
Richmond Resilient Economy Strategy
Technical Report #1
Richmond's Economy and Its Role in
Metro Vancouver

September 2013

Prepared for:
The City of Richmond

By:
Coriolis Consulting Corp.

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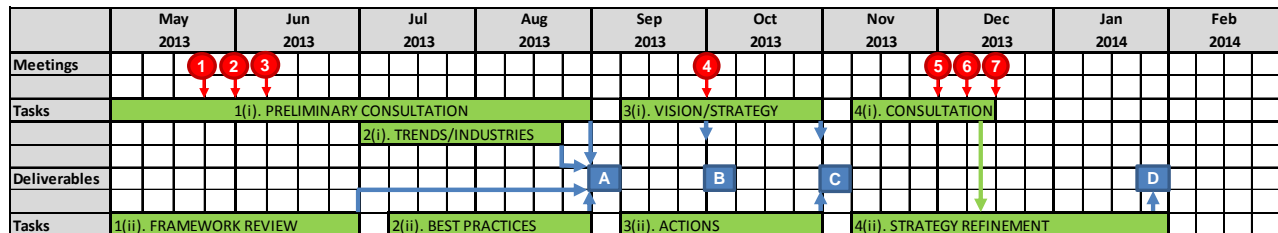
Summary

The City of Richmond adopted an Economic Development Strategy (EDS) in 2002, which was comprehensive and considered all aspects of the local economy. While many of the 2002 EDS actions were implemented, the City's decision to develop a venue for and participate in the 2010 Winter Olympics delayed implementation of the entire set of actions identified in the 2002 EDS.

A decade has now passed since the creation of the 2002 EDS. Both the regional economy and Richmond's local economy have continued to grow and evolve over the last ten years. A review and update of the 2002 EDS in view of the developments of the last decade is necessary, to evaluate outstanding action items and develop new ones based on current economic prospects and priorities for Richmond.

Therefore, the City has decided to develop an updated EDS: the "Resilient Economy Strategy."

The process for preparing the Resilient Economy Strategy is shown below. This document is the first interim report.



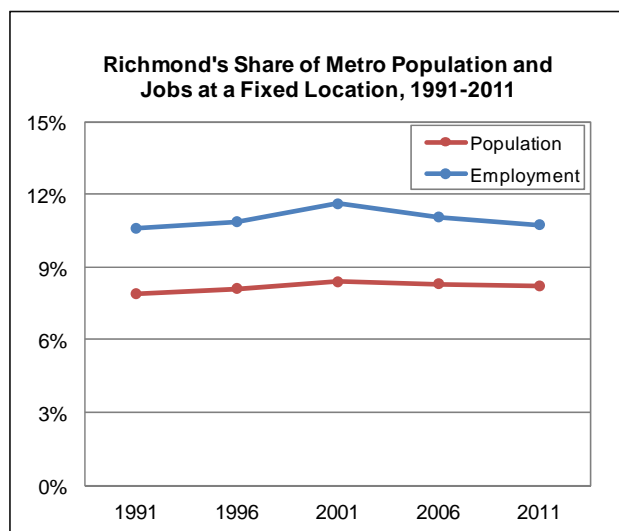
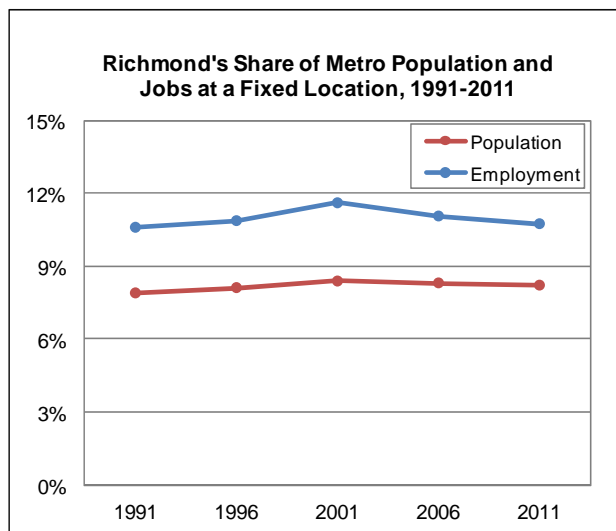
MEETINGS

- 1 Interdepartmental City Committee (May 2013)
- 2 Advisory Committee Preliminary Consultation (May 2013)
- 3 Interviews with External Stakeholders (May to Aug 2013)
- 4 Advisory Committee Strategic Workshop (Sept 26, 2013)
- 5 Advisory Committee Presentation/Consultation (Nov 21, 2013)
- 6 Interdepartmental City Committee (Nov 2013, date TBA)
- 7 Open House (Dec 2013, date TBA)

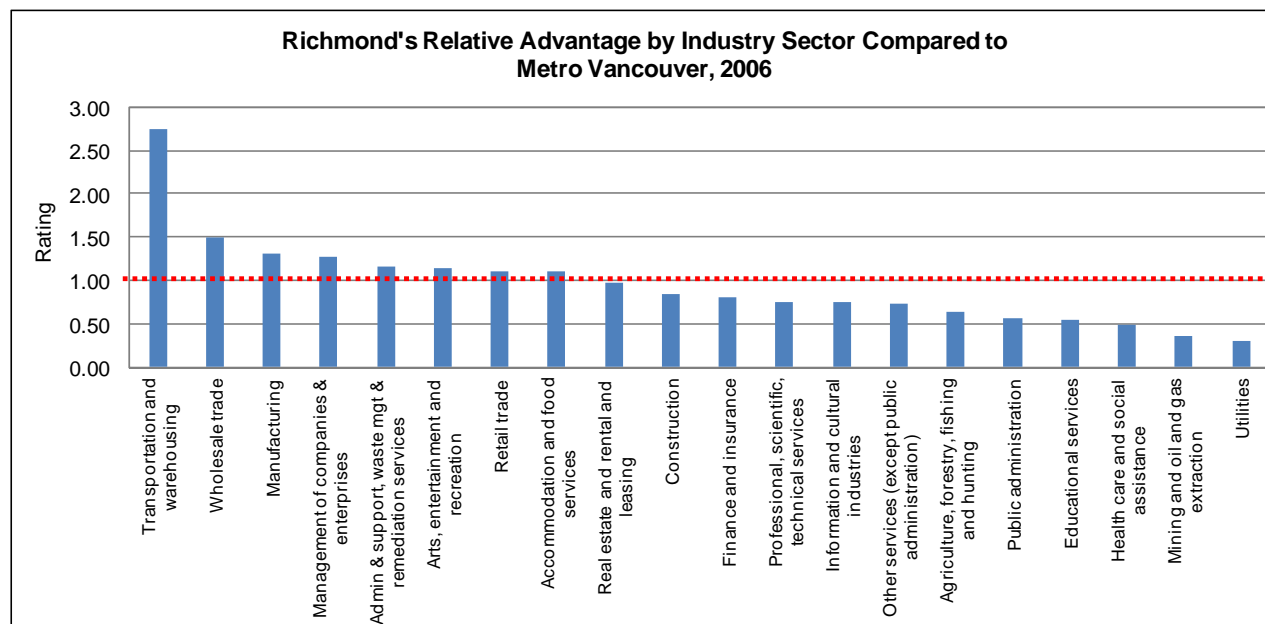
DELIVERABLES

- A Interim Report: Taking Stock of Richmond (Perspectives, Trends, Challenges, Opportunities, Directions, Gaps, Best Practices) (by Sept 3, 2013)
- B Interim Report: Strategic Workshop Outcomes (by Oct 4, 2013)
- C Interim Report: Draft Resilient Economy Strategy (by Oct 31, 2013)
- D Final Report: 2014 Resilient Economy Strategy (by Jan 31, 2014)

Richmond has experienced strong population and employment growth over the last two decades and its share of total regional population and jobs has remained steady.



Richmond's economy is diverse and the City has above-average concentrations of jobs in transportation, warehousing, wholesale, manufacturing, arts/entertainment, retail trade, and hospitality.



Community-oriented jobs (i.e. serving the local population) account for 40% of all jobs in Richmond. The drivers that dominate Richmond's local economy are transportation/warehousing, manufacturing, wholesale, and tourism.

Business Groups	Richmond		Metro Vancouver		Richmond's Share of Metro Jobs ^c
	Number of Jobs	% of Total Richmond Jobs	Number of Jobs	% of Total Metro Jobs	
Community-Oriented	44,000	40%	550,000	47%	8%
Transportation, Warehousing & Logistics	15,000	14%	65,000	6%	23%
Manufacturing	12,000	11%	65,000	6%	18%
Wholesale	9,500	9%	60,000	5%	16%
Tourism	7,500	7%	75,000	6%	10%
Technology	5,500	5%	65,000	6%	8%
Commercial Services	4,500	4%	85,000	7%	5%
Higher Education & Hospital	3,500	3%	45,000	4%	8%
Construction	3,000	3%	80,000	7%	4%
Resource	2,000	2%	20,000	2%	10%
Finance and Real Estate Specialized	1,500	1%	40,000	3%	4%
Film and Television	500	1%	15,000	1%	3%
Government Headquarters	500	1%	15,000	1%	3%
Total Number of Jobs	109,000	100%	1,180,000	100%	9%

Because the aim of this project is to create an economic development strategy and action plan, it is important to parse the local economy into categories or clusters that could be targets for work by the City or others.

Based on our analysis of the structure and trajectory of Richmond's local economy, we have identified 13 business or employment clusters that are of strategic interest in Richmond. We have summarized prospects in each cluster.

	Prospects in Metro Vancouver	Prospects in Richmond
Aerospace and Aviation	Growth	Richmond is well positioned to capture a large share of this growth, given the presence of YVR.
Agriculture and Food/ Beverage Production	Modest growth, mostly in food/beverage production	Richmond will likely see modest growth in this sector, particularly if it can capture a higher share of food/beverage production growth, address farm succession issues, and tap into food trends such as the growing focus on locally-grown products.
Regional Business Centre	Growth	Population growth and continued demand for office space at transit locations will support growth in this sector in Richmond. However, there is strong competition from other regional business centres and this competition will increase as the region's rapid transit network is extended.
Film and Media	Stable or decline	This is a highly competitive industry, is not big and is not growing in the region. Richmond does not have infrastructure to be a major player. Richmond's main opportunity is in the "on location" sector of the film market, digital media, and the growing Chinese-language media component.
Fishing	Stable or decline	Even though Richmond plays a major role in the Fishing sector in Metro, the overall sector is experiencing decline.
Health Care	Growth	Richmond is well positioned to see growth in this sector, with Richmond General Hospital (serving Richmond, Delta, and Tsawwassen) and its niche role serving the region's Asian community.
Manufacturing	Stable or decline	Employment growth in manufacturing in Richmond has been relatively stable. Richmond's prospects in this sector will depend in large part on the City's ability to retain firms that need to relocate to accommodate business growth or due to redevelopment pressures at their existing location.
Post-Secondary Education	Growth	Richmond's three post-secondary educational institutions report that they are growing.
Retail	Growth	Retail growth is in large part driven by population growth, so Richmond should see growth in this sector. Richmond could also capitalize on its unique position as an Asian-oriented shopping and dining location and benefits from Steveston as a character-rich destination.
Technology	Growth	Richmond is not likely to see significant growth in this sector because it is a relatively small sector in terms of regional floorspace demand and is highly competitive among municipalities, although a large amount of office space in Richmond is occupied by tech firms.

	Prospects in Metro Vancouver	Prospects in Richmond
Tourism	Growth	Richmond has significant assets that mean it is well positioned for growth in the tourism sector, including YVR, Steveston, Richmond Night Markets, Golden Village, Highway to Heaven, River Rock, the Richmond Cultural Centre, and agri-tourism. Richmond draws visitors from within Metro Vancouver and also attracts tourists.
Transportation, Warehousing, and Logistics	Growth	This is one of Richmond's key sectors, but employment in this sector in Richmond has been relatively stable. Richmond's prospects in this sector will depend in large part on the City's ability to retain firms that need to relocate to accommodate business growth or due to redevelopment pressures at their existing location and its ability to better tap into Richmond's role as an Asia Pacific Gateway.
YVR	Growth	Growth at YVR benefits Richmond.

Richmond has a strong, diverse, and growing local economy. In comparison with other major municipalities in Metro Vancouver, Richmond has a significant share of regional employment in all sectors, has a favourable ratio of jobs to residents (it is a net importer of jobs), and has some unique assets that give it a clear competitive advantage in some sectors that will experience strong regional growth including transportation, goods distribution, tourism, agriculture, and trade.

There are some sectors in which Richmond should not expect significant growth and may even see some decline (for reasons that are outside Richmond's control) including fishing (due to overall industry shifts), traditional film and television production (which is a highly competitive industry and Richmond does not have infrastructure to be a major player), and technology (which accounts for a relatively small amount of regional floorspace demand and which is highly competitive among Metro Vancouver municipalities).

There are not any significant gaps in Richmond's economy and there are not any major opportunities that Richmond has somehow missed.

Moving forward, there are some strategic issues and opportunities that Richmond should address and that could become focal points for the new Resilient Economy Strategy.

1. *The capacity to accommodate growth in warehouse and distribution is probably less than the City's Employment Lands Strategy indicates.* Richmond has a large "on-paper" inventory of industrial land but very little of it is available on the market and development-ready. In order to be able to continue to accommodate growth in major warehouse, distribution, and logistics employment, Richmond needs to explore ways to increase the "working" inventory of light industrial land. The City has adopted firm policy about not shifting land from agriculture to industry, so the focus must be on how to increase the utilization of the existing designated industrial lands.
2. *YVR is one of Richmond's main growth engines and generates employment across many of Richmond's strategic sectors.* The City and YVR should be as cooperative as possible in facilitating YVR's ability to take advantage of growth in passenger travel and cargo. Richmond and YVR should continue cooperating on the development of local transportation infrastructure between Sea Island and Lulu Island, to improve the flow of people and goods.
3. *Port Metro Vancouver controls a large inventory of industrial land that could accommodate significant employment growth.* Richmond and Port Metro should collaborate on plans and creative ways to make this land available to a variety of industrial uses.

4. *Richmond City Centre's evolution as a group of high quality, high density urban neighbourhoods has created benefits in terms of building a lively community.* One downside, though, is that older industrial uses in the area are experiencing pressure due to redevelopment, rising land values, and rising property taxes. If Richmond wants to maintain these jobs, it should consider a phasing strategy so that firms are not forced to relocate prematurely due to rising property taxes and it should ensure that there are development-ready lands that can accommodate these relocating firms, or else they may move to other municipalities such as Burnaby, Delta, Surrey, or Langley.
5. *Regional highway improvements are facilitating truck access in Delta, Surrey, Langley, and Pitt Meadows/Maple Ridge.* Richmond may appear congested in comparison, so it is important to ensure that long range regional road planning maintains Richmond's advantage as a warehouse and distribution location.
6. *The regional suburban office market is evolving in significant ways.* Total demand is relatively small, transit access is increasingly important, and the number of competitive locations is large and increasing. To increase its role as a regional business centre, for a wide range of companies, Richmond needs to protect and enhance office development capacity at rapid transit stations.
7. *Much is said about the advantages that flow from Richmond's growing Asian character, in terms of business links with Asia, a cultural character that attracts domestic and international visitors, and importing retail demand from elsewhere in the region.* However, there is little formal activity (e.g. marketing, business recruitment) to attract more employers and while there has been considerable Asian investment in real estate, there is less evidence of Asian manufacturing or trade companies locating in Richmond. How does Richmond tap the benefits of its Asian links to facilitate job growth while avoiding becoming a niche market?
8. *Richmond has extensive frontage on the Fraser River.* Much of this frontage is used for industry or for natural open space (e.g. the dykes) but a relatively small part has been developed for active commercial use that could draw visitors. As some river-front uses (e.g. fishing) wane, are there new opportunities for use of the riverfront lands, apart from simply converting them to residential use?

1.0 Introduction

1.1 Background

The City of Richmond adopted an Economic Development Strategy (EDS) in 2002, which was comprehensive and considered all aspects of the local economy. While many of the 2002 EDS actions were implemented, the City's decision to develop a venue for and participate in the 2010 Winter Olympics delayed implementation of the entire set of actions identified in the 2002 EDS.

A decade has now passed since the creation of the 2002 EDS. Both the regional economy and Richmond's local economy have continued to grow and evolve over the last ten years. A review and update of the 2002 EDS in view of the developments of the last decade is necessary, to evaluate outstanding action items and develop new ones based on current economic prospects and priorities for Richmond.

The City recently completed a major review and update to its Official Community Plan (OCP), which included developing the City's vision for its growth and development to 2041. As part of the OCP update process, the City integrated the concept of an open and flexible local economy, resilient to volatility in the global marketplace, into its long-term community planning. To help achieve this goal, the City decided to develop an updated EDS: the "Resilient Economy Strategy." Richmond wants the new Resilient Economy Strategy to help the City and other organizations take effective action that will:

- Retain the economic sectors that are fundamental to Richmond's well-being and character.
- Grow the sectors for which Richmond is well-suited to tap opportunities, taking into account local and regional natural, social, and economic assets.
- Make the local economy more resilient, in terms of weathering future economic and environmental change.

1.2 Project Organization

The project is being managed by the City's Economic Development Office. Richmond City Council has appointed its permanent Economic Advisory Committee ("EAC") to provide guidance for the work. The City has retained Coriolis Consulting Corp. to work with the Economic Development Office and the EAC to prepare the Resilient Economy Strategy.

1.3 Approach

The work is divided into 4 broad phases:

1. *Preliminary Consultation and City Framework Review.* This phase includes:
 - i. Meetings with the City project team, EAC, Interdepartmental City Committee, and external stakeholders. See Appendix A for a list of external stakeholders that provided input.
 - ii. Reviewing the 2002 EDS and other City policy and strategy documents and assembling demographic and economic data.
2. *Detailed Trends/Industry Analysis and Best Practices Review.* This phase includes:
 - i. Identifying and analyzing key sectors in Richmond's economy and interviewing industry participants.

- ii. Reviewing leading edge approaches and good practices in other recent local government economic development strategies and distilling the best practices review into key lessons for Richmond.
3. *Visioning Workshop and Draft Strategy.* This phase includes:
 - i. A strategic visioning workshop with the EAC.
 - ii. Developing a short and long term action plan and the draft Resilient Economy Strategy.
4. *Consultation and Strategy Refinement/Finalization.* This phase includes:
 - i. Circulating the draft Resilient Economy Strategy to the EAC, Interdepartmental City Committee, external stakeholders, and industry contacts, as well as posting the draft on the City's website.
 - ii. Refining the strategy as needed based on feedback and producing the final report.

Phases 1 and 2 are complete. The objectives of these phases were to gain a comprehensive understanding of the structure and trajectory of Richmond's local economy, understand Richmond's role in the Metro Vancouver economic context, understand Richmond's opportunities and constraints, review the previous EDS, review current City policies, review current best practices in economic development, and identify strategic directions for consideration in developing the draft Resilient Economy Strategy.

The work and findings of Phases 1 and 2 are documented in this report, which summarizes the existing situation in Richmond and identifies important trends, prospects, opportunities, and constraints. This interim report also outlines the key strategic questions for discussion with the EAC at the workshop scheduled for late September 2013.

1.4 Schedule and Deliverables

Exhibit 1 shows the schedule and key deliverables for the project. As shown, the final Resilient Economy Strategy will be produced by January 31, 2014.

Exhibit 1: Project Schedules and Deliverables

	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014
Meetings	1 2 3				4			5 6 7		
Tasks	1(i). PRELIMINARY CONSULTATION				3(i). VISION/STRATEGY		4(i). CONSULTATION			
		2(i). TRENDS/INDUSTRIES								
Deliverables				A		B		C		D
Tasks	1(ii). FRAMEWORK REVIEW		2(ii). BEST PRACTICES		3(ii). ACTIONS		4(ii). STRATEGY REFINEMENT			

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2.0 Existing City Policies

2.1 OCP

Richmond recently (November 2012) adopted an updated Official Community Plan (OCP). The 2012 OCP includes a section outlining the City's vision, objectives, and policies for achieving a Resilient Economy:¹

- **Vision:** accomplish economic resilience by “balancing residential with business tax-base growth, the retention and intensification of existing employment lands, and the application of an asset-driven economic development approach incorporating local and regional natural, social, and economic assets.”
- **Objectives:** to achieve its vision for a resilient economy, the OCP notes that the City will focus its economic development policies on 6 core objectives:
 - *“Asia-Pacific Gateway:* Foster a strong and competitive Asia-Pacific Gateway enabling sector that capitalizes on Richmond's strategic location, industry infrastructure, and Asia's economic growth.
 - *Knowledge-Based Industries:* cultivate a thriving innovation and creation hub that generates high-paying jobs and attracts skilled talent locally and from abroad.
 - *Amenities and Attractions:* develop a diversified and lighter-footprint commercial sector providing jobs for local workers, serving local residents, and attracting visitors.
 - *Sustainable Resource Use:* champion a viable agricultural sector for both commercial and non-commercial farmers and resource-sharing initiatives (e.g. energy, water, transportation, administrative services, office space, child care) amongst users and neighbours of employment lands.”
 - *Population Services:* nurture a responsive institutional sector that better serves the access, mobility, and safety needs of a growing, multicultural and demographically changing community.
 - *Micro-Business:* facilitate and support the needs of entrepreneurial, home-based, and micro-business.”
- **Policies:** the OCP includes detailed community-wide and employment area specific policies aimed to help the City achieve the 6 broad objectives listed above. Some of these policies are from the Employment Lands Strategy (reviewed below).

2.2 Employment Lands Strategy

In 2011, the City completed a “2041 Employment Lands Strategy.” This Strategy reviewed the City's existing employment lands policies, examined the City's existing supply of employment lands, determined the City's employment land use needs for the next 30 years (including employment, employment building area, and employment land area projections by type and density), and recommended some directions for the City regarding employment lands.

Overall, the Strategy articulated the view that the City has sufficient lands designated for industrial, commercial, office, and institutional uses in its OCP, assuming that these lands are able to be developed for

¹ City of Richmond Official Community Plan, adopted 19 November 2012, pages 6-1 to 6-22.

employment uses (i.e. assuming that properties can be serviced and that land owners want to develop their land).

However, the Employment Lands Strategy also identified some concerns regarding the availability of employment lands. These concerns are as follows:

- A very large share of the City's "on paper" inventory of vacant employment lands is owned and controlled by YVR and Port Metro Vancouver, which (a) only make land available on a leasehold basis and (b) limit the use of their land to uses with a direct connection or relationship to the owner. The Employment Lands Strategy notes this by stating "the limitation to airport-related and port-related uses may make the majority of the industrial land under YVR and Port Metro Vancouver jurisdiction unavailable for small and medium-sized traditional manufacturing uses."² The same limitation would apply to traditional transportation and warehousing firms which are a crucial component of Richmond's economy.
- The Employment Lands Strategy notes that there is pressure for land currently used for industrial purposes in and near the City Centre to redevelop to higher density commercial and mixed uses. The Strategy (and the OCP) acknowledges that this pressure is likely to cause firms to have to relocate and this might mean relocating outside the City (particularly because of the limited supply of industrial land for traditional manufacturing, transportation, and warehousing uses). This could result in a loss of employment in some of Richmond's strategic sectors, such as manufacturing, transportation, and logistics while creating opportunities for lesser paid jobs in other sectors, such as retail and services-.

2.3 Council Term Goals for 2011 to 2014

Richmond City Council term goals for 2011 to 2014 include the desire to see an increased emphasis on economic development within the City. Council wants to achieve the following economic development-related goals:

- Foster a collaborative economic development culture, with the City and businesses working together to build on and tap into opportunities in a faster, more efficient manner. Collaborate more with YVR and Port Metro.
- Ensure that sport hosting and events, a strategy for what businesses the City should focus on attracting and retaining, and a strategy for where future industrial development and business parks will be located are considered in the Resilient Economy Strategy.
- Develop a conceptual framework for tourism in Richmond with an expanded focus.
- Develop an integrated strategy for the Steveston Waterfront that blends business and public interests. Include the Steveston Harbour Authority on the Economic Advisory Committee and work with other levels of government on improvement of the harbour.
- Develop a waterfront destination museum as an important element for tourism in the City and region.
- Develop a "stay-cation" appeal for the City and region.
- Building on filming opportunities in the City.
- Increase the focus on business retention.

² City of Richmond, General Manager of Planning and Development Report to the Planning Committee re "2041 OCP Update – Employment Lands Strategy", 4 March 2011, page PLN-73.

- Develop protocols, communication, and role definition with the City's Friendship and Sister Cities.
- Continue to support the City's agricultural sector to ensure it remains viable.

2.4 2002 Economic Development Strategic Plan

The City's existing Economic Development Strategy (EDS) was completed in 2002.³ It outlined a vision for being proactive and aggressive with a focus on retaining existing businesses, attracting new businesses and investment, supporting employment opportunities suited to the resident population, and increasing City revenues.

The 2002 EDS outlined three main goals:

- Position Richmond as a distinct community within Metro Vancouver via branding and marketing.
- Create a municipal management and regulatory environment supportive of economic development.
- Help growth in key sectors of the Richmond economy. The 2002 EDS noted that the major drivers of Richmond's economy were anticipated to be the airport, retail, high technology, and general industrial development including port-related activities. Modest growth was anticipated in post-secondary education, health services, and film, and relatively little growth was anticipated in agriculture, fishing, and public education (although these were expected to remain important components of Richmond's economy, just not major growth sectors). Prospects for the tourism sector were seen as uncertain, depending on the Richmond Trade & Convention Centre proposal and Richmond's ability to market itself as an interesting destination.

The following table summarizes key actions in the 2002 EDS, grouped by major theme, and provides a comment on whether the action was completed or is still relevant,

³ Eric Vance & Associates in association with Harris Consulting Inc., "City of Richmond Economic Development Strategic Plan," February 2002.

Actions Included in Richmond's 2002 Economic Development Strategy

	Comment
A. Marketing and branding:	
1. Create a distinct Richmond brand for economic development.	Still Relevant
2. Create an aggressive marketing plan.	Still Relevant
3. Promote Richmond's health care system and post-secondary educational institutions as advantages of locating in Richmond.	Still Relevant
B. Commercial development:	
4. Create a comprehensive Commercial Strategy for Richmond similar to the City's Industrial Strategy.	Still Relevant
5. Maintain a rolling five-year supply of appropriately-zoned commercial land that is available in Richmond.	Still Relevant
6. Work with the commercial development industry in Richmond to stay on top of commercial trends and issues affecting economic development.	Still Relevant
7. Continue to pursue rapid transit extension to the City Centre.	Complete
C. Industrial development:	
8. Create a larger supply of readily available industrial land to meet future demand from a wide variety of businesses.	Still Relevant
9. Review Richmond's DCC program.	Still Relevant
D. YVR:	
10. Support YVR in seeking changes to Canada's air policies including securing Fifth Freedom rights and opening up the air cargo market.	Still Relevant
11. Support YVR in re-negotiating the terms of its rental agreement with the Federal government.	Still Relevant
12. Finalize the new agreement (Accord) that at the time was underway with the Vancouver International Airport Authority and ensure that it addresses all pertinent economic development issues	Still Relevant
E. Port lands:	
13. Encourage development of the Fraser Richmond port lands.	Still Relevant
14. Establish new agreements (Accords) with the Fraser River Port Authority and North Fraser River Port Authority that consider economic development issues.	Still Relevant
F. Technology:	
15. Create a larger supply of readily available business park (I3) industrial land to meet future demand from high technology and other businesses.	Capacity for industrial employment is a greater concern than capacity for office employment in business parks
16. Promote the advantages of Richmond as a location for high technology businesses of all sizes and types.	Focus should be broadened; technology is not as large an economic sector as anticipated in 2002
G. Agriculture:	
17. Help encourage more value-added production and processing of agricultural products in Richmond.	Still Relevant
18. Participate in implementation of the recommendations of the 2021 Agricultural Viability Strategy to ensure that economic benefits to Richmond are maximized	Still Relevant

Actions Included in Richmond's 2002 Economic Development Strategy – Continued

	Comment
H. Film:	
19. Adopt a policy stating that the City is "film friendly" and supports the industry operating in the community.	Still Relevant
20. Create a film location inventory for Richmond and provide it to the BC Film Commission.	Still Relevant
21. Review City regulations and fee schedules for the film industry.	Still Relevant
I. Fishing:	
22. Encourage more value-added fish processing in Richmond.	Still Relevant
23. Support the expansion of the local fishing industry into new fish species and products.	Still Relevant
J. Post-Secondary Education and Health Care:	
24. Encourage partnerships between high technology businesses in Richmond and research and educational institutions such as Discovery Parks, UBC, BCIT, and Kwantlen.	Still Relevant
25. Support BCIT and Kwantlen in their efforts to secure Provincial government funding for expansion.	Still Relevant (although BCIT is not likely to expand its facilities in the next decade or so)
26. Help facilitate a closer working relationship between Kwantlen and the Richmond business community.	Still Relevant
K. Tourism, Arts, and Culture:	
27. Continue to evaluate opportunities for the proposed Richmond Trade & Convention Centre.	Not Relevant; this project is not being pursued
28. Identify and develop additional attractions and events in Richmond, including arts and culture, heritage and recreational, and market these to both Metro Vancouver residents and tourists.	Still Relevant
L. Performance Tracking:	
29. Incorporate economic development performance measures into the City's Vibrancy Indicators.	Still Relevant
M. Other:	
30. Adopt the Economic Development Strategic Plan, Vision, and Goals	Not Relevant
31. Prepare a budget for the economic development function that reflects the resources needed for implementation	To be included in new Strategy
32. Secure appropriate resources to implement recommended strategies	To be included in new Strategy
33. Host Richmond Economic Development Forum	Not Relevant

3.0 Existing Economic Development Agencies in Richmond

3.1 City Economic Development Office

The Richmond Economic Development Office is a two-person division that is part of the City's Finance and Corporate Services Department. The Economic Development Office is currently devoting most of its efforts to these activities:

- Managing the creation of the new Resilient Economy Strategy that is expected to guide future priorities, projects, and ongoing activities.
- Providing staff support to the Council-appointed Economic Advisory Committee.
- providing staff liaison and support to business stakeholder organizations that have an interest in some aspect of Richmond's local economy, including the Richmond Chamber of Commerce, Tourism Richmond, and others.
- Design and implementation of a business retention strategy. This project involves creating an extensive database on all existing employers in Richmond and reaching out to employers to understand opportunities and challenges, particularly challenges that could affect the employer's desire or ability to remain in Richmond. This is a major Economic Development Office project that accounts for a large portion of available staff time and it is expected to pay off by providing a first point of city contact between Richmond employers and City Hall. The project is motivated by the view that the one of the best opportunities for local economic enhancement is to help retain and grow businesses that are already in the community.
- Business development and liaison. The Economic Development Office works cooperatively with other City departments and serves as a first and single point of contact for businesses dealing with concerns about approvals and permits for new or expanded premises.
- Monitoring a wide range of economic indicators.

At present, there is not a formal program of business recruitment to attract specific new employers to Richmond, but such an initiative may grow out of the new economic development strategy. The City's business attraction program is built into its business policies (e.g. aiming for competitive tax rates within the region and aiming to have a supply of available employment lands).

3.2 Economic Advisory Committee

This is an advisory committee appointed by City Council to provide advice on matters pertaining to strengthening, expanding, and diversifying Richmond's local economy. The Committee tends to focus on big-picture economic matters and only occasionally provides input on individual development applications, when they are large or touch on a key point of City economic policy. Its mandate is "to provide Council with feedback and advice on economic development strategic planning issues and initiatives."⁴ More specifically, the objectives of the EAC are to:

⁴ City of Richmond, "Terms of Reference: Economic Advisory Committee", last amended 9 January 2012.

