



## **Committee of the Whole Report**

### **For the Meeting of May 20, 2021**

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**To:** Committee of the Whole **Date:** May 14, 2021  
**From:** Kerri Moore – Head of Business & Community Relations  
**Subject:** Victoria 3.0 Recovery Reinvention Resilience Progress Report

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### **RECOMMENDATION**

That Council:

1. Approve \$117,000 from the 2021 Financial Plan contingency budget to support the initial planning for the Arts & Innovation District.

### **EXECUTIVE SUMMARY**

Victoria 3.0 is an economic action plan that aligns with the City's Official Community Plan to 2041. It's a long-term plan and vision for a sustainable, influential city that will build a strong innovation ecosystem and create a resilient and inclusive economy now and into the future. The actions outlined will build an economy that enables everyone to flourish and that will set Victoria on a path to low-carbon prosperity.

Victoria 3.0 includes three main goals:

1. An immediate focus on supporting businesses to adapt to a new normal and become more resilient considering lessons learned during the COVID-19 pandemic
2. Creating a city and an economy that is inclusive of everyone
3. Building a sustainable economy over the next two decades which aligns with the City's Climate Leadership Plan and creates a pathway to low-carbon prosperity

To ensure that Victoria 3.0 would focus on the right issues and metrics that would set the city up for success, the first step in developing the plan was to research other global cities. The City with other funding partners engaged "The Business of Cities" an urban intelligence firm that works with more than 100 cities and companies worldwide each year. "The Business of Cities" help global cities and businesses to work together, find and learn from each other, and adopt strategies and tools to achieve their goals. An executive summary with full report (Appendix A) examine the Greater Victoria region under three areas of focus: Benchmarking Victoria's Economy, Case Studies – Learning from International Experience, and Victoria's Global Fluency.

Building on research findings, sector specific roundtables were held in the fall of 2019. The Ocean Futures & Innovation Hub, Big Idea (Arts & Innovation District), and Business Support working groups were also created. Participants from the roundtables joined the working groups and

contributed their time and insights to help drive forward key action items. This speaks to the commitment of community partners and business leaders city wide to collaborate and the shared responsibility to shape and achieve the vision of Victoria 3.0, for the city to be a future-ready, globally-fluent influencer and innovator.

Victoria 3.0 was adopted by Council on May 14, 2020 and includes 10 categories and 69 action items to be delivered between 2020 to 2026. This document outlines the completed or partly completed 16 action items achieved within the first year. As well, updated 2021 action items with a request for \$117,000 from the Financial Plan contingency to support the initial planning towards an Arts & Innovation District, and future action items.

## **PURPOSE**

The purpose of this report is to provide Council with a progress report on the action items achieved to date, updated 2021 action items and future action items, and to request \$117,000 from the Financial Plan contingency budget to support the initial planning towards an Arts & Innovation District.

## **BACKGROUND**

In 2019, City staff hosted six sector specific roundtables where 145 residents and business owners participated. At each roundtable, a proposed vision for Victoria 3.0 and the future of our economy was presented. Participants were asked for their input based on their experience doing business in the city and their aspirations for “global fluency”. The draft plan was released in January 2020 and public input was received through an online survey.

In March 2020, just as Victoria 3.0 was scheduled for Council’s consideration, the pandemic arrived placing the plan on hold and requiring staff to reposition the plan focussing on Recovery, Reinvention, and Resilience. Another round of engagement with business leaders helped to refine Victoria 3.0 to support businesses through the pandemic and beyond.

Recovery has focused on the small business sector in our local economy which has faced significant impacts due to the pandemic including serious revenue shortfalls and staff layoffs. Actions outlined under “Recovery: Our Small Businesses are the Lifeblood of Our Economy,” are to provide immediate support to small businesses, including newcomer and Indigenous-owned businesses and youth to assist businesses to weather the pandemic and position for future recovery. The Build Back Victoria program and the COVID-19 Business Resource page were two immediate actions that positively impacted and supported business.

