community impact.

These sectors include:

- Advanced Manufacturing
- Agri-Innovation
- Clean Technology
- Health Technology
- Creative Arts

Over the past few years, our efforts to diversify Surrey's economy has led to a number of award-winning initiatives that have solidified the City as an active player in Canada's innovation economy, including Innovation Boulevard, a health technology partnership that is supporting entrepreneurial solutions for health technology innovation. The sectors that have been identified provide significant opportunities for developing meaningful employment and business opportunities, as well as attract foreign direct investment (FDI) to further grow our existing technology clusters.

According to research conducted by Deloitte, over \$676.9 billion in FDI stock is available for Surrey to tap into as we grow opportunities in this space (Figure 6). Pursuing these opportunities would not only allow us to accelerate the growth of these sectors but also inject new ideas, business models and talent to support the growth of our existing sectors.

GLOBAL MARKET OPPORTUNITIES

| | | FDI Stock | 2004-2015 Change |
|---|---|-----------|------------------|
|  | Manufacturing forms the largest component of inward FDI in Canada with approximately \$205 billion in investment stock in 2015. However, growth in this sector has slowed in recent years with lower levels of inward FDI flows. Advances in ICT and 'advanced manufacturing' (industry 4.0) are increasingly in demand by the industry and may be important opportunities for Surrey to target. | \$205b | ↑ 3.5% growth |
|  | Information and cultural industries make up only 1.0% of the total inward FDI stock in Canada, however it represents one of the fastest growing industries in Canada in terms of growth of inward FDI stock. Focus on the Creative Economy in Surrey positions the City well to take advantage of this rapid growth in foreign investment into this industry in Canada. | \$7.4b | ↑ 440% growth |
|  | The agriculture, forestry, fishing, and hunting industry represents a very small fraction of Canada's inward FDI stock (less than 0.1%) and this amount has declined significantly over the previous decade. A growth of 7.2% in 2015 shows promise for the sector. However, it remains a mostly insignificant industry for FDI in Canada. Agri-Innovation as a subsector of this industry may be more attractive from an FDI perspective. Furthermore, the growth in foreign investment in this industry may bode well for Surrey's goal of becoming an global Agri-Innovation leader. | \$0.3b | ↑ 7.2% growth |
|  | While the global clean technology market is rapidly expanding, Canada's market share in the clean technology has declined by 35% from 2006 to 2013. Projected growth has also declined to 5 percent a year, down from 10 in previous years. Federal and provincial governments in Canada have invested billions to stimulate clean technology deployment, which can be expected to improve this performance and create opportunity. | N/A | ↑ 5.0% growth |
|  | Health care spending in Canada is forecast to rise by an average of 4.5 percent a year (in normal local-currency terms) in 2014-2018, to US\$464.3 (Deloitte 2015). While absolute spending is projected to increase, given fiscal constraints and increasing demands on value for money in public spending, market opportunities for medical innovators will be focused on technologies that can demonstrate cost efficiencies for the public health sector. | \$464b | ↑ 4.5% growth |

Figure 6: Global market opportunities related to Surrey's priority sectors. Source: Deloitte, 2016.



Foresight is proud to have a strong working relationship with the City.
We would not be here without the City of Surrey's strong
commitment and support to innovation

- Neil Huff, Managing Director,
Foresight Cleantech Accelerator Centre



Through its innovation partnership agreements with international jurisdictions such as France, Israel, the United Kingdom, and the United States, the City proactively supports bilateral trade opportunities to realize FDI opportunities.

However, it isn't just inbound investments that create an economic impact for Surrey. Local companies are also exporting their products and services to the world. **Ivey International**, an award-winning clean technology company based in Surrey, recently signed a partnership agreement with Italian company **BAW Environmental Engineering S.r.l.** to jointly pursue opportunities in Europe in light of the developments in the Canadian-European Comprehensive Economic and Trade Agreement (CETA). **Powertech Labs** is also taking their expertise to international markets, working with the Indian Government on a variety of smart cities and utility modernization initiatives.

While many of Surrey's local technology companies are very successful in realizing international opportunities, the City can also play a role in stimulating new innovation and products. Beyond supporting the growth of our priority sector companies, we can also harness the entrepreneurial spirit that exists in Surrey to stimulate

social, environmental, and economic change. Singapore's smart city strategy, for example, has harnessed its cluster capabilities and has engaged the local population to help solve pressing challenges affecting their society (such as creating solutions to prevent mosquito-transmitted diseases like dengue fever). Surrey can similarly harness the energy of our people and sectors to respond to global challenges. The Advanced Resource Clean Technology Innovation Centre (ARCTIC) program that is run out of **Foresight CAC** works with major Canadian industries in the oil sands and forestry sectors to identify challenges that BC-based companies can help solve through innovation.

As part of Surrey's sector development programming, the City is committed to leading innovation through a challenge-based process. To do so, the City will be participating in the recently announced \$300 Million, 11-year merit-based Smart Cities Challenge. The City can leverage this type of Federal innovation funding to bring together industry, local post-secondary institutions, and local school districts to incorporate technology solutions into local challenges. Details of the City's response to the challenge will be forthcoming as program details are announced in Summer 2017.

BUILDING AN INNOVATION ECOSYSTEM

Executing the economic diversification strategy also creates significant opportunities to build our local innovation ecosystem. Surrey's innovation focus is being designed to weave together an inter-dependent ecosystem that will foster entrepreneurship and, at the same time, act as a catalyst to promote new ideas, synergies, out-of-the-box thinking and the acceleration of new ideas and solutions toward commercial application. From a strategic perspective, it is the City's goal to build Surrey into a full-service innovation hub for the region. This includes providing local innovation companies access to a comprehensive support network involving research universities, industry associations, government programs and initiatives, as well as private financing. Additionally, the City is constantly scanning global patterns and trends to identify new opportunities and experiences that could enhance the value of our local ecosystem.

Part of the City's strategy for building the local innovation ecosystem involves taking stock of the components of current system and identifying gaps that need to be closed or filled over time. In its efforts to map the current local economic system, Surrey has a well-developed network of services, incubators, and support systems that promote and facilitate innovation (Figure 7).



Figure 7: Surrey's growing innovation ecosystem. Source: City of Surrey, 2017.



The City is also making significant efforts to support innovation in Surrey. For example, over the past five years, in partnership with community stakeholders such as the **John Volken Academy (JVA)** and the **BC Agriculture Centre of Excellence**, the City helped launch the award-winning BioPod Initiative that provides agri-innovation research and testing space for local agri-tech companies, as well as university researchers. A \$1.25 Million research chair for Technology Innovation for Youth Addiction Recovery and Mental Health has been established at SFU through the efforts of JVA and the Surrey Firefighters Charitable Society.

The City has opened its doors to local innovators to co-develop innovative new smart cities technologies. For example, the Engineering department has been working with a Surrey start-up called **Urban Logiq** to develop new applications for traffic monitoring and analysis based on the City's Open Data catalogue. The IT department also worked with an app development company to incorporate IBM's Watson technology into the City's MySurrey mobile app.

Recent Innovation Ecosystem Investments in Surrey

- \$126 Million SFU Sustainable Energy & Environmental Engineering Building
- \$1 Million establishment of the Innovation Boulevard Corporation
- \$300K per year funding from BCIC for Innovation Boulevard to become a Venture Accelerator in BC
- The establishment of Foresight Cleantech Accelerator in Surrey
- \$1.25 Million Research Chair for Technology Innovation for Youth Addiction Recovery and Mental Health
- \$1.25 Million Research Chair for Clean Energy in Smart Cities
- \$0.5 Million BioPod Initiative – Training, Research & Demonstration Greenhouse

The City is also a strong advocate for innovation investment and collaborations at the provincial and federal level. Significant efforts by the Government of Canada are underway to build out distinct industry superclusters across Canada with an initial seed funding of \$950 Million. The City of Surrey was pleased to host two industry roundtables to support industry efforts to build a Connected, Clean, and Competitive Cities (C4) Cluster in BC as part of provincial efforts to build strong industries locally.

It is important to note that while the City is investing heavily in infrastructure and systems to support innovation, Provincial and Federal programs are flowing financial resources in to Surrey to stimulate and support local entrepreneurs and business development. For example, three new Industry Technology Advisors (ITAs) from the NRC Industrial Research and Assistance Program (IRAP) will be permanently stationed at Innovation Boulevard in Surrey City Centre. These ITAs have a federal mandate to provide non-repayable contribution-based assistance to support the commercialization of Canadian technologies.



As new initiatives unfold at the provincial and federal level, the City is committed to ensure Surrey is well positioned to receive its share of these funds as well as ensure we have a strong visibility regionally and nationally as an emerging center for innovation. The City for example recently partnered with the Vancouver Economic Commission (VEC), Sustainable Development Technology Canada (SDTC), and Foresight Cleantech Accelerator Centre to host the BC Cleantech Pavilion at the 2017 #BCTech Summit to showcase ways by which collaboration can promote and stimulate innovation. To bring these conversations to Surrey, the Economic Development Division in partnership with the BC Tech Association will be hosting monthly Tech Meetup groups around Surrey City Centre to bring together local technology entrepreneurs and thought leaders to network and learn about new ways to get involved in the local tech community.

While investments have been made into building Surrey's innovation ecosystem, there are still significant opportunities to grow our innovation ecosystem. Opportunities exist for attracting more angel and venture capital investment into our local start-up companies. While these investors might not need to be permanently located in Surrey, local companies should be able to readily access local and global investor networks to grow their businesses at home. Affordable collaborative innovation space near major transit hubs in the City are also coveted to support the increasing "gig-economy" and sole-preneur trends. Beta Collective, located in Surrey City Centre is a good example of a co-working space that has opened in Surrey in response to this trend.

SUPPORTING INNOVATION AND COMMERCIALIZATION IN SURREY

The National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP)

Commercializing a new technology or simply making improvements to an existing technology for new markets can be expensive and labour intensive. However, Canadian companies don't have to do it alone as the NRC-IRAP program provides free advisory services as well as funding for qualified projects and firms to pursue innovative projects. Surrey companies have benefited from this program.

Over the past 5 years, the NRC IRAP program has supported 47 Surrey-based companies innovate through the development of new business processes to the creation of new products by providing over \$7.85 Million in non-repayable contributions. In addition to the financial contributions, three full time IRAP Industry Technology Advisors (ITAs) will be stationed at Innovation Boulevard to support local companies with their innovation needs.

