



ADMINISTRATIVE REPORT

Supports Item No. 2
CS&B Committee Agenda
January 21, 2010

Report Date: January 7, 2010
Contact: Ken Bayne
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RTS No.: 8499
VanRIMS No.: 08-2000-20
Meeting Date: January 21, 2010

TO: Standing Committee on City Services and Budgets

FROM: General Manager of Business Planning and Services and the CEO of the Vancouver Economic Development Commission

SUBJECT: Vancouver Economic Development Commission 2010 Business Plan, Budget and Funding Request

RECOMMENDATIONS

- A. *THAT Council provide a total of \$2.6 million to the Vancouver Economic Development Commission (VEDC) to fund the operations and programming described in the VEDC's 2009 Business Plan and Budget contained in Appendix B of this report, with the release of \$600,000 of these funds to be contingent on the VEDC raising matching funds from private sector sources, and on meeting the requirements contemplated in Recommendation C; source of this funding be the City's 2010 Operating Budget as well as \$295,000 described in Recommendation B.*
- B. *THAT Council convert the \$295,000 in ongoing annual funding that was approved by Council on April 1, 2008 to fund selected initiatives recommended in the October 2007 "VEDC Report on the Business Climate in the City of Vancouver" to core funding as described in Recommendation A of this report this conversion having no net impact on the City's operating budget.*
- C. *THAT the General Manager of Financial Services and the CEO of the Vancouver Economic Development Commission report back to seek Council approval of guidelines for VEDC's private-sector fundraising, to include a set of conditions that must be met to the satisfaction of the General Manager of Financial Services before funds are released.*

CITY MANAGER'S COMMENTS

The work of the VEDC is critical to ensuring the local economy remains healthy and robust over the longer term. Their work revolves around their mission: *That Vancouver is known around the world as much for the excellence of its business climate as for its quality of life.* This is achieved through targeted programs that revolve around business attraction, retention and expansion objectives. The VEDC's programming includes targeted incoming and outgoing trade missions, conferences and seminars to encourage strategic collaboration among members of the business community and the government, academic and/or non-profit sectors, and a research program to ensure policy decisions are based on a timely and accurate understanding of the local economy. The VEDC also serves as an important liaison between the City and the business community, and works closely with Council and staff to facilitate the relationship between the City and local business communities, and to ensure municipal policies are aligned with the City's economic objectives.

The profile of the Vancouver Economic Development Commission (VEDC) has been substantially enhanced over the past five years. Their recent accomplishments include launching a strategic business attraction program that leverages the opportunities associated with the 2010 Winter Games, producing a series of workshops, seminars and conferences that have targeted key issues in the local business community, playing a leadership role in Metro Vancouver Commerce, a regional economic development collaborative, and developing the City's first economic development strategy (to be brought to Council in the second quarter of 2010).

Their 2010 Business Plan sets out an ambitious work program that builds on these strengths, with a focus on leveraging 2010 Winter Games opportunities, developing Vancouver's "green economy" and creative sector, and beginning a phased implementation of their ten-year economic development strategy for Vancouver.

COUNCIL POLICY

City Council has a policy of contracting with the Vancouver Economic Development Commission (VEDC) for the provision of economic development services, with the general terms of the relationship defined through a Service Agreement that was last renewed in January 2009 for a two-year term.

Per this Agreement, specific deliverables and associated funding are approved annually by Council, through a review of the VEDC's prior-year operating and financial results, and approval of the VEDC's Business Plan and operating budget for the upcoming year.

In July 2006, Council approved a set of guiding principles intended to give direction to the VEDC's economic development strategy and to inform wider city strategies, planning, policy development and decision making. These principles are shown in Appendix A.

PURPOSE

The purpose of this report is to present to Council the VEDC's 2009 performance highlights and projected financial results for information, and the VEDC's 2010 Business Plan and Budget and associated funding request for Council approval.

BACKGROUND

The VEDC's most recent business plan was presented to Council on January 20, 2009, and the associated 2009 funding was approved as part of that year's operating budget process.

In November 2009 Council extended 2009 funding levels to the Vancouver Economic Development Commission's through to the end of the first quarter of 2010, in order to provide sufficient time to prepare a comprehensive 2010 Business Plan and funding request, given the extraordinary circumstances presented by the 2010 Winter Games. This current report presents the VEDC's 2010 Business Plan and Budget to Council.

In January 2009, Council instructed the CEO of the VEDC and the General Manager of Business Planning and Services to report back with recommendations for the mandate, structure and operating model for the VEDC, prior to December 31, 2010. Staff will bring this report to Council by the fourth quarter of 2010.

