

MAPLE RIDGE ECONOMIC DEVELOPMENT STRATEGY
Economic Advisory Commission
Strategic Plan

District of Maple Ridge



Lions Gate Consulting Inc.
Peak Solutions Consulting Inc.

October 13, 2006

Table of Contents

1	Foundation of the Economic Strategy	1
1.1	Background	1
1.2	Vision	1
1.3	Mission	2
1.4	Goals	2
1.5	Benefits to the Community	2
2	Community Development	3
2.1	Business Climate	3
2.2	Employment Lands	3
2.3	Infrastructure	4
2.4	Downtown	5
3	Business Development and Attraction	6
3.1	Business Retention and Expansion	6
3.2	Business Attraction	6
4	Non Strategic Components	11
4.1	Measurements	11
5	Conclusion	11
6	Action Plan	12
	Appendix 1 – Economic Development Department Strategic Plan	TAB-1
	Appendix 2 – References	TAB-2
	Appendix 3 – Socio-Economic Profile	TAB-3
	Appendix 4 – Contacts	TAB-4
	Appendix 5 – Economic Base Analysis	TAB-5

1 Foundation of the Economic Strategy

1.1 Background

In August 2005, the District of Maple Ridge (DMR) elected to update and refine its five year Economic Development Strategy. The Strategy is intended to clearly identify sectors and opportunities to pursue and provide a prioritized implementation process for the Maple Ridge Economic Development Department (MREDD). The last economic development strategy was prepared in 1997 and is now well out-of-date.

The process commenced in October, 2005 with the preparation of a socio-economic profile, the purpose of which was to describe the demographic, labour force and other economic characteristics of Maple Ridge and interpret the implications of trends and changes affecting the community's economic base. Other important studies and planning documents prepared for the District and the Greater Vancouver Regional District (GVRD) in the recent past were reviewed, including the Livable Region Strategic Plan, the Official Community Plan, recently-prepared commercial and industrial land studies for the District, and the Maple Ridge Town Centre Concept Plan. In addition, a total of 76 individuals participated in focus groups or were given personal interviews to help identify community issues and assist with strategy formulation.

The MREDD is a functioning department of the District of Maple Ridge. Current operations and planning materials were reviewed and taken into account in preparing this report.

1.2 Vision

It is important to acknowledge the role the Economic Advisory Commission (EAC) can play in fulfilling a "community vision". The EAC is to provide leadership and support in achieving economic goals of the community and guidance on economic direction. They clearly provide a support role to and cooperate with the District, business community, other levels of government and citizens. The EAC proposed the following vision during the February, 2006 planning workshop:

Maple Ridge is a community of passion, choice and opportunity. It welcomes diversity and provides a safe and secure environment, for residents and visitors alike. The economy is balanced, stable and provides jobs to residents. Maple Ridge is a green community that values the environment and will work to balance land protection and green zones with job creation and sound development. Low-density living will coexist with smart development in the urban core, where a revitalized downtown will provide a new focus for community, cultural and economic activities.

1.3 Mission

The Maple Ridge Economic Advisory Commission is a diverse group of stakeholders advising on economic growth and representing the community in all aspects of economic and community development. It is an experienced and interested group of volunteers, passionate about the future of Maple Ridge and intent on serving as a beacon for local government and the community.

The Commission does not directly create new economic activity or jobs, but does provide advice to the Maple Ridge Economic Development Department and District Council, with a view to influencing the local business climate, facilitating economic growth and providing guidance to the community on economic development issues. It does this by planning in a strategic manner to achieve the goals related to economic growth and sustainability.

1.4 Goals

The major goals of the EAC are as follows:

1. A greater selection of jobs for residents that provides options for working within the community, more quality time with family, and avoiding traffic congestion and long commutes.
2. A balanced and realistic tax base that contributes employment to the community and financial security to the District.
3. A sufficient supply of stable and adaptable employment land that is responsive to industry needs.