CASE STUDY: SUPPORTING ADDICTIONS RECOVERY AND IMPROVING LOCAL FOOD SECURITY AT THE BIOPOD



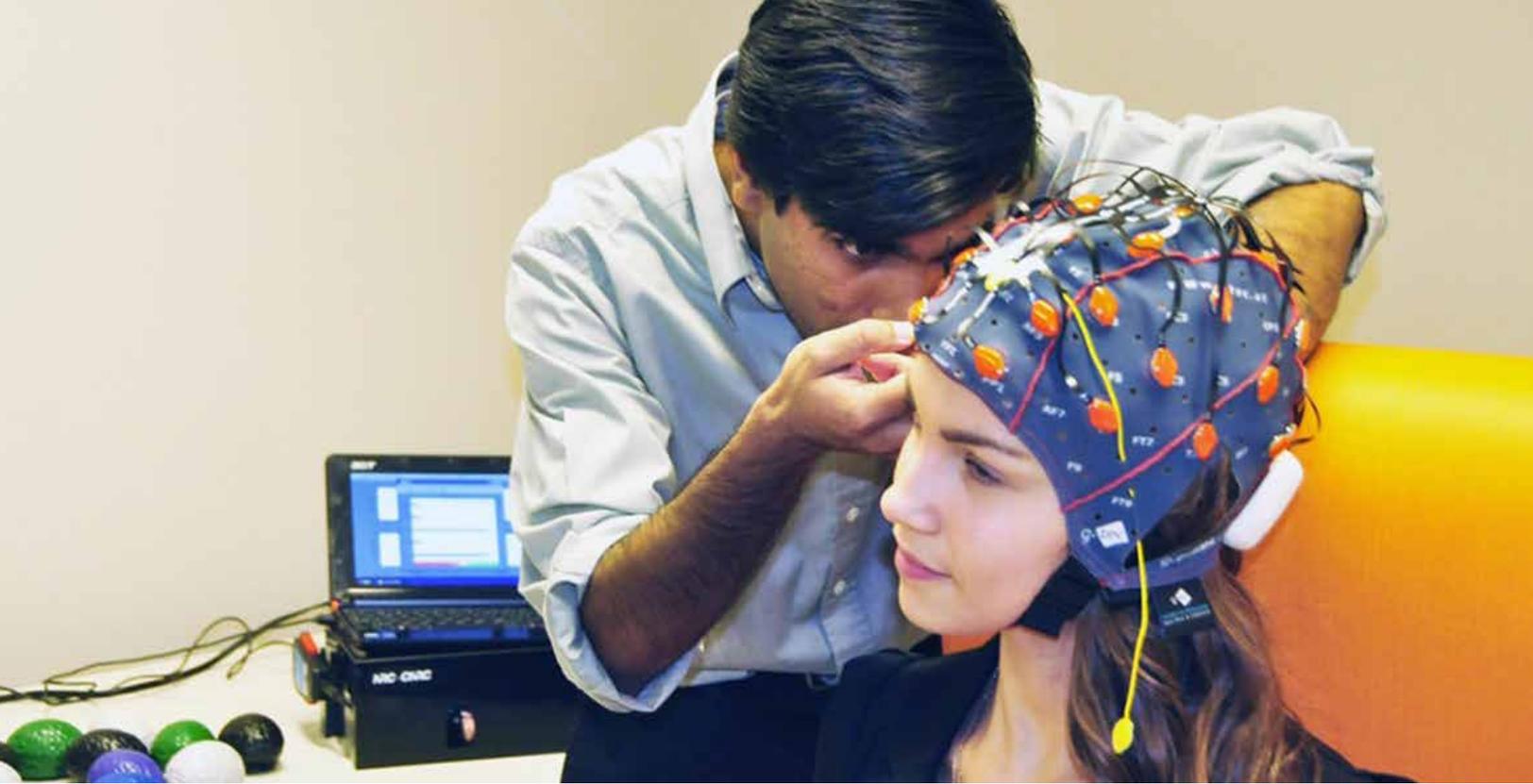
The BioPod initiative is an example of how the City is working with academia, industry and social ventures to create opportunities that enhance Agriculture in Surrey. In 2014, the City's Economic Development Division invited BC's universities that have an agricultural program to develop a partnership framework and actions-oriented initiative to support sustainable agricultural industry development in Surrey. The result was the development of a City-led coalition including: the BC Agriculture Centre of Excellence, the University of the Fraser Valley (UFV), Simon Fraser University (SFU), University of British Columbia (UBC), Kwantlen Polytechnic University (KPU) and the British Columbia Institute of Technology (BCIT), along with the John Volken Academy (JVA), to develop a Research & Demonstration BioPod greenhouse within the City that would be a hub where Agri-tech innovation could be developed and tested with a goal to transform how traditional farming is conducted in Surrey, and in North America.

With a half-million dollar Investment Agriculture Foundation (IAF) grant and funding from the JVA, the BioPod greenhouse was built with JVA students given the opportunity to receive training from the University of the Fraser Valley.

In its first year of operation the BioPod has led to:

- The creation of an MOU with 5 Universities;
- Trained 4 students in horticultural skills development;
- Planted and harvested over 8 different food crops with a plan to introduce 5 new crops that perform well in the Lower Mainland climate;
- Produced over 120lbs of strawberries through the vertical tower growing systems and over 200kg of green beans and 180kg of tomatoes; and
- Tested two innovative technologies that reduce inputs with an additional 3 technologies to be tested in 2017.

The BioPod Initiative was the recipient of the inaugural 2016 Union of British Columbia Municipalities Agriculture Leadership & Innovation Award and a finalist in the IPAC Public Sector Leadership Awards.



SUPPORTING TECHNOLOGY COMMERCIALIZATION

The final component of our innovation ecosystem strategy is built around technology transfer and commercialization. SFU, a globally recognized research institution, has attracted over \$103 Million in research funding into Surrey from government and private sector funders since 2007. A number of spin-off companies have emerged as a result of primary research, including **Shield-X technologies**, an innovative adhesive technology that prevents concussions for impact sports, and **Watergentics**, clean water from air technology that has potential application for agriculture in several developing nations. Furthermore, academic programs such as **Technology Entrepreneurship@SFU** provide unique opportunities for business and engineering students to come together to develop game changing technologies and companies while they are still in school.

There are currently three primary technology incubator/accelerators in Surrey servicing local tech companies and supporting the commercialization of technology:

- Foresight Cleantech Accelerator Centre
- Innovation Boulevard
- Venture Connections

The City works closely with each of these incubators/accelerators and helps companies gain access to these resources. In some cases, the City has even partnered with these organizations to develop innovative joint programs to provide easier access for companies, and, in the process, created experiential learning opportunities for local post-secondary students. For example, the City and Foresight Cleantech Accelerator Centre recently supported an interdisciplinary team of KPU students in the development of an organic waste diversion system which was piloted in multi-residential buildings across the City. The project aims to make recycling of organic material easier for the average Surrey household. Residents can place their organic kitchen-catcher into the system for mess-free cleaning after disposing of their organic waste. As a result of this collaborative project, the City has asked the KPU team to build six of these prototype units that can be deployed in multiple residential buildings in different parts of the municipality to assess the potential for a large-scale roll out.

In the near future, the City is also exploring ways to partner with our accelerator network to create opportunities not just for new technology start-ups, but also to support those looking to scale-up their businesses. Helping existing Surrey companies access our accelerator networks to diversify their product portfolio is also an area that is being developed through partnerships.

INNOVATION BOULEVARD - SURREY'S FLAGSHIP INNOVATION PROGRAM

Innovation Boulevard Corporation (IBC) is a non-profit organization dedicated to health technology advancement and commercialization. IBC believes that through collaboration, entrepreneurship and new technology, solutions can be developed for some of the most pressing challenges in the health care system.

IBC has received \$14 Million in infrastructure investment, has 7,500 square feet of accelerator space, and an attendance of over 3,000 people at their events. Furthermore, their technology accelerator currently supports over 30 health technology companies, and has facilitated the commercialization of six products within the last two years. It is also part of the BC Innovation Council's Venture Accelerator Program Network and works closely with other accelerators such as Foresight CAC.

Surrey's flagship innovation program has established global partnerships in Israel, France and India, and future plans for Innovation Boulevard include supporting the City of Surrey's effort to secure its position as a global smart city. Innovation Boulevard is poised to become a strategic hub for technology entrepreneurs and R&D interests, which in turn will support Surrey's transformation to a strategic metropolitan centre in the region.

IBC has received \$14 Million in infrastructure investment, has 7,500 square feet of accelerator space, and an attendance of over 3,000 people at their events. Furthermore, their technology accelerator currently supports over 30 health technology companies, and has facilitated the commercialization of six products within the last two years.





Objective

Increase the market competitiveness of individual Surrey-based businesses and build the distinctiveness of each of Surrey's six business communities.

Flagship Program

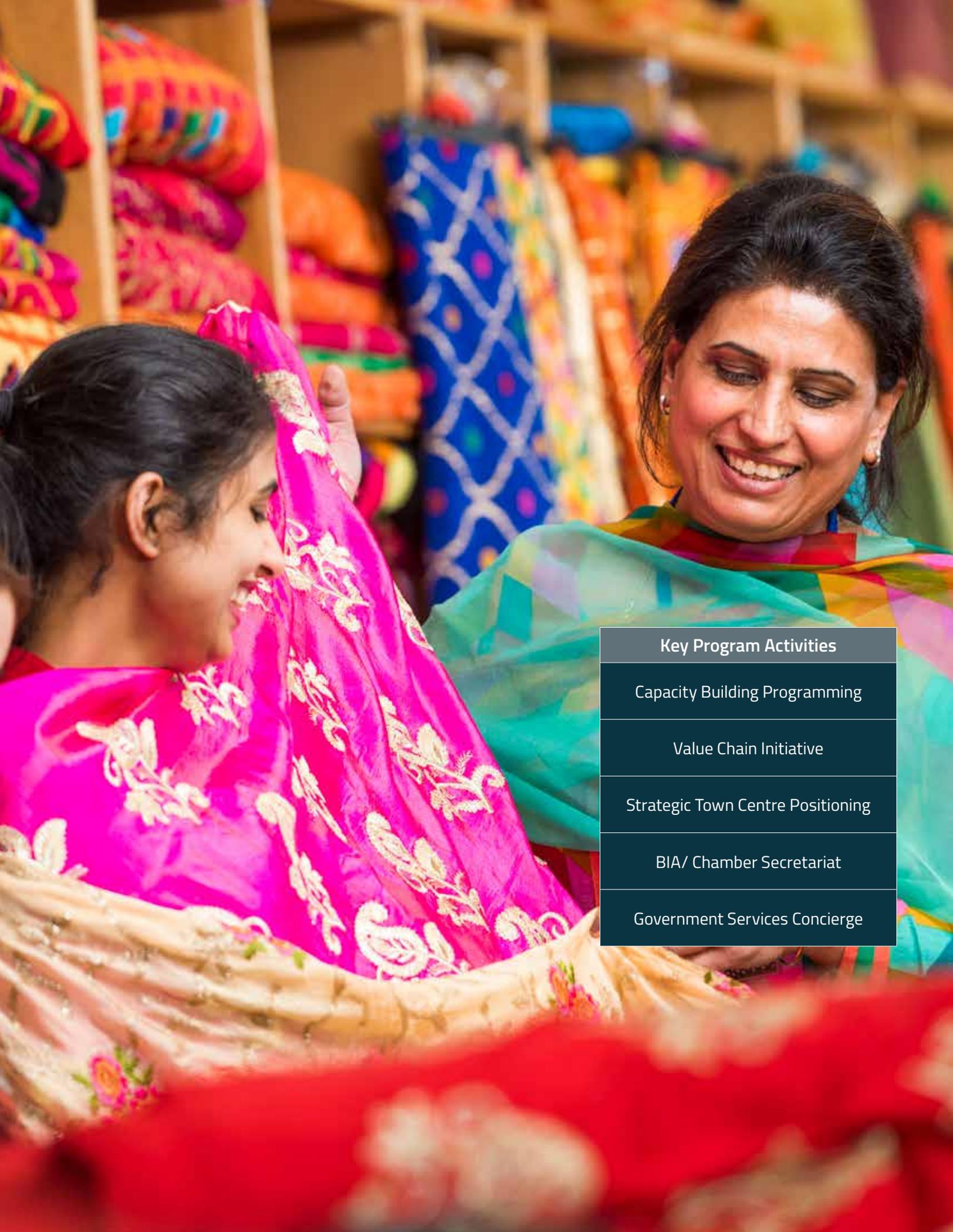


**SPARKBIZ
SURREY**

Part 2.3: Building Distinct & Competitive Business Communities

HIGHLIGHTS

- Transforming into a metropolitan centre means building Surrey's six town centres into distinct and competitive business communities.
- Significant opportunities exist to increase the business vibrancy in Surrey through partnership with local business groups such as local business improvement associations, and chambers of commerce.
- The City of Surrey currently has over 18,000 businesses operating in a diverse range of sectors, many of which have been in operation for over 30 years, and the city has seen consistent growth of 2,000-3,000 new businesses each year.
- Over 74% of surveyed businesses invested less than \$100,000 into new innovation and processes.
- The City will establish the SparkBIZ Surrey business outreach program and will visit 500 Surrey-based business over next 3 years to introduce them to capacity building, innovation, and government service programs.
- The City will support the development of robust industry clusters and partnerships as part of the value chain initiative.



Key Program Activities

Capacity Building Programming

Value Chain Initiative

Strategic Town Centre Positioning

BIA/ Chamber Secretariat

Government Services Concierge

THE CURRENT BUSINESS LANDSCAPE

The City of Surrey currently has over 18,000 businesses operating in a diverse range of sectors, many of which have been in operation for over 30 years, and the city has seen consistent growth of 2,000- 3,000 new businesses each year (See Figure 8). With 80% of net new job growth coming from existing businesses, ensuring that Surrey's business base is competitive and successful is a key priority for economic development.⁵

As global markets change, businesses in Surrey can be affected by the changing business climate and some will need support to adapt to new market conditions in order to remain competitive and build stronger business communities across the city. Research recently commissioned by the City of Surrey indicates that over 74% of businesses invested less than \$100,000 into new innovation and processes in 2016.⁶

The local contexts in which these companies operate influence their competitiveness and can be a key factor in building strong industry clusters. Strong industry clusters allow businesses to realize economies of scale savings and provide opportunities to form strategic partnerships to target larger market opportunities which single firms are often not able to handle. Surrey has six town centres with significant employment lands located in proximity to key infrastructure that offer competitive advantages to attract and retain key industries. For example, a significant number of businesses in Campbell Heights benefit from cross-border trade opportunities, whereas manufacturers in Port Kells have broad access to Greater Vancouver and the rest of Canada through its easy access to the TransCanada Highway. In each of the business communities, we also see a significant clustering of businesses involved in manufacturing and assembly. From a business growth perspective, Newton currently makes up Surrey's largest business community and is also tied with Surrey City Centre as one of the fastest growing centres with a growth rate of 4% (see Figure 9).