Reinvention and Resilience focuses on building on Victoria’s strengths and reinventing Victoria to meet the challenges and seize upon opportunities in preparation for the 22<sup>nd</sup> century. Action items focus on developing a stronger innovation ecosystem and building on our strengths as an ocean city while also creating low-carbon prosperity. Two primary actions include launching an Ocean Futures Cluster and Innovation Hub and building an Arts & Innovation District.

## **ISSUES & ANALYSIS**

Victoria 3.0 includes two key areas for implementation of Recovery, and Reinvention and Resilience. Since adoption by Council in May 2020, staff and community partners have been able to complete or partly complete 16 of the 69 action items. The following sections provide action items completed to date, 2021 action items underway and larger initiative updates for Council’s

information.

## **Recovery: Our Small Businesses are the Lifeblood of Our Economy**

The following action items have been completed or partly completed:

1. Develop a “How to Adapt to a New Normal” toolkit based on WorkSafeBC sector guides
2. Develop an “Emergency Resilience” toolkit for Business
3. Create opportunities for restaurants and retailers to do business in public space
4. Create more space for pedestrians downtown and in village centres to meet physical distancing requirements
5. Develop a Welcoming Cities Strategy
6. Undertake a Feasibility Study for the Victoria Conference Centre

As soon as COVID-19 was declared a pandemic, the Mayor initiated a weekly business support call with representatives from the Downtown Victoria Business Association, Destination Greater Victoria, Think Local First, Community Micro Lending, Victoria Innovation Advanced Technology & Entrepreneurship Council, Chamber of Commerce, the South Island Prosperity Partnership, and several small business owners to understand how the City could support small business. These weekly calls informed the City’s COVID-19 Business Resource page to help businesses safely re-open, ways to support our local economy, and more information regarding relief programs through federal, provincial and local channels. These calls are now held biweekly and continue to inform Victoria 3.0 implementation.

Build Back Victoria launched in June 2020 and provided temporary initiatives for businesses to expand their operating capacity into public space (parks, sidewalks, streets, boulevards) in line with public health recommendations for physical distancing and while maintaining the accessibility and liveability of our streets and sidewalks. This also aligned with the Provincial Liquor Board licencing expansion for liquor sales and service in public space. This program has been widely successful with participants across several business sectors and locations throughout the City and will continue until at least October 2021.

To support newcomer businesses, a Welcoming Cities task force was initiated in November 2020. Work is underway and public engagement will begin in mid-May to seek input on how Victoria can align with the international Welcoming Standard, which includes a focus on employment and economic inclusion. Specifically:

- Assist immigrant job seekers with information, training, and networking.
- Support immigrant entrepreneurs and business owners in starting, building, and growing their companies.
- Engage local employers and chambers of commerce to create welcoming, equitable and safe work environments.
- Plan for inclusive economic development and integrate welcoming into existing economic development efforts.
- Build financial knowledge and skills in the immigrant community.
- Support immigrant workers through education on workplace rights and legal advice on workplace issues.

A report to Council with a proposed strategy is expected in September.

## Recovery: 2021 Action Items

Council directed staff to report back on Victoria 3.0 actions outlined as deliverables for 2021 (Appendix B). However, due to the ongoing pandemic, a meeting was held with business leaders to discuss the proposed actions and to determine feasibility of each item. Feedback included an immediate focus on the incumbent businesses who are still 'hanging on' and to delay the retail strategy until later in 2021 or early 2022. Input also included relaunching the ShopYYJ campaign that includes businesses promoting to shop and dine locally, the vibrancy and vitality of downtown, and our own success stories. As a result, our action items for 2021 have been adjusted to focus on the following priorities:

- Downtown Clean & Safe Committee / Downtown Ambassador Program
- Relaunch the ShopYYJ buy local campaign
- Build Back Victoria Program – promoted through print & social regarding the continuation of the program
- 'Cut the Red Tape' workshop to discuss the best and most efficient ways for the City to support business
- Mitigation Strategy to improve communication and support businesses that are impacted by development.
- Retail Strategy to be reviewed in T3 2021 on timing to engage consultant to undertake this work.