1.5 Benefits to the Community

The strategic economic development plan will generate benefits to the community in several ways. The plan is based on the premise that Maple Ridge can develop local visions and goals and apply local resources to achieve them. However, for this to be realized, the process of economic development must be supported and delivered in a consistent and on-going basis. The benefits, or return on investment, are realized in the following forms:

- A favourable business climate encourages innovation, investment, business development and job creation activity;
- Strategic investment in public and municipal infrastructure encourages private sector confidence and willingness to support community development goals;
- New investments and business development activity will, over the long-term, facilitate the realization of the community's vision and goals in terms of local employment opportunities, an efficient and effective local transportation network, sound land use, high quality of life and a balanced tax base.

2 Community Development

This section of the strategy addresses issues affecting community development, including business climate, infrastructure, land use and the downtown. Collectively, they are meant to set the stage for business development, investment attraction and economic activity. In many cases, the strategies are long-term and capital-intensive in nature and will take years to implement.

It is important to note that most of these strategies focus on issues that are not the direct purview of the Economic Development Department but are instead the responsibility of other municipal departments, involving the Economic Development Department at some level. They also imply coordination with other planning processes, such as the Official Community Plan (OCP), and political decisions by Council. For these reasons, there is a clear role for the EAC as a conduit between the business community, the Economic Development Department, Council and other municipal staff. The cooperative input of municipal departments and the sharing of expertise will strengthen efforts and opportunities.

2.1 Business Climate

The EAC will work through the Department to Council providing guidance and support through the continuation and implementation of programs and initiatives that will lead to a better understanding of the local economic base, the challenges that exist and to provide advice on improving the climate to achieve expansion of local businesses and attraction of new businesses. Ensuring the understanding of this need among all citizens of Maple Ridge is key to embracing opportunities.

Priority: Create a community dialogue in support of the Economic Development Strategy.

In light of the rapidly evolving nature of key economic sectors such as advanced manufacturing, high technology and education/training, the EAC recognizes the need to remain current on industry trends and issues.

Priority: Increase understanding of the priority sectors, including needs and opportunities.

2.2 Employment Lands

In Maple Ridge, the population expansion predicted to follow the construction of the new Golden Ears Bridge and Pitt River Bridge should be matched by concerted efforts to create more jobs in the community, otherwise the crush of commuters driving to jobs in other municipalities will only increase.

As the OCP and Industrial Land Strategy both indicate, the District will require the development of new employment lands if it is to achieve its goals of local job creation and diversified tax

base. The new transportation infrastructure and loss of industrial areas elsewhere in the Lower Mainland has created favourable market conditions and will allow the community to be selective in how and when development occurs.

It is anticipated that the time frame for moving on the recommendations in the Industrial Land Strategy is much shorter than originally expected and action needs to be taken now on bringing new areas onto market. In the last two years, a growing Lower Mainland economy, the surge in Asian trade and related container traffic through the port of Vancouver, and a depleting supply in western municipalities of the GVRD has worsened the supply demand mix of usable industrial land. The booming resource economy is leading to higher than anticipated demand and infrastructure improvements that are greater than forecast in the Industrial Land Strategy (e.g. the strategy assumed the Golden Ears Bridge would be built but did not consider the impacts of a new, expanded Pitt River Bridge). These factors could create a supply deficit in the immediate future.

The benefits of developing additional employment lands would be immediate, including a strengthened economy, improved District financial health, better employment options and an overall better land use scenario.

Priority: Work with the Planning Department to identify additional employment lands as outlined in the Official Community Plan.

2.3 Infrastructure

The condition of infrastructure in a community can have a major impact on business activity. Quality infrastructure can increase productivity, lower input costs for producers, support new product, business and export development, and make the region a more attractive location to live for workers and their families.

Infrastructure funds are in very limited supply, however, and at the municipal level residential needs often take precedence. Priority investments in business infrastructure should match the needs of those sectors that have the potential to deliver the economic diversification, employment and financial stability of the community. For example:

- Electrical supply, water supply and highway links are more critical to manufacturers than to retail or business service providers.
- Technology infrastructure is a requirement of firms involved in higher level technical business activities and can open new market niches to attract business.
- Firms in all sectors, including manufacturers and resource companies, are incorporating more knowledge-intensive inputs into their production processes, and thus will be attracted by the availability of technology infrastructure, skilled labour pools and supportive services.

The DMR will want to align its priorities with the infrastructure needs of those industries that can best deliver on wealth creating economic activity. Services, utilities, transportation and technology are the four types of infrastructure requiring focus.

