



# ECONOMIC DEVELOPMENT SERVICE MODEL REVIEW

# COUNCIL DISCUSSION



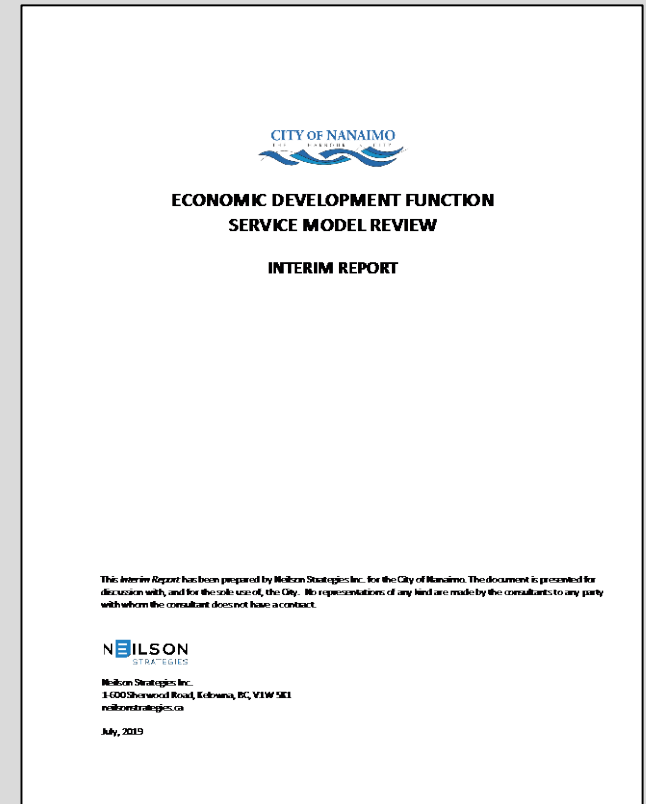
**August 26, 2019**

# PRESENTATION

- ▶ *Interim Report*
- ▶ Committee Review of *Interim Report*
- ▶ Recommendations for Committee to Consider
- ▶ Discussion

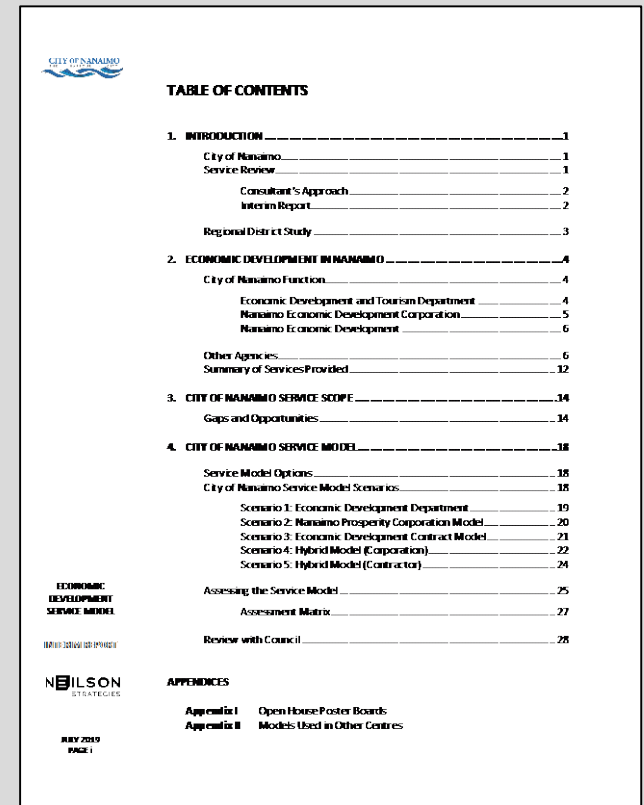
# INTERIM REPORT

- ▶ City seeking to enhance Economic Development Function
- ▶ Consider enhanced function:
  - ✓ scope of services
  - ✓ preferred service model
- ▶ Assignment emphasized importance of consultation



# INTERIM REPORT

- ▶ Contents:
  - ✓ Introduction
  - ✓ Economic Development in Nanaimo
  - ✓ City of Nanaimo Service Scope
  - ✓ Service Model



