

# **Future Forward: An Economic Development Plan for New Westminster**

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# **EXECUTIVE SUMMARY**

## **Objectives**

The purpose of this project was to identify economic development office (EDO) goals, strategies, and actions that should be pursued to promote economic development and growth in the City of New Westminster. Related, the project's aim was to also research, summarize, and report on the ideal framework for guiding activities of the EDO. The report will be used to:

- provide the EDO framework, strategies, and work plan for 2018-2023;
- validate both the role of the City of New Westminster's EDO and the framework under which it operates;
- inform on economic development smart practices and how they are delivered in the municipal context;
- advise on the city's economic development goals to ensure they are reflective of the current local context and consistent with other city plans and initiatives.

An important objective of the project was to investigate key functions that should guide the city's EDO activities as well as identify strategies and actions that can be implemented to achieve ongoing success. The overarching objective was to summarize all of this work into an economic development plan.

## **Literature Review**

The results of the literature review highlight that economic development in the Canadian municipal context is delivered primarily through one of two models – “in-house”, where the function is performed by a department or division that reports through administration to city council, or “arms-length”, where an external body is established that reports to a board of directors. A common characteristic of both is the reliance on a volunteer board or advisory committee to facilitate business engagement and sectoral representation.

While smart practices, goals, and strategies exist for pursuit of economic development activity locally, these are primarily developed around the themes of investment attraction, business retention and expansion and industry development. Ultimately, identification of the optimum model and development of practices, goals and strategies should fit with the local political and economic environment and requires an awareness of collaboration potential, business community and political support and, stakeholder engagement.

## **Methodology and Methods**

The methodology used in this report was a needs assessment supported by smart practice research. The current state was first assessed through a quantitative survey which was further explored through a series of focus groups. Smart practice research into models for delivering economic development in the Canadian municipal context, in addition to goals, objectives, strategies and actions for guiding the work was conducted through interviews and a literature review.

The research design framework for this project involved three distinct data collection tools. First, a quantitative survey guided by the researcher was conducted to establish a baseline of the current business climate and associated challenges and opportunities from the perspective of local business.

Second, a series of focus groups with local economic development stakeholders were held including local business people, business organization representatives, the development community, members of the City of New Westminster's Intelligent City Knowledge Workforce sub-committee and the city's Economic Development Advisory Committee to review and provide feedback on the results of the quantitative survey.

Third, a review of economic development plans from three Canadian municipalities and the frameworks under which each delivers the economic development function was conducted. This phase also included research of economic development smart practices that study municipalities have employed to further their economic development goals informed by telephone interviews with economic development leads from each municipality. Also, research took place through a literature review of economic development smart practice and frameworks along with strategies and actions for pursuing ED goals and aspirations at the local level.

## **Findings and Discussion**

The primary research findings and the literature review highlight the importance of promotion and marketing activity as a business investment attraction tool and the concept of place branding as a key component of local economic development policy. Findings also underscored the need for compelling marketing assets that outline competitive advantages, are designed with target sectors and demographics in mind, and are leveraged through collaboration with key local stakeholders.

The experience businesses have in dealings with local government was emphasized in the literature and also emerged in the research findings, notably, the need to make government more entrepreneur-friendly through clarification of processes and for city staff to see themselves as service providers with local business as customers. Advocacy and the important role the economic development function should play working in this capacity, along with the need for initiatives that streamline the business experience at city hall was also highlighted.

Business recruitment, retention, expansion, and economic diversification activity were identified in both literature and research findings as forming a cornerstone of local economic development practice. In addition, the significance of remaining aware of local context and collaboration with business community stakeholders arose as key themes as did the vital function that social and livability projects play in healthy local economies.

Research findings explored the delivery of the economic development function through in-house (internal) and arms-length (external) models and were inconclusive on which approach is superior, with advantages and disadvantages cited to both. In determining which model to pursue, local factors including organizational structure, stakeholder relationships, economic development initiatives and political support all play a role. Ultimately, the delivery model chosen should fit with the local economic context and identified needs.

### **Options and Recommendations**

Based on the research and taking into account the current context, the City of New Westminster has two options for framing pursuit of economic development activity: 1) continue delivery of economic development using an in-house (internal) model; or, 2) establish an arms-length (external) body to accomplish the same. Option 1: continue pursuit of economic development using the in-house model for organizing the work is recommended. In addition, it is also recommended that the city's economic development function be guided by the following four goals:

1. Establish New Westminster's reputation as an ideal location for both start-ups and established businesses to thrive and grow;
2. Confirm New Westminster's commitment to delivery of a positive business experience at city hall;
3. Secure diversity in the local economic base through recruitment, retention, and expansion activities; and,
4. Support livability initiatives that make New Westminster a great place to live, work, and invest.

Strategies informed by smart practice research for accomplishing these goals include marketing and promoting the city's competitive advantage, formalizing the economic development office role as the business community's advocate at city hall, a renewed commitment to collaboration and engagement, continuous innovation in city programs, projects and processes, leveraging of existing initiatives to attract, retain and grow business in key economic sectors and communicating the value proposition of locating in New Westminster.

# TABLE OF CONTENTS

|  |    |
|--|----|
| 1.0 INTRODUCTION .....   | 1  |
| 1.1 Problem Definition .....   | 1  |
| 1.2 Project Client .....   | 2  |
| 1.3 Project Objectives and Research Questions.....                               | 2  |
| 1.4 Organization of Report .....   | 3  |
| 2.0 BACKGROUND AND CONTEXT .....   | 5  |
| 2.1 Economic Evolution: 1858 to 2008 .....                                       | 5  |
| 2.2 Economic Development Strategy and Formal Function at City Hall .....         | 6  |
| 2.3 Economic Strategy Implementation, Positive Growth and Change.....            | 7  |
| 2.4 Key Employment Sectors and Current State .....                               | 7  |
| 3.0 LITERATURE REVIEW .....  | 9  |
| 3.1 Defining Economic Development.....   | 9  |
| 3.2 Models for Delivering Economic Development Activity at the Local Level ..... | 11 |
| 3.3 Functions and Objectives that Guide Economic Development Work .....          | 13 |
| 3.4 Local Economic Development Tactics and Strategies.....                       | 13 |
| 3.5 Summary.....   | 15 |
| 4.0 METHODOLOGY AND METHODS .....  | 17 |
| 4.1 Methodology .....  | 17 |
| 4.2 Data Collection Methods .....  | 17 |
| 4.2.1 Survey.....  | 18 |
| 4.2.2 Focus Groups and Interviews .....  | 18 |
| 4.3 Data Analysis.....   | 21 |
| 4.4 Strengths and Limitations .....  | 22 |
| 5.0 FINDINGS .....   | 23 |

|   |    |
|---|----|
| 5.1 Quantitative survey .....   | 23 |
| 5.1.1 Factors influencing where to locate a business .....                          | 23 |
| 5.1.2 Satisfaction with New Westminster as a place for business .....               | 24 |
| 5.1.3 Satisfaction with city-related services .....                                 | 24 |
| 5.1.4 Perceived challenges in doing business in New Westminster .....               | 24 |
| 5.1.5 Business attraction/retention ideas .....                                     | 24 |
| 5.2 Focus Groups .....  | 24 |
| 5.2.1 Promotion and marketing .....   | 25 |
| 5.2.2 Business experience.....  | 26 |
| 5.2.3 Business recruitment, retention, expansion and economic diversification ..... | 26 |
| 5.2.4 Social and livability .....   | 27 |
| 5.3 Smart Practice Interviews .....   | 28 |
| 5.3.1 Promotion and marketing .....   | 28 |
| 5.3.2 Business experience.....  | 29 |
| 5.3.3 Business recruitment, retention, expansion and economic diversification ..... | 30 |
| 5.3.4 Economic development delivery models .....                                    | 31 |
| 5.4 Summary .....   | 32 |
| 6.0 DISCUSSION .....  | 34 |
| 6.1 Promotion and Marketing .....   | 34 |
| 6.2 Business Experience .....   | 34 |
| 6.3 Business Recruitment, Retention, Expansion and Economic Diversification .....   | 35 |
| 6.4 Social and Livability .....   | 36 |
| 6.5 Economic Development Delivery Models.....                                       | 37 |
| 6.6 Summary .....   | 38 |
| 7.0 OPTIONS AND RECOMMENDATIONS .....   | 40 |
| 7.1 Option 1: continue pursuit of economic development using in-house model.....    | 40 |

|  |    |
|--|----|
| 7.2 Option 2: establish an external agency to pursue economic development through an arms-length model ..... | 40 |
| 7.3 Comparing delivery model options and recommended approach.....   | 41 |
| 7.4 Economic Development Plan: Goals, Strategies and Actions .....   | 43 |
| 7.5 Summary.....   | 46 |
| 8.0 CONCLUSION.....  | 47 |
| 9.0 REFERENCES .....   | 48 |
| 10.0 APPENDICES .....  | 55 |
| Appendix A: New Westminster employment sector analysis.....  | 55 |
| Appendix B: Focus Group Instrument.....  | 58 |
| Appendix C: Smart Practice Interview Guide .....   | 59 |
| Appendix D: Economic Development Work Plan 2018-2023.....  | 60 |

**List of Tables**

Table 1: Key focus group findings

Table 2: Key smart practice interview findings

Table 3. Comparison of delivery model options and ability to accomplish recommended strategies and action (rated as Low, Medium or High)

Table 4. Number of employed workers working in New Westminster, by industry sector (2-digit NAICS 2007), 2006 and 2011

# 1.0 INTRODUCTION

This project provides an updated economic development plan for the City of New Westminster that is informed by key economic stakeholders in the community and smart practices in local economic development. In addition, it establishes an overarching strategy for guiding the activity of the city's economic development office that will be synchronous with other city plans and initiatives.

## 1.1 Problem Definition

In a 2016 survey conducted through a partnership between the Union of British Columbia Municipalities, the British Columbia Ministry of Jobs, Tourism and Skills Training and the Economic Development Association of British Columbia (EDABC), only half of the 400 communities that participated indicated they have an economic development plan in place to guide local economic growth and policy decisions (EDABC, 2016, p. 14). Of those communities that have plans, 43% maintain them to ensure they are reflective of, and responsive to, the current economic context through annual updates and 26% stated they renew the plans every 2-4 years (EDABC, p. 15). Further, the survey found that the majority of BC communities with a plan in place feel that it has been effective at fostering economic development and the vast majority of economic development practitioners in these communities (94%) consider the plan to be effective (EDABC, p. 16).

The City of New Westminster has not completed a formal update of its economic development plan since 2008. In the ten years that have elapsed since the introduction of the *Livable City Strategy: An economic development plan for New Westminster*, the city has advanced economic development objectives through a number of bold initiatives designed to set this community at the centre of Metro Vancouver apart from its neighbours and that takes advantage of economic opportunities, while shaping the community for the future (City of New Westminster, *Livable City Strategy*, 2008). Since 2008, New Westminster's population has grown by 18%, with expansion marked by major development, new commercial space, and the launch of new businesses to serve the community (City of New Westminster, 2017). In addition, adjacent communities have completed economic development plan updates in recent years including the neighbouring cities of Surrey, which completed an update in 2017, and Richmond, which adopted a new economic development strategic plan in 2014 (City of Surrey, *Building the Next Metropolitan Centre*, June 2017 and City of Richmond, *Richmond Resilient Economy Strategy*, February 2014).

An updated economic development plan is required to ensure New Westminster's efforts in this area remain responsive to current and future realities, leverage city hall initiatives for maximum benefit, and provide a clear framework for guiding pursuit of new opportunities in Metro Vancouver's evolving economy.

## **1.2 Project Client**

The client for this project is the City of New Westminster. Western Canada's oldest city and British Columbia's first capital, New Westminster is located at the geographic centre of Metro Vancouver. As with other municipalities across the province, the city is enabled by the Local Government Act, which sets out the City of New Westminster's powers and responsibilities. Changes to BC's local government enabling legislation that began in the 1990s and culminated in the *Community Charter* in 2004 have given local government broader autonomy and decision-making ability over issues that impact their communities (UBCM, 2010, p. 11). These changes have resulted in a trend towards municipalities adopting a more formal approach to the economic development function which until this time had been pursued by local governments primarily through the planning function (UBCM, 2005, p. 14). In 2007, the City of New Westminster began the preparation necessary for establishing formal economic development responsibilities at city hall along with a framework for the function. In early 2008, with the endorsement of the *Livable City Strategy: an Economic Development Plan for New Westminster*, the city was provided with a strategic plan to guide this work.

New Westminster's economic development function is managed by the Economic Development Office (EDO), which currently consists of a manager supported by a full-time economic development coordinator. Through collaboration with other city departments, the EDO works to implement city initiatives, advocate for local business, facilitate positive relationships between city hall and key business stakeholders, and market New Westminster as a place for investment and business growth. While in its early years EDO work was guided by the *Livable City Strategy*, over time staff have re-focused resources and efforts on other key economic development initiatives, opportunities and strategic priorities established by city council. Currently, no economic development plan reflective of the present reality exists to provide clarity and guidance to EDO efforts.

New Westminster's EDO is housed within the Office of the Chief Administrative Officer. As the city's Manager of Economic Development, the author reports directly to the city's CAO, Lisa Spitale. While the City of New Westminster is the overall client of this project, the client contact supervising the project on behalf of the city is Ms. Spitale.

## **1.3 Project Objectives and Research Questions**

The project objective is to determine the optimum framework for guiding the economic development function in New Westminster and related, to develop an economic development plan guided by the input and support of local business and key business stakeholders in the city. To meet these objectives, the project examined existing research on the topic of local economic development, analyzed frameworks to guide the work, studied smart practices employed to ensure optimum success, and conducted stakeholder workshops and key informant interviews.

The synthesis of the research results in two options for consideration for framing economic development activity in the City of New Westminster. In addition, key goals that should guide New Westminster's EDO work into the future along with strategies and actions that should be employed to meet the needs of both existing and new businesses while fostering continued local economic growth are presented.

As New Westminster continues to grow, it is imperative that proactive efforts be made to positively shape the local economic context. In the past, the city has been overwhelmed by economic forces and change. In addition to negatively affecting the local economy, the resulting impacts led to New Westminster attracting a less-than-stellar reputation that the city has made concerted efforts to change. The city's economic development function is funded through public dollars, and as such, must ensure expenditure of those dollars is done efficiently with maximum positive impact.

