



Economic Development Strategy

APPENDIX D: Strategic Investment Plan

May 2nd, 2023



In association with:



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About This Report

This report considers the context and opportunities for attracting preferred forms of investment to Coquitlam in support of the community's broader economic goals identified in the Economic Development Strategy (EDS).

The purpose of this report is to assess how businesses and other entities choose to make investments in markets, and to understand how Coquitlam can leverage its competitive advantages to attract preferred forms of Foreign Direct Investment (FDI). This report was made possible with financial support from the Government of Canada and the CanExport Community Investment program.

This report builds upon the contextual analysis presented in the **Appendix B: Employment Lands and Economy Review** document to identify where competitive advantages exist within Coquitlam, and how these can be leveraged for positive change. The Economic Development Strategy document will be a direction document with succinct and compelling summary findings, informed and supported by all appendices as companion pieces that collectively detail the EDS process and inputs.

This report includes:

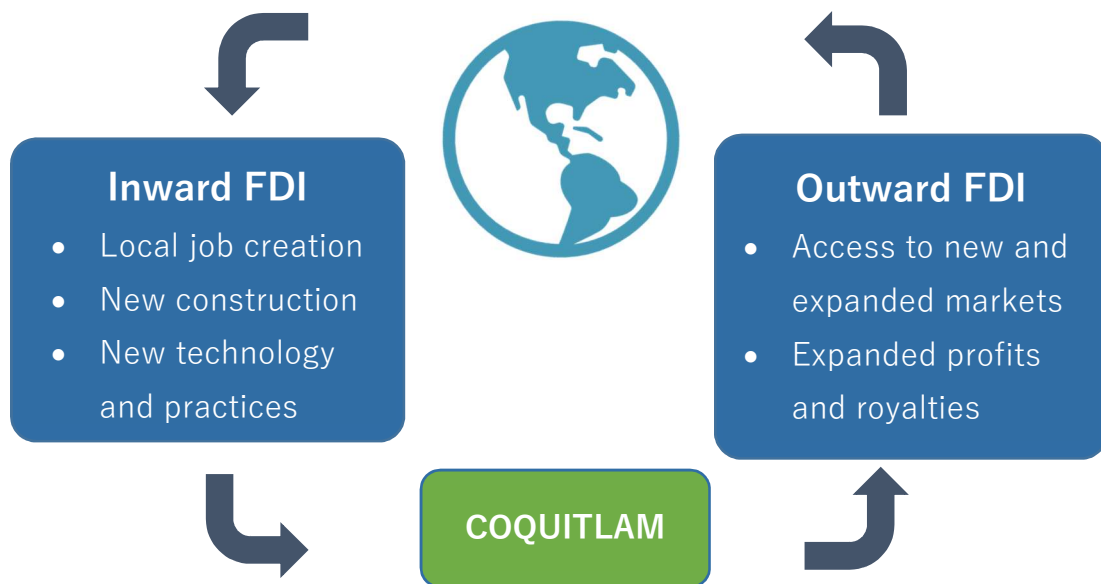
- An overview of different forms of Foreign Direct Investment and the factors that drive decisions related to it.
- A review of global trade and investment trends, and Coquitlam's place in the broader market context.
- An analysis of opportunities and challenges Coquitlam faces in attracting FDI.
- Recommendations for positioning Coquitlam to grow and attract preferred forms of FDI, including identification for key industries of focus.

Executive Summary

A. The Benefits of Foreign Direct Investment (FDI)

Understanding and planning for FDI is important. This Strategic Investment Plan (SIP) report provides a focused review of the context, opportunities and challenges for attracting and growing inbound and outbound forms of Foreign Direct Investment to Coquitlam. Foreign Direct Investment (FDI) is an important vehicle for economic development that involves cross-border investment between resident investors in one economy, and international investors in another. These type of relationships serve to promote growth between economies and communities via stable and long lasting links that encourage the transfer of skills, knowledge, technology and trade.

Examples of FDI Benefits to Coquitlam



FDI activities may take many different forms, which range in terms of cost and complexity. These can include the simple exporting of goods and services to destinations outside of the local market through to full acquisition of existing firms or even creation of fully owned and operated facilities in the target market.

The Lower Mainland region of British Columbia is frequently cited as a competitive location for attracting both investment and talent in a global context, with Federal, Provincial and regional governments placing a high priority on supporting economic growth via FDI. With this potential so comes competition, with many of Coquitlam’s municipal neighbours having prepared FDI strategies as part of their own economic development initiatives.

In order to ensure that the City of Coquitlam remains competitive in attracting the forms of investment that align with its broader economic objectives, **the City will benefit most by focusing its efforts on its strengths and targeting the industries in which it holds a competitive advantage.** Building on these strengths, Coquitlam’s Strategic Investment Plan is focused on two complementary pathways to success:

Supporting Local Export-Ready Businesses in Coquitlam

- Identifying and assisting companies already located in Coquitlam to expand their offerings to markets abroad.

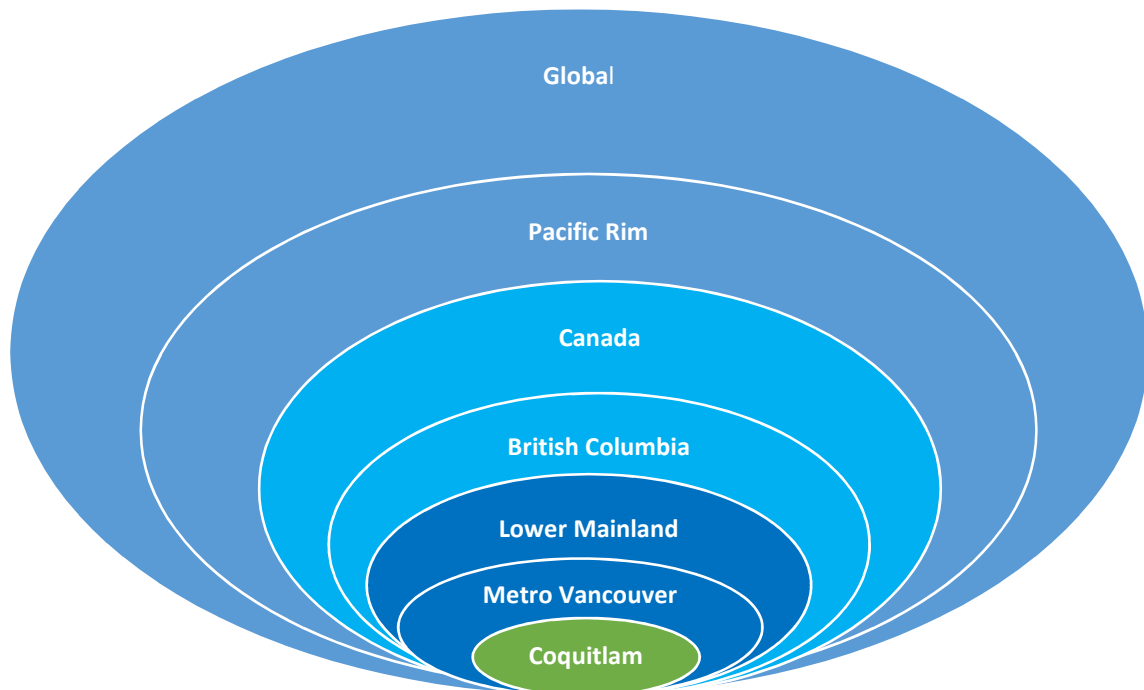
Attracting Investment Opportunities to Coquitlam

- Identifying and targeting preferred firms seeking to invest and expand offerings into Metro Vancouver.

B. Market Context

In developing a Strategic Investment Plan for the City of Coquitlam, it is critical to recognize that the bulk of FDI decisions are typically made on a scale beyond that of the local municipality. For example, firms seeking to invest in western Canada will typically make decisions first based on regional considerations, which also tend to be the level of focus for Federal and Provincial initiatives to attract and promote local FDI opportunities, before narrowing their search to account for local conditions and considerations. In an increasingly globalized world, individual markets are being assessed against other options at each step of the market ecosystem, with Coquitlam being one part of a consecutively larger set of markets nested within each other.

Coquitlam's Relationship to Global Markets



Note: Diagram is conceptual in nature. Market areas are not to scale.

C. Local Opportunities and Challenges

Coquitlam’s offers a mix of competitive advantages and potential hurdles to attracting investment, which are summarized in terms of the municipality’s Strengths, Weaknesses, Opportunities and Challenges (SWOC).

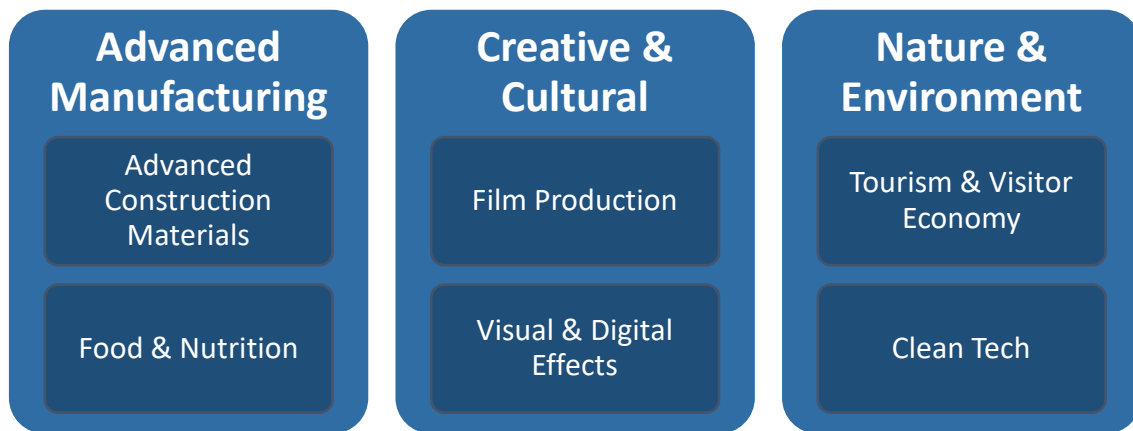
Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Central location with good access to major regional infrastructure ▪ Regional transit infrastructure provides access to broader region ▪ High livability and diverse workforce demographics ▪ Access to natural amenities ▪ Business clusters with deep international roots ▪ Links to world recognized post-secondary institutions ▪ Established location for film and television production 	<ul style="list-style-type: none"> ▪ General perception as a bedroom community ▪ Limited supply of land and space for employment growth ▪ Currently lacking a major business or institutional user to anchor development of major office node ▪ Competitive disadvantage in non-residential property tax rates

Opportunities	Challenges
<ul style="list-style-type: none"> ▪ Coquitlam’s desirability as a place to live at nature’s doorstep ▪ Strong population growth projected over the next 30 years ▪ Establishing Coquitlam as a regional hub north of the Fraser River ▪ Future planned transit expansion eastward will improve commuter shed ▪ A forward looking framework for a green future ▪ Partnerships with First Nations ▪ Leveraging Coquitlam’s rich cultural connections and diversity ▪ Local business success stories and growth spinoffs from regional clusters 	<ul style="list-style-type: none"> ▪ Shifting the perspective to highlight Coquitlam’s competitive advantages ▪ Finding space to accommodate future growth and investment ▪ Post-pandemic location preferences for office employment remain uncertain ▪ Global economic headwinds suggest more modest outlook for FDI in near term ▪ Competition from other Metro Vancouver communities

D. Key Areas of Opportunity

Strategic Investment Plan identifies three key areas of economic activity, along with six employment sectors, for which Coquitlam has a competitive advantage. These areas represent priorities for future FDI development and lead generation based on existing and emerging business activities that present likely opportunities to attract, grow and retain investment.

Key Areas of Opportunity, Priority Sectors and Enabling Activities



E. Recommendations for Strategically Positioning Coquitlam to Attract and Retain Investment

Coquitlam is an established community, with solid fundamentals that will enable it to compete for investment. The City enjoys a competitive location relative to the region and transportation network, with a strong outlook for local population growth that will both create demand for services and grow an already competitive labour force.

The primary challenge facing Coquitlam are twofold:

- The first is overcoming the Coquitlam's stereotyped characterization as a bedroom community, which runs the risk of overshadowing Coquitlam's other competitive advantages and discouraging investment.

- The second is finding new ways to balance growth and accommodate strategic investment opportunities on employment lands that are effectively built out and fully occupied.

In order to overcome these challenges and strategically position Coquitlam to maximize its competitive advantages, the Strategic Investment Plan makes the following recommendations:

a) Promote Coquitlam as a Destination

- Undertake a multi-faceted marketing and outreach strategy that highlights the competitive advantages Coquitlam has to offer, while also promoting the future economic vision for the community.
- Focus messaging on Coquitlam's role in the broader region as an emerging cultural hub with a strong, diverse and innovative community on the edge of nature.
- Tailor approaches for different target audiences and investment sectors, with general trends leveraging Coquitlam's location, quality of life, and local multicultural labour force.

b) Support Innovation and Promote Success Stories

- Continue to strengthen Coquitlam's local business environment through supportive policies, services and resources.
- Existing firms tend to act as the strongest advocates and sector specific ambassadors, which has the potential to translate into future investment leads.
- By demonstrating a commitment to the success of existing firms, including supporting those that are looking to expand their businesses to broader markets, Coquitlam will strengthen its position as a business-friendly jurisdiction, and a desirable place to invest.
- Include opportunities to strengthen the ties between local businesses and post-secondary institutions, ensuring that youth and newcomers have resources to meaningfully participate in the workforce and

economic opportunities, whilst also promoting innovative ways of thinking and doing business.

c) Ensure Investment Readiness

- Like many other parts of the Metro Vancouver region, Coquitlam's designated industrial employment lands are effectively built out and fully occupied.
- Given the level of growth projected for Coquitlam, additional supply of various types of employment space will be necessary. However, the redevelopment and intensification of employment lands presents an increased level of cost and complexity that is not present in a greenfield context, resulting in heightened risk and uncertainty for potential investment.
- To offset these risks, Coquitlam should consider reviewing its land use policies and development approval procedures to ensure they are transparent and predictable, while also considering where incentives may be appropriate to encourage preferred types of growth.
- With constrained industrial employment lands the promotional efforts and potential incentives may need to be targeted towards sectors with greater local employment lands absorption potential, in particular office, retail, and light industrial opportunities.