- Advise the City on the recommendations of the Economic Advisory Task Force Report.
- Advise on economic development objectives for the City.
- Offer the City ongoing advice on new economic challenges and opportunities.
- Offer the City input on opportunities to integrate key business initiatives from local major business associations.
- Advise the City on overall economic sustainability visioning and initiatives that support economic sustainability.
- Advise the City on establishing and tracking economic development benchmarks.
- Provide the City with expert advice on key issues related to economic development.
- Create special sub-committees on specific economic development opportunity areas as appropriate.”⁵

This Committee meets quarterly. Members are appointed for two year terms and are selected to ensure that the Committee is broadly representative of the sectors and employers that make up large shares of Richmond's local economy. The Committee does not get involved directly in the implementation of any economic initiatives; its role is strategic and advisory to Council.

3.3 Chamber of Commerce

The Richmond Chamber of Commerce was created in 1925, originally as a Board of Trade and then later as a Chamber of Commerce. It represents approximately 1,100 members on a variety of issues at the municipal, provincial, and federal level, including foreign trade aspects, loss of retail dollars to other Metro shopping locations, regional transportation, YVR and aviation, agriculture, and border crossing issues. Its activities focus on education and networking.

The Chamber of Commerce engages in economic development activities such as:

- Advocating for the business community in governmental affairs.
- Building value and purpose for its members through education, networking, and the fostering of business relationships.
- Serving its members with relevant and affordable benefits and business services.

3.4 Tourism Richmond

Tourism Richmond is a non-profit organization dedicated to expanding the tourism sector in Richmond. Tourism Richmond has an agreement with the City of Richmond, whereby Tourism Richmond acts as a marketing organization responsible for building and promoting Richmond's brand as a visitor destination.

The organization is funded in part by receiving hotel room tax revenues and in part by membership dues.

Tourism Richmond is primarily focused on marketing and is not directly involved in the development of new tourism product such as new destination attractions. The organization has a pragmatic acknowledgement that while the regional “Vancouver” brand is key at the global scale and that many of the major regional destination attractions are not in Richmond itself, Richmond has assets that enable it to be an important

⁵ City of Richmond, “Terms of Reference: Economic Advisory Committee”, last amended 9 January 2012.

component of the regional visitor experience. Richmond's assets include the presence of YVR, a large inventory of hotel rooms at a lower price point than downtown Vancouver, proximity to attractions throughout the region, a strong Asian cultural character, and a variety of attractions such as the Oval, Steveston, and parks that draw visitors to the community. The organization's goals include:

- Strengthening the Richmond brand.
- Drawing a larger share of Metro Vancouver overnight stays to Richmond.
- Increasing average length of stay and expenditure per visitor.
- Marketing Richmond more extensively.
- Supporting the development of tourism product in Richmond.

3.5 Richmond Olympic Oval

The Richmond Olympic Oval is Richmond's legacy building from the 2010 Winter Olympics. The City of Richmond created and owns the Richmond Olympic Oval Corporation to operate the Oval as a community facility.

The Oval is used for a variety of purposes including:

- Community recreation, health, and wellness.
- Special events including trade shows and occasional concerts.
- Major regional, national, and international sports competitions.

While the Oval could potentially be used more as a venue for events that draw visitors (e.g. sport hosting, trade shows, exhibits, concerts), the priority appears to be on maximizing availability for community use.

3.6 Steveston Merchants Association

The Steveston Merchants Association was created about 4 years ago with the goal of promoting "the unique waterfront village of Steveston as a vibrant destination to shop, dine, live, work, explore and play, to benefit the business community."⁶ It has a volunteer Board of Directors made up of Steveston business owners. Its main objectives are to draw greater awareness to Steveston and to foster a collaborative relationship between Steveston businesses.

The Steveston Merchants Association engages in economic development activities such as:

- Maintains a website.
- Newspaper and magazine advertising.
- Awareness campaigns.
- Cross-promotion campaigns.
- Shop local campaigns.
- Organizes special events to draw residents and tourists to Steveston (e.g. Trick or Treating in Steveston, Steveston Scarecrow Crawl, Christmas Market).

⁶ Steveston Merchants Association website.

- Advocates for beautification and neighbourhood enhancement projects to benefit Steveston.

It typically undertakes these activities independently, but noted that the City of Richmond and Tourism Richmond have helped support its efforts and it enjoys a strong alliance with the City.

The Steveston Merchants Association is currently working on evolving to become the first BIA in Richmond.

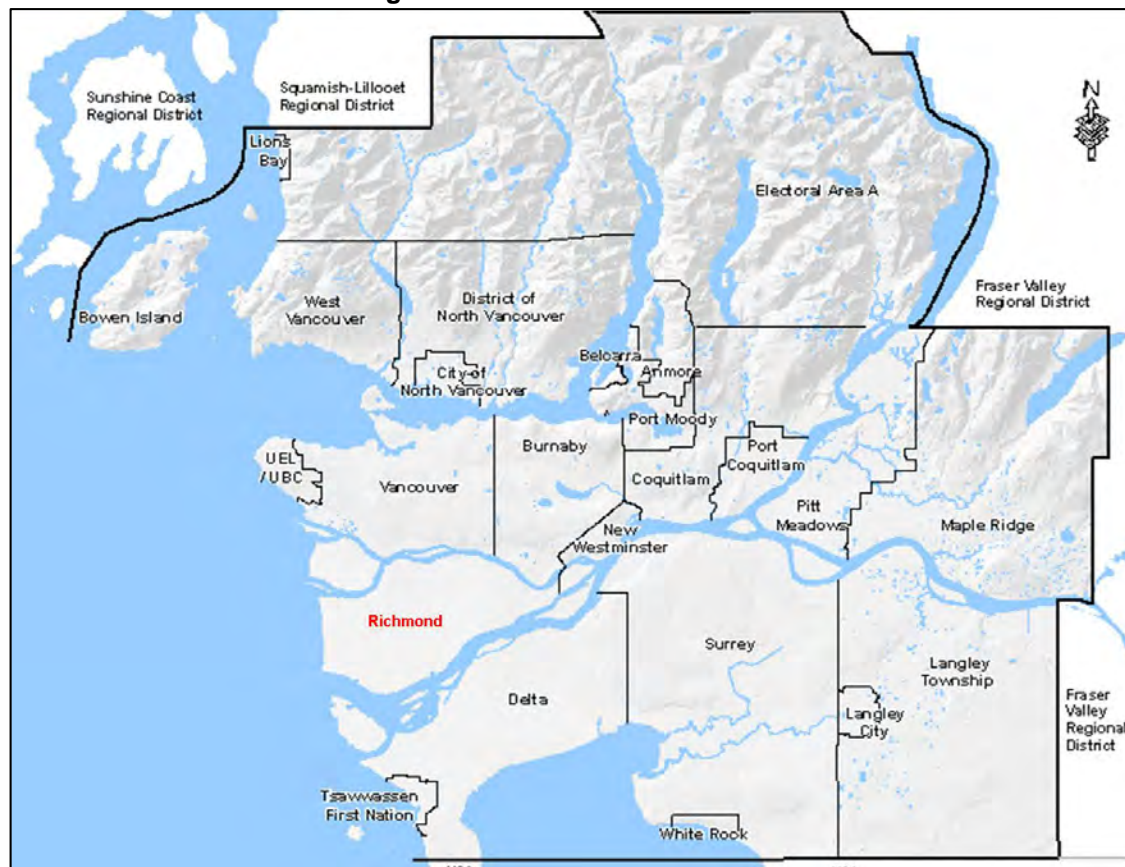
4.0 Richmond's Economy: Current Situation and Recent Trends

4.1 Overview

Richmond is one of the core municipalities in Metro Vancouver (see Exhibit 2). It has a strong and diverse local economy and is a highly attractive community in the regional context in part because of these particular assets:

- The Vancouver International Airport (YVR).
- Significant Port activities.
- One of the region's designated Town Centres.
- Unique visitor destinations such as Steveston.
- A large agricultural sector.
- A significant light industrial base.
- A major concentration of retail space.
- Health and post-secondary education facilities.
- An evolving ethnic character including a large and growing Asian population.

Exhibit 2: Richmond in the Regional Context



Source: Base map from Metro Vancouver, online maps.

4.2 Recent Population and Employment Growth in Metro and Richmond

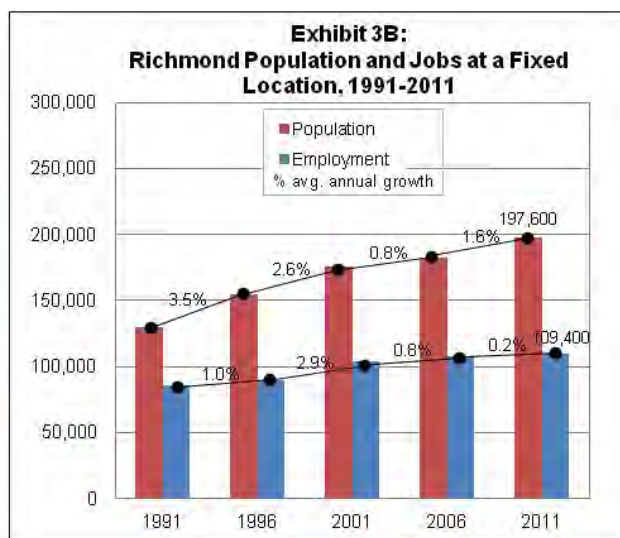
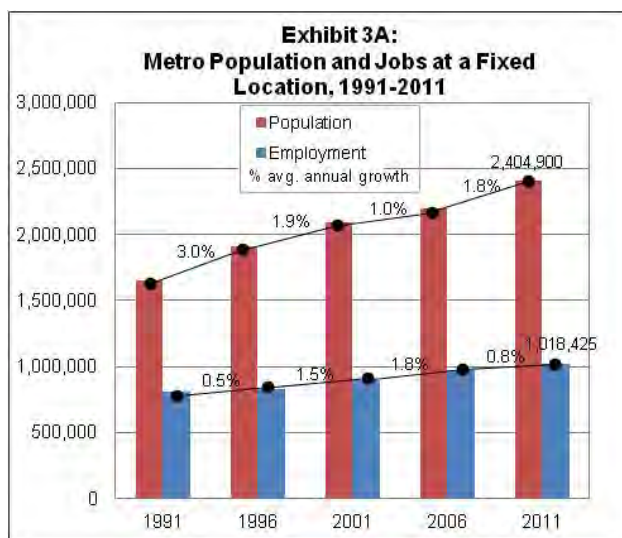
As of 2011, there were about 2.4 million people living in Metro Vancouver and there were just over 1.1 million jobs at a fixed⁷ location (see Exhibit 3A). Total employment and population in Metro Vancouver have grown over the past 20 years, although the average pace of growth has fluctuated.

Richmond had a total population of about 197,600 people and about 109,400 jobs at a fixed location as of 2011 (see Exhibit 3B).⁸ Richmond grew by about 2,200 people per year and by about 900 jobs per year over the past decade.

Looking at the historic 20 year trend, population and employment growth in Richmond slightly outpaced the rate of growth in Metro during 1991 to 2001, but the pace of growth in Richmond was slightly lower than the regional averages from 2001 to 2011. Despite these modest differences, since 1991 Richmond has maintained a share of about 8% of the region's population and about 11% of the region's jobs at a fixed location (see Exhibit 4).

Richmond has a jobs-to-population ratio of 0.6, which is above the Metro Vancouver regional average of 0.4.

A significant portion (61% as of 2011) of Richmond's population has an Asian origin (most of which are Chinese). This is a much higher share than in Metro Vancouver as a whole (37%) (see Exhibit 5). Richmond is home to 21% of the region's Chinese population, second to Vancouver with a share of 28%.

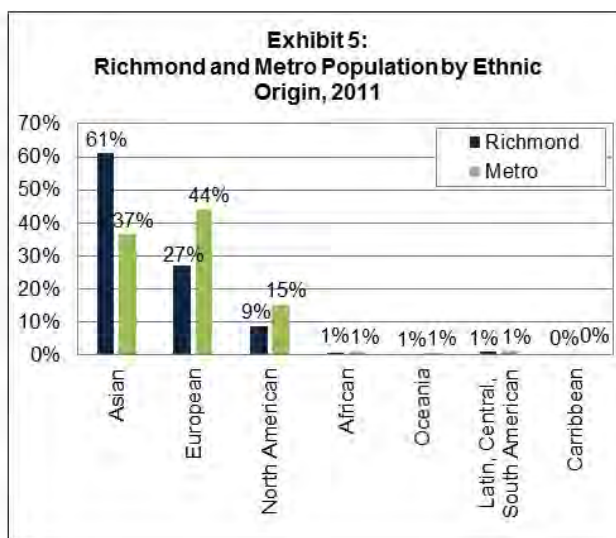
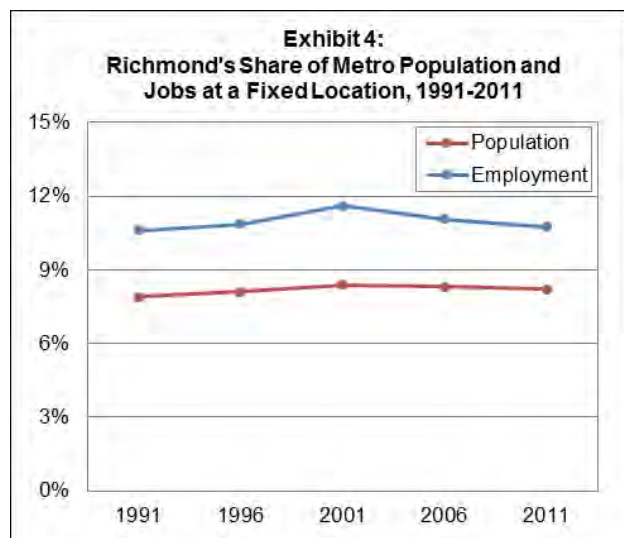


Sources: BC Stats, PEOPLE 2012 model (for total population data); Statistics Canada Census data (for 1991 to 2006 employment data); and Statistics Canada National Household Survey (for 2011 employment data).

Note that the employment data includes jobs with a "usual place of work" and "work at home" jobs, but excludes jobs with "no fixed workplace address". Also note that Statistics Canada's methodology for collecting employment data changed in 2011, so it is important to keep in mind that the 2011 figures may in part be different from the 2006 figures due to methodological changes.

⁷ This includes jobs with a "usual place of work" and "work at home" jobs, but excludes jobs with "no fixed workplace address". Adding in jobs with "no fixed workplace address" brings the total number of jobs in Metro Vancouver to about 1,180,000 as of 2011.

⁸ Urban Futures Institute prepared employment estimates and forecasts for the City of Richmond as part of its 2012 OCP update. Urban Futures estimated that there are about 140,000 jobs in Richmond as of 2011, factoring in an allocation of jobs with no fixed workplace address.



Sources: BC Stats, PEOPLE 2012 model (for total population data); Statistics Canada Census data (for 1991 to 2006 employment data); and Statistics Canada National Household Survey (for 2011 employment data and 2011 population by ethnic origin data).

4.3 Employment by Industry Sectors and Business Clusters

4.3.1 Industry Sectors

Exhibit 6 shows employment data by typical industry sector as reported by Statistics Canada for Richmond and other major municipalities in Metro Vancouver. Exhibit 6 shows each industry sector's share of the municipality's or region's total employment. Note that the data is for 2006, because sector data is not yet available by municipality from the 2011 census.

Exhibit 7 uses the same data to illustrate industry sectors in which Richmond has a relative advantage or disadvantage compared to Metro Vancouver. In Exhibit 7, the rating indicates the ratio of each sector's share of total employment in Richmond compared to the sector's share of total employment in Metro Vancouver. A rating greater than 1 indicates a greater than average business cluster or concentration in Richmond, compared to the region. A rating less than 1 means that this sector is under-represented in Richmond.

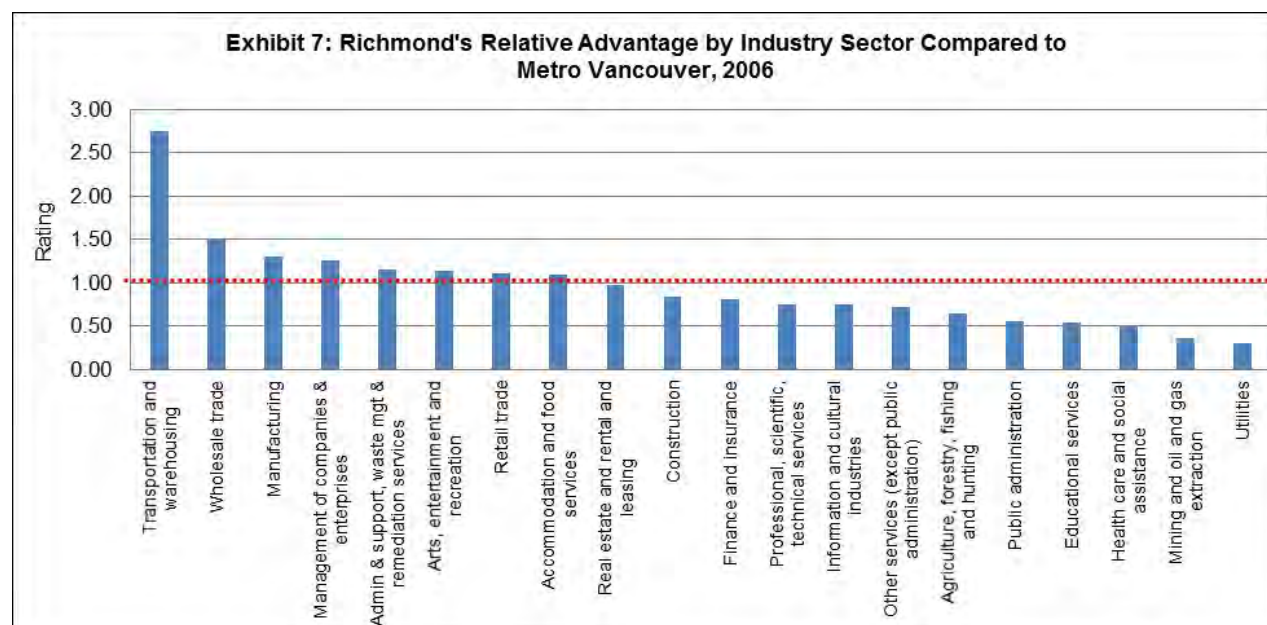
The data in Exhibits 6 and 7 show that Richmond has above average shares compared to Metro Vancouver in a variety of sectors:

- Manufacturing.
- Wholesale trade.
- Retail trade.
- Transportation and warehousing.
- Arts, entertainment, and recreation.
- Accommodation and food services.
- Administration and management of companies.

Exhibit 6: Sector Shares of Municipal and Metro Employment, 2006

	Sectoral Shares of Each Municipality's or Metro Vancouver's Total Employment, 2006							
	Burnaby	Coquitlam	Langley DM	Langley City	Surrey	Richmond	Vancouver	Metro Vancouver
Agriculture, forestry, fishing and hunting	0%	0%	7%	2%	2%	1%	0%	1%
Mining and oil and gas extraction	0%	0%	0%	0%	0%	0%	1%	0%
Utilities	2%	0%	0%	0%	1%	0%	0%	1%
Construction	3%	4%	4%	5%	5%	3%	2%	3%
Manufacturing	10%	7%	17%	12%	11%	12%	5%	9%
Wholesale trade	8%	9%	7%	5%	6%	9%	4%	6%
Retail trade	12%	19%	15%	20%	13%	13%	9%	12%
Transportation and warehousing	4%	3%	4%	2%	5%	14%	3%	5%
Information and cultural industries	8%	1%	1%	1%	1%	3%	4%	3%
Finance and insurance	5%	4%	3%	4%	5%	4%	7%	5%
Real estate and rental and leasing	2%	2%	2%	2%	2%	3%	3%	3%
Professional, scientific, technical services	10%	5%	5%	4%	6%	7%	14%	10%
Management of companies & enterprises	0%	0%	0%	0%	0%	0%	0%	0%
Administrative & support, waste management & remediation services	4%	4%	2%	3%	4%	4%	4%	4%
Educational services	8%	8%	7%	5%	9%	4%	6%	8%
Health care and social assistance	7%	11%	8%	9%	10%	5%	12%	10%
Arts, entertainment and recreation	1%	3%	2%	4%	2%	3%	3%	2%
Accommodation and food services	6%	10%	7%	11%	7%	9%	10%	8%
Other services (except public administration)	5%	5%	6%	8%	6%	4%	6%	5%
Public administration	3%	4%	2%	2%	6%	2%	5%	4%
Total Employment	100%	100%	100%	100%	100%	100%	100%	100%

Sources: Statistics Canada, census data. Note that these figures are based on employment "at a usual place of work" and "work at home" employment (i.e. jobs at a fixed location). Shading indicates sector shares that are higher in Richmond than in Metro.



Source: Statistics Canada, census data. Note that these figures are based on employment "at a usual place of work" and "work at home" employment (i.e. jobs at a fixed location). The rating is calculated as each sector's share of Richmond's employment divided by each sector's share of Metro's employment (e.g. for manufacturing, the ratio is 12% divided by 9% from Exhibit 6, which is a ratio of 1.3).

4.3.2 Employment Clusters

The employment data in the previous section uses categories that are based on economic sectors. However, the data is in some ways not strategically useful because it does not reflect clusters of jobs (such as tourism) that are important to Richmond and that may be the target of directed action plans. The traditional employment categories also do not readily distinguish between jobs in sectors that make up the local economic base versus jobs that meet the day-to-day needs of residents.

Therefore, we used a variety of sources to organize the employment data into employment clusters that show the key economic drivers for Richmond (relative to Metro Vancouver) and that are logical possible targets for strategic action.

Exhibit 8 shows our breakdown into the following employment clusters:

- *Community-Oriented jobs*: this includes jobs that are directly related to meeting the day-to-day needs of the location population (e.g. elementary and secondary school teachers, hairdressers, family doctors, dentists, real estate agents, jobs in local food and beverage establishments).⁹
- *Transportation, warehousing, and logistics*: this includes all jobs in the transportation, warehousing, and logistics sector as reported in the City of Richmond's business inventory and by Statistics Canada.
- *Manufacturing*: this includes all manufacturing jobs as reported in the City of Richmond's business inventory and by Statistics Canada, except jobs in high tech manufacturing (which are included in our Technology cluster).
- *Wholesale*: this includes all jobs in the wholesale sector as reported in the City of Richmond's business inventory and by Statistics Canada.
- *Tourism*: this includes jobs in tourism based on data reported by various industry associations and government sources.
- *Technology*: this includes high tech manufacturing and service jobs, based on publications by BC Stats and jobs in manufacturing sectors related to computers, electronics, telecommunications, software, and internet-related systems/services as reported in the City of Richmond's business inventory and by Statistics Canada.
- *Commercial Services*: this includes specialized and higher order services (e.g. head offices, government offices, professional and technical services) that have more of a regional-orientation than a local-orientation.
- *Higher Education & Hospital*: this includes jobs at post-secondary institutions and hospitals, based on data from Statistics Canada as well as individual institutions/hospitals.
- *Construction*: this includes all jobs in the construction sector as reported in the City of Richmond's business inventory and by Statistics Canada.
- *Resource*: this includes all jobs in agriculture, forestry, fishing and hunting, mining, oil and gas extraction, and utilities as reported in the City of Richmond's business inventory and by Statistics Canada.

⁹ This includes portions of Retail Trade, Finance and Insurance, Real Estate and Rental and Leasing, Professional/Scientific/Technical, Administrative/support/waste management/remediation, Education Services, Health Care and Social Assistance, Food Services and Drinking Places, Other Services, and Public Administration employment as reported by Statistics Canada. We estimate the portions based on indicators such as the share of retail and service space located in regionally-serving nodes versus scattered and jobs at post-secondary institutions versus elementary and secondary schools.

- *Specialized Finance, Insurance, and Real Estates (FIRE)*: this includes a portion of the jobs in these categories as reported in the City of Richmond's business inventory and by Statistics Canada which are assumed to be regionally-oriented not related to serving the day-to-day needs of the local population (e.g. real estate head offices, bank headquarters).
- *Film and Television*: this includes jobs in motion picture, broadcasting, and media (except jobs related to the internet which are included in High Tech) based on Statistics Canada data and industry sources.
- *Government Headquarters*: this includes a portion of government services as reported by Statistics Canada that we estimate is not related to meeting the day-to-day needs of the local population (e.g. provincial or national government departments with locations in the region).

Appendix A provides a detailed description of how these figures were developed.

As shown in Exhibit 8, we estimate that about 40% of the jobs in Richmond are directly related to meeting the day-to-day needs of the local population (i.e. "Community-Oriented"). The geographic distribution of these jobs across the region matches the distribution of population, as these jobs meet community needs. This is a similar (but slightly lower) share than in the region as a whole.

Richmond has a higher share of jobs in transportation/warehousing/logistics, manufacturing, wholesale, and tourism than in Metro Vancouver. Combined, these business groups account for another 41% of jobs in Richmond. These four sectors plus Community-Oriented jobs together account for 80% of employment in Richmond.

Exhibit 8: Employment by Major Business Group in Richmond and Metro Vancouver, 2012

Business Groups	Richmond ^a		Metro Vancouver ^b		Richmond's Share of Metro Jobs ^c
	Number of Jobs	% of Total Richmond Jobs	Number of Jobs	% of Total Metro Jobs	
Community-Oriented	44,000	40%	550,000	47%	8%
Transportation, Warehousing & Logistics	15,000	14%	65,000	6%	23%
Manufacturing	12,000	11%	65,000	6%	18%
Wholesale	9,500	9%	60,000	5%	16%
Tourism	7,500	7%	75,000	6%	10%
Technology	5,500	5%	65,000	6%	8%
Commercial Services	4,500	4%	85,000	7%	5%
Higher Education & Hospital	3,500	3%	45,000	4%	8%
Construction	3,000	3%	80,000	7%	4%
Resource	2,000	2%	20,000	2%	10%
FIRE Specialized	1,500	1%	40,000	3%	4%
Film and Television	500	1%	15,000	1%	3%
Government Headquarters	500	1%	15,000	1%	3%
Total Number of Jobs	109,000	100%	1,180,000	100%	9%

Sources:

- Estimated by Coriolis using a variety of sources (e.g. City of Richmond's business inventory as of October 2012, data from Tourism Richmond and Richmond Hospital websites, and interviews with industry representatives). Note that the total number of jobs in Richmond is jobs at a fixed location.
- Estimated by Coriolis using a variety of sources (e.g. 2011 National Household Survey from Statistics Canada, data from BC Stats and regional hospitals and post-secondary institution websites, industry association reports, and interviews with industry representatives). The Metro Vancouver total is all jobs in Metro (including jobs at a fixed location and jobs with no fixed workplace address).
- Richmond's total share of Metro employment in this column (9%) is slightly lower than as noted in Section 2.2 above because the data in this table is jobs at a fixed location in Richmond but all jobs (including jobs at a fixed location and jobs with no fixed workplace address) for Metro.

- d) Resource includes jobs in agriculture, forestry, fishing and hunting, mining, oil and gas extraction, and utilities.
 - e) FIRE refers to Finance, Insurance, and Real Estate.
- Shading indicates business group shares that are higher in Richmond than in Metro.

4.4 Indicators of Economic Performance

Some indicators of Richmond's economic performance and competitive advantages/disadvantage within the region are as follows:

- *Hotel Inventory:* Richmond has the second highest concentration of hotel rooms in Metro Vancouver after Downtown Vancouver. As of January 2013, there were about 5,000 rooms in 27 hotels in Richmond, accounting for about 20% of Metro Vancouver's total hotel inventory.¹⁰
- *Retail and service floorspace inventory and vacancy rates:* As of June 2013, Richmond had about 3.5 million square feet of retail and service space, accounting for about 11% of the region's total.¹¹ Retail vacancy rates are relatively low in Richmond (between 0.4% and 1.4% in the past three quarters) compared to the Metro Vancouver average (3.3% to 3.4% over the same timeframe).
- *Office floorspace inventory and vacancy rates:* As of 2012, Richmond had about 4.1 million square feet of office space, accounting for about 8% of the region's total.¹² This includes office space in the town centre, business parks, and office located in industrial areas. Office vacancy rates are relatively high (in fact, the highest in the region) in Richmond (averaging about 20% to 22% since 2011) compared to the Metro Vancouver average (which has been between 7.0% and 7.6% since 2011). Much of the vacant office space is in business parks with poor transit service. Industry observers perceive that the Richmond market overbuilt to accommodate tech type users, for which demand is much less than was anticipated.
- *Industrial floorspace inventory and vacancy rates:* As of Spring 2013, Richmond had about 36.3 million square feet of industrial space, accounting for about 20% of the region's total.¹³ This is the highest share of all municipalities in the region. The industrial vacancy rate in Richmond (5.4% as of June 2013) is on par with the regional average (4.1% as of June 2013).¹⁴
- *Retail and service lease rates* in Richmond are comparable to other centrally-located suburban locations (ranging from \$20 and \$55 per square foot along No. 3 Road in Richmond City Centre, compared to about \$25 to \$40 per square foot in Metrotown in Burnaby, \$25 to \$55 per square foot in Lonsdale in North Vancouver, \$20 to \$50 per square foot on Main Street in Vancouver, and \$15 to \$35 per square foot in Langley City).

¹⁰ The figures are from Tourism Vancouver - Research and Business Planning based on data from TBC Accommodation Guide, Tourism Vancouver Membership database, and BC Assessment as of January 2013, updated based on information provided by the City of Richmond. The list only includes private rooms; it does not include seasonal rooms, hostels, bed & breakfasts, long-term accommodations, or time shares.

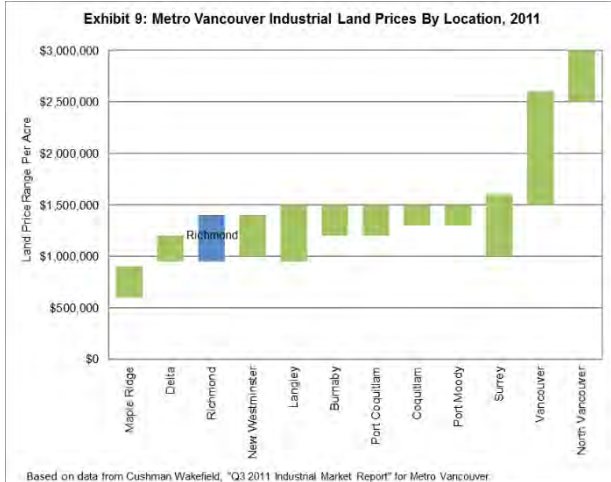
¹¹ CBRE. Marketview, Metro Vancouver Retail Report, Q2 2013. Note that this floorspace number only denotes properties with a leasable space greater than 50,000 square feet, so it excludes small street-oriented retail properties.

¹² Colliers International, Metro Vancouver Office Market Reports (1997 to 2012). Note that the floorspace figures do not include properties with less than 10,000 square feet of office space.

¹³ Avison Young, Metro Vancouver Industrial Overview, Spring 2013.

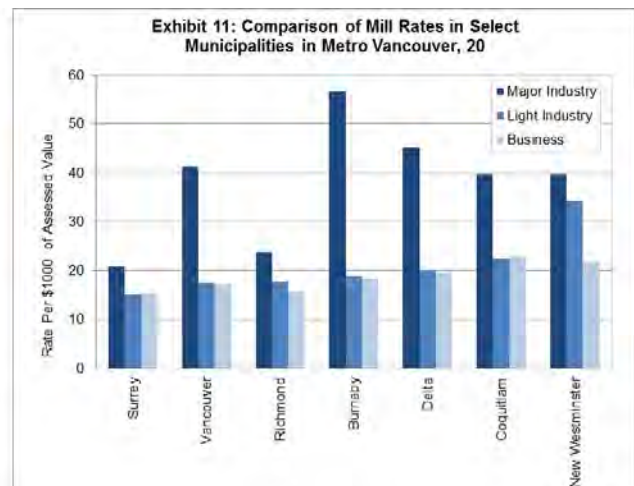
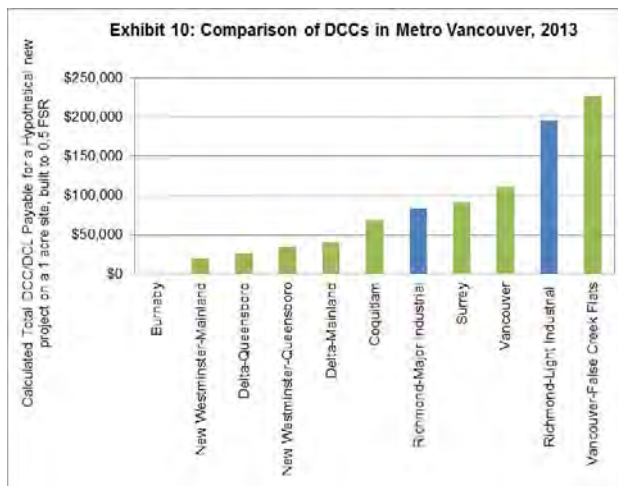
¹⁴ Colliers Industrial (Metro Vancouver Industrial Market Report Q2 2013).