Priority: Support new transportation infrastructure.

An efficient and safe transportation system is critical to maintaining the viability of employment-generating land in the District. At present, the attractiveness of some industrial areas such as the Industrial Reserve and Albion are adversely affected by traffic constraints. In the years ahead, the new bridges will increase demand and opportunity for industrial land particularly on the west side of the community. As proposed in the Industrial Land Strategy, some industrial areas will gradually convert to new, mixed uses while new land will have to be made available for hosting new employment. Meanwhile, commuter traffic will increase and congestion could worsen as the local population grows. This will increase the demand on the public transportation system resulting in a need for increased services. All these changes will impact the ability of businesses to move people and goods in and out of the community in an efficient, effective and safe manner.

Priority: Support the District's Information Technology Initiatives.

The DMR's Information Services Department is pursuing high bandwidth communications services, especially in the downtown. The MREDD should encourage and consider develop this with consideration for public benefits.

2.4 Downtown

Maple Ridge's central core is one of only a half dozen in the Lower Mainland that has potential for the sort of vibrant town centre concept envisioned in the GVRD Livable Region Strategic Plan. The potential of this strategic economic asset was a major reason why Smart Growth on the Ground prepared the Town Centre Concept Plan in cooperation with the District. Realizing this vision will take some time and consistent and comprehensive planning, multiple partnerships among local government, downtown merchants, landowners and citizens will be required. A focus on high density residential development in the downtown area is a key area of action now. It is a cornerstone of the economic strategy that these efforts continue and expand as successes unfold.

Priority: Promote implementation of the Town Centre Concept Plan and active involvement in the development of a Neighbourhood Plan in conjunction with the Planning Department.

The Town Centre Concept Plan, prepared by Smart Growth on the Ground, can be promoted in whole and in part and integrated into a number of related initiatives, including downtown revitalization, densification and infill, technology infrastructure, transportation infrastructure,

walkability of downtown and tourism product development (e.g. festivals). The EAC will play a support role in furthering the revitalization of the downtown.

3 Business Development and Attraction

Maple Ridge has a mixed economic base, including, but not limited to, primary sectors (forestry product manufacturing and agriculture), advanced manufacturing (a mix of value added production in a variety of industries), the public sector, retail and commercial sectors. This is a positive as it indicates no strong dependency on any one sector.

The EAC has determined that one specific aspect of this strategy should be to focus on sectors where a competitive advantage and/or a willingness to grow exists. The purpose is to create economic activity that follows the vision and values of the community.

3.1 Business Retention and Expansion

The economic and administrative conditions governing business activity comprise the business climate. Business climate is affected by both major cost factors (e.g., land, labour, taxes, regulations) and non-cost factors (e.g., quality of life, attitudes toward business). There are national, provincial and local components. Local business climate factors include business set-up conditions, taxation, investment environment and availability of skilled labour. The extent to which a community's political and policy environment are seen to be supportive or troublesome to businesses is the measure of business climate. Business climate is important because it affects how companies inside and outside the community perceive business and financial risk and will affect investment flows. Improvement of the business climate falls under the responsibility of the Business Retention and Expansion program.

Priority: Continue to focus on Business Retention & Expansion initiatives of the Department.

3.2 Business Attraction

The available research shows the opportunities for business attraction to span all economic sectors. The EAC has considered the competitive advantages of Maple Ridge, potential benefits and community interest in focusing on the following sectors for attraction purposes.

3.2.1 Major Industry

Maple Ridge has an industrial base dominated by primary forest products and complemented by both large and small-scale operations in a variety of industries, notably technology, machinery and equipment manufacture. The historical strengths of primary forest products manufacture, access to a high quality coastal timber supply and tidewater access, are greatly diminished and

are no longer competitive advantages. These industries should be maintained as long as possible because of the jobs and income they create for the community. The availability of land, reasonable land and development costs and an affordable, attractive quality of life for workers remain advantages for manufacturers and major industry.

However, land costs are rising rapidly due to limited supply and may become a competitive disadvantage if not addressed. Location and transportation constraints have historically limited storage and warehousing activity and are now affecting the ability of manufacturers to move. It is important that this sector continue to be a focus area from the retention and expansion perspective.