1. Introduction and FDI Overview

The City of Coquitlam retained Hemson Consulting and Urban Systems Ltd. to develop and assist in establishing a five-year Economic Development Strategy (EDS). The Strategy serves as a unifying plan that establishes a sustainable vision for Coquitlam's economic future, and provides a set of clear and actionable goals in order to achieve that vision.

In support of the broader objectives of the EDS, this Strategic Investment Plan (SIP) provides a focused review of the context, opportunities and challenges for attracting and growing inbound and outbound forms of Foreign Direct Investment to Coquitlam.

A. What is Foreign Direct Investment?

Foreign Direct Investment (FDI) is an important vehicle for economic development that involves cross-border investment between resident investors in one economy, and enterprise residents in another. These type of relationships serve to promote growth between economies and communities via stable and long lasting links that encourage the transfer of skills, knowledge, technology and trade. In doing so, FDI enables access to new markets, spurs growth in new and varied forms of employment, and encourages innovation in a rapidly globalizing world.

Many communities across North America focus on FDI attraction as an opportunity to grow, transform, and diversify their local manufacturing and employment base towards new and emerging sectors, thereby strengthening the local economy. The benefits of Foreign Direct Investment include:

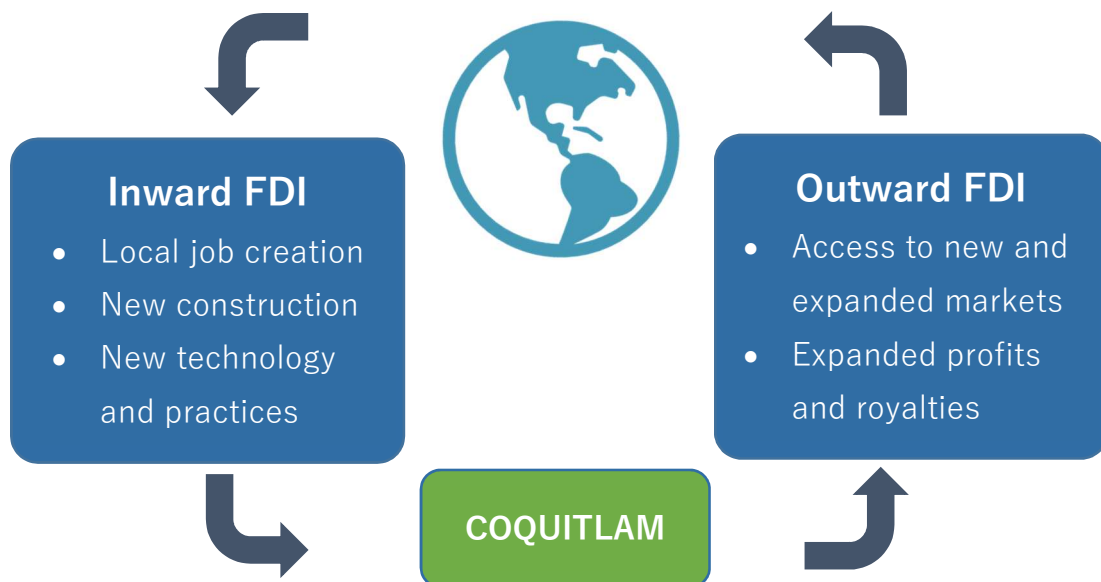
- **Capital attraction and formation** that maximizes the economic potential of the local economy, including more jobs, productivity improvements and increases in economic output.

- **Creation of new jobs** within the local community that enhance the skills and capability of the local workforce, creating momentum that leads to further growth and opportunity.
- **Increased tax revenues** resulting from new and growing businesses that deliver corporate and property taxes, along with jobs that support income taxes and other benefits and spinoffs amongst the community.
- **Improved innovation and technology** as new ideas, processes and techniques are introduced to the local market.
- **Diversification and improved resiliency** as businesses gain access to new markets and economic enterprises beyond those that serve the local population.

B. What do FDI Opportunities Look Like?

In simple terms, the flow of FDI activity can be both inward and outward between various countries and economies, with net economic benefits conveyed by both, as summarized in Figure 1 below.

Figure 1: Examples of FDI Benefits to Coquitlam



FDI activities may take many different forms, which range in terms of cost and complexity. These can include the simple exporting of goods and services to destinations outside of the local market through to full acquisition of existing firms or even creation of fully owned and operated facilities in the target market. For businesses, these types of activities tend to both promote innovation and competitiveness, as they are exposed to new forms of competition, effectively boosting productivity, while also decreasing overall risk through diversification and no longer needing to rely on any one market.

For municipalities, successfully attracting prominent FDI projects, specifically the building of new facilities or accommodating a high-profile firm, can significantly raise the profile of the local community in terms of global awareness. This in turn, may create knock-on opportunities to strengthen local competitive advantages to attract additional investment in similar sectors or industry clusters.

C. What Drives FDI Decisions?

When it comes to how to enter a new market, organizations will often take one of the following approaches – which can be considered in terms of a spectrum of risk and reward:

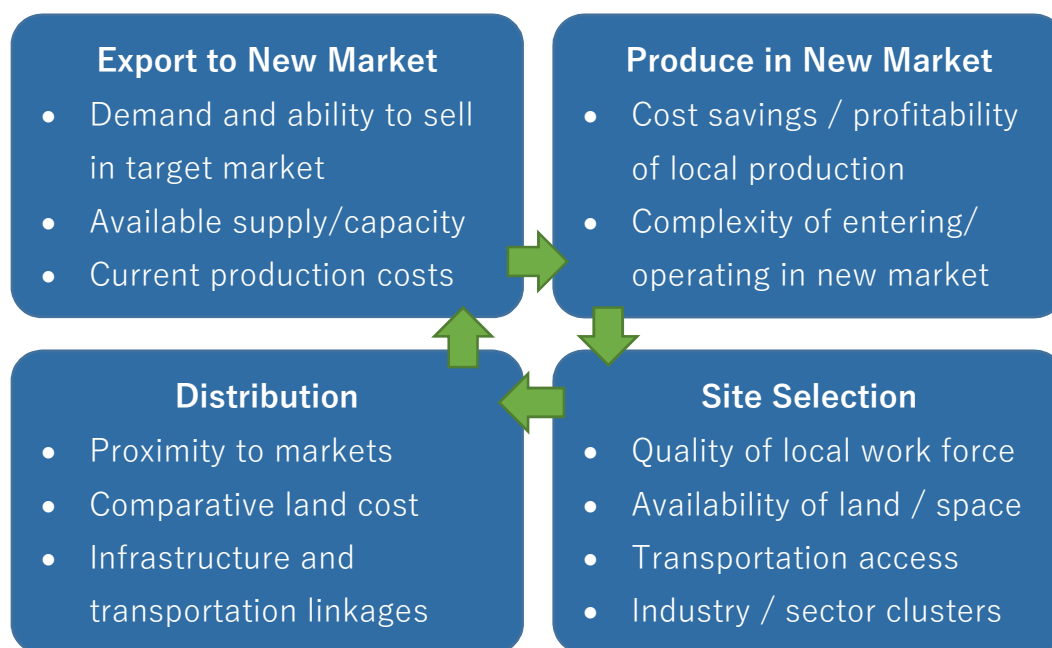
- **Exporting** – the lowest risk option to access foreign markets by using local assets and labour to produce and ship goods and services. Effective for standardized products that are inexpensive to ship relative to production costs.
- **Licensing, Franchising or Joint Ventures** – when a foreign partner invests capital locally in licensing brands, technologies and design to out-of-market producers. Allows external firms to avoid the potential inconveniences of exporting, particularly in cases where shipping costs are prohibitive, while also avoiding the risk of direct investment.

Most effective for products with strong brands (food products, merchandise, etc.).

- **Mergers and Acquisitions** – One of the most common forms of inbound FDI, involves the takeover or purchase of a business in a foreign market – typically one that offers a similar product. This approach has the benefit of instant branding, but increased financial and legal risks, along with the challenges associated with operating in a different market and regulatory environment.
- **Building New Capacity** – Ensures direct control over technology and quality, as well as production margins, at the cost of higher complexity and risk.

In a general sense, while government initiatives to attract FDI are most typically undertaken at a regional scale, the locational decisions of where a business will chose to make these investments will depend on the firm itself. Specifically, this will depend on how well a municipality can cater to their specific needs. Figure 2 below illustrates the relationship between some of these considerations as an example.

Figure 2: Factors Driving FDI Decisions



This list is by no means exhaustive, as numerous other factors may also influence the decision about where FDI might be directed, including: social, political, and lifestyle considerations, along with considerations for immigration policy, personal and corporate tax policy, and ease and timing of navigating permit and approvals processes.

The prominence and weighting of these individual factors has varied over time as increasing globalization and global events, like the COVID-19 pandemic, have shifted expectations and priorities. Furthermore, individual firms and decision makers within them may also place a higher or lower priority on specific factors based on their industry requirements, firm objectives, experiences, risk tolerance, and personal preferences.

It is within the context of these evolving factors and preferences that municipalities like Coquitlam are competing for FDI. Understanding what the community offers, and where its competitive advantages reside, will best position the City to actively market to the types of investment and growth it wishes to promote.

D. The Benefits of Strategically Planning for FDI

The City of Coquitlam's Economic Development Strategy includes numerous Goals, Strategies and Actions (summarized in **Appendix C**) that place a strong focus on promoting the economic growth and diversification of Coquitlam's economy in line with the broader community vision (summarized in **Appendix A**) and the objectives of the City's 2020-2023 Strategic Plan. While locally focused businesses and employment opportunities are expected to increase as Coquitlam's residential population grows, Foreign Direct Investment is also recognized as a key opportunity for achieving this objective.

The Lower Mainland area of British Columbia, which includes Metro Vancouver as well as the Fraser Valley and the Sea to Sky corridor, is frequently cited as a competitive location for attracting both investment and talent in a global context, with Federal, Provincial and regional governments placing a high priority on supporting economic growth via FDI. With this potential so comes competition, with many of Coquitlam’s municipal neighbours having prepared FDI strategies as part of their own economic development initiatives.

In order to ensure that the City of Coquitlam remains competitive in attracting the forms of investment that align with its broader economic objectives, the City will benefit most by focusing its efforts on its strengths and targeting the industries in which it holds a competitive advantage. To this end, this SIP provides an assessment of Coquitlam’s place in the context of the broader Metro Vancouver region under the lens of modern FDI frameworks in order to understand the strengths and challenges facing Coquitlam. In doing so, it identifies the key areas of opportunity to leverage its competitive advantages, along with the partner organizations best situated to support Coquitlam in seeking to attract these opportunities into the future.

Building on these strengths, Coquitlam’s Strategic Investment Plan is focused on two major pathways to success:

Supporting Local Export-Ready Businesses in Coquitlam

- Identifying and assisting companies already located in Coquitlam to expand their offerings to markets abroad.

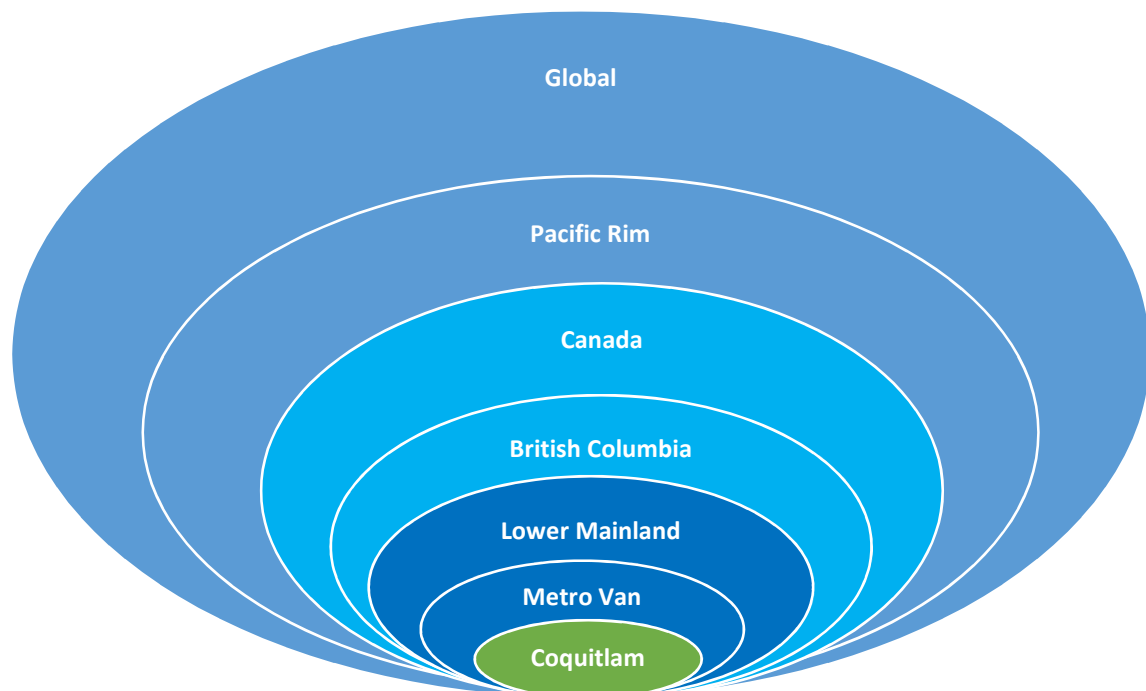
Attracting Investment Opportunities to Coquitlam

- Identifying and targeting preferred firms seeking to invest and expand offerings into Metro Vancouver.