- *Office lease rates in Richmond* (currently \$14 to \$16 per square foot) are lower than the Metro Vancouver average (\$20 to \$21 per square foot), likely reflecting the high office vacancy rate in Richmond.
- *Industrial land values in Richmond are similar* to other centrally located municipalities in Metro outside Vancouver (see Exhibit 9).



- *Richmond has the fourth largest supply of vacant industrial land in the region* (after Surrey/White Rock, Delta, and Maple Ridge/Pitt Meadows), accounting for about 14% of the regional undeveloped industrial land capacity,¹⁵ according to Metro Vancouver. However, there is a mismatch between this data and the perspectives provided by stakeholders who commented that a shortage of good quality, vacant, development-ready industrial land is a constraint on economic development in Richmond. The industrial development community is of the view that the “on paper” industrial land inventory gives an overly optimistic impression of land availability. There is a perceived shortage of large, subdivided, rectangular, serviced parcels that are development-ready for large warehouse/distribution facilities. The perception of stakeholders appears to be pragmatic, given that a large share of the City’s “on paper” industrial land inventory is controlled by YVR and Port Metro Vancouver, so there is very little industrial land on the market that is of the sort that a firm relocating out of redeveloping areas in Richmond or considering locating in Richmond could easily find a site to buy and construct a building on.
- *DCC rates in Richmond are at the higher end of typical rates in Metro Vancouver, but Richmond’s mill rates for property taxes on major industry, light industry, and business are at the lower end* compared to municipalities in Metro that likely compete with Richmond for employment growth.

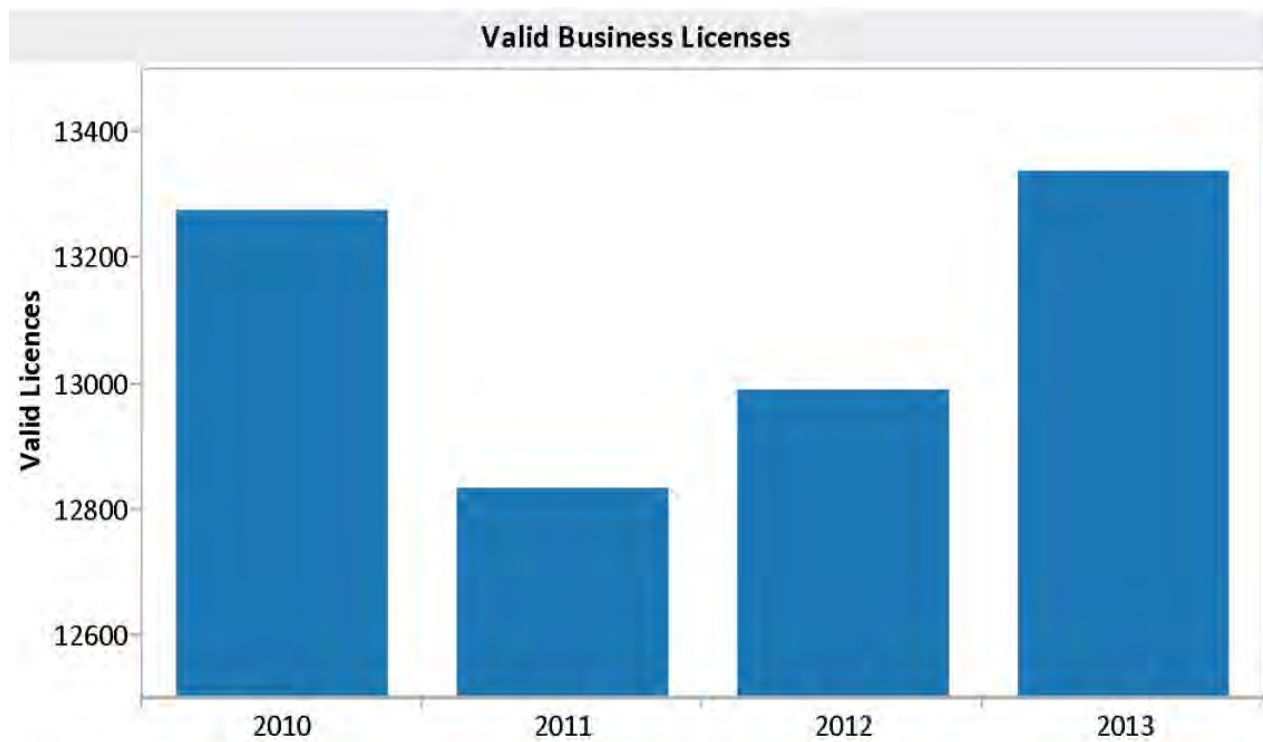
¹⁵ Metro Vancouver 2010 Industrial Land Inventory, Metro Vancouver.



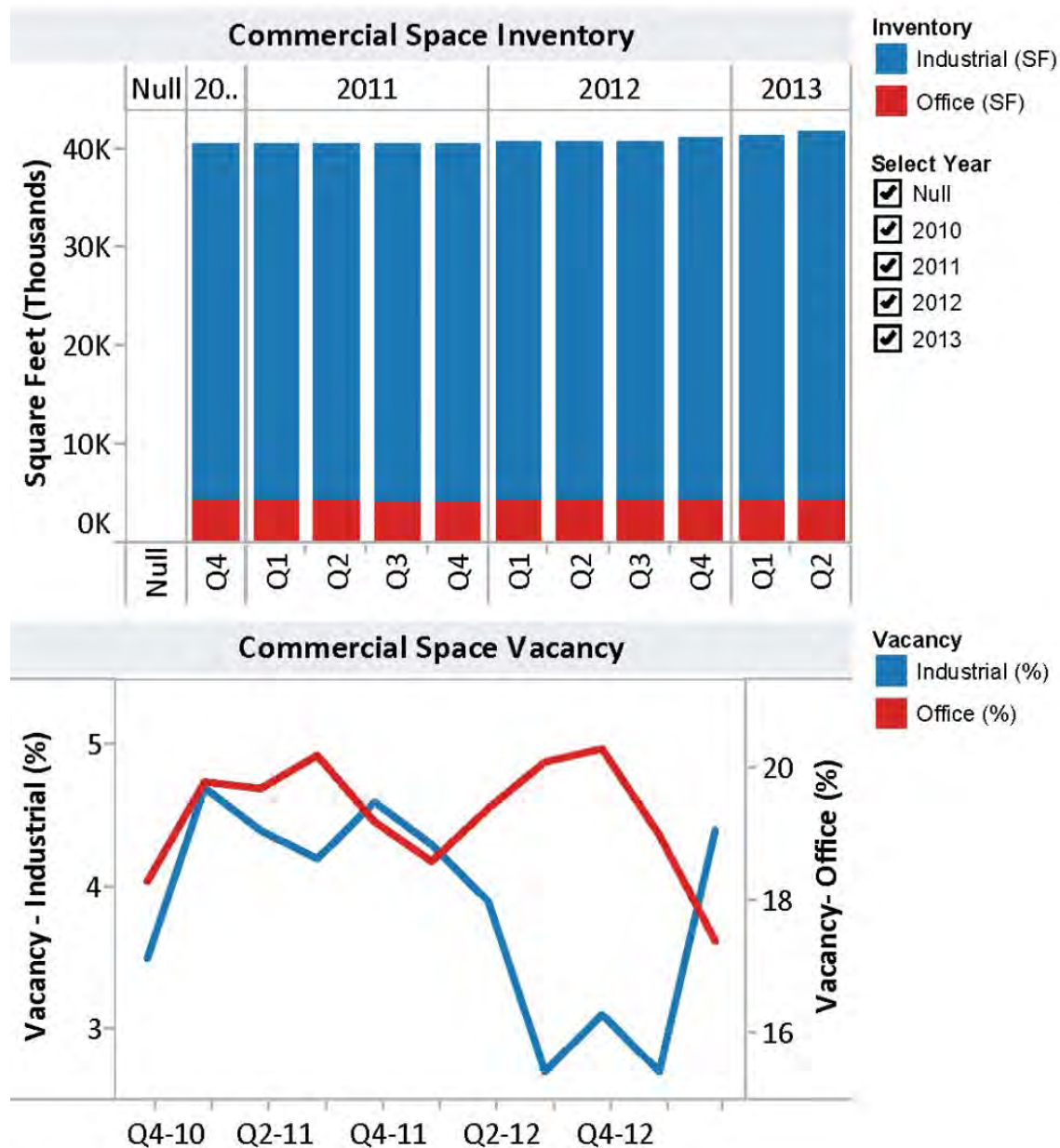
Richmond's Economic Development Office tracks a variety of economic indicators including:

- Valid business licenses 2010-2013 graph
- New business licenses (# of licenses, # of employees) 2011-2013 graph
- New business licenses (commercial space added) 2011-2013 graph
- Office and industrial floorspace inventory 2011-2013 (by quarters)
- Office and industrial vacancy rate Q4 2010 to Q4 2012
- Building permits issued 2011-2013
- Construction value of building permits issued 2011-2013
- House sales data 2011-2013
- Housing starts data 2010-2013
- Regional cargo movement 2011-2013
- Airport passenger counts 2010-2013
- Hotel room revenue 2010-2013

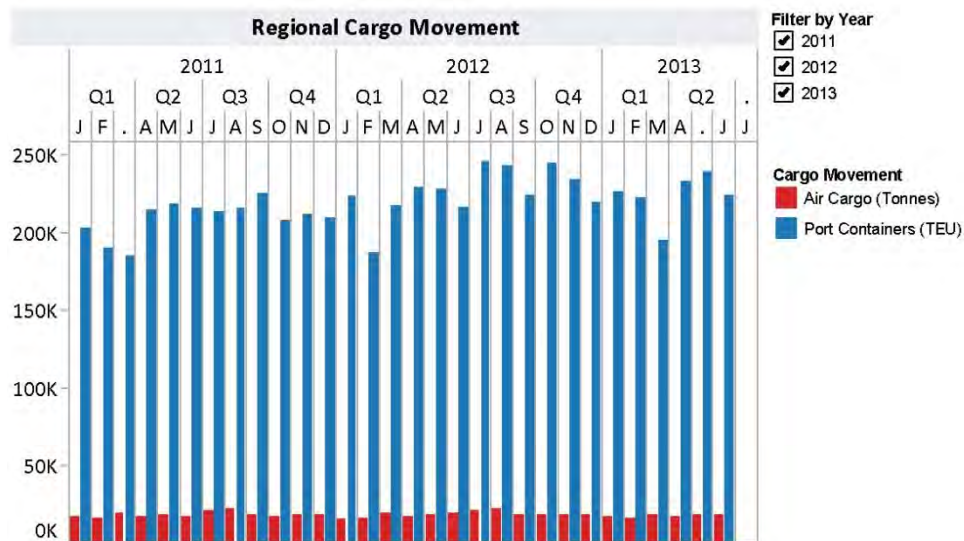
We have imported some of these key indicators below:



Source: City of Richmond



Source: Cushman & Wakefield



Source: Vancouver Airport Authority, Port Metro Vancouver



Source: Vancouver Airport Authority



Source: City of Richmond

4.5 Summary of Employment Cluster Profiles

Because the aim of this project is to create an economic development strategy and action plan, it is important to parse the local economy into categories or clusters that could be targets for work by the City or others. For example, the strategy might not include actions targeted generically at “transportation” but might include actions targeted at YVR or the Port, two major transportation-related economic engines in Richmond. Similarly, the strategy is not likely to target “food services” (one of the traditional employment categories), but will target tourism which of course includes some food services employment.

Based on our analysis of the structure and trajectory of Richmond's local economy, we have identified 13 business or employment clusters that are of strategic interest in Richmond:

1. Aerospace and Aviation.
2. Agriculture and Food/Beverage Production.
3. Regional Business Centre
4. Film and Media.
5. Fishing.
6. Health Care.
7. Manufacturing.
8. Post-Secondary Education.
9. Retail.
10. Technology.
11. Tourism.
12. Transportation, Warehousing, and Logistics.
13. YVR.

For each of these clusters, we have produced a detailed profile. These profiles are continued in Appendix C.

The points below provide a very high level summary of major findings from the cluster profiles:

- The Retail sector (approximately 27,000 jobs in Richmond), YVR (24,000 jobs), Transportation/Warehousing/Logistics (15,000 jobs), Manufacturing (13,000 jobs), and Regional Business Centre (13,000 jobs) account for most jobs in Richmond.
- The sectors with the largest shares of the region's jobs in that sector are: Fishing (about 53% of the region's Fishing jobs are in Richmond), Aerospace & Aviation (40%), Transportation/Warehousing/Logistics (23%), Manufacturing (17%), and Agriculture and Food/Beverage Production (17%).
- Growth sectors are likely to include: Aerospace & Aviation, Agriculture and Food/Beverage Production, Regional Business Centre, Health Care, Post-Secondary Education, Retail, Technology, Tourism, and YVR. Manufacturing and Transportation/Warehousing/Logistics also have growth potential if land supply constraints can be addressed.
- Sectors that are likely to be stable or decline are Film & Media, and Fishing (mainly because these sectors are stagnant or declining on a regional or provincial level).

5.0 Metro Vancouver Economy: Regional Trends and Prospects

5.1 Structure and Trajectory of the Metro Vancouver Economy

Metro Vancouver has a diverse, dynamic, and expanding economy. The region has these advantages:

- Economic diversity, not overly reliant on one sector.
- Strategic location and growing gateway role on the North American coast of the Asia Pacific area.
- Good quality transportation infrastructure, particularly for air, sea, and rail gateways.
- High quality public services and institutions, including health care and post-secondary education.
- Abundant, reliable, good sources of energy and water.
- High quality natural environment, healthy communities, and attractive amenities.
- Strong financial institutions.
- Strong international connections.
- Highly skilled labour force.
- High rates of in-migration.
- High levels of investment and construction.
- Stable political and legal environment.
- Competitive business and tax climate.
- Established clusters in key growth sectors, such as knowledge-based sectors, advanced technology sectors, and sectors with global linkages.

All of these advantages contribute to a positive outlook for Metro's economy.

5.2 Employment Forecasts

As part of the update to its OCP in 2012, the City of Richmond retained the Urban Futures Institute to prepare population, housing, and employment forecasts for the City from 2011 to 2041 (see Exhibit 12A). Urban Futures forecast that employment in Richmond would grow by about 1,300 new jobs per year or an average annual growth rate of about 0.9% per year from 2011 to 2041.

Exhibit 12B shows projected employment growth by industry groups for Richmond and Metro Vancouver based on Metro Vancouver's Regional Growth Strategy. The forecasts suggest that:

- The forecasted average rate of employment growth in Richmond (1.0% per year) is expected to be similar to Metro Vancouver (1.2% per year) from 2011 to 2013.
- An average of about 1,400 new jobs per year are anticipated for Richmond over the next 10 to 20 years.
- Richmond is expected to capture about 8% of job growth in Metro Vancouver from 2011 to 2030.

The pace of growth forecast for Richmond in the existing Metro Vancouver Regional Growth Strategy is on par with the more recent forecasts prepared for Richmond by the Urban Futures Institute.

Exhibit 12A: Employment Forecasts for Richmond by the Urban Futures Institute, 2009 to 2041

	Richmond		Implied Average Annual Growth Rate
	2009 Estimate	2041 Forecast	
Total Number of Jobs	135,100	179,772	0.9%

Source: Urban Futures Institute forecasts for Richmond as input to the OCP Update.

Exhibit 12B: Employment Forecasts for Richmond and Metro Vancouver, 2011 to 2030

	2011 Estimate		2030 Forecast		Forecasted Avg Annual		Richmond's Share of Metro Growth, 2011 to 2030
	Richmond	Metro Vancouver	Richmond	Metro Vancouver	Richmond	Metro Vancouver	
Construction / Manufacturing	21,682	185,507	24,234	214,812	0.6%	0.8%	9%
FIRE	8,907	98,604	10,676	125,615	1.0%	1.3%	7%
Transportation Communication Utilities / Wholesale	32,805	145,271	40,593	186,823	1.1%	1.3%	19%
Retail	15,801	129,356	16,902	152,175	0.4%	0.9%	5%
Business / Other Services	21,865	234,895	26,172	295,374	1.0%	1.2%	7%
Accommodation / Food / Information and Cultural	18,388	168,862	21,726	217,101	0.9%	1.3%	7%
Health / Education / Public	15,917	265,910	21,810	360,126	1.7%	1.6%	6%
Total Number of Jobs	135,365	1,228,405	162,113	1,552,026	1.0%	1.2%	8%

Source: Metro Vancouver, Regional Growth Strategy. Note that the 2011 figures include an allocation of jobs with "no fixed workplace address" to Richmond.

5.3 Implications for Richmond

Based on our detailed review of the employment clusters that make up Richmond's economy (see Appendix C), the following is a summary of prospects for key business sectors in Metro Vancouver and comments about Richmond's future role in each sector.

	Prospects in Metro Vancouver	Prospects in Richmond
Aerospace and Aviation	Growth	Richmond is well positioned to capture a large share of this growth, given the presence of YVR.
Agriculture and Food/ Beverage Production	Modest growth, mostly in food/beverage production	Richmond will likely see modest growth in this sector, particularly if it can capture a higher share of food/beverage production growth, address farm succession issues, and tap into food trends such as the growing focus on locally-grown products.
Regional Business Centre	Growth	Population growth and continued demand for office space at transit locations will support growth in this sector in Richmond. However, there is strong competition from other regional business centres and this competition will increase as the region's rapid transit network is extended.
Film and Media	Stable or decline	This is a highly competitive industry, is not big and is not growing in the region. Richmond does not have infrastructure to be a major player. Richmond's main opportunity is in the "on location" sector of the film market, digital media, and the growing Chinese-language media component.
Fishing	Stable or decline	Even though Richmond plays a major role in the Fishing sector in Metro, the overall sector is experiencing decline.

	Prospects in Metro Vancouver	Prospects in Richmond
Health Care	Growth	Richmond is well positioned to see growth in this sector, with Richmond General Hospital (serving Richmond, Delta, and Tsawwassen) and its niche role serving the region's Asian community.
Manufacturing	Stable or decline	Employment growth in manufacturing in Richmond has been relatively stable. Richmond's prospects in this sector will depend in large part on the City's ability to retain firms that need to relocate to accommodate business growth or due to redevelopment pressures at their existing location.
Post-Secondary Education	Growth	Richmond's three post-secondary educational institutions report that they are growing.
Retail	Growth	Retail growth is in large part driven by population growth, so Richmond should see growth in this sector. Richmond could also capitalize on its unique position as an Asian-oriented shopping and dining location and benefits from Steveston as a character-rich destination.
Technology	Growth	Richmond is not likely to see significant growth in this sector because it is a relatively small sector in terms of regional floorspace demand and is highly competitive among municipalities, although a large amount of office space in Richmond is occupied by tech firms.
Tourism	Growth	Richmond has significant assets that mean it is well positioned for growth in the tourism sector, including YVR, Steveston, Richmond Night Markets, Golden Village, Highway to Heaven, River Rock, the Richmond Cultural Centre, and agri-tourism. Richmond draws visitors from within Metro Vancouver and also attracts tourists.
Transportation, Warehousing, and Logistics	Growth	This is one of Richmond's key sectors, but employment in this sector in Richmond has been relatively stable. Richmond's prospects in this sector will depend in large part on the City's ability to retain firms that need to relocate to accommodate business growth or due to redevelopment pressures at their existing location and its ability to better tap into Richmond's role as an Asia Pacific Gateway.
YVR	Growth	Growth at YVR benefits Richmond.

6.0 Stakeholder Perspectives

Appendix A lists the stakeholders that we interviewed. The main perspectives and input provided by stakeholders can be summarized as follows:

- *Stakeholder interactions with the City.* All stakeholders reported having good working relationships with the City. The City is generally thought of as a friendly, responsive, and positive municipality to deal with. Several stakeholders also commented that the City is proactive in providing information (e.g. growth plans for surrounding areas, information about new planning initiatives) to stakeholders.
- *Red tape and the City's approval process:* Some stakeholders noted that there is a perception that the City's approval process is slow and inefficient relative to other municipalities in the region (although others commented the opposite, that Richmond is one of the fastest and most efficient municipalities in terms of approvals processes). There is a high cost associated with the longer processing time for permits and authorizations.
- *Employment land shortage and land costs are limiting economic development in Richmond:* Richmond has significant employment in sectors that require industrial land and industrial space, but there is a perception that Richmond is running out of good quality, attractive industrial land in desirable locations. Some firms looking to expand in Richmond cannot find sites that can accommodate them and firms are starting to look elsewhere (outside Richmond and Metro Vancouver).
- *Conversion of industrial land near the City Centre* is an issue that several stakeholders noted is putting upward pressure on industrial land values, creating a situation in which some existing industrial properties are being assessed at residential values resulting in higher property tax bills and putting downward pressure on the supply of good quality, attractive, industrial locations in Richmond. It also creates buffer issues with new residential uses not wanting to be near existing industrial locations. While not noted by stakeholders, it is worth noting that the City of Richmond successfully obtained approval from the Province to provide partial tax exemptions to property owners in the City Centre area who have seen extraordinary increases in their property assessments since 2005 due to changes in the highest and best of properties.
- *There is a high vacancy rate in Richmond's office inventory,* but the nature of the existing office space inventory in Richmond does not match current market demand. Most Class A office vacancy in Richmond is in business parks and stand-alone office complexes located outside the City Centre and away from rapid transit, but demand is mainly for centrally-located, transit-served office space. There is a perception that Richmond is disadvantaged in this respect relative to Burnaby and Vancouver, where there is good quality business park office space near rapid transit (e.g. Lake City, Great Northern Way).
- *Increasing agricultural land prices and continuity in farming/farm succession are the biggest challenges for the agricultural sector in Richmond.*
- *Parking is an issue in Steveston.*
- *Richmond does not take as much advantage of its riverfront location as other municipalities.* There is an opportunity to liven up the riverfront by aiming to attract more leisure boats to Steveston (and possibly small cruise ships) and exploring the potential for a boardwalk (e.g. from Garry Point to No. 2 Road).
- *There are strong connections between industry and post-secondary institutions in Richmond.*
- *Regional Economic Strategy:* Some stakeholders think that there should be a regional economic strategy (not just each municipality developing individual strategies), to better coordinate the efforts of

all economic development stakeholders in the region. This would permit a more holistic vision of business clusters in the region.

7.0 Best Practices in North American Economic Development

We have reviewed the economic development strategies (documents and web sites) of many North American communities, particularly those that have won awards or that are frequently cited as good examples. Our review of trends in municipal economic development planning in North America yields these observations:

- There is a trend towards focusing on the local aspects and impacts of a community's economy (i.e. aiming to match jobs in a community to the skills of the local population, buy local campaigns, aiming to attract and retain businesses that keep dollars in the community).
- There is a trend towards striving for resilience, meaning the ability of a community to adapt and rebound as circumstances change or events happen. There are many factors that shape a local economy that are beyond the control of the community, but a resilient economy is one that can survive and thrive during change.
- There is a trend towards regional approaches to economic development that recognize the interdependence of individual municipalities, rather than individual municipalities working alone.
- Most communities are trying to find a balance between environmental impact and economic development, striving to be "green" but also to increase employment and tax base.
- Many communities are still targeting technology firms, but efforts to lure tech firms are extremely competitive and costly (e.g. property tax abatement, free land, subsidized space, and in some cases direct municipal research grants).
- There is focus on collaboration and partnerships among local and regional governments, organizations involved in business development, major employers, and institutions.
- Economic development activities have a high degree of web-based delivery (e.g. interactive and customizable maps and reports, data, and multiple languages) and are increasingly using social media.
- Quality of environment, life, community, arts/culture, and post-secondary education are universally recognized as key to attracting and retaining jobs in the knowledge economy.

8.0 Implications for the Resilient Economy Strategy: Topics for Discussion with the Economic Advisory Committee

Richmond has a strong, diverse, and growing local economy. In comparison with other major municipalities in Metro Vancouver, Richmond has a significant share of regional employment in all sectors, has a favourable ratio of jobs to residents (it is a net importer of jobs), and has some unique assets that give it a clear competitive advantage in some sectors that will experience strong regional growth including transportation, goods distribution, tourism, agriculture, and trade.

There are some sectors in which Richmond should not expect significant growth and may even see some decline (for reasons that are outside Richmond's control) including fishing (due to overall industry shifts), traditional film and television production (which is a highly competitive industry and Richmond does not have infrastructure to be a major player), and technology (which accounts for a relatively small amount of regional floorspace demand and which is highly competitive among Metro Vancouver municipalities).

There are not any significant gaps in Richmond's economy (i.e. sectors that are strong in Metro Vancouver but in which Richmond under-performs) and there are not any major opportunities that Richmond has somehow missed.

Moving forward, there are some strategic issues and opportunities that Richmond should address and that could become focal points for the new Resilient Economy Strategy.

1. *The capacity to accommodate growth in warehouse and distribution is probably less than the Employment Lands Strategy indicates.* Richmond has a large “on-paper” inventory of industrial land but very little of it is available on the market and development-ready. In order to be able to continue to accommodate growth in major warehouse, distribution, and logistics employment, Richmond needs to explore ways to increase the “working” inventory of light industrial land. This means working closely with the public agencies that control large shares of the land inventory. The City has adopted firm policy about not shifting land from agriculture to industry, so the focus must be on how to increase the utilization of the existing designated industrial lands.
2. *YVR is one of Richmond's main growth engines and generates employment across many of Richmond's strategic sectors.* The City and YVR should be as cooperative as possible in facilitating YVR's ability to take advantage of growth in passenger travel and cargo. Richmond and YVR should continue cooperating on the development of local transportation infrastructure between Sea Island and Lulu Island, to improve the flow of people and goods.
3. *Port Metro Vancouver controls a large inventory of industrial land that could accommodate significant employment growth.* Richmond and Port Metro should collaborate on plans and creative ways to make this land available to a variety of industrial uses.
4. *Richmond City Centre's evolution as a group of high quality, high density urban neighbourhoods has created benefits in terms of building a lively community.* One downside, though, is that older industrial uses in the area are experiencing pressure due to redevelopment, rising land values, and rising property taxes. If Richmond wants to maintain these jobs, it should consider a phasing strategy so that firms are not forced to relocate prematurely due to rising property taxes and it should ensure that there are development-ready lands that can accommodate these relocating firms, or else they may move to other municipalities such as Burnaby, Delta, Surrey, or Langley (which have advantages in terms of access to labour, regional highway accessibility, and land availability).

5. *Regional highway improvements are facilitating truck access in Delta, Surrey, Langley, and Pitt Meadows/Maple Ridge.* Richmond may appear congested in comparison, so it is important to ensure that long range regional road planning (e.g. Massey Tunnel replacement) maintains Richmond's advantage as a warehouse and distribution location.
6. *The regional suburban office market is evolving in significant ways.* Total demand is relatively small, transit access is increasingly important, and the number of competitive locations is large and increasing. To increase its role as a regional business centre, for a wide range of companies, Richmond needs to provide office development capacity at rapid transit stations.
7. *Much is said about the advantages that flow from Richmond's growing Asian character, in terms of business links with Asia, a cultural character that attracts domestic and international visitors, and importing retail demand from elsewhere in the region.* However, there is little formal activity (e.g. marketing, business recruitment) to attract more employers and while there has been considerable Asian investment in real estate, there is less evidence of Asian manufacturing or trade companies locating in Richmond. Also, there has been little exploration of whether there is a downside, in terms of attracting regional-scale employers, of over-emphasis on one cultural group in a multicultural region. How does Richmond tap the benefits of its Asian links to facilitate job growth while also avoiding becoming a niche market?
8. *Richmond has extensive frontage on the Fraser River.* Much of this frontage is used for industry or for natural open space (e.g. the dykes) but a relatively small part has been developed for active commercial use that could draw visitors. As some river-front uses (e.g. fishing) wane, are there new opportunities for use of the riverfront lands, apart from simply converting them to residential use?
9. *Some of the actions identified in the 2002 Economic Development Strategy that have not yet been implemented appear to still be valid,* in that they are aimed at tapping opportunities or addressing constraints that are still by and large appropriate in today's world. Many of these could be incorporated (with some updating) into the new strategy.

Appendix A: External Stakeholders Interviewed by Coriolis

The following external stakeholders provided input to the analysis of prospects and challenges:

1. BCIT Aerospace Technology Campus.
2. Canadian Manufacturers & Exporters BC.
3. Fairchild Property Group.
4. GC Gaming Corporation.
5. Kwantlen Polytechnic University.
6. Port Metro Vancouver.
7. Richmond Agricultural Advisory Committee.
8. Richmond Chamber of Commerce.
9. Richmond Olympic Oval.
10. Steveston Merchants Association.
11. Tourism Richmond.
12. Urban Development Institute.
13. YVRAA.

Appendix B: Estimate of Employment by Business Cluster

This appendix provides a more detailed description of how we estimated employment by business group as compared to by industry sector as reported by Statistics Canada.

The following table shows our estimated breakdown of jobs in Metro Vancouver and in Richmond by major business group (this is the same table as Exhibit 8), with detailed notes for each figure.

Business Groups	Richmond ^a		Metro Vancouver ^b		Richmond's Share of Metro Jobs ^c	Notes for the Richmond Estimates	Notes for the Metro Vancouver Estimates
	Number of Jobs	% of Total Richmond Jobs	Number of Jobs	% of Total Metro Jobs			
Community-Oriented	44,000	40%	550,000	47%	8%	1	1a-g
Transportation, Warehousing & Logistics	15,000	14%	65,000	6%	23%	2	2
Manufacturing	12,000	11%	65,000	6%	18%	3	3
Wholesale	9,500	9%	60,000	5%	16%	4	4
Tourism	7,500	7%	75,000	6%	10%	5	5
Technology	5,500	5%	65,000	6%	8%	6	6
Commercial Services	4,500	4%	85,000	7%	5%	7	7
Higher Education & Hospital	3,500	3%	45,000	4%	8%	8	8
Construction	3,000	3%	80,000	7%	4%	9	9
Resource	2,000	2%	20,000	2%	10%	10	10
FIRE Specialized	1,500	1%	40,000	3%	4%	11	11
Film and Television	500	1%	15,000	1%	3%	12	12
Government Headquarters	500	1%	15,000	1%	3%	13	13
Total Number of Jobs	109,000	100%	1,180,000	100%	9%	14	14

Notes:

- Estimated by Coriolis using a variety of sources (e.g. City of Richmond's business inventory as of October 2012, data from Tourism Richmond and Richmond Hospital websites, and interviews with industry representatives). Note that the total number of jobs in Richmond is jobs at a fixed location.
- Estimated by Coriolis using a variety of sources (e.g. 2011 National Household Survey from Statistics Canada, data from BC Stats and regional hospitals and post-secondary institution websites, industry association reports, and interviews with industry representatives). The Metro Vancouver total is all jobs in Metro (including jobs at a fixed location and jobs with no fixed workplace address).
- Richmond's total share of Metro employment in this column (9%) is slightly lower than as noted in Section 2.2 above because the data in this table is jobs at a fixed location in Richmond but all jobs (including jobs at a fixed location and jobs with no fixed workplace address) for Metro.
- Resource includes jobs in agriculture, forestry, fishing and hunting, mining, oil and gas extraction, and utilities.
- FIRE refers to Finance, Insurance, and Real Estate.

