

SPEAKING NOTES
FOR
MAYOR JON KINGSBURY

2002 UBCM CONVENTION FORUM
COMMUNITY CHARTER & LARGE COMMUNITIES

“A BUSINESS FRIENDLY ATTITUDE IN
THE CITY OF COQUITLAM”

TUESDAY, SEPTEMBER 24, 2002
1:30 P.M.
WESTIN RESORT – EMERALD B

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INTRODUCTORY COMMENTS

- The existing *Local Government Act* plays a minor role in creating a successful business environment and the *Draft Community Charter* is not a drastic improvement.
- “Business Friendly Attitude” starts with the elected officials – strong political leadership, sound fiscal management and a strategic planning emphasis is critical.
- Coquitlam has been successful in attracting a number of new businesses and enjoys a good relationship with our existing businesses – we recognize that a strong business sector is ultimately good for the community and our economy.
- The presentation will describe what a “Business Friendly Attitude” means in Coquitlam, highlight some of achievements in the past two years and provide some comments on the *Draft Community Charter* as it relates to business and economic development.

CAPITALIZING ON ADVANTAGES

- The City of Coquitlam has a number of natural assets that are ultimately important to businesses. These include:
 - Central location
 - Safe community
 - A well-rounded or complete community
 - Convenient transportation links
 - Demographics of a skilled workforce with purchasing power
- This list of natural assets is probably not much different than other large communities that are represented here today. Coquitlam shows a “Business Friendly Attitude” with our leadership and strategic approach to business.
- We have our eye on the future and our finger on the present.
- Economic Development is stimulated through sound fiscal management and incentives to commercial and industrial developers.

FOCUS ON TODAY ... AND TOMORROW

- A number of strategic initiatives illustrate the “Business Friendly Attitude” in Coquitlam.
- Coquitlam: City of Choice Strategic Plan 2000 – City Council approved a Strategic Plan in 2000 following extensive public input. Priorities and goals were identified by the community, reviewed by City Council and supported in the Financial Plan. The top priority within the community was “Transportation Improvements.” An update will be completed in 2003 with another extensive and important public participation component.
- Citywide Official Community Plan – Identifies specific priority areas for Council Action including employment, housing, parks and infrastructure. The Citywide OCP provides residents and the development community with clarity of our long-range community development goals for the City and demonstrates our “Business Friendly Attitude.” Through the adoption of the Citywide OCP, City Council has shown its commitment to having a City where people choose to live, work and play.
- Strategic Transportation Plan – A key component of the Citywide Official Community Plan that reflects

key business and community priorities and our own investment plans and major projects. Improving the transportation system, including public transit, is the number one priority in Coquitlam and is critically important for business. The Strategic Transportation Plan outlines a \$120 million investment plan over the next 20 years including \$15-\$20 million over the next five years. Of course, Coquitlam is part of a regional transportation network and we’ll continue to work with the region and our neighbours to ensure that existing and future business needs are met.

- This level of investment and commitment by Coquitlam in our transportation needs has been instrumental in attracting and retaining businesses. A series of financial sustainability policies have been approved to provide the necessary working capital to fund this and other infrastructure priorities.

FINANCIAL SUSTAINABILITY POLICIES

- Long-Range Financial Plan Policies – City Council has approved a number of policies that tie directly into our Strategic Planning initiatives.
- Use of accumulated surplus – City Council has approved a financial policy to ensure that our buildings, roads and parks are sustainable into the future. Recently, \$4 million in surplus funds was leveraged into \$8 million through grant opportunities for additional community investment. The City’s accumulated surplus is at a level appropriate to provide working capital, interest earnings and an emergency fund.
- Use of Casino revenues – The Great Canadian Casino that was approved and opened in 2001 is expected to contribute \$5 million to the City of Coquitlam each year in revenue-sharing alone.
 - 25% of these funds have been allocated to community not-for-profit groups for their capital projects that support the Strategic Plan. This has provided an additional funding source for service clubs, cultural groups, social service agencies and sports teams that contribute so much to Coquitlam with their efforts and volunteer spirit.

- The other 75% will be used to fund infrastructure projects – roads, water, sewer, parks, drainage, facilities – and again illustrates significant community investment by the City of Coquitlam.
- Debt Retirement Strategies – Money saved by retiring debt is re-invested into the capital program for infrastructure projects.
- Investment in our community sets a positive example for the community and shows our “Business Friendly Attitude.” Coquitlam is worthy of business investment and we’re proving it to others.

