AGENDA

ECONOMIC DEVELOPMENT TASK FORCE

Friday, November 6, 2020, 9:00 A.M. - 11:00 A.M.

Board Room, Service and Resource Centre,

411 Dunsmuir Street, Nanaimo, BC

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Pages

## 1. CALL THE MEETING TO ORDER:

Note: This meeting will be video recorded and published on the City of Nanaimo website: www.nanaimo.ca

## 2. INTRODUCTION OF LATE ITEMS:

## 3. ADOPTION OF AGENDA:

## 4. ADOPTION OF MINUTES:

### a. Minutes 1 - 6

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-OCT-07 at 9:00 a.m.

## 5. PRESENTATIONS:

## 6. DELEGATIONS:

## 7. REPORTS:

### a. Draft Economic Development Strategy 7 - 80

To be introduced by Bill Corsan, Director, Community Development

Presentation:

1. Steve Nicol, President, Lions Gate Consulting Ltd., to provide and obtain input, from the Task Force, on the Draft Economic Development Strategy.

### b. Economic Development Task Force Collaboration with Health and Housing Task Force 81 - 81

To be introduced by Bill Corsan, Director, Community Development

*Purpose: To obtain input from the Task Force members on a collaboration with the Health and Housing Task Force.*

8. OTHER BUSINESS:

9. ADJOURNMENT:

**MINUTES**
SPECIAL ECONOMIC DEVELOPMENT TASK FORCE MEETING
BOARD ROOM, SERVICE AND RESOURCE CENTRE
411 DUNSMUIR STREET, NANAIMO, BC
WEDNESDAY, 2020-OCT-07, AT 8:00 A.M.

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Present: Councillor Z. Maartman, Chair
Councillor J. Turley
Councillor D. Bonner (joined electronically)
Councillor E. Hemmens
D. Backhouse, At Large Member (joined electronically at 8:59 a.m.)
C. Carlile, At Large Member (joined electronically)
D. Devana, Nanaimo Airport (joined electronically at 8:03 a.m.)
J. Green, Community Futures (joined electronically)
R. McLay, Vancouver Island University Alternate (joined electronically)
J. Michell, Nanaimo Port Authority Alternate (joined electronically)
B. Moss, At Large Member (joined electronically)
K. Smythe, Nanaimo Chamber of Commerce (joined electronically)
A. Sullivan, At Large Member (joined electronically at 8:52 a.m.)

Absent: C. Beaton, At Large Member
E. Thomas, Snuneymuxw First Nation

Staff: J. Rudolph, Chief Administration Officer
D. Lindsay, General Manager, Development Services
B. Corsan, Director, Community Development
L. Bhopalsingh, Manager, Community Planning
A. Manhas, Economic Development Officer
S. Snelgrove, Deputy Corporate Officer
A. Bandurka, Recording Secretary

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

The Special Economic Development Task Force Meeting was called to order at 8:01 a.m.

2. INTRODUCTION OF LATE ITEMS:

(a) Add Agenda Item 5(a) – PowerPoint presentation from Dr. Alina Turner, CEO, Helpseeker.

(b) Add Agenda Item 7(b) – Economic Development Strategy – Draft Vision, Mission and Goals.

3. ADOPTION OF AGENDA:

It was moved and seconded that the Agenda, as amended, be adopted, as circulated. The motion carried unanimously.

4. ADOPTION OF MINUTES:

It was moved and seconded that the Minutes of the Special Open Meeting of the Economic Development Task Force held in the Boardroom, Service and Resource Centre, 411 Dunsmuir Street, Nanaimo, BC, on Friday, 2020-SEP-25 at 1:00 p.m. be adopted. The motion carried unanimously.

5. PRESENTATIONS:

(a) Presentation from Dr. Alina Turner, CEO, HelpSeeker

Dr. Alina Turner, CEO, HelpSeeker, provided the Task Force with a PowerPoint presentation titled "Nanaimo: Building a Path Forward – Updates and Transition Planning". Highlights included:

- Providing the Economic Development Task Force (EDTF) with an overview of what the Health and Housing Task Force (HHTF) has been working on

D. Devana joined the meeting electronically at 8:03 a.m.

- Dr. Turner commenced her assignment with the HHTF in January 2020
- Background research is complete including mapping out each organization's role
- Design Labs took place over the last six months which focused on specific topics and identified issues and proposed solutions
- The Design Labs were interrupted by COVID-19 in March and April, but have recommenced in September and October
- Dr Turner has completed financial modeling and projections of the existing system and modelled the benefits of a coordinated system approach
- A draft HHTF Action Plan has been prepared and is being refined by the Task Force
- When the HHTF Action Plan is complete it will be shared with Council for endorsement
- A key lesson from other communities is that change won't happen without having a 'quarterback' to drive the process in the community and coordinate the various players
- In terms of implementing the action plan, seven options have been brainstormed and the HHTF is currently looking at the pros and cons of the options
- Working with the EDTF is one of the options being considered which would include the EDTF External Agency sharing resources with the HHTF Agency.
- Dr Turner's work helps to better understand the flow into homelessness and what those dynamics are and the options to get out of homelessness
- In terms of the HHTF Action Plan, there are two commitments: Truth and Reconciliation and Challenging Discrimination and Stigma

- The HHTF Action Plan has six Strategic Directions: Ecosystem Coordination, Leadership and Engagement, Prevention, Complex Needs Capability, Poverty Reduction and Diverse Housing Options
- Ecosystem Coordination: there are approximately 600 programs and services in Nanaimo and they aren't necessarily coordinated or have strategic framework together, this includes the system 'quarterback' idea
- Leadership and Engagement: develop a strategy to lobby government and develop a community engagement strategy to build awareness around the action plan
- Prevention: how to target people who have experiences of risk or vulnerability and intervening early
- Complex Needs Capability: concerns with downtown, public safety and the ability to respond to the complex needs of the vulnerable
- Poverty Reduction: cross over with economic stabilization with low income groups
- Diverse Housing Options: how to support the development of housing that is affordable and provides options for people at all income levels
- Working Principles speak to what was heard from the community and what makes this work with Nanaimo as well
- Work was completed on the ecosystem approach and how we can better connect the dots between the 600 programs and organizations and ensure that all people that need support can access it and how to coordinate the 'back system' infrastructure
- Looked at what type of governance the action plan would entail and what the implementation and 'quarterback' role would look like
- Two joint concepts were thought of:
    - Stewardship Group: strategic level with key stakeholders in the community and representing different sectors and other key funding organizations, community based governance to ensure the action plan is on track, has access to power holders that control the funding into the community, key players
    - Systems Planner Organization: ability to coordinate services and looking at the performance metrics at a system level, engaging in research development and innovation, capacity building and training to improve delivery and quality of services, staying ahead of trends, system information management
- Governance Recommendations:
    - Revamp HHTF as the Stewardship Group for Action Plan implementation oversight
    - Support the coordination of a Nanaimo-focused Ecosystem and action plan implementation
- In terms of governance and implementing the HHTF Action Plan, the delivery options are based around two concepts expand the role of an existing entity or create a new arms-length entity
- From those two concepts, there are five potential 'quarterback' options: Nanaimo Homelessness Coalition, United Way, City of Nanaimo, BC Housing or Island Health
- Sixth option was presented as a new Social Development agency to coordinate the partners

- Possible seventh option was brought forward as an Economic and Social Development Agency which would include integration with the Economic Development Agency
- HHTF is holding Design Labs in October to discuss governance and delivery options. From those discussions a recommendation will be made to Council

Task Force discussion took place regarding:

- Concerns over conflicts between the goals of the HHTF and EDTF
- If the EDTF is not interested in collaboration, then that option can be removed from the HHTF governance options
- Sharing resources may benefit both groups and encourage the interaction between the two areas as they are mutually dependent

A. Sullivan joined electronically at 8:52 a.m.

- Two distinct large bodies of work and will require different skill sets at the stewardship and staff level
- Two specific areas where there are synergies between the two bodies: work force development and poverty reduction

E. Hemmens vacated the Boardroom at 8:53 a.m.

6. REPORTS:

(a) Economic Development Projects

Introduced by Bill Corsan, Director, Community Development.

Bill Corsan, Director, Community Development, discussed potential key economic development projects to be included in the Economic Development Strategy for the External Agency.

Task Force discussion took place regarding potential projects:

- Focus logistics and warehousing at Duke Point to take advantage of existing investments by the Nanaimo Port Authority, Seaspan and Harmac
- Passenger ferry from downtown Nanaimo to Vancouver
- The idea of the coordinated ‘ask’ and including a mechanism for partners to meet quarterly to discuss projects
- Development of industrial lands elsewhere in the City to support employment
- Support of initiatives around the health and housing situation

D. Backhouse joined electronically at 8:59 a.m.

- Investigate potential of black fibre in Nanaimo, particularly in the downtown core
- Coordination of data and resources between partners
- Work force development and readiness

- Waterfront development including the waterfront walkway, Newcastle Channel and Port Drive
- Focus on Port Drive and the Petroglyph Development Group properties
- Expansion of cargo related services at Nanaimo Airport and Nanaimo Port Authority

(b) Economic Development Strategy – Draft Vision, Mission and Goals

Introduced by Bill Corsan, Director, Community Development

Bill Corsan, Director, Community Development, presented Task Force members with the Draft Vision, Mission and Goals of the Economic Development Strategy. Highlights included:

- Received the 'high level' piece of the strategy with the draft vision, mission and goals for the Economic Development Strategy
- Six themes within the draft:
  - Economic Capital
  - Human Capital
  - Social Capital
  - Business Development
  - Innovation and Technology
  - Place Making and Attraction
- Included five goals:
  - Business Climate
  - Investment
  - Diversity
  - Skills and Talent
  - Social Enterprise

Task Force discussion took place regarding initial feedback:

- Several Councillors and Task Force members have been learning about the 'donut' economy
- The donut economy ensures there isn't an overreach and the economy doesn't damage the natural resources and that the economy provides all aspects of human happiness and care, the Economic Development Strategy should be aligned with this vision
- The Economic Development Strategy should be inclusive for all
- Change Section 3.2 to read: Nanaimo is 'THE' city of choice, instead of Nanaimo is a city of choice
- Strategy needs to have economic and social metrics match up

J. Rudolph entered the Boardroom at 9:10 a.m.

- Economic Development Strategy should tie in similar goals that exist in the EDTF and HHTF
- The next meeting will include the motion from HHTF regarding discussion related to coordination between EDTF and HHTF

- The Economic Development Strategy hasn't included socio-economics of organizations and groups and engaging the not-for-profits in the community and have overlooked the sector in the strategy
- City of Nanaimo Business license bylaw is being updated and will require a business license for non-profit organizations
- Community Development should be included within strategy to align with the HHTF strategy
- No mention of the environment in the draft vision
- Not-for-profit sector is a large part of the economy
- Sharing data with the not-for-profit sector would be a positive from a combined agency

7. ADJOURNMENT:

It was moved and seconded at 9:23 a.m. that the meeting terminate. The motion carried unanimously.

_____
CHAIR

CERTIFIED CORRECT:

_____
CORPORATE OFFICER

# ECONOMIC DEVELOPMENT STRATEGY

City of Nanaimo

CONFIDENTIAL – For Review by City of Nanaimo and Economic Development Task Force

Not for Public Distribution

# DRAFT REPORT

November 2, 2020

CONFIDENTIAL – For Review by City of Nanaimo and Economic Development Task Force

Not for Public Distribution

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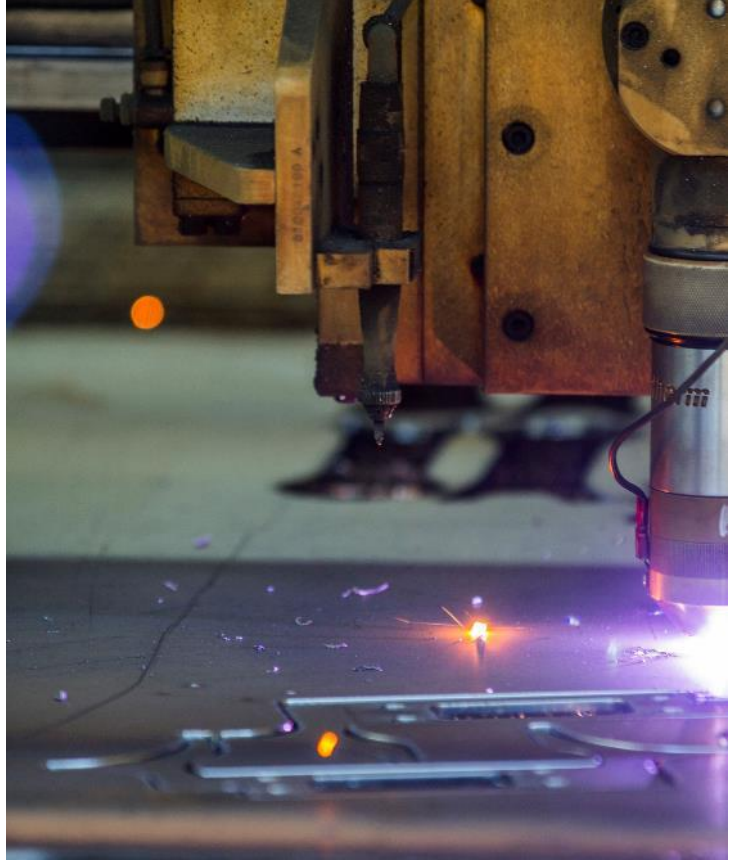


# 1 INTRODUCTION

## Background

Nanaimo is a vibrant and growing regional centre with a population of close to 100,000. It is a major gateway to and service hub for Vancouver Island. In the past, the economic base relied on the region's abundant natural resources, but over the last 30 years, the region has diversified and today it is a service sector economy.

The City of Nanaimo has commissioned this study for the development of a comprehensive Economic Development Strategy. Nanaimo's last economic development strategy dates to 2011. In the fall of 2019, City Council endorsed a new approach to the delivery of economic development services. A hybrid organizational model was proposed comprising an in-house economic development function, to be operated by City staff, and an arm's-length external agency, incorporated and owned (primarily) by the City. An Economic Development Task Force (EDTF) led by two City councillors was established to oversee the process of developing the Economic Development Strategy and a final model for the external agency.

## Purpose

The purpose of the strategy is to provide a roadmap for strengthening the economic base of the region and contributing to sustainable prosperity of residents and businesses, including the region's Indigenous community. The strategy will set the future direction of the City's efforts to grow existing businesses, attract new investment and enterprises and enhance opportunities for employment and household incomes.

The Economic Development Strategy is the second of two reports delivered as part of this project. A Current Situation Report was delivered under separate cover in July 2020. It described baseline conditions with reference to demographic, labour market, economic base, land development, business activity and sector indicators. Reviews of the local planning, economic assets and infrastructure, economic development trends, SWOT (strengths, weaknesses, opportunities, threats), and Nanaimo's unique selling proposition were also assessed.

## Methodology

The methodology for this strategy consisted of primary and secondary research. Secondary data sources, statistics, documents and studies were compiled and synthesized to interpret economic conditions in the City and central island region. Direct outreach to stakeholders involved the following:

- Focus groups, June 2020 in Nanaimo, 48 participants;
- Scenario planning workshop, June 2020 in Nanaimo, 15 participants;
- Business survey, June 2020, 48 responses;
- Community survey, July-October 2020, 241 responses;
- Planning workshops, September 2020 in Nanaimo, 14 participants; and
- Regular meetings with the City and EDTF throughout the project.

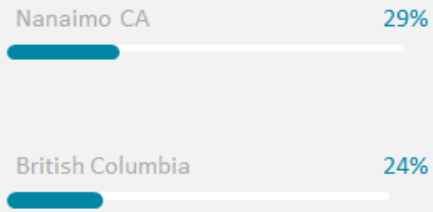
A complete list of references, including focus group participants, is provided in the Current Situation Report. Additional documentation cited in this document is listed in Chapter 8.