## Workplan or resource impacts of COVID-19

Destination Greater Victoria, as the sales and marketing partner for the Victoria Conference Centre (VCC), contracted CBRE to conduct a convention business growth potential and feasibility study, which was completed in September 2020. Tourism, and particularly the conference industry, has been devastated by the impacts of COVID-19. The study estimated that following post-COVID recovery there would likely be potential to increase the number of events hosted at the VCC as well as their size (number of delegates) and duration (delegate days), subject to expansion and reconfiguration of the facility. It is anticipated that recovery trends will become evident during 2022 and, given lead times for planning, the feasibility study should be revisited in fall 2022.

Victoria 3.0 envisioned additional staffing capacity to support implementation. The Business Ambassador has been fully committed to managing the Build Back Victoria program and the Head of Business & Community Relations has the responsibility of overseeing the Economic Development, Victoria Conference Centre, Arts Culture & Events and Neighbourhoods divisions without a manager or administration support. Additional staff capacity will be required to achieve all the action items in the plan and to support economic recovery and economic inclusion. As part of the 2022 Financial Plan, staff will propose an additional staff position for Council's consideration.

## **Reinvention and Resilience: Building a Strong and Resilient Local Economy**

The following action items were completed or partly completed since adoption of Victoria 3.0:

### Create an Ocean Futures Cluster

1. Create an Ocean Futures Cluster Task Force to develop a strong value proposition and Cluster implementation
2. Develop a Business Case and Value Proposition

3. Champion the Ocean Futures Cluster and Innovation Hub with Provincial and Federal governments
4. Develop a Governance Structure for Cluster Implementation

The action to develop an Ocean Futures Cluster and Innovation Hub (OFCIH) will help build on all the ocean and marine-related businesses and major assets in our city and region. This action aims to grow existing enterprises and attract new ones where the resulting products, services, technology, know-how, and intelligence support the arc that leads to sustainability and climate changes mitigation and adaptation. It will help our region and Canada to achieve UN Sustainable Development Goal 14: “Life Below Water – conserve and sustainably use the oceans, seas and marine resources for sustainable development.”

A business case working group was formed in early June 2020 that included the City, the Association of British Columbia Marine Industries, Ocean Networks Canada, Open Ocean Robotics, South Island Prosperity Partnership (SIPP), Province of BC, Ralmax Group of Companies and the Centre for Ocean Ventures & Entrepreneurship in Halifax to create a request for proposals for a feasibility and business case for an OFCIH. Through a funding application to Western Economic Diversification, the partners secured \$100,000 for this work. The contract was awarded to Urban Systems and the business case was completed in September 2020 (Appendix C).

Since the completion of the business case, this work has transitioned to SIPP and the project is now called the Centre for Ocean Applied Sustainable Technologies (COAST). COAST is a stand alone non-profit with a governance structure and interim board created to lead the work of a cluster and innovation hub.

#### Learn from Other Cities – The Business of Cities

1. Measure the City and region against 10 Traits of Globally-Fluent Metro Areas
2. Research policies and best practices needed to get us from where we are (largest source of jobs is service and public sector) to where we want to go (balance of public sector and high-value private sector jobs)
3. Undertake case studies on other cities/regions
4. Determine comparator cities; assess how we rank in comparison to other small, high-performing, high-calibre cities
5. Gain insight on advance key projects; Innovation District, Ocean Futures Cluster, Attracting a post-secondary institution to partner in downtown Victoria
6. Develop a measurement framework to track progress over time. How many high-value jobs created? How globally fluent? How many spin-offs from Ocean Futures Cluster and Innovation District?

The City partnered with the British Columbia Investment Management Corporation (BCI), SIPP, and Aryze Developments to contract The Business of Cities to conduct an analysis of Greater Victoria’s economic potential. The consultant team conducted a study of best practices from other global cities to learn from other cities and incorporate learnings to guide Victoria to prepare for the challenges and opportunities of the 22nd century. Small city regions will be an important part of the global landscape in the coming decades; city regions like Victoria need to increase their global fluency or risk being left behind as unaffordable, unsustainable and low-value.