This project seeks to answer the following research questions:

#### Primary Question

- *What is the ideal framework for guiding economic development activity in the City of New Westminster?*

#### Secondary Questions

- *What key goals should guide the city's economic development activities over the next five years?*
- *What strategies and actions are responsive to input from - and supported by - local business and key business stakeholders that are necessary to ensure success?*

### **1.4 Organization of Report**

This report is organized into six additional chapters. Chapter Two provides background and context to New Westminster's local economy, key challenges that have been overcome and ones to address as well as opportunities for continued success and growth. This chapter also provides a brief overview of the economic development function in the British Columbia municipal context. Chapter Three reviews the current literature relating to economic development in the North American context with a focus on the Canadian municipal environment, local economic development models, and smart practice in this field.

Chapter Four describes the research methodology employed for the project and addresses the research design, stakeholder recruitment process and data collection and analysis used. Chapter Five provides an overview of the research findings and key themes that emerged through the research. Chapter Six discusses the research findings in relation to the literature. Chapter Seven presents two delivery model options for pursuing economic development activity for

consideration along with a series of recommended strategies and actions for inclusion in an updated economic development plan. Chapter eight concludes the report.

## **2.0 BACKGROUND AND CONTEXT**

New Westminster, British Columbia is a historic and compact community of approximately 70,000 residents. The city's beginnings are owed to its riverfront location, which at its founding more than 150 years ago, provided an essential transportation link for exploiting the natural resources that surrounded it. At 15 square kilometers and located at the geographic centre of Metro Vancouver, New Westminster is neighbored by larger municipalities that tend to overshadow the regional economic landscape (i.e. Vancouver, Burnaby, Surrey) (City of New Westminster, *Livable City Strategy*, 2008, p. 1).

### **2.1 Economic Evolution: 1858 to 2008**

The early years of New Westminster's evolution saw the community develop into a bustling centre of commerce on Canada's west coast. Arrival of the railway continued a pattern of industrial growth with lumber mills and manufacturing industries dotting the city's Fraser River shoreline. The vibrant commercial district in the downtown core that had flourished from the city's founding and established New Westminster as the financial, cultural and services destination of BC's lower mainland continued to thrive into the first half of the twentieth century. So successful was the local economy that in the 1940s and 50s, downtown New Westminster's high street, Columbia Street, was coined "the Golden Mile" (CBC British Columbia, 2017).

Like other metropolitan areas in North America, post-war population growth in the 1950s accompanied improved road and highway transportation links that increasingly connected Metro Vancouver's growing suburbs and spurred development of shopping centres to meet the demands of new residents. In the process, the consumer dollars that had sustained New Westminster businesses and services for nearly half a century began drawing away. The city's slow economic decline continued throughout the 1970s as a number of businesses and services left and several major institutional employers and manufacturing industries were shuttered. This period of contraction continued in the ensuing decades and saw New Westminster's share of regional employment cut in half from 6% in 1971 to 3% in 2001 (City of New Westminster *Livable City Strategy*, p. 10).

Despite the less than ideal local economic climate, New Westminster continued to possess the essential ingredients for growth due to its compact size, central location in an expanding region and, with the arrival of SkyTrain in 1986, ready access to rapid transit. These factors, combined with concerted efforts in the late 1990s to clean-up a downtown commercial district that had fallen into disrepair and that was casting an increasingly negative light on the city's brand and reputation, laid the foundation for the revitalization that would come in the 2000s. Projects implemented since that time have included the development of a downtown linear riverfront park, the removal of a significant portion of a massive waterfront parkade structure and improved connectivity between the city's diverse neighbourhoods and the Fraser River

foreshore. In the process, the city has turned back towards its waterfront, improving livability, enhancing downtown revitalization efforts and creating new opportunities for business and investment.

## **2.2 Economic Development Strategy and Formal Function at City Hall**

Ongoing efforts by New Westminster's leadership to improve community livability and address challenges have coincided with important changes in the regulatory structure governing Metro Vancouver municipalities. Notably, the work on changes to British Columbia's local government enabling legislation that had begun in the 1990s concluded in 2004 with the passing into legislation of the *Community Charter* which gave local government more autonomy and control over issues affecting their communities (Buholzer, 2013, p. vii.). The changes in no small part reflected the growing urbanization of Canada in general where 80 percent of citizens now reside in urban areas of over 1,000 people which is in stark contrast to the country's beginnings where early census data showed nearly 84 percent of Canadians lived in rural areas (Van Den Brink, 2016, p. 2). The rest of the decade saw Metro Vancouver cities flexing the increased authority afforded by the *Community Charter* and creating formal economic development functions for their communities (UBCM, 2010, p. 11).

Generally, the economic development function in Metro Vancouver municipalities adheres to one of two models for pursuing the work: *In-house*, where economic development activity is pursued by dedicated staff in a department/division within city hall that reports directly to either the Mayor and Council or Chief Administrative Officer and is supported by less formal delivery mechanisms such as voluntary committees or the services of a related city department (i.e. planning); or, *Arms-length*, where a local government provides fee-for-service funding to an outside "arms-length" organization dedicated to delivering economic development activity for the community (i.e. Chamber of Commerce or economic development corporation) (UBCM, 2010, p. 14). A third, blended version has been explored by BC local governments which includes elements of each of the models as optimum frameworks for delivering the economic development function are refined over time to reflect changing needs and priorities of municipalities (UBCM, p.15)

In 2007, to further the city's economic prospects and accelerate revitalization efforts, New Westminster adopted the in-house model and established an economic development office staffed by an economic development manager reporting directly to the Chief Administrative Officer (City of New Westminster, 2007). The formation of the city's EDO was followed closely by submission of the *Livable City Strategy: An economic development plan for New Westminster* in April 2008. As evidenced by the title, the plan was grounded on the strong connection in communities between a healthy local economy and community well-being and the recognition that a livable, safe community is a necessary ingredient for attracting and retaining new businesses and their employees (City of New Westminster, 2008, p. 4). It

highlighted key strengths and opportunities that New Westminster could leverage to its economic advantage including strong heritage, a vibrant riverfront, central location and rapid transit access and also outlined weaknesses and challenges to address. Ultimately, the strategy prescribed a number of goals and actions to help the city capitalize on prospects in the key economic sectors of health care, heavy industry, technology, education, retail services, and tourism, arts and culture (City of New Westminster, p. 20) in order to reverse the city's diminishing share of regional employment.

### **2.3 Economic Strategy Implementation, Positive Growth and Change**

The past decade has seen much accomplished to address the challenges described in the *Livable City Strategy* and has involved ongoing work by city leadership and continued collaboration across city departments and with key stakeholders. The completion of the city's multi award-winning Westminster Pier Park along the downtown waterfront has provided a significant amenity for both local residents and workers. The recent removal of a significant portion of the Front Street Parkade that acted as a physical barrier between the heritage downtown commercial district and the river is breathing new life into retail in the area. The continuing re-development of the former Labatt's Brewery site in Sapperton and expansion activity at Royal Columbian Hospital are providing new employment and opportunities in the health care sector and for both existing and new retail in this area of the city.

Work underway through the Mayor's Task Force on the Riverfront Vision is setting the stage for seamless connectivity along the entirety of New Westminster's waterfront that will improve livability for the city's growing population and expanded housing opportunities due in large part to developments such as Bosa's River Sky and Pier West developments in the downtown, Wesgroup's Brewery District in Sapperton and Bentall-Kennedy's future Sapperton Green project. Along with this work, EDO activities have continued to focus on marketing and promoting the city as a place for business, solidifying key stakeholder relationships and developing collaboration initiatives while laying the foundation for continued economic growth.

### **2.4 Key Employment Sectors and Current State**

Between 2006 and 2011, the number of employed workers in New Westminster increased by 4%, from 23,365 to 24,405. Over the period, change varied greatly by industry, with significant decreases in sectors such as manufacturing and wholesale trade and increases in key sectors such as health care and social services. Currently, health care and education are the first and second largest employment sectors respectively in New Westminster. At the same time, professional, scientific and technical job growth has been significant, with the increase in job numbers between 2006 and 2011 in this sector second only to that in the health care and social assistance sectors. The creative sector experienced the highest rate of growth over the same period at 55.7% for information and cultural industry jobs and a 43.3% for entertainment and

recreation jobs in New Westminster. A detailed local employment sector analysis is found in Appendix A.

At City Hall, work continues to leverage growth with several strategic initiatives identified by city council as key contributors to local economic development. These include: IDEA Centre, a project that seeks to capitalize on Royal Columbian Hospital expansion activity currently underway by leveraging strategic partnerships with key health care and education stakeholders and through attraction and retention of businesses beyond those directly related to clinical operations of the hospital in addition to promotion of business development and investment in the area; Intelligent New West, a city-wide initiative with the ambitious vision to establish New Westminster as a leading candidate for tech start-ups in Greater Vancouver by 2020 through the leveraging of a municipally-owned, open-access 1-gigabyte dark fibre network (BridgeNet); an Arts and Culture strategy that promotes the city as destination for creativity and expression; and, an updated Official Community Plan that guides both residential and business growth and development into the future.

All of these developments, initiatives and efforts are meeting with success. Community demographic patterns, new jobs and continued growth are reversing the slide in the city's regional share of employment highlighted in the *Livable City Strategy*. The updated economic development plan will seek to build upon this positive trend.

### **3.0 LITERATURE REVIEW**

This section of the report explores existing knowledge of economic development practice at the local level from academic sources on the subject as well as from grey research conducted by government and professional organizations. Over the past decade, economic development associations (i.e. Economic Development Association of British Columbia) and municipal government bodies (i.e. Union of British Columbia Municipalities, Federation of Canadian Municipalities) have produced studies and analyses that complement peer-reviewed material in this area and provide a current perspective containing information cogent to economic development work.

The review begins with an examination of how the literature defines economic development and the relevant models for organizing this activity at the local government level. The literature review then focuses on the approaches that guide the economic development function as well as common smart practices, strategies and tactics employed. The results are intended to provide a foundation for analysis of research findings and discussion reference point as well as for the development of recommendations. To remain consistent with the project scope, the literature review focus is primarily on the Canadian municipal context.

Sources reviewed were located through targeted searches in academic library and professional organization search engines using keywords that included: economic development, local economic development frameworks, Canadian local economic development, economic development strategies, economic development policy models, economic development functions and tactics, economic development policy instruments, North American economic development models, economic development marketing and promotion, and local economic development business retention and attraction. Information referenced in the literature review is restricted to academic works and resources published by government and professional associations. Additional material was located through examination of references cited in the literature found through the search terms.

#### **3.1 Defining Economic Development**

An effective starting point for understanding models, goals and strategies that guide economic development at the local government level is with a definition of the term, specifically the differentiation between “community” and “local” economic development and how the work is framed.

The Union of British Columbia Municipalities (UBCM) has adapted a World Bank description to inform research into this function, defining economic development work as “a collaborative process between all levels of government that builds up the economic and social capacity of an area to improve its economic future and overall quality of life” (UBCM, 2010, p. 10). Further investigation reveals the need for distinction between “local” and “community” economic development, with community economic development (CED) focusing on socioeconomic

transformation in a distressed locality (Green Leigh and Blakely, 2013, p. 331) and referring to efforts taken on behalf of a group of individuals organized around a set of common ideas and values and local economic development (LED) referring to economic development efforts taken by a “singular political entity” such as a city or municipality (Federation of Canadian Municipalities, 2014, p. 5). In practical terms, local economic development efforts involve focusing on business retention and attraction which requires strategies, tactics and mechanisms that encourage growth and expansion and strengthen the local business community at the same time (McGowan and Wittmer, 1998, p. 303). Desired outcomes of these activities include job creation and retention, tax revenue growth, improved quality of life, and enhanced innovation and competitiveness (McGowan and Wittmer, p. 303).

It is important to note that while a city’s economic development efforts may be focused “locally”, meaning the geographic area in which a municipal government has authority to collect taxes, pass and enforce bylaws and regulations and implement programs, the reality is that local economic development activities can also benefit neighboring communities given the ability of citizens to access new services and businesses and gain employment (Rutland and O’Hagan, 2007, p. 171). Essentially then, economic development is argued to increase a regional economy’s capacity to create wealth for local residents (Kane, 2004, p. i).

It is also argued that simply equating economic wealth with economic development comes with inherent risk. If a local economy relies on a limited commodity for generating economic wealth, then growth will eventually come to an end (Green Leigh and Blakely, 2013, p. 71). To avoid creating inequality from one generation to the next, the concepts of livability and sustainability should also be incorporated when defining economic development. With this in mind, economic development can be defined as activity that preserves and increases a community’s standard of living, reduces inequality and promotes and encourages sustainable resource use and production (Green Leigh and Blakely, 2013, p. 73). As a strategic planning process, Bryant describes local economic development as a process with a purpose to influence growth, decline, and the restructuring of economic activity to meet community needs and objectives effectively (Bryant, C., 1994, p. 189) while McGowan and Wittmer highlight creation and maintenance of a positive atmosphere for business to thrive as a key component of the function (McGowan and Wittmer, p. 304). These concepts are reflected in the Federation of Canadian Municipalities definition of LED as a process in which a local government, or body on behalf of the local government, works to improve a community’s capacity to quantitatively and qualitatively effect economic progress (Federation of Canadian Municipalities, 2014, p. 6). Taking into account the key elements noted in the literature, therefore, economic development in the local context can be defined as efforts designed to promote and encourage economic growth and expansion, in targeted ways, that ensure a community has sustainable employment opportunities and can provide enhanced livability for its residents into the future.

### 3.2 Models for Delivering Economic Development Activity at the Local Level

The trend towards BC municipalities adopting a more formal approach to economic development was facilitated by changes to BC's local government enabling legislation, which were enshrined in the *Community Charter* in 2004 and granted to local government greater authority over issues impacting their communities (UBCM, 2010, p. 11). Measured against economic development activity pursued in other Canadian provinces and throughout the United States, BC municipalities were behind the times with cross-national studies of local economic development policy comparing U.S. and Canadian cities having taken place for more than four decades (Reese and Rosenfeld, 2004, p. 278). Research has also found that although differences in local government structure exist, the organization of economic development activity is essentially the same across jurisdictions (Reese and Rosenfeld, 2004, p. 279).

While hybrid models do exist, the primary ones for delivery of economic development on behalf of municipalities are: internal or *in-house*, where the function is performed by a department or division that reports through administration to a municipal council and that can be supported by a board of volunteers from the business and stakeholder community; or, external or *arms-length*, where an external body is established that reports to a board of directors that includes city council members along with representatives from the business community (Blais and Redden, 2009 p. 19; Thompson, 2010, p. 86; UBCM, 2010, p. 14; FCM, 2014, p. 23). The literature argues both approaches come with strengths and weaknesses.