In October 2009, Council received for information the Greenest City Action Team's report entitled, *Vancouver 2020 - A Bright Green Future: An Action Plan for Becoming the World's Greenest City by 2020*, and requested that the City Manager report back to Council with recommendations on the practical implementation steps that the City should be taking in order to meet the recommended targets outlined in the report, including some specific targets concerning the green economy and green jobs.

DISCUSSION

2009 Performance Highlights and Financial Results

The VEDC's 2010 Business Plan details the VEDC's 2009 performance highlights, and forecasts a \$98,700 operating budget surplus for 2009. Activities and achievements focused on leveraging the economic opportunities associated with the 2010 Winter Games, developing the green economy and green job creation, and business retention, attraction and expansion activities to ensure Vancouver's economy remains strong over the long term. Through 2009, the VEDC worked closely with the City to align their work with the objectives of the Mayor's Greenest City Action Team.

The VEDC's 2009 budget totalled \$2.7 million, 69% (\$1.9 million) of which was funded by the City. The remainder was funded from external sources, primarily other government agencies, as well as some private sector fundraising.

2010 Funding Request

The VEDC's 2010 core funding request to the City totals \$2.6 million, compared to \$1.9 million in 2009. This request is comprised of an unconditional funding component and a matching funding component.

Unconditional Funding

The VEDC is requesting \$2.0 million in unconditional funding for the programs and activities described in the 2010 Business Plan related to business retention, expansion and attraction, and to policy development, research and communications. The rationale for this request is provided on page 7 of the VEDC's Business Plan (Appendix B).

Matching Funding

The VEDC is requesting that \$600,000 million in "matching funding," to be released to the VEDC if they are successful in raising equivalent funding from the private sector. This is a new approach; the City has not previously provided matching funding to the Vancouver Economic Development Commission.

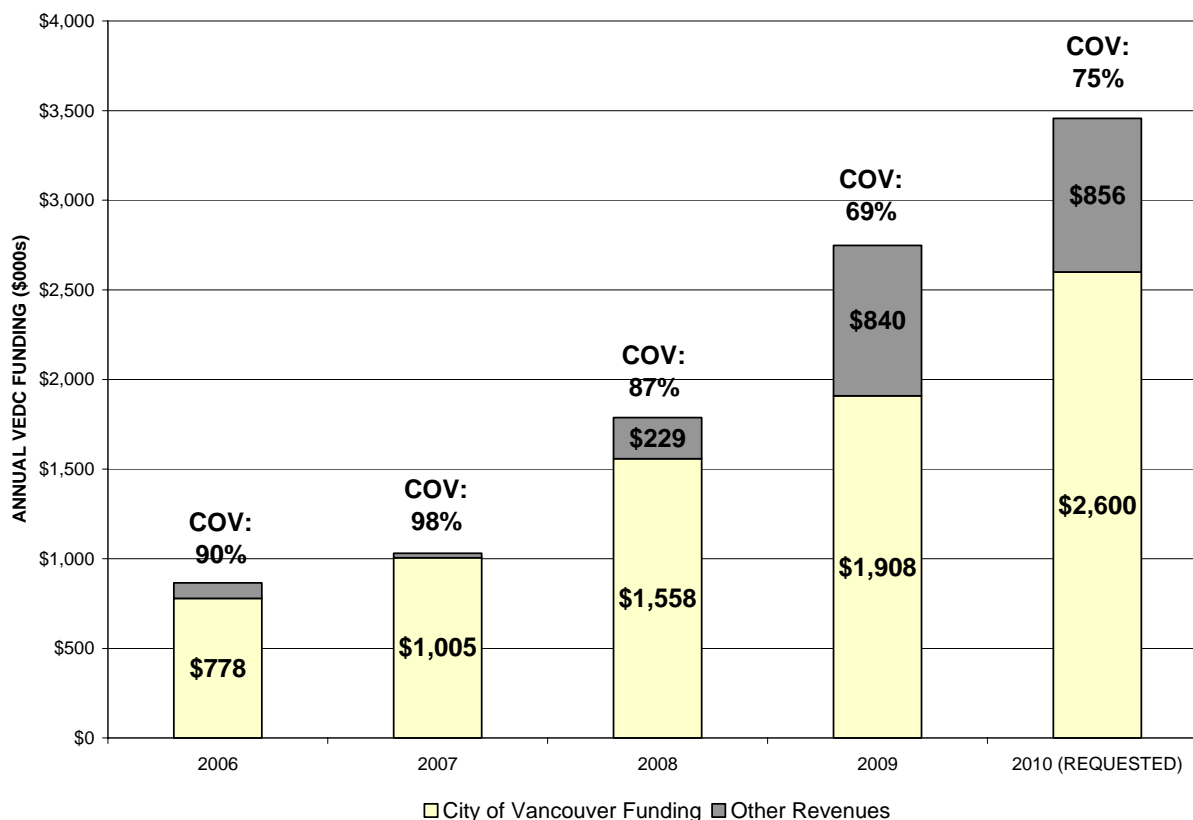
Staff are supportive of this approach however, Recommendation C provides for the development of a policy related to the release of City funds on a matching basis. This policy would establish guidelines that would have to be met to the satisfaction of the General Manager of Financial Services prior to the release of matching funds. These guidelines will ensure that matched funds are appropriately raised, allocated to specific projects and that no conflicts of interest or other issues arise. Once developed and prior to the release of any City funds, staff will bring this policy forward for approval.