**CITY OF NANAIMO**

**TABLE OF CONTENTS**

<b>1. INTRODUCTION</b> .....	<b>1</b>
City of Nanaimo .....	1
Service Review .....	1
Consultant's Approach .....	2
Interim Report .....	2
Regional District Study .....	3
<b>2. ECONOMIC DEVELOPMENT IN NANAIMO</b> .....	<b>4</b>
City of Nanaimo Function .....	4
Economic Development and Tourism Department .....	4
Nanaimo Economic Development Corporation .....	5
Nanaimo Economic Development .....	6
Other Agencies .....	6
Summary of Services Provided .....	12
<b>3. CITY OF NANAIMO SERVICE SCOPE</b> .....	<b>14</b>
Gaps and Opportunities .....	14
<b>4. CITY OF NANAIMO SERVICE MODEL</b> .....	<b>18</b>
Service Model Options .....	18
City of Nanaimo Service Model Scenarios .....	18
Scenario 1: Economic Development Department .....	19
Scenario 2: Nanaimo Prosperity Corporation Model .....	20
Scenario 3: Economic Development Contract Model .....	21
Scenario 4: Hybrid Model (Corporation) .....	22
Scenario 5: Hybrid Model (Contractor) .....	24
Assessing the Service Model .....	25
Assessment Matrix .....	27
Review with Council .....	28

**ECONOMIC DEVELOPMENT SERVICE MODEL**

DATE ISSUED: 07/19/2019

**NEILSON STRATEGIES**


JULY 2019 PAGE 1

**APPENDICES**

**Appendix I** Open House Poster Boards  
**Appendix II** Models Used in Other Centres

# COMMITTEE REVIEW

- Hybrid Approach
- Inclusive Governance
- Multi-Sector Funding
- Economic Development Strategy
- Financial Plan
- Investment Fund
- Feedback from Interviewees



**Figure 4.7**  
Assessment Matrix

Criteria	In-House	City Agency	Contract	In-House/ Agency	In-House/ Contract
Use in Similar Cities	0	0	0	0	0
Accountability	0	0	0	0	0
Access to Decision-Makers	0	0	0	0	0
Profile	0	0	0	0	0
Cost-Effectiveness	0	0	0	0	0
Ability to Leverage Funds	0	0	0	0	0
Flexibility	0	0	0	0	0
Autonomy	0	0	0	0	0
Community Ownership	0	0	0	0	0
Broad Support	0	0	0	0	0

0 = low    1 = medium    2 = high

REVIEW WITH GOVERNANCE AND PRIORITIES COMMITTEE

On Monday, July 29, 2019, staff and the consultant presented the *Service Model Review Report* and its assessment of the service model options with Council's Governance and Priorities Committee. The purpose of the review was to obtain input, and address Committee members' questions, on the service model options before finalizing the report and providing recommendations. The Committee heard in the same meeting from representatives of the economic development agencies, including MBI, the Nanaimo Chamber of Commerce, and Community Futures (Central Island).

A number of key points emerged during the review with the Committee:

- *Hybrid Approach* — Committee members expressed support for some form of hybrid approach that divided delivery of the City's economic development function between an in-house group and an outside entity. Whether the outside entity should be an arm's-length agency established and owned (partly or primarily) by the City, or an independent organization contracted by the City, emerged as a point for further consideration.
- *Inclusive Governance* — There was support for the view that governance of the outside entity should rest with an autonomous Board of Directors whose membership would be comprised primarily of community leaders from outside of City Hall, with specified skill sets. There was also support for the