2. Coquitlam in Context

In developing a Strategic Investment Plan for the City of Coquitlam, it is critical to recognize that the bulk of FDI decisions are typically made on a scale beyond that of the local municipality. For example, firms seeking to invest in western Canada will typically make decisions first based on broader regional considerations, which also tend to be the order of focus for Federal and Provincial initiatives to attract and promote local FDI opportunities, before narrowing their search to account for local conditions and considerations. Figure 3 below illustrates how Coquitlam is one part of a consecutively larger set of markets nested within the next. In an increasingly globalized world, individual markets are being assessed against other options at each step of the market ecosystem. As such, each of these layers provides context to where and how Coquitlam can compete for FDI.

Figure 3: Coquitlam's Relationship to Global Markets

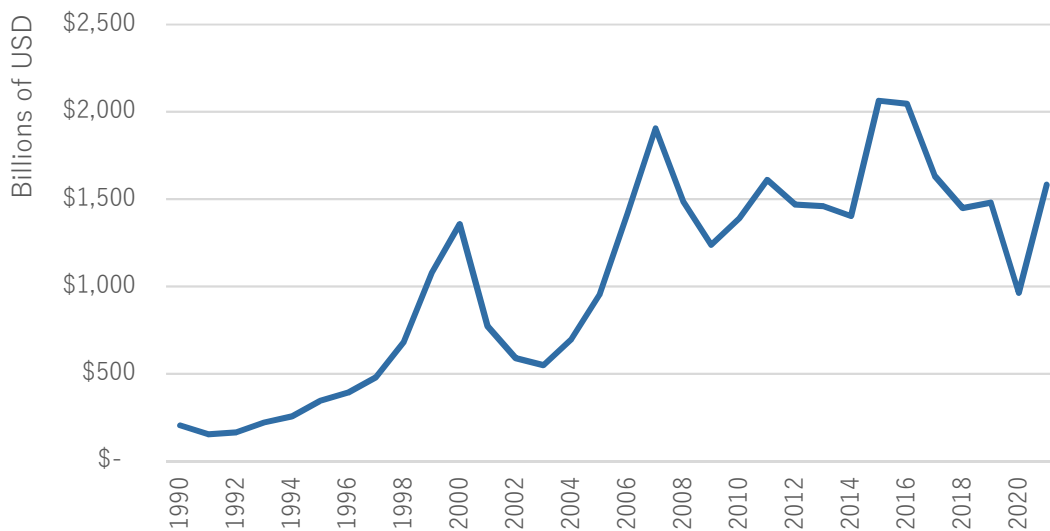


Note: Diagram is conceptual in nature. Market areas are not to scale.

A. Canada is a Global Player in FDI

Over the past three decades, the total amount of global FDI inflows have grown considerably following a broad evolution of global supply chains and agreements that have fostered trade between countries and regions. As shown in Figure 4 below, these inflows tend to fluctuate with broader market cycles, with overall investment showing strong signs of recovery since the shocks of the global COVID-19 pandemic in 2020.

Figure 4: Annual Global Foreign Direct Investment Flows, 1990-2021



Source: UNCTAD World Investment Report 2022

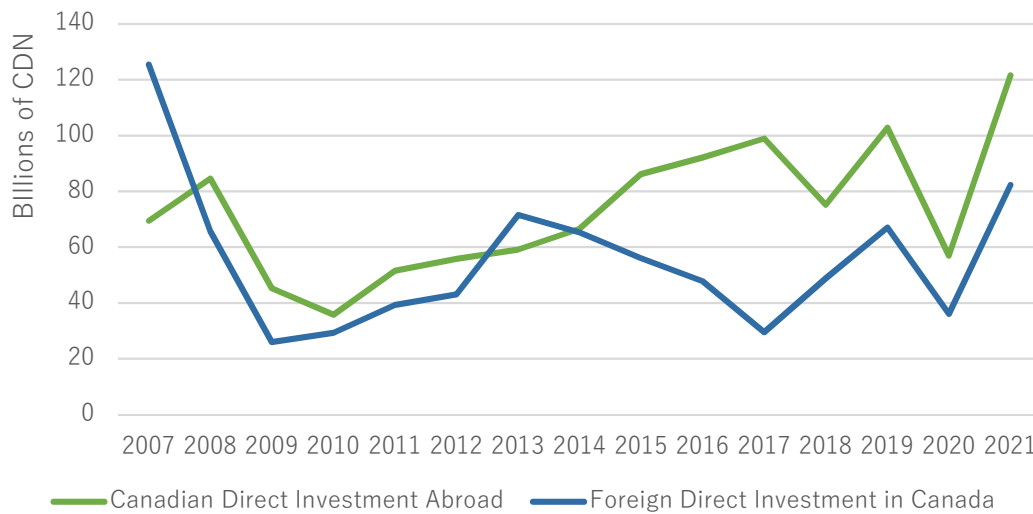
According to the UNCTAD World Investment Report, annual global flows of FDI reached \$1.6 trillion USD in 2021. However, the report also notes this recovery may be fragile in the years to come in the face of inflationary pressure and other fallout from the war in Ukraine, climate disruption, and continued impacts from the global pandemic.

FDI flows in Canada mirrored this strong rate of recovery between 2020 and 2021, both in terms of global inflows of FDI and Canadian Direct Investment Abroad (CDIA). As shown in Figure 5 on the following page, CDIA flows reached a record high of \$123 billion in 2021 (an increase of 97% from 2020

and substantially higher than the average of \$73 billion for the 2010 to 2019 period).

Meanwhile, FDI inflows reached the highest they have been since 2007 at \$76 billion (a 143% increase from 2020 and 52% higher than the 2010-2019 average). This places Canada second amongst its G7 and OECD peers in terms of total FDI inflows in 2021.¹

Figure 5: Canadian Flows of Foreign Direct Investment, 2007-2021



Source: Statistics Canada, Table 36-10-0025-01

The sectoral breakdown of these flows of investment and how they’ve changed over the past decade are shown in Table 1 on the following page. Trade and Transportation accounted for almost half of the CDIA outflows in 2021, experiencing a nearly twelve-fold increase over the same sector in 2011. This surpassed the Finance and Insurance sector that has historically accounted for the largest share of outward investments by Canada. Most other sectors also experienced growth in outward investment over the past decade, though Manufacturing and Energy and Mining have experienced declines, particularly since 2016.

¹ Invest in Canada, FDI Report 2021, based on figures from UNCTAD.

FDI inflows into Canada in 2021 were led by investments in the Manufacturing, Energy and Mining and Trade and Transportation sectors, with all sectors seeing varying amounts of growth when compared to 2011.

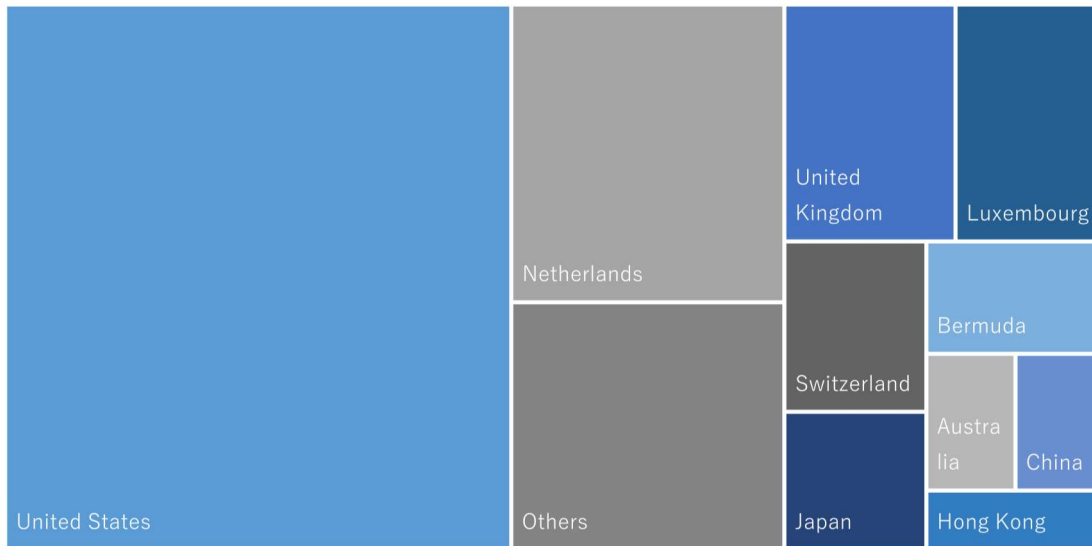
Table 1: Annual CDIA and FDI Flows by Sector, Canada, 2011, 2016 and 2021, In Billions of Canadian Dollars

	2011	2016	2021	Change 2011-21
CDIA				
Energy and Mining	6.6	16.9	5.8	-0.8
Manufacturing	5.4	6.0	2.3	-3.1
Trade and Transportation	5.1	22.7	59.6	54.5
Finance and Insurance	19.1	23.8	31.9	12.8
Management of Companies	9.5	-1.6	13.9	4.4
Other Industries	5.9	24.4	8.1	2.2
Total	51.6	92.1	121.6	70.0
FDI in Canada				
Energy and Mining	15.6	10.8	16.8	1.2
Manufacturing	16.8	4.4	23.1	6.2
Trade and Transportation	0.7	11.6	11.9	11.2
Finance and Insurance	-0.4	9.2	9.4	9.8
Management of Companies	2.6	5.1	7.8	5.2
Other Industries	4.0	6.7	13.4	9.4
Total	39.3	47.8	82.3	43.1

Source: Statistics Canada, Table 36-10-0026-01

As Canada's primary trading partner, the United States accounts for the most significant activity when it comes to both inward and outward investment. As illustrated in Figure 6 on the following page, this includes accounting for nearly half (46%) of the total stock of inward FDI in Canada, followed by the Netherlands (14%), United Kingdom (7%), Luxembourg (6%), and Switzerland (4%) rounding out the top five.

Figure 6: Foreign Direct Investment in Canada, Total Book Value, 2021



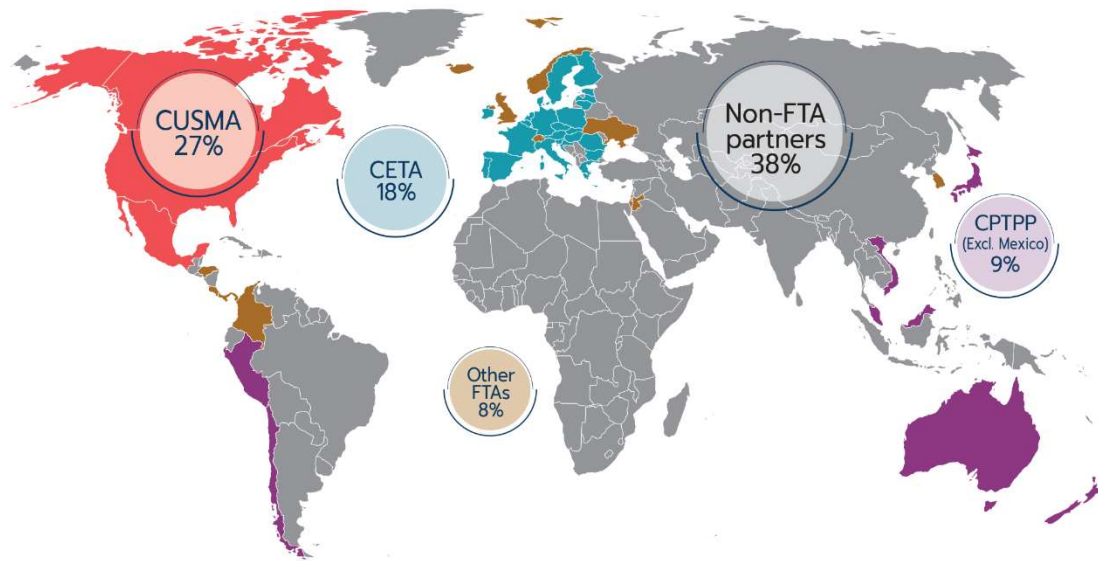
Source: Statistics Canada, Table 36-10-0008-01

Much of this international investment activity is influenced by the presence of Free Trade Agreements (FTAs) which generate trade opportunities via the creation of increased certainty and removal of trade barriers. Canada currently participates in 15 FTAs, the most prominent of which include:

- The Canada-United States-Mexico Agreement (CUSMA) (2020) – which replaced the 1994 North American Free Trade Agreement;
- The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) (2017); and
- The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (2018).

In total, these agreements open doors for investment between Canada and 51 foreign markets, estimated to account for 1.5 billion consumers and approximately 62% of the world's total GDP, as shown in Figure 7 on the following page.

