

AGENDA FOR THE REGULAR  
NANAIMO ECONOMIC DEVELOPMENT COMMISSION MEETING  
TO BE HELD IN THE BOARD ROOM, CITY HALL,  
ON THURSDAY, 2010-APR-15, COMMENCING AT 3:00 P.M.

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1. **CALL THE REGULAR NANAIMO ECONOMIC DEVELOPMENT COMMISSION MEETING TO ORDER:**
2. **INTRODUCTION OF LATE ITEMS:**
3. **ADOPTION OF AGENDA:**
4. **PRESENTATIONS:**
5. **DELEGATIONS PERTAINING TO AGENDA ITEMS: (10 MINUTES)**
6. **CHAIR'S REPORT:**
  - (a) Roundtable Introductions of Commission Members
  - (b) Determine Future Meeting Dates/Times
  - (c) Determine Alternate Name for Economic Development Commission
  - (d) Chair's Introduction of Economic Development Strategy
7. **STAFF REPORTS:**
  - (a) Update on 2010 Activities of Economic Development Department Pg. 2-5  
  
*Staff's Recommendation: That the Commission accept the report on the 2010 activities of the Economic Development department.*
8. **OTHER BUSINESS:**
9. **DELEGATIONS PERTAINING TO ITEMS NOT ON THE AGENDA: (10 MINUTES)**
10. **QUESTION PERIOD: (Agenda Items Only)**
11. **ADJOURNMENT:**

## INFORMATION ONLY REPORT

REPORT TO: THE NANAIMO ECONOMIC DEVELOPMENT COMMISSION

FROM: MARILYN HUTCHINSON, ECONOMIC DEVELOPMENT OFFICER

RE: 2010 ACTIVITIES OF THE ECONOMIC DEVELOPMENT DEPARTMENT

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### STAFF'S RECOMMENDATION:

That the Commission accept the report on the 2010 activities of the Economic Development department.

### EXECUTIVE SUMMARY:

The formation of the Nanaimo Economic Development Commission reflects the community's continuing economic diversification and value of a strategic advisory body to Council. This report is intended to provide the Commission with a brief overview of Economic Development activities. Staff anticipate that at the Commission's request, further details into various initiatives will want to be discussed and/or the Commission will wish to engage in some of the pending issues that Economic Development needs Commission and Council direction to proceed.

### BACKGROUND:

#### **Role & Focus of the Economic Development Department**

The Economic Development department comprises two mandates; economic development and tourism destination promotion and development. The department mobilizes the community, local agencies, organizations and businesses to develop and implement strategies that will assist in strengthening the local economy. It also implements the annual destination promotion strategy, with the goal of increasing both tourism revenues within the community and overnight accommodation stays. The promotion strategy is also key to attracting new businesses, residents, immigrants and post-secondary students.

Commencing in 2005 the department established a strong focus on services which support growth of the business community. This was in response to increased employment in the small-business sector throughout BC, due to resource-based communities seeking greater economic diversification. Additionally, entrepreneurship and self-employment was increasing by both new entrants to the workforce (youth, post-secondary graduates, younger immigrants) as well as pre-retirees changing careers and relocating to their planned retirement destination. The latter group are increasingly establishing their businesses based on lifetime career expertise or investing savings in businesses, which many intend to continue operating as a means of income into their 60's and 70's. During this term of a small business-focused strategy, between 2005 and 2010 the number of licensed businesses in Nanaimo increased by 22.5% to more than 6,000.

Also beginning in 2005, the Economic Development department, under Council's direction, implemented a destination marketing strategy in consultation with a Destination Marketing Advisory Committee. Marketing activities were based on the recommendations of the 2005 PriceWaterhouseCoopers report *Destination Development & Marketing Plan for Nanaimo*, and were endorsed by the advisory committee. This committee has since been disbanded as a result of the formation of the Economic Development Commission. In 2009 and based on the City's marketing investment of \$441,000, an additional leveraged promotional value of \$1.32 million was tracked, reflecting a 1:3 return. Commencing 2010 the destination development component of the City's strategy is proposed for implementation and is discussed further in this report.

#### **Staff, Economic Development Department**

The staff of the Economic Development department are comprised of the following persons.

- Marilyn Hutchinson, Economic Development Officer
- Amrit Manhas, Research & Information Analyst
- Katie Ferland, Economic Development Coordinator
- Jennifer Ford, Destination Marketing Coordinator
- Chelsea Barr, Communications Clerk

#### **2010 Activities of the Economic Development Department**

##### **Economic Development Strategy Review**

Nanaimo's current Economic Development Strategy was developed in 1999 by Nanaimo Economic Development Group, a consortium of business owners, stakeholders and government representatives working cooperatively with the Economic Development department in support of a healthy economic future. EDG has since been disbanded as a result of the formation of the Economic Development Commission. The 1999 strategy recommended a focus on economic drivers (those industries which attract external wealth) which included oil & gas, film & video and advanced manufacturing. Changes in the global economic and regulatory environments have not supported the establishment of these economic drivers in Nanaimo. An updated economic development strategy is required which reflects current and potential economic drivers, the shift in demographics of residents and entrepreneurs, and Nanaimo as increasingly a destination for immigrants and international investment.

