



AGENDA
ECONOMIC DEVELOPMENT TASK FORCE

Wednesday, May 13, 2020, 10:00 A.M. - 12:00 P.M.

Board Room, Service and Resource Centre,
411 Dunsmuir Street, Nanaimo, BC

Pages

1. CALL THE MEETING OF THE ECONOMIC DEVELOPMENT TASK FORCE TO ORDER:

2. INTRODUCTION OF LATE ITEMS:

3. ADOPTION OF AGENDA:

4. ADOPTION OF MINUTES:

a. Minutes

Minutes of the Special Economic Development Task Force Meeting held in the Board Room, Service and Resource Centre, 411 Dunsmuir Street, Nanaimo, BC on 2020-FEB-18 at 1:00 p.m.

5. PRESENTATIONS:

6. DELEGATIONS:

7. REPORTS:

a. Introduction of Consultant

To be introduced by Bill Corsan, Director, Community Development

Purpose: To introduce Steve Nicol, of Lions Gate Consulting Ltd., to the Task Force.

b. Review of Economic Development Strategy Work Plan

To be introduced by Bill Corsan, Director, Community Development

Purpose: To provide the Economic Development Task Force with information on the Economic Development Strategy Work Plan.

1 - 11

c. Report of Progress on Economic Development Strategy

12 - 21

To be introduced by Bill Corsan, Director, Community Development

Presentation:

1. Steve Nicol, President, Lions Gate Consulting Ltd., to provide a presentation regarding the initial findings and observations of the Economic Development Function and to obtain input from the Task Force on the key decisions required from the Task Force.

d. Next Meeting Date

To be introduced by Bill Corsan, Director, Community Development

Purpose: To confirm the next meeting date and time for the Economic Development Task Force will be 2020-MAY-26 from 1:00 p.m. - 3:00 p.m.

8. OTHER BUSINESS:

9. QUESTION PERIOD:

10. ADJOURNMENT:

DATE OF MEETING | May 13, 2020 |

AUTHORED BY | BILL CORSAN, DIRECTOR, COMMUNITY DEVELOPMENT |

SUBJECT | **REVIEW OF ECONOMIC DEVELOPMENT STRATEGY WORK PLAN** |

OVERVIEW

Purpose of Report:

To provide the Economic Development Task Force with background information on the work plan for the Economic Development Strategy.

BACKGROUND

The Economic Development Task Force (EDTF) was established by Council on 2019-NOV-18. The EDTF has two key objectives: to develop an Economic Development Strategy for the City of Nanaimo and to fully develop the new external agency (Nanaimo Prosperity Agency).

To advance the Economic Development Strategy, the EDTF approved a Terms of Reference for the assignment at the 2020-JAN-06 Special Economic Development Task Force meeting.

A Request for Proposals from Qualified Consultants was issued on 2020-JAN-15, with submission due by 2020-FEB-14.

A working group of the EDTF comprised of Councillor Turley, Doug Backhouse, Bob Moss, Cathy Carlile and two City Staff members, reviewed the seven submissions received. Through the review process Lions Gate Consulting Ltd. (Lions Gate), from Vancouver, was the successful proponent.

The work plan for the Economic Development Strategy is contained in Attachment A.

Lions Gate will present and review the work plan with the EDTF during the 2020-MAY-13 Special Economic Development Task Force meeting.

SUMMARY POINTS

- The Economic Development Task Force (EDTF) was established by Council on 2019-NOV-18. The EDTF has two key objectives: to develop an Economic Development Strategy for the City of Nanaimo and to fully develop the new external agency (Nanaimo Prosperity Agency).
- A Request for Proposals from Qualified Consultants was issued on 2020-JAN-15, with submission due by 2020-FEB-14.
- Through the review process Lions Gate Consulting Ltd. (Lions Gate), from Vancouver, was the successful proponent.

ATTACHMENTS

ATTACHMENT A: Economic Development Strategy Work Plan |

Submitted by:

Bill Corsan
Director, Community Development |

Concurrence by:

Dale Lindsay
General Manager, Development Services |

will the plan and implementation process be clearly set out, but procedures for measuring, reporting and communicating progress will be as well. Council and staff will be provided with all the tools to move forward confidently with implementation.

