

AGENDA

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

To be held in Committee Room 2, Saanich Municipal Hall and virtually via MS Teams
Thursday February 15, 2024 from 5:30 pm to 7:30 pm

The District of Saanich lies within the territories of the lək'wəŋən peoples represented by the Songhees and Esquimalt Nations and the WSÁNEĆ peoples represented by the Tsartlip, Pauquachin, Tsawout, Tseycum and Malahat Nations.

We are committed to celebrating the rich diversity of people in our community. We are guided by the principle that embracing diversity enriches the lives of all people. We all share the responsibility for creating an equitable and inclusive community and for addressing discrimination in all forms.

1. CHAIR'S REMARKS

- Council Tax Policy Update

2. ROUNDTABLE INTRODUCTIONS

3. ADOPTION OF MINUTES

- October 4, 2023

4. REVIEW OF MEETING DATES AND TERMS OF REFERENCE

- Megan MacDonald, Senior Committee Clerk

5. ECONOMIC DEVELOPMENT STRATEGY AND WORKPLAN DISCUSSION

- Mitchell Edgar, Economic Development Manager

6. BUSINESS VISITATION PROGRAM

- Mitchell Edgar, Economic Development Manager

* Adjournment *

Next Meeting: May 16, 2024 at 5:30 pm

In order to ensure a quorum, please contact Megan MacDonald at 250-475-5494 ext. 3430 or megan.macdonald@saanich.ca if you are unable to attend.

MINUTES
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

Held virtually via MS Teams
October 4, 2023 at 5:32 pm

Present: Councillor Zac de Vries (Chair), Raymond Chan, Amber Hockin, Patrick Marshall, Richard Michaels, Victoria Shannon, Rob Wickson, John Wilson and Alan Winter

Staff: Paul Arslan, Director of Finance; Jennifer Lockhart, Senior Manager of Financial Services; Mitchell Edgar, Economic Development Manager; and Megan MacDonald, Senior Committee Clerk

Regrets: Tim Petropoulos and Jennifer Vornbrock

ADOPTION OF MINUTES

MOVED by R. Wickson and Seconded by R. Michaels: “That the Minutes of the June 27, 2023, Economic Development Advisory Committee meeting be approved.”

CARRIED

COUNCIL TAX POLICY

The Director of Finance and the Senior Manager of Financial Services presented information on the Council referral Motion related to the Council Tax Policy (PowerPoint on file), and the following was noted:

- Council previously directed staff to bring forward a report on options for tax policy. The report was scheduled for March 20, 2023, during which a decision was made to defer the report and discussion to both the Economic Development Advisory Committee as well as the Finance and Governance Standing Committee.
- Section 165 of the *Community Charter* indicates a municipality must have a financial plan that is adopted annually, by bylaw before the annual property tax rate bylaw.
- Municipalities must also set out objectives and policies for the financial planning period that include the distribution of property tax values among the property classes.
- Properties are classified into one (or more) of nine property classes. BC Assessment then gives each municipality their assessment value totals broken down by class.
- The longstanding approach of the District was to ensure stability by keeping a consistent and proportionate relationship between property classes and uniform tax increases.
- Market values of properties and therefore property class assessment values can fluctuate year over year. Disproportionate assessment changes will result in a tax burden shift to the class with the highest assessment increase unless tax ratios are adjusted to evenly distribute tax increases among each class.
- If tax ratios are not adjusted, we would expect the residential class to see more of an increase when compared to the business class.
- In 2023, 94% of assessments were residential properties; these taxpayers were responsible for 76% of the property taxes. Businesses made up 6% of the assessment value and paid 23% of the property taxes. To date, the percentage of assessment distribution between residential and business has stayed relatively stable.
- There were generally equal tax increases between the different property classes in 2023, which was an increase of at 7.19%., except the farm class.