3.2.2 Advanced Manufacturing

There is no consensus on the definition of “advanced manufacturing”. It is generally considered to involve new technology, improved processes, or management methods to improve the manufacturing process. There is an implied linkage between advanced manufacturing and investment in research and development activities. Advanced manufacturing with a presence in the GVRD includes engineered wood products, marine craft, equipment and instrumentation, alternative energy services and equipment, wood equipment manufacturing, aerospace, environmental mitigation technology and energy saving equipment, medical devices, electronics and plastics.

According to Services Canada, manufacturing has evolved to the point that over half of the industry in the province is considered “advanced manufacturing”, much of which is located in Greater Vancouver as it is non-resource focused.¹

Despite its core of primary forest producers, when compared to the province, the labour force in Maple Ridge is proportionately higher in manufacturing sectors other than primary industry. Although wood products remain important, in the last 20 years the growth in manufacturing has been in other sectors, mostly light industrial operations involved in machinery and equipment manufacture.

The strengths of Maple Ridge are related to its position within the Greater Vancouver Regional District and include the strong gateway transportation infrastructure with connections to the United States, other provinces and Asia, and allow for development of export-oriented manufacturing. The technological expertise across several industries in the advanced manufacturing sector present in the region is bolstered by a well-established advanced education system and network of research centres. Maple Ridge benefits from the same business cost advantages that are drawing new investment to the province, including low-cost electricity, superior R&D tax incentives, and a tax system that is comparable to that of other key

¹ <http://www.hrsdc.gc.ca/en/bc-yk/5615/jwtc/lmi/lmr4q03.shtml>

competitors. Reasonable living costs, good quality of life and an attractive climate are also positives.

The greatest threat to advanced manufacturing sector growth is the critical shortage of skilled workers. Many of BC's advanced manufacturing employers have unfilled positions in skilled occupations, and there are critical shortages in key areas.

Primary needs of the advanced manufacturing sectors include a reliable and effective highway transportation system that will allow goods and people to move cost-effectively, a skilled and available workforce, training and research capacity, telecommunications infrastructure and flexible buildings.

However, the size of the advanced manufacturing sector in Maple Ridge is small, due mainly to the limited size of the regional economy and the greater distance from larger markets (e.g., first-tier manufacturing assemblers) located in eastern Canada. The market size and the distance from larger markets become increasingly important as manufacturers are adopting just-in-time operational strategies. Another significant disadvantage is that related to overall business development in Maple Ridge, there is a lack of suitable office and industrial building space. Maple Ridge also bears disadvantages endemic to the provincial advanced manufacturing sector, including the poor dissemination of technical and innovative knowledge and products into commercial activity, lagging productivity and a continued heavy reliance on US markets.

Priority: Expand the local advanced manufacturing sector in product areas where Maple Ridge has an established foothold and an available workforce.

3.2.3 High Technology

Maple Ridge shares the GVRD's primary strengths as a destination for high technology investments including a quality business environment, availability of a skilled workforce, a low-risk environment, well-established infrastructure and world class education system. However, Maple Ridge, the GVRD and indeed the province, have a very small high technology sector when compared to the rest of Canada and international competitors. The technology sector has expanded only marginally since 2000 in terms of employment and GDP. It also has a large technology trade deficit and exports few high tech goods compared to other provinces. The GVRD's high technology industry is overwhelmingly concentrated in services rather than goods manufacturing. This is due to the region's overall lack of manufacturing industries other than primary wood and agriculture.

The GVRD is home to two-thirds of BC's high technology companies. Vancouver, Richmond and Burnaby dominate head office locations because of availability of Business Park and office space, large labour pools, access to key transportation infrastructure such as airports and access to sources of capital in central business districts.

The most popular mode of transport for exports of high technology goods from British Columbia is over land by truck or rail. Over half (52%) of all BC high tech exports are transported over land, with airfreight being the next most significant mode of transport (46%). Only a small portion of BC's high tech goods are shipped by sea (2%). The destination of the goods is a significant determinant of the mode of transport. Since the United States is the destination for the bulk of high tech exports and air transport is more expensive, on average, shipment over land is the leading method of transport. Telecommunications, research capacity and human resources are other critical infrastructure inputs to these knowledge-intensive sectors.