8. Bridge the Gap Between Planning and Implementation

Many investment strategies get minimally implemented. We have developed a planning/implementation gap framework that identifies several key barriers to effective implementation. We will apply our framework to shrink the gap between the strategy and plan recommendations and how they can be practically implemented.

2.3 CITY'S ROLE AND RESOURCE CONTRIBUTIONS

In addition to its usual role in contract management and liaison, we would expect the City to contribute resources to this project for the following tasks:

- Providing facilities and refreshments for focus groups and workshops; and
- Identifying and inviting focus group and workshop participants.

These roles involve mainly staff time; we would anticipate nominal cash disbursements for refreshments.

2.4 WORK PLAN

The work plan we are proposing is divided into three phases that offer a pragmatic approach to investment attraction and market planning and activation. A description of these phases and accompanying work steps are described in this section.

2.4.1 Current Situation Assessment

Task 1 – Project Initiation

We would launch the project with a meeting in Nanaimo with the City and Economic Development Task Force (EDTF). The purpose would be to review the proposal and confirm expectations, roles, responsibilities and resources; discuss scheduling of key events; and obtain key documentation from the City.

We would also identify organizations and stakeholders that should be contacted and included in the engagement process and discuss the integration and coordination of the engagement program with other City activities and initiatives. Further, this meeting would serve as an opportunity to have a preliminary discussion of priority economic sectors in the City and how they would be addressed in the strategy.

Task 2 – Engagement Program

Following Project Initiation, an engagement program will be developed and submitted to the City and EDTF for approval. The engagement program will follow the principals laid out in the RFP and will ensure:

- a) Initial and ongoing consultation with the EDTF to ensure that the scope of the consultant's work is consistent with the objectives of the EDTF;
- b) Consultation on key deliverables using the EDTF as a proxy for key industry sectors; and,
- c) Consultation with the general public as part of the City's coordinated outreach program with the comprehensive update of several key strategic policy documents.

Task 3 – Literature Review

A review of historical studies and reports will be undertaken and, as outlined in the RFP, would include but not limited to:

- 2002 Economic Development Strategy;
- 2011 *Economic Development Strategy and Investment Readiness Profile*;
- 2008 *Official Community Plan*;
- 2019-2022 *Council Strategic Plan*;
- 2019 *Nanaimo Profile*;
- 2012 – 2016 *NEDC Annual Reports*;
- *Technology, Tourism and Arts and Culture Economic Impact Studies*;
- *Vancouver Island University Masterplan*;
- *Nanaimo Port Authority Strategic Plan*;
- *NEDC Corporate Retreat documents*; and,
- *August 2019 Economic Development Function Service Review*.

Task 4 – Municipal Internal Review

This task would involve reviewing municipal reports, bylaws and policies to inform an assessment of the current internal environment for economic development in the City. The assessment would focus on several pathways, including information on the development permit process, taxation rates, utility services and costs, business licence data and the like. It would also be an opportunity to engage senior City staff on how they see the economic development function aligning with their own departmental goals and objectives.

The Municipal Internal Review will be incremental to the Economic Development Function Service Model Review completed earlier and would be focused on the competitiveness of the City in attracting new investment.

Task 5 – Socio-economic Analysis

We would conduct a socio-economic analysis of the City, analyzing key social and economic indicators, and emerging trends. The analysis would include community and regional demography, labour market, establishment counts and other indicators. In addition, we would conduct an assessment of the economic base, including key economic characteristics, business location data and location and shift-share analyses. These latter two analytical techniques use labour force by industry data as inputs and would be fully described and illustrated so readers understand the implications. We would utilize the 2016 Census along with previous Census data (2011, 2006, 2001) that will support trend analysis.

Task 6 – Asset Mapping

Asset mapping would include an inventory of City assets, infrastructure, organizational resources and human capital that supports networking and capacity development. This would be an important step in formulating people attraction strategies as these will invariably be informed by quality of life and other community attributes, in addition to economic opportunities. It is interesting to note that according to the International Economic Development Council, Millennials are more likely to choose a community to live in *before* they choose a job. For a growing community like Nanaimo that has attractive quality of life attributes (e.g. lower housing costs, greater access to parks and recreation) when compared to Canada's major cities, this has major implications for place marketing and positioning.

Task 7 – Industry and Sector Analysis

We would further identify, in collaboration with the City and the EDTF, those industries best suited for study, and prepare profiles with employment, income, business activity, and trend information.