# 2 CURRENT SITUATION

Socio-economic insights

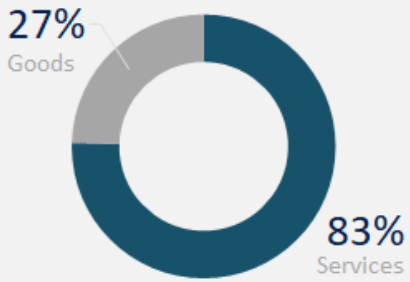
# KEY INDICATORS

### Population Growth 2001-2019




Nanaimo's population has grown strongly over the last two decades, outpacing provincial growth. Household incomes are slightly lower than the province but the average population age of 46 is higher. Projections call for robust growth over the next 25 years, when as many as 47,000 new residents may arrive. The economy is concentrated in services while manufacturing is the major goods producing sector. Overall, the city's economic base is diversified and not reliant on a single sector.

### Experienced Labour Force 2016




### Median personal income 2016

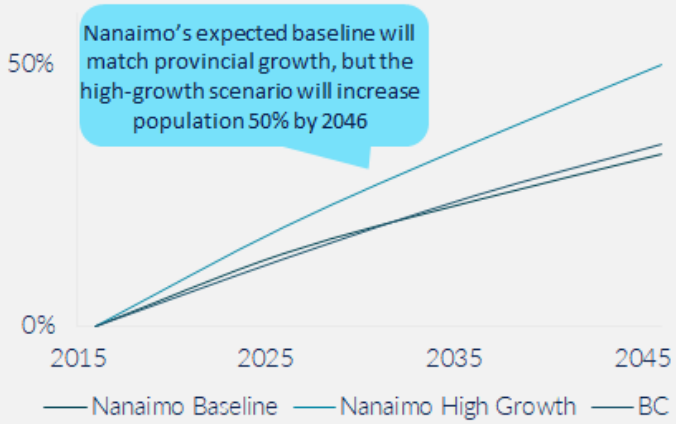
**$32,350**

Close to provincial average

**Average Age 2016**

| 45.9 | 43.0 |
|---|---|
| Nanaimo CA | British Columbia |

### Population Projections to 2046

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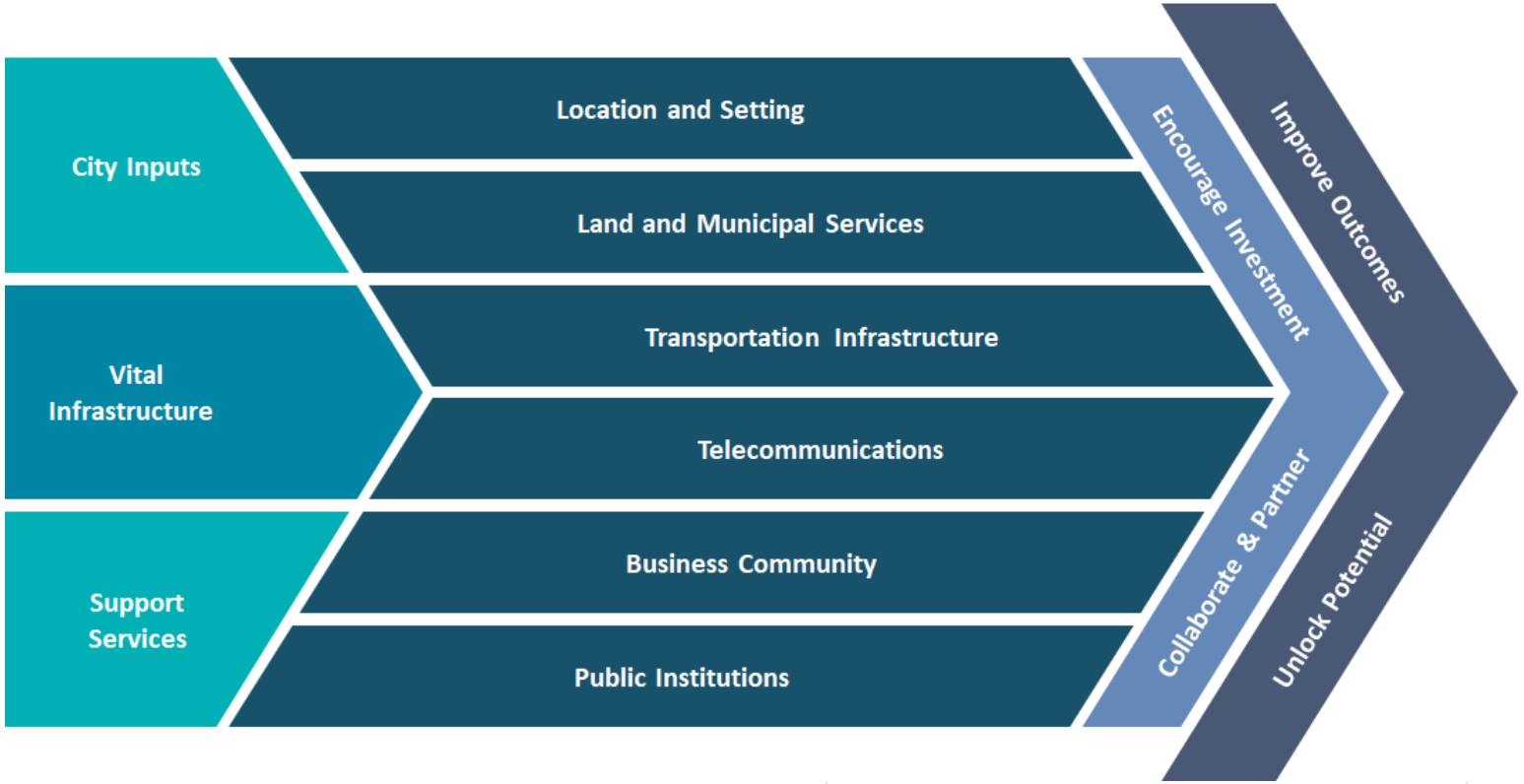
### Top Industries by Employment 2016

- Food and beverage services
- Professional, scientific and technical services
- Education services

### Key Sectors

- Manufacturing
- Transportation
- Public Services
- Retail/Wholesale Trade
- Technology
- Tourism

# STRATEGIC ASSETS




Nanaimo's strategic assets are both natural and built, with its coastal location in proximity to the Lower Mainland and Puget Sound complemented by a well-developed regional centre with quality infrastructure, including an expanding port, ferry, air, highway and telecommunication backbone. A dynamic business community and public institutions drive private and public investment into productive capacity. Investment flows will have to increase in the future in order to unlock economic potential and generate the household wealth and quality of life for the City of the future.

# ECONOMIC THEMES IN CITY PLANNING DOCUMENTS

This strategy is being prepared simultaneously with several other City plans, including a new Official Community Plan (OCP). This will result in an integrated and cohesive planning context that aligns extensive public input with the corporate objectives and intra-departmental service mandates of the City.

The existing OCP (2008) emphasizes Promoting a Thriving Economy, while the Corporate Strategic Plan has Economic Health as one of its four theme areas. The 2011 Economic Development Strategy established diversification, image and investment attraction objectives for the City.

2020

## Corporate Strategic Plan

- To be a community that is livable, environmentally sustainable and full of opportunity for all generations and walks of life.
- Downtown development
- Business development
- Public access to the waterfront

2011

## Economic Development Strategy

- Establish an Effective and Sustainable Economic Development Program
- Expand and Diversify Employment Opportunities
- Increase Nanaimo's Image as a Destination for Opportunities
- Establish Nanaimo as a Leading Investment Destination

2008

## Official Community Plan

- Support business, political, and community leaders
- Support well-informed decision makers
- Encourage a business-friendly environment
- Focus on economic drivers that generate new and sustainable wealth
- Provide a community with a skilled and talented workforce
- Provide a physical infrastructure that connects businesses to their markets
- Promote unique features that contribute to the quality of life for people and business
- Encourage a positive local attitude and external view about Nanaimo

# ENGAGEMENT FEEDBACK

Two surveys were conducted to help prioritize the direction and content of the strategy, one with local businesses and the other with residents which was delivered as a component of Reimagine Nanaimo. The feedback shows a consistent agreement between the business community and the public on economic development goals, priorities and sector opportunities, with some minor differences in rank.

The top goals for businesses were Quality of Life and economic growth, whereas for residents it was jobs first and Quality of Life second. Regarding economic development priorities, improving infrastructure came out on top in both surveys, with business expansion also ranked in the top three. For businesses, business climate issues are very important, while residents clearly see growth from within as critical—they were more likely than businesses to value entrepreneurship and business expansion over business attraction.

Respondents in both surveys were asked to rank 11 sectors according to their potential for future development. Interestingly, four of the top-five sectors in each group were the same: tourism, technology, health services and education. Generally, the goods producing sectors like manufacturing and natural resources were seen as having much less potential.

**Top 5 Goals**

| | Business | Community |
|---|---|---|
| 1 | Quality of Life | Jobs |
| 2 | Economic Growth | Quality of Life |
| 3 | Jobs | Diversification |
| 4 | Incomes | Economic Growth |
| 5 | Diversification | Incomes |

**Top 5 Priorities**

| | Business | Community |
|---|---|---|
| 1 | Infrastructure | Infrastructure |
| 2 | Business Climate | Business Expansion |
| 3 | Business Expansion | Entrepreneurship |
| 4 | Business Attraction | Business Climate |
| 5 | Entrepreneurship | Business Attraction |

**Top 5 Sectors**

| | Business | Community |
|---|---|---|
| 1 | Tourism | Tourism |
| 2 | Technology | Health Services |
| 3 | Construction | Technology |
| 4 | Education | Education |
| 5 | Health Services | Arts, Culture |

# COMMUNITY SURVEY – SELECT QUOTES

We need to improve education to fill the jobs that are currently vacant and support the ones that will be created in the future. Attracting a new, skilled labour force will still leave many current residents on the margins. So we need to work a cultural shift that places higher value on education.

Nanaimo does not appreciate or optimize its potential and prime location as part of a broad regional context.

We have very few large employers, but Nanaimo is not known for its skilled workforce and I see this as a barrier.

I would like to see Nanaimo develop affordable housing not only for Nanaimo residents in core housing need, but also with a vision of poaching artists from stunningly unaffordable Vancouver.

Arts, culture and entertainment jobs are clean, workers are highly educated and have a small environmental footprint. Having a vibrant arts scene makes the City attractive to high tech workers, health and public sector workers who have stable jobs and disposable income.

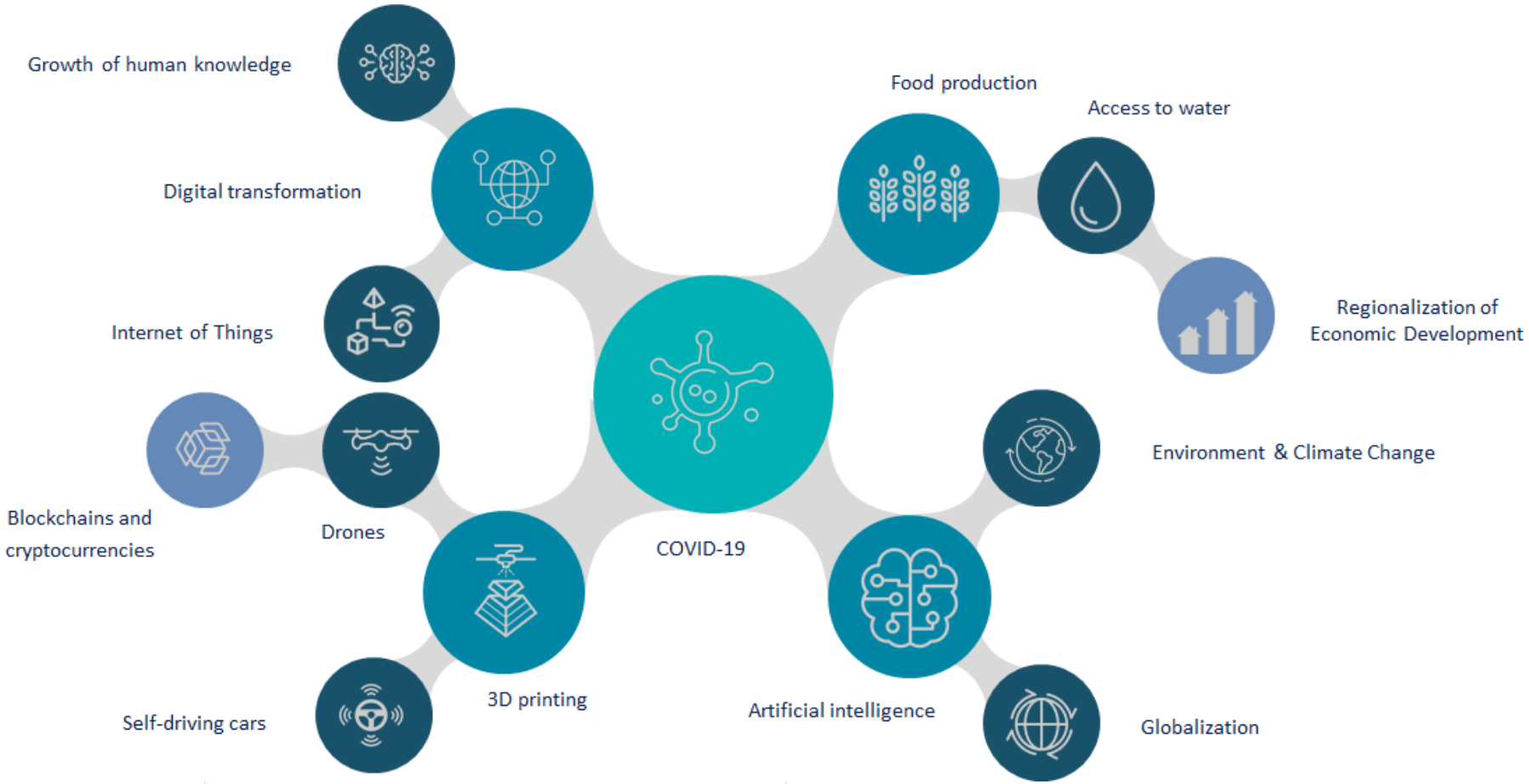
Many students who graduate from VIU move away for work. We need opportunities in technology, health, tourism and the arts. We also need to start using our great agricultural land for agriculture not housing. The way the world is going we need to work towards being as self sufficient on the island as we can.

My company has opened a branch here because it is a great location and more affordable for workers, but still near Vancouver. This is something that can be leveraged in many industries.

# KEY TRENDS

The global economy is being heavily influenced if not led forward by major advances in technology. The growing adoption of technologies such as artificial intelligence is changing how advanced economies will develop in the future.

In turn, economic development is increasingly focused on technology infrastructure, technology-led innovations and technology transfer. Communities that embrace a knowledge-innovation-technology ethic, are positioning for success in the decades ahead. It is noted, however, that this is occurring in the context of the growing importance of basic resources like food and water as potential differentiators in an era of climate change.



# STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT)

The natural environment and location that have transformed the city into a regional service and transportation hub is one of Nanaimo's core strengths, which has been augmented by reasonably good infrastructure and transportation services. Weaknesses relate to the local business climate, poor perceptions of community image and crime rates, and the challenges of building infrastructure for a rapidly growing community. Potential threats to community wealth and resiliency are linked to global and national events and trends, including COVID-19, trade issues, competition for talent and population dynamics. Opportunities are extensive and diverse but can be summarized in four key areas, people development, sector diversity (e.g. tourism, technology), infrastructure development and partnerships.

# 3 STRATEGY DIRECTION

# PRINCIPLES

The following guiding principles underpin this strategy with specific regard to how the City will interact with its partners, businesses and the public. The principles transcend stakeholder differences and viewpoints and because they remain fixed over time they serve as a foundational reference point for all strategic planning.

### Collaborative

A culture of inclusivity and collaboration will energize implementation.

### Long-term

Outcomes are optimal when they last.

### Quality-of-life

Individual and community wellbeing underpins economic progress.

### Internal Growth

Growing from within will empower the community.

### Authenticity

A strong sense of place about who we are will bring purpose and confidence to our efforts..

### The 3Rs

Recycle, reuse and reapply our natural and built assets for a stronger economy and community.