The VEDC's 2010 Operating Budget shown in their Business Plan assumes the VEDC will raise \$600,000 in private sector funds, and receive \$600,000 in matching funds from the City. If these funds are not raised, the VEDC's 2010 workplan will be modified accordingly.

Recent History of VEDC's Revenue Budget

Reflecting a significant increase in programming and associated achievements, the VEDC's operating budget has grown substantially over the past five years. Over this period, the VEDC has leveraged funding provided by the City with revenues from other sources, as shown in the following table.

TABLE 1. VANCOUVER ECONOMIC DEVELOPMENT COMMISSION REVENUE BUDGET, 2006 TO 2010 (\$000s)



SOURCE: VANCOUVER ECONOMIC DEVELOPMENT COMMISSION

Funding for Blue Ribbon Council Initiatives

In November 2007, Council received for information the VEDC's *Report on the Business Climate in the City of Vancouver*, the culmination of work done by the volunteer Blue Ribbon Council for Vancouver's Business Climate, in conjunction with the VEDC Board of Directors and staff. The authors identified the key issues relating to maintaining and strengthening Vancouver's business climate, and presented forty recommended actions related to these issues.

In September 2008, the General Manager of Business Planning and Services and the CEO of the VEDC reported back to Council with analysis and comment on these recommendations, Council subsequently approved \$295,000 of ongoing funding incremental to the VEDC's core funding, to support a number of initiatives created in response to the Blue Ribbon Council's recommendations. This funding was approved with release contingent upon Council annual approval for each proposed initiative, based on the associated project plan and rationale. In 2008, the VEDC received \$186,000 of this funding, and in 2009, received the full \$295,000, in addition to their core funding.

Recommendation B of this current report recommends that this funding be consolidated with the VEDC's core funding, which would have no net impact on the City's Operating Budget. Staff is recommending this consolidation as it would simplify the approval process for and tracking of this funding, by integrating it into Council's annual approval of the VEDC's Business Plan, rather than a series of project-by-project approvals.

FINANCIAL IMPLICATIONS

The \$2.0 million core and \$600,000 matching funding requested by the VEDC for their 2010 Business Plan totals \$2.6 million, as compared to \$1.9 million in 2009. This represents a net increase to the City's Operating Budget of \$712,500, with the source of funds to be the City's 2010 Operating Budget.

It is noted that in November 2009, Council approved the extension of 2009 funding levels to the VEDC to March 31, 2010 (RTS 8373). The intention of the funding request in this current report is that the 2010 funding amount previously approved, totalling \$355,000, is considered a part of the total funding requested in Recommendation A, and not incremental to it.

CONCLUSION

The VEDC's 2010 Business Plan contains a summary of their 2009 accomplishments, achievements and financial activities vis-a-vis their 2009 Business Plan, and provides an account of the activities and initiatives planned for 2010, as well as the associated budget for this plan. Staff is recommending that Council approve the VEDC's 2010 funding request of \$2.0 million in core funding and up to \$600,000 in matching funds, to be released on a project-by-project basis, subject to the policy and conditions to be approved by Council before any funds are released.

* * * * *

APPENDIX A
ECONOMIC DEVELOPMENT GUIDING PRINCIPLES
APPROVED BY CITY COUNCIL ON JULY 20, 2007

On July 20, 2007, Council approved the following set of guiding principles, intended to give direction to the VEDC for its economic development strategy, and to generally inform City strategies, planning, policy development and decision-making:

- *Competitive Business Climate* - Vancouver will establish a competitive business climate that puts the city ahead of competitor jurisdictions.
- *World Class Industry Clusters* - Vancouver will identify, grow and build world-class export-oriented industry clusters that contribute to a diverse and resilient economy.
- *Strategic Infrastructure Investment* - Vancouver will make investments in infrastructure that are strategic, sustainable, and focused to deliver economic returns to the city.
- *High Quality of Life* - Vancouver will maintain a high quality of life that attracts and retains skilled and talented workers required to drive the city's economy.
- *Regional Leadership & Collaboration* - Vancouver will provide regional leadership for economic development.
- *Sustainability* - The City of Vancouver will be a global leader in sustainability practices, balancing social, environmental and economic considerations for the benefit of both residents and business.