Arms-length economic development agencies are created and funded, usually through a fee-for-service arrangement by a local government (UBCM, 2010, p. 14), to provide highly specialized services, allow for arms-length decision-making, remove certain functions from the public eye and involve business people more directly in the decision-making (Myhal, 1994, p. 38). The inherent independence of the arms-length model provides greater opportunity for business and industry input (Reese and Rosenfeld, 2002, p. 5) and reduces the bureaucracy associated with government policymaking while providing opportunity for being more aggressive or taking risks when it comes to business and marketing decisions (Thompson, 2010, p. 94). This model is also associated with greater resources dedicated to economic development activity (Reese and Rosenfeld, 2002, p. 6) through enhanced access to funding opportunities from senior levels of government and other external sources that may be unavailable to a city department (Thompson, 2010, p. 94). Potential downsides are that the external nature of this type of structure can lead to fragmentation and an inability to accomplish coherent decisions for the city as a whole (Lucas, 2013, p. 3), and can have an adverse impact on the public's understanding of government (Thompson, 2010, p. 87). Arms-length agencies are also often perceived to be less accountable (Lucas, 2013, p. 3) as well as direct competition to local Chambers of Commerce for fundraising and business community involvement (McCabe, 2007).

Economic development activity tends to be carried out in-house by city departments established to execute ED plans and strategies (Reese, 1997, p. 45), as is the case in British Columbia

where this model for the delivery of economic development activity is found in the majority of local governments with an ED function (UBCM, 2010, p. 15). The internal model allows for greater policy coordination with other municipal departments (Lyons, 2015, p. 175) and enjoys an additional major advantage in the proximity to the local political system and decision-makers as well as integration with other strategic municipal plans (McCabe, 2007). However, with access to less funding opportunities than the arms-length model, the in-house model tends to have less resources available for pursuit of ED initiatives while the increased role of professional bureaucrats combined with a need to adhere to regulatory processes inherent in the model can present a challenge to swift action as well as to meaningful inclusion in decisions by the business community and citizens (Reese and Rosenfeld, 2002, p. 4). Other challenges can be presented through the undermining of the economic development function by elected official regime change (Green Leigh and Blakely, 2015, p. 405).

The delivery structure of the economic development function may differ between the arms-length and in-house models but a common characteristic of both is the reliance on volunteer advisory committees (UBCM, 2010, p. 17/Thompson, 2010, p. 91/Blais and Redden, 2009, p. 19). In both models, volunteer advisory committees provide for engagement with the business community and an avenue for input on sector-based discussions (Thompson, 2010, p. 91) while addressing the absence of inclusion by the business community inherent in the in-house economic development model. Though a lack of introduction of “fresh blood” through use of term limits and getting the business community to engage in a bureaucratic governance model can be problematic, a transparent and rigorous committee selection process that ensures the involvement of key business stakeholders who can aid in the development of strategies that target the most important economic development issues and represent the key sectors of the local economy is critical for success (UBCM, 2010, p. 17).

While the economic development literature provides coverage of both delivery models, limited research exists to show which model is most effective, most often (Blais and Redden, 2010, p. 20). Following analysis of in-house and arms-length ED models in Ontario, Thompson (2010) noted that neither model was superior, recognizing that the unique characteristics and priorities of individual municipalities are important inputs for informing which model each uses to pursue the ED function (p. 104). Local government structure also plays a key role in determining policy processes and methods for implementation (Reese and Rosenfeld, 2001, p. 300). Other key factors for determining a delivery model include operational costs and available funding as well as relationships with the business community and other key stakeholders. An ED model can also evolve, with responsibilities and functions added and removed as needs arise (Green Leigh and Blakely, 2015, p. 409).

In choosing an ED model “form must follow function” (Blais and Redden, 2010, p. 20/Green Leigh and Blakely, 2015, p. 404) and municipalities should avoid adopting an ED structure that is solely based on the experience of others (Green Leigh and Blakely, 2015, p. 404). The approach should be determined after careful consideration of the requirements of each in terms

of financial commitment, stakeholder engagement, collaboration potential and community support (FCM, 2014, p. 23). Ultimately, the form chosen should fit for the local political and economic situation unique to the municipality (UBCM, 2010, p. 25; Reese and Rosenfeld, 2001, p. 303).

### **3.3 Functions and Objectives that Guide Economic Development Work**

The literature shows that, at a foundational level, local economic development efforts seek to generate and maintain both local employment and the municipal tax base while providing benefits for residents and businesses both in the municipality itself and regionally (Kane, 2004, p. 16). Economic development functions, then, are established for pursuit of these broad objectives and their identification is important for the development of successful economic development plans.

Economic development objectives can be classified as *traditional*, where economic development activities are rooted in the need to retain and stimulate business and employment, *developmental*, where the work seeks to diversify a local economy by attracting new businesses and, *structural*, by linking activities to sectoral, regional and national economic development initiatives and strategies (Turvey, 2006, p. 210). For those communities with a formal economic development strategy, the tendency is for it to outline functions that contain elements of each of the traditional, developmental and structural approaches (p. 210).

The Federation of Canadian Municipalities (2014) identifies typical ED functions as including retention and expansion of local businesses; entrepreneurial development; business/investment attraction; community cash flow generation; and, workforce development (p. 25). In British Columbia, this is borne out in survey work conducted by the Union of British Columbia Municipalities (2010) which identified business retention and expansion, business attraction and infrastructure investment as the top three priority functions of community's surveyed (p. 31). Kane (2004) and Reese and Rosenfeld (2004) concur, while Reese (1997) notes the tendency of ED officials to identify promotion and marketing of economic base diversity along with business attraction and retention as the priority functions for their work (p. 45).

### **3.4 Local Economic Development Tactics and Strategies**

In the Canadian context, when identifying economic development solution sets, the actions of elected officials and appointed economic development professionals converge, illuminating problems, generating solutions and gathering resources required to put these into action (Reese, p. 149). A range of tactics and strategies exist to choose from and it is important that those employed by economic developers be tied to a local economic development strategy (Green Leigh and Blakely, 2013, p. 266). Given that LED activity must take into account the municipal environment, tactics and strategies can vary from municipality to municipality (Federation of Canadian Municipalities, 2014, p. 24) and should be informed by local data (Organization for Economic Cooperation and Development, 2014, p. 33). As argued by Reese, with local

decisions having such a significant impact on the package of economic development tactics chosen by a community, it is essential to understand which local officials are making the policy-decisions and on what basis those decisions are being made (Reese, 1997, p. 148).

Kane argues that design and development of LED tactics must be informed by careful analysis of a local economy with a focus on comparative advantages, internal linkages, potential for growth and industries and occupations that provide high-quality, good paying jobs (Kane, M., 2004, p. ii). Information gathered from this analysis can then aid in determining optimum strategies for pursuit of economic development activity at the local level with strategies and actions, broadly speaking, classified under one of three types: 1) business attraction; 2) business retention and expansion; and, 3) industry development (Kane, p. 4).

Business attraction efforts are characterized by tactics designed to market and promote the advantages a community offers to business investors and is the predominant economic development activity in which local governments engage (Green Leigh and Blakely, 2013, p. 101). A strong theme commonly found throughout these efforts consists of “place branding”, a method of positioning a community in a way that makes it seem business-friendly (E. Cleave et al, 2016, p. 214). This can include development of collateral such as brochures and online promotional material, videos, visits to prospective firms and targeted outreach to potential development prospects (Reese, 2006, p. 370). Marketing and promotion activities are often accompanied by a prioritized list of achievable goals and projects (Blais & Redden, 2009, p. 21) and informed by surveys and research on market opportunities (FCM, 2014, p. 26).

To enhance business and investment attraction efforts, collaborations between a municipality’s economic development function and community stakeholders, such as the Chamber of Commerce and business improvement associations, can be established (FCM, p. 26) thereby extending the reach and effectiveness of marketing and promotion initiatives. Tactics can also include maintenance of up-to-date community profiles with information relevant for target sectors and online tools that provide current data on vacant industrial and commercial property (Blais & Redden, p. 21). Ultimately, business attraction efforts should seek to grow a local economy in strategic ways and be informed by sectoral analysis and local analysis to determine what businesses to attract and, where a community has enough of a particular business or industry, what businesses to avoid (Reese, 2013, p. 49).

Business retention and expansion activity by economic developers is characterized by initiatives that aim to stimulate and retain employment (Turvey, 2006, p. 210) and is viewed as a critical component of a successful economic development program (UBCM, 2010, p. 31). Tactics for supporting retention and expansion include one-stop business assistance centres for efficient dissemination of important planning and development information, promotion and tourism programs to attract attention to local businesses, entrepreneur development programs,

and business incubation centres (Green Leigh and Blakely, p. 266). A focus on governmental regulations is also a common theme in business retention and expansion programs with measures to either ease restrictions (e.g. height and density variances and one-stop permit procedures) or increase restrictions to more effectively promote development (e.g. sign permits and zoning controls) (Reese, p. 47). These programs spur real economic growth when they are cost-effective and enhance output produced (e.g. number of businesses retained and total increase in jobs created) from a given level of inputs (Kane, p. 4).

The term “economic gardening” has emerged to describe business retention and expansion activity (Green Leigh and Blakely, p. 268, UBCM, p. 32). The emphasis is on strategies and policies that build investment from the inside and the need for the local economic development function to influence land development and zoning, business assistance and marketing (Reese, p. 370). McConnell posits that economic gardening provides tools for communities to support local companies that have a capacity to grow but, as a strategy for economic development, key challenges exist in the need to overcome a lack of trust in the resources a city may be able to contribute in addition to the ability to actually identify local companies that have the capacity to grow (McConnell, 2013). Ultimately, economic gardening aims to accomplish local economic growth objectives while establishing a greater commitment by local companies to the community and to support this growth without the requirement of outside assistance or incentives (UBCM, 2010, p. 32)

While more common at the provincial and state levels, local governments have become aware of the need to establish programs that create a suitable environment for industry development, capitalize on a region’s competitive advantages (Kane, p. 4) and foster growth in the key sectors identified in the local economic development plan. Tactics can include development of new infrastructure and improvement of existing services such as parking, traffic movement, water treatment and refuse collection (Reese, p. 47). They can also include sector-specific workforce development programs in partnership with local institutions to provide necessary skills and training, professional development initiatives at the regional and municipal level and workforce planning to meet industry needs (FCM, 2014, p. 26).

### **3.5 Summary**

The literature reveals that while different models for pursuing economic development activity at the local level exist in Canada, no one model is superior to the other and each approach comes with inherent strengths and weaknesses. Rather, determination of an appropriate economic development model is unique to each community, with local government structure, available funding, relationships with business community and key stakeholders and proper governance through a volunteer advisory board structure all playing important roles. Further, while LED efforts uniformly seek to generate local employment, improve the local tax base and deliver benefits for residents and businesses, the tactics and strategies employed are varied and

generally include elements of business attraction, business retention and expansion and industry development activity.

The main themes examined through the literature review form the basis for analysis of the research findings in the following ways:

- business and investment attraction efforts are analyzed through the themes of promotion and marketing and business experience;
- business retention, expansion, and economic gardening activities are analyzed through the theme of business recruitment, retention, expansion and economic diversification;
- industry and infrastructure development tactics are analyzed through the theme of social and livability; and,
- analysis of economic development delivery models through theme of the same.

The next section of the report outlines the methodology, data collection and data analysis methods employed, as well as key strengths and limitations of the project.

## **4.0 METHODOLOGY AND METHODS**

### **4.1 Methodology**

The primary research method employed for this project is needs assessment to determine needs or gaps between the current and desired state of economic development activity pursued by the City of New Westminster. The needs assessment is supported by smart practice research, which Vesely (2011) describes as one of the ways to improve public organizations through identification, communication and facilitation of the transfer of practices that seem to work successfully somewhere else (p. 99). Bardach (2000) argues the term smart practice is more appropriate than “best practice” to describe this particular method given that a researcher can rarely have confidence that a particular practice is actually the best among those that address the same problem or reality (p. 109).

The smart practices analysis involved examination of economic development activities from three Canadian communities: Stratford, ON, Kamloops, BC and Victoria, BC. These communities were chosen due to their similar size to New Westminster (i.e. less than 100,000 pop.), the recent updating of their economic development strategies, and the unique perspective each brings for economic development model analysis (e.g. Stratford recently moved from an in-house to arms-length ED model, Kamloops delivers its economic development activity through the arms-length model and Victoria’s ED efforts are pursued in-house).

Analysis of the current state was conducted to gain deeper understanding of the economic development opportunity and challenge gaps, optimum goals, strategies and actions through a quantitative survey, the results of which were explored through a series of business stakeholder focus groups. Secondary research examined current smart practice in economic development, with a focus on economic development delivery models, EDO functions, strategies and tactics through a literature review.

Ethics approval to interview human subjects in the course of the project was granted by the University of Victoria Office for Human Research Ethics.

### **4.2 Data Collection Methods**

Data collection was managed in different ways for each of the quantitative and qualitative research approaches. For the quantitative survey, participants were contacted by telephone or completed the survey online. During the qualitative phase, key informant interviews were conducted by telephone and recorded with notes taken simultaneously to highlight key thoughts or concepts. The interviews were subsequently transcribed for review and analysis. For the focus groups, to enable effective moderation of the sessions, the researcher was assisted by a note-taker due to the complexity involved in moderating and interviewing and the challenge faced attempting all three tasks in unison

#### **4.2.1 Survey**

Prior to the start of the research project, a quantitative business community survey was conducted by Mustel Group, consisting of a random sample size of 593 interviews with New Westminster community business owners/managers conducted by telephone (504) and online (89). Survey research participants were contacted from a Vancouver-based call centre using a list of business license-holders supplied by the City of New Westminster economic development office. Participants were invited to complete the survey by telephone or online (Mustel Group, 2016, p. 4).

The quantitative survey questions were developed by the researcher and were designed to identify needs and priorities of local business in New Westminster as well as the current state including:

- factors influencing where to locate;
- satisfaction with New Westminster as a place to do business;
- satisfaction with city-related services;
- perceived challenges faced in doing business;
- business attraction/retention ideas (Mustel Group, 2016, p. 3).

#### **4.2.2 Focus Groups and Interviews**

Focus groups and key information interviews were conducted by the researcher to:

- gain insights into local economic development frameworks and smart practices from other Canadian jurisdictions;
- establish better understanding of – and local business community perspectives on – quantitative survey results;
- understand the optimum New Westminster economic development office mission and goals, opportunity and challenge gaps and necessary actions that need to be taken for the city to be more business-friendly and spur economic growth.

Qualitative research activities consisted of smart practice interviews by telephone (2) and in-person (1) with key informants from three Canadian communities along with a series of focus groups with local business community members, key business stakeholder groups, members of New Westminster's Intelligent City Knowledge Workforce sub-committee and members of the city's Economic Development Advisory Committee.