The analysis and research prepared by The Business of Cities was carried out over several months and included regular meetings with the funding partners (City of Victoria, BCI, SIPP, and Aryze)

and was also informed by focus group discussions with several of Victoria's business leaders under different categories such as Post-Secondary Presidents, High-Value Economic Transition, Ecosystem Development, Inclusive Economic Development, and the Ocean Cluster & Innovation District.

The City will continue to be informed by the Business of Cities analysis and research, but the broader regional development actions will be led by SIPP.

### Re-Do Victoria's Brand and Story

Although this was proposed in Victoria 3.0 as a 2023-2026 action, this work is underway on a regional basis through the South Island Prosperity Partnership as work arising from the Rising Economy Task Force. Many of the task force subcommittees identified the need to tell our new story as a key element of post-pandemic recovery. This resulted in "Tell Our New Story" as a key pillar of recovery in the region's Reboot Plan. The Reboot plan notes that "The post-COVID-19 world will embrace smaller cities that are highly liveable, agile, connected, competent, healthy, compact, innovation hungry and future-ready. Greater Victoria already has many of the strengths that are fundamental for recovery." SIPP is leading this multi-month process and there will be opportunities for engagement for the City, residents and businesses.

### Arts & Innovation District

In early 2019 the Mayor invited leaders to discuss a 'Big Idea' precipitated due to a parcel of land (Capital Iron lands) that would soon be available. The meeting was to discuss the viability to create a location for new office space for the technology industry, a downtown university space, a potential downtown library, office space for the BC public service, and other important community amenities.

The 'Big Idea' became the Arts & Innovation District (District). As described in Victoria 3.0, the District is proposed to be a hub of cross-sector collaboration, a place where research and development lead to ideas that are commercialized (turned into products and services), where new high-value, future-oriented jobs are created and where Victoria's arts and culture sector can continue to flourish. It will be a global facing and export-oriented district to attract companies that embrace and address the challenges of the 22<sup>nd</sup> century with a focus on low-carbon prosperity. It will be an amenity-rich place where small businesses and artists thrive and benefit from the concentration of economic activity.

The location initially started with a focus on the Capital Iron lands, but soon grew to include a larger area at the north end of downtown which will accommodate future key employment uses. The area is currently a mix of heavy and light industry, commercial, retail, surface parking lots, recently remediated land owned jointly by the Songhees and Esquimalt Nations, craft brewers, and artists and makers.

For this work to move forward, the next phase requires a planning and city-initiated rezoning process that is both visionary and grounded in strategies and key considerations that support the vision and objectives for the District. This includes a focus on employment and ensuring that the policies and regulations are economically viable and attract investment, while maintaining affordable space for light industrial uses, artists and creatives.

In addition, with the objective of creating more housing opportunities without compromising job space and economic development objectives in the heart of the Arts and Innovation District, the eastern boundaries of the District have been expanded to incorporate the adjacent area between

Douglas and Blanshard streets. This area is currently envisioned by the Downtown Core Area Plan and Official Community Plan to accommodate future residential development; however, the planning process provides an opportunity to consider a more diverse range of housing opportunities to support the Arts and Innovation District, as well as exploring opportunities to add arts and employment uses east of Douglas Street.

Because there are development pressures now and a desire for more specific planning for the district to contribute in the coming years to Victoria's economic recovery and future, a two-phase process is proposed. First, a Kick-Off Phase beginning in 2021, should Council approve this budget request for \$117,000, followed by completion of a master plan for the district if resources are made available through the 2022 budget process or other funding opportunities.

The Kick-Off Phase will include two studies which are foundational for understanding the economic viability of different development types:

1. The market potential of the district to support space for various sectors.
2. The environmental constraints of the district.

This initial work would be followed by direction-setting with key stakeholders through a series of sector-based focus groups, followed by a focused "Ideas Fair" workshop facilitated by a multi-disciplinary team including City staff and supporting planning and urban design professionals. The workshop would be grounded in the findings of these studies and the needs of the various sectors. This process would seek to set key directions that support the vision and key objectives for the Arts and Innovation District, in a way which is economically viable and protects and expands the employment sector in this area.