APPENDIX B
VEDC 2010 BUSINESS PLAN AND OPERATING BUDGET

2010 BUSINESS PLAN & BUDGET

VANCOUVER ECONOMIC DEVELOPMENT COMMISSION

JANUARY 2010



Introduction

Vancouver Economic Development Commission (VEDC) is the City of Vancouver's lead agency for developing and implementing economic development strategies, including:

- Business retention, expansion and attraction programs and international marketing initiatives
- Policy development, research and communications – providing expertise, information and practical assistance to the City, businesses, media, and the community

VEDC is a not-for-profit under The Societies Act, with a 15-member, City-appointed Board of Directors (see Appendix A). Directors serve three year terms. City Council appoints two Council liaisons to the board, currently Councilors Geoff Meggs and Andrea Reimer. VEDC has a CEO and six other full-time staff.

VEDC works under a multi-year contract with the City, which provides the bulk of its funding through the City's annual budgeting process. The current contract will expire at the end of 2010; a successor contract will be considered as part of VEDC's 2011 budget request.

VISION Vancouver is known around the world as much for the excellence of its business climate as for its quality of life.

VEDC was established in 1996. It had a low profile in the community until City Council adopted Guiding Principles for Economic Development in 2006. This marked the beginning of a period of slow, then escalating, growth in VEDC's performance, profile and budget, including:

- Strategic engagement of the business community
- Unprecedented collaboration with regional partners, through the Metro Vancouver Commerce initiative
- Development of high quality marketing materials
- Provision of advice and expertise to the City on key policy issues
- Significant increases in funding from both the City and the federal government
- Opportunity, funding and recognition related to the 2010 Games

2009 Performance Highlights

2009 was a year of exceptionally high productivity, with strong progress in three key areas:

- **Output.** With Metro Vancouver Commerce partners, VEDC launched a major 2010 Games-related investment attraction initiative, as well as Games-related programs to assist local businesses. In addition, Vancouver's first economic development strategy was completed.
- **Adopting best practices.** VEDC began developing metrics to measure its performance, a strong business brand for investment attraction ("Green Capital"), and learned from studying other jurisdictions.
- **Outreach to the community.** VEDC implemented a program of unprecedented outreach to businesses, academics, young professionals and other parts of the community

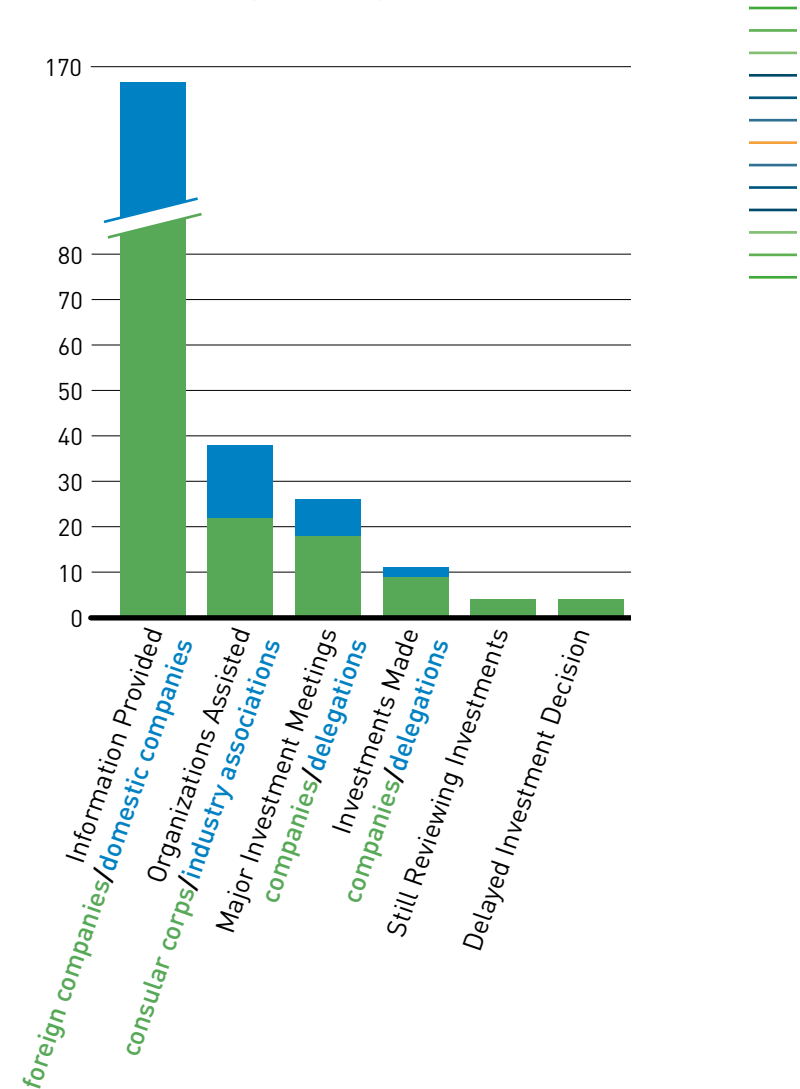
The 2010 Winter Games Business Program (GBP) is a \$1.5M collaboration, among nine municipalities in the region, local host companies and the federal government, to maximize the economic opportunity offered by the 2010 Games. It will bring 100 global business decision-makers to Vancouver to meet with local companies. 75-80% of the incoming companies will be from the green or creative sectors. The relationships developed through this program, local and international, will be an important legacy of the Games.