## Vision

Nanaimo is a city of choice, a vibrant, globally connected gathering place at the forefront of innovation in economic and community development.

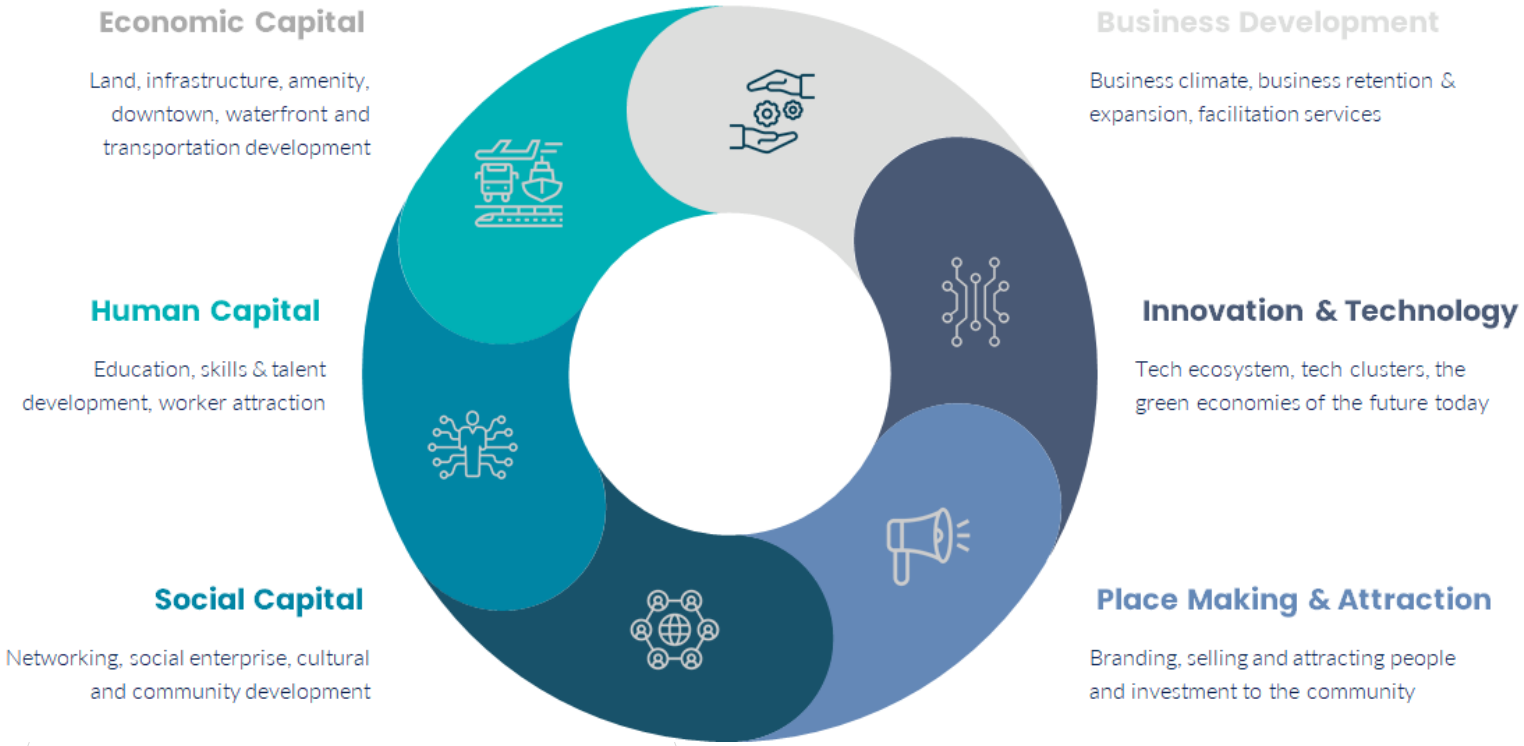
## Mission

Our mission is to leverage the city's strategic assets, grow a sustainable economy and enhance the exceptional quality of life, by providing leadership, a culture of collaboration and resources for growing investment and innovative practices in economic and community development.

# FOCUS AREAS

The Strategy has six focus areas. Economic, human and social capital will catalyze business and investment activity throughout the community. Economic capital are core assets like infrastructure and land that are important inputs for building productive capacity. Human Capital embraces skills and talent development, while Social Capital includes partnerships in community development such as housing and health.

Business Development targets retention, expansion and entrepreneurship as pathways to growing the local economy. Innovation and Technology includes initiatives that exploit Nanaimo's existing base of technology companies as well as leverage technology to unlock potential in other sectors of the economy. Finally, Place Making and Attraction is concerned with refining the City's approach to promoting itself to the entrepreneurs, investors and innovators who will drive growth in the future.



01

### Openness

A positive local business climate that welcomes sustainable development.

02

### Prosperity

Sustainable jobs and good household incomes for residents and their families.

03

### Diversification

A diverse economic base that best utilizes the community's resources while embracing the leading-edge innovations of the future.

04

### Talent

A growing, skilled and talented workforce.

05

### Integration

A community that engages holistically linking the economic with the socio-community and the environment.

# GOALS

The five goals were identified based on stakeholder feedback from the focus groups (June 2020), community and business surveys (June to October 2020) and the planning workshop (September 2020).

They capture economic as well as socio-community outcomes with reference to jobs, household incomes, business development, human development and community development.

# HOW GOALS SUPPORT FOCUS AREAS

The goals support and reinforce the focus areas and provide guideposts for performance measurement.

◉ **Primary**

The Focus Area directly supports and contributes to goal achievement

▲ **Secondary**

The Focus Area indirectly supports and contributes to goal attainment

| Focus Areas | Goals: Receptive | Productive | Diverse | Talented | Inclusive |
|---|---|---|---|---|---|
| Economic Capital | ◉ | ◉ | ◉ | ▲ | ▲ |
| Human Capital | | | ▲ | ◉ | ▲ |
| Social Capital | | | ▲ | ◉ | ◉ |
| Business Development | ▲ | ◉ | ◉ | | ▲ |
| Innovation & Technology | | ▲ | ◉ | ◉ | ▲ |
| Place Making & Attraction | | ◉ | ▲ | ◉ | |

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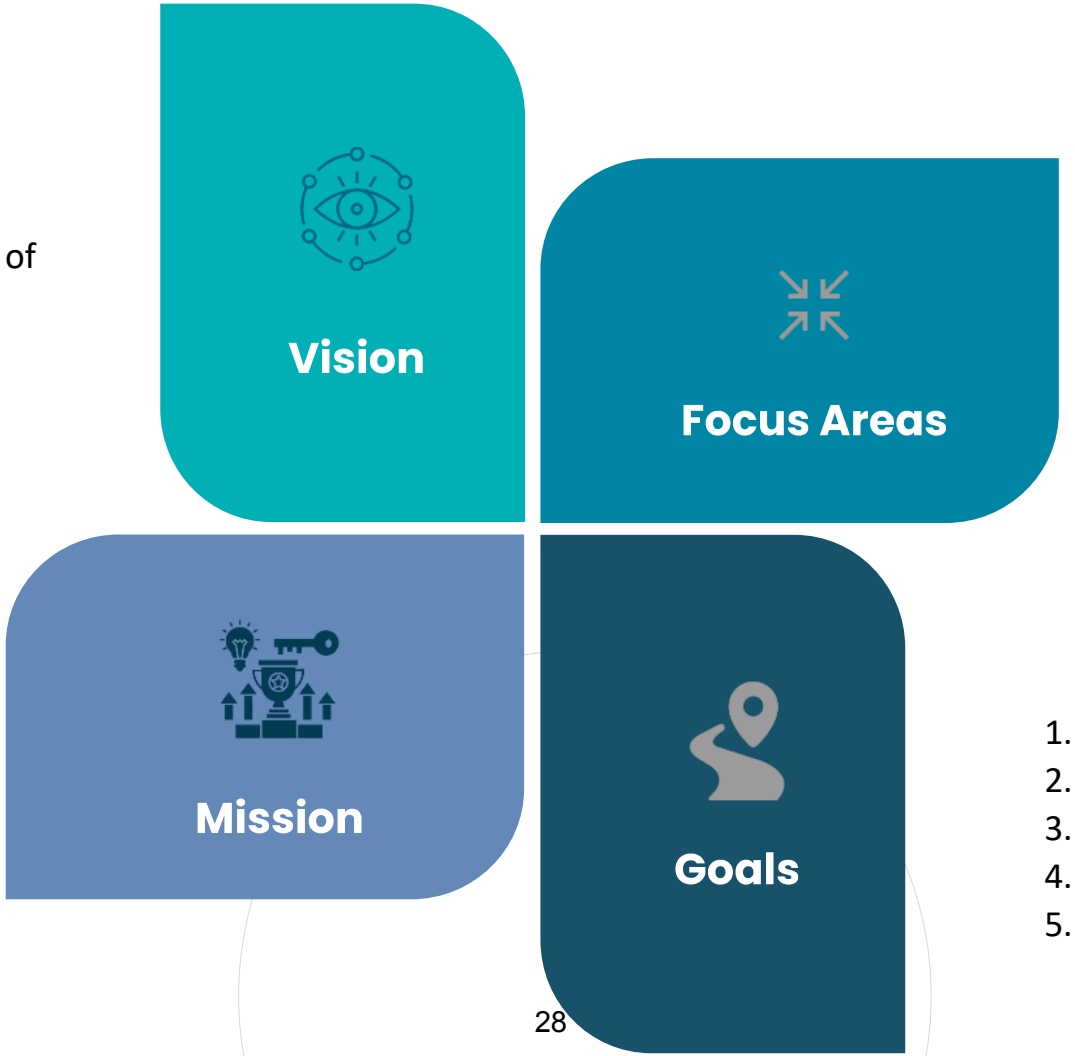
# 4 THE STRATEGY IN BRIEF

# DIRECTION

Nanaimo is a city of choice, a vibrant, globally connected gathering place at the forefront of innovation in economic and community development.

Our mission is to leverage the city's strategic assets, grow a sustainable economy and enhance the exceptional quality of life, by providing leadership, a culture of collaboration and resources for growing investment and innovative practices in economic and community development.




1. Economic Capital
2. Human Capital
3. Social Capital
4. Business Development
5. Innovation & Technology
6. Place Making & Attraction

1. Openness
2. Prosperity
3. Diversification
4. Talent
5. Integration

# STRATEGIES

## Economic Capital

- Infrastructure Plan
- Employment Lands
- Downtown and Waterfront
- Transportation, Cargo and Logistics
- Broadband
- Urban Tourism Node
- Health Care Node

## Human Capital

- Education and Training
- Building an Inclusive Workforce
- Talent Attraction and Retention

## Social Capital

- Strategic Partnerships
- Health and Housing Task Force
- Health Care Capacity
- First Nations Economic Reconciliation

## Business Development

- Research and Data
- Export and Trade
- Business Climate
- Business Retention and Expansion
- Home-based Business
- Economic Emergency Preparedness and Recovery

## Innovation & Technology

- Connecting the Tech Sector
- Strengthening the Innovation Ecosystem
- Leveraging Tech

## Place Making & Attraction

- Global Trade and Foreign Direct Investment
- Building a Place Marketing and Investment Promotion Toolbox
- Managing the Investment Promotion Process – Creating Deal Flow

# 5 THE STRATEGY IN FULL

# ECONOMIC CAPITAL

## Infrastructure Plan

The engagement process indicated that infrastructure was a major priority for Nanaimo residents and businesses. Cities like Nanaimo face extraordinary economic, demographic, fiscal and environmental challenges that make it imperative for the public and private sectors to provide for modern, efficient and reliable infrastructure. Many of the initiatives deemed priorities in this strategy depend on it, whether through more robust downtown and waterfront neighbourhoods to better transportation and transit for moving people and goods into, across and out of the region. Infrastructure connects households, businesses and institutions and leverages opportunities for employment, healthcare and education. It can be the ticket to sustainable energy, combating climate change and expanding technology-led development. At the same time, ratepayers and businesses expect quality infrastructure services but are often reluctant to pay for the higher levels of service through more taxes.

In 2017, the City produced a 20 Year Investment Plan and Asset Management Update (City of Nanaimo 2017) that includes long-term investment plans and funding strategies. The plan focuses on municipal infrastructure and the City's Asset Management System to maintain current levels of service as the city grows in the next two decades. The plan is updated periodically to align with changing conditions and priorities.

There are two areas where the Agency can address long-term infrastructure issues in support of economic development: the first in communicating City plans and priorities to developers and investors, and the second leveraging municipal assets with other public and private infrastructure.

### Strategies

- Prepare an inventory of infrastructure asks and needs over the next 10 years, by sector and project, accounting not just for municipal services but those of other public and private service providers.
- Identify infrastructure gaps and opportunities with Agency partners at Snuneymuxw First Nation, Nanaimo Port Authority, Nanaimo airport, Vancouver Island University (VIU) and other levels of government, focusing on projects with tangible, quantifiable benefits for economic development.
- Create a mechanism for getting more consistent, ongoing stakeholder engagement in defining infrastructure priorities. Public consultations to share information and solicit feedback on opportunities and priorities will increase public and business acceptance of transformational change.

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- Provide research and assistance with articulating how infrastructure investments provide robust public benefits in alignment with Nanaimo's community development objectives. This will require a framework for evaluating the benefits and costs of projects.
- Work with other City departments to improve the coordination of infrastructure investments to account for network effects, that is leveraging non-municipal infrastructure to achieve socio-economic objectives.
- Research market mechanisms that can capture the increased value in land that accrues from infrastructure and enhance the benefit-cost relationship that will allow more ambitious and timely investments.
- Maximize uptake of infrastructure program funding, including the Economic Infrastructure and Innovation Program, by providing economic research and content to the City's grant funding applications.

# ECONOMIC CAPITAL

## Employment Lands

Employment lands are industrial, commercial and institutional zones in the municipality that host job-creating activities and businesses. Together with infrastructure, they are a key input into all forms of economic activity.

Communities must safeguard employment lands from conversion to other uses, especially in fast-growing communities like Nanaimo. While it is true that the growth of the service economy has shifted demand for industrial land across the country, the long-term land use implications of growth in sectors and areas of the economy that have not been historically land-intensive are far from clear.

In the City of Nanaimo there is a total of 661 hectares of land designated for industrial use, concentrated in the Duke Point and Northfield/Boxwood areas. Of this total, 64 hectares are vacant and developable, with an additional 10 hectares currently hosting construction. The commercial land inventory is approximately 915 hectares, concentrated in downtown and North Nanaimo (Colliers 2020).

## Strategies

- Research and communicate emerging trends in land use and demand that will improve the planning process and ensure an appropriate supply-demand balance.
- Include landowners into the BRE program and create a local real estate trends profile.
- Monitor vacant and underutilized property and work with landowners to better understand barriers to use and strategies for repurposing and adapting to market demand.
- Assist the City's real estate section exercise tools such as land assembly that will meet community development objectives by providing economic, sector and trends research and forecasts.
- Work with Harmac to identify future uses for their surplus industrial properties including opportunities for innovative uses of their energy and utility systems.

# ECONOMIC CAPITAL

## Downtown and Waterfront

The City of Nanaimo has initiatives underway for the downtown and the waterfront. In 2013, the City purchased 1 Port Drive to create a new signature waterfront community adjacent to the downtown core. A larger visioning process was completed in 2014 for an area known as the South Downtown Waterfront Initiative. A site- specific master plan was adopted by Council in 2017 for Port Drive which sets out the future development framework of these lands.

Through the Nanaimo Downtown Mobility Hub Project Council is identifying and advancing short-term projects that could be built in the next five years to take achievable steps towards the vision of a safer, inclusive, and connected downtown Nanaimo with implementation including: improved intersections; cycling routes; transit; and, parking (City of Nanaimo 2020c).

In 2017, the City developed a Waterfront Walkway Implementation Plan that lays out a 10 year strategy to complete a multimodal pedestrian and cycle facility 13km from Departure Bay to the Nanaimo River Estuary. The waterfront walkway is currently 5.5km in length, after a 1km expansion at 1 Port Drive in 2019. Functional design work has been completed for the Departure Bay section and work is ongoing along the Newcastle Channel.