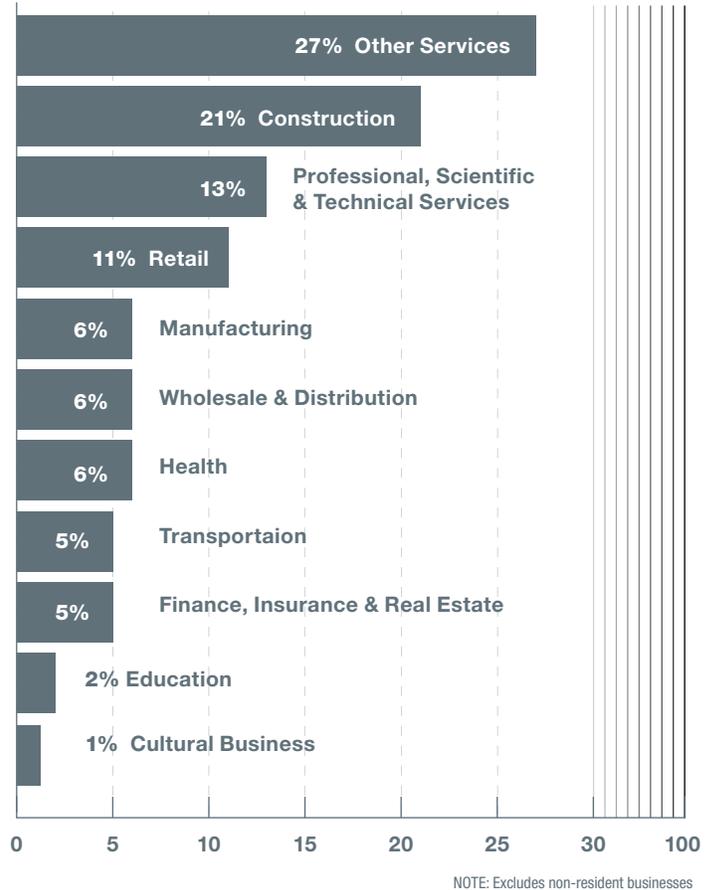


Figure 8: Distribution of businesses by sector (2016).
Source: City of Surrey, 2017.

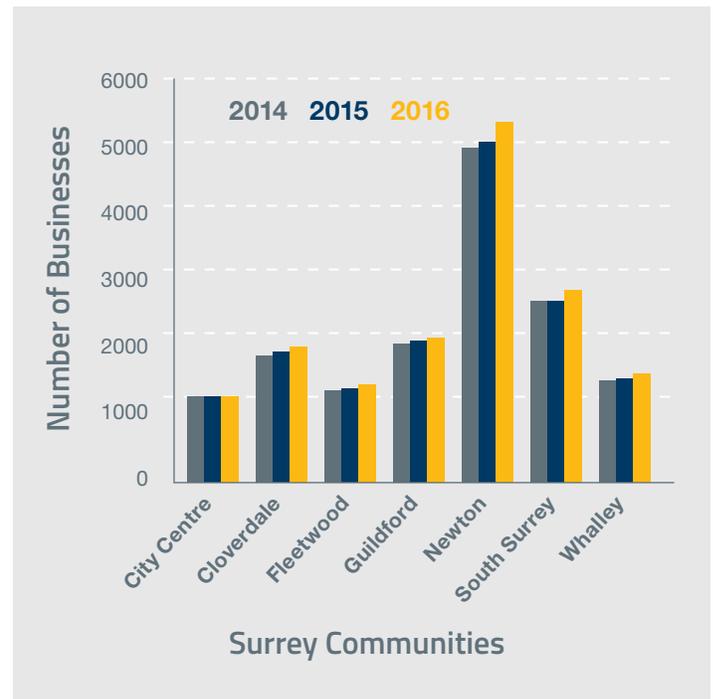


Figure 9: Business growth in Surrey's town centres.
Source: City of Surrey, 2017.

5 D. Birch, *Job Creation in America: How Our Smallest Companies Put the Most People to Work*, The Free Press, New York, NY, 1987.

6 City of Surrey, *Surrey Advanced Manufacturing and Innovation Economy Report*. January 2017.



Other factors, such as proximity to associated industries and supply chain linkages, also contribute to the competitiveness of an area. Exploring opportunities to strengthen these relationships and increasing business community-specific competitiveness are critical for local economic development. Through the City's recent **Value Chain Initiative**, it was found that with the right support, over 2,000 local businesses had technical capabilities that could contribute their products or services to many regional and provincial emerging industries, such as clean technology and health technology firms.

Surrey has significant regional competitive advantages in terms of land availability, competitive location, and a rapidly growing workforce. Developing competitive and distinct industry clusters, or groups of interconnected firms, suppliers, related industries, and institutions will help Surrey businesses become competitive on a national level.⁷

By encouraging companies to build capacity and explore new ideas with help from the City's programming and expertise, Surrey can create competitive business environments that will lead to growth, job creation, entrepreneurship and economic sustainability. Through investments and programming, the City can, with the support of other levels of government, encourage businesses to innovate and become globally competitive, and in the process develop an entire business community.

Three key strategies are currently being pursued:

- 1. Building Distinct & Competitive Business Communities**
- 2. Growing Opportunities for Local Businesses through Capacity Building**
- 3. Creating Value Chain Partnerships**

⁷ M.E. Porter, *The Competitive Advantage of Nations*, Palgrave Macmillan UK, 1998.

“

For the past three years- we have been attracting new merchants, grown our traffic numbers by 21% and doubled our sales per square foot. A significant change in demographics is helping us attract many first-to-market retailers.

”

- Peggy Howard, General Manager, Guildford Town Centre



BUILDING DISTINCT & COMPETITIVE BUSINESS COMMUNITIES

With Metro Vancouver’s largest inventory of diverse employment lands, both developed and vacant, and a distinct culture and identity in each of its business communities, Surrey is poised to leverage its unique offerings to create competitive business communities. Unlike other municipalities in the Lower Mainland, Surrey has a healthy supply of commercial, industrial and agricultural lands for businesses to grow and expand. In fact, 38% of Metro Vancouver’s vacant industrial land can be found in Surrey - more than any other municipality in the region.⁸ However, the true opportunity is the strategic utilization of these scarce land resources to build a resilient and diversified economy that is critical to Surrey’s economic future, as well as building on the assets that already exist in each business communities.

While much research and documentation has been collected around these assets, the City is also committed to further supporting the alignment of these assets being linked together to create synergies that build competitiveness of each business community area. Furthermore, competitive business communities also can help attract more than just individual companies to Surrey, but industry clusters to set up and flourish in the community. The following section provides an overview of the foundational assets that will support the development of distinct clusters in Surrey.

⁸ Metro Vancouver, *Metro Vancouver 2015 Industrial Lands Inventory: Technical Report*, April 2016.

Commercial / Retail Opportunities

Metropolitan transformation is not just about building the City Centre core, but rather all aspects of the city. Surrey has six business communities spread over a geographical area as large as Vancouver, Richmond, and Burnaby combined. Rapid population growth and an increasing population with disposable income creates new commercial and retail opportunities across the City and each Town Centre offers unique characteristics to the various business sectors.

For example, **Guildford Town Centre Mall** is one of the largest shopping centres in BC and is a major destination for consumers across the region with over 14.5 Million shoppers annually.⁹ Demographic change in the area is also allowing the mall to attract unique brands and businesses to provide niche products to younger and more diverse market segments. Additionally, distinct shopping districts also exist across Surrey, which have also created clusters of businesses that tailor to niche target markets. The **Central Newton Cultural Commercial District** is a prime example as a unique hub for South Asian businesses that attracts visitors to experience the many distinct products and services

the area has to offer.

In Surrey City Centre, a number of major institutions are driving a clustering of service-based industries and office tenants in the area. The University District is drawing students from across the region to City Centre's financial district, which is in turn creating a critical mass of financial and professional service companies, turning the area into a vibrant transaction hub.

A number of mixed-use developments are also emerging that are creating new consumer experiences that allow for residents, and workers to live, work, and play in the area. For example, the proposal by Anthem Properties to develop a "restaurant row" as part of its new multiphase development will add to the diversity of dining opportunities in the area. The City's support for the development of distinct commercial hubs across Surrey will also help

increase business vibrancy in the metropolitan region.

Beyond the City's efforts to build strong business communities, Surrey is home to four Business Improvement Associations (BIAs) whose aim is to promote area enhancement and business vibrancy. BIA's develop programs and place-making events that increase visits to the area and draw attention to their members' activities. In 2017 the Cloverdale BIA will be hosting a car show within the community, which will draw large crowds to the area. The Downtown Surrey BIA hosts a Familiarization Tour which brings in real estate brokers and business leaders from across the region to learn about business opportunities in the City Centre. This partnership between the City and the BIAs creates positive business relationships and strengthens local economic communities. Additionally, the Surrey Board of Trade (SBOT), Cloverdale Chamber of Commerce, and the South Surrey White Rock Chamber of Commerce provide the voice of local businesses in the community.

⁹ 'About Us' in *Guildford Town Centre*. Viewed on 20 April 2017, <https://www.guildfordtowncentre.com/about-us/guildford-town-centre/>

CASE STUDY: HISTORIC CLOVERDALE AND CELEBRATING ITS HISTORIC ROOTS



With a unique small town feel, Cloverdale Town Centre has recently experienced significant interest from the film industry as a shooting location. Filming has not only brought economic spin-offs, such as increased business to the community at large, it also led to increased revenue that the Cloverdale BIA has leveraged to improve business vitality. As an historic farming community, Cloverdale has always celebrated its agricultural past and marketed its business center as a place to visit small, traditional independent businesses. With film companies looking to offset the costs of lost business, the BIA has implemented a street sign program that looks to promote the historic names of the communities' roads and enhance the area's aesthetic authenticity.



Industrial Opportunities

Lands zoned for industrial use typically generate jobs that pay double the average annual compensation rate per person.¹⁰ Surrey has 23% of the region's industrial land base, of which 38% is undeveloped or vacant. This is one of Surrey's primary value propositions. With industrial land holdings disappearing elsewhere in the Lower Mainland, Surrey is one of the few communities that has a sizable inventory allowing for industrial growth and expansion.

Campbell Heights, for example, has been one of the most successful industrial parks in the region over the past decade. Businesses that benefit from close proximity to two US border crossings are drawn to this area. In the coming years, Campbell Heights East will release at least 50 acres of net developable opportunities.

Industrial lands in the North of Surrey, such as those in Port Kells, are more established and well suited for smaller businesses that require less space, lend themselves to automation, or require stronger ties to key infrastructure such as the Ports and the Lower Mainland.

With over 1,000 acres of developed industrial land, Newton has been central to Surrey's economic development. With average lots sizes of 5 acres or less, Newton is home to a range of light and heavy industrial companies with a high concentration of manufacturing. It is also home to EcoNewton, a hotbed of clean-tech innovation, including Foresight Cleantech Accelerator Centre, Simon Fraser University's Fuel Cell Research Lab and the BioPod.

Additional initiatives designed to stimulate innovation are being explored by the City and KPU in Cloverdale, where 70 acres of industrial land adjacent to the KPU Tech campus could become an industrial park and enterprise zone that could promote academic, research, and industry synergies.

Surrey's Industrial Lands are undergoing an economic renaissance. With large-scale industry moving to Campbell Heights, traditional industry nodes are re-developing and becoming more niche oriented. In addition, strategic investment by the City in key infrastructure has led to increased access to traditional industrial parks for small scale manufacturers and processors.

¹⁰ Metro Vancouver. *Metro Vancouver 2015 Industrial Lands Inventory: Technical Report*, April 2016.

CASE STUDY: INVESTING IN CLEANTECH BUSINESS GROWTH IN NEWTON'S INDUSTRIAL AREA



Newton's Industrial Area is one of Surrey's most important economic areas and employs approximately 20% of the City's workforce. The area is also home to a diverse number of manufacturing and assembly businesses, many of which have the business capabilities necessary to serve the needs of cleantech companies. These businesses include cleantech start-ups, machine shops, electronics manufacturing, metal foundries, and plastic moulding companies. Already established key clean technology anchors include Powertech Labs, Foresight Cleantech Accelerator Centre as well as SFU's satellite research labs.