According to KPMG's Competitive Alternatives study of high technology in G8 countries, the emerging opportunities in the GVRD include biotechnology, engineering/environmental technologies and information/communications technology.² Advantages also exist in clinical trials management, product testing, software design, web and multimedia and corporate services (e.g. call centres). Major threats to these sectors include the rising value of the Canadian dollar and skill shortages.

Priority: Create the necessary conditions and environment for attraction of high technology firms.

This will include a business park with appropriate infrastructure. Maple Ridge will be competing with the larger centres of Vancouver, Richmond, and Burnaby, however the quality of life, improved transportation linkages, and lower cost factors may create an attraction niche.

3.2.4 Education Services

There are opportunities in Maple Ridge for expanding activity in the post-secondary education, adult education and secondary education sectors. Collectively, they play a prominent role in the Maple Ridge economy. School District No. 42 is one of the fastest growing in British Columbia, serving slightly over 15,000 students from both the communities of Maple Ridge and Pitt Meadows. BCIT and Douglas College, along with other smaller technical training institutions, offer programming within the community. Maple Ridge is a recognized leader in French immersion, special education, community/adult education and in networked technology. The School District also accepts between 100 and 110 international fee-paying students annually at its secondary schools. Growth in this sector is likely attributable to the rapid increase in the population (an increase of 12% over the past five years) especially considering the demographic profile of the community which shows that Maple Ridge is attracting families with school-aged children. Continued residential growth will drive continued expansion in the education sector.

The proportion of the education labour force in Maple Ridge is 50% higher than the provincial average. This is partly due to the number of education employers in the community but many workers also travel outside the community to their source of employment.

² <http://www.competitivealternatives.com/>

Strengths in this sector include workforce availability (significantly higher percentage of teachers and professors compared to the province), a growing youth population, affordable real estate and housing, access to the natural environment which can support specializations in outdoor training and a developable land base. Maple Ridge has a strategic asset with its existing core of facilities and providers, many of whom are drawn to the community because of the favourable access to green space and wide-area land uses. These institutions are not only a good source of well-paying jobs, they often cater to markets outside the region (i.e. they are considered basic sectors that create community wealth) and support significant spin-off activities such as tourism. Major institutions such as UBC, the Justice Institute and School District No. 42 have significant impacts on the local economy and could have a larger impact. These organizations tend to be excellent economic development partners because the investments they are required to put into land and buildings makes it very difficult for them to relocate and gives them a vested, long-term stake in creating a better urban landscape and quality of life in the community.

In terms of weaknesses, Maple Ridge lacks a post-secondary degree granting institution and traffic congestion continues to be a problem. The lack of student accommodation (rental, short term rooming and hotel/motel rooms and facilities) is also a barrier as many out-of-region students require temporary housing.

While Maple Ridge has a competitive advantage in the education sector when compared to the province, the proportion of education employment is the same as the GVRD suggesting Maple Ridge are about where they should be, based on the size of the local market.

Transportation needs in the education sector concern mainly the movement of people, both workers and customers. Other critical infrastructure includes telecommunications.

Priority: Create more opportunities for expanded education services.

3.2.5 Niche Opportunities

Service and production opportunities in niche sectors will continue to emerge in Maple Ridge based on factors that are difficult to incorporate into investment attraction activities. Home-based, agriculture, tourism and small business enterprises are created on an on-going basis by entrepreneurs able to identify and act upon unique advantages, often directly associated with the entrepreneur himself or herself.

New transportation infrastructure will lead to an increase in population and identification as an accessible location for business location. This will create growth in higher value services in Maple Ridge. Ideally the community will be able to capture the additional opportunity in both the downtown and on employment lands.

4 Non Strategic Components

The Economic Development Department has two key focus areas, working with the local business community to ensure maximum potential is reached, and to realize commercial and industrial development. The main objective is diversifying the tax assessment base and employment from a primarily residential model to a healthy and balanced assessment base consisting of residential, commercial, industrial and agricultural components.

Community marketing, site selection assistance, information collection and dissemination, assistance in connection to provincial and federal sources of program support, partnership development and enterprise facilitation services are provided. The latter includes helping local business access capital, develop their human resources, expand export activities and conduct business planning.