A contract to undertake the review process has been awarded to EDCD Consulting, and the consultants are prepared to commence the one-on-one and focus group interview process on advice of the Economic Development Commission. The online business and community survey as well as preparation of a Demographic & Economic Trend Analysis Report are completed, as they are preliminary research to undertaking the in-person surveys. The trend analysis report has been forwarded to the Chair of the Economic Development Commission

##### **Cruise Visitation Strategy**

Nanaimo's tourism sector is represented in various aspects by a number of stakeholder groups including the Economic Development department, Parks, Recreation & Culture department, Tourism Nanaimo, Nanaimo Museum, Downtown Nanaimo BIA, Nanaimo Port Authority, Greater Nanaimo Chamber of Commerce and Newcastle Island Marine Provincial Park. A coordinated strategy is proposed, to recognize each stakeholder's role and potential contributions to cruise visitations, toward this industry's increasing support from the Port Authority.

A first meeting of the stakeholder representatives will take place April 16, 2010 to identify past and potential activities (ambassadors, welcome booth, promotional materials, shuttle van, etc.), and also proposed coordination of day-of-visit activities that raise awareness of Nanaimo as a return destination by cruise-goers.

### **Destination Marketing**

The City's strategic marketing activities reflect a four-prong approach including two branded campaigns, Amazing Nanaimo and the tagline "Nanaimo, it's amazing what you can do here" and Secret Nanaimo and its tagline "Secret Nanaimo – the secret to island life." These campaigns are reflected in a variety of media promotions including web, print and television.

The remaining approaches are Cooperative Marketing, with advertisements placed in publications reflecting the demographic targets (Pacific Yachting, Sunset, Oregonian, RV West, Grandparent, Go Camping, etc.); and Consumer Trade Shows which in 2010 include Edmonton, Calgary, Vancouver, San Francisco and Pacific Northwest. As indicated earlier in this report, the leveraged value of the City's \$441,000 contribution to promoting Nanaimo to businesses and visitors resulted in a 1:3 return via cooperative marketing initiatives.

Staff are available to the Commission at a future meeting to inform more in-depth on activities and outcomes of various campaigns.

### **Destination Development Implementation Plan**

In concert with the proposed Economic Development Strategy Review, a Destination Development Plan should be identified and implemented which reflects the increased capacity of Nanaimo's infrastructure, and natural and community amenities. These includes Newcastle Island Provincial Marine Park, the City's parks, sports fields and trailways system, public and private sector meeting places, Vancouver Island Conference Centre, a revitalized downtown core, airport and harbourfront, a diverse tourism industry, and numerous festivals and events.

A draft destination development plan has been prepared by the Economic Development department. The themes which have the highest potential of enhancing Nanaimo's destination appeal are suggested as Harbour Development, Festival and Events, Sport Tourism, Downtown Revitalization, and Outdoor Adventure. It is intended to be presented to the Commission at a future meeting for review, including a presentation by staff on the process which identified the potential destination development themes.

### **Attract a Downtown Hotel**

The Economic Development department receives inquiries about appropriate zoned lands throughout Nanaimo to potentially add to the hotel inventory. Staff activities include providing statistics, zoning and other regulatory data and facilitating meetings with planning and other City staff. Although the global economic downturn has seen fewer inquiries from North American-based hotel developers, the requests for information from Asian investors has continued, particularly focused on the hotel site adjacent to the Vancouver Island Conference Centre. The Province's Investor Relations division has provided background information from its China trade representatives in support of several inquiries as some investor group are pursuing Canada investment via a federal immigration program.

Two China investor groups and a Canada-based developer are currently considering a hotel project for the site adjacent the conference centre. The former have also expressed interest in purchasing the lands zoned residential and commercial on the former Foundry lands.

### **Passenger ferry attraction**

The department receives inquiries from marine professionals expressing interest in re-establishing a passenger ferry service between Nanaimo and Vancouver. Same as for attracting a hotel, department staff provide customized statistical information, make connections to potential start-up lenders and facilitate meetings with City and Port Authority representatives. Staff also maintain the relationships during the extended period of time required to validate the business plan, confirm mooring access at the two harbours, and confirm Transport Canada regulations.

Three marine professionals are at various stages of building business plans. All have indicated that the currently small global inventory of used passenger vessels that would be suitable for West Coast waters, are impacting their timelines to re-establish the business. Accordingly several are considering custom-built vessels.

### **Business Retention & Expansion**

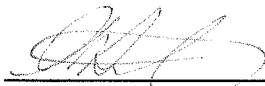
The 22.5% growth of licensed businesses in Nanaimo during the past five years is reflective of the ongoing shift to entrepreneurship and self-employment at all demographic levels. Whether establishing a business based on career expertise or by a franchise-purchase, small business owners seek access to a range of services and support. The Economic Development department undertakes regular confidential interviews with business owners and provides connections to business associations, City departments and complementary businesses. Extensive research has proven that the effort to assist an established business to expand is significantly less than the time and resources required to attract new businesses from other communities.

Known as BusinessBEST, the City's annual business license renewal process includes opportunity for a business owner to request an interview with department staff. Currently, interviews are underway at a rate of two to four per week. A report to the Commission will be presented in fall 2010, summarizing key responses and perspectives of the business community in today's economic climate.

Respectfully submitted,



Marilyn Hutchinson  
Economic Development Officer  
Economic Development



Ian Howat  
Director  
Legislative Services