In addition to companies directly involved with cleantech innovation, significant opportunities also exist for the area to become a centre for sustainable business practices. As one of Surrey's most active economic zones, it also represents 10% of the City's energy usage and such improvements can also create significant cost savings for local businesses.

As such, the City is exploring opportunities to:

- 1. Establish ECONewton as a global hub for clean technology partnerships, innovation, demonstration, and commercialization; and**
- 2. Unlock district-scale sustainability opportunities and develop a culture of integrated sustainability-thinking in ECONewton.**

PLACE-MAKING AND CREATING COMPETITIVE COMMUNITIES



With diversified local economies spanning six business communities, a growing local population and ethnically diverse communities, Surrey is an ideal incubator for entrepreneurial innovation as can be seen in the following example of a South Asian food manufacturer.

Nanak Foods, a producer of Indian vegetable and dairy products, is an international enterprise that employs the majority of its workforce from the surrounding community, and was able to build its brand by first servicing the local economy and ultimately expanding and modernizing its operations in the late 1990s.

The Neighbourhood Beautification & Enhancement programs are examples of ways the City works with the business community to reinforce place-making through physical restoration. Physical changes can improve the business climate through promotional events, buy local campaigns, beautification projects, and increasing commercial businesses that act as “Entertainment Machines” such as restaurants, galleries, clubs and businesses offering an experience.¹¹ The increase in foot traffic helps create a sense of place which in turn can boost business demand.

The City’s **Façade Enhancement Grants** help businesses defray some of the upfront costs associated with improving the look of storefronts. Other programs such as PARKits, the Banner Program, and Community Lights and Street Pianos animate public spaces and create gathering places that energize and enhance the sense of community living. The City currently **commits over \$400,000 annually** to help community groups and BIAs create innovative place-making initiatives. Surrey also embraces the concept of Pop Ups as an effective method for businesses to test demand conditions for their new ideas as they promote place-making and create vibrant neighbourhoods.

¹¹ T. Clark, *The City as an Entertainment Machine*, Lexington Books, February 2011.



GROWING OPPORTUNITIES FOR LOCAL BUSINESSES THROUGH CAPACITY BUILDING

When North Vancouver-based Seaspan was awarded its \$8 billion shipbuilding contract through the National Shipbuilding Strategy, the company needed to rapidly build up its local supply chain as the Federal government demanded that the ships were to be built with 100% Canadian content. While 41 companies in Surrey received \$8.6 Million (5.2%) of the total \$165 Million awarded to local suppliers, other jurisdictions in Metro Vancouver saw fewer companies being awarded higher dollar value contracts. This situation presents the City and other levels of government with a significant opportunity to help local businesses build capacity so that in future they are able to access high value market opportunities and be more locally and internationally competitive.

With a sizable proportion of local businesses in Surrey operating for 30 years, many businesses are currently comfortable maintaining their current profitability by leveraging existing markets rather than exploring new opportunities. However, new trends in technology, such as industrial automation, increasing global competition, and rapidly changing consumer preferences are fundamentally changing existing business models. Local companies need to learn to adapt.

The digitalization of goods and services is another industry disruptor that Surrey-based companies have yet to fully embrace. Around the world, companies are re-evaluating their core business models and identifying ways to augment their product offerings by creating value through digitalization (Figure 10). New revenue streams are being created from existing products by facilitating online sales and providing customers with customized online products and services.

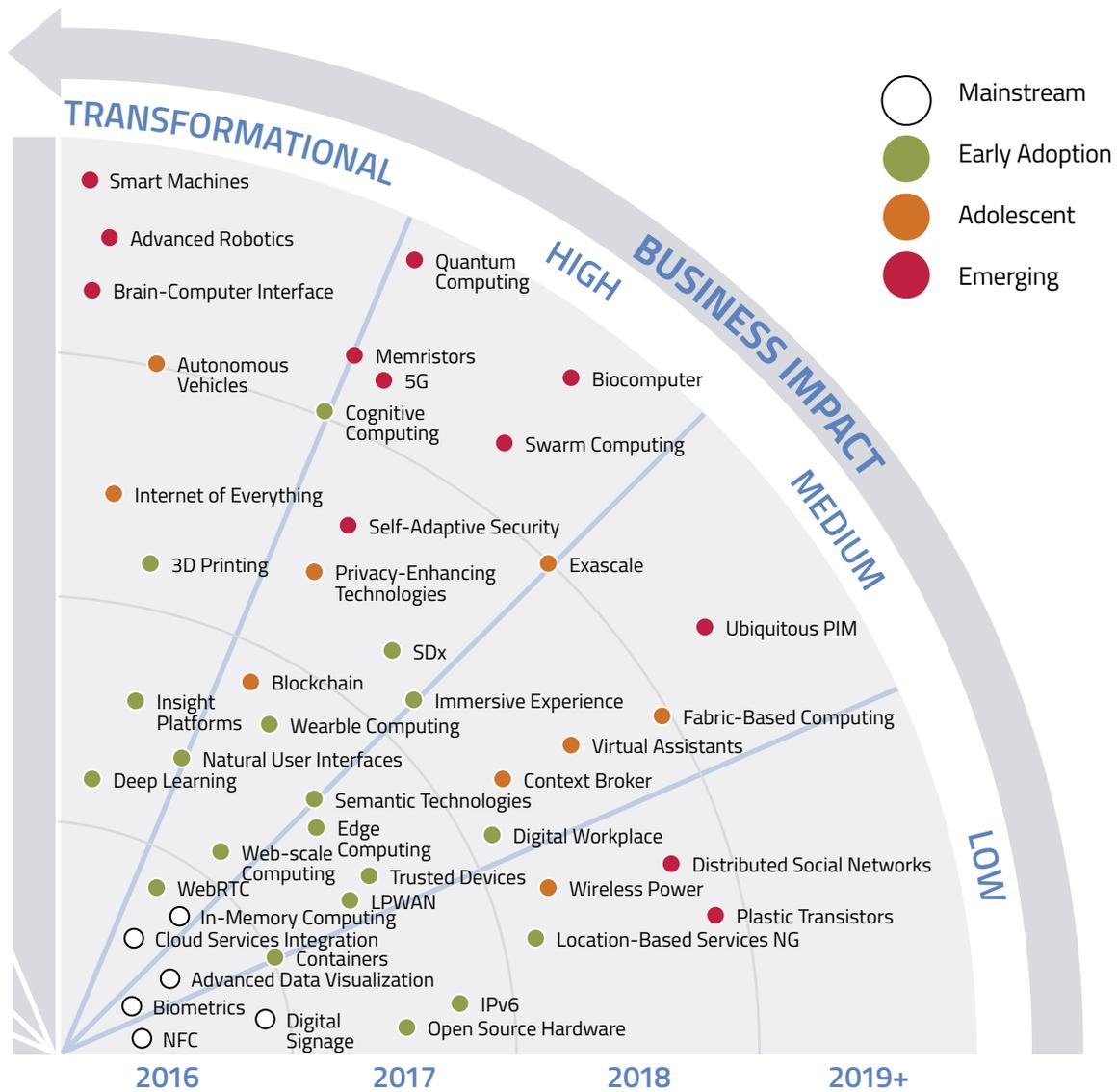
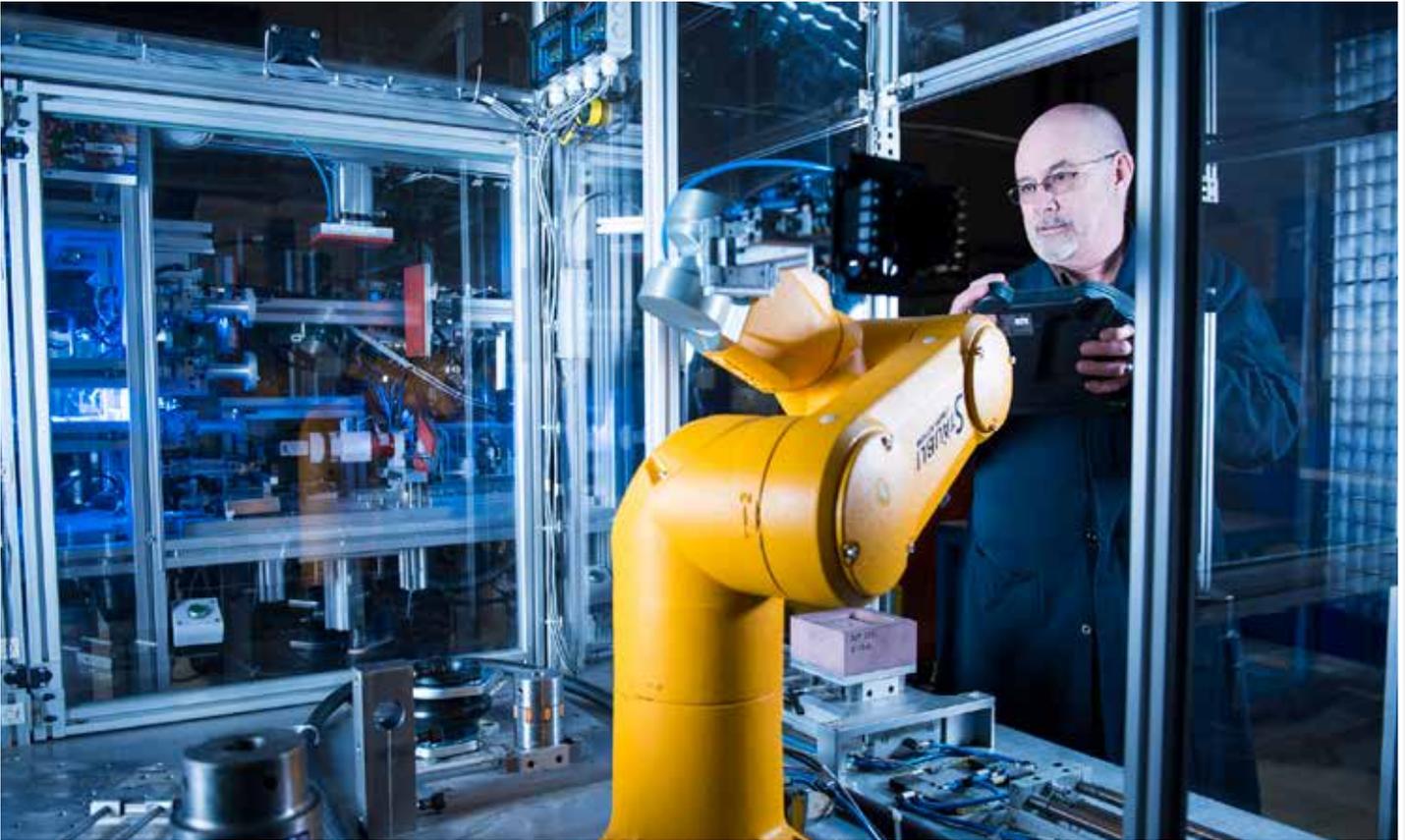


Figure 10: Business impact by emerging technologies.

The City is committed to providing information and connecting business leaders to available resources to build capacity for business improvements. In a recent survey of 800 businesses in Surrey, only 15% reported spending 6% or more of their capital on R&D, a significantly low amount given the increasing intensity of market competition. However, federal programs such as those offered by the National Research Council (NRC), and the Natural Science & Engineering Research Council (NSERC) exist for local businesses to innovate, commercialize new products, and access university researchers. These programs are underutilized by Surrey businesses. By working in partnership with academia and various levels of government, Surrey's Economic Development Division can provide one-on-one support to business leaders and help access these free government services through the new **SparkBIZ Surrey program**.

Surrey-based companies like Columbia Plastics, for example, are embracing change by adopting industrial robotics to improve the productivity of their business and compete against international low-cost manufacturers in their market segment. It is our goal to see more Surrey companies move up the value stream and realize new market opportunities.

CASE STUDY: COLUMBIA PLASTICS EMBRACES AUTOMATION TO REALIZE NEW MARKETS



As a long term tenant in the community, Columbia Plastics has been in operation in Cloverdale since 1981. Originally focusing on plastics for office supplies, Columbia Plastics examined market trends and noticed a demand for high end plastics for medical devices. They saw first-hand the effect automation was having in their industry and how companies relying on manual labour were now competing with cheaper labour options abroad. Columbia Plastics embraced a pilot program to explore automation opportunities not just in office supplies, but in other high return industries, such as medical devices, agriculture, and mining.

