

CITY OF BURNABY

ECONOMIC DEVELOPMENT &
TOURISM STRATEGY COMMITTEE

HIS WORSHIP, THE MAYOR
AND COUNCILLORS

Re: Economic Development Program -
Burnaby Chamber of Commerce

RECOMMENDATIONS:

1. THAT Council authorize the preparation and execution of an agreement with the Burnaby Chamber of Commerce for operation of an Economic Development Program for the period 1996 October 01 - 1997 September 30.
2. THAT Council approve a grant in the amount of \$80,000 to the Burnaby Chamber of Commerce for operation of the 1996/97 Economic Development Program for a period of one year.

REPORT

In 1994 Burnaby City Council approved a two year contract with the Burnaby Chamber of Commerce for the provision of a systematic approach to economic development in Burnaby. On 1996 March 18 the Chamber of Commerce made a presentation to the Economic Development & Tourism Committee outlining a revised 1995/96 Economic Development Program and submitting its proposed 1996/97 Program. The Chamber in its revised Plan for 1995/96 (covering the period 1995 October 1 to 1996 September 30) is requesting an additional \$20,000 over the \$60,000 approved by Council in 1994.

For its 1996/97 Economic Development Plan, for the period 1996 October 01 to 1997 September 30, the Chamber is requesting funding in the amount of \$100,000. Attached to this report are outlines of the revised 1996 and proposed 1997 Economic Development Initiatives that were presented by the Burnaby Chamber of Commerce.

The Economic Development and Tourism Committee recommends that Council approve a grant of \$80,000 for a one-year (October 1996 to September 1997) agreement with the Burnaby Chamber of Commerce to operate an Economic Development Program for the City of Burnaby.

Respectfully submitted,

Councillor D.P. Drummond
Chair

Councillor D.R. Corrigan
Member

Councillor L.A. Rankin
Member

COPY - CITY MANAGER
- DIRECTOR FINANCE
- DIRECTOR PLNG. & BLDG.
- CITY SOLICITOR

**1996 ECONOMIC DEVELOPMENT INITIATIVES
BURNABY CHAMBER OF COMMERCE
(REVISED)**

Objective: To secure from the City of Burnaby \$ 80,000.00 for the period between October 1, 1995 and September 30, 1996, of which \$60,000.00 has been received and the remaining \$ 20,000.00 payable March 1, 1996 to provide meaningful and measurable new opportunities to Burnaby - based entrepreneurs and continue successful programs initiated during the 1995 fee-for-service contract with the City of Burnaby. These results oriented, "hands on" initiatives are:

REPEAT PROGRAMS

INITIATIVE ONE

Successful takeover of F.B.D.B.'s Community Business Initiatives for thirty companies requiring development or turnaround.

Remembering that this program was designed for businesses in trouble the results have historically been a whopping aggregate bottom line increase of \$ 1,000,000.00 and fifty five new jobs for thirty or less companies.

During 1995 we were able to secure 50% federal funding for struggling businesses which enabled many to participate who might otherwise have seen their businesses fail. This program employed three counselors, included 33 participant companies and represented 161 jobs. Participating companies reported 99 new jobs as a result of their turnaround and in excess of the \$ 1,000,000.00 forecast.

We have been successful with another funding application for thirty six such businesses for 1996 providing them again with 50% of their tuition in order to participate in the turnaround program.

INITIATIVE TWO

Professional development program for Homebased Businesses.

Though we found this particular audience difficult and demanding during the first year, it did triple in size during 1995. Although it remains small, this sector clearly requires significant assistance in set up and professional development.

We continue to provide monthly, inexpensive, educational seminars, attempting to integrate those who are moving ahead into the larger group. Our developmental work with this sector has clearly prevented insolvency in many instances.

1996 ECONOMIC DEVELOPMENT INITIATIVES CONTINUED

INITIATIVE THREE

One-on-one business counseling and community instruction

During the 1995 fee-for-service contract Abby counseled 266 individual entrepreneurs in our offices. She has provided 8 classroom sessions of 10 to 15 participants on entrepreneurship and 6 classroom sessions of 30 plus participants each on the same subject. She has delivered 10 classroom sessions on customer service.

Between October and February of this 1996 contract she has counseled 63 individual entrepreneurs in our offices, provided 3 classroom sessions of 10 to 15 participants on entrepreneurship and 1 classroom session of 30 plus participants each on the same subject. She has delivered 2 classroom sessions on customer service and is clearly positioned to exceed the training and counseling target established during the 1995 contract term.

