

DATE OF MEETING February 1, 2021

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**SUBJECT ECONOMIC DEVELOPMENT STRATEGY AND EXTERNAL CORPORATION CHARTER**

## **OVERVIEW**

### **Purpose of Report**

To provide Council with the final Economic Development Strategy and External Corporation Charter prepared by the Economic Development Task Force.

### **Recommendation**

That Council:

1. endorse the final Economic Development Strategy;
2. endorse the External Corporation Charter; and
3. direct Staff to work with the Class B shareholders to prepare Letters of Incorporation and return to an upcoming meeting for Council approval.

## **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:
  - create a new Economic Development Strategy;
  - preparation 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 12 times since established by Council, completed the Economic Development Strategy, and prepared a Corporation Charter for the external corporation. |

## **DISCUSSION**

### **Economic Development Strategy**

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-19;
- 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 a 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 and 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 on efforts within six goal areas:

- *Economic Capital:* unlocking development lands, securing infrastructure, building community amenities, revitalizing downtown, connecting the waterfront, and leveraging-out 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 and Technology:* connecting the technology sector, strengthening the eco-system, and leveraging existing technology clusters.
- *Social and Environmental Capital:* building networks and strategic partnerships, health and housing, health care capacity, and First Nations reconciliation; and
- *Place-Making and Attraction:* promoting the City, attracting direct investment, branding and place marketing, building a marketing toolbox, targeted outreach, and creating enquiries.

## Corporation Charter

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 C.

The key elements of the Charter are as follows:

*Purpose:* The Corporation 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 Corporation 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 Corporation 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 Corporation is comprised of nine voting Directors appointed by the shareholders, with one being from the social services sector.

*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 corporation for an initial period of five years.

### **Economic Development Task Force Recommendation to Council**

The Economic Development Task Force passed the following two motions at their Special meeting on 2021-JAN-19:

*“It was moved and seconded that the Economic Development Task Force recommend that Council endorse the Economic Development Strategy with revisions discussed at the 2021-JAN-19 special Economic Development Task Force Meeting.”*

*“It was moved and seconded that the Economic Development Task Force recommend that Council endorse the Corporation Charter for the External Economic Development Agency.”*

Council is now in a position to endorse and implement the recommendations from the Economic Development Task Force.

### **NEXT STEPS**

Should Council proceed with the recommendations set out in the report, the following immediate next steps are anticipated:

#### **Economic Development Strategy**

Staff will implement the actions outlined in the Economic Development Strategy, specifically tasks related to the following:

- Set up External Corporation
- Facilitate transportation connections – Passenger Ferry
- Provide support for Health and Housing Initiatives
- Continue investment in 1 Port Drive and Waterfront Walkway
- Support continuous improvement efforts associated with development approval processes
- Transportation and logistics hub opportunity

#### **Economic Development Corporation**

City Staff will work with the Class B shareholders to establish the external corporation. This includes:

- Initial meeting with the City and Class B shareholders to confirm work plan
- Creation of Letters of Incorporation

- Preparation of policies and procedures for the new corporation
- Selection of three additional voting board members, including one from Social Services
- Inaugural Board Meeting
- Hiring of Executive Director
- Selection of Office Space

## **OPTIONS**

1. That Council:
  1. endorse the final Economic Development Strategy;
  2. endorse the External Corporation Charter; and
  3. direct Staff to work with the Class B shareholders to prepare Letters of Incorporation and return to an upcoming meeting for Council approval.
    - Advantages: The Economic Development Strategy and the External Corporation Charter have been prepared by the Economic Development Task Force with the assistance of the consultant team. The City's partners are supportive of the goals and the six focus areas and the Corporation Charter. The Strategy will help guide the City's economic development activities for the next 3-5 years.
    - Disadvantages: None identified.
    - Financial Implications: Council has committed \$250,363 for the internal economic development function in 2021. These costs will be ongoing and business cases will be prepared for individual projects in subsequent financial plans. The external corporation has a budget of \$300,000, a \$169,000 carry forward, and \$25,000 in commitments from the Class B shareholders in 2021. Going forward, the Corporation will have a base budget of \$300,000 with a \$50,000 commitment from Class B shareholders. Staff anticipate the Corporation will prepare an annual business case for Council to consider for additional projects/activities.
2. That Council provide alternative direction.

## **SUMMARY POINTS**

- The Economic Development Task Force (EDTF) was established by Council on 2019-NOV-18. The EDTF has two key objectives: to develop an Economic Development Strategy for the City of Nanaimo and to fully develop the new external corporation (Attachment A).
- The Economic Development Strategy (the "Strategy". Attachment B) 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 Corporation, the City's partners, and the private sector.
- The Strategy sets out a series of Guiding Principles, including working in partnership, a focus on long-term outcomes, equity and reconciliation, and a focus on local, authenticity, and the circular economy.

- The specific action items are focused around six key headings, including economic capital, business development, human capital, innovation and technology, social and environmental capital, and place-making and attraction.
- Neilson Strategies worked with the EDTF to develop a Corporation Charter for the External Corporation.
- The Corporation 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 Corporation will implement the economic development strategy and help coordinate economic development and business attraction activities.
- The Economic Development Strategy and Corporation Charter were endorsed by the Economic Development Task Force at the 2021-JAN-19 Special Meeting.

**ATTACHMENTS:**

ATTACHMENT A: Terms of Reference  
ATTACHMENT B: Final Economic Development Strategy  
ATTACHMENT C: External Corporation Charter |

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