VEDC's Economic Development Strategy (EDS), a Plan for 2010-2020, will come before Council in May 2010. The EDS incorporates elements of the Greenest City Action Plan (GCAT) and has been developed with outreach to over 300 business leaders and experts. One focus of the outreach program has been on the creative sector, including companies, academics and young professionals.

VEDC is developing metrics to measure the effectiveness of its business retention, expansion and attraction programs, particularly the GBP. Metrics for 2009 are shown in the graph; additional metrics under development are shown on page 4. In conjunction with the City Manager's office, VEDC studied economic development funding in comparable jurisdictions, particularly the Greater Halifax Partnership, a leading practitioner in fundraising from the private sector.

Outreach to the community including 4 City Hall-Business Leader dialogues, 8 roundtable discussions on specific topics, 3 larger workshops, 20 presentations to public forums, and 100+ presentations to smaller groups. Traffic on VEDC's website doubled.

2009 Business Retention, Expansion, and Attraction Activity Summary



2010 Business Plan Overview

2010 is an extraordinarily important year for VEDC:

- The largest-ever economic development program in the region will be launched.
- The City's first 10 year economic development plan will be presented to Council and, if approved, start to be implemented.
- The impression made on global business audiences by the 2010 Games will define, to a significant degree, the region's ability to attract investment and talent over the next decade.
- The relationships within the region, and with senior governments, established during the Games will have a major impact on the development of a coordinated, collaborative public sector approach to growing the regional economy.

The 2010 Business Plan is built around four priorities:

- Ensuring the success of the Games Business Program, following up on opportunities generated, and strengthening inter-governmental cooperation.
- Strengthening the green sectors of the economy. Building on the work of GCAT, research done in 2009 and the launch of the Green Capital Marketing Program, Vancouver has the opportunity to grow the export and job creation potential of these sectors; it must act quickly to compete successfully with better-financed jurisdictions.
- Developing and implementing a strategy to advance the creative sectors of the economy, including high tech sectors such as digital media and less tech areas such as the performing arts. The importance of these sectors, for economic growth and to increase the attractiveness of the community to talented individuals, is increasing. A comprehensive strategy that recognizes and builds on the fluidity of the various different sectors, as well on the connections among them, is needed, particularly in light of substantial incentives being offered by competing jurisdictions.
- Building the capacity of the VEDC to deliver an economic development program comparable to those of competing jurisdictions. Despite progress made in the last few years, VEDC lacks the financial capacity to mount a strong, multi-year economic development program. The funding provided in 2009 by the federal government will largely disappear in 2010; the Province has yet to provide direct financial support to local economic development efforts. Best practices jurisdictions in Canada and the U.S. are successful in raising funds from the private sector for up to a third of their activities, and VEDC needs to develop a similar capacity.