INITIATIVE FOUR

Provide, at the request of Burnaby MLA's a venue for and input on business relative to the provincial budget on items and issues

And indeed, on April 4th, Finance Minister Elizabeth Cull spoke in Burnaby following her budget speech in Victoria. This event was facilitated through working cooperatively with Fred Randall and was indeed at Mr. Randall's initiative.

On another note, the Chamber has had City staff present the Livable Region Strategy at our Board of Director's meeting and in November, Joan Sawicki, Bill Copeland and Doug Evans presented a look at future planning for British Columbia and Burnaby at our Chamber luncheon.

We believe that continued partnerships between the Chamber, Provincial and Civic government is the beginning of meaningful dialogue. Business and government must join hands to find new ways of moving forward and providing deliverable benefits to British Columbians in a new economy where those same benefits might otherwise be lost.

1996 ECONOMIC DEVELOPMENT INITIATIVES CONTINUED

1996 NEW PROGRAMS

INITIATIVE FIVE

Continue to employ our COMMUNITY BUSINESS STRATEGIST who will mount another Cascadia Trade Exchange, monitor many of the repeat programs proposed heretofore and begin work on new 1996 initiatives.

With the same successful trade exchange format where participants "pay their own way" and economic results are immediately measurable and ongoing, we propose to mount another trade exchange along the Cascadia strip. As was alluded to in our report to council, many Chamber's fail to sell their own business community on the trip North. As a result, during our Bellevue Trade Exchange Burnaby Chamber staff traveled south, took up space in the Bellevue offices and took over arranging appointments for our own delegates. Generating 4 million dollars in new trade during those three days with information that more sales have been created we are committed yet another exchange.

PACE or the Pacific Corridor Enterprise Council brought to Burnaby 8 delegates from Greater Seattle in February to open discussions on another Trade Exchange. This organization made it clear that their decision to choose Burnaby over Vancouver was the Burnaby Chamber of Commerce and our reputation for outcomes and this winning formula.

INITIATIVE SIX

Hire an EMPLOYER SERVICES OFFICER to deliver B.C. Works! providing 200 full time jobs to Income Assistance Recipients.

B.C. Works is patterned after our successful model *Burnaby Works!* Though we had proposed the hiring of a full time person to perform the role of Job Development Officer for our 1996 program of Economic Development, in 1995 we entered into a partnership with Open Learning Agency to create *Burnaby Works!* and hired a full time person at that time.

Through the Ministry of Skills, Training and Labour we were able to offer to individual employers 5,000.00 training dollars. In order to access the funding, employers were required to provide full time employment to welfare recipients. The money could be spent to upgrade existing employee skills, the employer's own skill level and the lion's share was to be spent on the Income Assistance Recipient. We began to recruit in earnest to fill the 35 spots in early February 1995 and at the end of April that same year, all 35 were employed and off welfare. We exceeded the target and found 40 jobs. A year later

1996 ECONOMIC DEVELOPMENT INITIATIVES CONTINUED

INITIATIVE SIX CONTINUED

34 are off welfare and still employed in full time jobs. Statistics indicate that if a welfare recipient remains employed for a year the chances of him/her returning to welfare are dramatically reduced.

On February 14, 1996 we announced *B.C. Works!* where our Employment Services Officer will facilitate matches between 200 employers and Income Assistance Recipients. We have expanded our partnership to include New Westminster Skills Centre, School Board and Chamber of Commerce.

This particular initiative replaced 1995 Initiative Five wherein we proposed to partner with Canada Employment, the City's then Economic Development Officer, business and others to create a model in Burnaby for the deliver of Labour Market Information that was intended to give direction to the education system, assist individuals in making career choices, help to determine the nature and extent of training programs and establish effective career and employment that was relevant, available, comprehensive and accessible.

Once the first of what became many reports was completed, the Chamber withdrew from the committee. Though we continue to receive reports on their progress we believed that an alternate program that would provide more meaningful results was a better way for us to participate in creating jobs.

In another project to replace Initiative Five, Abby has been Chairperson of the Burnaby Skills Centre. During the summer months she worked along with Open Learning Agency and various other members of the community to generate the Burnaby Skills Centre Business plan for submission to the Ministry. The public consultation process has been completed and the document has been submitted to the Ministry for the Skills Centre in our community.

INITIATIVE SEVEN

Create a feasibility study that examines an Incubator Business program for entrepreneurs in Burnaby

Successful new entrepreneurs contribute to the well being of the community; those who fail can, and often do, threaten the success of other businesses. In excess of 80% of all new business fail during the first 18 months of operation largely due to a lack of operating capital and failure to develop a strong business plan. It is our belief that placed in an incubator setting where overhead is low, support and training is available and

1996 ECONOMIC DEVELOPMENT INITIATIVES CONTINUED

INITIATIVE SEVEN CONTINUED

successful mentors are on hand we can prevent the devastating impact of failure or at least recognize early, that remedial action is required or those who will surely fail.