Focus groups were identified as appropriate for data collection given the ability of this method to draw upon diverse perspectives, the enhanced data quality that occurs from participant interactions, and the tendency for it to be both enjoyable for participants and cost-effective (Patton, 2015, p. 478). Key informant interviews were chosen due to the method's ability to capture the unique perspectives of participants and for gaining deeper understanding of what has been observed (Patton, 2015, p. 426).

Local business owners and managers were invited to participate in a series of focus groups given their knowledge of the local business environment and interactions with city hall (e.g. business licensing, planning and zoning guidelines, building/plumbing inspection processes) and perspectives on data and information required for critical business decisions (e.g. market demographics, population/neighbourhood density, locality of prospective competitors). Four local business focus groups were held in different venues located throughout the city with a total of 35 participants overall.

Executive directors of key business stakeholder organizations including the New Westminster Chamber of Commerce, New Westminster Downtown Business Improvement Association, Uptown Business Improvement Association, Sapperton and West End business associations and Tourism New Westminster were selected for a focus group given their knowledge of local business strategic planning needs and perspectives on how the city can align economic development activities and processes to foster business success. In total, six individuals were invited to participate in a focus group, four accepted and three attended.

Members of New Westminster's Intelligent City Knowledge Workforce sub-committee were invited to participate in a focus group given the sub-committee's membership from a cross-section of both public and private sector employers and the objective to "create sustainable program(s) to connect education with employment in the knowledge workforce economy" (City of New Westminster, 2017). Six of 15 working group members accepted and attended.

Due to the significant impact development has on the health of local economies and given potential insights into appropriate business mix and sectors necessary to ensure community livability, members of the Urban Development Institute (UDI) board and staff were selected as potential participants in a development community focus group. Nine UDI board and staff accepted and attended a focus group held in the UDI boardroom in downtown Vancouver.

Given their key advisory role to New Westminster's economic development efforts and knowledge of existing practices and initiatives, members of the city's Economic Development Advisory Committee were identified as an important focus group for the qualitative research phase. Ten of 10 committee members accepted and attended.

Finally, purposeful sampling was used to identify key informants consisting of economic development executives from the cities of Victoria, British Columbia, Kamloops, British Columbia, and Stratford, Ontario, with all accepting invitations to participate. These communities were chosen due to their size (less than 100,000 pop.), recent updating of their economic development plans, operation in the Canadian context and the unique perspective each brings for economic development model analysis.

Local business community owners and managers were invited to register for one of four focus groups through a letter sent by the client to all business license-holders in the city. In the letter, prospective participants were provided with the purpose of the focus groups and an overview of the topic to be covered. An invitation to participate was also distributed electronically on the client's behalf by three local business organizations (i.e. New Westminster Chamber of Commerce, New Westminster Downtown Business Improvement Association and the Uptown Business Association) to their membership. Focus group invitations were also advertised on social media through the New Westminster EDO Twitter handle (@investnewwest1) and posted on the home page of the City of New Westminster website ([www.newwestcity.ca](http://www.newwestcity.ca)). Upon registration, business community focus group participants were sent an acknowledgement email from the researcher in his capacity as economic development manager for the City of New Westminster with a request to review and complete the participant consent form prior to the focus group.

Through the course of their work, the executive directors of the key business stakeholder organizations all had an existing relationship with the researcher and all had knowledge that the client was conducting research to inform an update of the city's economic development strategy. To recruit participants for the key business stakeholder organization focus group, the researcher sent an email formally outlining the purpose of the research with the participant consent form attached. One week after the initial email, the researcher conducted follow-up phone calls to thank those that had RSVP'd and with a friendly reminder to review and complete the participant consent form prior to the focus group.

The development community was invited to participate through an email invitation sent to the Urban Development Institute (UDI). A UDI staff member forwarded the invite on the researcher's behalf to the board and, after approval to participate in the research was received, scheduled the workshop as a formal item on a UDI board meeting agenda. Following date confirmation, an email from the researcher was forwarded to confirmed attendees to provide further context for the research and with a request to review and complete the consent form prior to the focus group session.

Members of the city's Intelligent City Knowledge Workforce sub-committee and the Economic Development Advisory Committee were forwarded invitations to participate in separate focus groups. The invitation also contained a request to complete the participant request form and was forwarded on behalf of the researcher by the City of New Westminster Legislative Services department, consistent with city committee protocol.

Identification of focus group and key informant interview participants was achieved through purposeful sampling from five target populations: New Westminster's business community, local business stakeholder groups, the development community, the city's Intelligent City

Knowledge Workforce sub-committee and Economic Development Advisory Committee, and Canadian economic development smart practice example cities.

Email addresses for key informants from each of the smart practice target cities were obtained from publicly-available information found on economic development websites for each community and invitations to participate were emailed by the researcher outlining the purpose of the research and requesting a telephone interview. Upon confirmation of willingness to participate by each, an email was forwarded to confirm time and date along with a request to review and complete the participant consent form.

A total of eight focus groups and three smart practice interviews were held. Due to the project focus on New Westminster's economic development, all focus group activity took place within city boundaries with the exception of the Urban Development Institute (UDI) focus group, which took place at UDI headquarters in downtown Vancouver. All telephone interviews were conducted from the researcher's office at City Hall.

Three draft economic development plan goals were developed in preparation for the focus group component of the qualitative research phase, consistent with preliminary literature review findings. These were shared with participants with the request that they keep them in mind throughout the session. Participants were taken through the quantitative survey findings and asked to comment where agreement or disagreement occurred. The focus group questions were semi-structured to provide guidance for discussion as well as for consistency between focus groups. The nature of the focus group and the questions asked fostered a conversational tone, with participants adding to each other's comments and sparking deeper investigation where necessary. The instrument used for the focus groups is contained in Appendix B.

Interviews with key informants from each of the smart practice target communities were conducted by telephone (2) and in-person (1). Interviewees were asked a series of questions covering topics that included the framework for delivering the economic development function in their respective communities, the strengths of the approaches as well as any perceived weaknesses, and economic development smart practices including key tactics and strategies contained in their economic development activity as well as the conditions and mechanisms necessary for transferability. As with the focus groups, a semi-structured interview format was used for the key informant interviews. The approach minimizes variation in questions to ensure consistency and coverage of key themes (Patton, 2015, p. 440). The instrument used for the smart practice interviews is found in Appendix C.

### **4.3 Data Analysis**

Given the research methods employed, both deductive and inductive approaches occurred at different stages of the project. The application of deductive and inductive analysis leads to

stronger results (Kitchenham, 2010, p. 4). A deductive approach was applied when reviewing quantitative survey results that could be further explored during the focus group component of the qualitative phase. For the qualitative component of the research, data generated from each of the qualitative research methods was analyzed using thematic and content analysis using an inductive approach. The basic coding process in content analysis is to organize large quantities of text into fewer content categories (Hsieh and Shannon, 2005, p. 1285) to illuminate common themes and patterns.

#### **4.4 Strengths and Limitations**

Key strengths of this research project include a focus on the New Westminster context and responsiveness to expressed needs of the business community. In addition to a deeper understanding of what is required from New Westminster's economic development office to foster local business and investment growth, the research also gathered knowledge from other Canadian jurisdictions with the goal of informing the ideal framework for delivery of economic development activities as well as optimum strategies and initiatives to pursue.

A limitation of the project lies in the smart practice component of the research. Smart practice research has been criticized for its low level of external validity (Vesely, 2011, p. 111). One way to address the criticism is to determine the context in which a practice is to be implemented and gauge for suitability and success. The needs assessment research method employed for the project has attempted to accomplish this by achieving a clear understanding of both the current state of economic development activity in New Westminster and the goals, strategies and actions that need to be included in an updated economic development plan in order for it to be reflective of business community needs.

The project researcher's full-time role as the Manager of Economic Development for the City of New Westminster may also create a project limitation given the possibility of researcher bias. The researcher remained cognizant and aware of the need to avoid bias throughout the project from research design to reporting on findings through a strict adherence to the project methodology.

## **5.0 FINDINGS**

The research conducted for this project informs an update of the City of New Westminster's economic development plan that is responsive to the current context and that outlines a clear framework for guiding pursuit of new opportunities in Metro Vancouver's evolving economy.

This chapter reports on the feedback gathered through the quantitative survey as well as the thoughts, observations and impressions of focus group and smart practice interview participants. The quantitative survey findings indicate the current state and are summarized and sorted into five main topic areas: 1) factors influencing where to locate a business; 2) satisfaction with New Westminster as a place for business; 3) satisfaction with city-related services; 4) perceived challenges faced in doing business in New Westminster; and, 5) business attraction/retention ideas. Focus group findings are summarized second and sorted into a set of themes which emerged from the data and under which economic development plan strategies and actions can be structured: 1) promotion and marketing; 2) business experience; 3) business retention, expansion and economic diversification; and, 4) social and livability. The smart practice interview findings are summarized third and sorted in a similar way to those of the focus groups with the deletion of the "social and livability" theme highlighted in the focus group results and addition of "economic development delivery model" for framing information gathered in this area.

### **5.1 Quantitative survey**

The quantitative survey was conducted with 593 businesses located across New Westminster's seven commercial districts. 504 surveys were completed by telephone and 89 were completed online. Survey respondents were the business owner, general manager or location branch manager. The quantitative survey was conducted between September 14 and October 7, 2016. The margin of error on a random sample of 593 is +/- 4.0% at a 95% level of confidence (Mustel Group, 2016, p. 4)

#### **5.1.1 Factors influencing where to locate a business**

Using a scale of 1 to 5 with 1 being "not at all important" and being 5 "essential" survey respondents were asked to rate the influence of a series of factors in the decision to locate in New Westminster. Proximity to customers rated highest (average 4.0), followed by overall quality of life (average 4.0), access to adequate parking (average 3.9), access to public transit (average 3.9), and, cost of land/commercial rent (average 3.8). Of moderate importance were the ease of working with municipal government (average 3.5), proximity to a major highway (average 3.4), room to expand operations (average 3.3), proximity to a qualified workforce (average 3.3), and, access to fibre optic technology (average 3.2). Least important factors influencing business decisions when choosing to locate were proximity to post-secondary institutions (average 2.3), proximity to downtown Vancouver (average 2.7), proximity to suppliers (average 2.8), and, access to restaurants and services (average 2.9).

### **5.1.2 Satisfaction with New Westminster as a place for business**

Quantitative survey respondents were asked to rate their level of satisfaction with factors influencing their decision to locate in New Westminster as a place for business. A scale of 1 to 5 was used with 1 indicating “not at all satisfied” and 5 being “completely satisfied. The top five factors for which satisfaction was highest include access to public transit (average 4.2), proximity to customer base (average 3.9), overall quality of life (average 3.9), proximity to a major highway (average 3.8), and, access to restaurants and services (average 3.5). Of these results, the factors where satisfaction rating does not quite match importance are access to adequate parking (average 3.2 vs 3.9), and cost of land/commercial rent (average 3.1 vs 3.8). The lowest satisfaction expressed by business owners was for availability of local affordable housing (average 2.9).

### **5.1.3 Satisfaction with city-related services**

The level of satisfaction with city-related services provided to New Westminster businesses was measured in a similar fashion as satisfaction with New Westminster as a place for business. Survey respondents were most satisfied with city hall front counter service (average 4.1), business license and processing fees (average 3.9), overall level of customer service received when dealing with city staff (average 3.9) and access to information via the city’s website (average 3.8). City services which received lower levels of satisfaction were municipal regulations (average 3.4), value for tax dollar (average 3.2), city infrastructure (average 3.1), and, municipal tax rates (average 3.0).

### **5.1.4 Perceived challenges in doing business in New Westminster**

Survey respondents were asked to list three challenges of doing business in the city. Of the challenges, the most significant was transportation and traffic congestion (39%). Of the remaining top five challenges, almost one-in-five businesses indicated feeling challenged by the increasing cost of doing business in the city (18%), parking issues (17%), problems with municipal government/not business-friendly enough (17%) and location issues (17%).

### **5.1.5 Business attraction/retention ideas**

Actions or initiatives that the city should consider for attracting and retaining businesses were elicited from survey respondents. The most commonly mentioned included a call for the city to: be more business-friendly through offering incentives to locate in the city and better communication from city hall (21%); establish a better distribution of businesses (21%); and, deal with transportation and traffic congestion issues (21%). Other actions mentioned included encouraging affordable housing (8%), addressing parking issues (6%), improving customer service and reducing bureaucratic processes at city hall (6%), and, increasing efforts to attract new businesses and visitors to New Westminster.

## **5.2 Focus Groups**

The focus group instrument was designed to gain a deeper understanding of the quantitative survey results and to identify both opportunities and challenge gaps an updated economic

development plan should address. In addition, focus groups provided valuable input for informing optimum goals, strategies and actions to be included in the final plan. Eight focus groups were held with a total of 66 participants: four from the local business community, one consisting of key business organization stakeholders, one from the development community, one from the city's Intelligent City Knowledge Workforce sub-committee and one from the city's Economic Development Advisory Committee. During each focus group session, participants were asked to reflect on a set of draft economic development goals distilled from early literature review findings as they considered the quantitative survey results: 1) Encourage New Westminster as a preferred location to live, locate a business, invest and develop; 2) Support continuous improvement of the business experience; and, 3) Cultivate business recruitment, retention, expansion and economic diversification. Focus group results were then analyzed and grouped into four themes as follows.

### **5.2.1 Promotion and marketing**

Overall, participants expressed an appreciation for New Westminster as a livable city with attractions that many don't become fully aware of until they locate here. There was consensus that marketing the city and local amenities is important for business success. Several participants noted that the city continues to have an image problem, specifically around homelessness and drug use, but recognized that the issue is not as severe as it used to be. Traffic congestion was noted by participants in every focus group with several suggesting that this issue could be turned into an opportunity to promote New Westminster's central location and accessibility by rapid transit. Six participants highlighted that parking is perceived as a major impediment to business success with others suggesting that the issue may be influenced by development construction fatigue that will eventually be resolved as projects are completed.

Participants recognized the importance of promoting New Westminster as a place to both "work" and "live". Five participants noted the importance of marketing the future of the city and where it is going rather than focusing on the more traditional "Royal City" image. There was general consensus that marketing and promotion efforts need to target younger demographics with one participant in each of the Knowledge Workforce and development community focus groups noting that by 2030 millennials will outnumber baby-boomers. Several participants noted that promoting the city to key business growth sectors, particularly tech and creative, is critical for future prosperity. Overall, participants agreed that a business marketing package that could be leveraged by business stakeholder groups to promote the city would be an asset with development focus group participants expressing an interest in working with the city on how best to leverage their marketing and promotional efforts to ensure mutual success. There was agreement across all focus groups that New Westminster's key strengths that should be promoted should include a central location and accessibility from anywhere in Metro Vancouver, significant heritage, arts and cultural assets, lower costs in doing business compared with other cities, relative affordability, and strong sense of community.