- Saanich is tied with Metchosin for the fourth highest business to residential tax ratio. Both Saanich and Metchosin's assessment base are primarily residential. Metchosin also has quite a bit of farmland.
- Questions have been raised as to the perceived fairness of the different property tax rates paid by commercial taxpayers, although this is considered to be standard practice.
- Arguments from both sides must be considered when setting the tax ratio.
- Staff have compiled tax policy options for consideration. The first option is to maintain the existing practice/policy. The second option is to aggressively reduce the business class tax share from 23% to 20% over 6 years. A third option is to less aggressively reduce the tax share paid by business from 23% down to 20% over twelve years.
- Staff are also seeking direction regarding the use of non-market change assessment.

The following was noted in response to questions and comments from committee members:

- If the number of tax folios is to increase, there could be adjustments to the ratios to keep the current business rate around 23% but avoid a large increase to residential.
- Option 1 could reduce the business rate if we are adding more businesses to Saanich.
- Reducing the business rate may be beneficial to attract more businesses. The goal is to be competitive, however the tax rate was not raised as an issue during the engagement for the Economic Development Strategy (EDS).
- The options provide high level information, more metrics are needed to determine the effects and outcomes of various scenarios such as rapid or slow folio growth.
- Taxes are tied to service; Saanich is competitive in the region.
- More specific metrics related to the impacts of economic development and adding folios to the tax base are needed to determine the best way forward.
- Expanding tax folios and advocating for growth will have a significant effect on rates.
- It is not possible for the committee to comment on the long-term targets until the EDS is in place and implemented, and information related to the outcomes is available.

The following was noted related to growth and non-market change:

- Critical capacity is impacted as additional residents and business clients represent additional costs to planning, parks, policing and many other aspects.
- Housing targets, the need to streamline the development process and additional staff costs must be considered when trying to reduce the overall tax increase.
- Option 2 is supportable as the requirements for process changes and adding additional staff will have a bigger impact; these must be considered first.

MOVED by V. Shannon and Seconded by R. Chan: "That the Economic Development Advisory Committee recommend Council add to the tax policy the allocation of non-market change revenue first to development-related positions and costs starting in 2024, with any remaining funds applied to reduce property taxes across all classes."

CARRIED

MOVED by R. Wickson and Seconded by R. Chan: "That the Economic Development Advisory Committee recommend that Council approve the removal of the Employer Health line item on the tax notice and ask staff to factor the amount in with the Municipal General tax rate."

CARRIED

FOOD HUB FEASIBILITY STUDY UPDATE

The Economic Development Manager gave a brief verbal update on the Food Hub Feasibility Study, which was considered and approved by Council earlier this year. The following was noted during the update and in response to questions from the committee:

- Grants were obtained from the Provincial Government to fund the study.
- Camosun College has been identified as a potential location for an Indigenous Food Hub, as their strategic plan goals identify the need for indigenous food and education.
- Further consultation with local First Nations will take place.

MOVED by V. Shannon and Seconded by A. Hockin: “That the Economic Development Advisory Committee receive the update on the Food Hub Feasibility Study for information.”

CARRIED

ECONOMIC DEVELOPMENT STRATEGY DISCUSSION

The Economic Development Manager gave a brief verbal update on the Economic Development Strategy, and the following was noted:

- The draft has been updated based on feedback from previous engagement. The next steps include integrating committee feedback, adding pictures and graphics. Once complete the document will be forwarded to Council for consideration.
- The Economic Development Strategy (EDS) should include more acknowledgements and better define other organizations that can be leveraged to accomplish the goals. This will build a perception of the EDS being a movement rather just a Saanich idea.
- Partnerships are integral to further economic development. This includes many internal and external partnerships. Communications about actions will be posted in the future.
- Some process simplifications could help further economic development, an example was given of regulatory issues preventing a business from adding a patio with a couple seats as the increased seat number means they also need to add a second bathroom.
- Success of some businesses is hindered by municipal regulations.
- Additional housing will help to bring more people to Saanich, more people will mean better viability for new small businesses to start.
- Viability of small businesses in residential neighborhoods will benefit from additional density, including building up corridors and ground level commercial space in condos.
- The consultant identified potential projects in the EDS.
- Growing the residential tax base and number of residents is of utmost importance. More residents mean more businesses will open as there will be higher income potential.
- Housing is the main source of income for Saanich, which can be increased by diversification of the tax base. Moving away from single family dwellings to mixed use complexes and higher density is favorable from a taxation standpoint.
- Completion of the strategy is a milestone that should be celebrated.
- Section 1.9 would be better titled as “Partners in Implementation” and could also say “include the following”. Currently the list seems to be exhaustive, however it is not.
- Acknowledging the role of the partnership with Provincial and Federal governments should be moved to a more prominent location. There is mention later in the report, but it could be strategically placed earlier on to highlight importance.
- As the strategy progresses and work begins on actions there will be a need for additional staff and resources. Currently the Economic Development division falls solely on the Manager of Economic Development, the EDS does include mention of more staff.

- The EDS could have more information on the long-term workplan and future budget requirements for staffing. Endorsement and moving forward will require this information.
- Human capital is an important piece of the strategy.
- This is a comprehensive document that covers all aspects quite thoroughly.

MOVED by A. Hockin and Seconded by A. Winter: "That the Economic Development Advisory Committee recommend that Council approve the Economic Development Strategy following any updates based on feedback from the committee."

CARRIED

ADJOURNMENT

On a motion from A. Hockin, the meeting adjourned at 7:37 p.m.

NEXT MEETING

The next meeting will take place in January 2024.

Chair

I hereby certify these Minutes are accurate.

Committee Secretary

Memo

To: Economic Development Advisory Committee
From: Megan MacDonald, Senior Committee Clerk
Date: February 5, 2024
Subject: 2024 Meeting Dates for Economic Development Advisory Committee

As per Section 73 of Council Procedure Bylaw 2021, No. 9660, each committee shall establish a regular schedule of meetings including the date, time and place of the committee meetings.

Advisory Committee meetings are scheduled to be two hours in duration. There are no meetings in July, August or December, unless a special meeting is called for urgent business.

Committee Room Two has been booked for dates noted as “in person” below, you will have the option to attend virtually if preferred. Virtual meetings will be held only via MS Teams. The meetings are scheduled from 5:30 – 7:30 pm.

Dates for your calendars are as follows:

2024 Meeting Dates
Thursday February 15 – In person
Thursday May 16 – Virtual
Thursday June 20 – In person
Thursday September 26 – Virtual
Thursday November 21 – In person

No formal motion is required to approve the meeting schedule.



Megan MacDonald
Senior Committee Clerk

Economic Development Advisory Committee

Terms of Reference

Mandate

The mandate of the Economic Development Advisory Committee is to provide recommendations, advice and information to Saanich Council and staff on matters that relate to the purpose of the committee and on any matters which are referred to the committee by Saanich Council or staff.

Purpose

The purpose of the Economic Development Advisory Committee is to:

- Advise Saanich Council and staff on economic development and investment related issues and opportunities in the municipality, including:
 - initiatives that support economic sustainability
 - economic development impediments and opportunities
 - business attraction, retention and expansion activities
 - proposed provincial or federal policies that affect the local and regional economy
 - the municipality's participation in region-wide economic development initiatives
 - methods of providing information about business to the general public
- Assist in the development and implementation of the Economic Development Strategy, as requested by staff or Council.
- Provide a community perspective on promoting development policies linking land use and economic development while encouraging an aesthetic and safe urban landscape.
- Provide an opportunity for associations and industry and business groups to present information relevant to the Committee mandate through delegations.

Meetings

The Committee will meet a minimum of four times per year in accordance with its regular schedule of meetings established annually at the first meeting of the year. No meetings are held during the summer and winter breaks (July, August and December). Special meetings may be held at the call of the Chair. The meeting rules and procedures will be in accordance with the Council Procedure Bylaw. Quorum for the Committee is a majority of its appointed voting members, including the Chair.

