



# CORPORATION OF THE TOWNSHIP OF ESQUIMALT

---

## MAYOR'S AND COUNCILLORS' REPORT

From: Councillor Ken Armour

Council Meeting: January 7, 2019

Subject: **SIPP's Funding Request for Years 4 and 5 (at \$34,621 per year)**

---

### **RECOMMENDATION:**

- Further to the background on SIPP below, it is recommended that Council approve the funding request for Years 4 and 5 at \$34,621 per year.
- To better position Esquimalt to take advantage of SIPP's efforts to attract business investment to the greater Victoria region, it is also recommended that Township staff work with SIPP to develop a proposal, as part of the budget process, to hire a consultant to assess Esquimalt's readiness for additional business investment and growth (e.g., a SWOT analysis) and to identify attractive locations for businesses to locate (e.g., an inventory of suitable land/real estate). SIPP has offered to provide guidance and help oversee this work. The consultant could also provide a roadmap for updating and implementing Esquimalt's Economic Development Strategy.

### **BACKGROUND:**

#### SIPP

The South Island Prosperity Project (SIPP) is the economic development partnership for Greater Victoria, comprised of 45 members:

- Ten local governments
- Five First Nations
- Three post-secondary institutions
- Seven industry associations and non-profits
- 20 major regional employers (including Babcock).

SIPP's mission is to facilitate and promote the development of a strong, regionally diversified economy in South Vancouver Island. SIPP's annual budget is approximately \$1.3 million. SIPP's main five-year objectives are to:

- Increase the median household income
- Increase the number of household-sustaining jobs
- Increase the amount of provincial, federal, and private funding invested locally
- Engage First Nations in economic development initiative

SIPP strives to attract more business to the region, and also increase the South Island's global connectivity. Its aim is to help the local tax base, create new jobs, and build a concentration of companies that lead to competitive advantages. This helps attract talent and develop other industry capacity. In the short-term, SIPP focuses its recruitment efforts primarily in the Seattle region and the Pacific North-West.

SIPP has helped attract the Daitan Group, a rapidly-growing technology company headquartered in Brazil, to the region. Daitan Group expects to begin operations with 10-15 employees in Victoria, with plans to locate 10-20% of their global workforce in the region over the next two years, representing at least 100 more employees.

SIPP provides mentorship and advisory services to help growth-oriented companies expand their businesses at home and abroad. SIPP focuses on increasing exports and internationalization. It offers one-on-one guidance and workshops on topics such as trade, financial modelling, governance, and growth. Up to 80% of job creation is said to come from growing existing business, so it wants to focus on growth-oriented and exporting companies.

According to SIPP, "Municipalities play a vital role in SIPP's work and we could not exist without their support. This means we leverage municipal contributions into higher impact investments from the private sector that would not be possible without a region-wide partnership. To illustrate the point, without SIPP's facilitative leadership, the region would not have become a finalist in Canada's Smart Cities Challenge, gaining a chance to bring \$10 million to the region for smart and sustainable transportation options".

#### Contract on Esquimalt's Readiness for Business Investment

In order for Esquimalt and its businesses to take full advantage of the services that SIPP offers, SIPP officials have suggested that Esquimalt hire a consultant (with expertise in local economic development) to assess the Township's readiness for additional business investment. This would include an inventory of suitable land/real estate. SIPP has offered to provide guidance and help oversee this work.

The consultant could also provide a roadmap for updating and implementing Esquimalt's Economic Development Strategy.

In addition, a business investment assessment would provide valuable guidance to an Economic Development Officer in Esquimalt, should the Township make the decision to hire one in the future. SIPP officials have noted that there is significant potential for business growth in Esquimalt but the lack of an Economic Development Officer in Esquimalt limits the ability of SIPP to support business attraction and development in the Township.

Respectfully submitted,

Ken Armour  
Councillor  
Township of Esquimalt