Shading indicates business group shares that are higher in Richmond than in Metro.

Notes for the Richmond Estimates:

- This is the total number of jobs in Richmond (109,000) less all other categories.
- This figure (7,500 jobs) is the estimate (rounded) from the "Tourism Sector Profile" prepared by Richmond Economic Development. It includes all accommodation and entertainment jobs plus about 1,500 jobs in retail and 1,500 in drinking and food places.
- This includes all jobs in the "Manufacturing" category as reported in the City of Richmond's business inventory, less 1,100 jobs in high-tech manufacturing.
- This includes all jobs in the "Transportation, Warehousing, and Logistics" category as reported in the City of Richmond's business inventory.
- This includes all jobs in "23 Construction" as reported in the City of Richmond's business inventory.
- This includes all jobs in "41 Wholesale Trade" as reported in the City of Richmond's business inventory.
- This includes jobs in the following categories as reported in the City of Richmond's business inventory: 334 Computer and Electronic Product Manufacturing, 4173 Computer and Communications Equipment and Supplies, 5112 Software Publishers, 517 Telecommunications, 518 Data processing, hosting, and related services, 51913 Internet Publishing and broadcasting, and web search portals, 5415 computer systems design and related services, 3391 Medical equipment and supplies manufacturing, and 54171 Research and Development in the Physical, Engineering and Life Sciences.

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8. This is our estimate, which is 50% of our estimate of Business Centre Office jobs, less jobs in Finance, Insurance, and Real Estate.
9. This is our estimate based on information from Statistics Canada and from individual post-secondary institutions and Richmond Hospital. The figure includes approximately 600 jobs in the three local post-secondary education institutions and about 3,000 jobs related to Richmond Hospital (rounded).
10. This is our estimate, which include 50% of the jobs in the following categories as reported in the City of Richmond's business inventory: 52 Finance and insurance and 53 Real estate and rental and leasing.
11. This is our estimate for the Film and Media Sector in Richmond, less about 30% (to deduct jobs in local newspaper publishing because these are included in Community-Oriented jobs).
12. This includes all jobs in the following categories as reported in the City of Richmond's business inventory and by Statistics Canada: 1250 Agriculture and 800 Fishing and support activities.
13. This is our estimate, which includes 25% of the jobs reported by Statistics Canada in "91 Public Administration" to account for specialized government services and headquarters (e.g. Canadian Border Services Agency, the headquarters of WorkSafeBC, foreign government delegations office).
14. This is the total number of jobs "at a usual place of work" and "work at home" jobs in Richmond based on the 2011 National Household Survey by Statistics Canada.

Notes for the Metro Vancouver Estimates:

1. This includes a portion of 44-45 Retail trade, FIRE (52 Finance and insurance and 53 Real estate and rental and leasing), 54 Professional, scientific and technical services, 56 Administrative and support, waste management and remediation services, 61 Education Services, 62 Health care and social assistance, 772 food services and drinking places, 81 Other Services, and 91 Public Administration. The major assumptions are as follows:
 - a) Assumes that about 85% of retail employment (44-45 Retail Trade) is community-oriented (108,082) and 15% is specialty retail and tourism-oriented (19,073). This is based on the share of the regional retail floorspace located in Downtown Vancouver and the Broadway Corridor based on BC Assessment floorspace data.
 - b) Assumes that about 50% of FIRE (52 Finance and insurance and 53 Real estate and rental and leasing) is community-oriented (46,493). This is based on the share of the regional office floorspace located in Downtown Vancouver (about 47%) and elsewhere in the region (53%) based on the Cushman & Wakefield Office Market Report Q1 2013 for Greater Vancouver.
 - c) Assumes that about 50% of commercial services (54 Professional, Scientific and technical and 56 Administrative and support, waste management and remediation services) is community-oriented (84,065). This is based on the share of the regional office floorspace located in Downtown Vancouver (about 47%) and elsewhere in the region (53%) based on the Cushman & Wakefield Office Market Report Q1 2013 for Greater Vancouver.
 - d) Assumes that about 80% of 61 Education Services and 62 Health care and social assistance employment is community-oriented (169,204). We assume that about 20% of employment in these industries is supported by specialized and region-serving services such as university-related and hospital-related activities (42,301).
 - e) Assumes that about 50% of the 772 Food Services and Drinking Places employment is community-oriented (38,693) and 50% is tourism-oriented (38,693).
 - f) Assumes that all employment in the 81 Other Services category is community-oriented (58,555).
 - g) Assumes that 75% of 91 Public Administration employment is community-oriented (44,895) and 25% is related to high-order and specialized functions (e.g. government headquarters, custom and border services).
2. This is our estimate based on information from Destination British Columbia and BC Stats ("Vancouver, Coast & Mountains Tourism Region. Regional Tourism Profile 2011"), which suggests that there were about 80,000 tourism jobs in the Vancouver, Coast and Mountains Tourism Region (VCMTR) in 2011. We assumed that about 86% (the Greater Vancouver Area's share of the VCMTR population in 2011) of tourism jobs are located in the Greater Vancouver Area.
3. Includes all employment in the "31-33 Manufacturing" category as reported by Statistics Canada (76,940), minus 10,000 jobs which are High-Tech Manufacturing jobs.
4. This includes all jobs in the "Transportation, Warehousing, and Logistics" category as reported by Statistics Canada.
5. This includes all jobs in "23 Construction" as reported by Statistics Canada.
6. This includes all jobs in "41 Wholesale Trade" as reported by Statistics Canada.
7. This is our estimate based on information from BC Stats ("BC Labour market Scenario Model. High Technology Occupations. Issue: 2010-1, July 2010"), which suggests that there were about 73,500 high-tech jobs in the Mainland & Southwest Development Region in 2009. We assumed that about 86% (Metro Vancouver's share of the Mainland/Southwest Development Region population in 2009) of high-tech jobs are located in Metro Vancouver (i.e. about 65,000 jobs)

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8. This is our estimate, which is 50% of our estimate of jobs in the following categories as reported by Statistics Canada: 54 Professional, Scientific and technical and 56 Administrative and support, waste management and remediation services. The other 50% is included in Community-Oriented jobs.
9. Given that we assumed that about 80% of employment in 61 Education Services and 62 Health care and social assistance is Community-Oriented, this is the remaining 20% which we assume is made up of specialized and region-serving services such as university-related and hospital related activities (42,301).
10. Given that we assumed that about 50% of FIRE (52 Finance and insurance and 53 Real estate and rental and leasing) is Community-Oriented, this is the remaining 50% which we assume is made up of specialized and high-order services (46,493).
11. This includes all jobs in the following categories as reported by Statistics Canada: 512 Motion picture and sound recording industries and 515 Broadcasting (except Internet) (12,215).
12. This includes all jobs in the following categories as reported by Statistics Canada: 11 Agriculture, forestry, fishing and hunting, 21 Mining and oil and gas extraction, and 22 Utilities (22,635).
13. Given that we assumed that 75% of 91 Public Administration employment is Community-Oriented, this is the remaining 25% which we assume is made up of specialized and high-order services associated with government headquarters (14,965).
14. This is the total number of jobs in all industries in the Vancouver CMA in 2011 as reported by Statistics Canada (1,182,390). Note that for Metro Vancouver, this includes all jobs "at a fixed workplace address", "work at home" jobs, and "jobs with no usual place of work".

Appendix C: Employment Cluster Profiles

We identified 13 key Business Sectors that make up Richmond's economy:

1. Aerospace and Aviation.
2. Agriculture and Food/Beverage Production.
3. Regional Business Centre
4. Film and Media.
5. Fishing.
6. Health Care.
7. Manufacturing.
8. Post-Secondary Education.
9. Retail.
10. Technology.
11. Tourism.
12. Transportation, Warehousing, and Logistics.
13. YVR.

Aerospace and Aviation

1.0 Introduction

The Aerospace and Aviation sector is composed of two distinct yet complementary sets of industries: aerospace and aviation industries. Aviation industries include the design, development, production, operation, and use of aircraft within the earth's atmosphere and other activities directly related to airport operations (e.g., airport management and logistics, airport security, baggage handling). Aerospace industries combine aeronautics and astronautics to research, design, manufacture, operate, or maintain vehicles which move beyond the earth's atmosphere and to conduct aircraft operations in space.



Photo: YVR

2.0 Key Facts

1. **Number of jobs:** there are approximately 4,000 jobs in the Aerospace and Aviation sector in Richmond, the vast majority of which are in Aviation-related industries.¹⁶
2. **Clusters:** the Aerospace and Aviation sector in Richmond can be divided into four clusters¹⁷:
 - a) *Aerospace & Aviation High-tech:* This includes the design, development, and production of technologies and information solutions, including earth observation and digital mapping, maintenance planning, and operations management solutions. These activities are not directly related to the Vancouver International Airport's (YVR) day-to-day operations and their products and services are mainly exported outside of the region. This cluster accounts for about 5% of the Aerospace and Aviation jobs in Richmond.
 - b) *Air Transportation:* This includes activities associated with scheduled and non-scheduled passenger and cargo air transportation services (e.g. airlines flight operations, helicopter services, customer service). A share of these activities can be characterized as region-serving (e.g. the routes to/from the region) and a share as export-oriented (e.g. connecting flights and air

¹⁶ Based on the City of Richmond Business Inventory as of October 2012. Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

¹⁷ Same as above.

transportations companies headquartered at YVR). This cluster accounts for about 30% of the Aerospace and Aviation jobs in Richmond.

- c) *Airport Operations*: This includes all activities associated with YVR's operations and management (e.g. airport management and logistics, flight control, baggage handling, safety and security). This cluster accounts for about 45% of the Aerospace and Aviation jobs in Richmond.
- d) *Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)*: This includes all activities associated with the inspection, maintenance, wholesale, and repair of aircraft and/or helicopter equipment. A share of these activities can be characterized as region-serving (e.g. maintenance for routes associated with the regional demand for air transportation) and a share as export-oriented (e.g. maintenance for connecting flights or for equipment not serving YVR or the region). This cluster accounts for about 20% of the Aerospace and Aviation jobs in Richmond.

3. Major firms in Aerospace and Aviation in Richmond:

Employer	Sub-Cluster	Activity	Number of Employees in Richmond
G4S Canada	Airport Operations	Security Guard & Patrol Services	750
Servisair Inc.	Airport Operations	Ground handling services to the airline industry	600
Air Canada Jazz	Air Transportation	Airlines Service	403
YVR Airport Authority	Airport Operations	Airport Management	402
Vector Aerospace - Helicopter Services	Aircraft and Helicopter MRO	Repair & Overhaul Centre For Helicopter	312
MTU Maintenance Canada Ltd.	Aircraft and Helicopter MRO	repair & overhaul of aeroplane engine component parts	310
CHC Helicopter Corporation	Air Transportation	Non-Scheduled Speciality Flying Services	140
Aeroinfo Systems - A Boeing Company	Aerospace and Aviation High-Tech	Aircraft Maintenance Planning Solutions Software Publisher	130
Helijet International Inc.	Air Transportation	Non-Scheduled Chartered Air Transportation	110
Horizon Air	Air Transportation	Airlines Service	81
McDonald Dettwiler & Associates Ltd (MDA)	Aerospace and Aviation High-Tech	Satellite Telecommunications	69
Cathay Pacific	Air Transportation	Airlines Service	63
United Airlines	Air Transportation	Airlines Service	60
Harbour Air Seaplanes	Air Transportation	Airlines Service	43
Epic Data International	Aerospace and Aviation High-Tech	Design, develop implement & support of automated data collection systems	22
Pacific Avionics	Aircraft and Helicopter MRO	Servicing Of Aircraft Electronics & Instruments	22
Pacific Coastal Airlines	Air Transportation	Non-Scheduled Chartered Air Transportation	22
Subtotal of these firms	n/a	n/a	3,539

Source: City of Richmond Business Inventory as of October 2012. Note that the list does not include all firms in the Aerospace and Aviation Sector in Richmond, so the total is less than the estimated 4,000 jobs in the sector.

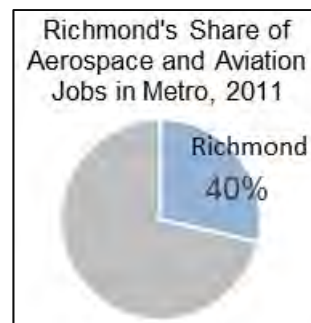
- 4. **Location pattern in Richmond:** Aerospace and Aviation firms in Richmond are mainly located at YVR and Sea Island and in the Crestwood business park area in North Richmond. There are also

some Aerospace and Aviation firms in South Richmond and in the City Centre (near the Richmond Oval), but these do not appear to be substantial agglomerations.

3.0 Richmond's Role in Metro Vancouver

There are an estimated 10,000 jobs in Aerospace and Aviation in Metro Vancouver¹⁸. With about 4,000 jobs¹⁹, Richmond accounts for about 40% of the regional employment in this sector. This is more than any other municipality in the region and reflects that:

- YVR is located in Richmond, which handles the vast majority of scheduled domestic and trans-border flights and all international flights in the region.
- Most activities associated with the day-to-day operations of YVR are concentrated in Richmond.
- Richmond is home to many companies that require a location near YVR, particularly firms in the Aerospace & Aviation High-Tech and the Aircraft and Helicopter MRO sub-clusters.
- Almost all air-to-sea/sea-to-air and air-to-ground/ground-to-air cargo transfers in the region are handled in Richmond.
- Richmond is home to several aviation corporate headquarters, including CHC Helicopter Corporation, MTU Maintenance Canada Ltd., Helijet International Inc., and Highland Helicopters Ltd.
- The BCIT Aerospace Technology Campus, one of the region's two aerospace schools, is located at YVR.
- YVR has the largest amount of available airport-oriented industrial land in the region.



4.0 Existing and Potential Overlaps/Linkages with Other Business Clusters

The Aerospace and Aviation Sector is a highly productive and value-added sector. It generates significant benefits for other sectors of the economy given the diversity and the complexity of its value chain. Firms in the Aerospace and Aviation Sector buy goods and services from other organizations in the region, in turn generating spill-overs to other sectors of the economy.

In the Richmond context, there are existing and potential overlaps and linkages with:

- **Technology:** Aerospace and Aviation depend on a wide range of technologies and business solutions. Richmond's technology sector can benefit from growth in the Aerospace and Aviation Sector in the form of:
 - Increased sales and business.
 - Knowledge spill-overs (idea generation and innovation).

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

■ this cluster
■ overlap/links

¹⁸ Based on data from the Vancouver Economic Commission, "Media Background, Aerospace Industry."

¹⁹ Based on the City of Richmond Business Inventory as of October 2012.

- Human capital development and retention.
- **Transportation, Warehousing, & Logistics:** Metro Vancouver's position as an Asia Pacific Gateway Region involves direct interactions between the Aerospace and Aviation and Transportation, Warehousing, and Logistics Sectors (e.g. Port Metro Vancouver facilities). The growth of intermodal cargo transport (land-sea-air) creates benefits across these sectors, especially in Richmond where major airport, sea port, and rail facilities exist and permit easy inter-modal connections.
- **YVR:** Richmond's Aerospace and Aviation sector is directly associated with the presence of YVR. YVR supports about 24,000 direct jobs and 23,000 indirect jobs in Metro Vancouver²⁰, the largest share of which are in Richmond. These figures include jobs related directly to the airport's operations (e.g. airline services, aircraft maintenance, repair and overhaul) as well as related activities (e.g. restaurants, retail, hotels, car rental agencies, ground transportation, safety and security). YVR has a key role to play in the sector for the following reasons:
 - A large share of the jobs in the Aerospace and Aviation sector in Richmond are directly related to the airport's day-to-day operations.
 - A large share of the potential growth of the sector is linked to YVR airport passenger and cargo traffic growth.
 - The Vancouver Airport Authority controls the long-range land-use planning of the industrial land at Sea Island. This land is particularly attractive for firms in the Aerospace and Aviation industry.

5.0 Strategies for this Business Sector from the 2002 EDS

The 2002 EDS identifies YVR as a key sector for Richmond's economic development. However, it did not identify Aerospace and Aviation as a separate business sector.

6.0 Growth Prospects

This is a growth sector. Indicators suggest that the number of jobs in the Aerospace and Aviation Sector in Metro Vancouver grew by an average rate of about 5% per year from 2001 to 2009.²¹ If this growth rate continues, the Sector could grow by about 500 jobs per year in Metro Vancouver for the foreseeable future. If Richmond captures about 40% of this job growth (i.e. its current share of the region's Aerospace and Aviation jobs), it could see growth of about 200 new jobs per year in Aerospace and Aviation in Richmond.

In the regional context, growth in this sector will be influenced by:

- The ability to attract a stable or higher share of Canada's Aerospace and Aviation sector to BC and Metro Vancouver. Currently, the sector is primarily concentrated in Quebec and Ontario, with these two provinces accounting for nearly 75% of the nation's 80,000 Aerospace and Aviation jobs.²² With about 10,000 jobs, Metro Vancouver accounts for about 12.5% of national employment in Aerospace and Aviation.
- The growth of passenger and cargo air transportation in the region, which is associated with both growth on the local demand side (i.e. flights to/from the region) and growth of the transit traffic market (i.e. traffic connecting through YVR to another destination). As air transportation movements increase in the region, more air transportation support activities will be required, in turn creating jobs in the sector.

²⁰ Vancouver International Airport, "2010 Economic Impact Report".

²¹ Vancouver Economic Commission, "Media Background, Aerospace Industry".

²² Deloitte, "The Strategic and Economic Impact of the Canadian Aerospace Industry", October 2010.

- Continued technological changes that result in more automated processes and a reduced requirement for people in certain activities in the sector could have a downward pressure on job growth in this sector.

7.0 Implications for the 2014 Resilient Economy Strategy

- How can Richmond retain and attract more Aerospace and Aviation firms, particularly those that do not need a location directly at YVR?

Agriculture and Food/Beverage Production

1.0 Introduction

The Agriculture and Food/Beverage Production sector includes all activities related to farming as well as processing and producing food and beverage products.

Agriculture has played an important role in Richmond since its early history. Settlers were first attracted to Richmond because of the presence of fertile soils on Lulu and Sea Islands and along the Fraser River. Agriculture remains a key business sector in Richmond today.



Photo: Google Maps

2.0 Key Facts

1. **Number of jobs:** There were approximately 4,000 jobs in the Agriculture and Food/Beverage Production sector in Richmond in 2012.²³ About 80% of these (approximately 3,200 jobs) were at the 135 food/beverage production establishments located in Richmond and the balance (approximately 700²⁴ jobs) were at the 211 farms and 295 farm operators in Richmond.²⁵ Note that it is possible that the actual number of jobs at farms and farm operations in Richmond may be higher than estimated because some kinds of jobs may not be reported in Richmond's Business Inventory and/or in Statistics Canada employment statistics:

²³ Based on the City of Richmond Business Inventory as of October 2012 and estimates from Statistics Canada's 2011 Census of Agriculture and 2011 National Household Survey. The figures from the business inventory include full-time and part-time employment in the following NAICS category: 111-112 Farms, 311 Food Manufacturing, and 3121 Beverage Manufacturing. Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

²⁴ This is an estimate based on figures from Statistics Canada's 2011 Census of Agriculture and 2011 National Household Survey. There were 7,890 jobs in the farming industry in Metro Vancouver in 2011. Richmond accounted for about 8.2% of total farm wages and weeks of paid work in Metro Vancouver in 2011. Therefore, we assume that about 8.2% of Metro Vancouver's agriculture jobs were in Richmond.

²⁵ Metro Vancouver, "2011 Census of Agriculture Bulletin" based on the 2011 Census of Agriculture by Statistics Canada.

- A large share of activities in the agriculture sector is seasonal and takes place over a short period. Seasonal employees may not be included in the available statistics.
 - A large share of the work in the sector is temporary and/or part-time. A growing number of farm workers are temporary foreign workers. Temporary or part-time employees may not be reported in the available statistics.
 - Farming is often a family business. Family members working on the farm may not be classified as employees or paid workers in the available statistics.
2. **Clusters:** the Agriculture and Food/Beverage Production sector in Richmond includes the following clusters:
- a) *Farming:* This includes crop production and livestock farms. This cluster accounts for about 20% of the jobs in the Agriculture and Food/Beverage Production sector in Richmond.
 - b) *Food and Beverage Processing and Production:* This includes all employment in establishments primarily engaged in processing and producing food and/or beverages for human or animal consumption. This cluster accounts for about 80% of the Agriculture and Food/Beverage Production jobs in Richmond.
3. **Major firms in Agriculture and Food/Beverage Production sector in Richmond²⁶:**
- Ocean Fisheries (seafood product preparation and packaging).
 - Sunrich Fine Foods (fruit and vegetable preserving and specialty food manufacturing).
 - Grimm's Fine Foods (rendering and meat processing).
 - Global Gourmet Foods (food processing).
 - Que Pasa Mexican Foods (tortilla manufacturing).
 - Island City Baking Co (baked goods and frozen product manufacturing).
 - Ocean Spray Canada (receiving, cleaning, shipping fresh fruit).
4. **Interesting statistics²⁷:**
- Approximately 4,993 hectares (39%) of Richmond's land base is in the Agricultural Land Reserve (ALR). Most of Richmond's soils are organic, formed by river deposits from the Fraser River. This makes most of the land in the ALR prime agricultural land.
 - About 3,072 hectares of land are actively farmed by 211 farms.
 - Of the 211 farms in Richmond:
 - Most (56%) are less than 4 hectares, 34% are between 4 and 28 hectares, and about 10% are over 28 hectares.
 - Nearly half are owned by sole farmers and 30% are family farms.
 - Combined, they reported gross farm receipts of \$48.6 million in 2011.
 - The main crops grown in Richmond are cranberries and blueberries, accounting for respectively 39% and 25% of crops grown in Richmond in 2011. Other crops such as hay, potatoes, cabbage, strawberries, corn, and others are also grown at farms in Richmond. Livestock are also raised on farms in Richmond, although this represents a smaller share of the agricultural activity.
 - The median average of farmers in Richmond was 56.9 years old in 2011.

²⁶ Based on the City of Richmond Business Inventory as of October 2012.

²⁷ City of Richmond, "Agriculture Hot Facts".

3.0 Richmond's Role in Metro Vancouver

There are an estimated 24,000 jobs in the Agriculture and Food/Beverage Production sector in Metro Vancouver.²⁸ With about 4,000 jobs²⁹, Richmond accounts for just over 17% of the regional employment in this sector.

Key points about Richmond's role in the region in the Agricultural component of this sector are as follows:

- Richmond has 7.6% of Metro Vancouver's total farmed land, with 3,072 hectares.³⁰
- Richmond accounts for 7.5% of the total number of farms in Metro Vancouver.³¹
- Richmond accounts for about 10% of the crop farms, 3% of the livestock farms, and 4% of the greenhouse space in Metro Vancouver.³²
- Richmond's farms accounted for 6.2% of gross annual farm receipts reported in Metro Vancouver in 2011.³³
- Richmond's farms accounted for 8.2% of total weeks of paid work and 8.1% of total farm wages and salaries in Metro Vancouver in 2011.³⁴
- Richmond is the largest producer and exporter of cranberries in Metro Vancouver.
- Richmond is among the largest producers and exporters of blueberries in Metro Vancouver.



Key points about Richmond's role in the region in the Food/Beverage Production component of this sector are as follows:

- Richmond accounts for approximately 20% of the Food/Beverage Production jobs in Metro Vancouver.³⁵
- Richmond has the largest industrial floorspace inventory in Metro Vancouver, accounting for about 19% of the total industrial floorspace inventory in Metro Vancouver.³⁶
- Richmond is home to the fourth largest supply of vacant industrial land in the region (after Surrey/White Rock, Delta, and Maple Ridge/Pitt Meadows), accounting for about 14% of the undeveloped industrial land capacity in the region.³⁷
- With its proximity to the U.S. border and with the presence of YVR and the major Port Metro Vancouver facilities, Richmond is a major transportation and logistics centre and the only intermodal centre with easy connections to all four modes (road, sea, rail, air) in Metro Vancouver.

²⁸ Based on the 2011 National Household Survey from Statistics Canada. The figure includes all full-time and part-time employment in the following NAICS industry categories: 111-112 Farms, 311 Food Manufacturing, and 3121 Beverage Manufacturing.

²⁹ Based on the City of Richmond Business Inventory as of October 2012.

³⁰ Metro Vancouver, 2011 Census of Agriculture Bulletin based on the 2011 Census of Agriculture by Statistics Canada.

³¹ Metro Vancouver, 2011 Census of Agriculture Bulletin based on the 2011 Census of Agriculture by Statistics Canada.

³² Metro Vancouver, 2011 Census of Agriculture Bulletin based on the 2011 Census of Agriculture by Statistics Canada.

³³ Metro Vancouver, 2011 Census of Agriculture Bulletin based on the 2011 Census of Agriculture by Statistics Canada.

³⁴ Metro Vancouver, 2011 Census of Agriculture Bulletin based on the 2011 Census of Agriculture by Statistics Canada.

³⁵ City of Richmond Business Inventory updated as of October 2012 and 2011 National Household Survey.

³⁶ Avison Young, "Metro Vancouver Industrial Overview", Spring 2013.



³⁷ Metro Vancouver, "2010 Industrial Land Inventory, Metro Vancouver".

4.0 Existing and Potential Overlaps/Linkages with Other Business Clusters

The Agriculture and Food/Beverage Production sector has significant economic impacts on other sectors, including:

- **Tourism:** A large number of farms in Richmond have an agri-tourism component. There appears to be potential to expand this aspect of agriculture in Richmond.
- **Transportation, warehousing and logistics:** The Agriculture and Food/Beverage Production sector requires significant cargo transportation and warehousing services, including services related to Port Metro Vancouver and YVR. Growth of the Agriculture and Food/Beverage Production sector will create opportunities for transportation and warehousing firms in Richmond.

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

 this cluster
 overlap/links

5.0 Strategies for this Business Sector from the 2002 EDS

The 2002 EDS identifies “Agriculture” as a key sector for Richmond’s economic development. The recommended strategies for this sector in 2002 were as follows³⁸:

- “Encourage more value-added production and processing of agricultural products in Richmond.”
- “Participate in implementation of the recommendations of the 2021 Agricultural Viability Strategy to ensure the economic benefits to Richmond are maximized.”

6.0 Growth Prospects

The Agriculture and Food/Beverage Production sector has not been a fast-growing sector in British Columbia in the past decade. Available estimates suggest that employment in the sector experienced slow growth in the province from 2002 to 2012. Employment is estimated to have grown from about 56,400 jobs in 2002 to 57,800 jobs in 2012, or at an average growth of 0.2% per year.³⁹ In BC as a whole, this is made up of growth in the Food/Beverage Production component of the sector, which experienced average annual job growth of about 1.8% per year⁴⁰, but declining employment in Agriculture, which experienced average annual job decline of about 1.3% per year in BC during the same period.⁴¹

In Richmond, though, historic performance indicators suggest that the Agriculture component of sector experienced sustained growth over the past decade:

³⁸ Richmond’s 2002 EDS, page 60.

³⁹ BC Stats, Statistics by Subject. British Columbia Employment by Detailed Industry, Annual Averages. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013. The figures include employment in the following categories: Agriculture, food and beverage manufacturing.

⁴⁰ BC Stats, Statistics by Subject. British Columbia Employment by Detailed Industry, Annual Averages. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada.

⁴¹ BC Stats, Statistics by Subject. British Columbia Employment by Detailed Industry, Annual Averages. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada.

- Total farm wages and salaries and weeks of paid work both increased by an average of rate of 4.1% per year from 2000 to 2010 in Richmond.⁴²
- Gross Annual Farm Receipts increased by an average rate of 2.6% per year from 2000 to 2010 in Richmond.⁴³ This increase in farm receipts is a reflection of the shift towards more value-added production in Richmond over the past decade.

Historic employment data for Richmond is unavailable for the Food/Beverage Production component of the sector.

In the Richmond context, modest growth in this sector is anticipated and will be influenced by:

- **Increasing cost of agricultural land:** The cost of farmland has increased dramatically in Richmond over the past decade. This is mainly due to the rise in the number of land speculators targeting agricultural land in the region, anticipating that it may be possible to obtain a rezoning, land use re-designation, and/or ALR exclusion approval. This has the impact of increasing the market value of agricultural land beyond what agriculture activities can support. Many farmers decide to sell their land to speculators (as opposed to another farmer) because this option yields higher financial gains.
- **The future performance of the sector in Metro Vancouver:** Richmond's growth in the sector is directly linked to the future performance of the sector in Metro Vancouver. Barriers to growth specific to Metro Vancouver such as limited industrial land supply and the high cost of doing business may limit growth in the sector, in turn affecting Richmond's growth prospects.
- **The ability to capture a stable or higher share of Metro Vancouver's food/beverage production:** Currently, Richmond accounts for about 20% of the regional food/beverage production jobs. The shortage of suitable industrial land in Richmond coupled with ongoing initiatives and policies to attract industrial development to other municipalities in the region (and outside the region) may affect Richmond's share of regional growth in this sector.
- **Population growth:** Growth in this sector is linked in part to population growth in Metro Vancouver.
- **Continuity in farming/farm succession:** A significant number of farmers in Metro Vancouver are nearing retirement and are unable to find younger farmers to take over their farm, mainly because the younger generation is not attracted to the farming business. The ability to find younger farmers to take over existing farms in Richmond will influence growth in the sector. As older farmers reach retirement age, some farming activities may disappear because the younger generation is less attracted to the farming sector.
- **Food trends, such as the growing focus on locally-grown products.**

7.0 Implications for the 2014 Resilient Economy Strategy

- How can Richmond expand its "locally-grown" brand for crops as well as processed products made with local produce (e.g. organic juice, wine)?
- Is there an opportunity to expand agricultural tourism in the City?
- Are there measures that the City can take to help limit agricultural land speculation?
- Are there measures that the City can take to help attract younger farmers to Richmond?
- Are there measures that the City can take to help support food and beverage production firms in Richmond?

⁴² Metro Vancouver, 2011 Census of Agriculture Bulletin based on the 2011 Census of Agriculture by Statistics Canada.

⁴³ Metro Vancouver, 2011 Census of Agriculture Bulletin based on the 2011 Census of Agriculture by Statistics Canada.

- On paper, Richmond has the fourth largest supply of vacant industrial land in the region (after Surrey/White Rock, Delta, and Maple Ridge/Pitt Meadows), accounting for about 14% of the region's undeveloped industrial land capacity. However, based on discussions with industry representatives and stakeholders, there is a perception that Richmond is running out of vacant industrial land.

Regional Business Centre

1.0 Introduction

"Regional business centre" is not a traditional economic sector, but it is a key cluster of businesses and jobs that, while cutting across many sectors, share an interest in high density, transit-oriented, high amenity urban commercial environments. The economic strategy will not include "grow the consulting sector" or "grow the accounting business", but there is value in a strategic objective to protect and increase the capacity for high density-office space near rapid transit stations and improve the public realm in office precincts as a means of attracting a large share of regional-oriented office users.

This profile examines trends and prospects for Richmond as a Regional Business Centre.



Photo: Coriolis Consulting Corp.