Figure 7: Canada's FTA Network

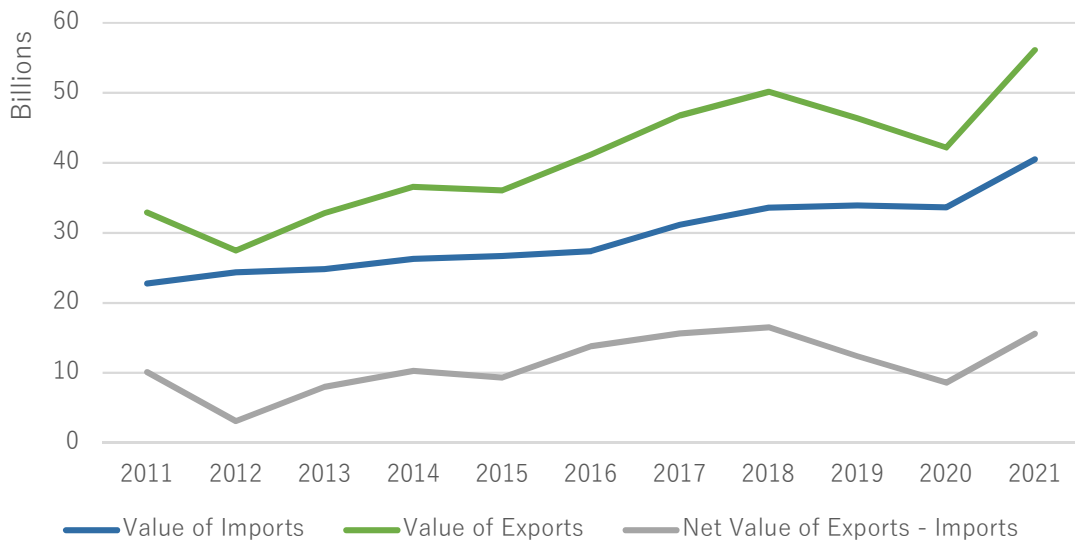


Source: Canada Office of the Chief Economist, State of Trade 2022. Based on figures from the International Monetary Fund. Calculation of the OCE. Note: Figures reflect the ratification of the CPTPP agreement by all partners excluding Mexico.

B. British Columbia's Strong Ties to the Asia Pacific

As Canada's westernmost province, British Columbia follows some of the national trends in global trade, while also experiencing its own unique factors for consideration. As shown in Figure 8 on the following page, the province has experienced a net increase to both its total imports and exports, with the balance of trade towards net exporting over the past decade. BC was experiencing a steady increase in trade activity in the years between 2012 and the lead up to the global pandemic in 2019, before experiencing a decline in export related activity mirrored across the globe. The market has since recovered to pre-pandemic trends as of 2021.

Figure 8: Total Trade, British Columbia, 2011-21

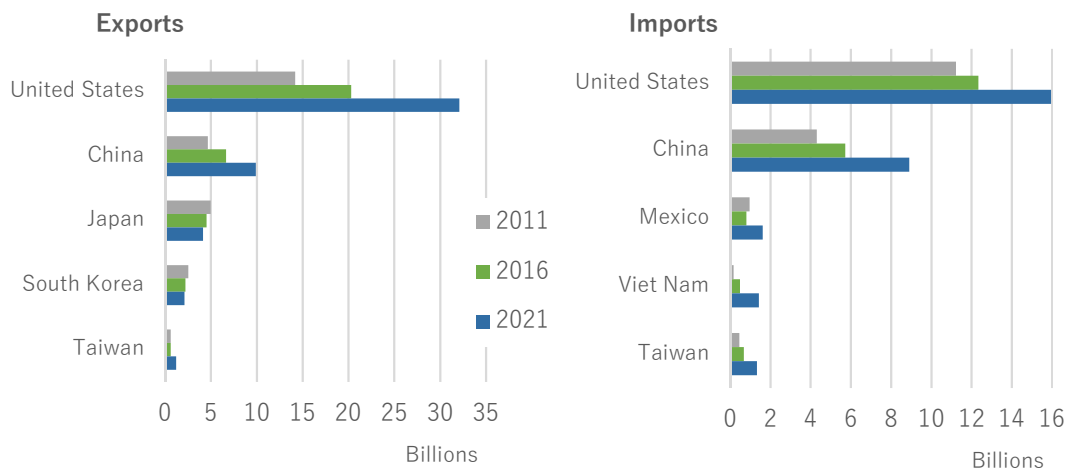


Source: Adapted from Statistics Canada, Tables 12-10-0098-01, 12-10-0112-01.

Note: Dollars chained to 2012 values.

Much like the nation as a whole, the United States acts as the leading destination for exports from and source of imports to British Columbia. However, other members of the Pacific Rim play a prominent role in BC's trade relationships. This includes China, which has grown in prominence over the past 10 years as BC's second largest trading partner, as shown in Figure 9 below.

Figure 9: British Columbia's Top 5 Trading Partners by Imports and Exports, 2011, 2016 and 2021

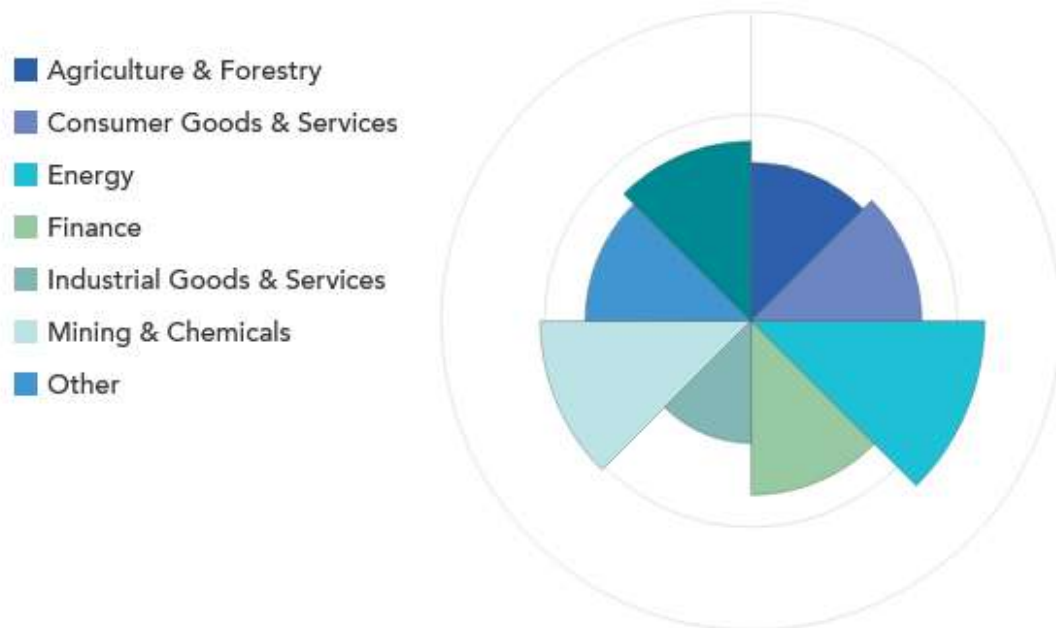


Source: Statistics Canada, Tables 12-10-0104-01, 12-10-0114-01

As a gateway between Canada and the Pacific Ocean, BC has historically experienced a strong amount of inward FDI from the Asia Pacific region. According to data tracked by the Asia Pacific Foundation of Canada, Asia Pacific markets were the source of 350 investment projects in BC between 2011 and 2021, totalling over \$56.7 billion in value. However, the pace of investment in BC has been picking up recently, with 197 of those deals (worth over \$36 billion) occurring in the last three years of that period.

As shown in Figure 10 below, the majority of these investments (81%) have been in the Energy (\$33.9 billion) and Mining & Chemical (\$12.2 billion) sectors. However, the Technology (\$3.1 billion), Finance (\$2.4 billion) and Consumer Goods and Services (\$2.0 billion) have also proven to be emerging areas of FDI growth in the Province.

Figure 10: Capital Investment by Sector, Asia Pacific Region to BC, 2011-2021

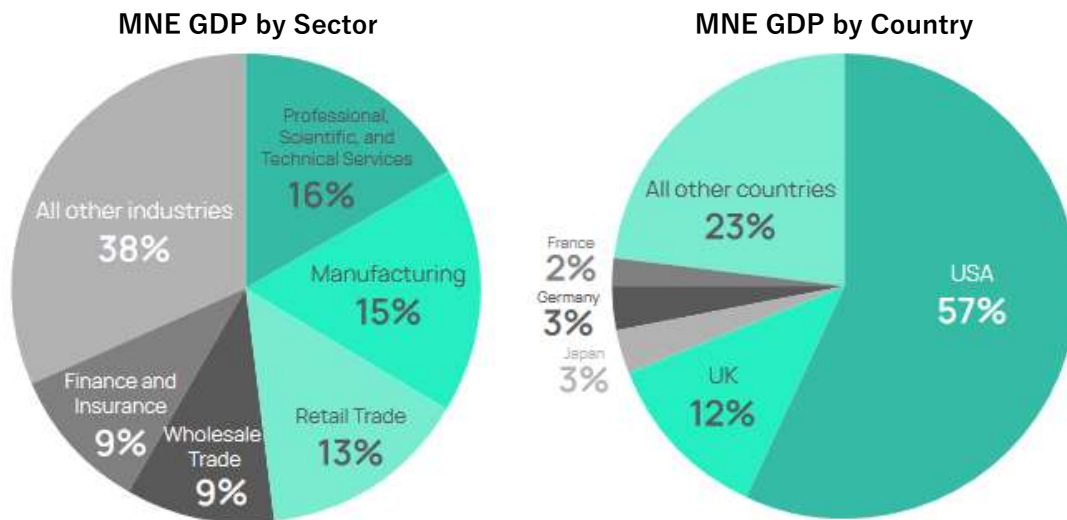


Source: Asia Pacific Foundation of Canada, Investment Monitor

Foreign-owned Multinational Enterprises (MNEs) also play a significant role in BC’s economy. Based on the most recently available data tracked by Statistics Canada, MNEs generated \$33.1 billion in GDP in BC in 2019,

accounting for 11.5% of annual GDP in the province. These MNEs also supported over 285,000 direct jobs, accounting for 11% of BCs total employment that same year. A breakdown of the downstream GDP contribution by MNEs in BC broken out by industry and country of origin are summarized in Figure 11 below.

Figure 11: MNE Contributions to BC GDP by Sector and Country of Origin, 2019



Source: Invest Vancouver, using data from Statistics Canada BC AMNE dataset

C. Metro Vancouver is an Attractive Market for FDI

The City of Coquitlam is part of Metro Vancouver, a federation of twenty-one municipalities, one treaty First Nation, and one electoral area that collaboratively plans for and delivers regional scale services. This includes the recently added regional services of Invest Vancouver, which aims to actively seek companies interested in expanding to and investing in the Metro Vancouver region, and to connect investors with opportunities to grow their businesses locally.

Metro Vancouver is the third-largest metropolitan area in Canada in both population and economic activity, after only Toronto and Montreal. Accounting for over 60% of the province’s GDP, and 50% of its total

population, the region also serves as the industrial, commercial and financial heart of British Columbia. The region's economy is comprised of a number of key domestic sectors, including real estate, professional scientific and technical services, construction, and transportation and warehousing industries.

A recent analysis of key industrial clusters in the region prepared by Invest Vancouver² identifies a number of established sectors and key trade clusters, along with a set of niche and emerging clusters in which Metro Vancouver has a strategic or productive advantage. These include:

Digital Media & Entertainment – Motion picture production, animation, special & visual effects, interactive and digital media, video games

Green Economy – Green building, clean technology, clean transportation, sustainability services, land & water remediation, environmental consulting

Agri-tech – Precision agriculture, indoor farming, ag-biotech

Apparel – Athletic and technical apparel design, women's wear, footwear

Life Sciences – biotechnology, diagnostics, digital health, genomics, medical devices, therapeutics

High Tech – Software, artificial reality, virtual reality, mixed reality, artificial intelligence

Trade & Transportation – Aviation, seaport, logistics, rail, warehousing

² Invest Vancouver, Key Regional Industry Clusters – November 2022

A detailed analysis of the region and its economic prospects prepared in 2020³ identified a number of value propositions that make the Metro Vancouver region attractive to global investors:

- **Access to Talent** – Metro Vancouver boasts a highly educated workforce, is an attractive location to attract additional global talent, favourable immigration policies, and strong institutions that support the development of future talent in line with emerging business needs.
- **Access to Global Markets** – by virtue of its location, investors in Metro Vancouver gain strategic access to both Asian and North American markets, access to the strong technology start-up ecosystem found along the Cascadia Corridor, and benefit from key trade agreements such as the USMCA, CETA, CPTPP and others.
- **Quality of Life** – Metro Vancouver is consistently ranked as one of the most livable, healthy and safe locations in North America, with a young, diverse and progressive population and vibrant arts, culture and food scene.
- **Cost of Doing Business** – A stable business climate and well established financial and legal institutions reduce risk to investors, who also stand to benefit from relatively low effective corporate tax rates and low labour and utility costs, supported by sector specific incentives.
- **Resilient Civil Society** – There is a high degree of trust in local public institutions and social resiliency in the region, creating a favourable climate for investors, without levels of civil unrest demonstrated in other global metropolitan areas in the wake of the global pandemic.