Throughout this work, a strong focus will be on building partnerships both locally and more broadly. Opportunities for collaboration are being explored including with the United Nations Urban Economy Forum and CMHC.

These key directions would then set the stage for a second planning phase to identify policies and approaches for land use, urban design, public space, and mobility that support the key objectives, as well as implementation strategies, considerations for zoning regulation updates and potential partnerships. As noted above, this second phase would require future funding, which staff will consider bringing forward as part of the 2022 budget process for Council's consideration and will also seek Council direction to pursue external funding.

## **OPTIONS & IMPACTS**

**Option 1: That Council approve \$117,000 from the 2021 Financial Plan contingency budget to support the initial planning for an Arts & Innovation District, and that the second phase of funding be considered in the 2022 budget. (*Recommended*)**

Under Option 1, staff would initiate a process in 2021 to undertake two studies: a land economics and market potential study, and a high-level review of existing environmental conditions to identify possible constraints on the district. This would be followed by a round of focus groups with key sectors interested in the future of the district and a workshop setting directions for the planning process.

This option allows for the planning of the Arts & Innovation District to be initiated within the 2021 workplan. This preliminary work would allow City staff and stakeholders to better understand the economic prospects and constraints of the district, and to begin establishing a framework and plan to guide future development to support Victoria 3.0 Objectives.

**Option 2: Delay the Kick-Off Phase and consider the Arts and Innovation District planning proposal as part of the 2022 budget.**

Under Option 2, the kick-off phase would not be able to move forward in 2021, unless funding is secured through other sources. Preliminary planning for the area is dependent on understanding the economic realities and constraints of this District; therefore, under this option, further planning for the Arts & Innovation District would be delayed until funding can be secured. This means timeframes outlined in *Victoria 3.0* would be delayed.

*Accessibility Impact Statement*

There are no impacts to accessibility.

*2019 – 2022 Strategic Plan*

Strategic Objective #4 – Prosperity and Economic Inclusion; Create Victoria 3.0 – Recovery Reinvention Resilience – 2020-2041 Economic Action Plan

*Impacts to Financial Plan*

Should Council approve Option 1, the \$117,000 would be allocated from the contingency budget within the 2021 Financial Plan. The remaining balance in the contingency budget is \$598,620.

*Official Community Plan Consistency Statement*

The actions outlined in Victoria 3.0 are consistent with the goals in OCP Section 14 - Economy.

- 14 (A) Victoria generates economic growth through innovation, entrepreneurship and business formation, and attracts and retains sustainable enterprise well-suited to the region.
- 14 (B) Victoria contributes to global knowledge, produces and attracts talented researchers, incubates innovation, and brings new goods and services to market.
- 14 (C) Victorians have the knowledge and abilities to support a vibrant regional economy and the capacity to creatively adapt to economic change.
- 14 (D) Victoria is the headquarters of the Provincial Government, a premier tourism destination and a gateway to Vancouver Island.
- 14 (E) A broad range of employment opportunities exist across the city and region providing workers with income to financially support themselves and their families.

**CONCLUSIONS**

One year on, Victoria 3.0 has delivered on several action items providing immediate support to businesses impacted by COVID-19 and significant action items to ignite economic recovery in the future. Staff look forward to working closely with business leaders, community partners and organizations to continue delivering the actions set out in Victoria 3.0.



In support of the Arts and Innovation District, it is recommended that Option 1 be supported. This would allow preliminary planning for the area to be initiated in 2021 and make progress towards the vision for the Arts and Innovation District as outlined in *Victoria 3.0*, in anticipation of future development pressures and as part of Victoria's economic recovery.

Respectfully submitted,

Kerri Moore  
Head of Business & Community Relations

Quinn Anglin  
Business Ambassador

**Report accepted and recommended by the City Manager**

**List of Attachments**

Appendix A: The Business of Cities Report  
Appendix B: Financial Plan Motions - Report Back  
Appendix C: Ocean Futures Cluster & Innovation Hub - Business Case  
Appendix D: Arts & Innovation District Map