In addition, there is a shift in the demand for the types of built assets that are best suited for downtown. COVID-19 has pushed forward an emerging trend of more remote or work from home, coupled with an increase in demand for mix commercial/residential developments. An aging demographic is creating new demand for health services and downtown residential accommodation. Moving forward, how the downtown can connect to these trends and build upon recent planning initiatives will play an important role in defining the character of Nanaimo and how it supports the economic development landscape.

### Strategies

- Include downtown property owners in the BRE program to better understand the development goals and challenges for their properties.
- Continue to work on the phased development of 1 Port Drive by supporting rezoning, subdivision and disposition of the property to create a signature waterfront development.
- Work with the Nanaimo Port Authority in redeveloping the properties along Stewart Ave (Newcastle Channel) to encourage the development of the waterfront walkway and investment in new marina, office and tourism development;
- Support the development of the Departure Bay Waterfront Walkway

and ensuring the full economic impacts of the investment are leveraged.

- Continue to work with SFN and BC Parks on improved connectivity between the City and Saysutshun (Newcastle Island).
- Incorporate economic development activities that seek out desired businesses that would support the vibrancy of the downtown and work to proactively locate them in the downtown.
- Periodically review the Downtown revitalization tax exemption (RTE) program to ensure it is providing the required support for target businesses in the downtown core. Ensure the RTE is marketed and understood by the development community.
- Monitor properties for sale or rent and engage in direct recruitment of businesses that are a good fit for specific areas and retail/service gaps.
- Support reestablishment of the Commercial Street Night Market. For 11 weeks in the last two summers, the Night Market brought thousands to downtown with upwards of 70 street venders downtown before being cancelled in 2020. Having this activity take place downtown created a new vibe in the downtown core in the summers and is important in creating a new feel and character for the downtown and waterfront area.

## Transportation, Cargo and Logistics

Nanaimo has strategic locational assets that could catalyze development in the transportation, cargo and logistics sector and at the same time enhance investment and development in associated sectors. Improvements in transportation capacity and efficiency would have beneficial knock-on effects for any industry or project that seeks competitive services that move either people or goods in and out of the region. Nanaimo could position itself as an extension of the Lower Mainland transportation network, providing economic benefits locally but also contributing to reduced traffic congestion and greenhouse emissions for the entire region. There are various initiatives that are in the research of planning stages that the Agency can support. These include short sea shipping opportunities, passenger foot ferry and airport park development.

### Strategies

- Support private sector interests that wish to establish a foot ferry passenger service from Nanaimo to Vancouver, by liaising with the Nanaimo business community and institutions, lobbying senior government for funding support and participating in research that improves the business case for service.

# ECONOMIC CAPITAL

- Continue to support connectivity to Vancouver via float plane and helijet and identify opportunities to encourage further investment in Nanaimo.
- Assist the Port of Nanaimo's efforts to develop regional short sea shipping opportunities by:
  - ✓ supporting the development of a logistics facility at Duke Point
  - ✓ supporting expansion of logistics and warehousing activity at the Assembly Wharf property, notably the expansion of the Vehicle Processing Centre and ancillary services
  - ✓ partnering in an attraction program aimed at attracting coastal resource industries
  - ✓ forging a short sea shipping network of shipping companies, rail lines, manufacturers, importers and exporters
  - ✓ identifying future municipal infrastructure needs at Duke Point that will leverage private sector investment and ensure these are considered in future updates to the City's asset management planning.
- Work with other landowners, including Mosaic, Harmac and Seaspan, to work out a collection approach to a transportation and logistics hub in the Duke Point area.
- Commission a Transportation and Logistics Strategy with a long-term, multi-modal perspective that positions Nanaimo in an economic, demographic and technological future that is much different than today. The strategy is required because of the complexity of transportation planning and the need to align highway, ferry, port, airport and transit services in the context of a high-growth region.

## Broadband

Broadband connectivity has become an essential utility, as vital to community development as electricity, water and transportation. Fast, affordable, reliable and scalable broadband is essential to the long-term success of a community, to business competitiveness and to the health and happiness of residents. The engagement process made it clear that Nanaimo's future lies in knowledge-led, technology and service sectors that demand increasingly powerful and complex telecommunications capabilities. Meanwhile, more intense development of the downtown and waterfront areas will depend on high-quality telecommunications capacity to achieve cluster conditions. Nanaimo Regional General Hospital (NRGH) expansion, the campus of care initiative and aspirations to bring a medical school to Nanaimo will require elevated connectivity and service capabilities.

# ECONOMIC CAPITAL

If Nanaimo is to become a next-century city it will have to explicitly target the digital economy, businesses and talent without impedance from conventional service providers. Many North American cities have gone this route to great effect.

### Strategies

- Establish a Nanaimo Broadband Task Force to build a community-wide movement toward a Gigabyte City.
- Develop an Intelligent Community Plan and Broadband Strategy that identifies how the community will use digital infrastructure, information and communications technologies.
- Include broadband and technology infrastructure in the new OCP's objectives and policy statements to underline their importance to all aspects of community and economic development.
- Establish a Nanaimo Broadband Task Force to build a community-wide movement toward a gigabyte city.
- Work with VIU and NRGH to develop a protocol and funding mechanism to support the mapping of broadband infrastructure and the development of an econometric model that will ascertain broadband impacts on sector development, employment and GDP.
- Support VIU's high speed Wi-Fi initiative for campus and explore opportunities for broadening service to include the Downtown, Harewood, Snuneymuxw Reserve #1 and Hospital districts.
- Work with the Connected Coast initiative to identify opportunities for using their network in Nanaimo.
- Review municipal access agreement policies and revise as necessary to make it easier, faster, and cheaper for facilities-based telecom service providers to deploy fiber-optic infrastructure.
- Develop infrastructure standards for the construction of civil works necessary to support the deployment of fiber-optic cables and invest in enabling this infrastructure.
- Research a business case to build, own and operate a municipal broadband utility to service the Downtown, Hospital and University districts.
- Identify one or two IoT pilots to demonstrate the socio-economic value of a digital ecosystem in action. This could include a partnership project in the arts and culture, health or education sectors.
- Monitor and apply for federal government broadband infrastructure funding programs.

# ECONOMIC CAPITAL

## Urban Tourism Node

Tourism is an important component of the regional and Vancouver Island economy, bringing in hundreds of thousands of visitors annually from across Canada and around the world. Nanaimo is a major beneficiary of leisure and business travel because of its gateway destination status to Vancouver Island and sizeable hospitality sector, including hotels, food and beverage operations and transportation services. The engagement process showed that many stakeholders view tourism as a growth industry moving forward, however, the role and scope that the Agency should play in this growth has yet to be determined.

The City currently contracts with Tourism Association of Vancouver Island for tourism marketing and visitor servicing with the goal of strengthening Nanaimo's position as a tourism destination, under the aegis of Tourism Nanaimo. The Nanaimo Hospitality Association, with the support of the City and the Nanaimo Regional District, receive the provincial Municipal and Regional District Tax (MRDT) that is used to market Nanaimo region. The Tourism Association of Vancouver Island is one of six regional destination marketing organizations in the province whose purpose is to create and market visitor experiences with an emphasis on regional markets in BC, Alberta and Washington State. Destination BC and Destination Canada are the provincial and national market arms that are responsible for marketing the province and nation to long-haul and international markets.

Between, national, provincial and regional destination marketing organizations and the Nanaimo Hospitality Association, tourism marketing is well resourced, coordinated and targeted to key visitor markets. Tourism plans at the provincial and regional levels are also in place with the support of Destination BC and the Tourism Association of Vancouver Island.

The City and Agency should refocus their efforts in the tourism sphere on urban product and destination development that will complement the marketing efforts being delivered by its tourism partners.

### Strategies

- Re-evaluate existing City contracts for tourism services and shift spending priorities to product and destination development, as well as visitor services.
- Structure a tourism offer around the downtown and waterfront, leveraging the hospitality infrastructure and drawing visitors off the ferries and highways for activities not available elsewhere on Vancouver Island.
- Focus on creating signature tourism events in the off season as a call to action to visit the city, drawing on the regional markets in southern BC, Puget Sound and Alberta cities with regional air connections.

BC, Puget Sound and Alberta cities with regional air connections.

- Encourage showcase spaces for arts, culture and food that can animate downtown foot traffic and pedestrian ambiance.
- Deliver a hospitality excellence program within visitor services that will create some spark and interest among business owners in the downtown-waterfront tourism precinct.
- Enhance and promote access to and use of trails, greenways and parks that connect the downtown and waterfront so visitors have opportunities to explore more of the city on foot or cycle.

## Health Care Node

Health Care and Social Assistance is the second largest sector employer in the city, only marginally smaller than retail sales. In 2019, 6,380 people were employed, 14.8% of the total labour force. At the centre of this sector is the NRGH, a regional referral hospital with 409 beds with surgery, maternity, pediatrics, intensive care, rehabilitation, psychiatry and extended care services. Outpatient services include radiology, laboratory diagnostics, diabetes education centre, the Nanaimo Cancer Centre and a pacemaker clinic. The hospital houses approximately 435 doctors. The catchment area for NRGH is the central and north island, which represents a population of approximately 430,000. NRGH will be expanding its existing building in 2021 to meet growing demand.

The hospital district is growing into a regional campus of care. In 2018, Council adopted the Hospital Area Plan to help guide the redevelopment of this neighbourhood. Significant private investment is now occurring along Dufferin and Boundary supporting the concentration of medical services and the introduction of new services. The long- term goal of the Hospital Campus is to create a walkable community with connectively between the hospital, specialist offices, accommodation, food and beverage and integrated public transportation.

Creation of the Hospital Campus presents significant economic opportunity to the City and requires coordination between the City, Island Health, VIU and the private sector.

### Strategies

- Advocate for new health care activities and services at NRGH that meet the service standards of similar communities in the province.
- Support NRGH's efforts to become a tertiary hospital and establish a cancer centre.
- Explore initiatives that would position NRGH as a centre of excellence and expand its service offerings in specialty health care services.
- Work with NRGH and VIU to establish a medical school in Nanaimo.

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## Smart Practice - Digital Asset Mapping

Asset mapping is when a municipality collects data on the public and private infrastructure assets scattered across the community. Assets can include fiber, conduit, towers, and more. Does the city have dark or lit fiber? Available conduit? Rooftops? Tower access? Right-of-way across bridges or railroads? Where is it located and what are the options for sharing, leasing, or using those assets to support broadband expansion?

When evaluating options for broadband, the city of Missoula, Montana contracted a third party to compile a map of all privately-owned fiber assets within the city. That map showed that there was a significant amount of fiber already in the ground in Missoula – much of which wasn't being used to its full potential – and the city was able to strategize and build partnerships accordingly.

The city of Boston, Massachusetts created a publicly available map that displays the location of "shadow conduit" – conduit put in the ground alongside a primary construction project, as per the city's Joint Build Ordinance – and city-owned conduit that could be utilized by public or private projects.

Tools like VETRO FiberMap and ESRI GIS can help communities manage infrastructure mapping and can support planning, budgeting, design, construction, sales, and more.

(Next Century Cities 2019)

# HUMAN CAPITAL

## Education and Training

Nanaimo has a strong education sector, featuring a major local university and other educational and training programs. VIU offers a diverse, comprehensive range of post-secondary certificates, diplomas, degrees and masters programming delivered in the classroom and on-line. Full-time equivalent enrollment has risen by 32% over the past four years (from 6,884 in 2014-15 to 9,066 FTEs in 2018-19), reflecting increasing numbers of both domestic and international students.

Responsibility for preparing the next generation of workers is not solely the responsibility of educators. Local employers need to take a more active role in working with educators in the design of programs and curricula as well as in helping institutions build the business case for expanding programs by demonstrating demand for graduates. Local employers also need to get more involved in hiring students participating in co-op programs and other forms of experiential learning. This will help strengthen linkages, improve programs, enable employers to test out prospective workers whom they may hire upon graduation, and reduce the extent to which students may graduate locally but move elsewhere for employment.

### Strategies

- Establish a Labour Market Advisory Committee or Mayor's Task Force to provide input on major labour market issues and opportunities facing Nanaimo, facilitate collaboration among key entities, provide recommendations for action regarding attraction, development and retention of human capital, and monitor the progress made.
- Secure Labour Market Partnership Program funding to conduct primary and secondary research to compile labour market information, and then develop and implement a regional labour market strategy.
- Promote programs that link educators, students and employers, including existing and proposed programs such as the Centre for Transition to Work, MITACS, VI Solutions and other co-op and internships programs.
- Work with local educators, trainers, employment agencies and employers to define and communicate pathways from university, college and training programs which connect students with meaningful careers in Nanaimo.

# HUMAN CAPITAL

## Building an Inclusive Workforce

The percentage of Nanaimo residents with an post-secondary education (61% according to the 2016 Census) is comparable to that of other BC cities such as Prince George (56%), Kamloops (61%) Kelowna (63%) and Victoria (68%). However, this figure is impacted by the high percentage people moving to Nanaimo who bring with them a post-secondary education. According to key informants, local secondary students are less likely to complete high school and obtain post-secondary education. For example, in 2017-18, the high school graduation rate for the Nanaimo-Ladysmith School District (71%) was significantly lower than the rates in other comparable school districts such as Prince George (80%), Kamloops (84%) Kelowna (85%) and Victoria (88%).

Lower education levels are a contributor to elevated poverty levels amongst Nanaimo residents (17% of Nanaimo residents were living in poverty in 2017, compared to 15% in Prince George, Kamloops, and Kelowna and 14% in Victoria). According to the 2018 BC Child Poverty Report, nearly one in four children in Nanaimo live in poverty, which is significantly higher than the BC average. The 2018 Point-in-Time (PiT) homelessness count documented 335 homeless individuals in Nanaimo, nearly twice the number in 2016, and estimated that another 150 to 200 homeless were not captured in the count.

Less educated and lower income residents are at much greater risk of being displaced from the work force as advances in technology reduce reliance on lower cost manual labour while increasing the demand for higher skilled positions. COVID-19 has accelerated this process. The unemployment rate on Vancouver Island increased from 5% in January 2020 to nearly 12% in June before declining to 9% in September. The impact of COVID-19 has tended to be much greater for people at the lower end of the income scale.

### Strategies

- Develop and adopt a social procurement framework for the City of Nanaimo. The Framework will enable it to use its purchasing power strategically to increase access to training and employment opportunities for lower income people by increasing economic opportunities, diversifying the supply chain, and promoting workforce diversity.
- Advocate and provide support for programs that work to increase the percentage of secondary students who carry on to post-secondary education through encouraging initiatives such as the VIU Canada Learning Bond Accelerator Program.
- Promote programs that create employment opportunities and link diverse and under-represented groups to those opportunities.

# HUMAN CAPITAL

## Talent Attraction and Retention

The effectiveness of the economic development strategy will be determined, in large part, by the ability of Nanaimo to attract and retain talent.

The population of the Nanaimo Reginal District is projected to grow by at least 22% over the next 20 years, driven by the in migration of people from other parts of BC, the rest of Canada and outside of Canada. The challenge to Nanaimo will be to shape that migration in a way that results in a well-functioning labour market, addresses gaps in key occupations and key sectors, and attracts younger families who will help rebalance an aging population.

In seeking to attract skilled workers, Nanaimo can leverage two significant emerging trends. The nature of the pandemic has contributed to a desire, amongst some, to get out of the larger urban areas and into smaller communities. Just as importantly, it has also demonstrated the feasibility of distributed workplace models, in which many staff members work remotely. As a result, some businesses have become more footloose, able to operate from a much broader range of communities. Even before COVID-19, communities across North America had identified remote workers as a key target in their resident attraction and economic development strategies. Remote workers are valued because they bring with them their own jobs and tend to be more mobile and easier to attract and service than businesses, are younger and interested in the higher quality of life and lower costs of living that a smaller centre can provide. They also tend to have above average disposable incomes.

As a city featuring a high quality of life, comparatively low costs of living, and a small town feel with big town amenities, Nanaimo is well positioned to benefit from these trends. However, attraction is only part of the solution. Nanaimo must have needed services and support in place to ensure that newcomers not only move to our community but also remain here.