To supplement the profiles, we would further analyse short-listed industries through the following:

- a cluster analysis, using Michael Porter's competitiveness modelling which we have employed in several studies (the World Bank recommends cluster analysis as a foundation of community economic development); and
- an industry target assessment, using a filter and classification model that we developed and piloted for the BC Ministry of Jobs, Tourism and Skills Development.

Task 8 – Trends Analysis

This task will draw on the literature review and provide insights on the key trends that are driving economic change both now and in the future. Rather than just report out on economic statistics, we would explore issues around sustainability, climate change,

technology, advance manufacturing, the creative economy, knowledge-led industries and the like. We would also examine broader social and environmental trends that are deeply impacting how economies and communities position themselves and compete for the increasingly mobile thinking class.

The trends analysis is highly useful for characterizing the external and internal environment as context for investment and resident attraction, illustrating how the City might best position itself to address barriers and challenges. As outlined in the RFP, the trends analysis will ensure an illustration of change over time, using the 2011 Economic Development Strategy as a starting point.

Task 9 – Development of Performance Metrics and Benchmarks

The development of the performance metrics and benchmarks will take on two distinct paths including:

- Outlining indicators and tracking metrics which will effectively track change in the overall local socio-economic situation. These metrics will support the goals of the strategy; and,
- Establishing performance measures that will inform the work of the in-house and external Agency for a five to ten-year horizon. Specifically, they will outline outputs that will closely align with the activities of the strategic work.

The socio-economic tracking metrics will build on research conducted on the above tasks and that would set performance metrics and benchmarks in place suitable for ongoing assessment of overall progress. This would include reviewing for other metrics and performance measures used in other jurisdictions.

Further, output tracking metrics will also be established and include specific tracking metrics that can better connect the implementation process of the economic development strategy to the work of the economic development offices.

Task 10 - Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

The SWOT analysis would cover key aspects of the local business climate, local and regional infrastructure (road, marine, air), quality of life, taxation and the current business environment. Information would come from the literature review, the Municipal Internal Review, and our own understanding and interpretation of the preceding economic analysis.

The local strengths and correctable weaknesses would suggest certain economic opportunities. Intractable weaknesses would suggest constraints on development. A thorough analysis of strengths and weaknesses is necessary to bring order and priority to the opportunities possible in the City.

Task 11 – City's Unique Selling Proposition

The previous work tasks will provide a platform for crafting an initial evidenced-based unique selling proposition (USP) for the City. This will be followed by an outreach process involving key stakeholders who position, promote and market the region to external markets. An evaluation of existing brand elements and how they can be refined or advanced to capture the future prosperity of Nanaimo would be undertaken, making sure to integrate different marketing perspectives; for example, visitors, investors, entrepreneurs and prospective residents.

Our team has a full suite of skills and expertise from strategic market planning to operational delivery of multi-million dollar programs that we can draw on to inform and guide this assessment.

Task 12 – Current Situation Report

Using the research and output of the preceding work tasks, a Current Situation report would be prepared for review by the City.

Task 13 – Client Meeting #2

A meeting with City and the EDTF would be conducted to review the Current Situation Report and discuss the logistics of the engagement activities.

2.4.2 Proposed Engagement Program

The proposed engagement program would be revised upon discussions and input from the City and the EDTF, but in general would include several strategic tasks including:

Task 14 – Focus Groups

We would conduct a set of 1.5-hour focus group sessions with stakeholders from key sectors of the local economy. The focus groups would include 6–10 participants and be designed to supplement (rather than duplicate or overlap) the ground already covered in the Current Situation report, by emphasizing opportunities and development potential. It is anticipated that a minimum of six such focus group sessions would be conducted.

The proposed focus group themes would align with the output developed in consultation with the City and EDTF.

We would also work with the City and EDTF to refine the optimum focus group mix and ensure that stakeholders are identified and invited to the appropriate session.

Task 15 – Key Informant Interviews

Key informants and influencers from inside and outside the City would be contacted to refine issue and opportunity statements, fill in information gaps and begin the process of narrowing down on the formulation of the economic development strategy. We would prioritize those who could not attend the focus groups. Where possible, in-person group meetings would be organized, otherwise telephone interviews would be conducted. It is anticipated that a minimum of 30 such interviews would be conducted.