INITIATIVE EIGHT

Create a comprehensive 1996/97 Economic Profile of Burnaby that will provide an overview of life, business, and government in the community to both satisfy requests for such a profile and lay the groundwork for a video and world wide web site inviting businesses to our community, identify growing sectors and report on opportunities for new and expanding businesses.

Completed and in the ratification stage, the Economic Development Profile was initiated during our 1995 program although not slated for work until 1996. A Web site is under construction and, the feasibility of providing to the City of Burnaby our site to be used as their own has yet to be examined. While many are at the discussion stage, linkages with SFU, BCIT and The Science Council of British Columbia are negotiated.

INITIATIVE NINE

Examine the success potential and proceed with planning, if a trade exchange outside North America has the potential to favorably impact economic development in Burnaby

Our experience along the Cascadia strip illustrates the measurable results that can be achieved closer to home. Language and cultural barriers as we reach further afield may not provide the instant successes that we have realized here. We do not presume to know the outcome of further examination and see Initiative Nine as purely developmental at this time.

INITIATIVE TEN

In a new partnership with the U.S. Embassy we propose to create a clearing house for cross-border business.

The U.S. Embassy have become strong supporters of the Burnaby Chamber of Commerce because of our results oriented Trade Exchanges. Though many contracts come to fruition during the Exchanges, many more inquiries are not satisfied. The Embassy report still more inquiries. Tapping into the opportunity to match business inquiries with our own Burnaby business base to provide a new stream of revenue would require putting in place a brokerage program to fulfill this need. Early negotiations with the Embassy

1996 ECONOMIC DEVELOPMENT INITIATIVES CONTINUED

INITIATIVE TEN CONTINUED

indicate a significant willingness to provide to a Burnaby Chamber representative, the aforementioned inquiries. We propose a partnership with B.C. Trade, &/or other funding program to put such a clearing house in place using technology and accessing existing databases. It would be our ultimate intention to create a clearing house program that would become self supporting over time. This initiative would be contingent upon a successful funding apparatus found through provincial or federal grants.

INITIATIVE ELEVEN

Provide value-added business licenses to first year buyers

We propose that accompanying each new business license we provide a six month membership in the Burnaby Chamber of Commerce and the full support and privileges it represents. In addition, The Burnaby Now, will provide a 40 word profile of the business at the time the Chamber membership is issued.

**1997 ECONOMIC DEVELOPMENT INITIATIVES
BURNABY CHAMBER OF COMMERCE**

Objective: To secure from the City of Burnaby \$ 100,000.00 for the period between October 1, 1996 and September 30, 1997 a fee-for-service contract to continue some established and proven initiatives and to deliver new initiatives as outlined below. And, to secure an agreement in principle that, if the Burnaby Chamber of Commerce continues to deliver measurable results, a fee-for-service contract for Economic Development will be continued.

REPEAT PROGRAMS

INITIATIVE ONE

Continue to run Community Business Initiatives for thirty or more companies requiring development or turnaround.

INITIATIVE TWO

Continue to run professional development program for Homebased businesses

INITIATIVE THREE

Continue one-on-one business counseling and community instruction

INITIATIVE FOUR

Continue to provide forum for dialogue between business and government

INITIATIVE FIVE

Continue trade exchanges

INITIATIVE SIX

Contingent upon the Ministry of Skills Training and Labour deliver BC Works!

INITIATIVE SEVEN

Contingent upon findings, proceed with trade exchange outside North America

1997 ECONOMIC DEVELOPMENT INITIATIVES CONTINUED

INITIATIVE EIGHT

Maintenance and updating of Economic Profile and World Wide Web Site

INITIATIVE NINE

Contingent upon successful funding applications, continue to maintain clearing house for cross - border business in partnership with the U.S. Embassy

1997 NEW PROGRAMS

INITIATIVE TEN

Create the Business Incubator Business program for entrepreneurs in Burnaby

INITIATIVE ELEVEN

Create corporate partnerships and alliances that will relieve the expense of creating the Burnaby community video, an invitation not only to do business here but to choose Burnaby as a place to live.

INITIATIVE TWELVE

Additional new programs

As this presentation expands and adjusts our activity for the coming year, so too, will later presentations since many of our projects are subject to funding, the economy and strategic partnerships. Our developmental projects will continue to be flexible to meet new competitive standards as boundaries between national and international markets disappear and to position the City of Burnaby to meet new challenges.

