

DATE OF MEETING December 14, 2020

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**SUBJECT ECONOMIC DEVELOPMENT STRATEGY UPDATE**

## **OVERVIEW**

### **Purpose of Report**

To provide the Governance and Priorities Committee with the draft Economic Development Strategy prepared by the Economic Development Task Force in order to get feedback on the draft and provide next steps in the process.

### **Recommendation**

That the Governance and Priorities Committee recommend that Council:

1. extend the mandate of the Economic Development Task Force until 2021-FEB-28 to allow time for the Task Force members to engage their respective organizations on their role in implementing the Economic Development Strategy before returning to Council; and
2. direct Staff to return to Council with a final Economic Development Strategy for endorsement along with recommendations regarding any additional investment by the City towards implementing the Economic Development Strategy.

## **BACKGROUND**

Council has expressed a strong commitment to economic development. The *2019-2022 Strategic Plan* identifies Economic Health as one of the four pillars. The plan specifically identifies the need to identify an economic development model and completion of an Economic Development Strategy as specific actions.

Subsequently, considerable work has been completed on the economic development file in the past two years. A review of the Economic Development Function was completed in the fall of 2019, with the following specific recommendations:

- Establish an in-house/City-owned Agency hybrid model for the delivery of the City's economic development function.
- Create an arm's length Nanaimo Prosperity Agency that is responsible for:
  - implementation of the Economic Development Strategy; and
  - coordination of the organizations with roles to play in the community's ongoing economic development and business attraction activities.
- Increase Staffing in the in-house function to:
  - create a new Economic Development Strategy;
  - prepare of Nanaimo-specific economic reports;
  - assist existing and prospective businesses navigating City Hall;
  - manage the service contract with Tourism VI; and

- formulate City policies that will facilitate economic activity and investment.
- Establish an Economic Development Task Force to oversee the creation of the new Economic Development Strategy and to fully develop the ownership, funding, governance, staffing, and other elements of the City-owned Nanaimo Prosperity Agency.

A Terms of Reference for the Economic Development Task Force (the “Task Force”, Attachment A) were approved at the 2019-OCT-07 Council meeting. The Task Force is comprised of 13 members, including representation from: City Council members (2), Snuneymuxw First Nation, Vancouver Island University, Chamber of Commerce, Nanaimo Port Authority, Nanaimo Airport, Community Futures, and five members-at-large.

The Task Force has met 11 times since established by Council, completed a draft Economic Development Strategy (discussed below), and prepared a draft *Charter* for the external agency (to be discussed at a future Council meeting).

## **DISCUSSION**

The Task Force engaged Lions Gate Consulting Inc. (the “Consultant”) to prepare the Economic Development Strategy (Attachment B). The work plan included the following key steps:

- Review of background documents;
- Interviews with key informants;
- Preparation of a Current Situation Report;
- Sectoral Focus Groups;
- Scenario Planning Workshop with a focus on the impacts of COVID;
- Survey to local businesses to understand issues and opportunities;
- Reimagine Nanaimo Sub Survey with a focus on economic development;
- Economic Development Strategy Planning Workshops; and
- Preparation of Draft Plan.

The Economic Development Strategy provides a roadmap to strengthen the economic base of the City and Region, is intended to have a lifespan of three years, and will be delivered by the City, the new Economic Development Agency, the City’s partners, and the private sector.

The Strategy has been prepared in collaboration with Council’s other key initiatives, notably REIMAGINE Nanaimo, the Mayor’s Task Force on Recovery & Resilience, and the Health and Housing Task Force to ensure alignment of priorities and resourcing.

### *Guiding Principles*

The Guiding Principles lay out an inclusive community-based approach to Economic Development:

- *Partnerships*: a culture of inclusivity and collaboration will energize implementation;
- *Long term*: outcomes are optimal when they last;
- *Equity and reconciliation*: collective wellbeing underpins economic progress;
- *Focus on local*: 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; and
- *Circular economy*: recycle, reuse, and reapply our natural and built assets for a stronger economy and community.