Task 16 – Business Survey

We would further connect with the business community with a targeted on-line survey, to solicit feedback on issues and opportunities for economic development in the City.

Essentially, the survey would be an opportunity for businesses to speak out on economic matters and deliver on an inclusive and transparent planning process. We have been successfully delivering such surveys for over 20 years and find the approach an excellent tool in supporting economic development outreach.

Major tasks include the following:

- Working with the City to determine the best method of delivery;
- Formulating the survey;
- Delivering the survey on the Internet;
- Distributing the survey via email and the City's website (if appropriate);
- Collecting data; and,
- Reporting survey findings.

Task 17 – Community Survey

As outlined in the RFP, a questionnaire will be developed and distributed to the general public through the City's concurrent engagement review process. By casting the net wide and beyond the focus group and interview programs, any person in the community can speak up and be heard.

Task 18 – Client Meeting #3

A meeting with the City and EDTF would be held to review progress and results of the consultation program, and to discuss the upcoming strategy planning process. A strategy framework summarizing all research would then be prepared that can be used as a platform for the planning sessions.

2.4.3 Strategic Planning

Task 19 – Visioning Workshop

In our 30+ years of delivering strategic planning services, workshops are the best method of framing up a strategic plan, but it must be done in at least two separate stages to prevent planning fatigue and allow the absorption of the experiences and lessons being contributed by the facilitators and participants. For this reason, we propose two workshops, the first being economic visioning.

The visioning session would work like this:

- overview of themes and strategic directions that emerged from consulting process;
- review the strategy framework; and
- develop mission, vision and goal statements for the strategy.

We have used this approach successfully on other planning projects and believe it is valuable in setting the stage for subsequent strategic planning activities. It takes participants out of the present comfort zone and forces them to deliberate about how Nanaimo might best adapt, transition and survive in the future.

Task 20 – Planning Workshop

The Planning Workshop would take the output from the visioning workshop and, as outlined in the RFP, identify initiatives and actions that would be implemented over the next five to ten-year period. It would again include participation by the City and the EDTF. This full-day workshop would be focused on the following outputs:

- key sectors and programs, including confirmation of vital projects;
- action planning, resource requirements, roles, and timing;
- roles and responsibilities between City and external organization;
- options for implementation; and
- organizational plan for the external agency.

Task 21 – Draft Economic Development Strategic Plan

Based on the output obtained from the preceding work steps, we would prepare a draft Economic Development Strategic Plan. It is difficult at this time to state which program areas and tools would be recommended. The various planning steps would determine this content.

However, as outlined in the RFP, the Strategy will include the community's top economic priorities. In addition, the Action Plan and budget/staffing recommendations for those aspects of the overall strategy which are to be undertaken by the City will be identified.

Further, the draft strategic plan will make specific recommendations for the proposed external agencies, including mission statement, priorities, and a financial framework.

Finally, a key element of the draft plan will be to update the performance and benchmark metrics first investigated in task 9. At this stage the benchmark metrics will be refined to ensure performance measures are in place to inform the work of the in-house and external Agency for a five to ten-year horizon.

Task 22 – Client Meeting # 4

The fourth meeting with the City and EDTF would include a presentation of the draft Economic Development Strategy at the July 2020 EDTF meeting. This would also be an opportunity to provide feedback in-person on the draft Economic Development Strategic Plan and proposed amendments or additions.