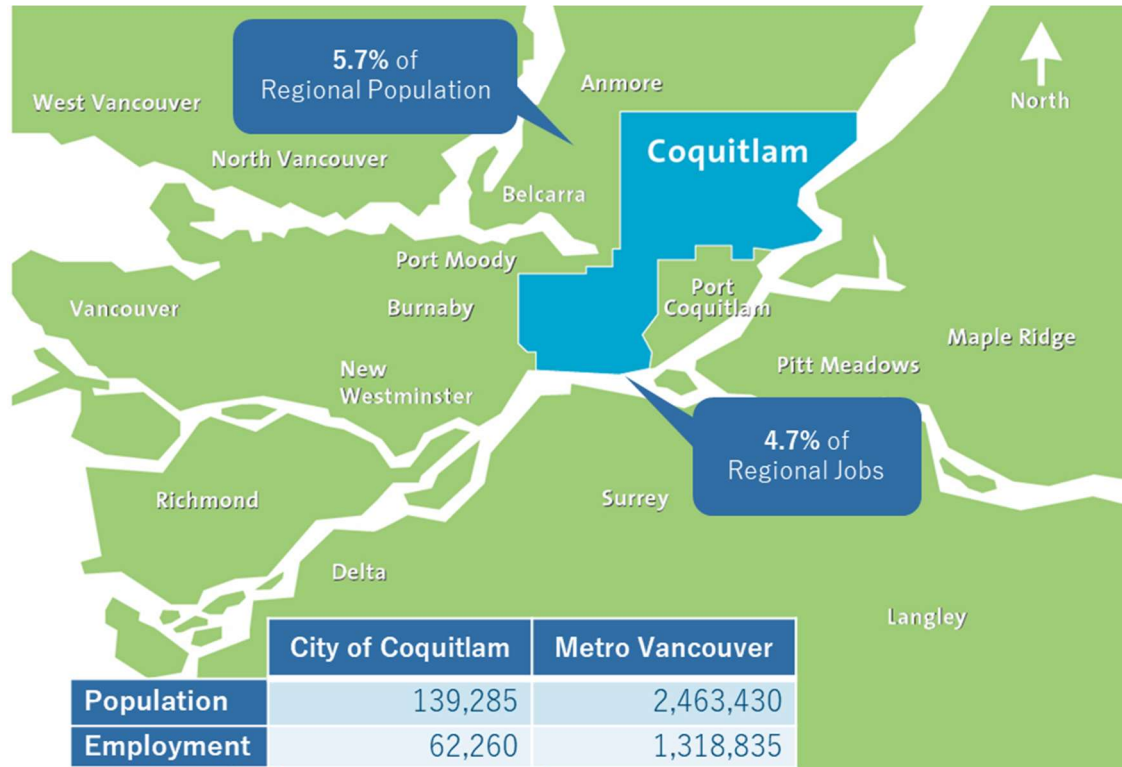
³ Deloitte LLP, Metro Vancouver | SWOT Analysis and Scenarios, 2020

In many ways, these elements are applicable for different source markets, industry sectors and types of investors – with the same factors applying to any member municipality within the Metro Vancouver market itself.

D. Where Does Coquitlam Fit?

As a municipality within the Metro Vancouver Regional District and as part of a larger Lower Mainland region, that includes the Fraser Valley and the Sea to Sky corridor, the City of Coquitlam serves as one potential venue for FDI seeking ventures to enter these markets. However, it is only one part of the larger economic region, which does have an impact on how firms perceive the municipality as an option for investment. As shown in Figure 12 below, Coquitlam accounts for 5.7% of Metro Vancouver’s total population, and 4.7% of all employment activity in the region.

Figure 12: Coquitlam and Metro Vancouver, Population and Employment by Place of Work, 2021



Source: Statistics Canada Census 2021

Interviews conducted with stakeholders and experts in attracting FDI indicate that many firms tend to view Coquitlam as a suburban extension of the City of Vancouver due to the latter's prominence as the central city the broader economic region. As a result, a decision for a business to land in Coquitlam may be secondary to regional factors beyond the municipality's direct control.

Beyond that initial point of decision to enter the market, there is still competition between Metro Vancouver municipalities. This is where the Strategic Investment Plan is best suited to support the attraction and growth of FDI opportunities in Coquitlam.

Coquitlam is centrally located within the region, and well regarded in terms of the quality of life it offers its residents. At the same time, its employment nodes offer easy access to major highway and public transit infrastructure, with linkages to other parts of the region and beyond. Coupled with a growing population over the next thirty years, Coquitlam offers strong fundamentals for attracting FDI. These issues are explored in detail in the following chapter.

E. Partners in Attracting Investment

Given the scale and scope in play, Coquitlam as a municipality has limited mandate and capacity to seek out and promote itself to global FDI opportunities. The attraction of FDI is a primary priority for other orders of government, which provide services and support to municipalities like Coquitlam as they seek to grow economic opportunities within their communities. These organizations are critical partners in developing understanding and outreach to opportunities beyond Coquitlam's borders, while also helping Coquitlam to compete on the global stage. Key partners in FDI attraction are summarized as follows:

Federal - Trade Commissioner Service & CanExport

The Trade Commissioner Service (TCS) is a federal program founded on the mission to promote the economic interests of Canada in the global market place. It does so primarily by helping Canadian businesses to export their products and services abroad through a network of trade commissioners in more than 160 cities across the globe.

The TCS is also responsible for administering support and grant funding to a range of exporters, innovators, associations and communities. This includes CanExport Community Investments, which provides financial support to communities and non-profit organizations to help attract, retain and expand their FDI activities to create jobs for Canadians, support innovation, and increase exports. The research supporting the development of this Strategic Investment Plan was made possible by grant funding from this program.

Provincial - Ministry of Jobs, Economic Development and Innovation

The British Columbia Ministry of Jobs, Economic Recovery and Innovation manages services that help support and maintain the strength and diversity of the provincial economy. Like its federal counterpart, the Ministry supports economic growth, development and innovation, through a mix of programs, grants and services. This also includes the organization of various trade missions to markets around the globe with the intent of promoting local export-ready businesses while also attracting FDI opportunities back to British Columbia in return.

Regional - Invest Vancouver

Invest Vancouver is the regional economic development leadership services for Metro Vancouver Regional District, which was established in 2019. Built around a mission to position the region for success in a

rapidly evolving global economy, Invest Vancouver has a mandate to conduct research and policy analysis, foster collaboration and attract strategic investment to the region.

Since its establishment, Invest Vancouver has already published a number of reports and research on key sectors of regional competitive advantage, including agri-tech, water tech, and clean transportation, which have been supported by media efforts to promote innovation and further collaboration between local firms and other global tech accelerators⁴. Invest Vancouver is also developing a regionally focused tech training initiative intended to prepare Metro Vancouver residents for well-paying jobs in the region's growing tech sector, while helping to attract high tech firms to the area.

Local - Tri-Cities Chamber of Commerce

The Tri-Cities Chamber of Commerce is incorporated under Canada's Boards of Trade Act. The Chamber works to foster economic development, provide connections and benefits, and influence public policy at all levels of government to support business success. The Chamber is often an initial point of contact for foreign investors exploring whether to choose Coquitlam as the location for their business, as many other jurisdictions across the globe employ Chambers of Commerce to issue business licenses and directly manage economic development and tourism. The Tri-Cities Chamber also provides the service of issuing Certificates of Origin, required by local companies exporting goods, and partners with the World Trade Centre Vancouver to offer international trade accelerator training and other

⁴ Invest Vancouver. New International Partnership Signed to Accelerate Canadian and Dutch Water Tech Innovation. September 29, 2022. <https://investvancouver.ca/resources/media/details/31/New-International-Partnership-Signed-to-Accelerate-Canadian-and-Dutch-Water-Tech-Innovation>

supports. The Tri-Cities Chamber is uniquely positioned as the local partner for the City of Coquitlam on FDI. It is one of the largest chambers/boards of trade in the province, representing 1,000+ organizations from every sector, and is an active member of the BC and Canadian Chambers of Commerce.

Each of these bodies provides a degree of promotion and trade outreach support that goes well beyond what the City of Coquitlam would be likely able to achieve on its own. However, given their much larger mandates and areas of responsibility, trade missions and FDI attraction efforts undertaken by these three orders of government will generally only bring the firms' attention to the region. It is often up to local municipalities like Coquitlam to help support investment leads and questions. The FDI lead management process can be resource heavy and requires strategic focus at a local level to help prioritise leads and sustain efforts with necessary supports.

In this regard, Coquitlam stands to benefit by leveraging partnerships with additional local organizations to help ensure it offers a competitive package. These local FDI partnerships can include, but are not limited to:

Post-Secondary Institutions

Municipalities with strong links to prominent post-secondary education programs have the potential to offer a variety of features considered beneficial by businesses. These include work placement and co-op programs that create talent pipelines between local businesses and up-and-coming high-skilled workers, along with linkages to local entrepreneurial and innovation accelerator programs.

Local Business Improvement Areas and Professional Associations

Business supporting entities, such as Chambers of Commerce, Boards of Trade, professional associations and Business Improvement Areas all have the potential to provide a degree of local advocacy and promotion

that provides a different, but no less valuable, perspective that a government organization may not be able to provide in supporting FDI leads.

3. Analysis of Local Opportunities/Challenges

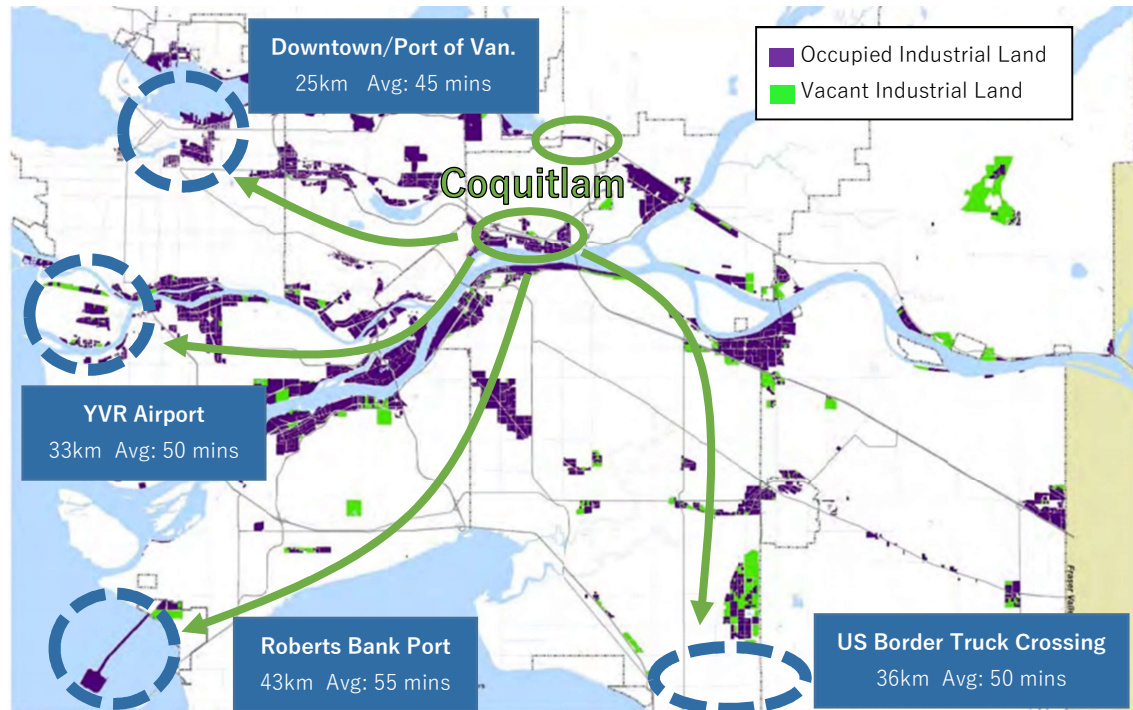
With the broader context discussed in the previous chapter in mind, an analysis of Coquitlam's various Strengths, Weaknesses, Opportunities and Challenges (SWOC) is presented. This analysis builds on the previous work undertaken as part of the Employment Lands and Economy Review (**Appendix B**) with a specific focus on the factors that impact FDI related decisions.

A. Strengths

i. Centrally Located Employment Nodes

Coquitlam features 356 ha of designated industrial land, most of which is strategically located along key regional highways, including Highway 1 and the Barnet Highway. Coquitlam's central location provides businesses located in these areas with easy access to all other parts of the region and through to the Fraser Valley. As shown in Figure 13 on the following page, vehicle travel from Coquitlam's main industrial cluster along Highway 1 to most major goods movement destinations, including the Port of Vancouver, Vancouver International Airport (YVR), and the closest truck crossing to the USA all average less than one hour of travel time on a given weekday. In addition to easy access to YVR, Coquitlam is less than 50km away from the region's other international airport, the Abbotsford International Airport.

Figure 13: Coquitlam’s Industrial Lands in Relation to Metro Vancouver Industrial Land Supply and Key Locations, 2021



Source: Metro Vancouver Industrial Lands Inventory 2021, Google Maps

Note: Average travel times calculated based on travel from Highway 1 Cape Horn Interchange to destination at noon on a weekday.

ii. Major Regional Transit Infrastructure

With the arrival of the Evergreen Line at the end of 2016, Coquitlam City Centre and the Burquitlam-Lougheed corridor now have convenient access to the SkyTrain, a regional public light rail transit network. In addition to the existing West Coast Express commuter rail and regional bus network, the extension provides valuable access to Coquitlam businesses, their employees, and customers to most major population centres across the region.

Travel from Coquitlam Centre to key business nodes can be completed with few to no transfers required, including: Downtown Vancouver (50 minutes), Metrotown Centre (40 Minutes), Surrey City Central (45 minutes), and YVR

International Airport (80 minutes)⁵. Expansions to the network will in the future improve access further west along the Broadway Corridor in Vancouver (potentially to be extended to the University of British Columbia), and further east into the City of Langley.

