

DATE OF MEETING | April 27, 2020

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SUBJECT | ECONOMIC DEVELOPMENT TASK FORCE UPDATE

OVERVIEW

Purpose of Report

To provide Council with an update on the progress made by the Economic Development Task Force and to request Council reinstate the Task Force to enable the City to better deliver economic development services. |

Recommendation

That Council exempt the Economic Development Task Force from the current suspension of committees in order to complete the City's economic development strategy, to fully develop the external economic development agency, and to make further recommendations to Council, as necessary.

BACKGROUND

Council has made a commitment to re-establish the City's economic development function following the closure of the Nanaimo Economic Development Corporation in 2017.

In April 2019, Council engaged the services of Neilson Strategies to review the economic development function and to recommend a service delivery model.

The findings by Neilson Strategies were presented to Council at the 2019-SEP-09 Council meeting with recommendations to:

- Deliver economic development through an in-house/City-owned agency hybrid model.
- Create a new external agency (the Nanaimo Prosperity Agency) to complement the City's in-house expertise.
- Allocate specific functions between the internal and external agency.
- Establish a committee (task force) to over see the creation of a new economic development strategy and to further develop the external agency.

The Terms of Reference (Attachment A) for the Economic Development Task Force (the 'Task Force') were approved at the 2019-OCT-07 Council meeting. The Task Force has two deliverables: to create an economic development strategy and to develop an external agency.

The Task Force is comprised of thirteen members, including representation from:

- City Council members (2)
- Snuneymuxw First Nation
- Vancouver Island University
- Chamber of Commerce
- Nanaimo Port Authority
- Nanaimo Airport
- Community Futures
- Five members-at-large

Council advertised for the members-at-large and Council approved the membership of the Task Force at the 2019-NOV-18 "In Camera" Council meeting.

The inaugural meeting of the Task Force was on 2019-DEC-09. The Terms of Reference for the Task Force was reviewed with the membership and initial input on the Request for Proposals for the economic development strategy was received.

The next meeting was held on 2020-JAN-06, during which time the Task Force members reviewed the draft Request for Proposals for the economic development strategy, discussed the external agency format, and approved a tentative Task Force work plan.

The Request for Proposals for the economic development strategy was issued on 2020-JAN-15 with responses due by 2020-FEB-14. The proposals were reviewed by the appointed Task Force members and the consultant, Lions Gate Consulting Inc., was selected for the assignment.

The third meeting was held on 2020-FEB-18, in which Neilson Strategies was asked to facilitate a session with the Task Force around options for the external agency.

On 2020-MAR-16, Council suspended all committee meetings, including the Economic Development Task Force, due to the COVID-19 pandemic.

DISCUSSION

Although Council has suspended the Task Force meetings, work has continued on the file.

Lions Gate Consulting Inc. have commenced work on the Economic Development Strategy. The preliminary stages of the work plan include background research and data analysis, which is not impacted by the COVID-19 pandemic. The later stages of the project do require interviews, which can be conducted by telephone to minimize personal interaction. The project also envisions community workshops to refine goals, identify specific actions, and complete the strategy.

Work on the development of the external agency continues, which is being led by Neilson Strategies, who is in the process of developing a draft framework for the external agency that will be shared with the Task Force. Future meetings on this topic can be completed via conference call, if required. Once a preferred model is developed, the Task Force will provide a recommendation to Council.

Staff recommend the work of the Task Force be reinstated so the project can continue for the following reasons:

Continue Forward Momentum: The City has made progress advancing the economic development file. Council will be asked to endorse the final economic development strategy in the fall of 2020 and to provide direction to establish an external agency. Placing a pause on the process will further delay this strategic priority.

Clear Objectives & Roles: Without an economic development strategy, it is difficult for Council and the community to have clear economic development priorities. The lack of a strategy makes it challenging to provide Council with advice on priorities and where funding/resources should be directed. The completion of the strategy will provide the City and its partners with this clarity.

Operationalize External Agency: The creation of the external agency is a priority for the City to deliver the economic development strategy. Establishing the agency will take up to six months from the time of approval by Council until the agency is staffed and operational.

Position the City for Recovery: By having the City economic development strategy adopted by Council and both the internal and external economic development functions operational in late 2020, the City will be in a good position to deliver an economic recovery for the community as we transition out of the pandemic. |

OPTIONS

1. That Council exempt the Economic Development Task Force from the current suspension of committees in order to complete the City's economic development strategy, to fully develop the external economic development agency, and to make further recommendations to Council, as necessary.
 - Advantages: Reinstating the Economic Development Task Force will enable the City to complete the economic development strategy by the fall of 2020. It will also let the City complete the framework for the external agency that can then be implemented in the later stages of 2020.
 - Disadvantages: During the COVID-19 pandemic, it will be difficult to engage the business community on broader economic development priorities other than immediate responses to the pandemic.
 - Financial Implications: Council has provided funding for the economic development strategy and the creation of the external agency in the 2020 budget. There are no further budget requests at this point in time.
 2. That Council provide other direction.
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SUMMARY POINTS

- Council has made a commitment to re-establish the City's economic development function following the closure of the Nanaimo Economic Development Corporation in 2017.
- In 2019, the City undertook a service review of the economic development function. Council endorsed the recommendations of that review and are advancing work around an economic development strategy and the creation of an external agency to complement the City's in-house expertise.
- Council established a Task Force to oversee the economic development strategy and external agency. Consultants are currently working on both assignments.
- On 2020-MAR-16, Council suspended all committee meetings (including the Economic Development Task Force) due to the COVID-19 pandemic.
- Staff recommend the Task Force be reinstated so the City can build on the momentum, establish clear roles and objectives around economic development, operationalize the external agency, and position the City for recovery.

ATTACHMENTS:

ATTACHMENT A: Economic Development Task Force – Terms of Reference |

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Concurrence by:

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