### **5.2.2 Business experience**

There was general agreement across the focus groups that the city tries to be business-friendly and easy to work with and that staff generally are helpful, but there is room for improvement. Participants noted a lack of online services targeted towards business needs with one participant suggesting that after an initial in-person business license application, all other services and renewals should be able to be completed online. Several participants noted that the cost of doing business in New Westminster is adversely impacted by high taxes and suggested that the business tax rate should better align with the residential tax rate. Participants suggested that more work needs to be done on regulations to bring greater clarity and less restriction to processes when establishing a business. Business and business stakeholder organization focus group participants were in agreement that a “how to establish a business” guide available on the city website would be a useful resource and should be developed after a review to ensure processes are simple and straightforward to follow. Three participants suggested that follow-up should occur with newly-established businesses to see how they are doing and to determine whether further assistance from the city is required.

With the exception of the development focus group where the issue wasn’t raised, there was general consensus amongst participants that a key role of the EDO should be an advocacy one, with a focus on assisting business with navigation through city hall bureaucracy. Several noted that when establishing a business, owners must deal with many different departments and the process can be confusing. There was agreement that predictability and efficiency are essential ingredients to business success and that a “one-stop shop” concept to streamline the process of establishing a business would be a way of distinguishing New Westminster from neighbouring municipalities. Generally, focus group participants felt that city staff should see themselves as service providers with businesses as the customers and that economic development staff have an important role to play to ensure this occurs. There was general agreement that a focus on customer service would make New Westminster the best city to work with in the region.

### **5.2.3 Business recruitment, retention, expansion and economic diversification**

Focus group participants were in agreement that growing the local economy requires a focused strategy and that New Westminster’s target market is not large employers, given a lack of suitable commercial space. This was characterized by one participant as focusing on the “smaller scale, not the Googles or Amazons”. Another participant expanded on this point and questioned the city’s ability to attract big business, suggesting that the availability of smaller commercial spaces allows for more types of suitable-scale businesses to locate here. Five participants noted that with the rise of the tech and creative economy, the city is well-positioned to take advantage and that support for entrepreneurs and small business is critical. This was echoed by a general consensus amongst participants that economic development efforts should include a focus on the creation of start-ups. Four participants suggested that a shift away from traditional industry in the city towards more cutting-edge and high-tech businesses is important for changing the image of New Westminster. There was also agreement that a part of the work

of the EDO should be to identify and recruit businesses in identified growth sectors of health care and education in addition to tech and creative.

While participants agreed that the relative affordability of commercial space is a positive, four expressed a concern that some landlords are letting buildings sit vacant and that the city should intervene. Three participants in three separate focus groups highlighted the city's *Intelligent New West* initiative and dark fibre utility (BridgeNet) as a positive for business attraction, retention and growth but noted current costs for 1gigabyte fibre access are too high. In one focus group, a participant responded to this comment by suggesting the situation highlights a need for greater collaboration between local business stakeholder organizations and the EDO. There was general agreement across the focus groups that, with the recent adoption of the updated Official Community Plan, economic development efforts should be mindful of the need to maintain a balanced approach to residential and commercial spaces to ensure the needs of the community are served into the future.

#### **5.2.4 Social and livability**

Participants were in agreement that social and livability initiatives are critical to a healthy local economy and that ensuring New Westminster continues to be a livable community is important. Two participants noted the ongoing need to balance traffic calming for local residents with the need to ensure smooth traffic movement for the region. There was general consensus that the city should encourage transit use amongst local businesses and employees where possible and car-sharing for both residents and business alike. General support was also expressed for city projects outlined in the *Riverfront Vision* with several participants noting greater connectivity along the waterfront is a significant asset for attracting new businesses to the city as well as for existing businesses to attract employees. Several participants noted that while the city is still seen as relatively affordable, that advantage is diminishing as property increases in price throughout the region. There was consensus around the notion that the city remain mindful of the need for affordable housing and that the current practice of encouraging residential developments to retain an aspect of housing for low-income earners should be continued.

There was also general agreement around the importance of ensuring both visitors and residents alike have reasons to linger and explore New Westminster. And though several participants supported more festivals and events to draw people to the city, others cautioned that efforts to do so be made in a coordinated way and involve businesses and business stakeholders given the potential for negative impacts resulting from accompanying street closures. Finally, participants were supportive of the notion that economic development efforts keep community livability in focus, highlighting the link between ensuring New Westminster remains a place to both “work” and “live” and future prosperity.

**Table 1: Key focus group findings**

| <b>FOCUS GROUPS</b>  |   |
|--|---|
| <b>Promotion and Marketing</b>   | <ul style="list-style-type: none"> <li>• Promote and market New Westminster as a place to “live” and “work”</li> <li>• Economic development assets and resources must highlight community advantages, be designed with target sectors in mind, and be leveraged by business stakeholders (i.e. Chamber of Commerce, business improvement associations, etc.)</li> <li>• Key strengths include central location, rapid transit access, riverfront location, affordable space</li> <li>• Business marketing package required for leveraging/distribution by stakeholders</li> </ul> |
| <b>Business Experience</b>   | <ul style="list-style-type: none"> <li>• Municipal regulations and process are a challenge</li> <li>• City staff should view themselves as service providers with businesses as the customer</li> <li>• Access to current data is critical</li> <li>• Process clarity, clear rules and regulations important</li> <li>• Collaboration with stakeholders for effective information flow is necessary</li> <li>• Key function of the EDO should be as advocate for business at City Hall “One-stop shop” concept should be explored</li> </ul>                                      |
| <b>Business Recruitment, Retention, Expansion and Economic Diversification</b> | <ul style="list-style-type: none"> <li>• Business retention and expansion activities important</li> <li>• Ongoing business input/surveying necessary</li> <li>• Recruitment strategies should consider space type and availability</li> <li>• EDO should focus recruitment in target sectors</li> <li>• Ongoing relationship-building important</li> <li>• Intelligent City initiative and BridgeNet fibre network are important for attracting business in target sectors</li> </ul>   |
| <b>Social and Livability</b>   | <ul style="list-style-type: none"> <li>• Social and livability initiatives linked to healthy local economies (i.e. affordable housing, transportation, parks and green space, etc.)</li> <li>• Visitors and residents must have reasons to linger and explore their community</li> <li>• Local infrastructure investment plays a significant role in helping business to thrive</li> </ul>  |

### 5.3 Smart Practice Interviews

Interviews with three communities (Victoria, BC, Kamloops, BC, and Stratford, ON) were conducted to gain insight into economic development practices currently in use as well as perspective on the delivery of the economic development function at the municipal level through in-house and arms-length economic delivery models. These cities were chosen due to their similar population size (under 100,000 pop.), recent updating of economic development plans, recognition of economic development initiatives, operation in the Canadian context and the unique perspective each brings to economic development model analysis.

#### 5.3.1 Promotion and marketing

Though promotion and marketing activity wasn’t a focus of the key informant interviews, two participants noted the significance of diversity in their economies and how this strength can be used as an investment attraction tool. Its importance in shielding against the adverse effects of

economic downturns was underscored by both with one highlighting their local economy's diversity as a key driver for targeted promotion and marketing efforts contingent on where the economic growth is occurring. The need for a strong local economic development brand and online presence was also highlighted by participants along with collaboration with business community stakeholders as necessary ingredients for success. One participant expanded on this point, explaining that for economic development efforts to achieve potential, stakeholders must deliver complementary messaging and brand support in their promotion and marketing assets. The important role that the local tourism entity can play in this area and the need for collaboration with a city's destination marketing organization for attracting customers as well as potential investors and entrepreneurs was also highlighted.

### **5.3.2 Business experience**

The challenge that red tape and the municipal regulatory process pose to business was acknowledged by all participants. One participant noted that, whenever the issue arises in their community, upon further investigation it is most often found to be attributable more to a breakdown in communication between city hall bureaucrats and business owners than the presence of excess regulation. The participant acknowledged that the impression is nonetheless a common one held by the business community and should be addressed. Two participants observed that the municipal regulatory environment highlights the importance of the advocacy role economic development practitioners must play and that advocacy on behalf of local businesses should form one of the critical functions performed by a local economic development organization.

One participant highlighted a business hub initiative recently piloted in their city which aims to establish a closer connection with prospective business owners through a one-stop office housed adjacent to the Mayor's Office. The participant noted the importance of physical location in underscoring the emphasis the city places on helping new business establish and on ensuring the processes involved are made as simple and streamlined as possible. Another noted how their economic development operations are structured to offer full business advisory services to assist new companies to start and existing businesses to invest and grow. Two participants commented on the need to de-mystify the process involved in establishing a business, particularly given that city hall has different requirements depending on the nature of the business. One of these commented that they had developed "how to establish a business" guides unique to specific sectors (e.g. restaurant, retail storefront, industrial, etc.) to address this issue. Welcome packages for new businesses were highlighted by two participants with both highlighting the need for collaboration with business stakeholder organizations (e.g. chamber of commerce, business improvement association) in the development and distribution of this type of material.

All interview participants commented on the importance of accurate and timely data for developing strategies to improve the business experience in their respective communities.

Participants commented on the challenges posed when trying to gather data through business license renewals with one participant noting that by working internally with their IT department and the software provider, they are now able to better track business license data and separate new from renewed license information as well as gather more accurate business category detail. The consensus was that access to timely and accurate business data is critical for measuring impact and effectiveness of economic development activities and initiatives.

### **5.3.3 Business recruitment, retention, expansion and economic diversification**

Interview participants were in agreement on the important role business recruitment, retention and expansion activities play in their respective economic development strategies. A participant noted that they conduct a survey with their business community every two years to ensure activities in this area are in synch with current needs and to inform any adjustments necessary. Two participants noted the importance of strong relationships with local education institutions and that these can be leveraged to respond to local economic challenges (e.g. labour market studies to determine local demand for training). Participants were in agreement that the development and maintenance of positive relationships with business stakeholder organizations, such as the chamber of commerce or business improvement associations, is important for establishing a welcome local environment for business to thrive and grow and that strong relationships in this area make the job of economic development easier. In summarizing the importance of relationship-management, one participant emphasized that economic development is all about relationships and how best to position a city in a way that attracts businesses, entrepreneurs, employees and investors. The same participant noted that this aspect of the work is even more important in Canada given the fact that economic developers cannot offer the cash incentives our neighbours to the south (i.e. United States) can.

There was consensus amongst interview participants that initiatives designed to foster connection with businesses and inform on growth potential should form an important component of local economic development plans. One participant noted the success their community has had with a business advisor program that encourages entrepreneurs to apply for a monthly opportunity to pitch their business idea to a panel of experts for feedback, insights and connections. The participant noted that, while not every business that applies is selected, the program generates valuable local business interest and information for the economic development entity that cannot be gathered through business license data alone. Another participant mentioned a similar program in their community targeting small and home businesses which includes an opportunity to display at an annual mini trade show as well as a chance to speak directly to a resource board consisting of lawyers, business plan advisors, experts, etc., and to receive constructive feedback. Remarking on the requirement to develop business recruitment, retention and expansion initiatives that are responsive to local needs, another participant noted the importance of economic developers remaining cognizant that when designing ED initiatives and activities they are prototyping often, emphasizing that it is

more important to launch an initiative and improve it over time than to wait until it is 100% perfect to start.

All participants agreed that regular reporting out of economic development progress is key and should involve establishment of appropriate metrics (i.e. # of business licenses, # of contacts with prospective businesses, # of contacts with existing businesses#, local employment growth in key sectors, etc.) to measure progress as well as to inform any necessary changes in direction or strategy.

### **5.3.4 Economic development delivery models**

Key informant interview participants conduct economic development activity in their communities using in-house (1) and arms-length (2) models. Participants acknowledged key benefits of working within the in-house model of economic development include a close connection to - and the ability to advocate directly with - city departments on behalf of local business. In addition, an increased opportunity for involvement of the Mayor in economic development activities and initiatives was cited as a positive. All participants agreed that the in-house economic development arrangement affords a greater ability to impact city hall processes than the arms-length model and that processes such as strategic land acquisition can be more efficient when guided in-house.

Conversely, participants working under the arms-length model cited access to external funding opportunities not afforded to municipal government, greater latitude and freedom to develop and pursue economic development initiatives unburdened by the regulatory environment, along with an ability to avoid negative perception of ED activity being driven by “bureaucrats” as strengths of the approach. One participant cited the desire to separate the economic development decision-making function from council as a key reason for transitioning from an in-house to arms-length model and that council support for the move was essential. There was general consensus that effective relationship-management is important in both in-house and arms-length models with the former having an advantage on this front with respect to development and maintenance of relationships with staff at city hall. Participants also agreed that political support, organizational culture and local stakeholder relationships all combine to provide the context in which a decision on a local economic delivery model can be made.

Regardless of the economic development model chosen, interview participants underscored the need for effective governance. Two participants emphasized the importance of advisory board membership in both the in-house and arms-length models and the need to determine strategically the sectors and business stakeholder organizations that should be included. One participant concluded input on this point by cautioning that careful consideration be given to determining appropriate governance and noting that the more succinct and well-designed the advisory structure from the start, the greater the chance of success.

**Table 2: Key smart practice interview findings**

| SMART PRACTICE INTERVIEWS  |   |
|--|---|
| <b>Promotion and Marketing</b>   | <ul style="list-style-type: none"> <li>• Strong economic development brand is essential</li> <li>• Message consistency/stakeholder participation important</li> <li>• Local economy diversity can be leveraged as investment attraction tool</li> </ul>   |
| <b>Business Experience</b>   | <ul style="list-style-type: none"> <li>• Advocacy is a critical function for ED efforts</li> <li>• “Business Hub” concept can streamline municipal processes</li> <li>• Ongoing surveying of business community important</li> </ul>  |
| <b>Business Recruitment, Retention, Expansion and Economic Diversification</b> | <ul style="list-style-type: none"> <li>• Business relationship-management critical to success</li> <li>• Regular reporting on local economic progress using appropriate metrics necessary</li> <li>• Initiatives designed to connect businesses to each other build a strong and supportive environment</li> <li>• Efforts must remain responsive to local needs</li> </ul>   |
| <b>Social and Livability</b>   | <ul style="list-style-type: none"> <li>• In-house ED model affords increased opportunity for Mayor involvement, increased ability to impact policy and processes</li> <li>• Arms-length ED model affords flexibility and access to external funding opportunity</li> <li>• Effective governance critical for guiding the work of both models</li> <li>• Political support, available resources, organizational culture and stakeholder relationships all key to determining which ED model to pursue</li> </ul> |

#### 5.4 Summary

The research findings elaborated on economic development functions, strategies, themes and models explored in in the literature review. The quantitative research findings provided the foundation necessary for detailed investigation through the qualitative research phase, enabling further illumination of needs as well as strengths to capitalize on and challenges to address.