Figure 14: Evergreen Line SkyTrain Extension



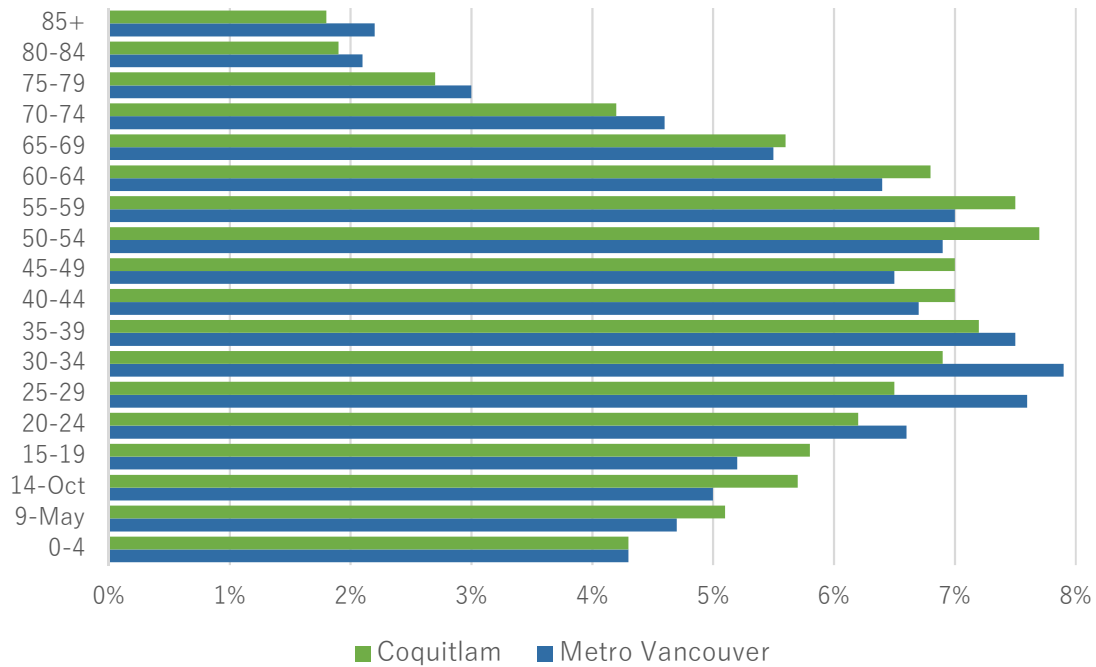
Source: TransLink

iii. Local Demographics and High Quality of Life

As shown in Figure 15 on the following page, Coquitlam’s population features a balanced demographic profile across all age groups. The average age of Coquitlam’s residents skews slightly lower than the Metro Vancouver regional average, with a higher concentration of children and middle-aged adults, indicating Coquitlam’s desirability as a place to raise a family. At the same time, the City has a lower share of residents aged 65 and over (16.2%) when compared to the regional average (17.4%), indicating a strong working aged demographic.

⁵ Travel times based on Google Maps trip planner estimates for travel at noon on a weekday.

Figure 15: Resident Age Profile, City of Coquitlam and Metro Vancouver Compared, 2021



Source: Statistics Canada, Census 2021

Coquitlam’s working aged population (15-64 years old) also is highly educated, with over 73% of residents having achieved a post secondary certificate, diploma or degree, 3% higher than the regional average. These demographics indicate a highly attractive and competitive local labour force, which should be attractive to a wide range of potential companies.

iv. Access to Nature, Recreation & Culture

Part of Coquitlam’s attractiveness to residents, employees and visitors is the access the community offers to a wide range of high quality nature, recreation, and culture amenities. These assets include:

- A high-quality network of recreation and sport facilities, urban trails, as well as parks that include Town Centre Park, Mundy Park, Blue Mountain Park and Como Lake Park;
- Popular fitness focused trails like the Coquitlam Crunch;

- Major destination parks, including Minnekhada Regional Park, Colony Farm, Eagle Mountain recreation area, and Pinecone Burke Provincial Park; and
- Vibrant arts and culture entertainment with festivals and events, supported by the City's Public Art Program and community organisations such as the Evergreen Cultural Centre, Place Des Arts, Coquitlam Heritage, and the broader businesses and residential communities.

With the support of organizations like the Tri-Cities Off Road Cycling Association (TORCA), Coquitlam and its neighbouring municipalities have also developed a growing network of trails that are a significant draw for mountain bikers across the region.

These community assets are a draw for local businesses, residents and visitors, with amenities and services accessible from all parts of the city and most major destinations only a short trip from Coquitlam City Centre. Access to these amenities will continue to improve in the near future with ongoing planned recreation and park improvements.

v. Business Clusters with Deep International Roots

Coquitlam has long served as a home for newcomers to Canada, with a diverse range of first, second and third generation migrants that call the city home. Building on its history as home to one of western Canada's first francophone settlements in Maillardville, there are now numerous established immigrant communities within Coquitlam's various neighbourhoods, representing a range of diverse tastes, identities and perspectives. As of the most recent Census, nearly 46% of Coquitlam residents identified as immigrants to Canada.

This includes numerous clusters of businesses that offer specific goods and services that serve as emerging retail destinations and attract strategic

investment to these communities. For example, Southwest Coquitlam is recognized as a regionally significant destination for South Korean-owned and oriented businesses and services along the North Road Corridor. Other notable cultural clusters include Mainland China, Iran, Hong Kong and the Philippines.

vi. Links to Strong Post-Secondary Education Institutions

Coquitlam is home to a number of post-secondary institutions, including one of the two main campuses for Douglas College, the largest degree-granting college program in British Columbia. The David Lam campus in Coquitlam is of particular importance to Douglas College's nursing program, which has become increasingly in demand in the wake of the COVID-19 pandemic.

Coquitlam is also located at the doorstep of Simon Fraser University's (SFU) main campus on Burnaby Mountain, which is ranked by numerous sources as a leading university in Canada⁶. SFU has consistently been ranked as the number one comprehensive university in Canada by Maclean's annual rankings for 14 of the past 15 years. More recently, SFU was identified as the 18th best university in the world in World's Universities with Real Impact (WURI) 2022 rankings of innovative universities, making it one of the only Canadian institutions to achieve the distinction⁷.

vii. A Recognized Location for Film Production

Coquitlam is a well-known location for on-location film production in the Lower Mainland, having been a primary location for film and television projects that include *Deadpool 2*, *War for the Planet of the Apes*, *the Good*

⁶ Tia O'Grady. *SFU breaks into the 10 top-ranked universities in Canada and is number one for innovation*. September 2, 2021. <https://www.sfu.ca/sfunews/stories/2021/09/sfu-breaks-into-the-10-top-ranked-universities-in-canada-and-is-.html>

⁷ World's Universities with Real Impact. *Global Top 100 Innovative Universities, 2022*. <https://www.wuri.world/2022-global-top-100>

Doctor, and Riverdale, just to name a few. Located in close proximity to existing film studio infrastructure in neighbouring Vancouver and Burnaby, Coquitlam's film office provides a 'one-stop' shop for location permits and production support in the municipality.

Coquitlam has also made progress in attracting new film studio infrastructure to south Coquitlam, including the MBS North Bend Studios and the proposed six film studios at 1050 United Boulevard. Based on data from Creative BC, collectively the cultural industries directly employed 2,416 residents within the City of Coquitlam in 2021, of which audio-visual and interactive media (including film) employed 917 residents.

B. Weaknesses

i. Perception as a Bedroom Community

Excluding those residents that work-from-home, and those with no-fixed place of work, 54,970 residents of Coquitlam reported to a Usual Place of Work for their jobs in 2016. However, only 18,530 (34%) of those jobs were located within the City. Current commuting patterns corroborate Coquitlam's perception as a 'bedroom community', with a majority of local residents, particularly those that work in high-skill white collar fields of employment, commuting elsewhere to their place of employment. This may pose challenges to attracting investment as Coquitlam moves away from this perception of a 'bedroom community' towards a more complete city with diverse employment and economic opportunities.

ii. Limited Employment Land Supply and Available Space

According to Colliers International, there is effectively no vacant industrial space left in Coquitlam, resulting in the asking gross rental rate increasing by 116% from 2018 to 2021. As shown in Table 2, Coquitlam’s industrial space is in comparatively high demand when compared against nearby municipalities. Despite only having ¼ of total industrial space inventory compared to neighbouring Burnaby, Coquitlam’s average asking industrial rental rates are over 50% higher on a per square foot basis. The same is true when compared against the regional average.

Table 2: Industrial Market Indicators

Q4 2018 – Q4 2021	Coquitlam	Burnaby	Metro Vancouver
Inventory Growth %	3.0%	7.4%	11.5%
Industrial vacancy % (3-year change)	0.0% (-1.2%)	0.5% (-1.5%)	0.4% (-1.7%)
Asking net rental rate \$ (3-year change)	\$25.00 (+157%)	\$16.40 (+79%)	\$16.31 (+98%)
Asking gross rental rate \$ (3-year change)	\$30.49 (+116%)	\$22.04 (+70%)	\$22.13 (+92%)
Total industrial inventory	7,343,000 sf	27,337,000 sf	217.73M sf
Share of Regional Total	3.4%	12.6%	-

Source: Colliers International

Coquitlam’s industrial lands are largely built out and feature zero vacancies, forcing new and expanding businesses to consider finding space elsewhere. Without serious options to add to the industrial land base, new development will need to make more intensified use of the existing land supply by building upwards rather than outwards. However, the cost and space considerations associated with this type of development may make Coquitlam less competitive when compared to more affordable locations in the region as a result. The City should prioritise FDI efforts accordingly focusing on sectors and industries that can be accommodated locally within

the existing employment lands, such as office and light industrial uses, and that would yield maximum positive spinoffs.

iii. Employment Clusters Lack Anchor Catalyst

A keystone element in attracting employment growth and investment, particularly in emerging local markets, is the creation of momentum around a central set of economic activities and complimentary business interests. While there are many ways to do this, one of the most commonly successful methods is to orient investment around a high-profile business or institutional tenant, which serves as a nucleus to anchor related business activities while also attracting broader investment interest to the area.

While there is a considerable amount of latent potential within the city, and numerous healthy-medium sized businesses and enterprises which serve the local community, Coquitlam currently lacks a major institutional or office employer to serve as an anchor tenant to catalyze this type of activity in the City Centre. Attracting such an entity to Coquitlam would support the kinds of agglomeration economics that have the potential to create the kind of momentum that could spur further investment interest organically over time.

iv. Non-Residential Tax Rates

As noted in the commercial land trend analysis in the Employment Lands and Economy review, Coquitlam's office and industrial spaces are in rising demand – evident by their rising asking lease rates and declining vacancies. While these asking office rents remain below the Metro Vancouver average, as shown in Table 3 on the following page, heightened carrying costs in Coquitlam are resulting in gross rental rates that are now closely in line with regional averages.

Table 3: Commercial Office Market Indicators

Q4 2018 – Q4 2021	Coquitlam	Burnaby	Metro Vancouver
Inventory growth %	20.2%	12.4%	12.5%
Office vacancy % (3-year change)	4.2% (+1.3%)	4.8% (-1.1%)	5.9% (+1.4%)
Asking net rental rates (3-year change)	\$24.80 (+44%)	\$25.40 (+15%)	\$32.40 (+26%)
Asking gross rental rates (3-year change)	\$40.80 (+28%)	\$41.81 (+13%)	\$40.44 (-1.87%)
Total office inventory	798,300 sf	11,781,000 sf	73,544,000 sf
Share of Regional Total	1.1%	16.0%	-

Source: Colliers International

This disparity between asking and gross rates is primarily the result of Coquitlam’s non-residential property tax rates, which are in line with some of its suburban neighbours, but higher than those of key competitors for regional office space, specifically Vancouver and Surrey.

While some of this disparity in mill rates is offset by differing assessed land values between communities, the effective result is a gross rental rate that places Coquitlam squarely in the middle of the pack when it comes to cost of space. Given how land and space costs are often one of the most significant considerations when it comes to decisions on where a business will locate, this may erode Coquitlam’s competitiveness within the region.

Another weakness posed by high tax-related carrying costs is that it effectively suppresses how much office developers can ask for in terms of net rental rates. These net rates are important as they determine the profitability of a space, meaning a jurisdiction with comparatively lower net lease rates may be a less attractive location for investment in physical office stock, including the creation of new space. This is of particular concern in Coquitlam where current supply is already limited, and significant additional space will be required to accommodate projected employment needs over the next 30 years.

C. Opportunities

i. A Desirable Place to Live and Work at Nature's Doorstep

Leveraging its access to natural amenities and beautiful “picture-perfect” landscape, Coquitlam has the opportunity to actively promote itself as a desirable business and investment destination. Continued investment in public placemaking efforts and marketing of its natural and cultural features, alongside promotion of various festivals and events with the support of local businesses could do much to improve Coquitlam’s standing as a destination.

Coquitlam also has the potential to leverage linkages to nature and culture as part of the appeal to attract specific types of business, investment, and entrepreneurs that see themselves reflected in the values that the community has to offer.

For example, Arc'teryx, a globally recognized designer of technical outdoor apparel and equipment, is headquartered in the District of North Vancouver. Marketing materials featured prominently for the brand highlight its close connection to the nearby North Shore mountains and natural amenities as being integral to the business itself⁸. Similar examples from other brands based in the Metro Vancouver Regional District area indicate that Coquitlam could benefit from leveraging its own linkages to nearby natural amenities.