### Strategies

- Develop and implement a talent recruitment program. Key targets will include skilled workers who have experience in priority occupations, entrepreneurs, young families, and people who already have a connection to the community as former residents or visitors or are otherwise drawn by our recreational opportunities and other amenities.
- Examine the potential to establish a recruitment program targeted specifically at remote workers who would bring their own job to Nanaimo. Such programs tend to target a broad cross-section of

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- remote workers (not just tech workers), commonly provide access to co-working spaces, a community of remote workers, and settlement assistance, and may provide financial incentives.
- Participate in the BC Provincial Nominee Program (BC PNP) Entrepreneur Immigration – Regional Pilot, which provides an opportunity for BC communities to play an active role in attracting foreign entrepreneurs to their community.
- Ensure that the necessary settlement services and other support are in place to enable newcomers to learn about the community and access needed assistance and support for themselves, their spouse and their families.

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## Smart Practice – Social Procurement

Social procurement is quickly becoming a best practice amongst public sector organizations It is a highly flexible strategy through which local purchasing power can be used to promote diversity, inclusion, and accessibility of marginalized populations, provide meaningful employment opportunities and apprenticeship and other training for key target groups such as youth and people with employment barriers; support social enterprises; and/or achieve other socio-economic objectives and societal impacts.

Many provincial and municipal governments across Canada have developed social procurement frameworks and policies including larger centres such as Toronto, Montreal, Vancouver, Calgary and Edmonton as well as a growing number of smaller centres. Community Benefit Agreements (CBAs) signed with developers are a vehicle for facilitating social procurement. For example, when the Parq Casino was built in Vancouver, a CBA was signed which resulted in 20% of the labour and 12% of materials used in construction being sourced in the local neighbourhood (which included the Downtown Eastside) and 23% of operating goods and services being sourced locally. Building on that success, Vancouver City Council subsequently adopted a CBA which requires developers to fulfill at least 10% of their construction labour requirements and purchase at least 10% of their goods and services locally.

Nanaimo is one of the 22 members of the Coastal Communities Social Procurement Initiative (CCPSI), which was established to encourage social procurement on Vancouver Island, the Sunshine Coast and coastal communities on the West Coast. CCSPI provides education, training, resources and consultation to local government and First Nation purchasers and assists social enterprises, other suppliers and construction firms to prepare and respond to social procurement opportunities.

# SOCIAL CAPITAL

## Strategic Partnerships

The Nanaimo Prosperity Agency (the Agency), along with the City, will play a lead role in delivering the economic development strategy. To empower that leadership, it will be necessary to nurture strategic partnerships outside the economic realm with organizations who have a mandate and capacity for building social capital. Social capital is defined as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups” (OECD 2020). The engagement program strongly suggested that the city’s economic prosperity was linked to socio-community conditions, for example, in the areas of homelessness and poverty levels. Communities that are able to address social issues in an economic context are more likely to see economic payoffs in core metrics like business investment, employment and household incomes. Research demonstrates that strong social networks encourage entrepreneurship, skills development and employment creation, all of which Nanaimo needs if it is to prosper (Hanka and Engbers 2017).

## Strategies

- Prepare a Partnership Strategy outlining participation in Council committees and task forces, identifying strategic partners and the projects or initiatives that they are associated with, and prescribing engagement, communication, oversight and monitoring mechanisms for ensuring partnerships are active and engaged.
- Periodically review and amend the Agency's Board makeup to ensure representation by social, cultural and community, as well as economic, development interests.
- Undertake research to quantify the value of the non-profit sector to the Nanaimo economy, with reference to revenues, jobs, incomes and other socio-economic indicators.
- Work with the non-profit sector on innovative solutions to addressing social issues, including the financing of social capital projects, impact investment models such as social impact bonds and the role that social enterprise can play in addressing homelessness and poverty reduction.

# SOCIAL CAPITAL

## Health and Housing Task Force

The City's Health and Housing Task Force is mandated to address the health and housing crisis in Nanaimo. Its objectives cover affordable housing, homelessness and poverty reduction. There are clear economic consequences for the city stemming from these issues, whether that is in relation to the labour market, the housing market or downtown and waterfront development. An improvement in the socio-economic welfare of all residents, including the most vulnerable, will have positive implications for local quality of life measures and the city's ability to grow and sustain its business and economic base.

### Strategies

- Identify shared areas of interest and partnership opportunities with specific reference to poverty reduction and diverse housing options described in the Task Force's action planning.
- Coordinate labour market initiatives (see Human Capital section of this strategy) that include services targeting populations such as disadvantaged residents, as describe in the Nanaimo's Action Plan to End Homelessness 2018-2023.
- Participate in partnerships envisioned in the Nanaimo Affordable Housing Strategy (CitySpaces 2018).
- Work with social organizations to develop a show-case homelessness project in Nanaimo, leveraging senior government funding initiatives, including Canada Mortgage and Housing Corps $1 billion Rapid Housing Initiative.

## Health Care Capacity

The Nanaimo Medical Staff Engagement Society has indicated that recruiting health care professionals, especially surgeons, has been challenging in part because equipment and facilities are not keeping up with population growth and the standards seen in other health regions. In late 2019, the Nanaimo Medical Staff Association outlined in a presentation to City Council a five-year services plan to address gaps and improve services in support of Nanaimo Regional General Hospital's tertiary status, specifically improving equity and access to programs currently lacking (NMSA 2019).

### Strategies

- Work with the Nanaimo Medical Staff Association, Nanaimo Foundation, the Nanaimo Hospital Foundation and other philanthropic organizations to build health care capacity in the region.
- Support efforts to achieve tertiary hospital status for NRGH.

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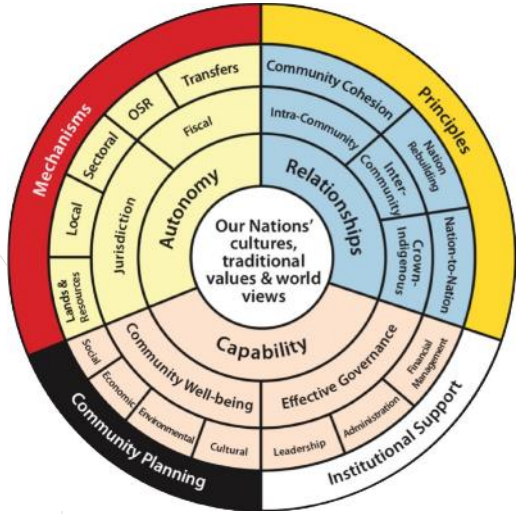
- Work with NRGH to promote a centre of excellence and expand health care services in line with tertiary status.
- Assist with the recruitment and retention of health care professionals by sharing investment and people attraction resources that the Agency develops.

## First Nations Economic Reconciliation

The City is located within the traditional territory of the Snuneymuxw First Nation. The City acknowledges the role of First Nations in community planning and economic development in its protocol agreements and planning priorities outlined in major City documents like the OCP. The Nation is very active in economic and business ventures through Petroglyph Development Group, a wholly-owned corporation delegated to manage business and economic development. The Nation intends to further stimulate economic growth, foster equitable partnerships and support their people with access to employment, education, housing, health care. Petroglyph manages multiple subsidiaries including Petroglyph Forestry, Saysutshun/Newcastle Island, Saysutshun Ferry Service, Petroglyph Properties, Snuneymuxw Market Gas Bar and Coast Salish Canna.

### Strategies

- Work with the Snuneymuxw and Snaw-Naw-As First Nations to build support for strategy implementation and identify areas of joint action.
- Engage Reconciliation Canada resources for increasing dialogue between First Nations, the City and the business community on economic issues. Request a speaker service and a dialogue workshop.
- Assess options for further collaboration on economic development and business development initiatives between the Petroglyph Development Group, the City and the Agency.




Source: IOG 2019

# SOCIAL CAPITAL

## Smart Practice - The “First City to End Homelessness”: Medicine Hat’s Approach to System Planning in a Housing First Context

Medicine Hat has gained considerable attention for approaching the goal of ending homelessness, using a system planning approach based on Housing First. The Medicine Hat Community Housing Society led the implementation of local efforts which began in the early 2000s and culminated in eliminating homelessness by 2015. These efforts have garnered national and international media exposure and attention.

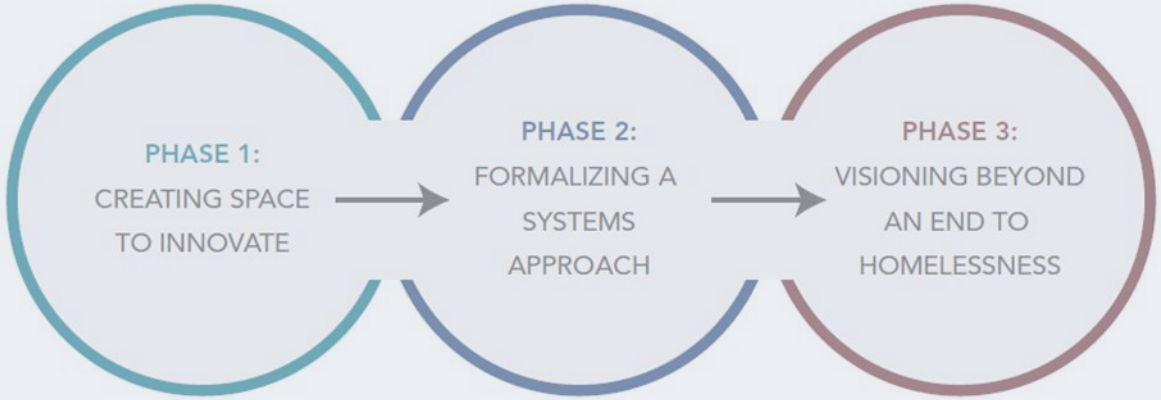
Success did not happen overnight, but can be traced to an evolution through three key phases, as seen in the accompanying graphic.

The basic idea behind Housing First is to provide a person experiencing homelessness with housing and then offer them supports to address other issues they may be facing. “Rather than relying on an organization-by-organization, or program-by-program approach, system planning aims to develop a framework for the delivery of initiatives in a purposeful and strategic manner for a collective group of stakeholders.”

Five key learnings were identified:

1. Shared community ownership;
2. The right people, at the right time;
3. A focus on data, performance and continuous improvement;
4. An intentional community-wide system planning approach; and
5. A nimble coordinating body.

(Turner and Rogers 2020)



# BUSINESS DEVELOPMENT

## Research and Data

Data, information and research is an essential economic development tool because it is linked to so many different planning and operating functions, including strategic planning, communications, partnership development, marketing, attraction and business development. A primary economic development practice is that of information brokering, where the organization gathers, creates, curates and disseminates demographic, economic, sector and other socio-community information to help improve planning and decision-making activities. Data and information packaged as strategic intelligence empowers programming and makes for the efficient allocation of resources. It is critical for informing partnerships and stakeholder relations. A related and emerging issue in economic development is data as an economic target unto itself; increasingly, governments at all levels are looking at open data initiatives and how data can be used to embrace the digital economy.

### Strategies

- The Agency should develop a GIS-based, searchable web portal with business climate, business establishment, industry/sector, land use, infrastructure, labour market and major project data. The City's existing data subscriptions like Community Analyst can power a user-friendly, map-based research tool that will a front-facing support for BRE and attraction programs.
- Create a local economy dashboard that reports key City and region economic indicators. A single-page dashboard with demographic, labour market and business information can be populated from City (e.g. the existing open data catalogue) and statistical agency data sources. Strategically placed links can engage viewers, have them explore the services, activities and news feeds and reach out to the Agency if they require assistance.
- Evaluate the use of non-conventional data sources to create new insights into Nanaimo's economy. Telus Insights, LinkedIn, ESRI, WorkSafeBC, BC Hydro and Canada Post are examples of organizations with published and non-published data that could be accessed through subscription or partnership agreements to create activity, sector or market profiles. Scraping the internet for information on emerging sectors or labour market data such as job classifieds that are not captured in traditional statistical datasets can be highly useful for uncovering local trends and opportunities.
- Work with the City on a data strategy, specifically targeting business development and investment through enhanced access to City data and streamlined procurement, for example through the adoption of open contracting and social procurement concepts.

# BUSINESS DEVELOPMENT

## Smart Practice - The Greater Manchester Combined Authority and LinkedIn

The Greater Manchester area in the UK wanted a complimentary picture of labour market characteristics to the one offered by conventional datasets. An agreement was negotiated with LinkedIn to curate and feed data into a Local Digital Skills Action Plan. Profiles were retrieved for 614,000 LinkedIn users in the geographic area with information on skills, hiring, migration and education. The report identified strengths in technology and media and weaknesses in medicine, science and banking as most graduate students were identified as leaving the area for London. The data was used by LinkedIn to target jobs and courses to the people where the local identified gaps exist.

Although LinkedIn data has its biases and limitation, the project allowed economic development practitioners to develop a skills demand and forecast that enhanced its programming.  (What Works Centre for Local Economic Growth 2019)

# BUSINESS DEVELOPMENT

## Export and Trade

Trade and export development focuses on firms that export their products and services to outside markets, directly or indirectly through their involvement in local supply chains. Advances in technology, transportation and trade liberalization means the global flow of goods and services is likely to increase in the future. Firms that are able to compete in this environment will enhance their own performance while contributing to a more diversified local economic base.

The Province assists trade activities by offering services from research and market data to outbound missions through the Ministry of Jobs, Economic Development and Competitiveness, and Trade and Invest BC. Export development sector specialists and international trade representatives provide direct access to export market intelligence.

Trade is also a priority for the Government of Canada. Industry Canada offers information with toolkits and guidance on exporting basics, while the Canadian Commercial Corporation works with suppliers on all aspects of government procurement including defence industries. Export Development Canada and the Business Development Bank (BDC) both offer export financing assistance. The BDC also offers a consulting service for a variety of business planning areas, including export development. They will assist with identifying high-potential markets and international business plans. Global Affairs Canada is responsible for international trade policy, trade negotiations and agreements, as well as import and export controls. It manages Canada's Trade Commissioner Service which represents national interests around the world and provides access to trade incentive programs like Foreign Trade Zones (FTZ's).

In 2018, Nanaimo was designated a Foreign Trade Zone (FTZ) by the Government of Canada. Designation enables marketing of the Island region to attract international trade activity and expansion of Vancouver Island production of goods for export. It will also enable streamlined access to government programs to improve trade (VIEA 2018).

The economic development function can play a valuable role by providing access to research, technical assistance, and senior government and industry programs.

### Strategies

- Work with Vancouver Island Economic Alliance (VIEA) and the Port of Nanaimo to access federal assistance available to FTZ designates.
- Promote VIEA's Export Distribution Centre Program and backhaul container opportunities to Nanaimo-based export enterprises.
- Provide ongoing research and access to existing free trade agreements and opportunities for local enterprises.

# BUSINESS DEVELOPMENT

## Business Climate

The business climate in a community is critical to ensuring that existing businesses feel welcomed in the community and that new investment is able to engage efficiently and consistently. A CitiesSpeak survey found that service professionals valued three things above all others in their local government: a licensing system that is simple and makes compliance easy; a tax system that has clear rules and is easy to understand; and training and networking programs that help service professionals get their businesses up and running, comply with the local rules, and meet other professionals in their industries. (CitiesSpeak 2014)

In the City of Nanaimo there has been strong development activity in recent years, which has placed high demand on the services of the City's Building Inspection Section. It reviews building permit applications within a framework of municipal policies and bylaws, and Provincial regulations and status. Further to building permit processing and administration of the building bylaw, additional services include liquor occupant load calculations, building licence referrals, securing works and services, covenant conditions, development permit calculations, and the administration of development cost charges. The City is currently reviewing these processes to help strengthen the economic health and livability of Nanaimo (City of Nanaimo 2020a).

## Strategies

- Explore the viability of on-line services to foster a more timely and efficient development process. Many communities have moved in this direction, for example through e-permits, to streamline processes, ensure transparency and improve processing times.
- Establish a concierge service to support businesses navigating the development and building processes. A single point of contact as a developer moves through these processes can enhance service levels and lower costs.
- Provide periodic educational workshops targeting at realtors, commercial and industrial property owners, and developers to highlight zoning and development activities and updates on current permitting and approval processes. This educational process could also be used to support education on use of on-line services.