VEDC Performance Measures

Business Retention and Expansion

1. Employment
a. Increase
b. Decrease
c. Percentage of Change
2. Investment
a. Increase
b. Decrease
c. Percentage of Change
3. Number of Local Companies
a. Retention
b. Expansion
c. Percentage of Change

Investment Attraction

4. Number of Non-Local Companies
a. Assisted
b. Located
c. Number of Jobs (and levels)
5. Levels of Investment
a. Immediate
b. Medium-term
c. Long-term

Regional Development

6. Regional (MVC) Activities
a. Business Expanded
b. Investment Attracted
c. Programs and Projects

VEDC ED Programs

7. Program and Project Funding
a. Program Measures
b. Annual Assessment Models
8. Sector Support and Development
a. Number of Sectors Supported
b. Sector Measures
9. Events and Event Participation
a. Number of Events
b. Levels of Participation
c. Non-VEDC Events
10. Number of Organizations Met With
a. Local
b. Other Domestic
c. Foreign

2010 Business Plan Specifics

MAJOR OBJECTIVES	CONTEXT	KEY STRATEGIES TO SUPPORT OBJECTIVES
2010 Winter Games:		
<ol style="list-style-type: none"> 1 Target: 20-30 business announcements that will result in multi-million dollar investments and additional employment. 2 Create powerful legacy of regional collaboration, marketing and long-term generation of trade and investment benefits for Metro Vancouver. 3 Effectively manage post-Games slowdown: ensure residents return to downtown and focus on business retention. 	<p>Once-in-a-lifetime opportunity for economic development; e.g. Australia realized \$1B US over the 8 years following Sydney 2000 Games</p> <p>VEDC has already provided leadership to Metro Vancouver Commerce (9 communities) in launching and securing funding for 2010 Games program.</p> <p>Olympic host cities often experience a post-Games letdown when some residents may have avoided downtown core and businesses vacate.</p>	<ol style="list-style-type: none"> 1 Execute flawless Games-time business program 2 Focus on Olympic business program tracking and follow-up to manage and close investment projects 3 Maintain momentum with MVC, build on 2010 Games legacy, as well as other initiatives such as mobile business licensing. 4 Work with other agencies to attract citizens to downtown and launch business retention program.
Green economy sectors:		
<ol style="list-style-type: none"> 1 Emphasize retention of current innovation and expansion of Vancouver's position as clean tech centre. 2 Explore potential for Vancouver to become a green/clean finance centre. 3 Maximize opportunities created by Green City Action Team report and Green Capital initiatives. 4 Create climate for green jobs. 	<p>Clean tech sector predicted to be \$350B global industry by 2020; BC sector expected to be \$5-6B by 2020, creating 50,000 jobs.</p> <p>Vancouver's claims to "green" are justified: Vancouver consistently ranks high on "greenest city" ratings and has already exceeded the green house gas reductions mandated by the Kyoto Protocol.</p>	<ol style="list-style-type: none"> 1 Make green sectors a focus of new BREA (business retention, expansion & attractions) plan for 2010. 2 Build on existing work to research potential for exporting goods & services & creating green jobs. 3 Encourage development of False Creek Flats as a signature green project to highlight Vancouver's greenest city credentials. 4 Work with City Council & staff to implement GCAT economic initiatives. 5 Actively integrate Green Capital branding into marketing materials.
Creative sectors:		
<ol style="list-style-type: none"> 1 Gain greater understanding of interactions among players in industry. 2 Increase ability to retain relatively mobile firms and individuals. 3 Work to improve livelihoods for less well-paying parts of the sector. 	<p>Creative industries represent more than \$4B in BC.</p> <p>Talent base & world-class educational institutions have attracted big names: Pixar, Digital Domain, Kerner</p> <p>Currently, Vancouver companies are being lured away by other cities.</p> <p>Industries such as music, fashion, visual & performing arts underpin more profitable creative sectors but pay low wages.</p>	<ol style="list-style-type: none"> 1 Make creative sectors a focus of new BREA plan (as above). 2 Establish a task force to recommend actions to increase Vancouver's "stickiness" for mobile creative firms and individuals. 3 Dialogue with young professionals on opportunities to make Vancouver more attractive to young families. 4 Report on migration in/out of the region.



2010 Business Plan Specifics (continued)

MAJOR OBJECTIVES	CONTEXT	KEY STRATEGIES TO SUPPORT OBJECTIVES
VEDC Corporate Development:		
1 Build VEDC's capacity to deliver a strong economic development program	Vancouver is lagging behind comparable cities in expenditure on economic development.	1 Work closely with City Council and staff to develop consistent economic priorities.
2 Increase investment in economic development through diversifying revenue sources	Other cities are pursuing private sector funding with encouraging results.	2 Engage consultant to develop plan for private sector fundraising.
3 Explore creation of a fund to support emerging, knowledge-based industries, including green and creative sectors	<p>Early indication that private sector investment may be possible for green initiatives.</p> <p>Financial support for sector-building infrastructure is particularly important in the current environment of cash-starved companies and escalating competition from elsewhere.</p>	<p>3 Set up committee to explore investment options, made up of City, local industry reps & other expertise.</p> <p>4 Increase advocacy on economic development to all levels for government</p>