2.0 Key Facts

1. **Number of jobs:** There are an estimated 13,000 jobs in the Regional Business Centre sector in Richmond, accounting for about 12% of total jobs located in the City.⁴⁴
2. **Firms:** the Regional Business Centre sector in Richmond has the following main types of Firms:
 - a) *FIRE:* The finance, insurance, and real estate group in Richmond is primarily locally-serving although there are some region-serving and export-oriented activities. This cluster accounts for about 25% of the Business Centre jobs in Richmond.
 - b) *Head Offices and Management of Companies:* This group includes establishments primarily engaged in managing companies, holding the securities or/and financial assets of companies, and influencing their management decisions. This includes establishments that act primarily as a

⁴⁴ Based on the City of Richmond Business Inventory as of October 2012. The figure includes all full-time and part-time employment in the following NAICS industry categories: 21 mining and oil and gas extraction, 5111 Newspaper, Periodical, Book and Directory Publisher, 52 Finance and Insurance, 531 Real Estate, 54 Professional, Scientific and Technical Services (less 5415 computer services, 5417 Scientific Research and Development Services), 561 Administrative and Support Services and 91 Government Services. Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

regional, national, and international head office. This cluster accounts for about 10% of the Business Centre jobs in the sector in Richmond.⁴⁵

- c) *Professional and Technical Services*: This group includes establishments primarily engaged in professional and technical services (e.g. legal, accounting, architectural, engineering, design, business consulting, public relations, advertising services). This cluster accounts for about 25% of the Business Centre jobs in Richmond.
- d) *Government Services*: This group includes all government services, including those of the municipal, provincial, and federal government. This cluster accounts for about 20% of the Business Centre jobs in Richmond.
- e) *Administrative and Support Services*: This group includes establishments where the primary activity is to support the day-to-day operations of other office-oriented organizations. This includes activities such as administration, preparing documents, taking orders from clients, collecting payments for claims, arranging travel, providing security and surveillance, cleaning buildings. This cluster accounts for about 20% of the Business Centre jobs in Richmond.

⁴⁵ Note that this estimate may not include some headquarters that are located within a company's manufacturing or distribution facilities.

3. Major firms in the Regional Business Centre Cluster in Richmond⁴⁶:

Company Name and Office Type	Type	Activity
City of Richmond	Government Services	Municipal Government
RCMP Detachment	Government Services	Local Police Detachment
Catalyst Paper – Corporate Head Office	Head Offices and Management of Companies	Manufacturer of pulp & paper
London Drugs Ltd – Corporate Head Office	Head Offices and Management of Companies	Administration for pharmacy Retail
MTU Maintenance Canada Ltd – Corporate Head Office	Head Offices and Management of Companies	Aircraft Maintenance, Repair and Overhaul
Bootlegger, Division of Comark Inc - Corporate Head Office	Head Offices and Management of Companies	Administration office for retail
T & T Supermarket Inc. – Corporate Head Office	Head Offices and Management of Companies	Administration office for retail supermarket
Great Canadian Casinos Inc – Corporate Head Office	Head Offices and Management of Companies	Management of casino facilities
Keg Restaurants Ltd – Corporate Head Office	Head Offices and Management of Companies	Administration office for restaurant chain
Nature's Path Foods Inc – Corporate Head Office	Head Offices and Management of Companies	Administration office for food manufacturer
Work Safe BC – Corporate Head Office	Head Offices and Management of Companies/ Government Services	Administration office for BC work safety agency.
Kirk Integrated Marketing Services Ltd	Professional and Technical Services and Head Offices and Management of Companies	Direct Mail Advertising
Fransen Engineering (FE) Ltd - Corporate Head Office	Professional and Technical Services and Head Offices and Management of Companies	Engineering Services
Royal Pacific Riverside Realty Ltd	FIRE	Real estate office
North American Air Travel Insurance Agents Ltd	FIRE	Insurance Broker
Coast Capital Saving Credit Union	FIRE	Credit Union

Source: Based on the City of Richmond Business Inventory as of October 2012.

4. Office market indicators⁴⁷:

- *Office floorspace inventory:* As of 2012, Richmond accounted for about 8% of the office floorspace inventory in the region, with about 4.1 million square feet of office space. This includes office space in the town centre, business parks, and office located in industrial areas.

⁴⁶ Based on the City of Richmond Business Inventory as of October 2012.

⁴⁷ Colliers International, Metro Vancouver Office Market Reports (1997 to 2012). Note that the floorspace figures do not include properties with less than 10,000 square feet of office space.

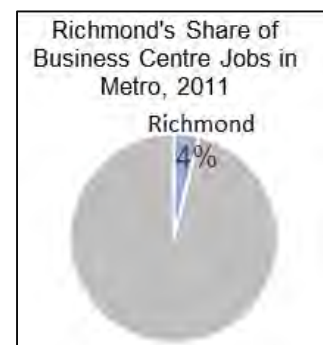
About 47% of Richmond's office inventory is Class A space (1.93 million square feet), about 44% is Class B space (1.8 million square feet), and the balance is Class C space.

- *Office floorspace growth:* From 1997 to 2012, Richmond's office floorspace inventory grew by an average rate of 0.3% per year or by about 9,500 square feet per year. This is net new space; the actual amount of office space construction activity was higher (i.e. construction activity is being partly offset by the conversion or demolition of existing office space). Richmond captured 1.25% of office floorspace growth in the region during this time period.
 - *Vacancy:* The most recent market information suggests that the office vacancy rate in Richmond is the highest in the region. The overall office vacancy rate has been about 20% to 22% in Richmond since 2011. In Metro Vancouver, the overall office vacancy rate ranged between 7.0% and 7.6% since 2011. Office vacancy in Richmond was the highest in Class B and Class C at about 22% to 23.5%, while vacancy averaged about 16% to 17% for Class A office space.
 - *Average annual lease rates:* Average annual net asking lease rates for office space in Richmond (\$14 to \$16 per square foot) are lower than the Metro Vancouver averages (\$20 to \$21 per square foot). Office lease rates are higher in Richmond than in Vancouver, North Vancouver, Surrey, and Burnaby.
5. **Locational patterns:** within Richmond, most office buildings are located in the City Centre, particularly along the No 3 Road corridor. However, other significant concentrations are located in:
- The Crestwood corporate centre in North Richmond.
 - Sea Island and YVR.
 - The industrial and business park area south of Steveston Highway in South Richmond.
 - Stand-alone office complexes along Westminster Highway.

3.0 Richmond's Role in Metro Vancouver

There are an estimated 305,000 jobs in the Regional Business Centre cluster in Metro Vancouver.⁴⁸ With about 13,000 jobs, Richmond accounts for just over 4% of the regional employment in this sector. Key points about Richmond's role in the regional Business Centre cluster are as follows:

- Richmond accounts for a small share of Metro Vancouver's office floorspace inventory, with only about 8% of the total office floorspace inventory in Metro Vancouver.⁴⁹
- One of the region's 8 designated Regional Town Centres is in Richmond.
- Richmond is home to several major corporate head offices.
- Richmond has become the main centre for Asian-oriented professional and financial services in Metro Vancouver, catering both to the regional Asian community and the general business community. For example, a large number of professional firms provide service in both English and Asian languages. Also, a large number of Richmond-based firms provide Asian-related expertise and business connections to Metro Vancouver companies doing business in Asia.



⁴⁸ Based on the 2011 National Household Survey from Statistics Canada. The figure includes all full-time and part-time employment in the following NAICS industry categories: 21 mining and oil and gas extraction, 5111 Newspaper, Periodical, Book and Directory Publisher, 52 Finance and Insurance, 531 Real Estate, 54 Professional, Scientific and Technical Services (less 5415 computer services, 5417 Scientific Research and Development Services), 561 Administrative and Support Services and 91 Government Services.

⁴⁹ Colliers International, Metro Vancouver Office Market Reports Q4 2012.


4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

The Regional Business Centre sector generates significant benefits for other sectors of the economy by providing services to other companies (i.e. forward linkages) and by buying goods and services from other organizations (i.e. backward linkages).

In the Richmond context, the Business Centre sector has the potential for positive economic impacts and linkages with the following business sectors:

- **Retail and Service:** Growth in the Business Centre sector will help support retail and service activities and generate day-time business in Richmond (e.g. firms buying goods and services, employees spending in local businesses).
- **Tourism:** Growth of the Business Centre sector, particularly in the head office and management of companies cluster, can support spin-off benefits to local hotels and other tourism-related activities by hosting corporate meetings and events in the City.

Business Clusters
1. Aerospace and Aviation
2. Agriculture & Food/Beverage Production
3. Regional Business Centre
4. Film and Media
5. Fishing
6. Health Care
7. Manufacturing
8. Post Secondary Education
9. Retail
10. Technology
11. Tourism
12. Transportation, Warehousing, Logistics
13. YVR

 this cluster overlap/links

5.0 Strategies for this Business Sector from the 2002 EDS

The 2002 EDS identifies the “Commercial” sector as a key sector for Richmond’s economic development, although most of the emphasis is placed on retail and service activities not commercial offices. The recommended strategies for this sector in 2002 were as follows:⁵⁰

- “Create a comprehensive Commercial Strategy for Richmond similar to the City’s Industrial Strategy”.
- “Ensure that a rolling five-year supply of appropriately zoned commercial land is available in Richmond”.
- “Work with the commercial development industry to ensure that Richmond is on top of commercial trends and issues affecting economic development”.
- “Continue to pursue the extension of rapid transit to Richmond as part of making the City Centre more attractive for commercial and residential development”.

6.0 Growth Prospects

This is a growth sector. Available indicators suggest that employment in the Business Centre sector in BC grew from about 403,000 jobs in 2002 to 482,000 jobs in 2012, or by an average growth rate of 1.8% per year.⁵¹

In the Richmond context, growth in this sector will be influenced by:

⁵⁰ Richmond's 2002 EDS, page 69.

⁵¹ BC Stats, Statistics by Subject. *British Columbia Employment by Detailed Industry, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013. The figures include employment in the following categories: Finance, insurance, real estate and leasing, professional, scientific and technical services (less computer system design services), business, building and other support services (less waste management and remediation services), publishing industries, and public administration.

- *Future growth of the Regional Business Centre sector in Metro Vancouver:* Richmond's growth in the sector is directly linked to the performance of the sector in the region. Currently, Richmond accounts for about 4% of the jobs in the Regional Business Centre sector and 8% of the region's office floorspace inventory. With the completion of the Canada Line to Richmond's Town Centre in 2009, the opportunity to attract more office development to Richmond City Centre has improved but there is significant competition for this kind of office growth from other transit-served office nodes outside of Downtown Vancouver, such as the Broadway corridor, Surrey Central, Metrotown, and Brentwood Town Centres.
- *Population growth in Richmond and the surrounding trade area:* A large share of the Regional Business Centre sector is made up of community-serving businesses that tend to locate near the population they serve. Future population growth in Richmond (and South Vancouver, Delta, and Tsawwassen) will support additional employment in this sector in Richmond.
- *Vacant land shortage and pressure to redevelop properties for residential use:* There is a perception that Richmond is running out of readily available employment land in the "right" locations. In the Town Centre, new office development has to compete with high-density residential development which usually yields higher financial returns and can bid up the price of centrally-located land.
- *Height restrictions due to YVR's flight zone:* Office development in Richmond City Centre is constrained by federal regulations on height limits for buildings within the airport's flight zone.
- *Office supply and demand mismatch:* The nature of the existing office space inventory in Richmond does not match current market demand. There is significant demand for transit-oriented Class A office space in the region. However, most Class A office vacancy in Richmond is in business parks and stand-alone office complexes located outside the City Centre and away from rapid transit. There is a perception that Richmond is disadvantaged in this respect relative to Burnaby and Vancouver, where there is good quality business park office space near rapid transit (e.g. Lake City, Great Northern Way).

7.0 Implications for the 2014 Resilient Economy Strategy

- What can the City do to help address the high office vacancy rate in some areas of Richmond?
- There is an opportunity for Richmond to play a more significant role in the regional Business Centre office market, but what measures can the City take to ensure that a share of redevelopment and new growth in Richmond City Centre accommodates office and employment space that wants a transit-served location?
- What measures can the City take to seek improved transit service in non-City Centre employment areas?

Film and Media

1.0 Introduction

Richmond has become a popular “shot on location” filming destination over the past decade. The most popular filming locations in Richmond are Steveston and YVR. Several high profile productions such as Mission Impossible 4, Diary of a Wimpy Kid 3, Once Upon a Time, The X-Files, Fantastic Four: Rise of the Silver Surfer, The Sisterhood of the Traveling Pants, and the new Godzilla were partly or entirely filmed in Richmond. The City has a Film Office that acts as a “one stop shop” for the film industry by providing assistance with location selection, the permitting process, and liaising with other agencies.

Richmond also has a niche in the Asian media industry.

The Film and Media sector includes all activities related to the production and distribution of film and media content, such as filming, production and post-production services, exhibition services, and motion picture processing and developing services.



Photo: Steveston Insider



Photo: Steveston Insider

2.0 Key Facts

1. **Number of jobs:** Available data suggests that there were at least 800 jobs supported by the Film and Media sector in Richmond in 2012⁵², although the actual number of jobs is likely higher because:
 - Some film-related employment is not tied to a Richmond-based firm (e.g. technical crews, actors, producers, and directors that are based in the United States or elsewhere in Canada but work on projects in Richmond).
 - Firms in the Film and Media sector rely heavily on freelance and contractual (casual) workers (e.g. support role actors, freelance journalists, contract technicians).
 - A large share of the work in the sector is occasional and part-time.

⁵² Based on the City of Richmond Business Inventory as of October 2012. The figure includes all full-time and part-time employment at "Richmond-based" and "non-residential businesses" with a City of Richmond business licence in the following NAICS industry categories: 51111 Newspaper publishers, 512 Motion Picture and Sound Recording Industries, and 515 Broadcasting. Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

2. **Clusters:** The Film and Media sector in Richmond includes the following clusters of activities:

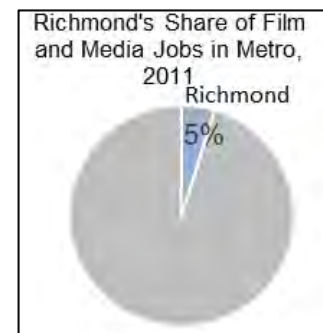
- *Film and sound recording and related activities:* This includes firms primarily engaged in producing and distributing motion pictures, videos, television programs, commercials, and sound recordings. This cluster includes employment associated with film productions that take place periodically in the City (such as the 32 movies, commercials, and television shows that were filmed in Richmond in 2011⁵³) and related activities (e.g. equipment rental) as well as sound and video recording studios based in Richmond. This cluster accounts for about 25% of the Film and Media jobs in Richmond.
- *Radio and television broadcasting:* This includes all employment at radio and television broadcasters based in Richmond, most of which is at Chinese-language Fairchild television and radio stations based at Aberdeen Centre. This cluster accounts for about 45% of the Film and Media jobs in Richmond.
- *Newspaper publishing:* This includes all employment at newspaper publishers based in Richmond, most of which is at the Chinese-language Ming Pao Daily News and at the bi-weekly Richmond News and Richmond Review newspapers. This cluster represents about 30% of the Film and Media jobs in Richmond.

3.0 Richmond's Role in Metro Vancouver

There are an estimated 15,000 jobs in the Film and Media sector in Metro Vancouver.⁵⁴ With about 800 jobs, Richmond accounts for just over 5% of the regional employment in this sector.

Richmond's role in the regional Film and Media sector can be characterized as follows:

- Richmond is a major "shot on location" filming destination in the region, particularly in Steveston and at YVR, but Richmond does not have any major production studios. Major studios in the region are located in Vancouver, North Vancouver, and Burnaby.
- Richmond is a significant player in the region's Chinese-language media, with the studios and offices of Fairchild TV and Radio stations and the Ming Pao Daily News.
- The diversity of places and environments in Richmond (e.g. historic sites, urban setting, nature, airport) are competitive advantages for Richmond.



⁵³ Richmond Economic Development. Filming, Richmond Sector Profile. Note that because of the reasons stated in Section 2.1, this estimate may not reflect the actual number of jobs in the sector in metro Vancouver.



⁵⁴ Based on the 2011 National Household Survey from Statistics Canada. The figure includes all full-time and part-time employment in establishments in the following NAICS industry categories: 51111 Newspaper Publishers, 512 Motion picture and sound recording industries and 515 Broadcasting.

4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

Despite the relatively small number of reported jobs in the Film and Media sector in Richmond, this sector has significant economic impacts for the City such as:

- Significant national and international publicity which benefits the Tourism sector in Richmond. Steveston Village has seen an increase of domestic and international visitors since the village was featured in the popular American television show “Once Upon a Time” as “Storybrooke”.
- Spill-overs are or could be generated for Richmond’s Technology and Manufacturing sectors as Film and Media firms rely heavily on diverse technologies.
- Spill-overs are or could be generated for Richmond’s Transportation, Warehousing, and Logistics sectors as film and television productions require the transport of large amounts of specialized equipment by sea and air.
- Industrial and warehousing properties in Richmond are regularly used as filming locations.

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Business Centre Offices
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

 this cluster
 overlap/links

5.0 Strategies for this Business Sector from the 2002 EDS

The 2002 EDS identified “Film” as a key sector for Richmond’s economic development and recommended the following strategies at that time:⁵⁵

- “Adopt a policy stating that the City is “film friendly” and support the industry operating in the community.”
- “Create a film location inventory for Richmond, particularly municipal properties, and provide to the BC Film Commission for its library.”
- “Review City regulations and fee schedules for the film industry.”

6.0 Growth Prospects

This is likely to be a stagnant or declining sector for the foreseeable future.

Film and Media was a strong growth sector in BC and Metro Vancouver in the 1990s, but employment in the sector has declined over the past decade. For example, available estimates suggest that employment in the sector declined by an average of 2.3% per year in BC from 2002 to 2012, from about 44,000 jobs in 2002 to 35,000 jobs in 2012.⁵⁶ This is equivalent to a loss of about 900 jobs per year in the sector in BC over this timeframe.⁵⁷ Heavy competition from other jurisdictions (particularly Quebec and

⁵⁵ Richmond’s 2002 EDS, page 78.

⁵⁶ BC Stats, Statistics by Subject. *British Columbia Employment by Detailed Industry, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013. The figures include employment in the following categories: Publishing Industries, Motion picture and sound recording industries and Broadcasting.

⁵⁷ BC Stats, Statistics by Subject. *British Columbia Employment by Detailed Industry, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada

Ontario) in the form of aggressive tax credits for the film industry has hurt the film and television component of this sector in BC. In addition, changes in the media sector (e.g. mergers and acquisitions, shift to online media) are also contributing to job loss in this sector in BC.

In Richmond, the Film and Media sector will be influenced by these main factors:

- *The future performance of the Film and Media Sector in BC:* Richmond's growth in the sector is directly linked to the performance of the sector in the province.
- *The ability to capture a stable or higher share of Metro Vancouver's "shot on location" film and television activities.*
- *The consolidation and development of Chinese-language media:* Ethnic media is a growing segment of the media market in Canada. Richmond is in a particularly good position to benefit from these growing activities considering its role as Metro Vancouver's centre of Chinese-language media and its multicultural demographic profile.

7.0 Implications for the 2014 Resilient Economy Strategy

- Should the City try to attract production studios or continue to focus on "shot on location" film and television?
- How can the City help to maximize the local economic impacts of the Film and Media industry?
- How can the City maximize its potential for growth in the Chinese-language media component of this sector?

Fishing

1.0 Introduction

Fishing played an important role in Richmond's history, particularly in the historic fishing village of Steveston. In the 19th century, the village became the salmon capital of the world with its large concentration of salmon canneries and large fishing fleet. Steveston also became a major shipbuilding and boatbuilding centre. While the salmon canning and shipbuilding industries have since closed, fishing remains a major economic activity in Richmond:

- Steveston Harbour is home to the largest commercial fishing fleet in Canada with 500 to 600 vessels.⁵⁸
- Steveston Harbour is the only major commercial fishing harbour in Metro Vancouver. In addition to the fisherman's wharves, the harbour is home to a cluster of over 50 businesses which provide a wide range of goods and services to the commercial fishing fleet.
- Sea products caught by the fishing fleet include salmon, cod, halibut, crab, shrimp, and prawns.

The Fishing sector includes a wide range of activities related to fishing and fish/seafood processing.



Photo: Coriolis Consulting Corp.

2.0 Key Facts

1. **Number of jobs:** available data suggests that there are approximately 2,500 jobs⁵⁹ in the Fishing sector in Richmond as of 2012, including about 1,250 jobs⁶⁰ in fishing and support activities, although the actual number of jobs in this sector in Richmond is difficult to determine because:

⁵⁸ Steveston Harbour Authority website.

⁵⁹ Based on data from the City of Richmond Business Inventory as of October 2012 and Statistics Canada's 2011 National Household Survey. The estimate of 2,500 jobs assumes that all of the Fishing jobs in Metro are in Steveston (about 1,000 jobs), and that the full-time and part-time employment reported in the following NAICS codes in the City's Business Inventory are in addition: 1141 Fishing, 3117 Seafood Product Preparation and Packaging, 41314 Fish and Seafood Product wholesaler-distributors, and 4883 support activities for water transportation located at Steveston Harbour. Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the

- A large share of fishing activities is seasonal and takes place over a very short period.
- A large share of the work in the sector is temporary and/or part-time.
- Fishing is often a family business. Family members working on the fishing vessels may not be classified as employees or paid workers in the City's business registry or in census employment statistics.

2. **Clusters:** the Fishing sector in Richmond includes the following clusters of activities:

- *Fishing and support activities:* this includes a wide array of core and support activities related to commercial fishing, such as fishing, vessel moorage and repair, fish and seafood unloading, brokerage, and storage. Most businesses in this cluster are small independent businesses. This cluster is almost entirely concentrated at Steveston Harbour and accounts for about half of the Fishing jobs in Richmond.
- *Fish/seafood processing:* this includes all activities related to the processing of fish and seafood such as canning, smoking, salting and drying, shucking and packing, and freezing fish/seafood. This cluster is made up of both small independent businesses and larger companies. Fish/seafood processing takes place in several locations throughout Richmond, including at Steveston Harbour, in the South Richmond industrial park, and in other industrial areas in North and East Richmond. This cluster accounts for about half of the jobs in the Fishing sector in Richmond.

3. **Major employers in the Fishing sector in Richmond:**

Business Name	Business Description	Approximate Number of Employees
Ocean Fisheries Ltd.	Fish processing & canning	310
Blundell Seafoods Ltd.	Wholesale seafood	100
Precision Processing International Inc.	Cutting and packaging fresh or frozen seafood	70
Grand Hale Marine Products Co Ltd.	Seafood processing	60
Oceanfood Industries Ltd.	Seafood processing	60
Hi-To Seafood Express Ltd.	Seafood processing and wholesale distribution	50
Kanata Holdings Ltd.	Custom fish processing	45
Tri-Star Seafood Supply Ltd.	Wholesale seafood	45
Paladin International Food Sales Ltd.	Repackaging and wholesale seafood	40
Kawaki (Canada) Ltd.	Seafood processing plant	40
Seagate Fisheries Ltd.	Fish processing plant	40
Azuma Foods (Canada) Co Ltd.	Seafood manufacturing for wholesale	40

Source: City of Richmond Business Inventory as of October 2012.

clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

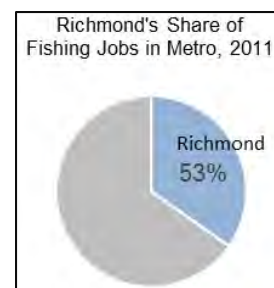
⁶⁰ The estimate of 1,250 jobs includes the 1,000 jobs in Fishing in Metro as reported in the 2011 National Household Survey plus about 250 jobs in support activities related to Fishing as per the City of Richmond Business Inventory as of October 2012.

3.0 Richmond's Role in Metro Vancouver

There are an estimated 4,700 jobs in the Fishing sector in Metro Vancouver⁶¹. With about 2,500 jobs, Richmond accounts for just over 50% of the regional employment in this sector. Looking just at fish/seafood processing jobs, Richmond accounts for approximately 30% of the region's jobs in this cluster.⁶²

Richmond's role in the region's Fishing sector includes the following:

- Steveston is the only major commercial fishing harbour in Metro Vancouver.
- Almost all of the fishing-related employment in Metro Vancouver is in Richmond.
- The region's only large public fish sales float is located in Richmond. This draws visitors from the entire region.



4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

The Fishing sector has significant economic impacts on other sectors, including:

- *Tourism*: the large commercial fishing fleet and fresh sea products on sale at Steveston Harbour are a major visitor attraction in Richmond.
- *Transportation, warehousing, and logistics*: The Fishing sector requires significant cargo transportation and warehousing services, including those connected with Port Metro Vancouver and YVR. The growth of the sector will create opportunities for transportation and warehousing firms in Richmond.

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

■ this cluster
■ overlap/links

5.0 Strategies for this Business Sector from the 2002 EDS

Richmond's 2002 EDS identified "fishing" as a key economic sector for Richmond's economic development and included the following strategies at that time:⁶³

- "Encourage more value-added fish processing in Richmond."

⁶¹ Based on data from the 2011 National Household Survey from Statistics Canada. The estimate of 4,700 jobs includes almost all of the jobs in NAICS category 114 Fishing, hunting, and trapping (as there are almost no commercial hunting and trapping activities in Metro) and about 25% of the jobs in NAICS category 311 Food manufacturing (which is the same share of the food manufacturing subsector in Richmond that is fish and seafood related as per the City's business inventory).

⁶² Based on data from the City of Richmond Business Inventory as of October 2012 and the 2011 National Household Survey from Statistics Canada, we estimate that there are about 1,200 jobs in fish/seafood processing in Richmond and about 3,600 jobs in Metro Vancouver.

⁶³ Richmond 2002 EDS, page 79.

- “Support expansion of the local fishing industry into new fish species and products, including at Steveston Harbour.”

6.0 Growth Prospects

This sector is likely to be stagnant or see continued modest declines in employment in the foreseeable future.

At a provincial level, employment in the Fishing sector experienced an average decline of about 1.9% per year in BC from 1990 to 2011.⁶⁴ Historic employment data for the Fishing sector is unavailable for Richmond, but there has been a declining number of commercial fishing vessels at Steveston Harbour over the past 30 years or so (from about 1,450 in the mid-1980s to about 600 today)⁶⁵, suggesting a long-term decline in Fishing activities in Richmond as well.

In Richmond, growth prospects in the Fishing sector depend on several factors, including:

- *Population growth:* A growing regional population can help support demand for fish and seafood products.
- *Annual fishing and market conditions:* The yearly fishing conditions, particularly those related to the overall weather, water temperature, and fish stocks, will influence the Fishing sector in Richmond. In addition, market conditions (e.g. the value of the product on the market) and other related issues (trade tariffs, exports barriers) can have a significant influence on fishing activity in Richmond.
- *The ability to capture a stable or higher share of Metro Vancouver’s fish/seafood processing jobs.* Currently, Richmond accounts for about 30% of the region’s fish/seafood processing jobs. The ability to retain and attract fish/seafood processing jobs is in part dependent on having a good supply of industrial land in suitable locations (e.g. near Steveston).
- *Ensuring succession and continuity:* many fishermen are nearing retirement and are unable to find a younger fisher to take over their fishing activities (because the younger generation is not attracted to the fishing business).

7.0 Implications for the 2014 Resilient Economy Strategy

- Is there an opportunity to increase recreational fishing and sailing in Steveston to offset the impacts of the decreasing commercial fleet?

⁶⁴ BC Stats. “British Columbia’s Fisheries and Aquaculture Sector”, 2012 Edition. There were about 20,800 jobs in fishing and fish/seafood processing in BC in 1990 and only 13,900 jobs by 2011.

⁶⁵ Richmond News. Fishermen embrace Steveston’s changing tides. August 3, 2012.

Health Care

1.0 Introduction

The Health Care sector includes all health care services supported by the population of the local community (e.g. family medical/dental, clinics) as well as region-serving facilities such as hospitals and specialized services.

In Richmond, the Health Care sector includes:

- Richmond General Hospital, which is a 175 bed hospital serving the needs of residents in Richmond, Delta, and Tsawwassen as well as travellers using the Vancouver International Airport and the Tsawwassen Ferry Terminal.
- A large network of clinics and other local health services.

2.0 Key Facts

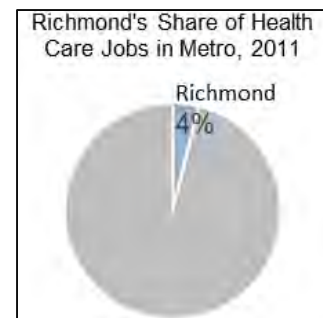
1. **Number of jobs:** There are about 5,000 jobs in the Health Care sector in Richmond as of 2012, including⁶⁶:
 - About 3,000 jobs at Richmond General Hospital.⁶⁷
 - About 2,000 jobs in a network of about 500 health care establishments, such as medical, dental, psychiatrist, chiropractic, massage therapy, and other health care professional services.⁶⁸

3.0 Richmond's Role in Metro Vancouver

There are an estimated 121,000 jobs in the Health Care sector in Metro Vancouver.⁶⁹ With about 5,000 jobs, Richmond accounts for about 4% of the regional employment in this sector.

Key aspects of Richmond's role in the regional Health Care sector include:

- Richmond is one of Metro Vancouver's main sub-regional health care centers with the presence of Richmond General Hospital.
- Richmond has a large number of health professionals serving the region's Asian community. For example, a large number of Richmond-based health care professionals provide service in both English and Asian languages.



⁶⁶ Based on data from the City of Richmond Business Inventory as of October 2012. Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

⁶⁷ Richmond Hospital Foundation website ("About Richmond Hospital" page).

⁶⁸ Based on the data from the City of Richmond Business Inventory as of October 2012. The figure includes all full-time and part-time employment in NAICS 62 health care and social assistance.



⁶⁹ Based on data from Statistics Canada, "2011 National Household Survey". This figure includes all employment in NAICS 62 health care and social assistance.

4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

The Health Care sector has several economic impacts in other sectors of the economy:

- Health care institutions and services buy goods and services from other organizations (i.e. backward linkages) in Richmond (e.g. from firms in the Technology, Manufacturing).
- Related health care services often tend to cluster in central, transit-served locations near a major hospital or clinics, which is linked to the Regional Business Centre sector.
- The quality of the local health care system constitutes a factor that firms and individuals may consider in their decisions about where to set up a business or choose to live.
- On average, workers and professionals in the Health Care sector have a higher discretionary income than the regional average, which generates the potential for benefits in the Retail sector in Richmond.

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

 this cluster
 overlap/links

5.0 Strategies for this Business Sector from the 2002 EDS

Richmond's 2002 EDS includes health care as part of the "Public" sector and recommended that the City help to "promote Richmond's health care system and post-secondary educational institutions as advantages of locating in the City."⁷⁰

6.0 Growth Prospects

This is a growth sector. Employment in health and social assistance services grew by an average rate of 2.4% per year in Metro Vancouver from 2002 to 2012.⁷¹ The region's growing and aging population is generating more demand for health care services and this trend is expected to continue.

In Richmond, employment growth in the Health Care sector will be influenced by these factors:

- *Population growth:* Population growth and changing demographics (aging population) in Richmond, Delta, Tsawwassen, and South Vancouver will generate demand for health care services in Richmond.
- *Changes in health care service delivery:* The transfer of bed capacity from other parts of Metro Vancouver to Richmond (or vice versa) and the rise of home support services could influence growth prospects in Richmond.
- *The ability to attract a higher share of Metro Vancouver's specialized health care services:* Richmond is in a good position to attract additional specialized health care services.

⁷⁰ Richmond's 2002 EDS, page 81.

⁷¹ BC Stats, Statistics by Subject. *Employment by Industry for the Metropolitan Areas, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013.

7.0 Implications for the 2014 Resilient Economy Strategy

- Is there an opportunity to promote Richmond as having a cluster of health care services serving the regional Asian community?

Manufacturing

1.0 Introduction

Richmond is home to a significant share of the region's manufacturing firms, including a large number of head offices for manufacturing firms with a national or global reach.

"Manufacturing" includes activities primarily involved in the physical or chemical transformation of materials or substances into new goods.



Photo: Ebco Industries Ltd.

Manufacturing activities can be grouped into two broad categories:

- **Heavy Industry:** This group includes activities that are capital-intensive, carry high barrier costs to entry, have large land and space requirements, and often involve greater environmental impacts. The heavy industry production process usually uses large amounts of raw materials and energy and requires large and expansive machinery. Heavy industry outputs are often aimed at other businesses in the value chain rather than at end-users. Examples of heavy industry include resource extraction and primary transformation (oil, and gas, forestry, mining), chemicals and plastics, and industrial machinery.
- **Light Industry:** This group includes manufacturing activities that are less capital-intensive (relative to heavy industry), require a smaller amount of raw material, energy and land, and involve smaller environmental impacts. Light industry produces products of relatively high value aimed at end-users rather than businesses of a value chain. Examples of light industry include food and beverage, clothing, electronics, and furniture manufacturing.