Task 23 – Final Report and Deliverables

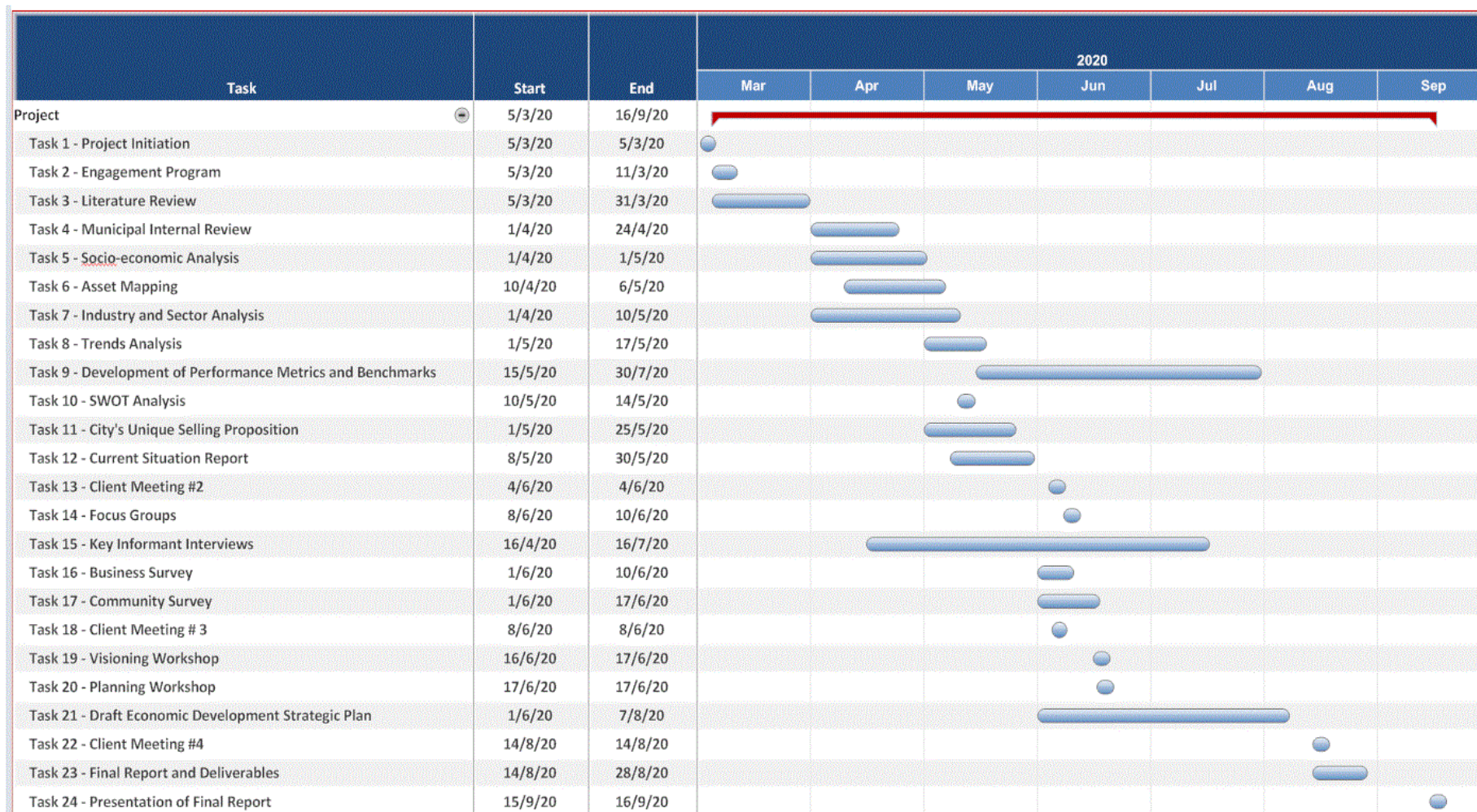
The report would be finalized, incorporating all required changes outlined by the City and EDTF.

Task 24 – Presentation of Final Report

A presentation of the final report will be made to the City and EDTF at a September 2020 meeting(s) as identified by the City.

3 SCHEDULE AND CAPACITY

3.1 STUDY SCHEDULE





Nanaimo Economic Development Strategy
Report of Progress to Economic Development Task Force
May 13, 2020

Agenda

May 13, 2020

10 am – 12 pm

- Introductions
- Project Work Plan
- Initial Findings of Current Situation Assessment
- Engagement Process
- Next Steps
- Questions and Answers

Introductions

- Project Background
- City team
- Lions Gate consulting team
- Economic Development Task Force

Project Work Plan

Phase 1 Current Situation Assessment

- Socio-economic analysis
- Asset map
- Industry analysis
- Trends analysis
- Unique selling proposition
- SWOT analysis
- Performance measurement