STRATEGIES THAT SUPPORT ALL OBJECTIVES

- 1 Begin implementation of 10-year Economic Development Strategy (EDS) with focus on green & creative sectors plus such areas as:
 - Industrial land – measure the long-term demand & articulate economic considerations
 - Downtown Eastside – study basis for revitalization focusing on manufacturing, green economy, local food & creative/education/social sectors.
 - Continue outreach to stakeholders beyond mainstream businesses, including academic community, bilateral & ethnic business associations, young professionals
 - Mount strong communications program to engage broader community in implementation of the economic development strategy
- 2 Launch new BREA (business retention, expansion & attraction) program, including:
 - Follow-up to Games Business Program
 - Strengthening economic diversity while focusing on ten sectors: three green (green buildings & urban design, green energy, environmental technology), three creative (ICT/wireless, design/fashion and digital media/film) and four others (life sciences, agriculture & food sciences, transportation & mining)
 - Interviews with top 25 companies in each sector
 - Development of sector strategies, including identification of gaps to be filled through investment attraction

Key success criteria for 2010:

- 1 2010 Games Business Program meets/exceeds its objectives and establishes a platform for 10-year Economic Development Strategy.
- 2 Strategies developed and implemented for creative industries and three green sectors (eg: provide financial support to Clean Tech CEO's towards development and implementation of a sector strategy).
- 3 Sources of investment identified and plan developed for funds for green economy and broader sector funding.
- 4 Increased investments in economic development from sources other than the City.

VEDC Budget Proposal

VEDC is seeking funding of \$2.02M from the City for 2010, an increase of 5.9%. This level of funding, together with funding from other sources, and funds previously provided by the City and others, will allow VEDC to mount a \$2.54M economic development program in 2010. The program will be larger if the Federal Government provide funding for follow-on activities to the 2010 Winter Games Business Program. The provincial government does not fund any local economic development activities in the Lower Mainland.

The 2010 budget, outlined in columns 1-5 of the following table, proposes a significant increase in business retention and expansion activities, as well as in investments in sector infrastructure. These are particularly important in the context of a slow recovery from the recession and a potential post-Olympic slowdown. Expenditures on marketing and investment attraction will fall significantly following completion of the Games Business Program.

Despite significant increases in funding in recent years, VEDC and other municipalities in the region spend far less on economic development than many competitor jurisdictions throughout North America. Best practices jurisdictions, such as the Greater Halifax Partnership, get up to a third of their funding from the private sector.

Such funding has an importance beyond the dollars provided – it creates a true partnership between the public and private sectors and thereby makes the city a far more attractive location to potential investors.

VEDC has done some preliminary work on fund raising from the private sector, and proposes to hire a consultant to assist with this work during 2010. It will seek to raise \$600,000 in multi-year commitments, and is asking the City to provide a dollar for dollar match for funds raised up to \$600,000 from the private sector. Successful fundraising and a City match would provide a 2010 budget of \$3.7M, as shown in column 6 of the following table. This would allow VEDC:

- To continue international marketing under the Green Capital brand; while strong results are expected from marketing activities in 2010, the greatest payoff from international marketing comes from a sustained multi-year effort
- To create a sector infrastructure fund to make investments in key sector-building activities of emerging and established sectors, particularly green and creative sectors. This would help companies in these sectors resist strong incentives from other jurisdictions, without the cost of seeking to match incentives provided elsewhere
- Flexibility to leverage more funds from senior governments, and to continue to lead Metro Vancouver Commerce into new collaborative activities to maintain the regional momentum created by the Games Business Program