“Connecting with the mountains is our reason for being, and our inspiration. The only way to build the right gear for this environment was to build the company in this environment. We can't separate manufacturing from idea, or location.”

Arc'teryx – Who We Are - Inspiration

⁸ Arc'teryx. *Who We Are: Chapter 01: Inspiration*.

<https://arcteryx.com/ca/en/explore/whoweare/inspiration/#intro>

ii. Strong Growth Outlook for the Next 30 Years

Leveraging local talent and the existing employment lands to attract additional investment to Coquitlam will support existing businesses and allow for new incoming investment to flourish.

As shown in Table 4 on the following page, Coquitlam is projected to be the second fastest growing population, and fastest growing location for employment, in the Metro Vancouver area between 2020 and 2050. This level of growth activity will create with it considerable demand for services locally, while also significantly expanding the local labour force, both of which will be attractive factors for businesses and investors.

Table 4: Metro 2050 Projected Population and Employment Change 2020-2050, by Growth Rate, Municipalities over 5,000 Population

Municipality	Population			Employment		
	2020	2050	Rate	2020	2050	Rate
Langley (Township)	140,930	231,150	64%	67,040	98,110	46%
Coquitlam	160,140	255,060	59%	58,880	91,690	56%
Surrey	592,430	884,640	49%	218,150	334,020	53%
Langley (City)	28,620	41,440	45%	16,610	22,610	36%
Maple Ridge	89,450	128,600	44%	30,900	44,840	45%
Burnaby	259,210	358,220	38%	156,260	199,990	28%
Port Coquitlam	62,190	85,670	38%	27,050	37,180	37%
West Vancouver	48,800	67,030	37%	22,330	29,360	31%
Port Moody	37,550	51,360	37%	12,340	18,240	48%
White Rock	20,530	27,870	36%	7,680	10,430	36%
New Westminister	82,150	110,320	34%	36,660	49,210	34%
Richmond	224,380	297,950	33%	146,140	187,880	29%
North Vancouver (City)	59,690	79,260	33%	32,930	44,110	34%
North Vancouver (Dist.)	93,400	117,640	26%	37,110	47,660	28%
Pitt Meadows	21,360	26,440	24%	7,670	10,270	34%
Delta	110,060	132,400	20%	59,190	73,880	25%
Vancouver	692,310	767,990	11%	456,350	540,800	19%
Metro Vancouver	2,767,000	3,836,800	39%	1,420,100	1,883,600	33%

Source: Metro Vancouver

Note: Excludes Electoral Area A and municipalities with populations less than 5,000 residents in 2020.

iii. An Emerging Hub North of the Fraser

The planning framework set in place by Coquitlam's Official Community Plan and associated neighbourhood plans sets the direction for Coquitlam to accommodate much of this planned growth in a select number of high-quality transit-oriented hubs, premier amongst which is the Coquitlam Centre Area Plan (CCAP). The arrival of the Evergreen Line and planning framework for the many large commercial mixed-use redevelopments in the area sets the stage for Coquitlam to build out the area as a regionally significant hub of employment and economic activity north of the Fraser River.

The inclusion of a hotel and convention centre, in addition to residential and office components as part of the proposed TriCity Central development near Coquitlam Centre Station already demonstrates some of the potential the area has to attract major economic activity to the region. If delivered, these developments would have the potential to accommodate regional events and spin-off economic opportunities and multipliers for surrounding businesses. When factoring the other large redevelopment opportunities in the area, including the eventual redevelopment of Coquitlam Centre Mall, the TransLink owned lands at Coquitlam Centre Station itself, and other large commercial sites in the vicinity, the neighbourhood presents a unique opportunity for investment and growth over the next thirty years and beyond.

iv. Pandemic Related Shifts Could Create New Suburban Office Opportunities

As discussed in **Appendix B**, pandemic-induced shifts to work-from-home arrangements have the potential to lead to an increased demand for office space in the suburbs. While locational preferences are still in flux as we emerge from the tail end of the pandemic, surveys of office-based businesses suggest that some centrally located offices may consider

adopting a more dispersed network of satellite offices in order to attract and maintain staff that are no longer amenable to long commutes.

v. Future Transit Expansion Eastward

Following the approval of Transport 2050, the 30-year Regional Transportation Strategy, TransLink's recently unveiled list of investment priorities identifies a number of projects with the potential to improve transit connectivity across the region⁹. Of particular relevance for Coquitlam is the potential extension of the Evergreen line further into Port Coquitlam. In addition to this, the priorities identify traffic-separated Bus Rapid Transit (BRT) routes, including routes that would extend from Coquitlam further east to Pitt Meadows and Maple Ridge.

These expanded transit routes would significantly improve transit connectivity between Coquitlam City Centre and communities to the east. Residents from these communities already account for a large portion of in-commuters to Coquitlam for work on a daily basis, suggesting these transit improvements could also expand the labour pool for businesses located in Coquitlam.

vi. A Framework for a Green Future

Increased recognition of the risk of climate change and the need for climate mitigation indicate a growing area of economic development linked to climate resiliency. The City of Coquitlam has an Environmental Sustainability Plan¹⁰ (ESP) that incorporates goals and objectives to help guide future decisions and long-term resiliency. There are numerous opportunities for

⁹ TransLink. *TransLink unveils first 10 years of Transport 2050 priorities*. April 20, 2022. <https://www.translink.ca/news/2022/april/translink%20unveils%20first%2010%20years%20of%20transport%202050%20priorities>

¹⁰ City of Coquitlam. 2022. <https://www.coquitlam.ca/DocumentCenter/View/5722/Environmental-Sustainability-Plan-Highlights-PDF>

economic development to support the objectives of the ESP, while also serving to attract new green-tech and sustainability focused businesses that share Coquitlam's climate priorities.

Leveraging Coquitlam's participation in Project Greenlight¹¹ to assist in the adoption of the City's Technology Strategy and the strategic implementation of other corporate initiatives. This could include innovative approaches to blend the goals of the ESP with that of the EDS by attracting private sector partners that share the City's vision and priorities.

vii. Partnerships with First Nations

The City of Coquitlam is located on the shared, traditional and ancestral lands of the k^wik^wə^łəm (Kwikwetlem), sq'əciy'aʔt təməx^w (Katzie), and other Coast Salish Peoples.

In addition to these ancestral lands, Coquitlam also shares borders with reserve lands under the governance of the k^wik^wə^łəm First Nation, which is currently preparing a comprehensive community plan for these lands located to the south of Coquitlam. Included in these lands a 202-acre site which is being planned to reflect the vision and values of the k^wik^wə^łəm community, the first phase of which is proposed to create a 30-acre cultural and economic hub, with the remainder to be community and market driven.

Municipalities are encouraged to seek out and support projects of mutual economic benefit with First Nations communities as part of the National Indigenous Economic Strategy as a way to build community capacity and to attract investment that benefits the broader region. As k^wik^wə^łəm proceeds

¹¹ Project Greenlight is a regional membership-based initiative and procurement platform managed by the Vancouver Economic Commission that strategically links public and private sector asset holders with local innovators. The platform supports the development of the technology ecosystem via mentorship, coaching opportunities and partnership tools to amplify local and regional start-ups.

with the community vision for their lands, there will likely be opportunities for the City of Coquitlam to collaborate with and coordinate on issues such as servicing and investment opportunities, like the agreement recently signed with the City of Port Coquitlam¹².

viii. Leveraging Multicultural Connections

In seeking to attract and grow FDI, Coquitlam stands to leverage the cultural capital and perspective of its local residents, particularly from immigrant communities with strong ties to their countries of origin. Coquitlam supports and celebrates the strength and diversity brought to the community via the City's Multiculturalism Strategic Plan, and has leveraged these linkages to develop active international sister city agreements with the cities of Foshan in the Peoples Republic of China and Paju in South Korea.

These agreements have led to valuable cross-cultural exchanges, including active student exchange programs – which have historically generated positive economic spinoff for the community, estimated at \$30,000 per student¹³. Coquitlam has the potential to further leverage these connections to expand future economic and cultural outreach, with positive potential for attracting both talent and investment to the community.

ix. Local Success Stories and Regional Clusters

South Coquitlam's industrial areas are already home to a number of business focused on the production and export of goods that reach a variety

¹² Diane Strandberg. *Servicing agreement with Port Coquitlam will allow kʷikʷəłəm to develop cultural, economic hub*. Tri City News. April 4, 2022. <https://www.tricitynews.com/local-news/servicing-agreement-with-port-coquitlam-will-allow-kikm-to-develop-cultural-economic-hub-5230890>

¹³ Gary Mckenna. *Coquitlam says 'so long' to sister cities*. Tri City News. November 15, 2017. <https://www.tricitynews.com/local-news/coquitlam-says-so-long-to-sister-cities-3062075>

of markets across Canada and the United States. Prominent local examples include:

- **Altec** – design and manufacture of precision machinery and advanced control equipment
- **Hermery** – production of advanced 3D machine vision scanners
- **Natural Factors** – a leading producer of natural vitamins and supplements
- **Oppy (Formerly the Oppenheimer Group)** – seed to shelf produce-oriented production and logistics
- **Rokstad Power** – a leading power distribution and transmission construction company
- **WN Pharmaceuticals** – production of vitamins and supplements
- **Yoggu** – plant-based yogurt producer

In addition to these local businesses, Coquitlam also stands to benefit from the economic spinoff and potential spillover investment from other major nearby production clusters. Prominent local examples of note include the film studio cluster, advanced biotech cluster, and the hydrogen fuel-cell research and manufacturing cluster, all of which are located in nearby Burnaby¹⁴. Given their relative proximity to Coquitlam’s employment clusters, it is possible that FDI related to these functions and others could be accommodated in Coquitlam.

¹⁴ Nelson Bennet. Hydrogen fuel cell plant opens in Burnaby. Western Investor. July 4, 2022. <https://www.westerninvestor.com/british-columbia/hydrogen-fuel-cell-plant-opens-in-burnaby-5543092>

D. Challenges

i. Shifting the Perspective

While community engagement undertaken as part of **Appendix A** of the EDS indicated that the local business community considered to be Coquitlam as above average in terms of business friendliness, the overall public perception is more muted. Through engagement interviews with stakeholders over the course of the study, numerous parties echoed a sentiment: that while Coquitlam is one of the more desirable communities in which to live and raise a family, it is not generally considered a place for those seeking major employment or entertainment opportunities. Historical commuting patterns reinforce this perception, with many Coquitlam residents commuting westward to Burnaby and Vancouver for work on a regular basis.

Such a perception is not necessarily unique to Coquitlam, as many suburban communities have also struggled to overcome similar stigma while looking to spur their own economic growth. While such approaches to managing such a transition are often context specific, there are lessons that can be learned from recent suburban success stories – specifically those from the City of Surrey south of the Fraser River, and in the City of Vaughan in Ontario. Both of these examples involved the establishment of major transit oriented hubs as the centrepieces of their cultural and economic identity.

Success in each of these cases relied on a combination of time, effort, and public investment in amenities and cultural events, partnerships with local employers and BIAs, and active marketing campaigns to both raise awareness and promote the desired image these communities sought to present.

ii. Finding Space to Grow

The lack of new land to expand the existing industrial land base may make it challenging to accommodate certain types of FDI opportunities in Coquitlam. With the bulk of its industrial land supply already built out, future business opportunities will need to be accommodated via the intensification and redevelopment of existing industrial lands – a built form that can be prohibitive in terms of both cost and form.

The result of this shift is that Coquitlam may not be competitive for certain forms of industrial-focused FDI. However, for other industrial users that can function in this type of space, it will instead be a question of how to navigate the development process to ensure this increasingly complex form of development can be delivered. With many other parts of Metro Vancouver facing similar shortages of land, communities which offer clear and predictable requirements for moving through the redevelopment process that will have a competitive edge in attracting future investment and employment growth.

iii. Post-Pandemic Location Preferences Remain Uncertain

Continued uncertainty in office occupancy patterns and preferences may mean anticipated future demand for office space may be mitigated, or may fail to materialize entirely. Increased regional competition as more new supply comes online in Vancouver and other markets may also make it difficult for Coquitlam to compete with other markets that have traditionally been preferred locations for office-based businesses. These issues present financial risk to the development of future employment space. As such, the City should continue to monitor the broader office market, while evaluating where requirements for desired forms of non-residential space are appropriate to be required as a condition of development, and others where such forms may be more appropriate to be incentivized with other development permissions.

iv. Global Headwinds on the Horizon

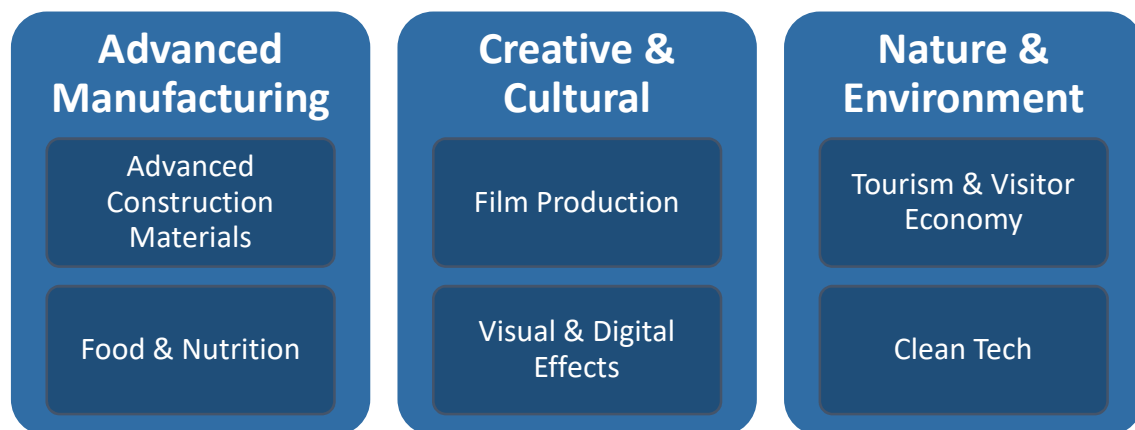
Global and national economic headwinds stemming from rising inflation and interest rates could blunt FDI activity and slow the rate of employment and economic growth in the near term. Recent outlooks prepared by the Organization for Economic Cooperation (OECD) note that global trends in FDI recovery following the pandemic were already starting to reverse as of mid-2022 as a result of these factors, along with rising fuel costs and the impacts of the war between Russia and Ukraine¹⁵. Recognizing these risks, the EDS should take a long-term view while identifying strategies and supports to help the community weather economic cycles and proactively position itself to emerge from any downturns that may occur.