While in some cases automation did not necessarily result in more units being produced, it did lead to less variability in the product, improving quality, which led to bigger contracts with higher quality manufacturers. Further, even making small changes in production to menial jobs helped improve morale, created a safer working environment and led to new higher skill jobs. In some cases, revenues for certain products increased by 30% which enabled Columbia Plastics to hire more high skilled technicians and engineers and identify new opportunities for automation.

“ Businesses need to think about how they will modernize and innovate; it’s looking at flexibility and analyzing where and when. A lot of what we bring in needs to be flexible and able to work on more than one job – even jobs we don’t know about yet. ”

– Brian Holmes, V.P and General Manager, Columbia Plastics Ltd.

CASE STUDY: SPARKBIZ SURREY- BUILDING RELATIONS WITH SURREY BUSINESSES



Over the past 10 years, the Economic Development Division has visited over 800 businesses in Surrey as part of the Business Visitation program. However, in an increasingly complex business environment, businesses need access to more than civic programs in order to succeed.

SparkBIZ Surrey is the Economic Development Division’s new and enhanced business support program that allows professionally-trained city staff to provide guidance and support to local businesses in need of business capacity building support, as well as access to provincial/federal programs and funding for innovation, commercialization, global market access, and partnership development. Over the next three years, the Division is committed to building 500 new relationships with local businesses through this program and connecting at least 10% of applicable companies to relevant government support or funding programs.

SparkBIZ Surrey will also provide a one-stop-shop platform and a key staff person for local businesses to communicate with the City about their business concerns and help navigate through City Hall (Figure 11).

A significant proportion of Surrey companies are exporting their products and services. With 75% of all Canadian trade happening through Free Trade Agreements and Canada continuing to focus on major agreements with partners in Europe and Asia, companies need to be aware of the impact that changing legislation can have on their business, and be privy to the best market intelligence available. Global Affairs Canada’s Trade Commissioner Service currently offers a number of funding programs that help Canadian businesses explore global markets and make their first deal. Affinity Manufacturing is an example of a company that, through the support of local industry groups, is now a tier 1 supplier to the American aerospace manufacturer Boeing Corporation.



CREATING LOCAL VALUE CHAIN PARTNERSHIPS

The City’s significant industrial business base is unique to the region where manufacturers and assemblers are continuing to expand in Surrey, whereas industrial land availabilities are becoming increasingly scarce elsewhere in the region. This provides opportunities to create synergistic relationships between non-competing businesses across the City. These synergistic value chain relationships can help companies explore global market opportunities they might not have been able to do alone. Emerging local industries in the clean technology sector also require a strong local supply base to support just-in-time production of new products and technologies. Welders, metal fabricators, plastic injection moulders, and contract professional services are just some examples of services Surrey companies can provide to emerging industries.

In order to understand what role the City could play in creating value for Surrey’s priority sectors, in 2015, the City partnered with Simon Fraser University to undertake an unprecedented attempt by a North American municipality to pro-actively identify and strengthen the components of the local value chain. This study formed the backbone of Surrey’s Economic Diversification Strategy, which is dedicated to growing opportunities in local advanced manufacturing, targeting the increasingly interwoven value chains in the clean technology sector. Over 2,000 local businesses were identified to have base capabilities to service these emerging sectors, although the study noted that many would require process improvements or investments in new precision-manufacturing equipment to fully realize these opportunities.

Establishing a core manufacturing sector that is capable of supporting emerging knowledge-based industries is critical to the long-term growth of BC’s technology industry. Many of the technology companies have indicated that local business networks, especially in the start-up phase, are critical to their business success and they are willing to pay more to have access to local qualified value chains. With an already strong manufacturing base in the City, Surrey is well positioned to become a provincial hub, driving local growth and innovation, which will in turn localize production, improve quality, and reduce business risks and costs associated to value chains to increase the competitiveness of regional firms (Figure 12).

Surrey Economic Diversification Value Chain Model

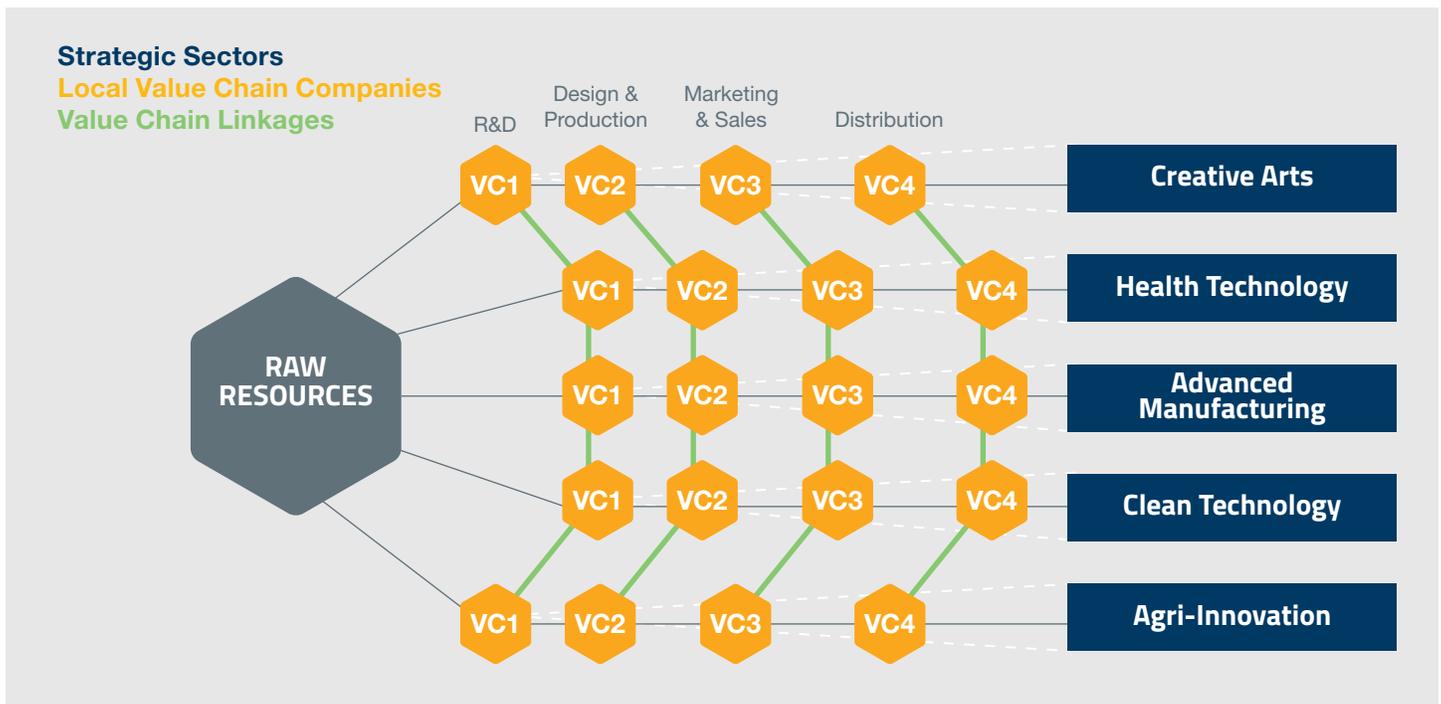


Figure 12: Value creation for local businesses through the diversification of Surrey’s economy. Source: City of Surrey.



Objective

To create one job for every resident worker through retention, attraction, and development of Surrey's workforce over the next decade.

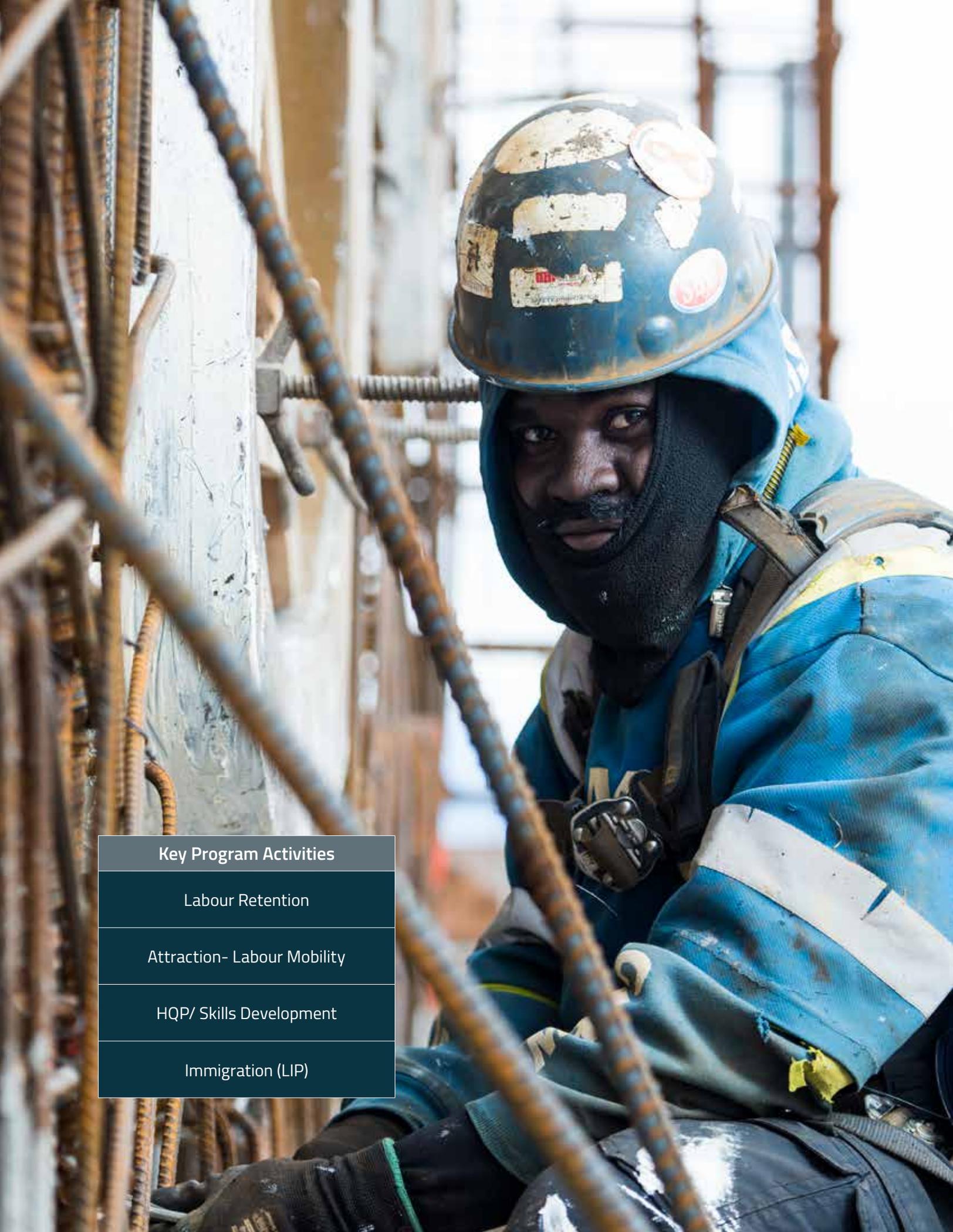
Flagship Program

Labour Market
PARTNERSHIPS

Part 2.4: Creating Jobs and Developing Our Workforce

HIGHLIGHTS

- According to current estimates, total employment in Surrey is 181,643 workers with a 0.68 resident-to-worker ratio.
- The City is becoming an importer of talent. Over 38% of those who work in Surrey come from elsewhere in the region, but, in the long-term, Surrey's large under 19-year-old cohort will become the city's economic engine.
- 73% percent of companies surveyed in Surrey's five priority sectors report that they have a challenge attracting talent.
- Job opportunities exist for qualified technical, business and information technology talent.
- The creation of local job opportunities will allow Surrey resident workers to live and work within the city.



Key Program Activities

Labour Retention

Attraction- Labour Mobility

HQP/ Skills Development

Immigration (LIP)

Key Trends Influencing Job Creation and Workforce Development in Surrey



Figure 13: Current trends affecting Surrey's workforce.

CREATING JOBS FOR GENERATIONS

Attracting and retaining talent is a critical lever for shaping Surrey's transformation into a powerful metropolitan centre. The implementation of the recommendations in this Economic Strategy will support the creation of new employment opportunities for Surrey residents and help attract highly qualified talent from across the region.