Manufacturing activities can also be divided into "regionally-serving" and "export-oriented":

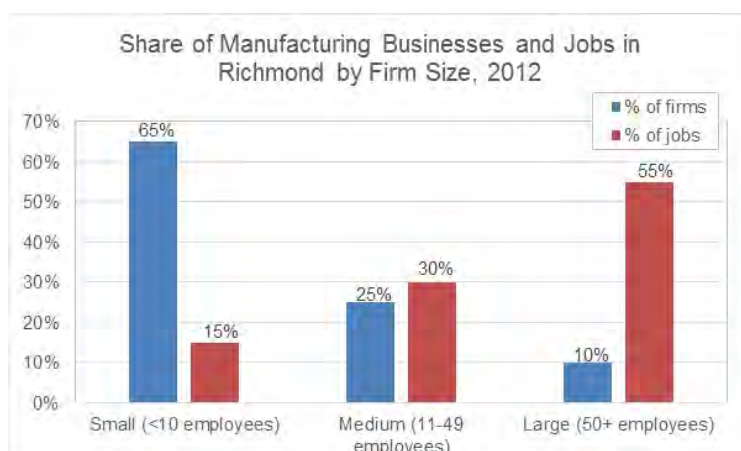
- **Regionally-serving:** This group includes manufacturing activities that produce goods to meet the demand of the region's population and businesses. Such activities general include the production of non-specialized goods (e.g. food and beverages, construction materials) and the growth of this segment is tied to growth of the region's population and businesses.

- **Export-oriented:** This group includes manufacturing activities that produce goods that are exported outside the region. This category generally includes the production of more specialized goods that cater to a larger market than just the surrounding region. Growth of this segment primary depends on the attractiveness and competitiveness of Metro Vancouver as an industrial location relative to other North American metropolitan areas.

Richmond has both heavy and light industry and both region-serving and export-oriented manufacturing.

2.0 Key Facts

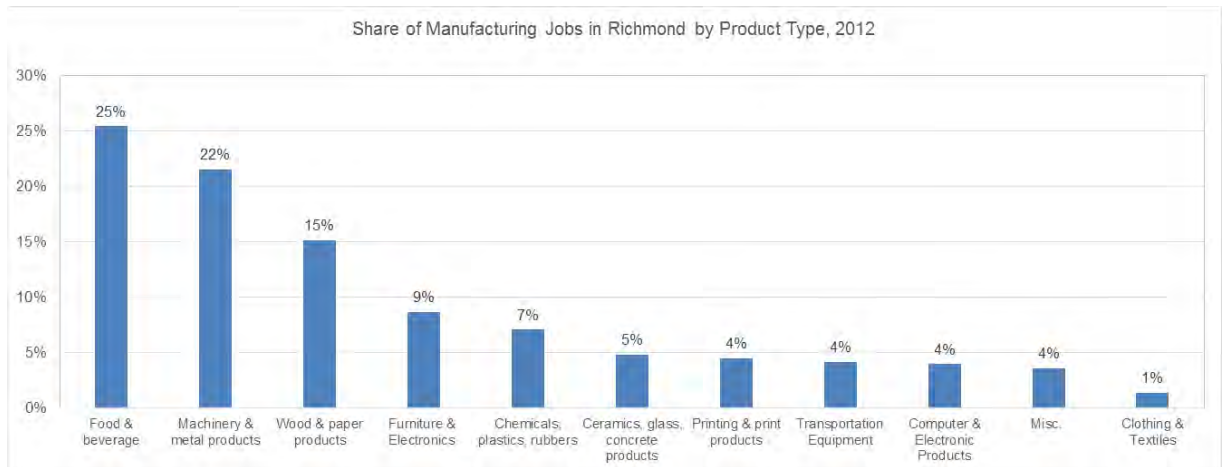
1. **Number of jobs:** There are about 13,000 people⁷² employed in approximately 690 manufacturing businesses in Richmond, which is equivalent to about 12% of total employment in Richmond. It is interesting to note that:
 - About 55% of Richmond's manufacturing jobs are in light industry and 45% in heavy industry.⁷³
 - Most (65%) of Richmond's manufacturing firms are small (less than 10 employees), but larger manufacturing companies (50+ employees) account for over half of the manufacturing jobs in Richmond.



- There is a diverse and wide range of products being manufactured in Richmond, but over 60% of Richmond's manufacturing jobs are in the food & beverage, machinery & metal products, wood & paper products.

⁷² Based on the City of Richmond Business Inventory as of October 2012. The numbers include all full-time and part-time employees in manufacturing businesses in Richmond. Note that the figures indicate employment in Richmond only (i.e. if a firm has more than one location, only its Richmond-based employment is included). Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

⁷³ "Heavy industry" includes the manufacturing of wood, paper, petroleum and coal, chemical, plastic and rubber, non-metallic mineral, primary metal, fabricated metal, and machinery products. "Light industry" includes the manufacturing of food and beverage, textile and clothing, printing, computer and electronic, electric, transportation, furniture, and other items.



2. **Major Manufacturing firms in Richmond:** 26 of the nearly 690 manufacturing firms in Richmond have 100 employees or more, including 18 firms with their Canadian or global head office in Richmond.

Company Name	Category	Activity	Approximate # of Employees in Richmond	Head Office in Richmond
Ebco Industries Ltd	Machinery and Metal Products Manufacturing	Coating, Engraving & Heat Treating Activities	450	Yes
Richmond Plywood Corporation Ltd	Wood and Paper Product Manufacturing	Sawmills (except Shingle & Shake Mills)	375	Yes
Crown Packaging Ltd	Wood and Paper Product Manufacturing	Paper (except Newsprint) Mills	375	Yes
Tree Island Industries Ltd	Machinery and Metal Products Manufacturing	Steel Wire Drawing	370	Yes
Ocean Fisheries Ltd	Food & Beverage Manufacturing	Fish processing & canning	310	No
Sunrich Fresh Foods Inc	Food & Beverage Manufacturing	Fruit & Vegetable Preserving & Speciality Food Mfg.	250	Yes
Grimm's Fine Foods	Food & Beverage Manufacturing	Rendering & Meat Processing from Carcasses	200	Yes
Fleet Maintenance Unit - BC Ferry Services Inc	Boat and Ship Building & Repairing	Ferry maintenance & refitting service	190	No
Canadian Springs Water Company	Food & Beverage Manufacturing	Soft Drink & Ice Mfg.	180	No
Vae Nortrak Ltd	Machinery and Metal Products Manufacturing	All Other Miscellaneous Fabricated Metal Product	160	Yes
Great Little Box Company Ltd	Wood and Paper Product Manufacturing	Corrugated & Solid Fibre Box Mfg.	160	Yes
Norampac Inc	Wood and Paper Product Manufacturing	All Other Converted Paper Product Mfg.	140	No
Con-Force Structures	Concrete Product Manufacturing	Manufacturing concrete slabs for buildings, bridges	140	No
Teleflex Canada	Boat and Ship Building & Repairing	Manufacturer Of Marine Steering/Control Systems	130	Yes
Bulldog Bag Ltd	Wood and Paper Product Manufacturing	Paper Bag & Coated & Treated Paper Mfg.	130	Yes
GEA Aerofreeze Systems Inc	High-Tech Manufacturing	Heating & Commercial Refrigeration Equipment	130	Yes
VTech Technologies Canada Ltd	High-Tech Manufacturing	Educational Electronic Learning Aids	125	Yes
Terminal Forest Products Ltd	Wood and Paper Product Manufacturing	Sawmill- Lumber manufacturing	120	Yes
Que Pasa Mexican Foods Ltd	Food & Beverage Manufacturing	Tortilla Manufacturing	120	Yes
Oce Display Graphic Systems	High-Tech Manufacturing	Digital film recorders, imaging equipment Mfg.	115	Yes
Teldon Print Media	Printing	Printing & Shipping of printed matter	110	Yes
Lafarge Canada Inc.	Building Material Manufacturing	Clay Building Material & Refractory Mfg.	100	No
Univar Canada Ltd	Chemical Manufacturing	Miscellaneous Chemical	100	Yes
Global Gourmet Foods Inc.	Food & Beverage Manufacturing	All Other Food Manufacturing.	100	No
Viceroy Homes Ltd	Wood & Paper Products	Prefabricated Wood Building	100	No

Source: City of Richmond Business Inventory as of October 2012 and online research conducted by Coriolis Consulting Corp. in August 2013.

3. Location patterns of Manufacturing Firms within Richmond:

- The largest concentration of manufacturing firms and industrial floorspace in Richmond is in North Richmond, particularly along the Fraser River, Knight Street, and No. 6 Road and on Mitchell Island.
- A notable concentration of manufacturing businesses exists in the City Centre, particularly along River Road.
- A notable concentration of manufacturing businesses exists in the industrial and business park area located south of Steveston Highway in South Richmond.
- The main cluster of port-oriented manufacturing activities is located along the south arm of the Fraser River in East Richmond.
- The main cluster of airport-oriented manufacturing activities is at Sea Island.
- Heavy industry activities (e.g. sawmills, ship building and repair, and concrete, wood, and paper manufacturers) are located along the river banks in the City Centre, on Mitchell Island, and along the Fraser River in both North Richmond and in East Richmond.
- Two small industrial clusters exist along the river bank in Steveston.

4. Industrial Real Estate Market Indicators: Manufacturing businesses are primarily located in industrial areas. Key facts about the industrial market in Richmond are as follows:

- *Floorspace Inventory:* Richmond's industrial floorspace inventory totals approximately 36.3 million square feet as of Spring 2013, accounting for about 20% of the total industrial floorspace inventory in Metro Vancouver which is the highest share of all municipalities in the region.⁷⁴
- *Floorspace Growth:* From 1996 to 2012, Richmond's industrial floorspace inventory grew by an average rate of 2.5% per year or about 690,000 square feet per year. Richmond captured 22% of the regional industrial floorspace growth during the same period.⁷⁵
- *Vacancy:* The most recent market information suggests that the industrial vacancy rate ranged between 2.6% and 5.4% in Richmond and between 3.5% and 5.0% in Metro Vancouver in the first two quarters of 2013.⁷⁶ Historic market information suggests that the industrial vacancy rate averaged 2.6% in Richmond and 2.8% in Metro Vancouver over the past twelve years.⁷⁷ Industrial vacancy in the Richmond market increased during the 2008 economic downturn to reach a peak of 5.9% in December 2009, but declined gradually to about 3% by early 2012.⁷⁸
- *Average Annual Lease Rates:* Average net annual industrial lease rates in Richmond were on par with averages in Metro Vancouver, at about \$7.75 to \$8.20 per square foot in the first two quarters of 2013.⁷⁹ Net lease rates in Richmond are lower than in Vancouver, North Vancouver, and Burnaby.
- *Industrial Land Value:* Market statistics suggest that average industrial land values per acre ranged from \$950,000 to \$1.4 million per acre in Richmond and \$1.1 to \$1.6 million per acre in

⁷⁴ Avison Young, Metro Vancouver Industrial Overview, Spring 2013.

⁷⁵ Colliers International, Metro Vancouver Industrial Market Reports 1996 to 2012.

⁷⁶ The vacancy rate range is based on the market information available from Avison Young (Metro Vancouver Industrial Overview, Spring 2013), Colliers Industrial (Metro Vancouver Industrial Market Report Q2 2013) and CBRE (Metro Vancouver Industrial Market Statistics Q2 2013). Note that vacancy is defined differently in each of these market reports, which explains the range in the vacancy rate.

⁷⁷ Colliers International, Metro Vancouver Industrial Market Reports 1996 to 2012.

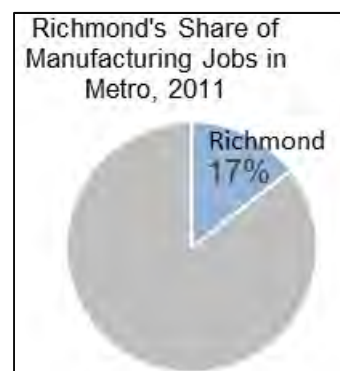
⁷⁸ Colliers International, Metro Vancouver Industrial Market Reports 1996 to 2012.

⁷⁹ The average net industrial lease rate is based on the market information available from Colliers Industrial (Metro Vancouver Industrial Market Reports Q1 and Q2 2013) and CBRE (Metro Vancouver Industrial Market Statistics Q1 and Q2 2012).

Metro Vancouver in 2011, so industrial land values in Richmond are generally on par with regional averages.⁸⁰

3.0 Richmond's Role in Metro Vancouver

There were an estimated 75,000 manufacturing jobs in Metro Vancouver in 2011⁸¹. With about 13,000 jobs, Richmond accounts for about 17% of the regional manufacturing employment, which is more than any other municipality in Metro Vancouver except Surrey.



Richmond plays the following role in the regional manufacturing sector:

- Richmond has the largest existing industrial floorspace inventory in the region, accounting for about 20% of the total industrial floorspace inventory in Metro Vancouver.
- Richmond is one of the few municipalities in Metro Vancouver (along with Burnaby, Coquitlam, Delta, and Surrey) with available industrial buildings in excess of 100,000 square feet.⁸²
- Richmond has the fourth largest supply of vacant industrial land in the region (after Surrey/White Rock, Delta, and Maple Ridge/Pitt Meadows), accounting for about 14% of the region's undeveloped industrial land capacity.⁸³
- With its proximity to the U.S. border and with the presence of YVR and the major Port Metro Vancouver facilities, Richmond is a major transportation and logistics centre and the only intermodal centre with easy connections to all four modes (road, sea, rail, air) in Metro Vancouver.

4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

The Manufacturing sector generates significant benefits for other sectors of the economy given the diversity of its value chain. Manufacturing firms buy goods and services from a range of other organizations, in turn generating spill-overs to other economic sectors.

In Richmond, the Manufacturing sector has or can have linkages with the following other business sectors:

- *Transportation, warehousing, and logistics:* Growth in export-oriented manufacturing creates demand for cargo transportation and warehousing services, particularly those related to Port Metro Vancouver and YVR.
- *Technology:* The manufacturing sector depends on a wide range of technologies and business solutions. Richmond's technology sector can benefit from the manufacturing sector in the form of increased sales, knowledge spill-overs (idea generation and innovation), and human capital development.

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

■ this cluster
■ overlap/links

⁸⁰ Cushman & Wakefield, Vancouver Industrial Report Q3 2011.

⁸¹ Statistics Canada, National Household Survey 2011.

⁸² Avison Young, Metro Vancouver Industrial Overview, Spring 2013.

⁸³ Metro Vancouver, 2010 Industrial Land Inventory.

5.0 Strategies for this Business Sector from the 2002 EDS

Richmond's 2002 EDS considers "industrial activity" a key sector for Richmond's economic base, although it defines "Industrial Activity" more broadly than just manufacturing (it also includes distribution, warehousing, logistics, and port-related activities in this sector).

In 2002, the EDS noted that the City was facing the following challenges in attracting industrial development:⁸⁴

- "The shortage of readily available industrial land suited to a range of users."
- "The City's relatively high industrial DCCs."

These challenges are still in play.

In 2002, the EDS noted the following strategies that the City could employ to help strengthen the industrial sector:⁸⁵

- "Create a larger supply of readily available industrial land to meet future demand from a wide variety of businesses."
- "Complete the review of Richmond's DCC program and ensure that the issues raised for the industrial sector are given consideration as part of this process."
- "Encourage the development of the Fraser Richmond lands as a key component of the City's industrial strategy."
- "Establish new Accords with Fraser River Port Authority (underway at that time) and the North Fraser River Port Authority that include consideration of economic development issues."

6.0 Growth Prospects

The Manufacturing sector as a whole is not a growth sector in BC. Employment in the Manufacturing sector in BC declined by an average of 0.8% per year in the past ten years, from about 194,000 jobs in 2002 to 179,000 jobs in 2012.⁸⁶

However, despite the overall decline of the sector, specific components of the Manufacturing sector have experienced continued growth, including:⁸⁷

- *Food, Beverage and Tobacco Manufacturing:* This cluster grew by an average rate of 1.8% per year from 2002 to 2012 in BC, adding about 4,000 jobs per year to the BC economy. Growth in this cluster is attributable to population growth in BC and to specialization in specific activities (e.g. wine production, fish processing). This is one of Richmond's primary manufacturing clusters.
- *Fabricated Metal Product Manufacturing:* This cluster, which includes the production of goods such as architectural and structural metals, boilers, tanks, shipping containers, and hardware, grew by an average rate of 1.8% per year from 2002 to 2012 in BC, adding about 2,000 jobs per year to the BC

⁸⁴ Richmond's 2002 EDS, page 71.

⁸⁵ Richmond's 2002 EDS, page 72.

⁸⁶ BC Stats, Statistics by Subject. *British Columbia Employment by Detailed Industry, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013.

⁸⁷ BC Stats, Statistics by Subject. *British Columbia Employment by Detailed Industry, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013.

economy. Growth in this cluster is attributable partly to robust construction activity in BC and partly to exports outside the Province. This is one of Richmond's primary manufacturing clusters.

- *Electrical Equipment, Appliance & Component Manufacturing:* This cluster, which includes the production of goods such as electric lighting equipment, power transformers, communication and energy wires and cables, grew by an average rate of 4.1% per year from 2002 to 2012 in BC, adding about 1,000 jobs per year to the BC economy. Growth in this cluster is attributable partly to robust construction activity in BC and partly to exports outside the Province.
- *Miscellaneous Manufacturing:* This set of manufacturing activities, which includes the production of goods such as medical equipment and supplies, jewelry, sports goods, office supplies and signs, grew by an average rate of 2.3% per year from 2002 to 2012 in BC, adding about 2,000 jobs per year on average to the BC economy.

In Richmond, available data suggests that employment in the Manufacturing sector has remained stable at about 13,000 jobs from 2006 to 2012.⁸⁸ However, based on discussions with industry and association representatives, many manufacturing firms in Richmond and the region are experiencing growth but are starting to leave the region (moving to Bellingham or consolidating operations in Alberta) because of a combination of:

- *Industrial land shortage:* there is a perception that Richmond does not have a large supply of attractive, vacant, development-ready industrial land. This is one of the main barriers to Richmond's economic development. Many manufacturing firms have left or are considering leaving Richmond because there is no suitable available industrial land to expand their operations. Other companies considering Richmond as a business location have reported having difficulty finding suitable land. The shortage of industrial land in Richmond is in part caused by:
 - The redevelopment and conversion of industrial properties into high-density residential and mixed-use developments, particularly in the Canada Line corridor.
 - The strict control of land-use changes within the Agricultural Land Reserve (ALR), which makes up 40% of the city's land base. The challenge is to effectively accommodate growth within the 60% of the city's land base that is developable (i.e. outside the ALR).
 - The fact that a large share of the "on paper" inventory is controlled by YVR and Port Metro Vancouver and is not readily available for typical manufacturing firms.
- *High cost of industrial land:* Many well-established companies are not able to expand locally because of the high cost of land. Other companies considering Richmond as a business location increasingly look to other parts of the region (Surrey, Fraser Valley) or outside the region for growth for the same reason. The cost of industrial land is driven up by several factors, including:
 - The shortage of industrial land, which increases competition for suitable available land.
 - Redevelopment pressure to convert industrial properties (particularly in Richmond City Centre or nearby) to high-density residential.
- *Increasing property tax burden on businesses:* in some locations in Richmond (e.g. City Centre, along the Canada Line corridor), some industrial properties are being assessed as residential redevelopment sites which pushes up the assessed value of the property and the property tax bill. There is also a perception that businesses are taking on an increasing share of the tax burden compared to residential properties. Some manufacturing firms have had to relocate (or are considering doing so) because they can no longer support the higher property taxes.

⁸⁸ BC Stats, Statistics by Subject. *British Columbia Employment by Detailed Industry, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013.

- *Red tape and City approval processes:* manufacturing firms that need to expand often need to do so in a very quick manner in order to start filling new orders. There is a perception that municipal approvals processes are not efficient and timely enough to allow firms to achieve growth quickly.
- *Lack of good transit in employment areas:* the Canada Line has benefitted businesses in the City Centre, but other employment nodes in Richmond (e.g. Crestwood Business Park in North Richmond, the industrial area in South Richmond) lack efficient, high quality public transportation options. There is the perception that Richmond is disadvantaged in this respect relative to Burnaby and Vancouver where there is good quality business park space available located near rapid transit.

7.0 Implications for the 2014 Resilient Economy Strategy

- What role should the City play, if any, in promoting the supply of vacant, development-ready industrial land in Richmond?
- Is there a way for the City to maximize opportunities for high-density residential redevelopment without putting undue pressure on existing industrial areas?
- Is there an opportunity to work with developers to integrate light industry space into high-density mixed use redevelopments to allow Richmond to retain some of its industrial capacity in strategically located areas? Would increasing the permitted density of industrial development allow firms wanting to expand and stay in Richmond to accommodate their growth needs?
- How can the City better create buffers between residential development and industrial development, to reduce NIMBY concerns?
- What measures can the City take to keep on top of the pulse of the local industrial sector? By being tapped into the local market, the City can better use local successes as a catalyst for growth.
- The City should pursue improved transit for non-City Centre employment areas.

Post-Secondary Education



Photo: Google Maps

1.0 Introduction

The Post-Secondary Education sector includes all activities related to higher education institutions located in Richmond. There are three post-secondary education institutions in Richmond:

- ***BCIT Aerospace Technology Campus:*** Located at Sea Island next to YVR, the BCIT Aerospace Technology Campus is Western Canada's largest aerospace school. It is part of the BCIT School of Transportation and offers 5 specialized programs accredited by Transport Canada, the Canadian Council of Aviation and Aerospace (CCAA) and the European Aviation Safety Agency (EASA):
 - Airline and Flight Operations - Commercial Pilot.
 - Airport Operations.
 - Aircraft Maintenance Avionics.
 - Aircraft Maintenance Engineer (AME).
 - Aircraft Maintenance Gas Turbine (Jet) Engine.

Approximately 350 to 400 students register at one of the school's programs each year, 40% of whom are international students.

- ***Kwantlen Polytechnic University – Richmond Campus:*** Kwantlen Polytechnic University (KPU) has four campus in Metro Vancouver: Richmond, Surrey, Langley, and Cloverdale. There are approximately 9,300 students attending classes at the Richmond campus and on the order of 500 faculty and staff.

KPU offers business, arts/social sciences, sciences, agricultural, academic and career advancement, and design courses at its Richmond campus, which currently consists of a 200,000 square foot building on a 10 acre site in the City Centre near Lansdowne Centre (plus an off-site farm school in Richmond).

KPU has several initiatives underway or being planned for its Richmond campus, including a new Chip & Shannon Wilson School of Design building that is underway, several other new programs that

are being launched or planned (e.g. new courses and/or degree programs in English language proficiency, fine arts, media studies, East Asian studies, continuing education, international business, traditional Chinese medicine), and a possible new residence building. These changes could lead to a doubling of the floorspace and student population at KPU's Richmond campus over the next 10 years.

- *Sprott Shaw College – Richmond Satellite Campus:* Sprott Shaw College is a private career training institution offering programs in health care, tourism, hospitality, business, administrative, and international studies in 12 campuses throughout British Columbia. The Richmond campus is the newest campus of Sprott Shaw College and is located in the City Centre on Cambie Road near No. 3 Road. The Richmond location specializes in training health care assistants and early childhood educators. The campus includes five classrooms and is equipped with the latest state-of-the-art equipment and technology. About 70 students are currently registered at the programs offered in Richmond and the college is expecting this number to increase to 150 by the end of the year.⁸⁹

2.0 Key Facts

1. **Number of jobs:** Based on the numbers available from the three educational institutions with facilities in Richmond, there are about 550 to 600 jobs in the Post-Secondary Education sector in Richmond.⁹⁰

3.0 Richmond's Role in Metro Vancouver

There are an estimated 35,000 jobs in the Post-Secondary Education sector in Metro Vancouver.⁹¹ With about 600 jobs, Richmond accounts for a small share (2%) of the regional employment in this sector.

Richmond's role in the region's Post-Secondary Education sector includes the following aspects:

- Richmond is primarily a "satellite" education centre in the region. Except for BCIT, the post-secondary education institutions located in Richmond mainly offer programs targeted at the local population and surrounding municipalities (e.g. Delta, White Rock, Tsawwassen).
- With the presence of the BCIT Aerospace Campus and YVR, Richmond is the primary centre of aerospace education and training in the region. The educational and training programs offered at BCIT draw students from abroad.
- With the addition of the new Chip & Shannon Wilson School of Design building to the Kwantlen Polytechnic University campus, Richmond will raise its profile as a design education and training centre in Metro Vancouver.
- The nature of post-secondary education activities based in Richmond is almost entirely teaching and training oriented. There almost no academic research activities conducted at Richmond's higher education campuses. One example, though, is a 20-person research group at Kwantlen looking at local agricultural opportunities.
- Richmond is home to a large number of small specialized learning institutes and schools, including various language schools. Although these are not officially part of the higher education sector, they

⁸⁹ Sprott Shaw College Website.

⁹⁰ This includes about 500 jobs at Kwantlen Polytechnic University (based on discussions with KPU and information on its website), 45 jobs at BCIT Aerospace school (based on discussions with BCIT Aerospace), and an assumed small number of jobs at the new Sprott Shaw campus.

⁹¹ This includes employment at the University of British Columbia (UBC), Simon Fraser University (SFU), Kwantlen Polytechnic University (KPU), British Columbia Institute of technology (BCIT), Douglas College, Vancouver Community College (VCC) and Langara College based on available information. The data does not include employment at institutions for which the data was unavailable (i.e. Sprott Shaw College, Capilano University and other smaller institutions).

constitute an important cluster of activities in the city. While not included in the number of jobs noted in Section 2.0 above, these institutes and schools support on the order of an additional 1,100 jobs in Richmond.⁹²



4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

The Post-Secondary Education sector has a key role to play in several other economic sectors. This includes meeting the labour needs of local industries and preparing students for their entrance into the workforce.

In Richmond, manufacturing, aerospace and aviation, technology, regional Business Centre, health care and YVR are sectors which benefit from the education and training activities provided at Richmond's post-secondary educational facilities.

In addition, there are opportunities for linkages between Richmond's post-secondary institutions and industry in the form of student internships and work placements, volunteerism, program advisory committees (with industry representatives helping to advise on programs), and on-the-job training. For example, Kwantlen already has an extensive program advisory committee network in place for all of its programs. BCIT-Aerospace also has a committee made up of BCIT, Transport Canada, YVR, private companies, and other industry representatives which has the mission to provide guidance on the development of new and existing educational programs.

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

 this cluster
 overlap/links

5.0 Strategies for this Business Sector from the 2002 EDS

Richmond's 2002 EDS included post-secondary education as part of a broader "Public" sector. The 2002 EDS identified the Public sector as a growth sector and recommended the following strategies for Richmond at that time:⁹³

- "Promote Richmond's health care system and post-secondary educational institutions as advantages of locating in the City."
- "Support BCIT and Kwantlen University College in their efforts to secure Provincial government funding for expansion."
- "Help facilitate a closer working relationship between Kwantlen University College and the Richmond business community."

⁹² Based on the data from City of Richmond Business Inventory as of October 2012. The figure include all full-time and part-time employment in 61 educational services.

⁹³ Richmond's 2002 EDS, page 81.

6.0 Growth Prospects

The Post-Secondary Education sector is a fast-growth sector in Metro Vancouver and in Richmond. Employment in education services as a whole grew by an average rate of 3% per year in Metro Vancouver from 2002 to 2012.⁹⁴

In Richmond, growth of the Post-Secondary Education sector will depend on the following factors:

- *Population Growth:* Growth in this sector is closely linked to population growth in Metro Vancouver and, in the context of Richmond, particularly in Richmond, Delta, White Rock, and Tsawwassen.
- *Growth plans of the three existing institutions:* All three institutions are planning for continued growth at their Richmond campuses.
- *The ability to attract a higher share of Metro Vancouver's high education activities.* Currently, Richmond plays a relatively modest role in the regional Post-Secondary Education sector both in terms of educational activities and employment. However, as demand for post-secondary education increases in the region, Richmond will be in a good position to attract additional education activities, both at existing campuses (BCIT Aerospace, Kwantlen, and Sprott Shaw) and possibly at other locations. The City Centre area is in a particularly good position to attract additional education activities given its good access to rapid transit via the Canada Line.

7.0 Implications for the 2014 Resilient Economy Strategy

- Liaise with BCIT about the potential for it to develop BCIT Industry Service Training, which could generate new revenues for BCIT and additional activities in Richmond.
- Consider working with the post-secondary institutions to track the career trajectory of graduates, to better understand (and meet) industry labour requirements.
- Continue to support linkages between Richmond's post-secondary education facilities and industry.
- Market Richmond to other post-secondary institutions in the region so they consider it when looking for new satellite campus locations. The recent expansion of the BCIT Aerospace campus and the upcoming expansions and growth at Kwantlen Polytechnic University's Richmond campus could be used as examples to show how Richmond is growing in this sector.
- Continue being proactive about sharing land use planning initiatives with the three post-secondary institutions in Richmond.

⁹⁴ BC Stats, Statistics by Subject. *Employment by Industry for the Metropolitan Areas, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013.

Retail

1.0 Introduction

The Richmond retail and service sector is composed of these subsets of activities:

- *Local-Oriented Retail and Service*: This segment includes all businesses supported by the population of a community such as neighborhood grocery, food and liquor stores, neighborhood restaurants, and other neighborhood personal services. The location of these types of businesses usually matches the distribution of population.
- *Regionally-Serving Retail and Service*: This segment includes all large-format retailers with a regional or sub-regional trade area such as Costco, IKEA, Home Depot, Canadian Tire, T&T Supermarkets.
- *Speciality Retail and Service*: This segment includes smaller-scale stores selling specialty goods such as clothing and fashion accessories, toys, hobbies, furniture, arts, crafts, gifts and cards, stationary, luggage as well as services such as entertainment, fitness and recreation, and fine restaurants. These businesses serve a larger trade area than just the City's boundaries.
- *Retail and Service Corporate Head Offices*: This segment includes business establishments that deal with the management of companies in the retail sector.



Photo: Sterling Cooper Consultants

2.0 Key Facts

1. **Number of jobs:** There is an estimated 27,000 jobs⁹⁵ in the Retail and Service sector in in Richmond, accounting for about 25% of all jobs in the City.⁹⁶ This is the largest employment sector in the City. Employment in this sector can be divided into three broad categories:⁹⁷

⁹⁵ Based on the City of Richmond Business Inventory as of October 2012. Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in

- *Retail*: This category includes about 13,000 jobs or about 48% of this sector's jobs in Richmond.
 - *Personal Services*: This category includes about 3,200 jobs or about 12% of this sector's jobs in Richmond.
 - *Food and Drinking Places*: This category includes about 11,000 jobs or about 40% of this sector's jobs in Richmond.
2. **Clusters**: There are several major shopping centres and specialty shopping areas in Richmond. The main retail and service concentrations are in the City Centre, particularly between Bridgeport and Richmond-Brighouse Skytrain stations along No. 3 Road, as well as on Sea Island. The most notable retail and service districts include:
- *The Golden Village*: The Golden Village is the area in Richmond City Centre bounded by Sea Island Way and Alderbridge Way to the north and south, and by Garden City Road and No. 3 Road to the east and west. The Golden Village has become British Columbia's centre of Asian cultural life, with a concentration of Asian-oriented shopping centres (e.g. Aberdeen Centre, Yoahan Centre and Parker Centre) and dining and entertainment options. The area has about 200 Asian restaurants, many of which are around Alexandria Street (named "Eat Street") and over 400 shops and services.
 - *Richmond Centre and Lansdowne Centre shopping malls*: These two regional malls have over 350 stores and services, including a large share of specialty businesses. The malls are located along No. 3 Road near Richmond-Brighouse and Lansdowne SkyTrain stations in the City Centre.
 - *Large-Format Stores*: Large-format stores are located along No. 3 Road in the City Centre (e.g. Canadian Tire, Great Canadian Superstore, T&T supermarket), along Bridgeport Road (e.g. Costco), and at the junction of Knight Street and Bridgeport Road (e.g. Home Depot, IKEA, Sears Home Store, Staples).
 - *Historic Fishing Village of Steveston*: Steveston Village is a character-rich and pedestrian-friendly area with a unique combination of specialty shopping and fine dining that attracts visitors from the entire region and beyond.
 - *Richmond Night Markets*: Each summer, Richmond is home to two of North America's largest Asian nights markets. The Richmond Night Market is located in the City Centre and the International Night Market takes place in North Richmond. Both events rent booths to about 350 retail and food vendors and draw over a million visitors each summer.⁹⁸
 - *YVR Airport and Sea Island*: YVR Airport is home to about 160 retailers, food vendors, and service providers.⁹⁹ A new Designer Outlet Centre is being developed by UK-based developer McArthurGlen near the Canada Line Templeton Station. When the Designer Outlet Centre opens in 2014, it will add 460,000 square feet of specialty retail at Sea Island. This project is expected to create about 1,000 retail and service jobs.¹⁰⁰
3. **Major firms in the Retail sector in Richmond**: Richmond is home to several corporate offices or distribution centres for several major firms in the Retail sector, including:
- The Western Canada distribution centre for London Drugs.
 - The international Logistic Centre for the Hudson's Bay Company (HBC).

Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

⁹⁶ Based on the 2011 National Household Survey 2011, there were about 109,000 jobs with a fixed workplace in Richmond.

⁹⁷ Based on the City of Richmond Business Inventory as of October 2012.

⁹⁸ Tourism Richmond Website, Richmond Night Markets information page.

⁹⁹ YVR Airport Website, Shopping, Dining, and Services Section.

¹⁰⁰ YVR Airport website, Land Development Section.

- The head office of the Keg Restaurants.
- The Western Canadian office of Boston Pizza.
- The headquarters of Bootlegger, a Canadian specialty fashion retailer.
- The headquarters of the Asian supermarket T&T.

4. Real estate indicators:¹⁰¹

- *Floorspace inventory:* Richmond's retail and service floorspace inventory totals approximately 3.5 million square feet as of the second quarter of 2013, accounting for about 11% of the total retail and service floorspace inventory in Metro Vancouver.
- *Floorspace growth:* From 2004 to 2013, Richmond's retail and service floorspace inventory (in properties with over 50,000 square feet of leasable space) did not experience net new growth, remaining at about 3.48 million square feet. This is likely because most new space was in the form of new ground floor space in mixed use redevelopment projects, which in some cases involved the demolition of existing low density, older retail space (so there is no net gain even though the space is new).
- *Vacancy:* Market information suggests that the retail and service vacancy rate ranged between 0.4% and 1.4% in Richmond and between 3.3% and 3.4% in Metro Vancouver in the past three quarters (Q4 2012, Q1 2013 and Q2 2013).
- *Retail lease rates:* Average annual net retail and service lease rates in Richmond ranged between \$20 and \$55 per square foot along No. 3 Road in Richmond City Centre. This compares to about \$25 to \$40 per square foot in Metrotown in Burnaby, \$25 to \$55 per square foot in Lonsdale in North Vancouver, \$20 to \$50 per square foot on Main Street in Vancouver, and \$15 to \$35 per square foot in Langley City.

3.0 Richmond's Role in Metro Vancouver

Richmond accounts for about 10% of the regional retail and service sector jobs¹⁰² and has about 11% of Metro Vancouver's retail and service floorspace.¹⁰³

Richmond's role in the regional retail and service sector includes:

- *Regional Town Centre:* Richmond City Centre is one of the region's eight designated regional town centres. This retail and service concentration serves a trade area that includes South Vancouver, Delta, and Tsawwassen.
- *Gateway Retail and Service:* Richmond's retail and service sector includes a segment that is related to air passenger traffic at YVR. "Gateway" retail and service includes demand derived from YVR's passengers, including demand for specialty retail, restaurants, and personal services.
- *Asian-Oriented Shopping and Dining:* The City's large east and south-east Asian community (about 110,000 residents or 60% of the total population)¹⁰⁴ has contributed to making Richmond Metro

¹⁰¹ Floorspace and vacancy data is from CBRE. Marketview, Metro Vancouver Retail Report, Q2 2013. Note that this floorspace number only denotes properties with a leasable space greater than 50,000 square feet, so it excludes small street-oriented retail properties. Lease rate data is from Cushman & Wakefield. Marketbeat Retail Snapshot, Vancouver, BC, Q4 2012.

¹⁰² Based on the 2011 National Household Survey (NHS) data from Statistics Canada, there are about 265,000 jobs in the retail and service sector in Metro Vancouver. This includes the following industry categories: 44-45 Retail Trade, 722 Food Services and Drinking Places and 81 Other Services. The data excludes professional and scientific services such as legal, accounting, financial, insurance, medical and dental services.

¹⁰³ CBRE. Marketview, Metro Vancouver Retail Report, Q2 2013. Denotes properties with over 50,000 square feet of leasable space.

Vancouver's premier Asian-oriented shopping and dining destination. Several major retailers from Asia have chosen Richmond for the location of their Metro Vancouver or Canadian flagship store, including the Japanese discount store Daiso at Aberdeen Centre. Several other businesses offer specialty goods and specialized services that cater to the region's Asian community. Richmond is also home to the largest concentration of Asian restaurants in the region with 400 establishments¹⁰⁵ and two Asian night markets.



- *Steveston Village as a specialty shopping area.* Steveston draws residents from Richmond, other municipalities in Metro Vancouver, and tourists to its unique waterfront shopping district.

4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

The Retail sector generates significant benefits for other sectors of the economy. In Richmond, the sector generates spill-overs to the following business clusters:

- *Agriculture and Food/Beverage Production.* Many local farms in Richmond have a retail sales component.
- *Fishing.* The Fisherman's Wharves in Steveston draw residents from around the region for fish sales and help draws retail spending into Steveston businesses.
- *Tourism:* Spending on retail and services is one of the fastest growing segments of the tourism and entertainment industry. In Richmond, the Retail sector is in a particularly good position to benefit the tourism and entertainment sector because of the City's role as Metro Vancouver's centre for Asian-oriented shopping and dining and the presence of regional shopping centres
- *Transportation, Warehousing, and Logistics:* The large concentration of retailers and restaurants located in Richmond coupled with its central location in the Region makes the City a strategic location to establish a distribution centre or a transportation/logistics route. Growth in the retail and service sector could generate spill-overs to the transportation, warehousing and logistics sector by creating additional demand for these services and economies of scale.
- *YVR:* Existing space at YVR mainly serves air passenger traffic, but with the opening of the new Designer Outlet Mall scheduled for 2014, YVR will also draw residents from Richmond and other municipalities throughout Metro Vancouver for retail shopping.

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

 this cluster
 overlap/links

5.0 Strategies for this Business Sector from the 2002 EDS

Richmond's 2002 EDS identified "retail and related service commercial activities" as a key economic sector. At that time, it recommended the following strategies for the sector:¹⁰⁶

- "Create a comprehensive Commercial Strategy for Richmond similar to the City's Industrial Strategy."

¹⁰⁴ Statistics Canada. 2011 National Household Survey.

¹⁰⁵ Tourism Richmond, Richmond Visitor's Guide 2013-2014.

¹⁰⁶ Richmond's 2002 EDS, page 69.

- “Ensure that a rolling five-year supply of appropriately zoned commercial land is available in Richmond.”
- “Work with the commercial development industry to ensure that Richmond is on top of commercial trends and issues affecting economic development.”
- “Continue to pursue the extension of rapid transit to Richmond as part of making City Centre more attractive for commercial and residential development.”

6.0 Growth Prospects

This is a growth sector in BC. From 2002 to 2012, employment in the Retail sector in BC grew by an average of 1.0% per year, adding about 5,000 jobs per year to the province's economy.¹⁰⁷ About half of the Retail jobs in the province are located in Metro Vancouver.¹⁰⁸

In Richmond, though, retail floorspace (and job) growth is being limited by:

- *Limited supply of vacant commercial land in good locations:* Based on discussions with business associations in Richmond, there is a perception that Richmond is running out of readily available commercial land which limits the ability to develop large new retail concentrations. Most new retail space must come in the form of grade level space in mixed use redevelopment projects.
- *Limited supply of vacant commercial space in good locations:* Some retailers would be willing to locate in Richmond, but are not able to find a suitable space due to the low retail vacancy rate.
- *High Retail Leakage to the United States:* Given its proximity to the US, Richmond suffers from some retail leakage to communities located south of the border, such as Blaine and Bellingham, Washington.
- *Black Market Economy:* Based on discussions with business associations in Richmond, there is a growing number of businesses operating without a valid license and/or not charging sales taxes. These businesses constitute an unfair competition to legitimate businesses in the city.

Retail growth in Richmond will depend on these factors:

- *Population growth:* A large share of the retail and service sector is made up of locally-serving businesses that match the distribution of the population. Future population growth will support additional retail and service employment in the City.
- *The overall performance of Metro Vancouver's economy.* The Retail sector is a consumption driven sector, so its growth is highly dependent on the overall performance of the Region's economy. Based on discussions with Retail market participants, there is a general sense that the Retail market is improving and people are doing more discretionary shopping now that the economy is starting to recover from the 2008 economic downturn.
- *The ability to capture a stable or higher share of Metro Vancouver's regionally-serving and specialty retail and service.* Currently, Richmond is home to about 10% of the regional retail floorspace inventory. Growth in the sector will depend on the City's ability to attract a constant share of the regional growth. However, initiatives and policies to attract major retail development to other municipalities in the region and limited commercial land supply may affect Richmond's growth prospects in this sector.

¹⁰⁷ BC Stats, Statistics by Subject. *British Columbia Employment by Detailed Industry, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013.

¹⁰⁸ Same as above.

- *The consolidation of Richmond as a unique shopping and dining location in Metro Vancouver.* The consolidation of the Richmond brand as an Asian-oriented shopping and dining centre constitutes an aspect that may attract new businesses to the City and in turn sustain growth in the sector.

7.0 Implications for the 2014 Resilient Economy Strategy

- The City could promote Richmond as a major Asian-oriented shopping and dining centre as a way to raise the profile of the City as a unique shopping environment in the region.
- How could the business community address the issues of retail leakage?
- How can the City encourage redevelopment of existing underutilized properties in the City Centre (e.g. Lansdowne) to create new retail and service floorspace? Where should additional retail and service space be encouraged in the City? Where is the demand and which areas could accommodate future growth? There is a need to develop a holistic approach and clear policies to guide redevelopment in the City Centre to ensure that new projects include retail and service space where appropriate.
- How can the City maximize Steveston's potential as a specialty retail district (e.g. only approving small increments of new space rather than large retail projects, helping to address parking and access in/out of Steveston, finding ways to address staff parking needs in Steveston, look at creating a boardwalk from Garry Point to No. 2 Road)?

Technology

1.0 Introduction

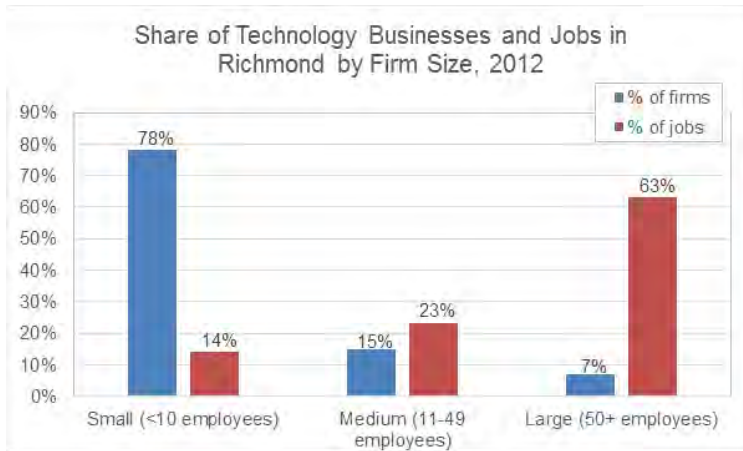
The Technology sector includes several knowledge-based and innovation-driven activities such as the clean-tech, wireless, digital media, information and communications technology (ICT), and life sciences industries.



2.0 Key Facts

1. **Number of jobs:** There are an estimated 5,600 jobs¹⁰⁹ in the Technology sector in about 360 technology establishments Richmond, accounting for about 5% of total jobs located in the City. About 78% of Richmond's technology firms are small (less than 10 employees), but larger technology companies (50+ employees) account for more than 60% of the technology jobs in Richmond. Therefore, employment in the Technology sector in Richmond depends primarily on large, well-established and diverse technology firms. Richmond is not home to a large number of small "start-up" firms.

¹⁰⁹ Based on the City of Richmond Business Inventory as of October 2012. The figure includes all full-time and part-time employment in establishments in the following NAICS industry categories: 334 Computer and Electronic Product Manufacturing, 4173 Computer and Communications Equipment and Supplies, 5112 Software Publishers, 517 Telecommunications, 518 Data processing, hosting, and related services, 51913 Internet Publishing and broadcasting, and web search portals and 5415 computer systems design and related services, 3391 Medical equipment and supplies manufacturing, 54171 Research and Development in the Physical, Engineering and Life Sciences. Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.



2. **Clusters:** There is a wide and diverse array of technology activities in Richmond. These activities can be grouped into three primary clusters:¹¹⁰

- *Software and Web Content Development and Design:* This cluster includes firms primary engaged in the design, development, publishing, and distribution of computer software, systems, and web content. This cluster accounts for about two thirds of the Technology jobs in Richmond.
- *Computer, Electronic and other High-Tech Products:* This cluster includes firms primary engaged in the design, development, manufacturing, distribution, and/or sale of “hardware” including computer, electronic, and other high-tech products (e.g. computer, telecommunications, satellite, photo imagery devices and equipment). This cluster accounts for about 20% of the Technology jobs in Richmond.
- *Life Sciences:* This cluster includes firms primary engaged in the design, development, manufacturing, distribution, and/or sale of different life sciences products or equipment (e.g. biotechnology, medical equipment, and pharmaceuticals) as well as in activities related to medical research (e.g. medical analysis and test laboratories, disease control and treatment research, other medical related scientific research). This cluster accounts for about 15% of the jobs in the Technology sector in Richmond.

¹¹⁰ Based on the City of Richmond Business Inventory as of October 2012.

3. List of Major Employers in the Technology Sector in Richmond:

Company Name	Cluster	Activity	Approximate # of Jobs in Richmond
MDA Systems Ltd	Software and Web Content Development and Design	Systems engineering & software development	760
Sage Software Canada Ltd	Software and Web Content Development and Design	Research and development programming, technical support, training, outside sales	415
Top Producer Systems Company ULC	Software and Web Content Development and Design	Development, sales & marketing of software	280
Sierra Wireless Inc	Computer, Electronic and other High-Tech Products	Research & Development of electronics	200
Supercom Canada Ltd	Computer, Electronic and other High-Tech Products	Wholesale & distribution of computer parts & components	165
Ventyx	Software and Web Content Development and Design	Design/Install Computer Software	160
McKesson Medical Imaging Company	Software and Web Content Development and Design and Life Sciences	Medical information software development service	140
VTech Technologies Canada Ltd	Software and Web Content Development and Design	Wholesale Educational Electronic Learning Aids	120
Digital Dispatch Systems Inc	Software and Web Content Development and Design	Computer Software Development For Trans Industry	120
Open Solutions Canada	Software and Web Content Development and Design	Developing of banking software	120
Aeroinfo Systems - A Boeing Company	Software and Web Content Development and Design	Software Development Company	100
Eclipsys Canada Corporation	Software and Web Content Development and Design	Software development & support	100
Ingram Micro L P Inc	Computer, Electronic and other High-Tech Products	Wholesale Computer Hardware & Software	100
Broadcom Canada Ltd	Software and Web Content Development and Design	Design Computer Software	90
Star Solutions International Inc	Software and Web Content Development and Design	Software development - computer programming	85

Source: Based on the City of Richmond Business Inventory as of October 2012.

4. Location patterns in Richmond: Most technology firms in Richmond are land-intensive users, not office-oriented firms. This explains why technology firms in Richmond are mainly located in business parks and industrial areas and not in higher density nodes/business centres such as the City Centre. The main spatial concentrations of Technology firms in Richmond are located in:

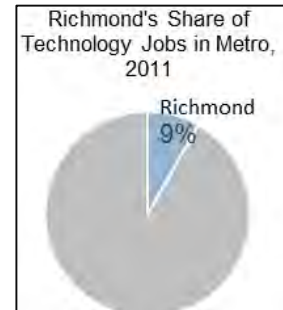
- The Crestwood corporate centre in North Richmond.
- Sea Island and YVR.
- The industrial and business park area south of Steveston Highway in South Richmond.

3.0 Richmond's Role in Metro Vancouver

There are an estimated 65,000 jobs in the Technology sector in Metro Vancouver.¹¹¹ With about 5,600 Technology jobs, Richmond accounts for about 9% of the region's employment in this sector.¹¹²

Richmond has the following roles in the region's Technology sector:

- Richmond has the largest existing industrial floorspace inventory in the region, accounting for about 20% of the total industrial floorspace inventory in Metro Vancouver.¹¹³ This is material since technology firms in Richmond tend to locate in industrial areas and business parks.
- Richmond has the fourth largest supply of vacant industrial land in the region (after Surrey/White Rock, Delta, and Maple Ridge/Pitt Meadows), accounting for about 14% of the region's undeveloped industrial land capacity.¹¹⁴
- Richmond is the nearest business location to YVR. Proximity to the airport is highly sought out by some Technology firms with global operations.
- Richmond has 12 of the 100 biggest high-tech companies in BC, ranking third to Vancouver and Burnaby.¹¹⁵
- Richmond's three post-secondary education satellite campuses offer technology-related programs (BCIT Aerospace program, Kwantlen Polytechnic University, and Sprott Shaw College).
- With its proximity to the U.S. border and with the presence of YVR and major Port Metro Vancouver facilities, Richmond is a major transportation and logistics centre and the only intermodal centre with easy connections to all four modes (road, sea, rail, air) in Metro Vancouver.



¹¹¹ Information from BC Stats ("BC Labour market Scenario Model. High Technology Occupations. Issue: 2010-1, July 2010"), suggests that there were about 73,500 high-tech jobs in the Mainland & Southwest Development Region in 2009. We assumed that about 90% of these jobs are located in Metro.

¹¹² Note that the job figure from BC Stats is an estimate based on high-tech occupations and may not include the same activities of the definition of the Technology sector for Richmond (which is based on NAICS codes and the City's Business Inventory).

¹¹³ Avison Young, Metro Vancouver Industrial Overview, Spring 2013.

¹¹⁴ Metro Vancouver 2010 Industrial Land Inventory, Metro Vancouver.



¹¹⁵ City of Richmond, Biggest High-Tech Companies in Richmond. The list is based on the Business in Vancouver (BIV), Top 100 High-tech Companies in BC database.

4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

The Technology sector is a highly productive and value-added sector. The sector generates significant benefits for other sectors of the economy by developing new business and technological solutions that are used by other companies (i.e. forward linkages). Also, firms in the Technology sector buy goods and services from other organizations in the region, in turn generating spill-overs to other sectors of the economy (i.e. backward linkages).

The Technology sector in Richmond can have positive economic impacts for technology-oriented components of the aviation and aerospace, film and media, health care, manufacturing, and transportation, warehousing and logistics, and YVR sectors of the Richmond economy.

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

 this cluster
 overlap/links

5.0 Strategies for this Business Sector from the 2002 EDS

The 2002 Economic Development Strategy identifies the “high technology” sector as a key sector for Richmond’s economic development. The recommended strategies for this sector are:¹¹⁶

- “Create a larger supply of readily available Business Park Industrial (I3) land to meet future demand from high technology and other businesses.”
- “Promote the advantage of Richmond as a location for high technology businesses of all sizes and types.”
- “Encourage partnerships between high technology businesses in Richmond and research and educational institutions such as Discovery Parks, UBC, BCIT, and Kwantlen.”

6.0 Growth Prospects

The Technology sector is a growth sector in BC. Available estimates suggest that employment in the sector grew from about 61,000 jobs in 1999 to 84,000 jobs in 2009 in BC, which is an average annual growth rate of about 3.2% per year or growth of about 2,250 jobs per year over the 10 year period.¹¹⁷ All of this growth has been in service-technologies, such as software publishing, computer services, and engineering services (manufacturing technology industries declined).

About 70% of BC’s Technology jobs are in the Mainland and Southwest Development Region, which includes Metro Vancouver, the Fraser Valley Regional District, the Squamish-Lillooet Regional District, and the Sunshine Coast. Most of the provincial growth in the Technology sector likely occurred in and around Metro Vancouver.

Richmond’s growth prospects in the Technology sector will depend on these main factors:

¹¹⁶ Richmond’s 2002 EDS, page 74.

¹¹⁷ BC Stats, Profile of the British Columbia High Technology Sector 2010 Edition. Data Tables.

- *Growth in the Technology sector in Metro Vancouver and Richmond's share to capture a stable or higher share of this growth.* Currently, Richmond accounts for about 9% of the Technology jobs in the region. The City is in a good position to attract technology firms because of its large inventory of industrial and business park floorspace and its flexible Industrial Business Park (IB1, IB2) zoning districts. However, the declining supply of vacant light industrial land in Richmond limits the options for technology businesses. Also, initiatives and policies to attract technology firms to other municipalities in the region, particularly in Vancouver and Burnaby which offer office and business park locations with easy access to rapid transit, may affect Richmond's growth prospects in this sector.
- *The prospects for specific clusters that are important in Richmond:* The primary technology clusters in Richmond are Software and Web Content Development and Design, Computer, Electronic and other High-Tech Products, and Life Sciences. The future performance of each of these clusters will influence growth of the Technology sector in the City.
- *Richmond's ability to retain its major Technology firms:* The Technology sector in Richmond is primarily composed of large and well-established companies, so the future performance and business decisions of these companies will have a significant influence the growth prospects for the sector.
- *Richmond's ability to address constraints* such as a perceived shortage of good quality, available, development-ready industrial land in attractive locations; high cost of industrial land; redevelopment pressure on industrial lands near the City Centre being converted to high density residential; lack of rapid transit to employment areas outside the City Centre.

7.0 Implications for the 2014 Resilient Economy Strategy

- Should Richmond focus on retaining and attracting some specific technology clusters, or should it focus on attracting all types of activities in the Technology sector?
- How can the City better monitor the pulse of the local technology sector? There is a perception that local successes remained relatively unknown and are not used as catalyst for growth.
- On paper, Richmond has the fourth largest supply of vacant industrial land in the region (after Surrey/White Rock, Delta, and Maple Ridge/Pitt Meadows), accounting for about 14% of the region's undeveloped industrial land capacity. However, based on discussions with industry representatives and stakeholders, there is a perception that Richmond is running out of vacant industrial land.

Tourism

1.0 Introduction

The World Tourism Organization (UNWTO) defines the Tourism sector as the “activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes.” We expanded the sector to also include the entertainment industry given the presence of a large number of entertainment businesses in Richmond and the interconnected role that these play with tourism.



Major tourism-related features, visitor attractions, and destinations in Richmond include:

- *Vancouver International Airport (YVR)*: YVR is the second busiest airport in Canada with 17 million passenger per year.
- *Richmond Olympic Oval*: One of Metro Vancouver's premier sport facilities and major event venues, the Oval was the official speed skating venue for the 2010 Winter Olympic games. The Oval is located in Richmond City Centre.
- *Historic Fishing Village of Steveston*: Steveston Village is a historic salmon canning centre at the mouth of the South Arm of the Fraser River in the south-west part of the City. The character-rich area has become one of Richmond's main attractions, attracting visitors from Richmond, throughout Metro Vancouver, and tourists with its unique combination of historic architecture and attractions, maritime feel, fishing docks, the largest commercial fishing fleet in Canada, shopping, and dining. Steveston is also home to two major historic sites (Britannia Heritage Shipyard and Gulf of Georgia Cannery) as well as a whale watching tour operator.
- *Richmond Night Markets*: Each summer, Richmond is home to two of North America's largest Asian nights markets. The Richmond Night Market is located in the City Centre and the International Night market takes place in North Richmond. Both events rent booths to 350 retail and food vendors and draw over a million visitors each summer.¹¹⁸
- *The Golden Village*: The Golden Village is the area in Richmond City Centre bounded by Sea Island Way and Alderbridge Way to the north and south, and by Garden City Road and No. 3 Road to the east and west. The Golden Village has become British Columbia's centre of Asian cultural life, with a large concentration of Asian-oriented shopping, dining, and entertainment options. The area has

¹¹⁸ Tourism Richmond Website, Richmond Night Markets information page.

about 200 Asian restaurants, many of which are around Alexandria Street (named “Eat Street”) and over 400 shops and services.

- *Highway to Heaven:* A collection of 20 houses of worship representing different religious groups, including one of the largest Buddhist temples in North America, are located along No. 5 Road in East Richmond.
- *River Rock Casino Resort:* The River Rock Casino Resort includes a 4-diamond hotel and conference centre, restaurants, a casino, and a 1,000 seat theatre.
- *Richmond Cultural Centre:* The Richmond Cultural Centre boasts a variety of cultural amenities and attractions, including the Richmond Library (Brighthouse Branch), the Richmond Arts Centre, the Richmond Museum, the Richmond Archives, and the Richmond Art Gallery. It is located in the Richmond City Centre.

2.0 Key Facts

- **Number of jobs:** There is an estimated 7,400 jobs in the tourism and entertainment sector in Richmond¹¹⁹, accounting for about 7% of jobs located in the City.¹²⁰ This number does not include employment directly related to YVR Airport’s primary operations (i.e. aviation-related activities, safety and security, airport management).
- **Clusters:** Employment in the tourism and entertainment sector in Richmond can be divided into three main categories:
 - *Accommodation:* This cluster includes all employment associated with Richmond’s hotels and bed & breakfasts. This cluster accounts for about 40% of the jobs in the tourism and entertainment sector in Richmond.¹²¹
 - *Art, Entertainment and Recreation:* This cluster includes all employment associated with art and culture, entertainment, sport, visitor attraction, and other recreation businesses. This cluster accounts for about 20% of the tourism and entertainment sector jobs in Richmond.¹²²
 - *Visitor Spending-Related Activities:* This cluster includes employment supported by visitor spending in Richmond’s retail, food and drinking, ground transportation, tour operators, and other businesses. This cluster accounts for about 40% of the tourism and entertainment sector in the city.¹²³
- **Location patterns in Richmond:** The main concentrations of tourism and entertainment businesses (hotels, car rental agencies, restaurants and specialty retail) are in the City Centre, particularly

¹¹⁹ Based on the information contained in the Tourism Sector Profile prepared by Richmond Economic Development. Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

¹²⁰ Based on the 2011 National Household Survey, there were about 109,000 jobs with a fixed workplace in Richmond.

¹²¹ Based on the City of Richmond Business Inventory as of October 2012. The figure includes all employment in the hotel and bed & breakfast business category as well as employment in food and drinking places located on the hotels premises.

¹²² Based on the City of Richmond Business Inventory as of October 2012. The figure includes all employment in businesses classified under the art, entertainment and recreation NAICS category.

¹²³ Based on the estimated number of jobs in the tourism and entertainment sector in Richmond (7,400 jobs) from Richmond Economic Development and the number of jobs in the Accommodation and Art (about 3,000 jobs), Entertainment and Recreation Sectors (about 1,500 jobs), we assume that the remaining number of jobs (about 3,000 jobs) are supported by visitor spending in Richmond.

between Bridgeport and Richmond-Brighouse Skytrain stations, as well as on Sea Island. There are also some hotels located in North Richmond, particularly along Highway 99.

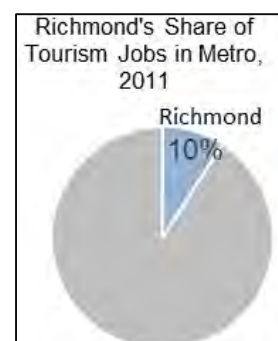
• **Interesting statistics:**

- *Hotel Inventory:* Richmond has the second highest concentration of hotel rooms in Metro Vancouver after Downtown Vancouver. As of January 2013, there were a total of about 4,950 rooms in 26 hotel establishments in Richmond, accounting for about 20% of Metro Vancouver's total hotel inventory.¹²⁴
- *Average Rate per Room:* The average daily hotel rate in Richmond was \$109 in 2012, compared to \$135 in Metro Vancouver.¹²⁵
- *Occupancy Rate:* The average annual hotel occupancy rate in Richmond was 67.7% in Richmond in 2012, which is about the same as the average occupancy rate in Metro Vancouver as a whole during the same year (67.1%).¹²⁶
- *Meeting Space inventory:* The amount of meeting space totals 145,000 square feet in Richmond, most of which is located at local hotels. Richmond does not currently have a trade and convention centre.
- *YVR Airport Passenger Growth Trends:* The total number of passengers at YVR grew by an average of 2.9% per year over the past 20 years, increasing from about 9.9 million passengers in 1992 to 17.6 million passengers in 2012. The growth was even more significant for international passengers, averaging 4% per year during the same period. Passengers on international flights now account for about 24% of total YVR passengers, up from 19% in 1992.¹²⁷

3.0 Richmond's Role in Metro Vancouver

Due to the presence of YVR and several major attractions that have a local, regional, and tourist draw, Richmond is one of Metro Vancouver's primary tourism centres. However, downtown Vancouver remains the top tourist destination with a larger share of major attractions, convention centres, and top-tier hotels.

With about 7,400 tourism jobs, Richmond accounts for about 10% of Metro Vancouver's 75,000 tourism and entertainment jobs.¹²⁸ Richmond has about 20% of the inventory of hotel rooms in Metro Vancouver and offers a large amount of meeting space.



The primary types of tourism that occur in Richmond are as follow:

¹²⁴ The figures are from Tourism Vancouver - Research and Business Planning based on data from TBC Accommodation Guide, Tourism Vancouver Membership database, and BC Assessment as of January 2013. The list is only includes private rooms; it does not include seasonal rooms, hostels, bed & breakfasts, long-term accommodations, or time shares.

¹²⁵ Tourism Data for Metro Vancouver, 2011. Hotel Occupancy & Average Daily Rate - Metro Vancouver 1992-2012. Prepared by Tourism Vancouver - Research and Business Planning.

¹²⁶ Tourism Data for Metro Vancouver, 2011. Hotel Occupancy & Average Daily Rate - Metro Vancouver 1992-2012. Prepared by Tourism Vancouver - Research and Business Planning.

¹²⁷ YVR Passengers (Enplaned + Deplaned) 1992-2013, Vancouver International Airport Website.

¹²⁸ Information from Destination British Columbia and BC Stats ("Vancouver, Coast & Mountains Tourism Region. Regional Tourism Profile 2011") suggests that there were about 80,000 tourism jobs in the Vancouver, Coast and Mountains Tourism Region (VCMTR) in 2011. We assumed that about 86% (the Greater Vancouver Area's share of the VCMTR population in 2011) of tourism jobs are located in the Greater Vancouver Area.