ECONOMIC DEVELOPMENT INITIATIVES

- A number of economic development initiatives have been undertaken in Coquitlam to show our “Business Friendly Attitude.”
- Business Tax Rates were frozen in 2001 and have been reduced relative to residential tax rates over the past 5 years. More simply, residents who are eligible to vote in the General Local Election have assumed a greater share of property tax increases than business owners who do not vote. This has required significant leadership by City Council and illustrates the importance of business to our community and our “Business Friendly Attitude.”
- Development Cost Charges related to parkland acquisition and parkland improvements were eliminated in 2002 for commercial and industrial developments.
- Coquitlam is investing \$2 million into the Smart Choices Project to improve the e-connectivity for local residents and businesses. The project includes a Business Innovation Centre that will allow small to medium-sized businesses improved access to computer technology and e-commerce applications.

- City staff continues to show a “Business Friendly Attitude” in their approach to service delivery – flexibility, cooperation and creativity is encouraged in dealing with all citizens including our business community. A “one-stop” shop is in place for business clients to provide improved service delivery and other channels including our on-line applications are currently being developed.

PROVEN RESULTS

- As a result of our “Business Friendly Attitude” in Coquitlam we have a number of achievements since 2001.
- More than 3,000 new jobs with additional “spin-off” employment still not fully realized.
- More than \$300 million in commercial and industrial investment alone.
- Continued interest and investment from offshore investors.
- Major new developments including the Great Canadian Casino and IKEA.
- Significant expansion projects including the Coquitlam Centre Mall.

TANGIBLE BENEFITS OF A “BUSINESS FRIENDLY ATTITUDE”

- Construction costs for the Great Canadian Casino totalled more than \$12 million and the construction period generated about \$15 million in economic activity in our City.
- There were more than 50 construction jobs and more than 300 people are employed on a permanent basis with a payroll value of close to \$9 million each year.
- Almost \$500,000 in property tax revenue and another \$5 million in revenue sharing is provided each year. In terms of property taxation revenue, this represents the equivalent of an additional 2,000 single-family homes that, at a “traditional” or “typical” density, would require almost 400 acres of land and would be far more costly in terms of program and service demands.
- To illustrate this in another way – a one percent property tax increase is approximately \$600,000 in tax revenue for the City. Additional revenue to Coquitlam in 2002 represents a 9 percent property tax increase. This additional revenue will be invested in municipal and community infrastructure projects.

- The Great Canadian Casino has proven to be a destination for visitors like the recently opened IKEA store (which was also far less controversial).
- IKEA has equally impressive numbers for its capital investment, jobs creation and economic benefits but it's the number of visitors and spin-off benefits that are really noteworthy.
- 2 million visitors are expected to the Coquitlam IKEA in 2002 with more than 40% from outside the region. The additional 800,000 visitors from outside the region will only enhance the economic development possibilities and result in further investment for our community. 2 million additional visitors each year might help the existing businesses as well.
- Two major developments with resulting economic benefits have been planned and opened since the IKEA announcement.
- Existing businesses are also recognizing our "Business Friendly Attitude" and investing in our community - Coquitlam Centre Expansion in our Town Centre area is ongoing and valued at approximately \$90 million.
- Art in Motion was started in a residential basement 15 years ago and now employs more than 500 people in

the Pacific Reach Business Park. Showrooms will be opened in Chicago and Atlanta, but the company will remain in Coquitlam.

DRAFT COMMUNITY CHARTER COMMENTS

- The “Business Friendly Attitude” in Coquitlam has been achieved with existing legislation and the *Draft Community Charter* is not a radical improvement.
- Legislation does not enable a “Business Friendly” environment – it takes leadership and commitment by elected officials and staff.
- Tax exemption for industrial users is an inappropriate tool to deal with serious economic issues – this is effectively downloading by senior levels of government that will create an unhealthy “competitiveness” for businesses between local governments. It may be attractive to smaller communities or those outside the urban core, but one-size clearly does not fit all in British Columbia. The Province should deal with these unique primary industry circumstances on an exception basis and local governments should not undermine our own property taxation system.
- Local governments should have the ability to regulate businesses like the City of Vancouver enjoys in their Charter. This is a quality of life issue for residents and businesses alike. Elected officials need and deserve the right to prohibit businesses within their own

communities where they are accountable for quality of life issues.

- Commitment by senior levels of government is needed to invest in transportation projects – traffic congestion is a significant obstacle to business development in every large community.
- Coquitlam has proven its “Business Friendly Attitude” through our strategic planning, financial policies and infrastructure investment. In the past two years, this has meant more than 3,000 new jobs and \$300 million investment in commercial and industrial development.
- A similar commitment by senior levels of government will be far more helpful than any legislative tools can provide and will provide a real jump-start for economic growth in the Province of British Columbia.