Membership

To the extent possible, Advisory Committees will have a diverse membership with respect to gender, age and cultural-ethnic background. Non-Saanich residents may be appointed to the Economic Development Advisory Committee.

The Committee will consist of eleven (11) members qualified in the discipline relevant to the committee mandate or with a perspective necessary for fulsome consideration of the associated topic, including:

- A member of Council to serve as Chair, appointed by the Mayor;
- Ten (10) community representatives appointed by the Council including, where possible, one youth voting member described as 16-24 years of age; and
- Where possible, at least one (1) member who is an Indigenous person.

Members with backgrounds in the following fields/sectors will be considered an asset:

- Current or former business operators in Saanich
- Financial sector with a focus on business development or financing
- Tourism or hospitality sector
- Indigenous economic development
- Representative of large local employers in the institutional sector

Economic Development Advisory Committee Terms of Reference

Notwithstanding their participation in specific sectors, members of the Committee are selected “at large” and are to represent the interests of the entire municipality. It is up to individual members of the Committee to self-declare conflicts of interest.

Members may serve a maximum of seven years on an Advisory Committee, consisting of a one-year term followed by a potential for three, two-year terms. Members who wish to be re-appointed after the completion of a term must re-apply and provide the application and their resume for Council’s consideration.

Staff Support

The Manager of Economic Development is the primary contact and will provide the required professional support. Meeting preparation, agendas and minutes of meetings of the Committee will be provided by the Legislative Services Division.

Memo

To: Economic Development Advisory Committee

From: Mitchell Edgar, Economic Development Manager

Date: February 8, 2024

Subject: Overview of the 2024 Economic Development Work Plan

For discussion at the February 15, 2024 EDAC meeting, this is an overview of the Economic Development Offices' 2024 work plan (see 6.4 Action Plan section in Economic Development Strategy).

The priority initiatives and projects for 2024 support the objectives of the development of Business Services & Entrepreneurship, Place Development & Marketing, and Competitive Business Climate. The immediate priority for the first year is establishing business services and programs so there is consistent engagement with the business community and key partners. Ongoing networking and liaison activities will form a foundational part of the Economic Development Managers work to establish strong links to the business and institutional ecosystem in the region. Key projects and initiatives for 2024 include:

Business Services & Entrepreneurship: Development of core economic development services that guide retention and expansion of investment and jobs and supporting Saanich's sustainability objectives and the 'Sustainable Saanich' brand. Key initiatives include:

- Business Retention and Expansion (BRE) – Development of an ongoing Business Retention and Expansion program, customer relationship management (CRM) software will be acquired to manage the BRE program, contacts, and reporting. An ongoing business visitation program will be launched mid-year, with the potential involvement of EDAC members. Cost: \$ 6,000
- Flavour Trails development – Partner with CRFAIR to expand and promote Flavour Trails as a destination product in Saanich. Cost: \$20,000
- Circular Economy Accelerator program – Partner with Synergy Foundation to develop and implement a circular economy accelerator program for local business to support District sustainability objectives/Climate Plan. Cost: \$12,500
- Assessment of Greater Victoria's R&D Assets & Capabilities – Currently working with SIPP to assess the region's assets related to research and development facilities and activities, with an emphasis on the life sciences sector. Cost: \$13,000 (in 2023 budget).

Place Development & Marketing: Research activities and tools that support business development services and place marketing.

- Marketing, research and feasibility studies (website development, collateral, photography and statistical and research support) – Conducting research and commercial market feasibility work and supporting development of marketing and communications tools. Cost \$ 20,000
- LocalIntel statistics and local intelligence software – Annual subscription for local data and statistical dashboard for website. Cost \$5,000

Competitive Business Climate: To support place development objectives by enhancing the competitive business climate as an innovative and inclusive community.

- Intelligent Community initiative (preliminary survey and assessment work and ICF membership) – To conduct preliminary steps in establishing an intelligent community initiative. Cost \$ 4,500