

DATE OF MEETING JULY 29, 2019

AUTHORED BY BILL CORSAN, DIRECTOR, COMMUNITY DEVELOPMENT

SUBJECT **ECONOMIC DEVELOPMENT FUNCTION SERVICE MODEL
REVIEW**

OVERVIEW

Purpose of Report:

To provide the Governance and Priorities Committee with the interim results of the Economic Development Function Service Model Review.

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 tourism 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 Development Services Division 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. A new Economic Development function is targeted to be operational in 2020. Ideally, the model that is implemented should be supported by the community and be designed to align with Council's priorities.

The Regional District of Nanaimo (RDN) is also undertaking a review of the regional Economic Development function. The study has been postponed until the City of Nanaimo completes its review and receives direction from Council on how the City will move forward delivering economic development.

At the 2019-APR-29 Council meeting, Council endorsed a Terms of Reference for a consultant to undertake a review of the economic development service model.

Neilson Strategies (the Consultant) was hired to undertake the assignment. The work included background research, stakeholder interviews, and community engagement. In June, broader public engagement took place with an open house and public survey (Attachment A).

The Consultant has prepared a report with their interim findings (Attachment B). |

DISCUSSION

The interim report will be presented to the Governance and Priorities Committee (GPC) by Neilson Strategies during the 2019-JUL-29 GPC meeting. The Consultant will be available to provide additional information as requested by Council.

Individuals from the community with an interest in the function will also be invited to present their comments/opinions to the GPC during the meeting and provide submissions by 2019-AUG-09. |

CONCLUSION

Following the GPC meeting, the Consultant will prepare a final report with recommended options for the City of Nanaimo. Staff will present this report at the 2019-AUG-26 GPC meeting. The committee will be asked to provide direction on a preferred model at that time.

A subsequent report on the funding of the preferred economic development model will be presented at a September 2019 budget discussion. |

SUMMARY POINTS

- The City of Nanaimo is currently reviewing options for the delivery of the economic development function.
- Council approved a Terms of Reference for the service model review in April 2019 and Neilson Strategies was hired by the City to undertake the assignment.
- The work included background research, interviews, and community engagement.
- The Consultant is presenting their interim findings to the committee at the 2019-JUL-29 GPC meeting.
- The recommended Economic Development Function Service Model will be presented to the committee at the 2019-AUG-26 GPC meeting at which time the committee will be asked to provide direction.

ATTACHMENTS

ATTACHMENT A: Survey Results

ATTACHMENT B: Neilson Strategies Interim Report

Submitted by:

Bill Corsan
Acting General Manager,
Development Services