Focus group participants view New Westminster as a livable city with a central location, relative affordability, accessibility by public transit, strong sense of community and infrastructure all combining to present a compelling business case for entrepreneurs and prospective business owners to locate and invest. Conversely, a lack of online services, cumbersome regulation and municipal processes were highlighted as barriers to business recruitment and growth, underscoring the importance of a business advocacy role performed by the city’s economic development function and need for collaboration with local business stakeholder organizations.

Key informant interviews provided insights and perspective into how economic development activity is structured elsewhere. There was agreement around the challenge that regulation and process can present to business growth and consensus that, to be effective, the advocacy role

economic developers play must be combined with smart practice chosen to meet local business development needs. Though no clear advantage emerged with respect to in-house versus arms-length economic development models, there was agreement around the important roles collaboration, ready access to data, effective governance and advisory oversight and context plays in a successful economic development program.

The next section of the report will discuss the research findings in greater detail, connecting these to the literature review evidence and laying the foundation for a series of recommendations for updating New Westminster's economic development plan.

## **6.0 DISCUSSION**

This chapter connects the total body of research findings over the course of this project to the relevant literature consulted. The organization of the chapter is consistent with that of the findings chapter and provides an overview of where the literature and research results converge. The discussion leads into a series of recommendations and options for consideration to answer both the primary and secondary research questions posed at the outset of the project.

### **6.1 Promotion and Marketing**

Participants highlighted the importance of promotion and marketing as an investment attraction tool and key ingredient for business success, noting the need for a strong economic development brand that emphasizes key strengths the community offers. This concept is consistent with research by Cleave et al (2016) who found that economic development practitioners regard place branding as sound policy that, when developed with a focus on target audience needs, has the potential to be an effective strategy for attracting business. Green Leigh and Blakely (2013) and Reese (2013) concur that promotion of economic base and marketing a community's advantage are consistently noted as key components of economic development work while the Federation of Canadian Municipalities (FCM) (2014) argues that presenting a clear, comprehensive and strategically-based marketing effort allows a municipality to differentiate itself in the marketplace and promote economic development. Participants' feedback underscores the need for a compelling suite of economic development resources and marketing assets that highlight key community advantages and are designed with target sectors and demographics in mind.

At the same time, the lines of evidence indicate the importance of collaboration with local business organizations on promotion and marketing efforts to maximize success. The FCM (2014) states that collaboration in this area with local organizations and agencies is critical for ensuring consistency in municipal marketing messages. Participants concurred that, for economic development promotion and marketing efforts to achieve potential, stakeholders must deliver complementary messaging and brand support in their respective marketing and promotion assets and programs.

### **6.2 Business Experience**

Challenges that regulations and process pose to business were highlighted as a key theme by research participants, along with the significant role that the economic development function can play as an advocate for local business. Green Leigh and Blakely (2013) suggest that making government entrepreneur-friendly through the streamlining of processes and working in a spirit of entrepreneurship instead of bureaucracy is a key component of a strategy that seeks to grow local businesses and create jobs within the local economy. This is consistent with research findings that highlight a need for economic development and other city staff to view themselves as service providers with businesses as the customers.

The findings also noted the importance of providing clarity around necessary processes, and regular review of the same, to ensure they are simple and straightforward to follow as well as the need for cooperation with business stakeholder organizations to facilitate understanding and dissemination of this information along with roles and responsibilities. This point was echoed by Blais and Redden (2009) who stated that local capacity-building is a necessary part of economic development work and that the economic development function must focus on a structure that encourages and supports the efforts of community-based organizations rather than one that ignores them.

Research participants noted the potential that can be realized by pursuit of a “business hub” concept for establishing a positive business experience at City Hall. Green Leigh and Blakely (2013) argue that one-stop assistance centres are a valuable business tool that benefit businesses by eliminating frustrating referrals from one department to another in addition to time saved by individual businesses trying to procure necessary information on their own. And while successful examples of the business hub model exist, the ability to provide access to pertinent and accurate data was also highlighted as a critical component of the approach.

### **6.3 Business Recruitment, Retention, Expansion and Economic Diversification**

Both the literature and research findings underscore the importance of business retention and expansion activity in economic development work. This is consistent with findings by the Union of British Columbia Municipalities (UBCM) (2010) which highlight retention and expansion efforts as one of the cornerstones of successful economic development programs and by Turvey (2006) as an anchor of traditional local economic development models. The research findings also noted the need for regular surveying of the business community to ensure economic development efforts in this area remain in synch with current needs.

Research participants also identified the requirement for a targeted business recruitment strategy and for economic development efforts to remain mindful of the need to match business recruitment efforts with available space. These findings are echoed by Markey, Halseth and Manson (2008) who argue that significant gaps are created at the start of many local economic development processes when they are not sufficiently grounded in context of place, thereby limiting the viability of proposed options and strategies. And while research findings note that the city is well-positioned to take advantage of growth in the tech and creative sectors as well as growth and diversification in established sectors such as health care and education, Blais and Redden (2009) underscore the important role the EDO must play in remaining aware of changes in industry patterns and readiness to respond appropriately should an opportunity arise.

The interconnectedness between recruitment, retention, expansion and economic diversification activities and positive relationships with key stakeholders including business organizations and

local institutions is acknowledged in both the research findings and literature. Research participants underscored the need for effective relationship development in economic development work. This is confirmed in research conducted by the Organization for Economic Cooperation and Development (2014) which found a common focus of new local economic development growth and investment strategies is building partnerships between universities and other institutions to promote knowledge-sharing and access to an expanded network. The FCM (2014) concurs, arguing that the most successful economic development organizations take a collaborative approach and supplement their activities through nurturing close relationships with representative groups that can aid or even take on part of local economic development efforts. Ultimately, the focus on relationship-building is about how best to position a city in a way that facilitates retention and expansion of existing business and recruits new ones to ensure a dynamic and diverse business climate.

Both research findings and the literature converge on the importance of regular reporting out of progress which requires the establishment of appropriate frames of measurement or metrics. Kwoon and Gonzalez-Gorman (2014) argue that determination of economic development measures are necessary prior to undertaking projects in order to set the stage for desired outcomes. These can include measurement of the number of business licenses awarded year over year, number of new businesses established by sector and number of issues resolved through EDO efforts.

#### **6.4 Social and Livability**

The research findings recognize the importance of social and livability initiatives to a healthy local economy such as actions to ensure availability of affordable housing options and to address traffic congestion. Participants also noted the significant role infrastructure investment has in making New Westminster a place for business to thrive and grow including projects such as: the Riverfront Vision, providing greater connectivity along the city's waterfront; the IDEA Centre, leveraging Royal Columbian Hospital expansion activities to create new opportunities in the healthcare and education sectors; and, BridgeNet, bringing improved access to fibre optic technology to commercial districts throughout the city. Kane (2004) argues that investments in public services and infrastructure contribute to a region's quality of life, standing out as an important factor in the economic vibrancy of metro areas. Reese (1997) observes that many cities cite improved or expanded recreation facilities in their economic development efforts while transportation improvements in the form of improved pedestrian amenities, traffic circulation and expanded parking are employed to promote business development, providing evidence to support research findings and the impetus for continued infrastructure improvement efforts by the city.

## 6.5 Economic Development Delivery Models

With respect to determination of the optimum model for delivery of the economic development function at the local level, the literature and the research findings are in agreement that one approach is not necessarily superior to the other. This is consistent with Blais and Redden (2009) who argue that the evidence shows both in-house and arms-length economic development approaches have succeeded and failed with the ultimate decision as to whether to pursue an internal or external model being a local one.

Research findings highlighted key positives of the arms-length model being the increased opportunity for pursuit of external funding opportunities not afforded to municipal government and the freedom to pursue economic development activities unburdened by the regulatory environment at city hall. Thompson (2010) concurs noting the autonomy and ability to operate with a minimum of bureaucracy afforded to the arms-length model as well as the ability to operate as a corporation with a unique set of procedures including pay scales and labour policies as a positive, also noted by the research findings. Alternatively, research findings indicate the in-house economic development model allows for better integration with municipal initiatives, allowing for greater collaboration between city departments and economic development staff. The findings also suggest that the in-house model enables more effective pursuit of process and regulatory efficiencies along with greater involvement in development and infrastructure initiatives. Reese and Rosenfeld (2002) posit that delivery of the economic development function through the in-house model generally leads to the business community desiring more active economic development efforts directly by the city which emerged as a theme in research findings as well. The research also notes the importance of political support, organizational culture and stakeholder relationships all playing a role in determining which model to adopt, sentiments similarly reinforced in the literature which indicated an assessment of both a municipality's external environment and internal environment must be taken into account when determining approach (McGowan and Wittmer, 1998). This point is also echoed by Reese and Rosenfeld (2001) and the UBCM (2010) with both arguing that, ultimately, the economic development model chosen should fit the local political and economic context.

In determining the economic development model to pursue, a number of key principles and related questions should be considered. Specifically:

- 1) Organizational structure and capacity – Does the capacity exist internally to staff and perform the in-house model or does the community have strong external business stakeholder organizations that can play a bigger role through an arms-length model?
- 2) Funding – What funding is available? Is there political appetite for the significant investment required to establish an arms-length model?
- 3) Goals and Objectives – What are the goals and objectives of the economic development strategy? Which model is optimum for achieving these? (E.g. If the goal is to improve processes and regulations that pose barriers to business attraction, retention and growth, then

the in-house model is preferred. If the goal is to promote larger economic strategies that require greater access to funding from senior levels of government, then the arms-length model should be considered.)

4) Advocacy – An essential component of local economic development strategy, what model can most effectively meet the advocacy goals established?

Finally, regardless of economic development model chosen, the literature and research findings converge on the importance of advisory committees and the role they play in each. There is agreement that, when structured correctly, voluntary advisory committees provide for effective engagement with the business community and useful input on sector-based discussion and strategy development (Thompson, 2010). Essentially, the more thought given to the advisory structure from the start, the greater chance for success.

## **6.6 Summary**

The literature and research findings highlight the importance of promotion and marketing as a component of local investment attraction efforts along with the need for strong branding that sets a city apart from its competitors. Research participants noted a need for the development and offering of a compelling suite of economic development assets as resources for business and to market the city's competitive advantage that are designed with target sectors and demographics in mind. The literature and research findings indicate that, for maximum success, promotion and marketing efforts must involve collaboration with local business organizations to ensure consistent messaging and brand support.

The business experience was highlighted as an important theme in both the research findings and literature, notably, the need to make local government entrepreneur-friendly through the streamlining and clarification of policies and processes and for city staff to view themselves as service providers with businesses as customers. The important role the EDO must play as an advocate for business to accomplish this was also noted while the potential for establishing a positive business experience at city hall through pursuit of a "business hub" concept or one-stop business assistance centre was emphasized.

Business recruitment, retention, expansion and economic diversification form a cornerstone of economic development practice, as indicated in both the literature and research findings. In addition to regular surveying of the local business community to understand needs and concerns, the research also noted the significance of remaining aware of context of place to ensure economic development initiatives support sectoral needs, economic diversity, community desire and the ability to accommodate the growth in both established and new businesses that results. The importance of collaboration with business community stakeholders was highlighted once again along with the regular need to report on outcomes using appropriate metrics for measuring progress.

The literature and research findings note the significant role that social and livability initiatives play in a healthy local economy. These can include policies that seek to ensure availability of affordable housing and projects that deliver important infrastructure improvements that both create new opportunities for business to thrive and grow and local amenities desired by employees for improved community livability.

Both the literature and research findings were inconclusive on which economic development delivery model was superior. Advantages to the arms-length model include greater external funding opportunities and the ability to pursue economic development activity with less bureaucratic intrusion, while the opportunity for better integration with municipal initiatives and for enhanced collaboration between city departments and the EDO are key strengths that characterize the in-house model. In determining which economic development delivery model to pursue, political support, organizational culture and stakeholder relationships must all be taken into account with overall political and economic context and appropriate advisory committee role and structure important for success.

## **7.0 OPTIONS AND RECOMMENDATIONS**

This section presents two options for consideration for answering the primary research question of this project: *What is the ideal framework for guiding economic development activity in the City of New Westminster?* The two options are for the city to continue pursuit of economic development using the in-house (internal) model or establish an arms-length (external) body for the same. An overview of each follows.

The options will be weighed against the potential to fulfil answers to the secondary questions of the project: *What key goals should guide the city's economic development activities over the next five years?*; and, *What strategies and actions are responsive to input from – and supported by – local business and key business stakeholders that are necessary to ensure success?* A recommended economic development work plan derived from the findings and which includes goals, strategies, actions and timelines for implementation is found in Appendix D.

### **7.1 Option 1: continue pursuit of economic development using in-house model**

This option recommends that the City of New Westminster's economic development function continue to be performed by a department within city hall. The approach requires no disruption of the current framework for delivering economic development activity and allows for continued integration of ED efforts with city initiatives. In addition, no new funding beyond that currently allocated in the city budget is required. Efforts to collaborate with key business stakeholders, other city departments and senior levels of government would continue to be an important part of economic development work.

Advantages to Option 1 include a greater ability to coordinate with other municipal departments on initiatives and decisions that impact business attraction, retention and growth and for advocacy on behalf of business. Other advantages are realized through the close proximity to the local political system and decision-makers the in-house economic development model provides along with the inherent ability to directly influence and impact city hall processes and policies. Disadvantages include limited access to outside funding for economic development initiatives and barriers to swift action that can result from working within the regulatory environment.

### **7.2 Option 2: establish an external agency to pursue economic development through an arms-length model**

This option focuses on the establishment of an external body for pursuing the economic development function through a fee-for-service arrangement with the City of New Westminster. The approach requires enhancement to existing financial resources made available for ED activities and that funding be provided to an arms-length agency, located and operating with a minimum of involvement from local government save for input from senior city officials as participants in an advisory body. Functioning with a minimum of bureaucracy, the option

requires the economic development function to operate through a corporate model with a unique set of procedures including pay scales and labour policies. Collaboration with key business stakeholders and city hall would remain an essential component of the economic development work carried out by the arms-length model.