# BUSINESS DEVELOPMENT

## Business Retention and Expansion

Effective economic development is founded on a strong local business base. The purpose of a business, retention and expansion (BRE) program is to listen to local businesses, address their concerns and develop a strategic approach to business facilitation.

Existing businesses are responsible for most new jobs in a community, as high as 90% depending on the structure of the economic base. A BRE program exploits this potential first by trying to understanding what is driving business activity and investment and second by crafting services to unlock the growth potential. In effect BRE helps the community become more strategic and tactical when striving for employment and diversification targets.

Nanaimo was one of earliest adopters of BC Hydro's modified BRE program known as Business Care when it was rolled out across the province in the 1990s. Those early services were refreshed in the 2011 Economic Development Strategy but in the latter years of the Nanaimo Economic Development Commission BRE took a back seat to other initiatives. More recently, the City has re-engaged BRE programming around round table discussions with key sectors of the local economy. This outreach should be extended and amplified so that the street-level insights of local business become central to the decision-making apparatus of the Agency.

### Strategies

- Continue the business resiliency program that provides on-line access to businesses dealing with COVID-19 business downturn. Reach out to businesses to where assistance is most required and target services accordingly. The economic development office in the City of Kamloops, Venture Kamloops, has been successful with COVID outreach services.
- Work with the Province to undertake a business walks program and do initial data collection and aftercare requirements.
- Based on the results of the business walks, reestablish a full BRE program by setting up a task force that will oversee the program, identify target sectors and support interviews. Business walks are best suited to retail BRE but is not the best option for outreach to most other sectors.
- Research the appropriate customer relationship management software as an information repository.
- Evaluate pilot and launch full BRE program by 2022.

# BUSINESS DEVELOPMENT

## Home-Based Business

The City has recently updated its home-based business regulations in Zoning Bylaw 4500 (City of Nanaimo 2020b). The update modernizes the regulations to support home-based businesses while balancing the needs of the neighbourhoods in which they operate. A home-based business can be either a business operated at or from home.

An estimated 2,300 licensed home-based businesses operate in the City, providing approximately 3,400 jobs and covering a wide range of sectors. Home-based businesses should be viewed as a source of job growth in the community and supported in their development and diversification.

### Strategies

- Promote the bylaw to small business and the self-employed as a viable option for early-stage business development.
- Include home-based businesses in BRE programming.
- Provide support to home-based businesses that are looking to grow and may need commercial or light industrial space in the City.

## Economic Emergency Preparedness and Recovery

The COVID-19 pandemic and natural disasters like wildfires and flooding can exert severe dislocation on local economies. As the frequency of these events increases, communities will be forced to plan against threats to health and wellbeing. This will increasingly apply to the economic realm as well, with economic development offices mobilizing assistance to businesses during event occurrence, in addition to pre-event mitigation and post-event recovery.

### Actions

- Build and maintain a database of economic preparedness, response and recovery resources for business.
- Work with industry partners to develop a best practice knowledge base for dealing with disasters.
- Prepare a pre-disaster economic recovery plan for the City, linked to other emergency and disaster response programs.
- Undertake periodic disaster scenario planning assessments that can be used to refine response and recovery programming.
- Adapt BRE programming to trigger services for vulnerable and at-risk firms.

# INNOVATION AND TECHNOLOGY

## Connecting the Tech Sector

There is no specific North American Industry Classification System (NAICS) code for the tech sector. BC Stats estimates of the sector encompass a broad cross-section of firms such as manufacturers, traditional media companies, telecommunications firms, engineering companies, local labs, and environmental and other consultants that may not normally be defined as tech firms. Based on this methodology, the Nanaimo Reginal District (with 248 tech businesses) ranks fifth in the province behind Metro Vancouver (6,934), Capital Regional District (1,012), Central Okanagan (407), and Fraser Valley (346).

A closer examination indicates that the tech sector in Nanaimo consists of a small and quite diverse group of companies, almost of all which have fewer than 10 employees. Most of our “tech companies” are not pure tech companies but rather are manufacturers or service companies (e.g. engineering firms) that incorporate a focus on tech as part of their business. While there are notable companies in areas such as robotics, clean tech, marine technology, social media, and website and app development, there are only two companies with over 100 employees (VMAC Global Technology and Real Estate Webmasters).

There are few connections between the tech companies, no formal clusters and no central hub or tech park. Strengthening physical and personal connections between companies is an important part of sector development. Located near the harbourfront, downtown Nanaimo has many of the ingredients key to the development of a tech hub; it is an interesting, walkable neighbourhood, featuring a small but developing community of tech companies, artists, and design firms, coffee shops, bars and restaurants, and many opportunities for development. There may also be opportunities to develop a more formal tech park, similar to what had been proposed near Diver Lake; the original proposal focused on robotics and marine technology but could be broadened to cover cleantech. There will also opportunities to stage events, which bring people together, building on the occasional events which were staged prior to COVID-19.

### Strategies

- Promote development of a downtown hub involving the tech sector and complementary sectors and services, through promoting neighbourhood development, working to improve local infrastructure, amenities and security, and increasing the critical mass by promoting vacant storefronts, implementing business and remote worker attraction programs, and creating a digital nomad program.

- Support development of a central directory and a program of networking events to increase interaction between members of the tech sector and raise the profile of the sector. Following up on best practices that have been employed elsewhere, networking events could be scheduled quarterly featuring guest speakers who would discuss key issues (ranging from technology to business issues), market opportunities, or available programs and resources. The events would not need to be restricted to tech companies or strictly Nanaimo companies.

## Strengthening the Innovation Ecosystem

The challenge for any community seeking to build its tech sector is to create the conditions for growth by establishing a positive business climate, increasing access to entrepreneurs, business support services, skilled workers, capital, and markets as well as capabilities related to research, technology development and commercialization. Those resources do not necessarily need to be located in the region for the tech sector to grow; however, they need to be readily accessible to businesses in the region.

The tech sector has important strengths on which to build. Nanaimo is an attractive place for workers and businesses to locate and develop. It is situated in the same time zone and in relatively close proximity to larger tech centres including Victoria, Vancouver, Seattle and other west coast cities. BC has a deep pool of talent combined with accommodative immigration policies and is cost-competitive relative to US centres. The federal and provincial governments have identified the tech sector as a priority for development and there is a growing innovation ecosystem in the province and an emerging ecosystem in Nanaimo.

Innovation Island serves as the primary tech programming organization for Vancouver Island outside of Greater Victoria, delivering a range of programming including the Venture Acceleration Program, the RETHNIK series, the Digital Economy Restart, Recover, Reimagine Program (DER3), and Technology Resiliency Program. Other business development services are offered by Community Futures and Small Business BC (including the Export Navigator program). Nanaimo has three co-working spaces, a makerspace, and a small investment fund (the VIVA Fund). Government financing and funding is available through Community Futures, BDC, and various other programs. VICEDA (TechIsland.io) and Mid Island Business Initiative (MIBI) operate websites intended to attract investment to the broader region.

# INNOVATION AND TECHNOLOGY

A common criticism of the existing ecosystem is the lack of collaboration and coordination between key players. Efforts to develop the tech sector on Vancouver Island will be much more effective if implemented in association with other partners and regions. Gaps in the innovation ecosystem focus primarily on access to capital and experienced talent, the need to further strengthen linkages between industry and the local university, the low profile of the region, and an under-developed base of entrepreneurs.

### Strategies

- Foster greater collaboration and coordination between the key players involved in promoting development of the sector.
- Ensure that the tech sector is appropriately represented on the Nanaimo Prosperity Agency.
- Work with Telus and VIU to extend, throughout the City, the digital infrastructure needed to support expansion and attraction of technology-based businesses.
- Work to raise awareness that Nanaimo as an emerging tech hub amongst tech businesses, other types of businesses, skilled workers, remote workers and investors.
- Facilitate greater access to coaching, mentoring and business support services for start-up and growing businesses, including those locating in co-working spaces.
- Over time, facilitate development of a regional angel investment network, perhaps similar to the CRAG network that has been established in Campbell River, and work to improve the investor readiness of local companies and facilitate their introduction to investors.

### Leveraging Tech

The underdeveloped nature of local tech sector is a concern both because tech is the fastest growing sector of the global economy and because technology will be integral to the success of all economic sectors going forward. Primary production, manufacturing and service industries are under tremendous pressure to digitize their operations, adopt advanced processes and technologies, reduce costs, and become green and energy efficient.

The lack of larger local technology hub can serve to slow the rate of innovation in areas such as digital transformation, Industry 4.0, Internet of Things, artificial intelligence and machine

# INNOVATION AND TECHNOLOGY

learning, and adoption of advanced manufacturing technology, processes, and materials by businesses in the region. This may negatively impact on the competitive position of Nanaimo's more traditional industries going forward. It is critical that Nanaimo both grow the regional tech sector and strengthen the linkages between that sector and other more traditional economic sectors.

**Strategies**

- Lever existing programs which build linkages between tech companies, students and other companies and facilitate the development and adoption of technology for traditional industries (such as DER3, VI Solutions and MITACS)
- Encourage further development of VIU as a regional centre for technology development and innovation. This may require accessing increased funding for research, technology development and commercialization relevant to local industry, developing an industry technology centre, and strengthening relationships with industry through partnerships, research & development, co-ops and support services.

DER3 DIGITAL ECONOMY RESTART RECOVER REIMAGINE PROGRAM

INNOVATION ISLAND icet ISLAND COASTAL ECONOMIC TRUST innovate BC Western Economic Diversification Canada Diversification de l'économie de l'Ouest Canada Canada

- Examine the feasibility of using strategies such as creating a Nanaimo City Studio, modelled on City Studio Vancouver, hackathons and Smart City Programs to address technical issues and accelerate the rate of technology adoption by the City of Nanaimo and other participating partners.
- Stage a discovery day which would bring local tech companies together with potential partners and buyers, who could be representatives from government, other sectors in the region and other regions, to provide participants to find out more about products and services of the local tech sector and the associated market opportunities.

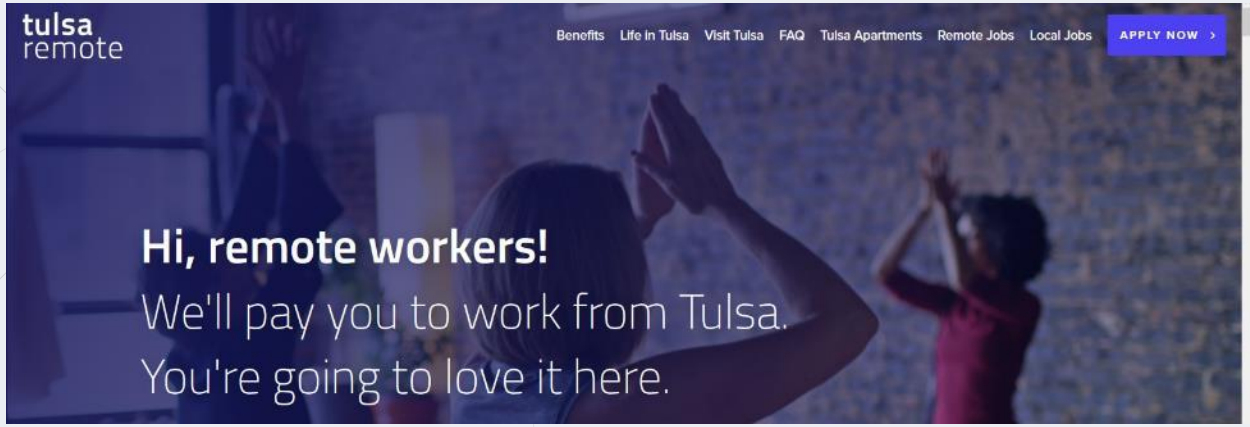
# INNOVATION AND TECHNOLOGY

## Smart Practice - Attracting Remote Tech Workers

COVID-19 has further heightened interest of communities in attracting remote workers by increasing both the numbers of remote workers and the concerns some have about living in more densely populated areas. Almost all communities have some remote workers and, in principle, all communities can compete for these workers. However, those that are most successful tend to be those featuring a high quality of life, comparatively low costs of living, a welcoming attitude and an ability to successfully integrate newcomers, high quality broadband, and accessibility.

Even before COVID-19, many communities (particularly in the United States) identified remote workers as a key target in their attraction strategies. Tech workers are particularly valued because they expand the local tech network, bring with them their own jobs, tend to be more mobile and easier to attract than businesses, and have above average disposable incomes.

Communities such as Tulsa (Oklahoma), Shoals (Alabama), Topeka (Kansas), and Savannah (Georgia) have highly successful remote worker attraction programs. These programs have drawn many workers and raised the profile of their community (Tulsa Remote generated more than 10,000 expressions of interest in the first year). While these US programs provide a financial incentive for relocation, the Director of Tulsa Remote indicated that it is actually other services such as access to co-working spaces, the opportunity to participate in a community of similar workers (through events and social media channels), and assistance in finding housing that has been most critical to attracting and retaining the remote workers.



# PLACE MAKING AND ATTRACTION

## Investment Promotion and Attraction

The most competitive cities that excel at Investment Promotion and Attraction have spent a decade or more developing strong intellectual infrastructure that supports their advantages and value propositions. They also can rapidly adjust their direction or pivot, because they have a strong foundation and a deep understanding of their assets, and how those resources fit into a shifting world around them. This is the most important competitive advantage any city can possess.

Nanaimo is already gifted with some advantages, as identified and articulated in this strategy. Going forward, the most transformative differentiator will rely on the City's efforts over the next few years to improve performance with its economic development functions with an emphasized focus on investment promotion.

Investment promotion and attraction is an integral part of economic development that is most effective when executed cohesively as part of a community's business retention, expansion and attraction (BREA) activities. The promotion of investment (and trade) is a bilateral approach to supporting investment from existing businesses as well as new ones, and they often have a direct relationship that emerges from consistent and integrated local BREA programs.

This section focuses on specific actions and tools Nanaimo can employ to strengthen its competitive position, and subsequently its effectiveness around investment promotion and attraction.

## Global Trade and Foreign Direct Investment (FDI)

Understanding global investment and trade, its influences and the impacts of associated changes is important to developing and executing effective investment promotion programs. Currently for example, major global trends related to digital transformation and supply chain de-risking are being heavily influenced by geopolitics and COVID19. This has created a new paradigm of place marketing and investment promotion for cities and regions.

An increasingly digitized world combines an accelerated knowledge curve with access to innovation and technologies that are evolving at a pace beyond human capacity. For humans, this means adapting to change or getting left behind. Fortunately, at the leading edges of digital adoption is the development of Artificial Intelligence and Machine Learning (AI/ML) tools that are supporting the integration of biological and digital tools as defined in The Fourth Industrial Revolution. These technologies and their integration are exciting advances. However, they have also hyper-focused the world's attention on the cyber security of sovereign nations and their allies, creating vulnerabilities – especially in

democratic societies that are susceptible to destabilization. This is only beginning to be fully understood.

The implications for economic development are that geopolitical tensions which previously existed around investment and trade have become amplified, and industries in advanced nations that previously benefited from off-shoring their supply chains to cheaper global regions (like China) have become acutely exposed to supply chain disruptions like COVID19. They have become unmanageable risks, costing the global supply chain billions of dollars that are both caused and compounded by a global pandemic.

The opportunity for cities like Nanaimo – who have key infrastructure and location advantages, especially around affordability – is they can offer a more de-risked environment as a medium-sized manufacturing and logistics centre with access to an international marketplace. Combined with quality of life, livability and stable governments, this is where Nanaimo and its new investment promotion and attraction effort has an opportunity to build a strong foundation.

