

DATE OF MEETING January 19, 2021

AUTHORED BY BILL CORSAN, DIRECTOR, COMMUNITY DEVELOPMENT

**SUBJECT ECONOMIC DEVELOPMENT EXTERNAL AGENCY
CORPORATION CHARTER**

OVERVIEW

Purpose of Report

To provide the Economic Development Task Force with background information on the Corporation Charter for the External Economic Development Agency and to seek direction to forward it to Council for endorsement.

Recommendation

That the Economic Development Task Force recommend that Council endorse the Corporation Charter for the External Economic Development Agency.

BACKGROUND

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 Nanaimo-specific economic reports;
 - assist existing and prospective businesses navigating City Hall; and
 - formulate City policies that will facilitate economic activity and investment.
- Establish an Economic Development Task Force (EDTF) 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 (the Agency).

The first meeting of the EDTF was convened on 2019-DEC-09 and has met a total of 11 times to complete the assigned tasks.

DISCUSSION

Neilson Strategies was engaged by the EDTF to facilitate discussion, undertake research on best practice and to prepare the Corporation Charter (the Charter). The final document is contained in Attachment A.

The key elements of the Charter are as follows:

Purpose: The Agency is the economic development corporation through which business, government, First Nation and community partners collaborate to build Nanaimo's economy and increase the level of shared prosperity enjoyed by those who live here.

Mandate: The Agency will maintain and update the Economic Development Strategy, develop and undertake initiatives to attract business and employers to the community, coordinate the sector specific activities and develop initiatives to retain and expand business.

Ownership: The Agency is jointly owned by the City of Nanaimo and five other governments and organizations (Class B Shareholders), including (in alphabetical order):

- Nanaimo Airport Commission
- Nanaimo Chamber of Commerce
- Nanaimo Port Authority
- Snuneymuxw First Nation
- Vancouver Island University.

Board of Directors: The agency is comprised of nine voting Directors appointed by the shareholders.

Funding: The City of Nanaimo is a Class A Shareholder and will provide the bulk of the base funding. The Class B Shareholders are committed to providing a \$5,000 cash or in kind contribution in 2021 and \$10,000 cash or in kind contribution in 2022 through to 2025 (subject to approval of their respective Boards).

Remuneration – all board members serve without remuneration.

Five Year Review – all founding shareholders agree to support and fund the agency for an initial period of five years. |

Next Steps

Should the EDTF endorse the Charter, the following next steps can be anticipated:

- Presentation to Council for approval
- Initial meeting with the City and Class B Shareholders
- Creation of Letters of Incorporation
- Selection of three additional voting board members, including one from Social Services
- Inaugural Board Meeting
- Hiring of Executive Director

The goal is to create the Board and complete the initial hiring process by the summer of 2021.

OPTIONS

1. That the Economic Development Task Force recommend that Council endorse the Corporation Charter for the External Agency.
 - The advantages of this option: Enables Council to follow through with its commitment to re-establishing the economic development function within the City of Nanaimo.
 - The disadvantages of this option: None identified.
 - Financial Implications: Council has committed \$469,000 in 2021 for the Agency. In 2022 Council has allocated \$300,000 for the Agency.
2. That the Economic Development Task Force provide other direction. |

SUMMARY POINTS

- In the fall of 2019, the City of Nanaimo endorsed a series of recommendations following the Economic Development Function Service Review.
- The report recommended the use of a hybrid model of economic development with both in-house and an external agency.
- An Economic Development Task Force was created to develop an Economic Development Strategy and to fully develop the ownership, funding and governance of the external Agency.
- Neilson Strategies worked with the EDTF to develop a Corporation Charter for the External Agency.
- The Agency will be owned by the City of Nanaimo, Chamber of Commerce, Nanaimo Airport Commission, Nanaimo Port Authority, Snuneymuxw First Nation and Vancouver Island University.
- The Agency will implement the economic development strategy and help coordinate economic development and business attraction activities.

ATTACHMENTS:

ATTACHMENT A: Corporation Charter |

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Concurrence by:

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