VEDC 2010 Budget

	1	2	3	4	5	6
	Budget 2009	Forecast Actual 2009	Budget 2010	Increase 2010 budget over 2009 budget		2010 with fund raising
REVENUE						
City of Vancouver Core	\$1,907.5	\$1,907.5	\$2,020.0	\$112.5	5.9%	\$2,020.0
City of Vancouver Matching	-	-	-	-	-	\$600.0
Subtotal City	\$1,907.5	\$1,907.5	\$2,020.0	\$112.5	5.9%	\$2,620.0
Federal Government	\$685.1	\$655.1	\$176.2	-\$508.9	-74.3%*	\$176.2
Provincial Government	-	-	-	-	-	-
Metro Vancouver Commerce Partners	\$56.0	\$155.0	\$80.0	\$24.0	42.9%	\$80.0
Private Sector Contributions	\$50.0	\$18.0	\$18.0	-\$32.0	-64.0%**	\$600.0
Other	\$12.0	\$12.0	\$18.0	\$6.0	50.0%	\$18.0
TOTAL REVENUE	\$2,710.6	\$2,747.6	\$2,312.2	-\$398.4	-14.7%	\$3,494.2
City Share	70.4%	69.4%	87.4%			75.0%
EXPENDITURES						
Salaries & Benefits	\$785.0	\$745.0	\$987.0	\$202.0	25.7%	\$1,187.0
Corporate Operations	\$85.0	\$76.5	\$100.0	\$15.0	17.6%	\$120.0
Administration	\$168.9	\$156.4	\$166.0	-\$2.9	-1.7%	\$226.0
Subtotal Overhead	\$1,038.9	\$977.9	\$1,253.0	\$214.1	20.6%	\$1,533.0
Business Retention & Expansion	\$154.2	\$185.2	\$326.3	\$172.1	111.6%	\$326.3
Marketing & Attraction	\$848.9	\$1,031.8	\$360.0	-\$488.9	-57.6%	\$530.0
Communications & Outreach Events	\$355.0	\$237.0	\$285.0	-\$70.0	-19.7%	\$285.0
Research	\$190.0	\$157.0	\$195.0	\$5.0	2.6%	\$195.0
Sector Infrastructure	\$90.0	\$80.0	\$125.0	\$35.0	38.9%	\$875.0
Subtotal Projects	\$1,638.1	\$1,691.0	\$1,291.3	-\$346.8	-21.2%	\$2,211.3
TOTAL EXPENSES	\$2,677.0	\$2,668.9	\$2,544.3	-\$132.7	-5.0%	\$3,744.3
Overhead Share	38.8%	36.6%	49.2%			40.9%
SURPLUS (SHORTFALL)	\$33.6	\$78.7	-\$232.1			-\$250.1
Project Funding Carried Forward (Net)	\$0.0	\$20.0	\$250.1			-\$250.1
NET OPERATIONS	\$33.6	\$98.7	\$18.0			\$0.0

* VEDC plans to ask for increased Federal Government funding for investment attraction activities during the 2010 budget year.

** As noted in the Business Plan, private sector contributions to the tune of \$600,000 will be sought for the 2010 budget year.

2010 Business Plan Risk Assessment

This plan is heavily dependent on City Council's response to its proposed Economic Development Strategy and on VEDC's ability to raise funds from the private sector.

Almost all projects depend in large part on collaboration from several partners, and sometimes collaboration is slow or difficult. In difficult economic times, some partners may not have the resources to be effective collaborators.

The amount of work that will be required to maximize the economic opportunity from the 2010 Winter Games cannot be determined in advance. To the extent more effort in this area is required, other projects may be delayed or abandoned.

Venturing into new areas, as this Plan does, will often unearth serendipitous, time sensitive opportunities to advance the economy in ways consistent with the EDS, but not in the 2010 Plan. Based on advice from its Board and Council Liaisons, VEDC may choose to follow particularly advantageous opportunities and defer some of the lower priority items in the 2010 Plan.



Appendix A

VEDC Director’s List

Name	VEDC Position	Company
Maureen Kirkbride	Board Chair	Telus Corporation
Tom English	Past Chair	Fraser Milner Casgrain LLP
Lino Siracusa	Vice Chair	Canadian Mortgage and Housing Corporation (CMHC)
Michael Heeney	Secretary	Bing Thom Architects
Robert Harper	Treasurer	Yellowhead Mining
Thomas Davis		Financial CAD Corporation
Malcolm Earle		Colliers International
Lea Johnson		Independent Consultant
Karim Kassam		Ballard Power
Rob Malli		Vancity Credit Union
Cybele Negris		Webnames Inc.
Linda Nowlan		Independent Consultant
Olga Scherbina		Independent Consultant
Julian Thorsteinson		Independent Consultant

VEDC Staff List

Name	VEDC Position
Phil Heard	CEO
John Tylee	Director, Policy & Communications
Lee Malleau	Director, Business Development
Kim Huhn	Business Development Officer
John McPherson	Business Development Officer
Jonathan Kassian	Manager, Research & Communications
Aimee Lee	Office Assistant
Jamie Hunter	MVC Project Manager
Nicole Ignacio	MVC Assistant
Dennis Knese	Researcher – Intern
Katerina Petropavlova	Researcher – Intern
Yvonne Turkenburg	Accountant