According to current estimates, total employment in Surrey is 181,643 workers with a 0.68 resident-to-worker ratio.¹² New employment opportunities are being created as a result of robust and steady business growth that is consolidating Surrey's role as a major regional employment centre. The City is also increasingly becoming an importer of talent. Over 38% of those who work in Surrey come from elsewhere in the region, but, in the long-term, Surrey's large under 19-year-old population cohort will become the city's economic engine of the future.

The availability of skilled talent is a critical component of Surrey's competitiveness and a key factor for companies that are considering relocating to Surrey. Over the next ten years, it is predicted that the City of Surrey will add 40,000 new direct, indirect, and induced jobs to the local economy through infrastructure investments alone. Through the City's focus on growing its priority sectors, an additional 36,200 jobs can be created in the same time period by attracting new firms looking to locate to or expand in Surrey. These estimates don't take into consideration current labour trends such as the rise of the "gig economy" where an increasing number of Canadians are seeking employment through independent contract work. Successful entrepreneurship training programs, such as SFU's Venture Connection, are proving to be extremely successful in preparing new graduates for these sole-preneur opportunities.

As the City focuses on expanding the number of employment opportunities for Surrey residents, there are already a significant number of opportunities being created by Surrey's existing business base. 73% percent of surveyed companies in Surrey's five priority sectors report that they have a challenge attracting talent. While Surrey's unemployment rate is typically below the provincial average, the distinctive demands of Surrey's labour market require a variety of skilled workers to advance the growing clean technology, health technology, advanced manufacturing, agriculture technology, and creative economy sectors that are clustering here. As a result, a new workforce development strategy based on a deep understanding of the high demand occupations is required for Surrey. Matching skills training to the jobs that will be in demand tomorrow requires that education providers from post-secondary institutions to high schools develop curricula that can respond effectively to the changing demands of the labour market.

Surrey-based firms such as **Volta Air**, a manufacturer of mobile refrigeration systems, and innovative new companies like **G-Pak**, which manufactures compostable single-serve beverage packaging are hiring technical trades and engineering talent for their businesses. And it's not just businesses that are hiring - so are Surrey-based institutions. SFU will be adding 22 new full time teaching and research faculty members to the Surrey campus in the next couple of years for the new Sustainable Energy & Environmental Engineering program focus.

¹² City of Surrey Planning & Development 2016.



Technological advances are not only changing industries, but they are also changing the way people work. For example, the Canadian Advisory Council on Economic Growth estimates that half of Canadian jobs are at risk of automation in the next 20 years¹³, and two thirds of economic activity could be automated using existing technologies.¹⁴ While disruptive technologies such as robotics and other forms of automation are changing the way people work, automation does not necessarily mean the displacement of jobs. It can be an opportunity for re-training and enhancing human creativity. In fact, recent studies suggest the productivity gains from automation actually allows businesses to access new markets and, in turn, create new job opportunities.

A recent study by the global consulting firm, Mckinsey & Co., suggested that 12.8% of jobs in Surrey currently could be optimized using some form of automation or robotics technology. A direct result of this transition would be the creation of new employment opportunities for automation technicians and technologists to modernize existing small and medium enterprises in Surrey.¹⁵

From an educational perspective, industry also increasingly requires workers to have formal post-secondary education and industry credentialing to demonstrate job proficiency in an increasingly knowledge-based economy. However, many credentialed programs are struggling to adapt to the increasing speed of change that industries are facing due to the introduction of disruptive hardware and software technologies into everyday business activities.

13 The Advisory Council on Economic Growth, *Building a Highly Skilled and Resilient Canadian Workforce Through the FutureSkills Lab*, February 2017.

14 Brookfield Institute for Innovation + Entrepreneurship, *The Talented Mr. Robot: The Impact of Automation on Canada's Workforce*. June 2016.

15 M. Chui, J. Manyika, and M. Miremadi, 'Where Machines Could Replace Humans - And Where They Can't (Yet)', in *Mckinsey & Company*. July 2016, viewed 20 April 2017, <http://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/where-machines-could-replace-humans-and-where-they-cant-yet>



ADDRESSING AN INCREASING SKILLS GAP

According to research conducted by the Conference Board of Canada, British Columbia's skills gap costs the provincial economy up to \$7.9 billion in foregone GDP and over \$1.8 billion in lost tax receipts annually.¹⁶ In an increasingly globalized business climate, a skilled workforce is vital to boosting competitiveness and resiliency of industry.

Surrey's current workforce mirrors the city's diverse business base, ranging from retail trades to health care, manufacturing, construction, and transportation industries, although this distribution is rapidly changing. Increasing real estate costs and the relative availability of employment lands in Surrey are shifting the business-base toward industries of the future, such as those identified as Surrey's priority sectors. This transformation is generating opportunities for well-paying employment, but it paradoxically also creates a skills gap in Surrey's existing labour market that needs to be bridged. This represents a significant opportunity for the region's education system.

Surrey is not alone in this transition to accommodate new industries. It is happening across the entire provincial economy. WorkBC's 2024 Labour Market Outlook is projecting that 42% of all job openings in BC over the next decade will be "skilled labour", requiring a college education or apprenticeship training.¹⁷ While these opportunities are most acute in business management, engineering and trades disciplines, the

proliferation of the digital era is also driving significant demand for information technology and automation technologists.

Employers are trying to bridge their own skills gaps through employer-led up-skilling and staff training opportunities. In a recent survey, 9 out of 10 B.C. employers indicated that they will be providing up-skilling and training in their places of business within the next three to five years. However, one of the key challenges associated with the increasing popularity for independent contract work will be that these individuals will not have access to employer-led training opportunities and will require public post-secondary institutions to offer innovative methods to provide affordable short-term specific skills training opportunities to these individuals.

Multinational companies such as Siemens and Festo are also entering the education sector to address the demand for specialized skills training. Both SFU Surrey and KPU Tech have recently partnered with Siemens to offer the globally recognized **Mechatronics Systems Certificate Program** which will provide hands-on training and industry certification for talent looking to work in an increasingly automated manufacturing industry. Without intensifying a continuum of employer and institutionally-led training opportunities efforts, B.C. employers will risk decreased productivity, revenue and innovation, as well as rising costs.



IDENTIFYING NEW EMPLOYMENT OPPORTUNITIES

In 2015, 6,300 new jobs were added to Surrey’s economy through the expansion and attraction of businesses to the City. As Surrey continues its metropolitan transformation trajectory, new job opportunities will be created. As mentioned in previous sections, civic infrastructure investments alone will create over 40,000 direct, indirect, and induced jobs. Additionally, the City’s Economic Diversification Strategy will drive the creation of new companies in the City and has an aggressive plan to shape and build Surrey’s growing knowledge economy.

In 2016, the City of Surrey, in partnership with SFU and KPU, commissioned a labour market study into the job creation potential in Surrey’s five economic priority sectors. The study asked local businesses in these sectors about their previous year’s growth rate, as well as their anticipated growth rate for the next 3 years and established an average annual growth rate of 5.3% in a moderate growth scenario. This growth rate would account for approximately 28,800 jobs in Surrey by 2025 (Figure 14).¹⁸ The study also concluded that, with investments from all levels of government to diversify Surrey’s economy, an 8% annual growth rate could be achieved over the next decade leading to 36,200 jobs being created by 2025.

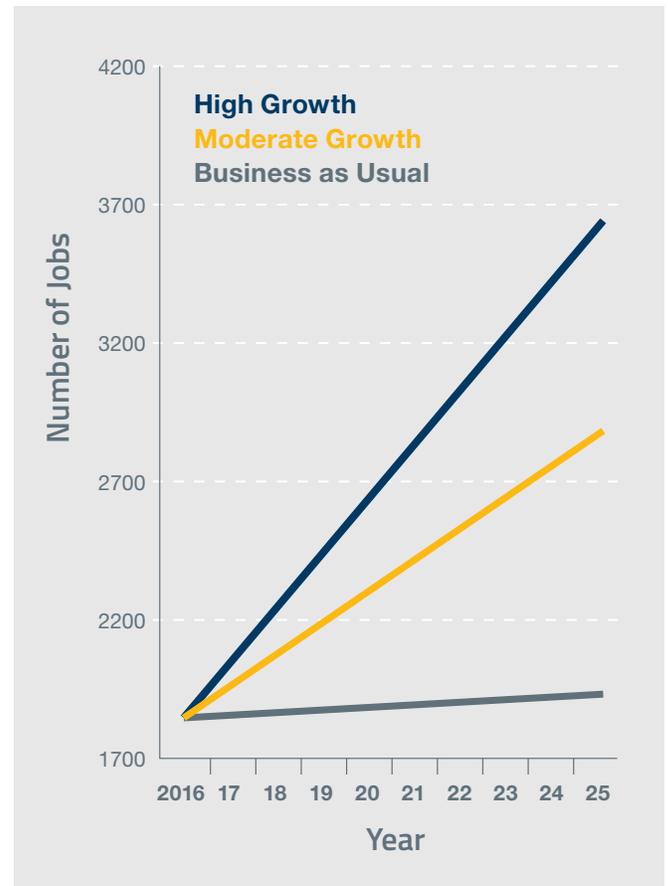


Figure 14: Forecasted annual jobs trend due to investment and growth of Surrey’s five priority sectors. Source: Prism Economics and Analysis, 2016.

¹⁸ City of Surrey, *Surrey Advanced Manufacturing and Innovation Economy Report*, January 2017.



Jobs that can be created through economic diversification are broad and cross a variety of skillsets. Through key interviews and conversations with Surrey-based businesses, it was identified that the limited local supply of skilled labour is often a challenge.¹⁹ Analysis of this data shows a number of occupations are currently in high demand in Surrey. These are profiled in Table 2.^{20, 21}

| Technical Roles | Business Roles | Information Technology Roles |
|--|--|---|
| <ul style="list-style-type: none"> ▪ Engineers (electrical, mechanical, software and control) ▪ Architects ▪ Civic Planners ▪ Manufacturing technicians & technologist ▪ Trades (Fabricators, millwrights, welders, and machinists) ▪ Energy systems scientists ▪ Health care professionals | <ul style="list-style-type: none"> ▪ Entrepreneurs ▪ Mid-senior business and government management professionals ▪ Advertising, Marketing and Public Relations ▪ Technical sales professionals | <ul style="list-style-type: none"> ▪ Computer programmer and software development ▪ Interactive media developers ▪ Information systems analysts ▪ Graphic Designers |

Table 2: High demand occupations in Surrey. City of Surrey, 2017.

¹⁹ City of Surrey, *Surrey Advanced Manufacturing and Innovation Economy Report*, January 2017.

²⁰ City of Surrey, *Surrey Advanced Manufacturing and Innovation Economy Report*, January 2017.

²¹ BC Tech Association, *2016 TechTalentBC Report*, 2016.



SURREY AS A KEY EMPLOYMENT HUB

To ensure that Surrey has a robust workforce and becomes a major regional employment hub, the City of Surrey will develop strategies to:

1. Retain resident workers who leave Surrey for employment
2. Attract workers from outside of Surrey to pursue employment in the City
3. Engage with Surrey’s immigrant population to support labour shortages
4. Develop new Highly Qualified Persons within the City

According to research commissioned by the City of Surrey, approximately 55% of Surrey residents currently leave the city to work in other parts of the region.²² While Surrey-based talent is supporting the growth of the regional economy, the localization of talent closer to their place of residence would have a significant impact on congestion and transportation infrastructure, lowering the carbon footprint, as well as enabling the creation of economic clusters that thrive on the availability of local talent.

²² Statistics Canada, *National Household Survey*, 2011.