¹⁵ OECD. *Global FDI flows up overall by 20% in the first half of 2022, but this masks a 22% drop in the second quarter*. Foreign Direct Investment Statistics: Data Analysis and Forecasts. October 2022. <https://www.oecd.org/corporate/mne/statistics.htm>

4. Key Areas of Opportunity

Based on the analysis of broader market trends and local market factors in the previous chapters, the Strategic Investment Plan has identified three key areas of economic activity for which Coquitlam has a competitive advantage: Advanced Manufacturing, Creative & Cultural, and Nature & Environment. Within each of these areas, two sectors have been prioritized for focus based on existing and emerging business activities that present likely opportunities to attract, grow and retain investment. These are summarized in Figure 16.

Figure 16: Key Areas of Opportunity, Priority Sectors and Enabling Activities



A. Advanced Manufacturing

Coquitlam's industrial employment areas are home to a number of successful businesses oriented towards the production and export of goods to markets locally and across North America. Manufacturing activity contributes \$16.8 billion to the economy of British Columbia, representing roughly 9% of Canada's total manufacturing activity in terms of GDP. With an increased focus on reshoring manufacturing activity in the wake of the COVID-19 pandemic and the resulting global supply chain disruptions,

opportunities to grow local manufacturing capacity are once again on the rise in North America.

Advanced Construction Materials

- Existing concentration of construction and landscape manufacturers and suppliers in south Coquitlam. Demand for these goods is expected to continue in order to support housing growth to accommodate projected population growth in Metro Vancouver.
- Innovative manufacturers focused on the production and installation of speciality goods, including Altec, Hermary and Rokstad Power, are already operating and expanding their business activity to other North American markets via export and expansion.

Food & Nutrition

- Demand for local and regional food products and distribution services are expected to grow with Metro Vancouver population.
- Functional foods (those featuring various health benefits) and other natural health products accounted for an estimated \$18.3 billion USD in 2018, with market share projected to continue growing on trend for the foreseeable future¹⁶.
- Headquarters for major North American produce distributor Oppy (formerly Oppenheimer Group) located in south Coquitlam, along with other firms focused on the production of natural vitamins and nutritional supplements including Natural Factors and WN Pharmaceuticals.
- Coquitlam has also proven a landing ground for other up-and-coming start-ups focused on similar areas, such as Yoggu – a producer of non-dairy alternative yogurt product.

¹⁶ Grand View Research. *Canada Functional Foods & Natural Health Products Market Size, Share and Trends Analysis Report by Product, by Form, and Segment Forecast 2019-2025.*

Keys to Success:

- Promote local business success stories and examples of innovation to raise awareness and encourage investment in clustering of similar businesses that would benefit from agglomeration economics.
- Encourage expansion to local industrial building supply via clear and transparent land use policies, offering clear expectations and timelines for approval of redevelopment for intensification.
- Develop linkages between local businesses and post-secondary educational institutions to support skills training for changing manufacturing needs and promotion of innovative approaches.

B. Creative & Cultural

The creative and cultural sector is a major provider of economic activity in British Columbia, estimated at \$4.4 billion in direct GDP output in 2020, after falling 10% as a result of the pandemic¹⁷. Of this, \$1.83 billion is the result of motion picture production, with \$1.02 billion tied to other multi-creative industry services that support the film industry and other creative sectors. Prior to the pandemic, investment in film and other related creative activities had been steadily on the rise across Canada, largely driven by the growing demand for content. With high-quality infrastructure, skilled professionals, and competitive tax credits, the Vancouver area is a well-established and respected destination for film investment in North America.

¹⁷ GDP figures are based on Creative BC's Creative Industries Economic Results Assessment (CIERA), which estimates economic impact across various creative sectors using data from Statistics Canada.

Film Production

- Coquitlam has a well-known reputation as a destination for on-location film shoots. Prior to the pandemic, an average of 120 film and television productions were shot in Coquitlam each year, with nearly 1,700 residents of the community working in the industry.
- The City's film office provides a friendly one-stop service to the film sector, offering a Film Liaison to assist with location sourcing and permit applications.

Visual & Digital Effects

- Film production in Coquitlam is enabled by a range of businesses that provide visual and digital effects and other services. With the overall standard of film and television production rising in recent years, the need for these types of services is anticipated to continue to grow – particularly in the fields of creative technology, which are becoming increasingly prominent in media production.
- With its existing competitive advantage in local film production and high quality of life, it is likely that Coquitlam can leverage these strengths to also attract visual and digital effects based businesses to the community, particularly as the City seeks to grow its office-based employment base.

Keys to Success:

- Continue to offer film liaison services to support location based shoots, while seeking new opportunities to attract film studio infrastructure.
- Work with industry organizations like CreateBC and the Creative Technology Association of British Columbia to investigate opportunities to attract creative businesses and start-ups to Coquitlam.

C. Nature & Environment

British Columbia's natural environment, and the responsible stewardship of it, have long been key points of the regional identity, and major attractors for global tourism to the province. Prior to the pandemic, BC's tourism industry was a key driver of economic success, responsible for an estimated \$22.3 billion in revenue in 2019. The BC Strategic Framework for Tourism 2022-2024 places a strong emphasis on planning for recovery and resiliency, with the planet, and opportunities to harness tourism to contribute to clean growth being a key pillar of the outlook.

Meanwhile, clean technology sector has been an area of strategic growth for both the Province and Metro Vancouver Regional District area in recent years, with province-wide revenues pegged at \$2.4 billion as of 2019. The Vancouver region in particular has emerged as a globally recognized cluster of clean and green technology focused firms, ranging from nuclear fusion innovation, to hydrogen fuel cell technology, to waste water remediation. Approximately 70% of the over 200 clean tech companies located in BC are based in Metro Vancouver, driving considerable momentum and interest from abroad.

Tourism & Visitor Economy

- Coquitlam hosts several annual regional festivals and sports tournaments, with considerable experience and resources available to assist in event planning and coordination.
- Ongoing community developments have improved and expanded access to prominent natural resources, including the Coquitlam Crunch, Minnekhada Regional Park, and Burke Pinecone Provincial Park, creating new opportunities for residents and visitors.

Clean Tech

- Ongoing success of regional cluster is creating significant opportunities to attract likeminded businesses and forms of investment to Coquitlam.
- Project Greenlight provides a procurement platform to partner public and private enterprises with tech companies focused on accelerating the use of sustainable tech-based, data-driven approaches to services delivery.

Keys to Success

- Updating key resources, including the Coquitlam Tourism Strategy.
- Prepare an updated awareness and promotion campaign about tourism opportunities in Coquitlam.
- Explore land use options to attract additional commercial lodging options to Coquitlam to support tourism and local events.
- Leverage success stories from Project Greenlight and other local clean tech focused businesses to create momentum.

5. Recommendations for Strategically Positioning Coquitlam

Coquitlam is an established community, with solid fundamentals that will enable it to compete for investment. The City enjoys a competitive location relative to the region and transportation network, with a strong outlook for local population growth that will both create demand for services and grow an already competitive labour force.

The primary challenge facing Coquitlam are twofold:

- The first is overcoming the Coquitlam's stereotyped characterization as a bedroom community, which runs the risk of overshadowing Coquitlam's other competitive advantages and discouraging investment as a result.
- The second is finding new ways to balance growth and accommodate strategic investment opportunities on employment lands that are effectively built out and fully occupied. The provision of new supply will be necessary to enable growth and future investment, but this means navigating the redevelopment process in built forms that may be more costly and complicated to deliver.

In order to overcome these challenges and strategically position Coquitlam to maximize its competitive advantages, the Strategic Investment Plan makes the following recommendations. These overarching recommendations are accompanied by a set of actions for implementation, which align with the Key and Ongoing Action items included in the Implementation Plan for the EDS (**Appendix C**).

A. Promote Coquitlam as a Destination

The first recommendation involves recasting Coquitlam's value proposition in order to overcome the bedroom community perception. Doing so will require a multi-faceted marketing and outreach strategy that highlights the competitive advantages Coquitlam has to offer, while also promoting the future economic vision for the community.

Messaging should focus on Coquitlam's role in the broader region as an emerging hub with a strong, diverse, energetic, ambitious and innovative municipality amongst nature. Approaches should be tailored for targeted audiences and investment sectors, with general trends leveraging Coquitlam's location, quality of life, and local labour force that is ready to build something extraordinary. In developing this outreach strategy, Coquitlam should work with provincial and regional partners to target the areas of opportunity in order to maximize leads in the identified sectors.

EDS Action Items Related to this Recommendation:

- Update business promotion marketing materials based on the findings of the EDS to market Coquitlam in line with the emerging vision.
- Develop a campaign promoting the City Centre as an emerging location to do business and to establish a unique business identity for the area.
- Promote the high quality of Coquitlam's civic and institutional assets and their linkages to cultural associations, local business and educational opportunities.
- Work closely with Tri-Cities municipal governments and economic organizations, along with other partner organizations, including Invest Vancouver, the BC Ministry of Jobs, Economic Recovery and Innovation, and Federal agencies, to explore opportunities to promote local economic growth and innovation.
- Work with regional and provincial partners to leverage Coquitlam's strengths to grow and encourage new investment in local clusters of emerging tech, creative, and tourism related businesses.
- Complete a major update to the Tourism Strategy.
- Continue to expand municipal marketing to promote Coquitlam's access to natural amenities like Burke Pinecone Park and Minnekhada Regional Park, alongside existing local parks and trails like the Coquitlam Crunch.

B. Support Innovation and Promote Success Stories

The second recommendation focuses on continuing to strengthen Coquitlam's local business environment through supportive policies, services and supports. Existing firms tend to act as the strongest advocates and sector specific ambassadors, which has the potential to translate into future investment leads. By demonstrating a commitment to the success of existing firms, including supporting those that are looking to expand their businesses to broader markets, Coquitlam will strengthen its position as a business-friendly jurisdiction, and a desirable place to invest.

These efforts should include opportunities to strengthen the ties between local businesses and post-secondary institutions, ensuring that especially youth and newcomers have resources to meaningfully participate in the workforce and economic opportunities, whilst also promoting innovative ways of thinking and doing business.

EDS Action Items Related to this Recommendation:

- Develop an inventory of business support and incentive programs and prepare a marketing portal as part of the City's Economic Development website for local and prospective businesses.
- Review corporate opportunities to leverage and expand Business LinQ services to support outreach.
- Conduct a survey of local businesses on a bi-annual basis to identify areas of success and areas of concern in order to pro-actively address issues as they arise.
- Identify opportunities to attract and support local grants and funding initiatives for local innovators and entrepreneurial enterprises, such as Project Greenlight.
- Engage in active dialogue and negotiations with the Province and leading post-secondary institutions to explore opportunities for attracting education and skills training programs to Coquitlam, along with the expansion of existing programs.
- Investigate opportunities to facilitate improved connection and coordination between local businesses and creative industries to Coquitlam's rich and vast cultural communities.

C. Ensure Investment Readiness

Like many other parts of the Metro Vancouver Regional District, Coquitlam's designated industrial employment lands are effectively built out and fully occupied. Without a readily available supply of shovel-ready greenfield lands, future growth and investment activity will instead need to be accommodated via the intensification of existing lands.

Given the level of growth projected for Coquitlam, additional supply of various types of employment space will be necessary. However, the redevelopment and intensification of employment lands presents an increased level of cost and complexity that is not present in a greenfield context, resulting in heightened risk and uncertainty for potential investment. To offset these risks, Coquitlam should consider reviewing its land use policies and development approval procedures to ensure they are transparent and predictable, whilst also considering where incentives may be appropriate to encourage preferred types of growth.

EDS Action Items Related to this Recommendation:

- Review policies to support the long-term viability of industrial uses.
- Undertake a strategic land use inventory review, including a review of OCP policies, zoning by-laws and minimum commercial space requirements in mixed-use developments to ensure regulations are appropriate for attracting and accommodating employment uses.
- Investigate policy and regulatory options to support new office space in the City Centre.
- Explore density incentives related to the provision of employment spaces that meet the City's economic objectives.
- Review opportunities to attract major office and/or institutional anchors, including the consideration of utilizing City-owned lands so long as it is consistent with the City's Land Management Principles and Land Acquisition Strategy.
- Investigate potential incentives, to foster the delivery of preferred forms of employment and economic-supporting space, including hotels and cultural amenity spaces.