In addition to the advantages listed above, Option 2 allows for increased opportunity for pursuit of external funding for economic development initiatives and greater capacity for risk when making business and marketing decisions. Disadvantages to this approach include potential for fragmentation and a disconnect with city initiatives and priorities, reduced ability to impact the local regulatory environment and perceptions of diminished accountability for use of public dollars along with direct competition with other local organizations (i.e. Chamber of Commerce) for funding.

### 7.3 Comparing delivery model options and recommended approach

The two options presented are for the City of New Westminster to continue delivering economic development through the existing in-house model or to establish an external agency to pursue economic development using an arms-length model. Table 1 rates the potential of each option to accomplish the recommended strategies and actions that follow as low, medium or high.

**Table 3: Comparison of delivery model options and ability to accomplish recommended strategies and actions (rated as Low, Medium or High)**

| <b>Recommended Strategies and Actions</b>  | <b>In-house</b> | <b>Arms-length</b> |
|--|-----------------|--------------------|
| <b>Strategy 1: Market and promote New Westminster’s competitive advantage.</b>   |                 |                    |
| <ul style="list-style-type: none"> <li>Develop a marketing strategy that leverages New Westminster’s advantages in education and health care and targets business in these growth sectors.</li> </ul>  | <i>High</i>     | <i>High</i>        |
| <ul style="list-style-type: none"> <li>Actively engage with key local stakeholders as well as the Regional Prosperity Initiative to ensure New Westminster’s competitive advantages are promoted in regional efforts to secure investment and job growth.</li> </ul> | <i>High</i>     | <i>Medium</i>      |
| <ul style="list-style-type: none"> <li>Collaborate with ISP’s to market BridgeNet to both existing and prospective business.</li> </ul>  | <i>High</i>     | <i>Low</i>         |
| <ul style="list-style-type: none"> <li>Develop a marketing strategy that targets tech, green and creative businesses and that includes ongoing identification of businesses in these growth sectors.</li> </ul>  | <i>High</i>     | <i>High</i>        |
| <ul style="list-style-type: none"> <li>Collaborate with local partners on programs and initiatives that encourage residents and businesses to spend dollars locally.</li> </ul>  | <i>High</i>     | <i>High</i>        |
| <ul style="list-style-type: none"> <li>Develop a business package that illustrates New Westminster’s investment attractiveness and competitive advantage that can be used by key local stakeholders to promote the city.</li> </ul>                                  | <i>High</i>     | <i>High</i>        |
| <ul style="list-style-type: none"> <li>Continue to support Tourism New Westminster in the development of an updated tourism strategy that highlights local assets including heritage, the riverfront, and arts and culture.</li> </ul>                               | <i>High</i>     | <i>High</i>        |

|   |               |               |
|---|---------------|---------------|
| <b>Strategy 2: Formalize the leadership role of the Economic Development Office as the business community’s advocate at City Hall.</b>  |               |               |
| • Establish a ‘Business Hub’ function at City Hall.   | <i>High</i>   | <i>Low</i>    |
| • Conduct an audit of the City Hall customer journey and develop an associated customer service strategy for business.  | <i>High</i>   | <i>Medium</i> |
| • Create a ‘how-to establish a business in New Westminster’ guide.  | <i>High</i>   | <i>High</i>   |
| • Work with city departments to review and revise, as necessary, business-related bylaws and policies.  | <i>High</i>   | <i>Low</i>    |
| • Conduct a review and update of digital resources for prospective and existing businesses.   | <i>High</i>   | <i>High</i>   |
| • Implement quarterly meetings between city departments for continuous monitoring and improving of business-related processes.  | <i>High</i>   | <i>Medium</i> |
| • Implement customer service strategy for business at City Hall.  | <i>High</i>   | <i>Low</i>    |
| <b>Strategy 3: Build a fertile environment for growth and expansion of business through ongoing collaboration and engagement with key stakeholders.</b>                                     |               |               |
| • Identify and engage business community stakeholders by sector for regular dialogue with the city to identify challenges and opportunities.  | <i>High</i>   | <i>High</i>   |
| • Develop a business plan that identifies opportunities for a maker-space that supports a start-up culture as well as entrepreneurs.  | <i>Medium</i> | <i>High</i>   |
| • Develop an inventory of existing local businesses by sector to monitor growth and identify opportunities for retention in New Westminster.  | <i>High</i>   | <i>High</i>   |
| • Evaluate Economic Development Advisory Committee Terms of Reference to reflect support of economic development plan activity and ensure formal representation from target growth sectors. | <i>High</i>   | <i>High</i>   |
| • Ensure BridgeNet is accessible for small and medium enterprises.  | <i>High</i>   | <i>Low</i>    |
| • Administer a business survey every 3 years.   | <i>High</i>   | <i>High</i>   |
| • Collaborate with local business organizations to develop a mentor pool that informally facilitates the matching of entrepreneurs and start-ups with experienced mentors.                  | <i>Medium</i> | <i>High</i>   |
| • Facilitate the connection of businesses, organizations and stakeholders to public sector agencies, leasing agents, building owners and investors.   | <i>Medium</i> | <i>High</i>   |
| <b>Strategy 4: Drive continuous innovation in delivery of city programs, projects and processes through implementation of the Intelligent City Strategy (Intelligent New West).</b>         |               |               |
| • Update and implement the Intelligent City Strategy.   | <i>High</i>   | <i>Low</i>    |
| • Work with city departments to incorporate digital solutions that drive operational efficiencies.  | <i>High</i>   | <i>Low</i>    |
| <b>Strategy 5: Leverage IDEA Centre to attract and retain business, promote investment and support new employment in health care, education and tech and creative sectors.</b>              |               |               |
| • Collaborate with stakeholders, including post-secondary institutions, Fraser Health, and local developers to implement the IDEA Centre strategy and road map.                             | <i>High</i>   | <i>Medium</i> |

|  |             |             |
|--|-------------|-------------|
| <b>Strategy 6: Communicate to business the value proposition of locating in New Westminster.</b>   |             |             |
| <ul style="list-style-type: none"> <li>Develop a public communication piece that highlights Economic Development Plan strategy action items and implementation progress.</li> </ul>  | <i>High</i> | <i>High</i> |
| <ul style="list-style-type: none"> <li>Work with the Economic Development Advisory Committee to determine appropriate baseline metrics for evaluating economic development plan progress and develop dashboard for tracking the same.</li> </ul> | <i>High</i> | <i>High</i> |
| <ul style="list-style-type: none"> <li>Provide regular update reports to the Economic Development Advisory Committee and City Council on economic development plan metrics.</li> </ul>   | <i>High</i> | <i>High</i> |

As illustrated in Table 1, Option 1 provides greater advantage for achieving recommended goals, strategies and actions listed. This option is viable and immediately actionable, given adherence to the status quo and fit with the city’s existing organizational capacity. It allows for ongoing collaboration both internally and externally on activity to realize the City of New Westminster’s economic development goals. Most important, the in-house model form is the best fit for the function outlined in the findings (Blais and Redden, 2010/Green Leigh and Blakely, 2015) and takes into account the current local context UBCM, 2010/Reese and Rosenfeld, 2001). Therefore, Option 1: continue pursuit of economic development using the in-house model is recommended.

It is also important to note that, while the in-house model is currently recommended, once the actions in this report have been accomplished, particularly in those areas dedicated to enhancing the business experience at city hall and revising regulatory process, the city may wish to again consider delivery of the economic development function using an arms-length model. At that time, similar analysis with respect to form and function should play a key role in determining the optimum approach.

**7.4 Economic Development Plan: Goals, Strategies and Actions**

A secondary purpose of this project was to identify recommended economic development goals, strategies and actions that should be contained in an economic development plan and pursued over the next five years to promote economic growth in New Westminster. The following are informed by the findings and adhere to Federation of Canadian Municipalities (2010) economic development planning guiding principles which maintain that the best plans are realistic, strategic, focused and involve a level of engagement that reflects the size of the local government as well as available resources.

Based on the research findings, City of New Westminster economic development activity should be guided by the following four goals to:

- Goal 1: Establish New Westminster’s reputation as an ideal location for both start-ups and established businesses to thrive and grow.*

*Goal 2: Confirm New Westminster's commitment to delivery of a positive business experience at city hall.*

*Goal 3: Secure diversity in the local economic base through recruitment, retention and expansion activities.*

*Goal 4: Support livability initiatives that make New Westminster a great place to live, work and invest.*

The four economic development plan goals can be accomplished through adherence to six strategies that should be supported by a series of actions. Corresponding goal/s supported are listed for each action (i.e. G1, G2, etc.):

*Strategy 1: Market and promote New Westminster's competitive advantage.*

Actions:

- Develop a marketing strategy that leverages New Westminster's advantages in education and health care and targets business in these growth sectors. (G1, G3, G4)
- Actively engage with key local stakeholders as well as Metro Vancouver's Regional Prosperity Initiative to ensure New Westminster's competitive advantages are promoted in regional efforts to secure investment and job growth. (G3, G4)
- Collaborate with ISP's to market BridgeNet to both existing and prospective business. (G2, G3)
- Develop a marketing strategy that targets tech and creative businesses and that includes ongoing identification of businesses in these growth sectors. (G1, G3, G4)
- Collaborate with local partners on programs and initiatives that encourage residents and businesses to spend dollars locally. (G3)
- Develop a business package that illustrates New Westminster's investment attractiveness and competitive advantage that can be used by key local stakeholders to promote the city. (G1, G3)
- Continue to support Tourism New Westminster in the development of an updated tourism strategy that highlights local assets including heritage, the riverfront, and arts and culture. (G1)

*Strategy 2: Formalize the leadership role of the Economic Development Office as the business community's advocate at City Hall.*

Actions:

- Establish a 'Business Hub' function at City Hall. (G2, G3)

- Conduct an audit of the City Hall customer journey and develop an associated customer service strategy for business. (G2)
- Create a ‘how-to establish a business in New Westminster’ guide. (G2)
- Work with city departments to review and revise, as necessary, business-related bylaws and policies. (G2, G3)
- Conduct a review and update of digital resources for prospective and existing businesses. (G2, G3)
- Implement quarterly meetings between city departments for continuous monitoring and improving of business-related processes. (G2, G3)
- Implement customer service strategy for business at City Hall. (G2, G3)

*Strategy 3: Build a fertile environment for growth and expansion of business through ongoing collaboration and engagement with key stakeholders.*

Actions:

- Identify and engage business community stakeholders by sector for regular dialogue with the city to identify challenges and opportunities. (G1, G3)
- Develop a business plan that identifies opportunities for a maker-space that supports a start-up culture as well as entrepreneurs. (G3, G4)
- Develop an inventory of existing local businesses by sector to monitor growth and identify opportunities for retention in New Westminster. (G2, G3)
- Evaluate Economic Development Advisory Committee Terms of Reference to reflect support of economic development plan activity and ensure formal representation from target growth sectors. (G2, G3)
- Ensure BridgeNet is accessible for small and medium enterprises. (G2, G3)
- Administer a business survey every 3 years. (G2, G3)
- Collaborate with local business organizations to develop a mentor pool that informally facilitates the matching of entrepreneurs and start-ups with experienced mentors. (G3)
- Facilitate the connection of businesses, organizations and stakeholders to public sector agencies, leasing agents, building owners and investors. (G1, G3)

*Strategy 4: Drive continuous innovation in delivery of city programs, projects and processes through implementation of the Intelligent City Strategy (Intelligent New West).*

Actions:

- Update and implement the Intelligent City Strategy. (G2, G3 & G4)
- Work with city departments to incorporate digital solutions that drive operational efficiencies. (G2, G3)

*Strategy 5: Leverage IDEA Centre to attract and retain business, promote investment and support new employment in health care, education and tech and creative sectors.*

Action:

- Collaborate with stakeholders, including post-secondary institutions, Fraser Health, and local developers to implement the IDEA Centre strategy and road map. (G3, G4)

*Strategy 6: Communicate to business the value proposition of locating in New Westminster.*

Actions:

- Develop a public communication piece that highlights Economic Development Plan strategy action items and implementation progress. (G1, G3)
- Work with the Economic Development Advisory Committee to determine appropriate baseline metrics for evaluating economic development plan progress and develop dashboard for tracking the same. (G2, G4)
- Provide regular update reports to the Economic Development Advisory Committee and City Council on economic development plan metrics. (G1, G2 & G3)

## **7.5 Summary**

This section identified the optimum framework and approach for pursuit of the economic development function in New Westminster. Each of the research questions outlined at the beginning of the report were addressed with specific goals, strategies and actions recommended for incorporation in an economic development plan to guide the work of the city's EDO over the next five years. The work plan is intended to provide clear direction for economic development efforts and to ensure New Westminster is well-positioned to reap the benefits of continued economic growth into the future.

## 8.0 CONCLUSION

Increasingly, communities are exploring formal pursuit of the economic development function to foster local economic growth and enhance livability. As this occurs, investigation of economic development practices along with comparison between the two predominant models of economic development service delivery – in-house through an internal department operating from city hall or arms-length through a fee-for-service arrangement with an external organization – are natural points of departure. The purpose of this report is to identify the optimum framework for pursuit of the economic development function in the City of New Westminster and goals, strategies and actions that should be incorporated into an updated economic development plan. Both quantitative and qualitative research methods are used, including a survey, focus groups and smart practice interviews as well as a review of the literature for current economic development knowledge and practice.

The findings show agreement on how economic development is delivered at the local level and that a range of strategies and actions exist for accomplishing ED goals and objectives. Further, that consideration of local context and determination of local business needs are key starting points for the economic development planning process. In New Westminster, this reveals that the in-house delivery model remains the optimum one for pursuing economic development, while advocacy, marketing and promotion activity, efforts to improve the business experience at city hall, and integration with city livability initiatives all continue to be significant components of the work. In addition, that collaboration, both internally with city departments and externally with key stakeholders, is essential to success.

While this report presents an economic development plan that is a fit for where New Westminster is today, to ensure the city's ED activities remain relevant and responsive to local needs, regular future updates are necessary. With this in mind, the field of inquiry could benefit from further research comparing and contrasting outcomes in those communities that have made the transition from one model to the other. Until that occurs, investigation through research methods such as those undertaken remains an optimum way to plan and direct economic development efforts. By adhering to the framework, goals, strategies and actions recommended through this report, New Westminster will continue to build upon current success and secure a strong position in the region's economy.

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## 10.0 APPENDICES

### Appendix A: New Westminster employment sector analysis

A sectoral analysis was undertaken to evaluate New Westminister's current employment situation and to identify industry sectors that are experiencing growth and where attraction, retention, expansion efforts should be focused. Every effort has been made to use the most current data available at the time of writing. Statistics Canada "North American Industry Classification System" (NAICS) has been used to classify industry sectors.

