

DATE OF MEETING APRIL 29, 2019

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SUBJECT ECONOMIC DEVELOPMENT – TERMS OF REFERENCE

OVERVIEW

Purpose of Report

To present Council with a draft Terms of Reference outlining a consultation process that will inform Council on the selection of a model to deliver the City's economic development function.

Recommendation

That Council endorse the Terms of Reference: Economic Development Model and direct Staff to commence consultation work immediately.

BACKGROUND

The City's Economic Development Department was established in the 1980s. Over time, the department grew to meet the demands of the changing demographics and economic conditions of Nanaimo. In 2010, Council made a decision to establish an arms-length economic development corporation to deliver tourism and economic development services. In response, the Nanaimo Economic Development Corporation (NEDC) was established in 2011.

In the fall of 2016, Nanaimo City Council gave direction to cease the operations of NEDC. Following the dissolution of NEDC, Council approved a tourism service agreement with Tourism Vancouver Island (TVI), which expired in March 2019. That contract has been extended until 2024-MAR-31. TVI provides destination marketing, visitor servicing, and development services. The five-year term commenced 2019-APR-01.

The Economic Development function was brought back "in house" within the City of Nanaimo's Community Development Department and is currently modestly resourced compared to other communities. Economic development-related services are also being delivered by a number of non-profit partners in the community, such as the Mid-Island Business Initiative, the Chamber of Commerce, Community Futures, Innovation Island, etc.

Council has expressed a desire to increase its level of support for economic development in the community. The goal is to work collaboratively with existing partners, leverage investment, and grow local businesses. The new Economic Development function is to be operational in 2020. Staff are of the opinion there is no single best model to deliver economic development; the service could be provided "in house" through an arms-length organization, a service contract, a society, or a combination thereof. Ideally, the model that is implemented should be supported by the community and be designed to align with the City's evolving Strategic Plan.

Staff have prepared a draft Terms of Reference (Attachment A) for Council's consideration. The Terms of Reference sets out a consultation process that will be conducted in May and June of 2019 with non-profit economic development stakeholders, the business community, and the general public to help inform Council's decision-making on a new model. The work will be led by a consultant and supported by Staff, as required.

The results of the consultation process will be delivered to Council in July 2019 as part of the 2020-2024 Financial Plan deliberations. Council will then be in a position to select a delivery model and direct Staff to prepare a business case in preparation for enhancing the economic development function in 2020.

OPTIONS

1. That Council endorse the Terms of Reference: Economic Development Model and direct Staff to commence consultation work immediately.
 - **Budget Implication:** The 2019 Financial Plan includes \$30,000 for an Economic Development Strategy that can be used to fund this process.
 - **Legal Implication:** Further legal advice will be provided to Council around a preferred delivery function once more information is available.
 - **Policy Implication:** The Official Community Plan, Goal 4, encourages the promotion of a thriving economy. Re-establishing the Economic Development function will assist in meeting that goal.
 - **Engagement Implication:** Through the consultation process, the consultant will meet with key stakeholders, facilitate roundtable discussions and engage with the wider community to identify priority areas for investment and a preferred delivery model for the Economic Development function. The goal is to work collaboratively with the community to fill existing service gaps and leverage existing opportunities.
 - **Strategic Priorities Implication:** The draft 2019-2022 Strategic Plan identifies Economic Health as one of the Plan's four strategic themes. Under the theme, Council has identified Partnership, Governance Structure, Downtown, Business Retention & Health, and Business Attractions as areas of focus. This initial consultative process will aid Council in fleshing out this theme.
 - **Political Implication:** The City has invested modestly in Economic Development since the closure of NEDC. The commencement of the public consultation process will signal to the wider community Council's commitment to improving the local economy.
2. That Council provide alternative direction. |

SUMMARY POINTS

- The Nanaimo Economic Development Corporation (NEDC) was an arms-length organization that provided economic development and tourism services for the City of Nanaimo and the southern electoral areas of the Regional District.
- In December 2016, a motion was passed by Council to dissolve NEDC.
- Following closure of NEDC, the Tourism function was contracted to Tourism Vancouver Island until 2024-MAR-31.
- The Economic Development function was brought back “in house” and has been modestly resourced compared to other communities.
- Council has indicated a desire to invest in economic development within the city of Nanaimo.
- The attached draft Terms of Reference outlines a public consultation process that will be used to engage the business community and the wider public in identifying a preferred economic function for the community.
- The consultation program will be led by a consultant and supported by City Staff.
- The results of the consultation process will be presented to Council in July 2019 to inform the 2020-2024 Financial Plan deliberations. Council will then be in a position to request a business case for the new model and move forward with implementing the function for 2020.

ATTACHMENTS

ATTACHMENT A: Draft Terms of Reference: Economic Development Function |

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