Project Work Plan

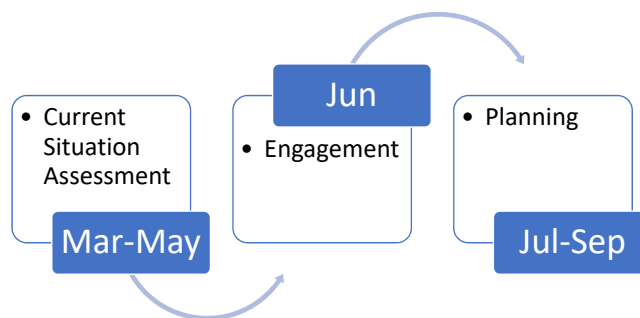
Phase 2 Engagement

- Business survey
- Community survey
- Focus groups
- Key informant interviews

Phase 3 Planning

- Vision workshop
- Planning workshop
- Draft strategy
- Final deliverables

Project Work Plan - Schedule

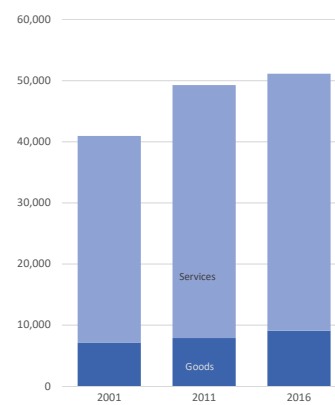


Initial Findings - Demography

- Population growth of 29% since 2001, higher than BC growth of 24%
- Projected population growth of 20% to 2041, another 23,000 people
- Historically, Nanaimo has had a slightly higher average age than BC, mainly due to greater proportions of retirees
- In 2015 personal incomes were marginally less than BC

Initial Findings – Labour Force

- Goods versus Services Labour Force
- Continued transition to services



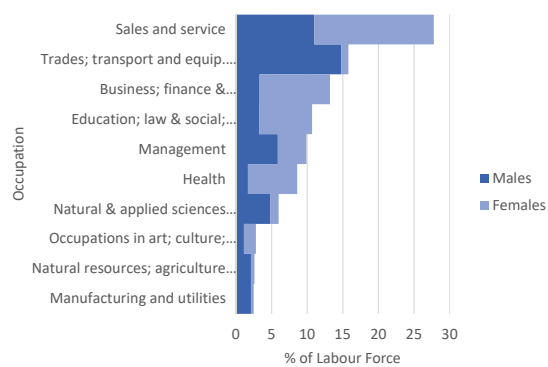
Initial Findings – Labour Force

- Top 10 Industries by Labour Force
- 9 of the 10 are services

	Femal e	Male	Total
Food services and drinking places	2,050	3,465	5,515
Professional, scientific and technical services	2,875	2,485	5,360
Educational services	1,630	3,615	5,245
Specialty trade contractors	3,930	515	4,445
Ambulatory health care services	890	3,550	4,440
Administrative and support services	2,265	1,835	4,100
Food and beverage stores	1,215	1,560	2,775
Construction of buildings	2,215	325	2,535
Hospitals	470	1,955	2,425
Nursing and residential care facilities	360	1,710	2,070