The Strategy focuses efforts within six goal areas:

- *Economic Capital*: unlocking development lands, securing infrastructure, building community amenities, revitalizing downtown, connecting the waterfront, and leveraging our waterfront industrial lands at Duke Point.
- *Business Development*: research and data, nurturing export and trade, enhancing the business climate, retaining and expanding businesses, helping home-based businesses, and preparing for economic emergencies;
- *Human Capital*: skills development, building an inclusive workforce, and talent retention and attraction;
- *Innovation & Technology*: connecting the technology sector, strengthening the eco system, and leveraging existing technology clusters.
- *Social & Environmental Capital*: building networks and strategic partnerships, health and housing, health care capacity, and First Nations reconciliation; and
- *Place Making & Attraction*: promoting the city, attracting direct investment, branding and place marketing, building a marketing toolbox, targeted outreach, and creating enquiries.

## **NEXT STEPS**

Staff are seeking feedback on the draft Strategy and direction regarding whether a finalized Strategy should be brought to a future Council Meeting for endorsement along with recommendations regarding any additional investment by the City towards implementing the Strategy.

If direction to proceed is received, Staff will work with the consultant to develop a more detailed 2021 work plan. The work plan will be founded on the existing level of Staff resourcing, the need to create a board, incorporation of the agency, and then filling of positions.

Council is also being asked to extend the mandate of the Task Force until 2021-FEB-28. This will allow time for Task Force members to bring the Strategy back to their respective organizations for consideration of what resources can be allocated or redirected towards its implementation. The Task Force would meet again, if necessary, before the final Economic Development Strategy returns to Council.

## **OPTIONS**

1. That the Governance and Priorities Committee recommend that Council:
  1. extend the mandate of the Economic Development Task Force until 2021-FEB-28 to allow time for Task Force members to engage their respective organizations on their role in implementing the Economic Development Strategy before returning to Council; and

2. direct Staff to return to Council with a final Economic Development Strategy for endorsement along with recommendations regarding any additional investment by the City towards implementing the Economic Development Strategy.
  - Advantages: This option provides the Governance and Priorities Committee with the opportunity to provide feedback on the Economic Development Strategy before consideration of endorsement. It also allows the other Task Force members time to engage their respective organizations in the same manner, and would allow them to meet again as a formal body, if required.
  - Disadvantages: Requires extending the mandate of the Economic Development Task Force. The Governance and Priorities Committee would not be able to make a decision on the Strategy or the role of the City in implementation today, but would have to wait until a future meeting to do so.
3. That the Governance and Priorities Committee provide alternative direction.

### **SUMMARY POINTS**

- Council has expressed a strong commitment to economic development. The *2019-2022 Strategic Plan* identifies the need to identify an economic development model and completion of an Economic Development Strategy as specific actions.
- The Economic Development Function Review in 2019 recommended a hybrid delivery model to deliver economic development with both in-house Staff and an external agency.
- Council created an Economic Development Task Force in the fall of 2019 to develop an economic development strategy and develop the external agency.
- Lions Gate Consulting was engaged by the Task Force to prepare the Economic Development Strategy for the City.
- The Guiding Principles include partnerships, long-term thinking, equity and reconciliation, a focus on local, authenticity, and the circular economy.
- The actions of the plan are organized under six key theme areas: Economic Capital, Business Development, Human Capital, Innovation & Technology, Social & Environmental Capital, and Place Making & Attraction.
- Staff are seeking feedback on the draft Strategy and direction regarding whether a finalized Strategy should be brought to a future Council Meeting for endorsement along with recommendations regarding any additional investment by the City towards implementing the Strategy.
- If direction to proceed is received, Staff will work with the consultant to develop a more detailed 2021 work plan. The work plan will be founded on the existing level of Staff resourcing, the need to create a board, incorporate the agency, and then fill positions.
- The report recommends the Economic Development Task Force's term be extended until 2021-FEB-28 to complete the work.

**ATTACHMENTS:**

ATTACHMENT A: Economic Development Task Force – Terms of Reference

ATTACHMENT B: Draft Economic Development Strategy |

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