



Corporate NO: R076

Report COUNCIL DATE: April 3, 2000

REGULAR

TO: **Mayor & Council** DATE: **March 29, 2000**

FROM: **City Manager** FILE: **2120-011**

SUBJECT: **Strategy to Accelerate Industrial/Commercial Growth**

RECOMMENDATION

1. That Council receive this report as information
2. That Council instruct staff to implement the action plan outlined in this report.

BACKGROUND

During its deliberations regarding the 2000 budget, in response to a presentation by senior staff regarding possible strategies for enhancing the City's financial position, Council instructed staff to prepare a strategy focused on accelerating the growth of industrial and commercial development in the City. This report provides a summary of such a strategy which will be pursued in accordance with the identified time frame.

DISCUSSION

Goal of the Strategy:

For any strategy to be effective it is important that specific quantifiable goals be established as the basis for the strategy. Staff undertook a review of the industrial/commercial activity in the City over the last 10 years (i.e., 1990 - 1999) and estimated the "stretch" potential for industrial/commercial development in the City over the next 10 years. Based on this review, the goal for the next 10 years is proposed to "**double**" the rate of industrial/commercial development in the City as compared to the last 10 years.

This goal is further quantified in the following table:

	Last 10 Years (1990 - 1999)	Next 10 Years (2000 - 2010)
Construction Value	\$1 billion +	\$2 billion +
Annual Property Taxes	\$10 million	\$20 million
% of total City property tax revenue	28%	32%
Land absorbed	700-800 acres	1400-1600 acres
No. of jobs created	25,000 jobs±	50,000 jobs±

Proposed Action Plan:**Timing of Actions:**

1. A **task force** consisting of two senior staff will be formed to establish:

- more accurately the amount of economically viable serviced land which must be made available in each zoning category on a year by year basis;
- a rezoning process and implementation schedule on a year by year basis;
- an optimal engineering servicing approach to ensure a reasonable level of preparedness for expediting building construction.

June, 2000

Fall, 2000

Fall, 2000

2. A comprehensive strategy to develop Campbell Heights area as a “high-tech” Business Park. This strategy includes:

- Work in partnership with the Province to facilitate the zoning, servicing and marketing of their lands specifically targeted for semi-conductor manufacturing sector
- Establish an Advisory committee consisting of key market-place players appropriate to achieve this goal
- Prepare a plan for and rezone the industrial lands with suitable zoning bylaws to facilitate

Underway

Summer, 2000

Fall, 2000

high-tech companies

- Prepare a marketing strategy, marketing material and marketing plan Fall, 2000

- Ongoing promotion and marketing to build-out Ongoing

3. Develop an aggressive marketing strategy for City-owned lands in Bridgeview to make them available for sale or lease for industrial and commercial development. June, 2000

4. Leverage the City's Transportation Plan such that it directly enhances industrial/commercial development Fall, 2000

5. To facilitate industrial/commercial development approvals, a new position is to be established reporting to the City Manager. The primary purpose of this position is to be an "applicant's representative" with a mandate to ensure that assigned industrial/commercial applications are given priority service through the review and approval process. Summer, 2000

6. Establish a separate Industrial/Commercial service counter to provide priority service to industrial/commercial development applicants. April, 2000

7. The Film Liaison, Special Event Support, and Business Development Units will be brought together under one manager. To stay within the approved budget this function will be assigned to an existing position in the City Manager's Department. In addition, it is proposed that the activities of the Business Development Unit will be strengthened and re-focused as follows: April, 2000

- Business Futures - to be a catalyst for the attraction of new business investment as well as retention and expansion of existing business base; partner in the development of a sound, sustainable tourism sector; identification partnership opportunities
- Client Services - foster business start-ups, assist local businesses to grow through investment matching (business to financial or business to business), import/export information services

- Marketing and Promotion - establish effective strategies for a positive business message to be regularly delivered, research economic trends, statistical comparisons, multi-media and other promotional material.

Projections for the Next 3 Years (2000 - 2002):

Based on the goal of **doubling** the rate of industrial/commercial growth in the City, the target for the next three years (2000-2002) is a total building construction value of \$600 million for industrial/commercial development. As an example, this goal can be achieved if the following projects proceed in the next three year period:

<u>Projects:</u>	<u>Estimated Construction Value</u>
• South Surrey Interchange Commercial Retail Development	\$30 million
• High-rise Hotels	\$30 million
• Tech BC	\$70 million
• City Centre Commercial Development	\$80 million
• Kwantlan College Business Park - Cloverdale	\$50 million
• Campbell Heights Business Park	\$200 - 300 million
• Theme Park Development	\$60 - 80 million
• South Westminster Initial Phase	\$20 million
• General smaller format industrial/commercial projects	<u>\$150- 180 million</u>
Total Construction Value	<u>\$690-840 million</u>

Funding Provisions

Several funding partners are contributing to many of the above actions. These include:

- The Province has allocated over \$200,000 to the City to undertake land use planning and preliminary design of the engineering services necessary to service their site. Significant additional funding is proposed for 2000/2001 to pursue this work further.
- The Federal Government has contributed \$50,000 to undertake economic research and develop marketing material. Additional funding is proposed to undertake further work in this area.
- Provision of funding in the City's 2000 budget for some of the above activities

CONCLUSION

The City has a promising opportunity of facilitating accelerated industrial/commercial growth. The proposed goal is ambitious, given that the general investment environment in British Columbia has been in decline, but the action plan summarized in this report offers an effective way of achieving this goal.

Umendra Mital, P. Eng.

City Manager

cc: City Clerk

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