Initial Findings – Labour Force

- Top occupations
- Again, services dominate

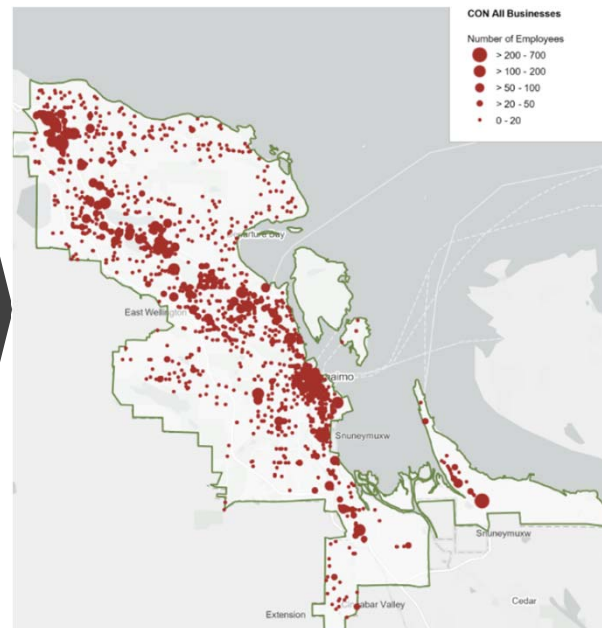


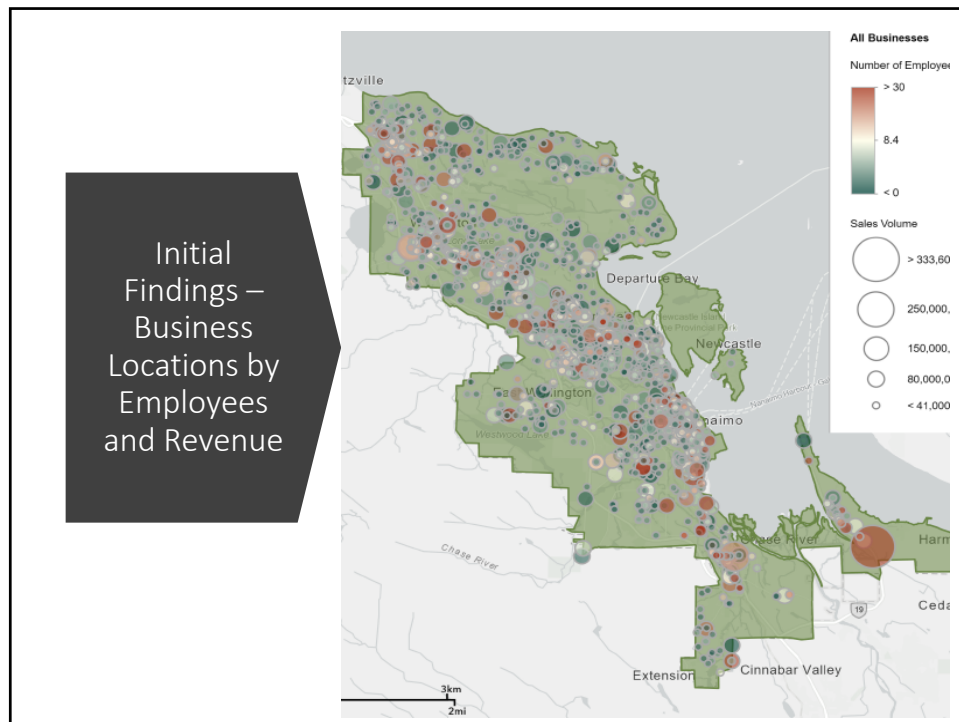
Initial Findings – Labour Force

- Industries with high employment concentration in Nanaimo
- Transportation, primary and manufacturing dominate
- Oil & Gas is an anomaly

	2001	2011	2016
Water transportation	3.96	4.86	3.71
Fishing, hunting and trapping	3.03	2.69	3.58
Leather and allied product manufacturing	-	-	2.13
Pet. & petroleum products merchant wholesalers	0.76	1.83	2.02
Paper manufacturing	1.96	1.73	1.92
Nursing and residential care facilities	1.17	1.67	1.61
Oil and gas extraction	0.48	0.85	1.60
Forestry and logging	1.25	1.51	1.55
Building mat. & garden equip. & supplies dealers	1.25	1.47	1.49
General merchandise stores	1.58	1.28	1.45

Initial Findings – Business Locations by Employees





Initial Findings – Key Trends

- Demographic change
- Shift to services
- Decline of resource industries
- Environmental, climate change issues
- Networking and communications
- Geographic winners and losers
- Public assets as economic drivers

Engagement Process - Surveys

- Draft surveys by May 15
- Business and Community
- Delivery through Lanark in May-June
- TBD:
 - Target lists
 - Distribution methods: email?, website?, social media?

Engagement Process – Interviews

- Planned for May-July
- Informal, issue focused, not standard question sets
- TBD:
 - Master contact list?
 - To be used for focus group recruitment as well
 - Name, org, email, tel, area of interest

Engagement Process – EDTF Interviews

- What is the City's unique selling proposition?
- Combination of research and interviews
- TBD:
 - Looking for select interviews with EDTF members
 - Volunteers?

Engagement Process – Focus Groups

- Planned for June, 6 sessions, 6-8 participants each
- TBD:
 - How to deliver?
 - Preference is not for digital approach, difficult to generate effective dialogue
 - Prefer face-to-face; how to navigate social distancing?
 - Where?
 - When?
 - Themes?
 - Targets/Invitees?
 - Logistics?
 - Invites and recruitment

Next Steps

- Volunteers for USP interviews
- Master contact list
- Focus group logistics and delivery
- Surveys launch
- Proceed to draft Current Situation Assessment

Q&A