ECONOMIC DEVELOPMENT SERVICE MODEL

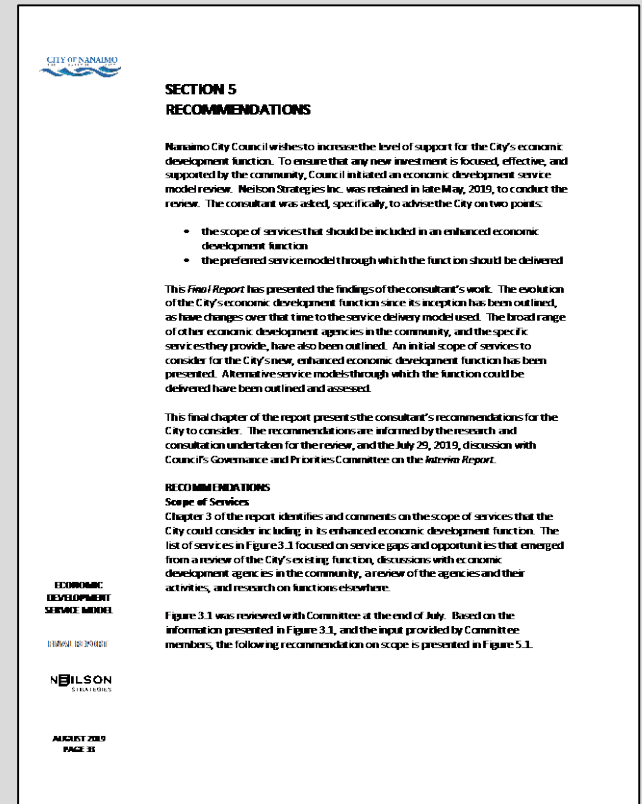
ISSUED: 10/20/19

NEILSON SENIORS

AUGUST 2019  
PAGE 29

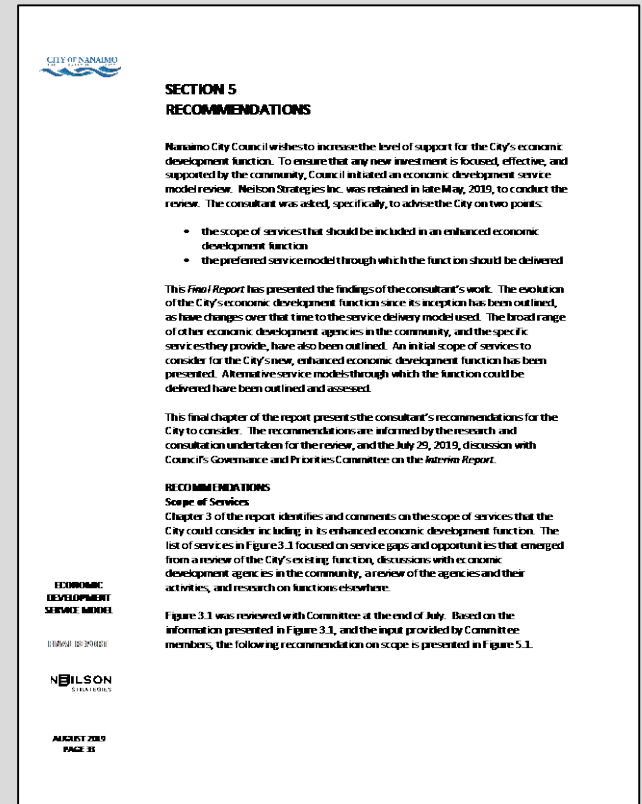
# RECOMMENDATIONS

- ▶ Scope of Services
  - ✓ strategy
  - ✓ data analysis & reporting
  - ✓ navigating City Hall
  - ✓ service contract management
  - ✓ policy input
  - ✓ coordination of efforts
  - ✓ business attraction



# RECOMMENDATIONS

- ▶ Service Delivery Model
  - ✓ In-House / City-Owned Agency
  - ✓ divide scope of services
  - ✓ Nanaimo Prosperity Steering Committee



# RECOMMENDATIONS

- ▶ Steering Committee
  - ✓ Economic Development Strategy
  - ✓ Nanaimo Prosperity Agency

## SECTION 5 RECOMMENDATIONS

Nanaimo City Council wishes to increase the level of support for the City's economic development function. To ensure that any new investment is focused, effective, and supported by the community, Council initiated an economic development service model review. Nelson Strategies Inc. was retained in late May, 2019, to conduct the review. The consultant was asked, specifically, to advise the City on two points:

- the scope of services that should be included in an enhanced economic development function
- the preferred service model through which the function should be delivered

This *Final Report* has presented the findings of the consultant's work. The evolution of the City's economic development function since its inception has been outlined, as have changes over that time to the service delivery model used. The broad range of other economic development agencies in the community, and the specific services they provide, have also been outlined. An initial scope of services to consider for the City's new, enhanced economic development function has been presented. Alternative service models through which the function could be delivered have been outlined and assessed.

This final chapter of the report presents the consultant's recommendations for the City to consider. The recommendations are informed by the research and consultation undertaken for the review, and the July 29, 2019, discussion with Council's Governance and Priorities Committee on the *Interim Report*.

### RECOMMENDATIONS

#### Scope of Services

Chapter 3 of the report identifies and comments on the scope of services that the City could consider including in its enhanced economic development function. The list of services in Figure 3.3 focused on service gaps and opportunities that emerged from a review of the City's existing function, discussions with economic development agencies in the community, a review of the agencies and their activities, and research on functions elsewhere.

Figure 3.3 was reviewed with Committee at the end of July. Based on the information presented in Figure 3.1, and the input provided by Committee members, the following recommendation on scope is presented in Figure 5.1.





# ECONOMIC DEVELOPMENT SERVICE MODEL REVIEW

# COUNCIL DISCUSSION



**August 26, 2019**