The real opportunities will emerge from targeting Foreign Direct Investment (FDI) from companies looking to take advantage of re-shoring and near-shoring their operations in smaller, more affordable regional centres that offer safe environments for both operational logistics and employees. Smaller facilities, smaller offices (given COVID and work-from-home trends, as well as the cost of re-fitting expensive office towers to accommodate physical distancing) are important trends to take notice of. The global pandemic appears to already be accelerated emerging trends towards deurbanization, particularly when it comes to affordability and livability. These are advantages cities like Nanaimo can lever by understanding the implications of political changes and trade policy in North America, including and especially the new US-Mexico-Canada Agreement (USMCA) that is expected to reorient some trade away from increasingly expensive and risky countries, and towards a strengthened continental-trade environment.

### Strategies

- Establish an advisory board with specific expertise on trade, transportation and manufacturing that can oversee the development of the following research plans
- Develop an action plan with deep-dive profiles for priority sectors with a special focus on opportunities to enhance the city and region's intermodal and multimodal infrastructure, include a strong global analysis of current trade activities with the potential to establish Nanaimo as a secure port of trade and advanced manufacturing – these should especially include supply chain and value chain mapping with gaps and opportunities.

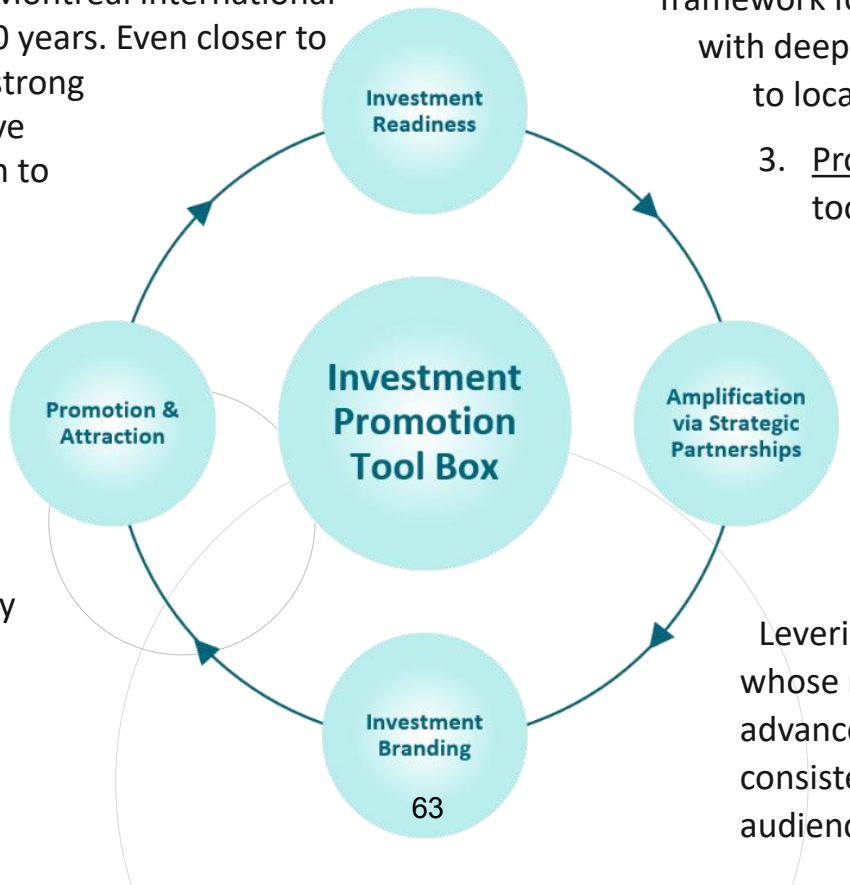
# PLACE MAKING AND ATTRACTION

## Place Marketing for Investment Promotion and Attraction

Globally there are multiple examples of investment promotion best practices, and some regions in Canada are at the top of the list such as Montreal International. Named the best economic development Investment Promotion Agency (IPA) in the world, Montreal international has been building their programs for more than 20 years. Even closer to Nanaimo, the Comox Valley has developed some strong programs over time. For a smaller region, they have made some impressive advances in their approach to investment attraction despite limited resources.

One of the major facets of success for both agencies has been their ability to consistently apply improvements over time to both their investment environment and their attraction programs.

The recommendations in this strategy are based on the characteristics of best practices across Canada, and from agencies around the world. They especially focus on efforts Nanaimo can make to enhance the region's investment readiness, and build a strong promotion and marketing program that can lever the area's strengths.




1. Investment Readiness: assess and improve how effectively the City can facilitate investment by identifying and removing or mitigating barriers.
2. Investment Branding: an investment marketing brand with a clear narrative and set of compelling value propositions that form the framework for an investment promotion digital tool box with deep data that connects investing business leaders to locations and opportunities in Nanaimo.
3. Promotion and Attraction: evolving campaigns and tools, mostly digital, that include brand visuals, collateral materials, data and research, strong web portals and trackable outcomes used for generating awareness and deal flow.
4. Amplifying Through Strategic Partnerships: levering the right partners, internally and externally, to amplify Nanaimo's narrative and investment opportunities.

Levering partners, especially government agencies whose role it is to carry out investment and trade, is an advanced tactic the best agencies lever regularly and consistently to ensure their message reaches a broader audience.

## Smart Practice – Investment Promotion

Montreal International has often been recognized with awards for its top outcomes. This year their team was awarded first prize for its work in the Aerospace industry by fDi Magazine (Financial Times), and recently they were named Best Economic Development Agency in the world by the International Economic Development Council (IEDC).

Gaining that reputation and recognition for excellence has been a 20-year journey for the agency whose team has pioneered key practices that have transformed investment promotion globally. Persistence and consistency have been pivotal factors as well. In 2019 they supported 89 foreign investment projects with a record investment of $2.6 billion, creating 7,700 direct jobs with an average salary of $85,000.

Here are the characteristics that elevate agencies whose teams execute best practices:

- A separate, arms-length legal structure with transparent accountability that can act entrepreneurially, take risks, and understand business needs in a global environment;
- A visionary and disciplined approach to both organizational and program management that pays attention to detail, including place marketing with a foundation of credible value propositions;
- Solid and trusting relationships with existing local industry, with an understanding of their needs and opportunities, and a commitment to authentic collaboration with both public and private sector partners;
- A transparent approach to relationships, internally and externally;
- Data-driven, with rigorous primary/secondary research and data development related to the local socio-economic environment and target markets;
- A commitment to relationship management and professional protocols that extend through the life of the relationship, including aftercare;
- Consistent, clear reporting on outcomes and impacts (usually conducted by an independent third party that audits performance);
- A hiring policy that attracts, retains and rewards knowledgeable, business-minded professionals with commitment to performance; and
- Local leadership that understands and actively supports the vision and mission.

# PLACE MAKING AND ATTRACTION

## Building a Place Marketing and Investment Promotion Tool Box

There has never been a better time for smaller cities and regions to compete for investment and talent attraction. Since the advent of the first industrialized era (mid 1700's) and the early days of professional economic (then industrial) development (mid 1900's), it has been extremely difficult for smaller communities to compete for investment, and the attention of site-selection decision-makers. Whether targeting corporate locations, entrepreneurs or tech talent, it was usually a near-impossible task that required determination, professional ingenuity and often a big budget.

Technology has changed all that.

Access to broadband, reasonable affordability and livability, personal safety and security, logistical access to an international marketplace, a competitive tax environment, thought leadership and a willingness to support a strong business environment, etc. These are all game-changers today that were not tangible differentiators even a decade ago. Combined with geopolitical frictions and a global pandemic, the opportunity to compete for investment has never been this feasible with the right tools.

Building an effective tool box to attract investment relies heavily on the value proposition of the community or region. Nanaimo has a strong platform to launch from, and given the opportunities identified in this strategy can elevate its position significantly over the next 10 years.

It's important to note that Place Marketing for tourism, and Investment Promotion for economic development are not the same practice. Though there are parallel methodologies to the research and development of target markets and promotion of complementary assets, the content and messaging associated with targeted outreach require different approaches, and therefore should be funded, executed and tracked separately.

For Investment Marketing, the top performers employ exceptional rigor in their data and information, and have built a reputation with decision-makers based on credible data and responsive services. Competing however also means understanding Nanaimo's strengths and weaknesses, and being transparent about them along with the solutions employed to address them.

### Strategies

- Conduct a benchmarking analysis or 'report card' that produces a rigorous analysis of Nanaimo's competitive positioning against cities it both compares to and competes with, that will serve as a foundation for the development of a strong investment marketing program.
- Execute an investment readiness analysis that identifies where and how the community will improve its ability to facilitate and accommodate investment – especially from a regulatory perspective.

# PLACE MAKING AND ATTRACTION

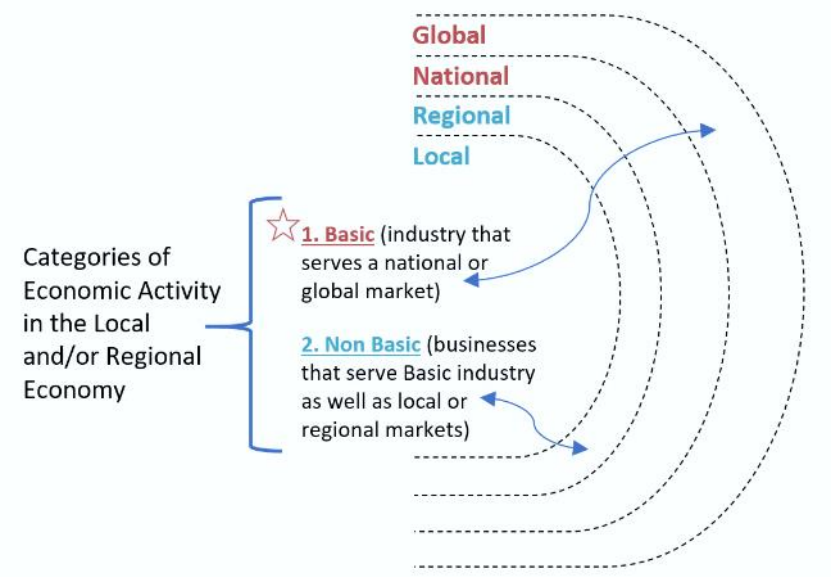
- Build a credible investment promotion brand and marketing program that includes the following essential tools used by best practice leaders;
  - ✓ A visual brand and general narrative that is credible but aspirational, that avoids excessive hubris or hyperbole;
  - ✓ A communications strategy with visual brand campaigns and social media channels that form the foundation of a digital strategy, that especially includes a web site/s designed for investment decision-makers and social media campaigns with earned, owned and paid content;
  - ✓ Evidence-based value propositions with sector-specific narratives, opportunity descriptions and case examples;
  - ✓ A short-list of key targets and location decision-makers that form part of a work plan – this should be part of an ongoing outreach program that is continually refreshed, and reported on;
  - ✓ A digital relationship-management program, or CRM, that can track and help manage ongoing business relationships and track deal-flow.

## Managing the Investment Promotion Process – Creating Deal Flow

Setting up a business development process would be an important first step for an economic development and investment promotion agency. Like any sales and business development program, almost all the organization's activities should be designed to produce deal flow, a portion of which will lead to new business investment.

In the early years of any new economic development organization, the challenge is often related to prioritizing and allocating limited resources where they are needed.

That can mean having to harmonize priorities between building an investment-ready community and selling it. It's difficult to achieve success if either of those priorities are incongruent or not compelling enough.

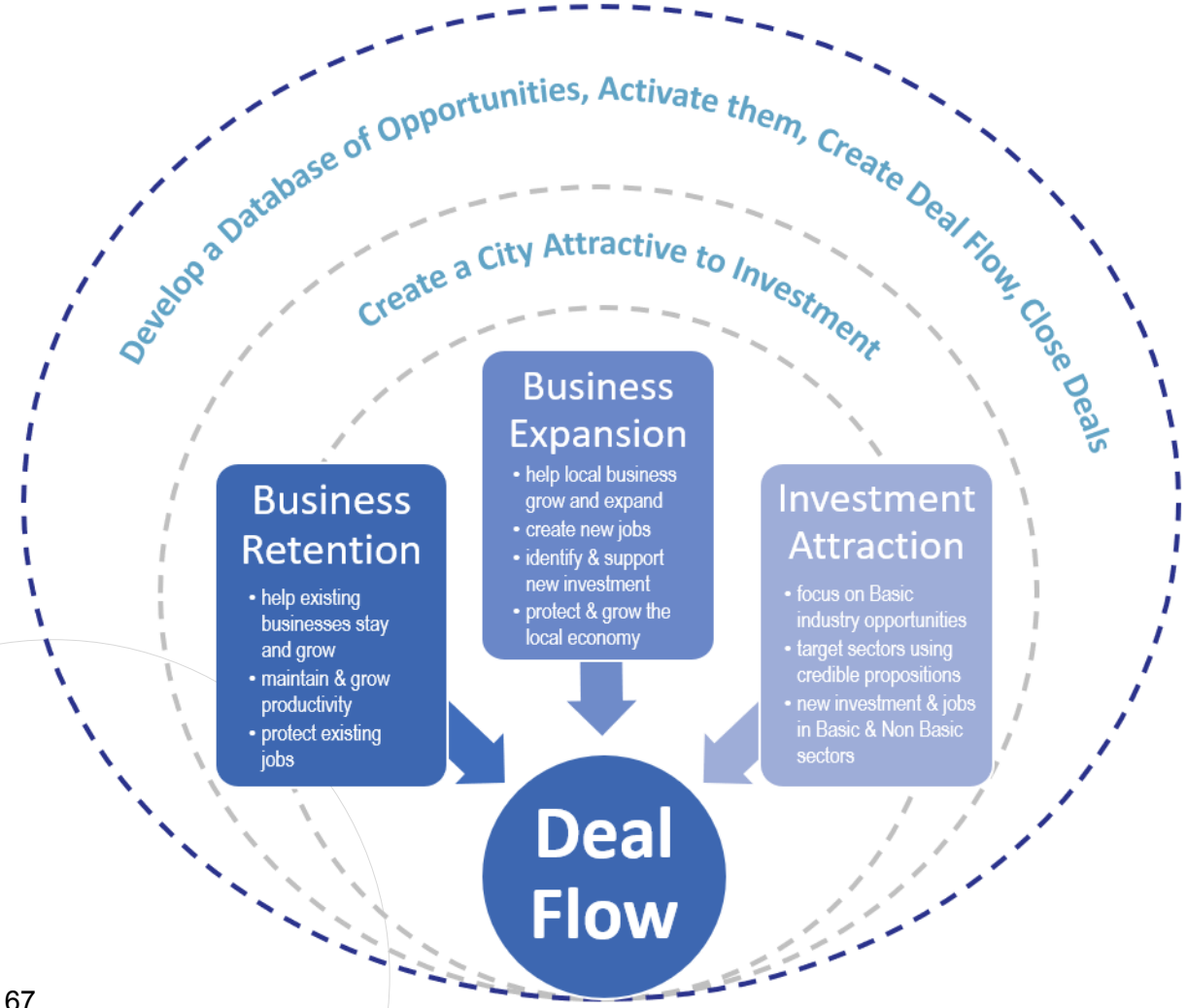


# PLACE MAKING AND ATTRACTION

Once the objectives of ‘building’ and ‘selling’ are balanced, creating deal flow and supporting new business investment becomes almost the entire focus of an investment promotion agency.