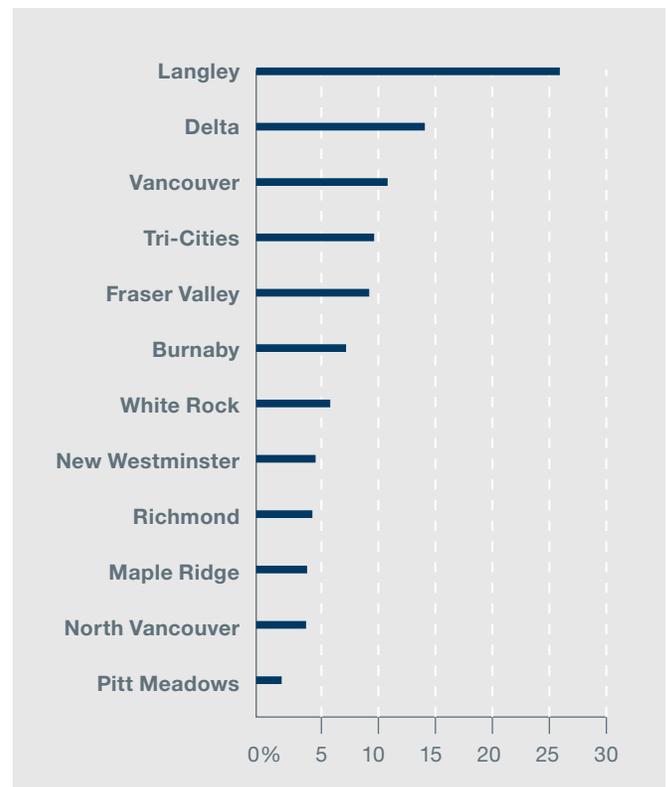


Figure 15: Labour mobility from other regional jurisdictions into Surrey.

Companies like **Vancity Credit Union** that are expanding their presence in Surrey have a preference for talent who live close to their place of work as a means to reduce the organization's overall carbon footprint, as well as building better relationships with their prospective community members. **Fraser Health Authority**, one of Surrey's largest employers currently employs over 7,700 Surrey residents with 93% working at facilities throughout the City. Not only is Fraser Health employing local residents, it spent \$215 Million recruiting local vendors.

Given this context, it is vital to retain workers in Surrey as it benefits local industry and the community at large. Currently, most workers who choose to live in Surrey but work elsewhere are attracted to the city because of its relative affordability and the availability of different housing options that can accommodate a variety of lifestyles.

Surrey Resident Workers Powering Hollywood North

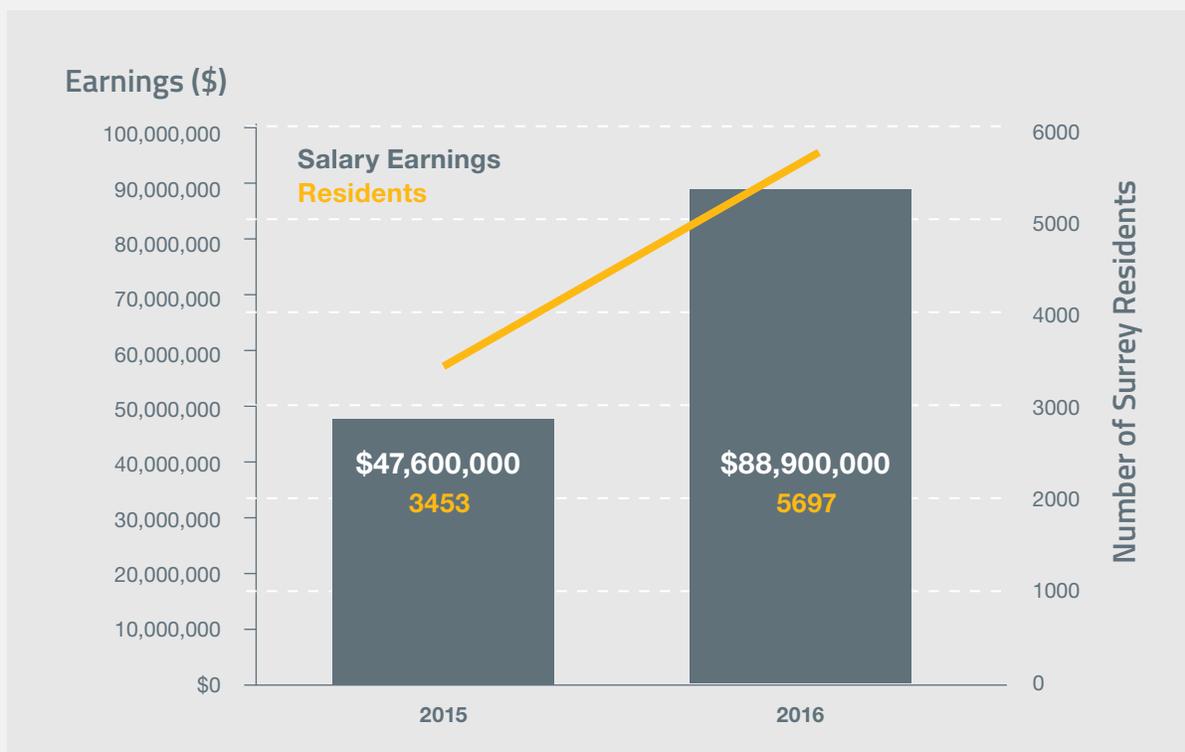


Figure 16: Growth in employment and volume of salary income by Surrey residents working in BC's film industry.

From Skydance Studios's new facility locating in Newton, to the increasing number of film permits being issued, the growth of BC's film industry is good news for Surrey. In fact, in 2016, there were approximately 5,700 Surrey residents employed by the industry bringing home \$90 Million in income for these workers. This accounts for an increase of 2,300 jobs and \$41.3 Million in new income compared to 2015. To grow the number of productions

in Surrey, the City is investing in new technologies and services that will make producing films in Surrey simple. The impact of the City's efforts to support the film industry are demonstrated through 173 film permits being issued in 2016, a 78% increase from 2015. These productions include Prison Break, Why We're Killing Gunther, Supergirl, the Flash, and the 100.



Fraser Health is one of the largest employers in Surrey and with the city projected to become the largest in BC, we are developing our health human resource strategy that will grow our workforce alongside the growth of the city.



- Victoria Lee MD MPH MBA CCFP FRCPC, Vice President Population Health and Chief Medical Health Officer, Fraser Health Authority



AFFORDABLE HOUSING OPTIONS IN SURREY DRIVES GROWTH

Relative housing affordability and availability of a variety of residential housing products is one of the key drivers for Surrey’s growth over the past decade. Even today, as the debate around housing affordability in British Columbia continues, Surrey is comparatively more affordable than other Metro Vancouver jurisdictions. In fact, a single detached house in Surrey is approximately \$500,000 less than the regional average (Table 3). As young professionals consider finding their next home, Surrey remains a competitive location for them to start their families.

| | <i>Single Detached</i> | <i>Townhouse</i> | <i>Apartment</i> |
|-----------------|------------------------|------------------|------------------|
| Metro Vancouver | \$1,474,200 | \$675,500 | \$526,300 |
| Surrey | \$968,800 | \$449,700 | \$267,000 |

Table 3: Benchmark housing prices for Surrey and Metro Vancouver as of February 2017. Source: Real Estate Board of Greater Vancouver-MLS Home Price Index; Fraser Valley Real Estate Board Statistics.

On average there are over 1,000 job openings in Surrey that are unfilled at any given time that could be filled by Surrey residents.²³ Working closer to home has environmental sustainability benefits and reduces the carbon footprint from transportation. As we attract new

residents into Surrey, the City will seek to retain those who leave Surrey each day for employment, continue to support skilled workers who live in Surrey, and create new opportunities for those who are currently in the education system.

²³ Analysis of 2016 Eluta.ca job posting information. 2017.

CASE STUDY: FROZEN MOUNTAIN – THE FUTURE OF TECH LIVES HERE



The team at Frozen Mountain is proud to represent their community - sporting t-shirts emblazoned with 'Surrey, The Future of Tech Lives here' at the annual charity Techpong Tournament in Vancouver. Operating in Cloverdale, Frozen Mountain is a leading software company that has carved out its own unique space within the BC Tech community. Currently with a team of 34 employees, Frozen Mountain has found its location in Surrey as a unique asset for the recruitment and retention of great people.

As a family owned company, the importance of family has underpinned the nature of employees that Frozen Mountain has attracted over the years. Most of the company's employees have relocated to Surrey, in order to avail the benefits of affordable real estate and the quality of life for raising young families. In fact, many of Frozen Mountain's staff chose to work in Cloverdale specifically because of the location, preferring the Surrey neighbourhood over commuting into Downtown Vancouver.

For Frozen Mountain, developing a unique corporate culture that makes it a great place to work is paramount. Over 80% of their staff has the ability to work from home at least part of the time, with most employees living in Surrey, Vancouver, Delta, or Langley. Employees experience low commute times because of their proximity to the office and the ability to commute by car, bike, or transit. The company also hosts bi-yearly family events and actively gives back to the local community.

While competing with tech companies in Vancouver for talent might pose a challenge for Frozen Mountain, the company has had great success in attracting the right talent from across the Fraser Valley and retaining it through a unique culture they have built and nurtured from within.

“ We're happy to be in Surrey and see the area as well as our corporate culture as a big part of our success. – Jerod Venema, COO ”



Workers in Surrey by Place of Residence <1% 1-2% 2-3% 3-10% 62%

Figure 17: Where Surrey resident workers go to for work. Source: National Household Survey 2011.

INCREASING LABOUR MOBILITY AND ATTRACTING WORKERS TO SURREY

Surrey is increasingly becoming a regional employment hub with over 38% of the city’s workforce commuting from outside of the city. Fraser Health Authority, Canada Revenue Agency, PwC, Coast Capital Savings, the City of Surrey and other major employers are all examples of organizations driving labour mobility into the City from other parts of the region, particularly from neighbouring Langley and Delta. However it isn’t just the major employers; many local manufacturers are struggling to find the right talent to fill their ranks. What may surprise people is the fact that a significant number of workers also come from the City of Vancouver, Abbotsford, and the Tri-Cities, which suggests that while distance is a factor, Surrey is increasingly generating new economic

opportunities that are attracting talent (Figure 17). The City of Surrey is capitalizing on this opportunity through its long-term commitment to increase transit options, such as LRT and bus services.

Surrey-based companies are also recruiting talent from around the world. Powertech Labs is an example of a company with a robust global recruitment strategy. This highly competitive search for global talent is a growing challenge for many tech companies in the city, raising a significant opportunity to repatriate Canadian talent living abroad, especially those currently active in the Pacific US states.

CASE STUDY: POWERTECH LABS – LEADERS IN RECRUITING HIGHLY SKILLED GLOBAL TALENT

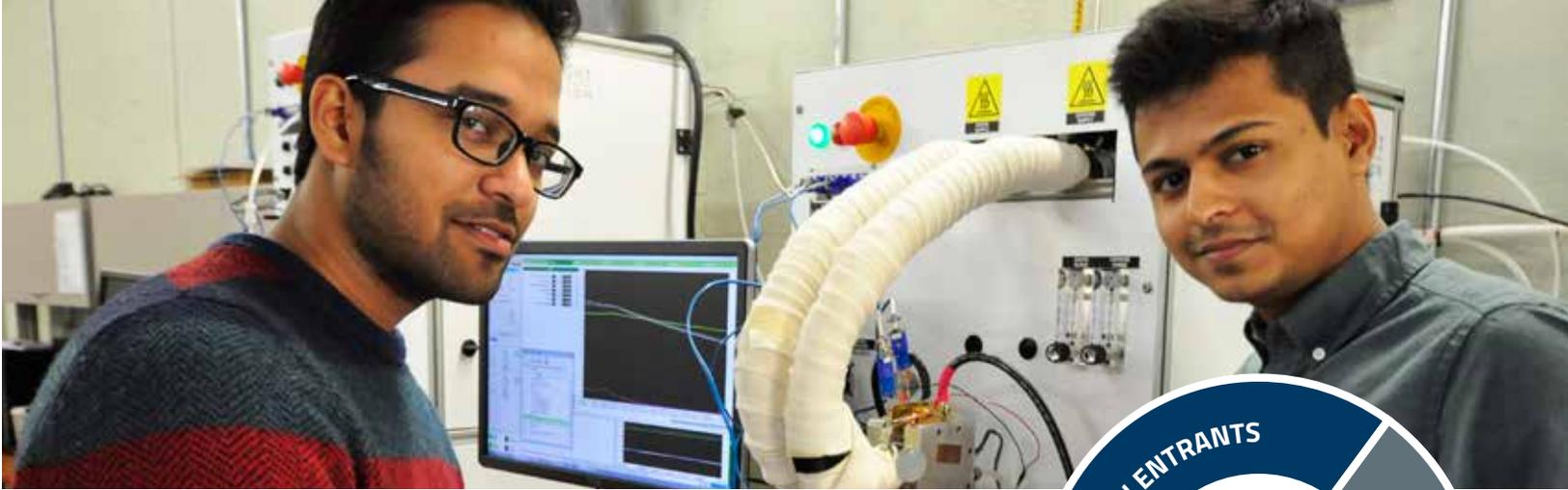


Powertech Labs is an integral part of Surrey's burgeoning clean technology cluster. As a leader in the growing clean-technology industry in Surrey, they are one of the largest testing and research laboratories in North America. It is internationally recognized for offering 15 different testing laboratories in the fields of transmission, utility generation, and distribution of power systems.