Table 1 compares employment by industry sector between 2006 and 2011. During this time, the number of employed workers in New Westminister, regardless of municipality of residence, increased from 23,465 to 24,405, an increase of 940 or 4%, with the change in number of workers varying greatly by industry. Manufacturing (a decrease of -1,210 employed workers) and wholesale trade (-370 employed workers) experienced significant reductions and some service industries experienced considerable growth, such as health care and social assistance (an increase of +840 employed workers) and professional, scientific and technical services (+415 employed workers).

The largest industry sectors for employed workers in New Westminister also changed between 2006 and 2011. While, health care and social assistance retained status as the largest industry sector, manufacturing saw a decline from the second largest sector in 2006 to seventh largest in 2011. Educational services grew from the fourth largest sector in 2006 to become the second largest sector in 2011. Retail trade retained status as the New Westminister's third largest employment sector in 2011. Of significance is the rate of growth in employment sectors. Arts, entertainment and recreation experienced the greatest rate of growth between 2006 and 2011 at 43.3% and the professional, scientific and technology sector experienced the second highest growth rate at 29.3%

**Table 4. Number of employed workers working in New Westminster, by industry sector (2-digit NAICS 2007), 2006 and 2011**

| Industry   | Number of workers, 2006 | Number of workers, 2011 | # change in number of workers, 2006-2011 | % change in number of workers, 2006-2011 |
|--|-------------------------|-------------------------|--|--|
| <b>Total employed workers</b>  | <b>23,465</b>           | <b>24,405</b>           | <b>940</b>                               | <b>4.0%</b>                              |
| 11 Agriculture, forestry, fishing and hunting                            | 120                     | 95                      | -25                                      | -20.8%                                   |
| 21 Mining and oil and gas extraction                                     | 0                       | 0                       | 0  | N/A                                      |
| 22 Utilities   | 50                      | 0                       | -50                                      | -100.0%                                  |
| 23 Construction  | 805                     | 680                     | -125                                     | -15.5%                                   |
| 31-33 Manufacturing  | 2,475                   | 1,265                   | -1,210                                   | -48.9%                                   |
| 41 Wholesale trade   | 815                     | 445                     | -370                                     | -45.4%                                   |
| 44-45 Retail trade   | 2,260                   | 2,310                   | 50                                       | 2.2%                                     |
| 48-49 Transportation and warehousing                                     | 895                     | 855                     | -40                                      | -4.5%                                    |
| 51 Information and cultural industries                                   | 440                     | 685                     | 245                                      | 55.7%                                    |
| 52 Finance and insurance   | 1,150                   | 1,160                   | 10                                       | 0.9%                                     |
| 53 Real estate and rental and leasing                                    | 515                     | 480                     | -35                                      | -6.8%                                    |
| 54 Professional, scientific and technical services                       | 1,415                   | 1,830                   | 415                                      | 29.3%                                    |
| 55 Management of companies and enterprises                               | 20                      | 0                       | -20                                      | -100.0%                                  |
| 56 Administrative and support, waste management and remediation services | 475                     | 815                     | 340                                      | 71.6%                                    |
| 61 Educational services  | 2,080                   | 2,370                   | 290                                      | 13.9%                                    |
| 62 Health care and social assistance                                     | 5,305                   | 6,145                   | 840                                      | 15.8%                                    |
| 71 Arts, entertainment and recreation                                    | 485                     | 695                     | 210                                      | 43.3%                                    |
| 72 Accommodation and food services                                       | 1,610                   | 1,640                   | 30                                       | 1.9%                                     |
| 81 Other services (except public administration)                         | 1,105                   | 1,250                   | 145                                      | 13.1%                                    |
| 91 Public administration   | 1,415                   | 1,650                   | 235                                      | 16.6%                                    |

Source: Statistics Canada, 2006 and 2011

### *Health Care*

Employment in health care and social assistance has the highest presence of any other sector, with 6,145 jobs in 2011 (Statistics Canada, 2011). Between 2006 and 2011 more workers were added in this sector than any other at 840 jobs between 2006 and 2011 (Statistics Canada, 2006 and 2011). Province-wide, health care and social assistance is expected to add 66,000 jobs across by 2025, more than any other sector (Work BC, 2016). New Westminster enjoys a strong competitive advantage in this sector with 25.2% of jobs in the city in health care and social assistance, outweighing the Metro Vancouver regional average of 10.9%. (Statistics Canada, 2011). Using the median full-time income of hospital employment as a proxy (\$60,015 per year), wages in this sector can also be extrapolated to be higher than the provincial median for all industries (\$49,143 per year) (Province of British Columbia, 2017).

### *Education*

The second largest employment sector in the city for 2011 was educational services with 2,370 jobs (Statistics Canada, 2011). With 9.7% of the city's jobs represented, versus 7.9% in Metro Vancouver (Statistics Canada, 2006 and 2011), New Westminster has a competitive advantage in this sector. Job stability and wage levels for educational services provide average annual wages at \$63,008, higher than the provincial median for all industries (\$49,143) (Province of British Columbia, 2017).

### *Technology – professional services*

Growth in professional, scientific and technical jobs were second highest in New Westminster between 2006 and 2011 (Statistics Canada, 2006 and 2011). Future trends for this sector are positive 46,800 jobs anticipated to be added province-wide between 2016 and 2025 (Province of British Columbia, 2017). In addition, the job growth rate in IT (information technology) services is anticipated to very strong, with computer systems design and related services predicted to emerge as one of the fastest growth industry subsectors in British Columbia with an expected 3.8% annual employment growth between 2016 and 2025 (Work BC, 2016, p. 30). As with health care and education sectors, the technology sector benefits from higher than average annual wages at \$57,402 compared to \$49,143 per year for all industries (Work BC, 2016, p 44).

### *Creative*

Information and cultural industries and arts, entertainment and recreation were among the fastest growing sectors in New Westminster between 2006 and 2011 (Statistics Canada, 2006 and 2011). 245 information and cultural industry jobs added locally during this period, representing a 55.7% growth rate, and 210 arts, entertainment and recreation jobs were added, resulting in a growth rate of 43.3% (Statistics Canada, 2006 and 2011). Province-wide, strong continued growth in these sectors is anticipated between 2016 and 2025 with 12,500 information and culture jobs added, a growth rate of 22.5% which far outpaces the expected growth rate of 12.5% for all industries (Work BC, 2016, p 30).

## **Appendix B: Focus Group Instrument**

Focus groups:

- Key local business organizations
- Local business community (4)
- Intelligent City Knowledge Workforce sub-committee
- Economic Development Advisory Committee
- Urban Development Institute Board

EDP Draft Goals:

- Encourage New West as a preferred location to live, locate a business, invest and develop.
- Support continuous improvement of the business experience.
- Cultivate business recruitment & retention, expansion & diversification

Review of Quantitative Survey Methodology, Results and Highlights

Workshop/Discussion Questions:

1. Are the three draft goals correct?
2. Should the focus be adjusted?
3. Are the goals comprehensive or are there gaps?
4. What challenges, if any, have not been identified in the quantitative research?
5. What strengths, if any, have not been identified in the quantitative research?
6. What are the economic development opportunities in New Westminster?
7. What should the city be doing that it isn't currently?
8. How should the economic development opportunities be prioritized? (i.e. where should efforts be focused)
9. What does "business-friendly" mean to you?
10. What can the city do to become more "business-friendly"?
11. If you could make one change/suggestion to how the city approaches economic development, what would it be?

## Appendix C: Smart Practice Interview Guide

### Interviewees:

- Executive Director, Venture Kamloops
- Chief Executive Officer, investStratford (Stratford Economic Enterprise Development Co.)
- Strategic Relations & Business Development Manager, City of Victoria

### Questions:

#### Local Economy & Business Community Context

1. What are the key strengths of your local economy?
2. What are the key strengths of your local business community?
3. What are some current challenges/opportunities faced in your local economy/business community?

#### Economic Development Framework/Model

4. How long has the ED function operated using the arms-length/in-house local economic development framework?
  - a. For investStratford: You transitioned from an in-house model for pursuing economic development to an arms-length model in 2014. What were the reasons behind this move?
5. What are the some of the benefits to pursuing economic development through the model you currently use? Any negatives?
6. What is your budget and how are you funded?

#### Economic Development Activities & Initiatives

7. What are the key areas of focus for your economic development activity?
8. What have been the most positive and impactful actions or initiatives that your ED office/organization has undertaken? Why do you feel they have been positive/impactful?
9. What unexpected consequences (if any) occurred? Positive? Negative?
10. What lessons were learned?
11. How do you measure success? Have you had to adjust any of your metrics over the past five years?

#### General

12. Do you participate in broader economic development initiatives (e.g. regional focus)?
13. Do you have any recommendations for us as we update our ED plan?

## Appendix D: Economic Development Work Plan 2018-2023

| Recommended Strategies and Actions   | Target Completion |
|--|-------------------|
| <b>Strategy 1: Market and promote New Westminster’s competitive advantage.</b>   |                   |
| <ul style="list-style-type: none"> <li>Develop a marketing strategy that leverages New Westminster’s advantages in education and health care and targets business in these growth sectors.</li> </ul>  | 2018              |
| <ul style="list-style-type: none"> <li>Actively engage with key local stakeholders as well as the Regional Prosperity Initiative to ensure New Westminster’s competitive advantages are promoted in regional efforts to secure investment and job growth.</li> </ul> | ongoing           |
| <ul style="list-style-type: none"> <li>Collaborate with ISP’s to market BridgeNet to both existing and prospective business.</li> </ul>  | 2018              |
| <ul style="list-style-type: none"> <li>Develop a marketing strategy that targets tech, green and creative businesses and that includes ongoing identification of businesses in these growth sectors.</li> </ul>  | 2019              |
| <ul style="list-style-type: none"> <li>Collaborate with local partners on programs and initiatives that encourage residents and businesses to spend dollars locally.</li> </ul>  | 2020              |
| <ul style="list-style-type: none"> <li>Develop a business package that illustrates New Westminster’s investment attractiveness and competitive advantage that can be used by key local stakeholders to promote the city.</li> </ul>                                  | 2018              |
| <ul style="list-style-type: none"> <li>Continue to support Tourism New Westminster in the development of an updated tourism strategy that highlights local assets including heritage, the riverfront, and arts and culture.</li> </ul>                               | 2019              |
| <b>Strategy 2: Formalize the leadership role of the Economic Development Office as the business community’s advocate at City Hall.</b>   |                   |
| <ul style="list-style-type: none"> <li>Establish a ‘Business Hub’ function at City Hall.</li> </ul>  | 2019              |
| <ul style="list-style-type: none"> <li>Conduct an audit of the City Hall customer journey and develop an associated customer service strategy for business.</li> </ul>   | 2018              |
| <ul style="list-style-type: none"> <li>Create a ‘how-to establish a business in New Westminster’ guide.</li> </ul>   | 2018              |
| <ul style="list-style-type: none"> <li>Work with city departments to review and revise, as necessary, business-related bylaws and policies.</li> </ul>   | 2019              |
| <ul style="list-style-type: none"> <li>Conduct a review and update of digital resources for prospective and existing businesses.</li> </ul>  | 2019              |
| <ul style="list-style-type: none"> <li>Implement quarterly meetings between city departments for continuous monitoring and improving of business-related processes.</li> </ul>   | 2018              |
| <ul style="list-style-type: none"> <li>Implement customer service strategy for business at City Hall.</li> </ul>   | 2019              |
| <b>Strategy 3: Build a fertile environment for growth and expansion of business through ongoing collaboration and engagement with key stakeholders.</b>  |                   |
| <ul style="list-style-type: none"> <li>Identify and engage business community stakeholders by sector for regular dialogue with the city to identify challenges and opportunities.</li> </ul>   | 2019              |
| <ul style="list-style-type: none"> <li>Develop a business plan that identifies opportunities for a maker-space that supports a start-up culture as well as entrepreneurs.</li> </ul>   | 2020              |
| <ul style="list-style-type: none"> <li>Develop an inventory of existing local businesses by sector to monitor growth and identify opportunities for retention in New Westminster.</li> </ul>   | 2020              |
| <ul style="list-style-type: none"> <li>Evaluate Economic Development Advisory Committee Terms of Reference to reflect support of economic development plan activity and ensure formal representation from target growth sectors.</li> </ul>                          | 2018              |
| <ul style="list-style-type: none"> <li>Ensure BridgeNet is accessible for small and medium enterprises.</li> </ul>   | 2018              |
| <ul style="list-style-type: none"> <li>Administer a business survey every 3 years.</li> </ul>  | 2021              |
| <ul style="list-style-type: none"> <li>Collaborate with local business organizations to develop a mentor pool that informally facilitates the matching of entrepreneurs and start-ups with experienced mentors.</li> </ul>   | 2021              |
| <ul style="list-style-type: none"> <li>Facilitate the connection of businesses, organizations and stakeholders to public sector agencies, leasing agents, building owners and investors.</li> </ul>  | 2019              |

|  |                |
|--|----------------|
| <b>Strategy 4: Drive continuous innovation in delivery of city programs, projects and processes through implementation of the Intelligent City Strategy (Intelligent New West).</b>  |                |
| <ul style="list-style-type: none"> <li>• Update and implement the Intelligent City Strategy.</li> </ul>  | <i>2018</i>    |
| <ul style="list-style-type: none"> <li>• Work with city departments to incorporate digital solutions that drive operational efficiencies.</li> </ul>   | <i>ongoing</i> |
| <b>Strategy 5: Leverage IDEA Centre to attract and retain business, promote investment and support new employment in health care, education and tech and creative sectors.</b>   |                |
| <ul style="list-style-type: none"> <li>• Collaborate with stakeholders, including post-secondary institutions, Fraser Health, and local developers to implement the IDEA Centre strategy and road map.</li> </ul>                                  | <i>2022</i>    |
| <b>Strategy 6: Communicate to business the value proposition of locating in New Westminster.</b>   |                |
| <ul style="list-style-type: none"> <li>• Develop a public communication piece that highlights Economic Development Plan strategy action items and implementation progress.</li> </ul>  | <i>2019</i>    |
| <ul style="list-style-type: none"> <li>• Work with the Economic Development Advisory Committee to determine appropriate baseline metrics for evaluating economic development plan progress and develop dashboard for tracking the same.</li> </ul> | <i>2019</i>    |
| <ul style="list-style-type: none"> <li>• Provide regular update reports to the Economic Development Advisory Committee and City Council on economic development plan metrics.</li> </ul>   | <i>ongoing</i> |