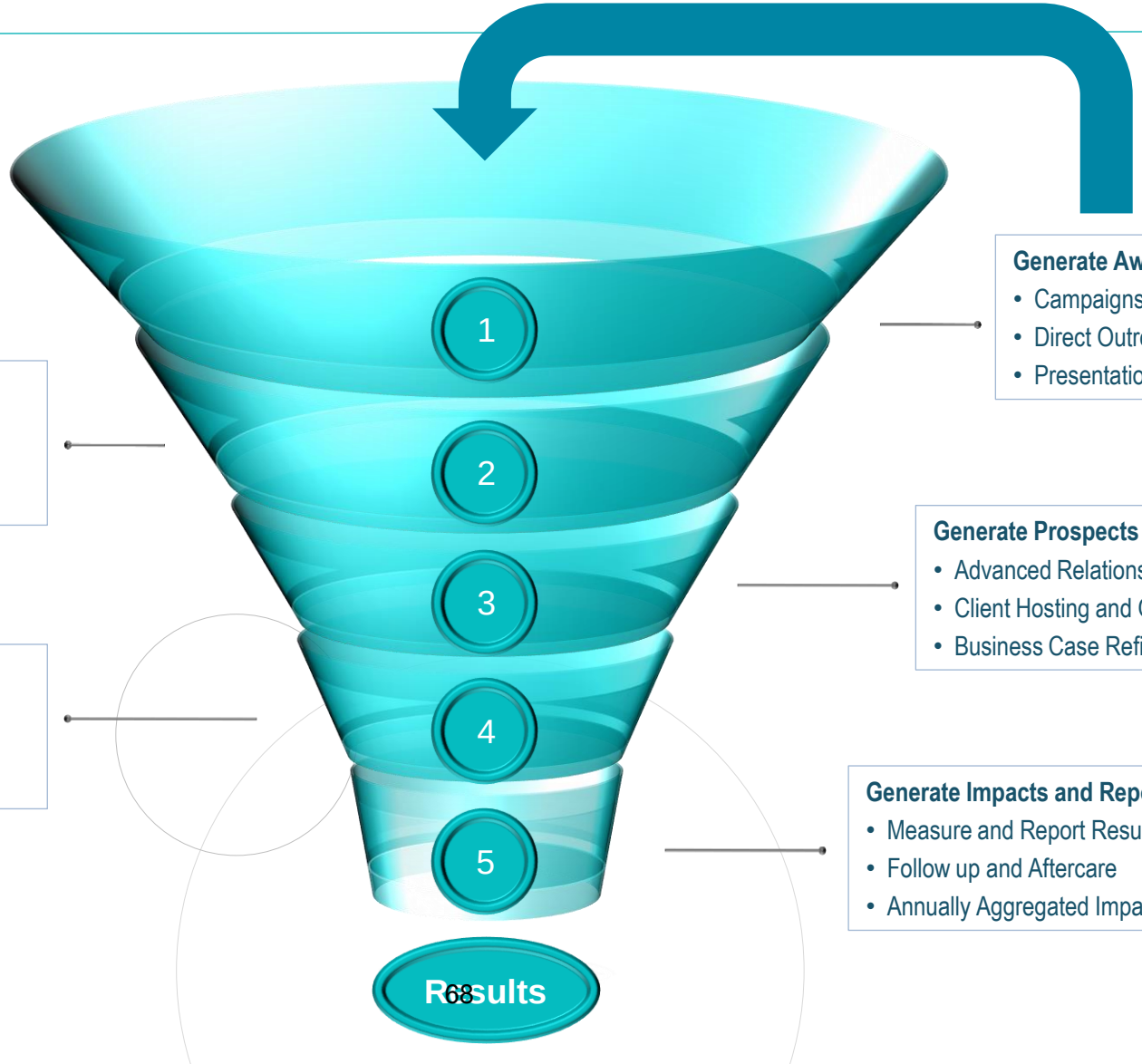
The organization’s work-programs should be designed to develop leads at the top of a sales funnel, manage those leads so they can be converted to prospects, and eventually into investment deals that generate economic growth and employment.

As is recommended in this strategy, focusing on opportunities related to Basic economy industries will generate the most beneficial impacts to the community because they create the highest value through the export of goods and/or services. Support could, however, be provided for businesses that are considered Non-basic where they would add significant value to local and regional supply chains, or sometimes to quality of life such as targeted retail.



# PLACE MAKING AND ATTRACTION

## Managing the Investment Promotion Process – The Economic Development Sales Funnel




**Generate Awareness and Traffic**
- Campaigns / PR-GR / Media
- Direct Outreach & Missions (inbound / outbound)
- Presentations and Meetings

**Generate Leads and Deal Flow**
- Business Retention and Expansion Interviews
- Relationships and Partnerships
- Research and Targeting

**Generate Prospects**
- Advanced Relationship Development
- Client Hosting and On-site Visitation
- Business Case Refinement and Negotiation

**Generate Investment and Close Deals**
- Facilitate Final Location Selection
- Support Advanced Negotiations
- Celebrate Successes and Follow Up

**Generate Impacts and Report Outcomes**
- Measure and Report Results
- Follow up and Aftercare
- Annually Aggregated Impacts

# PLACE MAKING AND ATTRACTION

## Strategies

- Build a ground-team, by establishing a leaders education program that helps key city officials and business leaders develop a strong knowledge base on international business and trade, including and especially trade flows, FDI, geopolitical influences, economics and investment. This could include a speaker and workshop series.
- Select and engage the best of the area's leaders to become part of an investment promotion team that can champion the area's advantages and value propositions – their role would be to help host inbound investors and assist in 'closing the deal' with new business.
- Levering partners is a key facet for any organization or agency. This is especially true in economic development and investment promotion when resources are limited. Levering partnerships to amplify messaging is an effective tactic for smaller agencies that don't have large travel budgets. Establish a purposeful partnership program with key intermediaries and investment attraction partners from public sector agencies like Invest BC and Invest in Canada, as well as private sector representatives that can support Nanaimo's objectives and amplify the city's value proposition narratives.

### Partners Who Can Champion Investment and Amplify Opportunities

| Group One | Group Two | Group Three |
|---|---|---|
| Domestic Government Officials | Education & Training Institutions | Private Sector Developers |
| International Government Officials | Research Institutions | Innovators and Entrepreneurs |
| Public Institutions | Industry Associations | Talent and Workforce |
| NGO's | Major Events and Conferences | Venture and Investment Capital |

# 6 STRATEGY IMPLEMENTATION

# ORGANIZING FOR DELIVERY

## Nanaimo Prosperity Agency

The review of service delivery models commissioned by the City in 2019 (Neilson 2019) recommended an In-House/City-Owned Hybrid model for the delivery of economic development services. The previous Nanaimo Economic Development Corporation was dissolved in late 2016 and services were devolved to the City's Department of Development Services, supported by a single Economic Development Officer. The Neilson report further recommended the City approve and develop the ownership, funding, governance, staffing, and other elements of a City-owned Nanaimo Prosperity Agency.

These recommendations, or a reasonable facsimile of such, should be implemented as a precursor to a broader roll-out of the strategy. The consultation undertaken by Neilson generated broad support an expanded service delivery model. A robust and sustainable organization framework is necessary so the allocation of resources and responsibilities by the City and its partners occurs as efficiently and effectively as possible.

### Actions

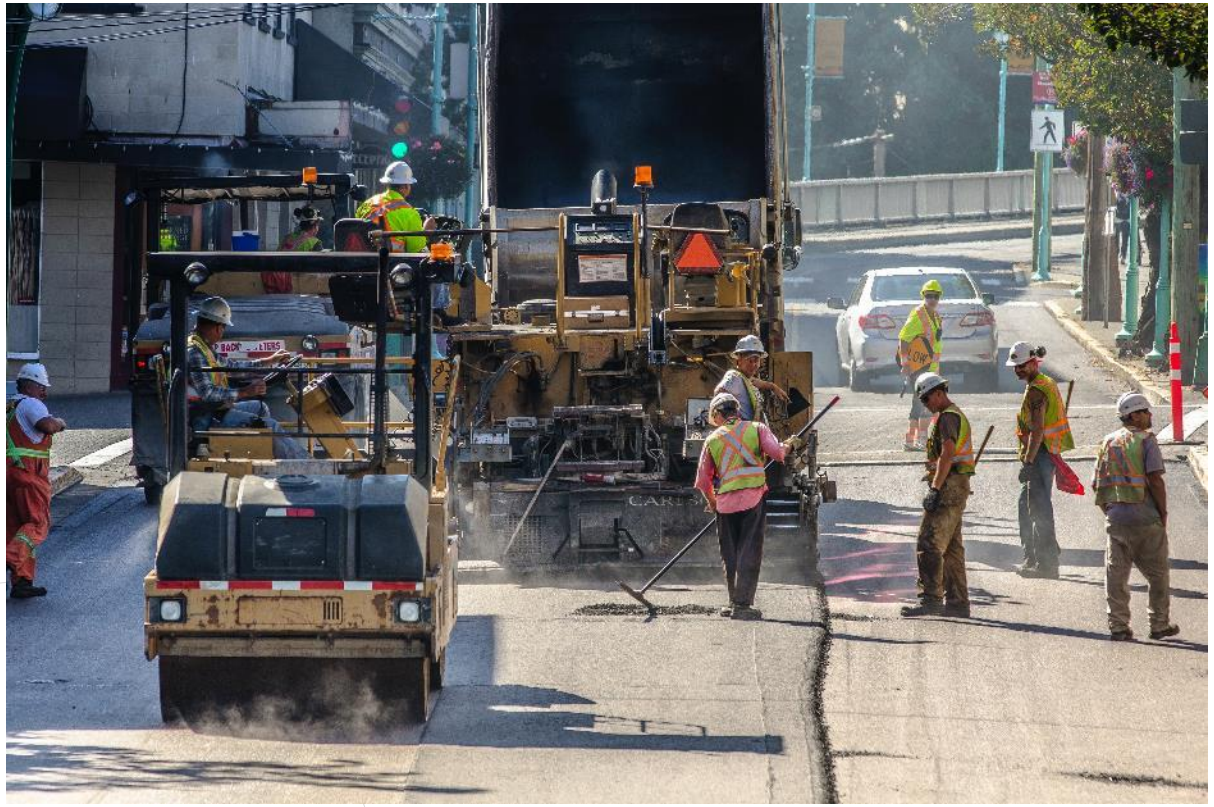
- Confirm the form of organization, name, ownership, governance, articles of incorporation, place of business and other legal necessities for the *Nanaimo Prosperity Agency*.
- Vest the Agency with a core budget sufficient to implement this strategy, based on a fee-for service agreement between the City and its partners for a minimum three-year term. The recommended budget for operation is $1 million annually.
- In order to facilitate the involvement of partners in the Agency, link their annual contributions to specific programs or projects that they, as well as the City, have prioritized.

## Aligning External and Internal Delivery

The hybrid model presumes a close working relationship between the internal City component and the external component, that is, the Nanaimo Prosperity Agency. In theory, the hybrid concept makes sense because it strives to accommodate the command-control nature of municipal government on matters of infrastructure, land use and development with the more market-oriented mandate of the external agency that is focused on innovation, attraction and entrepreneurship.

# ORGANIZING FOR DELIVERY

In practice, the hybrid approach presents many management and operating challenges because the internal and external components report and answer to different organizations. Even though the City is the ultimate authority, it will be necessary to articulate and land on a framework that realistically guides on-the-ground working relationships, roles and responsibilities and shared outcomes.



### Actions

- Prepare a policies and procedures manual, staffing plan, job descriptions and other documentation as deemed appropriate by the EDTF.
- Prepare an internal communications plan with the City that will establish objectives, means and timetable. The plan should incorporate shared planning, monitoring and reporting using the performance measurement model in this strategy. Quarterly meetings and reporting are strongly recommended.
- Investigate the feasibility of establishing a capital reserve amongst partners that can be used to coordinate and leverage priority projects or initiatives.
- Engage training and professional development for all Agency board members and management.

# STRATEGY ACTION PLAN

*This section left intentionally blank, to be completed on next draft*

## Economic Capital

| Strategy | Resource Commitment | Timing | Expected Outcome |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |

# 7 PERFORMANCE MEASUREMENT

*This section to be completed on next draft*

The progress made towards achieving the goals of the economic development strategy should be reported annually to City Council and the public. The report should identify the key inputs, activities, and the outputs and outcomes generated over the past year, drawing from both primary and secondary sources.

Once the strategy is finalized, a logic model and a high-level performance measurement framework will be developed which defines the performance indicators (metrics), data sources and methodology that will be used to report on the progress made.

# 8 REFERENCES

# ABBREVIATIONS

| | |
|---|---|
| BCEDA | British Columbia Economic Development Association |
| BCPNP | BC Provincial Nominee Program |
| BDC | Business Development Bank |
| BIA | Business Improvement Area or Association |
| BRE | Business Retention and Expansion |
| BREA | Business Retention, Expansion and Attraction |
| CA | Census Agglomeration |
| CBA | Community Benefits Agreement |
| CCSPI | Coastal Communities Social Procurement Initiative |
| CMA | Census Metropolitan Area |
| EDTF | Economic Development Task Force |
| FDI | Foreign Direct Investment |
| FTZ | Foreign Trade Zone |
| GDP | Gross Domestic Product |
| GIS | Geographic Information System |
| MIBI | Mid Island Business Initiative |
| FDI | Foreign Direct Investment |
| MRDT | Municipal and Regional District Tax |
| NAICS | North American Industrial Classification System |
| NEDC | Nanaimo Economic Development Corporation |
| NRD | Nanaimo Regional District |
| NRGH | Nanaimo Regional General Hospital |
| NMSA | Nanaimo Medical Staff Association |
| OCP | Official Community Plan |
| OECD | Organisation for Economic Cooperation & Development |
| PiT | Point-in-Time |
| RGS | Regional Growth Strategy |
| RTE | Downtown revitalization tax exemption |
| SWOT | Strengths, Weaknesses, Opportunities and Threats |
| USMCA | US-Mexico-Canada Agreement |
| VIEA | Vancouver Island Economic Alliance |
| VIU | Vancouver Island University |

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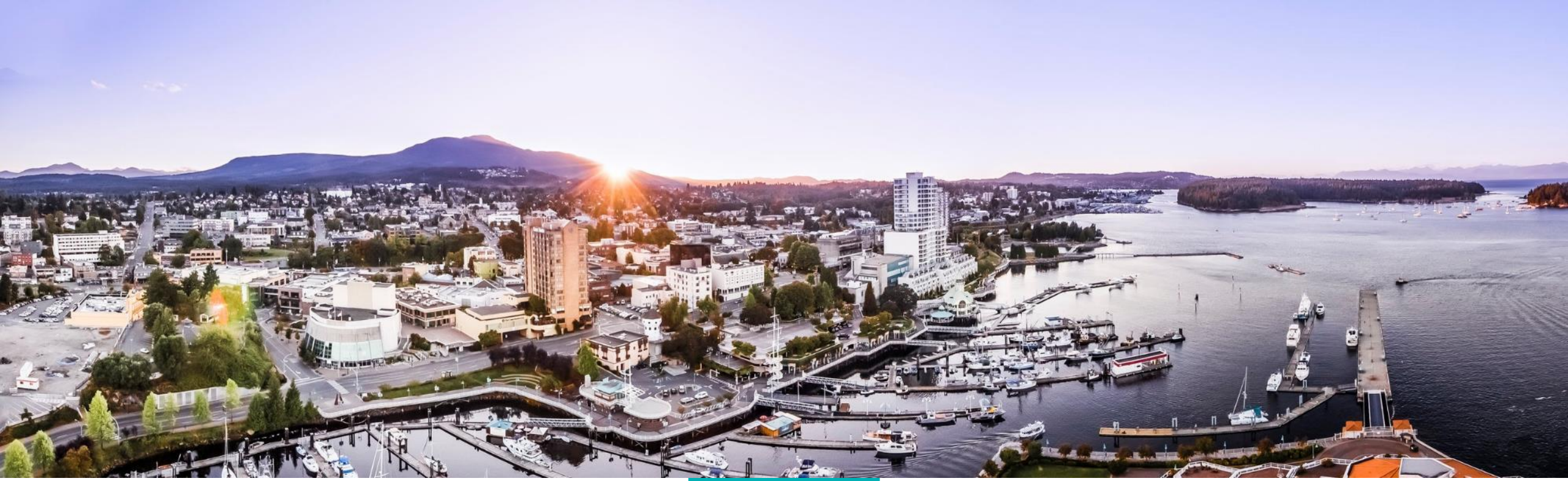

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In association with

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Qatalyst Research Group Inc.

# Council Motion

At the 2020-SEP-28 Council meeting, the following motion passed:

*"That Council defer consideration of the following motion from the 2020-SEP-16 Health and Housing Task Force Meeting to the Economic Development Task Force.*

*It was moved and seconded that the City of Nanaimo collaboratively through the Health and Housing Task Force and Economic Development Task Force explore an arms-length organization that includes economic development and social development planning coordination."*