Competing at an international scale, Powertech provides testing, consulting and research services to various industry sectors. They employ over 190 employees and attract talent from around the globe, including countries like China, India, Iran, Europe, and Australia to fill a broad range of positions for scientists, engineers, and technical specialists. This dynamic and innovative company engages with Canadian Universities for the recruitment of international students for various entry level positions and also conducts global outreach to fill highly specialized positions in the fields of electrical, mechanical, and chemical engineering. Over the past four years, Powertech has hired approximately 100 technical staff members, in which 25% of the skilled hires are either foreign recruits or new immigrants to Canada, where this is their first Canadian job in a technical role. Foreign hires include International Graduates, Post-Doctoral Fellows, and 13 PhDs.

In an increasingly competitive global race for talent, Powertech Labs has developed its own unique value proposition for potential employees, both foreign and local. They cite their ideal location in Surrey as an attractive element of their recruitment process in addition to the companies' variety of technical projects, diverse and collaborative work culture, and extremely well-established global reputation for excellence.

With Surrey's increasing relations with the global clean technology economy, Powertech Labs views a bright and highly optimistic future for itself in the City. The company has continual expansion plans in place for the coming years, which will be supported by a projected 8% annual increase in staff leading up to 2020. These highly qualified and skilled foreign professionals that Powertech continues to attract play a key role in not only achieving the company's business goals, but also in building a transformative future for the City of Surrey.



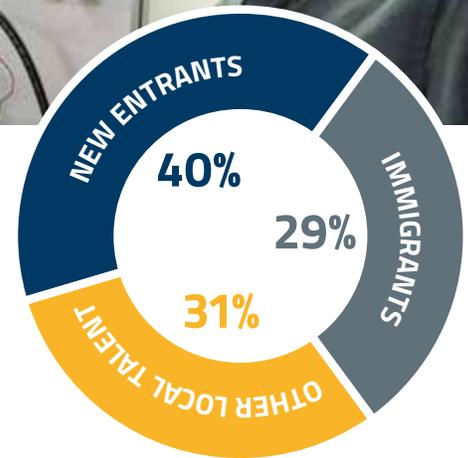
Immigration of Foreign Skilled Talent

With Surrey being home to one of British Columbia’s most diverse populations, and being the city of choice for many immigrant families, developing strategies to integrate these individuals seamlessly into the labour force is critical. With over 50% of new immigrants aged 24 and under, it is essential to get them into the mainstream economy as quickly and effectively as possible, as they will help drive economic growth and prosperity in the region. **The Surrey Local Immigration Partnership** is an example of how the City is supporting the integration of new immigrants and refugees into our economy through programming support and connecting immigrants with local opportunities.

Market research indicates that there are number of in-demand industries seeking immigrant labour to support business operations in both skilled and un-skilled positions. The manufacturing sector, for example, currently has a number of openings requiring immigrants to support production lines in operations across Surrey. Industry groups such as the Alliance for BC Manufacturing are providing timely support to these new Canadians workers. Surrey’s agriculture sector also currently relies heavily on foreign temporary workers to support intensive summer growing seasons.

Opportunities exist to identify mechanisms to enable unemployed persons to support the needs of these local industries and gain an economic foothold.

Immigrant talent will also be required to support high skill positions in BC’s technology sector, and many of them will choose Surrey as their place of residence. According to the BC Tech Association, over the next five years, approximately 13,500 (29%) of the total labour demand in the province will be filled by immigrant workers (See Figure 18). With this in mind, the Federal government has recently made it a priority to attract more highly skilled workers from abroad to support Canada’s talent pool through the new Canada **Global Skills Strategy**. Local post-secondary institutions also play a role in integrating this talent into the local economy. SFU Surrey’s Mechatronics department now offers a **Professional Master’s program in Advanced Manufacturing** which provides training to foreign accredited engineers to obtain Canadian professional engineering (P.Eng) designation. Not only will this program ensure highly skilled immigrants can enter the local workforce, it can potentially enhance the global competitiveness of firms who now have talent with international experience.



- NEW ENTRANTS**
New graduates from post-secondary institutions
- IMMIGRANTS**
Talent sourced from outside of Canada
- OTHER LOCAL TALENT**
Talent sourced from other local supply groups, including underrepresented groups and career transitioners

Figure 18: Hiring proportions by talent source for BC’s technology industry.
Source: BC Tech Association, 2016.

The repatriation of Canadian talent is another mechanism for gaining access to highly qualified talent. Canadian technology workers in Silicon Valley are the single largest diaspora of Canadian nationals worldwide.²⁴ Significant opportunities exist for Surrey to repatriate this Canadian talent to help build new Canadian opportunities.

²⁴ A. Scott, 'Lessons from Canada's Silicon Valley diaspora', *The Globe and Mail*, 23 February 2012, viewed on 20 April, 2017, <http://www.theglobeandmail.com/report-on-business/rob-magazine/lessons-from-canadas-silicon-valley-diaspora/article535544/?page=all>



Development of Highly Qualified Personnel (HQP)

The presence of highly qualified workers leads to greater innovation and a stronger knowledge base in a city. Centres of scientific research, academic institutions, and highly skilled faculty allow for the clustering of scientific excellence. Surrey can capitalize on the presence of local academic institutions such as Simon Fraser University and Kwantlen Polytechnic University to promote skills development and increase the pool of HQP talent.

However, one of Surrey's greatest challenges is that, even with the addition of 300 new spots for undergraduate engineering students, there remains a shortage of places for those who wish to pursue

post-secondary education at the city's two universities (Figure 19). Unlike many other cities facing the challenges of an ageing workforce, one-third of Surrey's population is under the age of 19. This means there is a significant opportunity to train the future workforce that will drive Surrey's economic growth. Each year the Surrey School District graduates approximately 6,000 high school students, 60% of whom are looking to pursue post-secondary studies. Surrey's universities are not currently capable of meeting this demand. SFU, for example, is currently serving 26% more students than it currently has operating funds to support.²⁵

25 T. Zytaruk, 'HIGHER YEARNING: So many Surrey students, not enough seats', *PeaceArch News*, 09 March 2017, viewed on 20 April 2017, <http://www.peacearchnews.com/news/415788594.html>



SFU’s new state-of-the-art Sustainable Energy and Environmental Engineering Building will enable our students and researchers to gain the knowledge and skills required to help British Columbia and Canada become innovation leaders in the clean technology and sustainable energy sector.



- Andrew Petter, President and Vice-Chancellor, Simon Fraser University

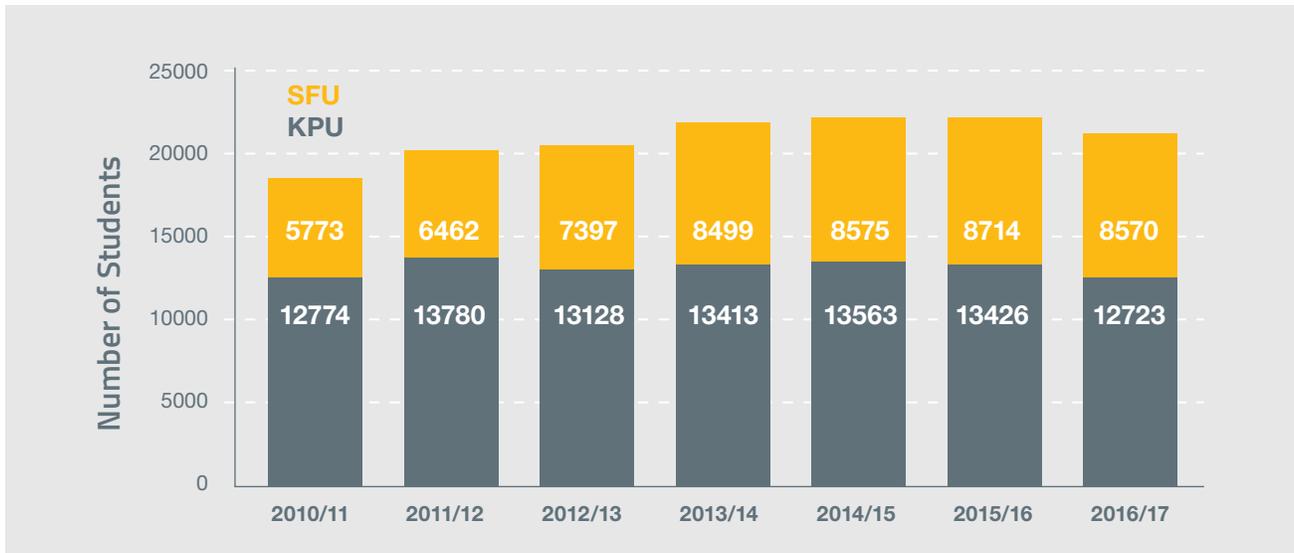


Figure 19: Post-secondary enrollment at SFU and KPU campuses in Surrey.

Post-secondary institutions also have a significant role to play in providing learning opportunities for the existing workforce. The need to retrain and up-skill workers is a national issue as jobs become increasingly technical and reliant upon digital technologies. This is not limited to technical skills training; it is a significant challenge to ensure we have the business talent to get Canadian goods and services competitively into global markets.²⁶ Continuing Education programs and short term industry certification courses are increasingly becoming mandatory credentials desired by employers in Surrey. When it is opened, KPU’s new Civic Plaza campus will provide post-baccalaureate options that will include Operations and Supply Chain Management, Technical Management and Services, and Accounting, with a career-path option to obtaining a CPA designation. SFU’s Continuing Education division will also be developing new critical programming for Surrey’s financial district in partnership with the City.

Through co-op placements and engaging student teams to gain experiential learning in real-life projects, the City, with its education and industry partners, is providing valuable hands-on experiences in real world contexts that will be invaluable to the next generation of Surrey’s young talent. Through the Economic Development division’s **SparkBIZ Surrey outreach program**, local businesses are being connected to government funding programs which provide financial support for firms to enable them to hire local post-secondary students to gain practical experience in the summer months. A number of City departments are also participating in UBC’s **Data Science for Social Good program** to support graduate and undergraduate students in solving civic challenges using the City’s open data catalogue.

With an increasing variety of formal educational programs being offered, as well as a number of community-driven experiential learning opportunities, Surrey can be a leader in creating an engaged and highly skilled workforce that can support the growth of the local economy for generations to come.

²⁶ Department of Finance Canada, *Jobs Report: The State of the Canadian Labour Market*, 2014, p. 26.



Moving Forward Together

This document outlines the City's commitment to transform Surrey into a regional nexus for commerce as well as a nationally recognized centre for innovation.

Transforming Surrey into a metropolitan centre will require a collaborative effort involving the entire community and an investment commitment from both the public and private sector. While building Surrey will require significant leadership and civic commitment, the rewards of pursuing this challenge are significant.

Over the next decade, the City is proposing investments into infrastructure, programs, and initiatives which will create:

- New technical, business, and information technology job opportunities for Surrey residents
- Business opportunities especially in five key priority investment areas of Entertainment/Lifestyle, Digital and Information, Communications Technology, Smart Cities, Transportation & Logistics, as well as Research & Development
- Partnership opportunities for local businesses to expand their operations locally and internationally
- Distinct and competitive local business communities in all of Surrey's business communities

The City's commitment and strategic actions to building Surrey into a metropolitan core is outlined in the companion Strategic Actions for Economic Investment document.



WE ARE THE STEWARDS OF SURREY'S ECONOMY

Building a city is a long-term endeavour that requires input from the entire community. Through thoughtful strategic planning, award winning programming and consultation with local and international business leaders, we examine global trends and identify creative and potentially disruptive opportunities that can transform Surrey into the dynamic and resilient Metropolitan Centre it is projected to become.

Our vision is aspirational and ambitious. The City of Surrey will become a regional nexus for commerce and nationally recognized centre for innovation by 2027.

We will achieve this vision within the City of Surrey by creating strong partnerships and developing a dynamic business ecosystem that stimulates job creation, investment, entrepreneurship and innovation.

This document is the roadmap to our future - a manifesto for realizing our destiny.

We are the City of Surrey's Economic Development Division.



**INVEST SURREY
& PARTNERS**

13450 104TH AVE, SURREY, BC, CANADA V3T 1V8
(604) 591-4128 | INVEST@SURREY.CA