4.1 Measurements

Refer to Appendix 1, Section 5.4, which outlines department activities and measures to be included.

5 Conclusion

This report represents the perspective of the EAC. Its goals include job creation, a balanced and realistic tax base and a sufficient supply of stable and adaptable employment land that is responsive to industry needs.

Strategic direction is provided in two key areas.

- **Community Development** initiatives involving business climate, employment land, infrastructure and downtown are essential for ensuring Maple Ridge has the necessary building blocks for business development and investment attraction.
- **Business Development** includes **Business Retention and Expansion** activities currently undertaken by the MREDD, which will continue to serve business clients already in the community so they are given equal opportunities for improving competitiveness and expanding their job potential. This section also addresses **Marketing and Attraction** activities which will focus on major industry, advanced manufacturing, high technology and education services. It is also recognized that many opportunities will continue to emerge in other niche sectors.

6 Action Plan

The action plan is meant to be a document of change and will be subject to amendments as circumstances dictate. It is therefore important that the EAC set its priorities annually. Priorities are affected by the time and availability of committee members, the commitment expressed by key partners and the availability of resources. How successful the EAC is in reaching its goals and objectives depends on how fruitful its partnerships are – the more partners involved in implementation, the more that can be accomplished. Further, the timing of initiatives set by key partners, including District departments and Council, will affect the timing and priority assigned by the EAC.

Economic Development Strategy & Action Plan

Strategies	Objectives / Actions	EAC & Department Role	Timeframe
1. Foster a community dialogue on the benefits of economic development.	<ul style="list-style-type: none"> Use the Strategic Plan as a tool to engage community stakeholders on economic development priorities, issues, and benefits. 	<ul style="list-style-type: none"> Lead 	<ul style="list-style-type: none"> Winter 2007
2. Increase understanding of the initial priority sectors, including needs and opportunities.	<ul style="list-style-type: none"> Strengthen the Commission's information base and understanding of High Technology, Advanced Manufacturing, and Occupational Training sectors, including existing strengths, needs, opportunities and constraints. 	<ul style="list-style-type: none"> Lead 	<ul style="list-style-type: none"> Winter 2007
3. Support the creation of additional employment lands.	<ul style="list-style-type: none"> Participate in Planning Department processes intended to achieve this objective. 	<ul style="list-style-type: none"> Participant 	<ul style="list-style-type: none"> Ongoing
4. Strengthen commercial transportation infrastructure.	<ul style="list-style-type: none"> Improve understanding of commercial transportation issues, challenges and opportunities facing the District. 	<ul style="list-style-type: none"> Monitor & Support 	<ul style="list-style-type: none"> Ongoing
5. Support expanded broadband communications infrastructure/connectivity.	<ul style="list-style-type: none"> In collaboration with the District's Information Services Department, assist in the formulation of a strategy to expand broadband services in support of business development. 	<ul style="list-style-type: none"> Participant 	<ul style="list-style-type: none"> Winter 2007
6. Promote the development of a dynamic downtown living and working community including the Town Centre Concept Plan.	<ul style="list-style-type: none"> Monitor and support District-sponsored committees/processes intended to achieve this objective. 	<ul style="list-style-type: none"> Monitor and Support 	<ul style="list-style-type: none"> Ongoing
7. Strengthen the Department's Business Retention & Expansion Program.	<ul style="list-style-type: none"> In collaboration with Economic Development Department, strengthen the BR&E program, including receiving feedback from existing businesses plus potential company/sectoral attraction targets. 	<ul style="list-style-type: none"> Participant 	<ul style="list-style-type: none"> Ongoing
8. Marketing and Attraction	<ul style="list-style-type: none"> Monitor achievement of community development and BR&E initiatives and be prepared to initiate programs once key elements are in place (e.g. available employment land, downtown infrastructure). 	<ul style="list-style-type: none"> Lead 	<ul style="list-style-type: none"> Winter 2008
9. Monitor and review Strategy/Action Plan.	<ul style="list-style-type: none"> Update the Action Plan goals, benchmarks and achievements in light of evolving sector priorities and new opportunities. 	<ul style="list-style-type: none"> Lead 	<ul style="list-style-type: none"> Annually