- **Business-oriented:** This type of tourism includes business meetings and conventions that involve overnight stays. With a large amount of meeting spaces in local hotels, many business conventions and corporate events take place in Richmond. The immediate proximity to YVR makes Richmond a strategic location to host a business meeting in Metro Vancouver. Business-oriented tourism can include both visitors from the region and from outside the region.
- **Gateway:** With the presence of YVR, Richmond's tourism sector has a segment that is related to air passenger traffic. "Gateway" tourism includes demand derived from YVR's passenger traffic, including demand for overnight accommodation, local retail and restaurants, ground transportation and other services. Gateway tourism mainly serves visitors from outside the region.
- **Sports and Outdoors:** Richmond has several sport venues and events that attract visitors all year round. These include major sport events held at the Richmond Olympic Oval and/or at other sport facilities in the City, large indoor sport facilities, and outdoor sports (e.g. golf, cycling, ocean kayaking, fishing, boating). Whale-watching is also a popular outdoor activity leaving from Richmond. Most of this cluster is made up of visitors from Metro Vancouver and other surrounding areas.
- **Cultural Experience:** Richmond offers unique cultural experiences. The City is known for its Asian-oriented dining and shopping in the Golden Village and the Night Markets, as well as for the unique dining, shopping, and heritage experience at the historic village of Steveston. Many festivals and cultural celebrations also attract visitors to Richmond, such as the Canada Day Salmon Festival and the Maritime Festival in Steveston and the Chinese Lunar New Year celebrations. The Richmond Cultural Centre, with its performing arts events, and the Richmond Art Gallery are cultural attractions of interest to visitors. Most of this cluster is made up of visitors from Metro Vancouver and other surrounding areas.
- **Religious:** This segment includes the demand for worship sites located on the Highway to Heaven. Most of this segment is made up of visitors from Metro Vancouver and other surrounding areas.
- **Agricultural:** Many of Richmond's farms, wineries, and orchards are open to the public for retail sales and offer agri-tourism features such as U-pick and special events. Most of this segment is made up of visitors from Metro Vancouver and other surrounding areas.

The type of tourism that occurs in Richmond is mainly (though not entirely) regionally-serving in scale. Some tourism segments are supported by domestic and foreign tourists (business and gateway) but these are linked to the position of Metro Vancouver as a major international tourist destination. Richmond does not act as a stand-alone destination and depends on its proximity to Vancouver to help draw visitors. Existing attractions in Richmond mainly cater to the regional population and, to a lesser extent, to mainstream domestic and international tourists.

4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

The tourism and entertainment sector generates significant benefits for other sectors of the economy, in particular the Retail sector. Spending on retail and services is one of the fastest growing segments of the tourism and entertainment industry.

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

 this cluster
 overlap/links

5.0 Strategies for this Business Sector from the 2002 EDS

Richmond's 200 EDS identified Tourism as a key economic sector and recommended the following strategies at that time:¹²⁹

- "Continue to evaluate opportunities for the proposed Richmond Trade & Exhibition Centre to contribute to the City's economic development."
- "Identify and develop additional attractions and events in Richmond, including arts and culture, heritage and recreational, that can be marketed to both tourists and Greater Vancouver residents."

6.0 Growth Prospects

Tourism and entertainment is a growth sector in British Columbia. Overall, tourism employment in BC grew by about 1.2% per year from 2005 to 2011 and the tourism-related gross domestic product (GDP) in the province grew by 3% per year during the same period.¹³⁰

Richmond's tourism growth prospects depend on the following aspects:

- *Metro Vancouver's continued tourism growth.* Richmond's tourism and entertainment sector is closely linked to that of the region. Given its strategic location with YVR, the City will continue to capture a significant share of the regional growth. The increase in international tourists to Metro Vancouver, particularly from China, constitutes a particularly important opportunity for Richmond.
- *Growth of passenger traffic at YVR.* Continued growth in passenger traffic at YVR will generate growth for accommodation, retail, and services at Sea Island and in Richmond City Centre.
- *Richmond's ability to attract a higher share of the regional visitors:* Richmond is primarily a regionally-serving tourism and entertainment destination. Therefore, growth in the sector depends on the ability to attract more visitors from Metro Vancouver and surrounding areas to local events and attractions.

7.0 Implications for the 2014 Resilient Economy Strategy

- Is there an opportunity to consolidate Richmond's brand as an Asian-oriented shopping and dining destination? The promotion of Richmond as a major Asian-oriented shopping and dining centre is an opportunity to raise the profile of the city as a unique environment in the region. The New York Times wrote an article about the unique Asian dining experience that Richmond offers. Richmond's unique position in the region in this respect could be emphasized.
- Is there an opportunity to promote Richmond to the growing Chinese visitor market (e.g. through target promotion and agreements with tour operators)?
- Is there an opportunity to promote Richmond's agri-tourism opportunities more within the region?

¹²⁹ Richmond's 2002 EDS, page 76.

¹³⁰ BC Stats. Tourism Indicators: Tourism Sector Sees Modest growth in 2011. Issue # 12-01. October 2012.

Transportation, Warehousing, Logistics

1.0 Introduction

This sector comprises activities primarily engaged in transporting people and goods, warehousing and storing goods, and providing services to these establishments. The modes of transportation are road (trucking, transit, and ground passenger), rail, water, air and pipeline.



Photo: Google Maps

2.0 Key Facts

1. **Number of jobs:** There are about 15,000 people employed in the Transportation, Warehousing and Logistics sector in Richmond¹³¹, accounting for about 14% of all jobs located in Richmond.¹³²
2. **Clusters:** The Richmond Transportation, Warehousing and Logistics sector includes a wide array of complementary activities that form a complex supply chain. Employment in the sector can be broken down into the following clusters¹³³.
 - a) *Air Transportation and Support activities:* This cluster includes activities associated with scheduled and non-scheduled passenger and cargo air transportation services at YVR (e.g. airlines flight operations, helicopter services, customer service). This cluster accounts for about 20% of the jobs in the Transportation, Warehousing and Logistics sector in Richmond.

¹³¹ Based on the City of Richmond Business Inventory as of October 2012 and employment data from Port Metro Vancouver and the Vancouver Airport Authority. The sector includes the following two NAICS industry categories: 48 Transportation and 49 Warehousing. The number includes all full-time and part-time employees. Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

¹³² Based on the 2011 National Household Survey from Statistics Canada, there were a total of about 109,000 jobs in Richmond in 2011. This number accounts all jobs that have Richmond as a fixed place of work, including work at home. This number does not include jobs with no fixed place of work.

¹³³ Based on the City of Richmond Business Inventory as of October 2012. Depending on the cluster, the number of jobs may include both Richmond-based businesses and non-residential businesses (i.e. business registered to operate in Richmond but based in another municipality). The numbers include all full-time and part-time employees.

- b) *Marine Transportation and Support Activities*: This cluster includes all activities directly associated with port and marine transportation, including at Port Metro Vancouver facilities (e.g. container handling, cargo ship loading/unloading, customs inspection, port facilities management). This cluster accounts for about 35% of the jobs in the Transportation, Warehousing and Logistics sector in Richmond. It is estimated that Port Metro Vancouver operations support about 5,200 jobs in Richmond.¹³⁴
- c) *Rail Transportation and Support Activities*: This cluster includes all activities directly associated with cargo rail transportation (e.g. train operations, rail and network maintenance, equipment maintenance and repair). While there are significant cargo rail transportation occurring in Richmond, but there do not appear to be any businesses registered in Richmond that are directly in the rail transportation business.
- d) *Ground Transportation – Goods*: This cluster includes all activities directly associated with the transport of goods by road (e.g. local and long distance trucking, motor vehicle towing, equipment maintenance and repair). This cluster accounts for about 5% of the jobs in the sector in Richmond.
- e) *Ground Transportation – Passengers*: This cluster includes all activities directly associated with the transport of persons by land (e.g. local and long distance public transportation, tour operators, taxi and private transport). This cluster accounts for about 2% of the jobs in the sector in Richmond based on the City's Business Inventory. However, this may underestimate the actual number of jobs in this cluster in Richmond because the numbers do not include jobs associated with the local public bus system, the Canada Line, and other organizations not based in Richmond.
- f) *Freight Transportation Arrangements*: This cluster includes companies and organizations primarily engaged in acting as intermediaries between shippers and carriers such as freight forwarders, marine shipping agents and import/export and customs brokers. They may offer a combination of services, which may span transportation modes. This cluster accounts for about 12% of the jobs in the sector in Richmond.
- g) *Postal, couriers, messengers services*: This cluster includes all activities directly related to the operation of the national postal service and the provision of local and long distance courier delivery and messenger services and the local delivery services of small parcels. This cluster accounts for approximately 6% of the jobs in the sector in Richmond. However, the opening of the new Canada Post e-commerce processing plant at Sea Island will add about 1,200 jobs¹³⁵ in this cluster in 2014, which will increase the share of the jobs in this cluster to about 13% of all jobs in the Transportation, Warehousing and Logistics sector in Richmond.
- h) *Distribution, Warehousing & Storage*: This cluster includes companies and organizations primarily engaged in operating general merchandise, distribution, refrigerated and other warehousing and storage facilities. These establishments provide facilities to store goods. They may also provide ancillary services, such as logistics services, related to the distribution of a customer's goods. Logistics services can include labeling, breaking bulk, inventory control and management, light assembly, order entry and fulfillment, packaging, pick and pack, price marking, and ticketing. This cluster accounts for about 16% of the jobs in the Transportation, Warehousing and Logistics sector in Richmond.

¹³⁴ Port Metro Vancouver, 2012 Port Metro Vancouver Economic Impact Study, Prepared by Intervistas Consulting.

¹³⁵ Richmond Economic Development, Transportation & Logistics Sector Profile.

3. Major firms in Richmond in the Transportation, Warehousing, and Logistics sector:

Company Name	Cluster	Activity	Approximate # of Jobs in Richmond
Servisair Inc	Air Transportation and support activities	Ground handling services	600
London Drugs Ltd	Distribution, Warehousing & Storage	Distribution Centre	550
Air Canada Jazz	Air Transportation and support activities	Airline	400
Vancouver Airport Authority	Air Transportation and support activities	Airport Operations	400 ¹³⁶
HBC Logistics	Distribution, Warehousing & Storage	Distribution Centre	390
United Parcel Service Canada	Postal, couriers, messengers services	Cartage delivery service	360
Vector Aerospace Helicopter Services Inc	Air Transportation and support activities	Repair & Overhaul Centre For Helicopter	300
Purolator Courier Ltd	Postal, couriers, messengers services	Courier service - pick up & delivery	200
Containerworld Forwarding Services Inc	Distribution, Warehousing & Storage	Warehousing and distribution	180
MTU Maintenance Canada Ltd	Air Transportation and support activities	repair & overhaul of aeroplane engine	150
Fedex Express Canada Ltd	Postal, couriers, messengers services	Regional office for courier company	140
CHC Global Operations Inc	Air Transportation and support activities	helicopter charter service	130
Fraser Wharves Ltd	Distribution, Warehousing & Storage	Warehousing/Distribution	110
Helijet International Inc	Air Transportation and support activities	Airlines service	110
Federal Express Cda Ltd	Postal, couriers, messengers services	Express Company	110

Source: City of Richmond's Business Inventory as of October 2012.

4. Location patterns within Richmond: Firms in the Transportation, Warehousing and Logistics sector are located in several industrial areas throughout the City. Some patterns include:

- A notable concentration of storage and distribution facilities exists in North Richmond, particularly along the Fraser River, Knight Street, and No. 6 Road.

¹³⁶ Vancouver Airport Authority. YVR Insider, 2012 Annual Report, Issue 8, May 2013.

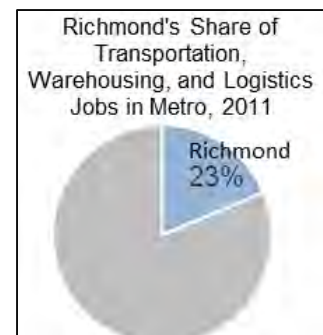
- A notable concentration of storage and distribution facilities exists in the City Centre, particularly along River Road.
- A notable concentration of storage and distribution facilities exists in the industrial and business park area located south of Steveston Highway in South Richmond.
- Port Metro Vancouver facilities are located along both the north and the south arms of the Fraser River and include the Fraser Wharves Automobile Terminal (one of the two automobile terminals in the region) and the industrial and logistical hub on the Richmond Properties, both of which are located along the south arm of the Fraser River in South Richmond.
- Airport-oriented activities are located at Sea Island and in the City Centre.

3.0 Richmond's Role in Metro Vancouver

There were an estimated 66,000 transportation, warehousing and logistics jobs in Metro Vancouver in 2011.¹³⁷ With about 15,000 jobs, Richmond accounts for about 23% of the regional employment in this sector.

Richmond's role in the region's Transportation, Warehousing, and Logistics sector also includes the following aspects:

- Richmond is home to about 15% of the direct employment related to Port Metro Vancouver in the Region¹³⁸, which makes Richmond the second most significant municipality in the region in terms of port-related employment after Vancouver.
- Richmond has the largest existing industrial floorspace inventory in the region, accounting for about 20% of the total industrial floorspace inventory in Metro Vancouver.¹³⁹ This type of space is particularly attractive to companies engaged in distribution, warehousing, and storage activities.
- Richmond is one of the few municipalities in Metro Vancouver (along with Burnaby, Coquitlam, Delta and Surrey) with available industrial buildings in excess of 100,000 square feet.¹⁴⁰
- Richmond has the fourth largest supply of vacant industrial land in the region (after Surrey/White Rock, Delta, and Maple Ridge/Pitt Meadows), accounting for about 14% of the region's undeveloped industrial land capacity.¹⁴¹
- With its proximity to the U.S. border and with the presence of YVR and the major Port Metro Vancouver facilities, Richmond is a major transportation and logistics centre and the only intermodal centre with easy connections to all four modes (road, sea, rail, air) in Metro Vancouver.



¹³⁷ Statistics Canada, National Household Survey 2011. This figure includes all jobs in the NAICS category 48-49 Transportation and Warehousing.

¹³⁸ Port Metro Vancouver, 2012 Port Metro Vancouver Economic Impact Study, Prepared by Intervistas Consulting. The direct economic impacts of Port Metro Vancouver in the Region totals about 35,000 jobs, 5,200 of which are in Richmond.

¹³⁹ Avison Young, Metro Vancouver Industrial Overview, Spring 2013.

¹⁴⁰ Avison Young, Metro Vancouver Industrial Overview, Spring 2013.

¹⁴¹ Metro Vancouver 2010 Industrial Land Inventory, Metro Vancouver.



4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

The Transportation, Warehousing and Logistics sector generates significant benefits for other sectors given its key role in the economy. Transportation, Warehousing and Logistics provide services that are central to the supply chains of many industries. Also, firms engaged in the sector buy goods and services from a diversity of organizations and in turn generating spill-overs to other economic sectors.

In Richmond, the manufacturing sector can have significant spill-overs for the following sectors:

- **Manufacturing:** There is a significant need for goods transportation, distribution, storage warehousing and logistics services for the manufacturing sector (particularly for the export-oriented component of manufacturing), both for outputs and inputs. Manufacturing firms also depend on the efficiency of the transportation, warehousing, and logistics supply chain to be competitive.
- **Technology:** The transportation, warehousing and logistics sector depends on a wide range of technologies and business solutions.
- **Retail:** Growth in the transportation, warehousing and logistics sector will benefit the large number of retailers, services, and restaurants located in Richmond by providing additional (and enhanced) supply chain options. Retailers, services, and restaurants also depend on the efficiency of the transportation, warehousing, and logistics supply chain to be competitive.

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

 this cluster
 overlap/links

5.0 Strategies for this Business Sector from the 2002 EDS

Richmond's 2002 EDS identified "industrial activity" as a key sector for Richmond's economic base, which included the transportation, warehousing and logistics sector and the manufacturing sector.

As of 2002, the EDS noted the following challenges for attracting industrial development in the City:¹⁴²

- "The shortage of readily available industrial land suited to a range of users."
- "The City's relatively high industrial DCCs."

These continue to be challenges.

As of 2002, the EDS suggested the following general industrial strategies:¹⁴³

- "Create a larger supply of readily available industrial land to meet future demand from a wide variety of businesses."
- "Complete the review of Richmond's DCC program and ensure that the issues raised for the industrial sector are given consideration as part of this process."
- "Encourage the development of the Fraser Richmond lands as a key component of the City's industrial strategy."

¹⁴² Richmond's 2002 EDS, page 71.

¹⁴³ Richmond's 2002 EDS, page 72.

- “Establish new Accords with Fraser River Port Authority (underway) and the North Fraser River Port Authority that include consideration of economic development issues.”

6.0 Growth Prospects

The transportation, warehousing and logistics sector as a whole is a growth sector in BC. Employment in the sector grew by an average of 1.5% per year in the past ten years in the province, from about 111,000 jobs in 2002 to 129,000 jobs in 2012.¹⁴⁴ This created about 1,750 jobs per year in the sector throughout British Columbia. Some sub-sectors have experienced even stronger growth in the province during the same period, including:¹⁴⁵

- Distribution, warehousing, and storage activities grew by an average rate of 7.6% per year.
- Postal, couriers, messengers services grew by an average rate of 3% per year.
- Rail transportation activities grew by an average rate of 2.4% per year.
- Transit and Ground Passenger Transportation grew by an average rate of 2.1% per year.

Metro Vancouver accounts for about 60% of the transportation, warehousing and logistics jobs in BC. If Metro captured 60% of provincial growth in this sector from 2002 to 2012, this implies average annual growth of about 1.6% per year.¹⁴⁶

In Richmond, available data suggests that employment in the transportation, warehousing and logistics sector remained stable at about 15,000 jobs between 2006 and 2012. The main challenges for growth in this sector in Richmond are:

- *Limited expansion options for Port Metro Vancouver due to the ALR.*
- *Natural barriers and difficult access to the south side of the Fraser River:* physical barriers such as the Fraser River limit the expansion of the trucking industry, particularly the segment related to cross-border freight transportation.
- *Municipal and regional freight transportation regulations:* freight transportation regulations effective in the region, including the hours during which freight transportation is allowed, are restrictive and are perceived as a barrier to growth in the sector.

The ability to maintain jobs or grow this sector in Richmond will depend on these main factors:

- *The ability to capture a stable or higher share of future growth in the region.* Currently, Richmond has about 23% of the region's jobs in the sector. Initiatives and policies to attract port-related and distribution, storage, warehousing activities to other municipalities in the region may affect Richmond's growth prospects in this sector.
- *The ability to better tap into Richmond's role as an Asia Pacific Gateway could benefit this sector.*

¹⁴⁴ BC Stats, Statistics by Subject. *British Columbia Employment by Detailed Industry, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013.

¹⁴⁵ BC Stats, Statistics by Subject. *British Columbia Employment by Detailed Industry, Annual Averages*. The figures are based on unpublished data from the Labour Force Survey from Statistics Canada. The data was prepared and adapted by BC Stats in February 2013.

¹⁴⁶ Actual growth data for this sector is unavailable for Metro.

7.0 Implications for the 2014 Resilient Economy Strategy

- How can Richmond maximize benefits for this sector related to its intermodal nature? Richmond provides easy access to all four modes of transportation (air, road, rail, sea). For instance, the air cargo transportation segment has the potential to increase at YVR Airport, as it represents a smaller segment than in comparable international airports.
- Are there initiatives that Richmond could explore to help retain and attract port-related activities?
- On paper, Richmond has the fourth largest supply of vacant industrial land in the region (after Surrey/White Rock, Delta, and Maple Ridge/Pitt Meadows), accounting for about 14% of the region's undeveloped industrial land capacity. However, based on discussions with industry representatives and stakeholders, there is a perception that Richmond is running out of vacant industrial land.

YVR

1.0 Introduction

The YVR cluster includes all activities that are directly related to its day-to-day operations (e.g. flight control, airlines services, aircraft maintenance, repair and overhaul, safety and security) and other related services (e.g. retail, restaurants, accommodation, ground transportation). YVR is a major asset and an employment driver across several industries in Richmond.



Photo: Coriolis Consulting Corp.

2.0 Key Facts

1. **Number of jobs:** YVR supports an estimated 24,000 direct jobs in 400 firms and companies at and around Sea Island.¹⁴⁷ This represents almost a quarter of all employment located in Richmond.¹⁴⁸ In addition, YVR operations support about 23,000 indirect jobs and 15,000 induced jobs in the region, a large share of which are located in Richmond.¹⁴⁹
2. **Historic job growth:** Total employment associated with YVR declined from about 26,000 jobs in 2000 to about 24,000 jobs in 2010.¹⁵⁰ This reduction was attributable to several factors, including

¹⁴⁷ Vancouver International Airport, "2010 Economic Impact Report". Note that this estimate includes all jobs at the Airport facilities, at Sea Island, and in other activities related to the airport but not necessarily located at Sea Island (e.g. ground transportation services, hotels located in Richmond City Centre). Note that we are describing clusters of employment in sectors that are closely linked, in order to illustrate the importance of inter-connections. Consequently, there are overlaps between some clusters and the sum of the employment figures in the clusters is more than the total number of jobs in Richmond as presented in previous sections (109,000 jobs). For employment totals and unclustered sector totals, see Exhibit 8.

¹⁴⁸ Based on the 2011 National Household Survey, there were a total of about 109,000 jobs in Richmond in 2011.

¹⁴⁹ Vancouver International Airport, "2010 Economic Impact Report".

¹⁵⁰ The 2000 and 2010 Vancouver Economic Impact Reports.

automation, consolidation of airlines and car rental companies, and the 2008 recession. For example:¹⁵¹

- Airline employment declined by about 16% over the past ten years or so as the use of automated check-in kiosks became more significant and as a result of airline mergers and acquisitions.
- Employment in airport-related car rental and ground transportation activities at YVR declined by about 30% over the past ten years as a result of the consolidation of the car rental industry and the opening of the Canada Line.
- Offsetting these factors, though, was job growth in the retail sector at YVR (retail sector jobs increased by about 48% over the past decade because of the terminal expansion).

3. **Clusters:** YVR includes a wide array of economic activities which can be grouped into the following clusters:

- a) *Air Transportation:* This cluster includes activities associated with scheduled and non-scheduled passenger and cargo
- b) *Airport Operations:* This cluster includes all activities associated with YVR's operations and management (e.g. airport management and logistics, flight control, baggage handling, safety and security).
- c) *Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO):* This cluster includes all activities associated with the inspection, maintenance, wholesale, and repair of aircraft and/or helicopter equipment.
- d) *Retail and Service:* This cluster includes the 160 stores, restaurants, and personal services located at YVR.¹⁵² A share of the demand for these activities can be characterized as region-serving (i.e. regional passengers travelling to/from Metro Vancouver) and the balance as export-oriented (e.g. tourists and passengers with connecting flights at YVR). This cluster will increase substantially with the opening of the 460,000 square foot Designer Outlet Centre being developed by the UK-based developer McArthurGlen near Templeton Station on the Canada Line. This project is expected to create 1,000 retail jobs and is expected to open in 2014.¹⁵³
- e) *Accommodation:* This cluster includes all hotels located near YVR.
- f) *Ground Transportation:* This cluster includes ground transportation services (e.g. taxi and shuttle services, public transportation, car rental agencies) related to YVR.

4. **Economic impacts of YVR for Richmond:** Beyond the 24,000 direct jobs supported by YVR, the airport also generates significant economic impacts for Richmond, including:¹⁵⁴

- The Vancouver Airport Authority paid \$15.5 million to the City of Richmond as payment in lieu of taxes in 2009. Under B.C. Regulation 326/94, land and improvements used for YVR operations that are leased from the federal government and/or owned by the Vancouver Airport Authority are exempted from property tax levies. All other industrial and business lands and improvements at Sea Island (whether owned or not by the Vancouver Airport Authority) are subject to municipal property taxation.
- About 8.8% of the City of Richmond's tax revenue in 2009 was attributable to YVR operations and related activities (mainly from property and business taxes and levies).
- In 2012, YVR initiated a 10-year strategy outlining \$1.8 billion in improvements to the airport facilities, which will bring construction jobs to Richmond.

¹⁵¹ Vancouver International Airport, "2010 Economic Impact Report".

¹⁵² YVR Airport Website, Shopping, Dining and Services Section.

¹⁵³ YVR Airport Website, Land Development Section.

¹⁵⁴ Vancouver International Airport, "2010 Economic Impact Report".

3.0 Richmond's Role in Metro Vancouver

YVR is Metro Vancouver's only major international airport. While there are other airport facilities with scheduled flight service in the region (i.e. Abbotsford International Airport, the Boundary Bay Airport in Delta, and the Vancouver Harbour Sea Plane Terminal), YVR continues to handle the overwhelming majority of the regional air traffic (about 95% of total passenger traffic in 2011¹⁵⁵).

Key points about YVR's role in the region include:

- YVR handles the vast majority of scheduled domestic flights and all trans-border and international flights in the region.
- All air-to-sea/sea-to-air and air-to-ground/ground-to-air intermodal cargo transfers in the region are handled at Sea Island.
- YVR is home to several aviation corporate headquarters, including those of CHC Helicopter Corporation, MTU Maintenance Canada Ltd., Helijet International Inc., and Highland Helicopters Ltd.
- The BCIT Aerospace Technology Campus, one of the region's two aerospace schools, is located at YVR.
- YVR has the largest amount of available airport-oriented industrial land in the region.



4.0 Existing and Potential Overlaps/Linkages with Other Business Sectors

YVR generates significant benefits for other sectors of the economy given the diversity and the complexity of its value chain. Firms and companies operating at YVR buy goods and services from other organizations in the region, in turn generating spill-overs to other sectors of the economy.

In the Richmond context, YVR has linkages with these sectors:

- *Aerospace and Aviation:* The presence of YVR has helped Richmond draw an agglomeration of aerospace and aviation-related firms.
- *Post Secondary Education:* Linkages exist between YVR and the BCIT Aerospace Technology Campus.
- *Retail:* Growth in passenger traffic at YVR Airport creates demand for retail and service growth, and developing land at YVR for retail and service space (i.e. the new Designer Outlet Centre) creates impacts for the retail and service market in other parts of Richmond.
- *Technology:* YVR depends on a wide range of technologies and business solutions. Richmond's technology sector can benefit from growth at YVR in the form of:
 - Increased sales and business.
 - Knowledge spill-overs (Idea generation and innovation).
 - Human capital development and retention.
- *Tourism:* Growth in passenger traffic at YVR Airport generates significant spill-over impacts in the Richmond Tourism sector, particularly for hotels located at and near Sea Island, including in

Business Clusters	
1.	Aerospace and Aviation
2.	Agriculture & Food/Beverage Production
3.	Regional Business Centre
4.	Film and Media
5.	Fishing
6.	Health Care
7.	Manufacturing
8.	Post Secondary Education
9.	Retail
10.	Technology
11.	Tourism
12.	Transportation, Warehousing, Logistics
13.	YVR

 this cluster
 overlap/links

¹⁵⁵ Statistics Canada, "Air Carrier Traffic at Canadian Airports", 2011. Catalogue No. 51-203-XIB. The total air passenger traffic for Metro includes YVR Airport, Abbotsford Airport, Boundary Bay Airport, and the Vancouver Harbour Sea Plane Terminal.

Richmond City Centre. Currently, Richmond boasts about 20% of all hotel rooms in the Greater Vancouver Area.¹⁵⁶

- *Transportation and logistics:* Metro Vancouver's position as an Asia Pacific Gateway Region involves direct interactions between YVR and Port Metro Vancouver facilities. The growth of intermodal cargo transport (i.e. land-sea-air) creates benefits across these sectors, especially in Richmond where major airport, sea port, and rail line facilities exist and permit easy inter-modal transfers.

5.0 Strategies for this Business Sector from the 2002 EDS

Richmond's 2002 EDS identified YVR as a key sector for Richmond's economy. It noted the following challenges for YVR at that time:

- Federal protective air policies limit YVR's ability to compete with other international and US airports to attract passenger and cargo traffic.
- The heavy reliance on Air Canada as the national carrier means that the airport is affected by any major changes in this one airlines' operations.
- Other airports in the region (Abbotsford, Chilliwack, Pitt Meadows) have a large amount of unused capacity.
- YVR is the only airport in Canada that has no cap on the rent it pays to the federal government, so rent payment is the single biggest operational cost for YVR.
- Increasing ground traffic makes travel to and from the airport more difficult.

The 2002 EDS outlined the following strategies for the YVR sector:¹⁵⁷

- "Ensure all pertinent economic development issues are addressed in the new Accord between the City and the Vancouver International Airport Authority (VIAA)."
- "Support the VIAA in its efforts to lobby for changes to Canada's air policies, including securing Fifth Freedom rights and the opening up of the air cargo market."
- "Support the VIAA in its efforts to renegotiate the terms of its rent agreement with the Federal governments."

6.0 Growth Prospects

YVR is a growth sector in Richmond. The rate of employment growth will be influenced by these factors:

- *The global economic situation:* As the global economy improves, the amount of air travel is likely to increase. YVR is well positioned to capture a share of increasing demand from business and leisure travel from Asian countries.
- *The pace of growth in passenger traffic:* As passenger air transportation movements increase, more support activities will be required, in turn creating direct and indirect jobs at YVR. For example, it is estimated that a daily international flight supports about 186 person-years of direct employment at and around YVR.¹⁵⁸ From 1992 to 2012, total passenger traffic at YVR increased by an average of about 2.3% per year.¹⁵⁹ There are two sources of passenger traffic demand:

¹⁵⁶ The figures are from Tourism Vancouver - Research and Business Planning based on data from TBC Accommodation Guide, Tourism Vancouver Membership database, and BC Assessment as of January 2013. The list is comprised of private rooms only. It does not include seasonal rooms, hostels, bed & breakfasts, long-term accommodations or time shares.

¹⁵⁷ Richmond's 2002 EDS, page 62.

¹⁵⁸ Vancouver International Airport 2010 Economic Impact Report.

¹⁵⁹ YVR Passengers (Enplaned + Deplaned) 1992-2013, YVR's website.

- regional demand (i.e. demand for flights to/from the region), which is linked to the size of the regional population and business community. Growth in this segment primarily depends on the regional population and business growth.
- transit and non-regional traffic market (i.e. traffic connecting through YVR to another destination as well as tourists). Growth in this segment depends on YVR's ability to attract a larger share of the national and international air traffic and a larger number of tourists.
- *The pace of growth in cargo traffic:* As cargo air transportation movements increase, more support activities will be required, in turn creating direct and indirect jobs at YVR. It is estimated that a daily all-cargo flight supports about 73 person-years of direct employment.¹⁶⁰ From 1996 to 2012, total cargo traffic at YVR decreased by about 0.6% per year.¹⁶¹ The share of Canada's air cargo traffic handled at YVR also declined steadily over the past 15 years or so, from about 25% in 1996 to 18% in 2011.¹⁶² As with passenger traffic, there is both a regional and non-regional component to the demand for cargo traffic. YVR's ability to re-gain a larger share of the national air cargo market would help support employment growth at YVR.
- *The ability to attract a higher share of Canada's aerospace and aviation sector in Metro Vancouver.* Currently, the sector remains primarily concentrated in Quebec and Ontario, with these two provinces accounting for nearly 75% of the nation's 80,000 jobs in the sector.¹⁶³ With about 10,000 jobs¹⁶⁴, Metro Vancouver accounts for about 12.5% of Canada's aerospace and aviation sector jobs. Capturing a higher share of this sector in general would help support employment growth at YVR.
- *Technological and logistical changes and consolidation in the sector.* In the past decade, new technologies, automation, and mergers and acquisitions have reduced the number of jobs in the sector. Future changes in the sector may affect the growth rate in the sector.

7.0 Implications for the 2014 Resilient Economy Strategy

- How can Richmond maximize the potential for intermodal cargo transport at Sea Island?
- How can YVR increase its air cargo transportation segment, which represents a smaller share of activities at YVR than at other comparable international airports and which has been declining in recent years?
- How can the City help to maximize YVR's spill-over benefits to specific sectors (e.g. tourism, transportation and logistics, aerospace and aviation, post secondary education, retail)?
- The City should monitor how the new Designer Outlet Centre performs.

¹⁶⁰ Vancouver International Airport 2010 Economic Impact Report.

¹⁶¹ Statistics Canada. "Air Carrier Traffic at Canadian Airports", 1996, 2001, 2006, 2011. Catalogue no. 51-203-XIB.

¹⁶² Statistics Canada. "Air Carrier Traffic at Canadian Airports", 1996, 2001, 2006, 2011. Catalogue no. 51-203-XIB.

¹⁶³ Deloitte. "The Strategic and Economic Impact of the Canadian Aerospace Industry," October 2010.

¹⁶⁴ This is the estimated number of jobs in the sector in Metro Vancouver according to the Vancouver Economic Commission, "Media Background, Aerospace Industry."