

Report

Date November 9, 2021

File:

Subject Consideration of an Economic Development Committee

PURPOSE

To determine whether there is a desire to establish an Economic Development Committee.

BACKGROUND

One of the goals identified in Council's Strategic Plan is the consideration of implementing an Economic Development Committee. This report summarizes the opportunities and constraints associated with implementing an Economic Development Committee and provides Council options on this issue. The report also provides a draft of an economic committee composition and costs of supporting such a committee. It also identifies a few areas in which such a committee could assist Council.

Establishing an Economic Development Committee and reviewing issues supporting economic development should be done in partnership with the Cowichan Valley Regional District (CVRD). The Municipality provides funding of \$183,230 into the regional economic development function each year. Economic Development is therefore already established as a regional function operated by the CVRD. Barry O'Riordan is the current Manager of Economic Development Cowichan (EDC). Mr. O'Riordan attended the August 18, 2021, Council meeting, where he provided an update on economic activities undertaken over the past year and advised of funding for a part-time position that may support Council's goals in the future.

EDC has recently received a grant through Island Coastal Economic Trust to hire a part-time Economic Development Analyst to support sub-regional recovery in Cowichan. This position will provide support to sub-regional communities where elected officials, First Nations, and local stakeholders are interested in working together on developing projects to support local COVID-19 recovery efforts. EDC has met with the Mayor and staff and has initiated a project to engage First Nations and Chemainus businesses to better understand how we can support them in recovery efforts from COVID-19. This work will include dialogue with the Chemainus Business Improvement Centre and the Chemainus Chamber of Commerce to also support their efforts.

DISCUSSION

Although staff recommends not proceeding with a committee at this time, the following attempts to frame for Council the potential structure of a committee, the potential scope of work, the budget implications, and the impacts to the Official Community Plan (OCP) process should that be desired to be part of its mandate.

Economic Development Committee

The use of a committee has the advantage of bringing together industry experts from a diverse number of economic sectors and support agencies.

Although this is not meant to be the basis of this report and would be the subject of a subsequent report if Council decides to proceed with a committee, a committee makeup could, for example, include the following representation to ensure broad representation in the community:

- Mayor
- Council (one member)
- Chemainus Chamber of Commerce (one member)
- Duncan Chamber of Commerce (one member)
- Cowichan Nations (one member)
- Vancouver Island University (one member)
- Community Futures Cowichan (one member)
- And a minimum of five members representing the following sectors; transportation warehousing, construction, healthcare, tourism, labour, recycling, agricultural, not-for-profit, manufacturing, renewable energy, education, technology, commercial real estate, food and beverage, retail trade, film, and social services.

A work plan for an Economic Development Committee could include any of the following objectives (expository of the work Council may choose to undertake):

1. Review the impacts of COVID on existing business sectors and provide recommendations for a business COVID support recovery plan.
2. Assist with the review of OCP policies and the development of zoning regulations as part of developing a new Zoning Bylaw, informed through the adoption of a new OCP.
3. Develop an Economic Development Strategy

A committee of this nature could also include the appropriate membership and objectives to address Council's May 5, 2021 motion that was referred to a future Committee of the Whole meeting, which has informed this discussion:

NOW THEREFORE BE IT RESOLVED that Council seek the advice and recommendations from key stakeholders representing existing business, agricultural, industrial, labour and other relevant 'think tanks' on aspects of economic development (examples of which include: Cowichan Works, the Cowichan Agricultural Society, the Chemainus BIA, the relevant Chambers of Commerce, our local labour unions – to be determined by Council) on the following questions:

1. *What can local government do to develop and retain the necessary talent to foster local socially and environmentally sustainable jobs and businesses?*
2. *How can conditions be created to help existing businesses and industries prosper while increasingly contributing to the community's resiliency and sustainability goals?*

3. *What types of sustainable businesses and green industries might be particularly suited to North Cowichan (eg given our location, resources, supporting businesses, and likely social licence)?*

It would take considerable efforts to have a committee operational before the end of the year and would also require pre-budget approval to support the staffing and committee operational requirements. A committee would also have to be supported in partnership with CVRD Economic Development staff to provide a regional lens to its recommendations, as this is where the primary service area resides. It would also add to the time constraints of initiating a committee.

Operationally there are challenges with creating more committees, specifically around the capacity of administrative support. Legislative Services is currently oversubscribed in this regard, and we are using other staff outside of that department to help with other committees' administrative support. During the 2022 Departmental Business Planning process, staff will be bringing a request for one additional staff member to address this resourcing gap. As such, there is no extra capacity to take on work in this department without additional resources. It is anticipated that a budget in the range of \$30-50k would be necessary to support the formation and operation of a committee (casual/temporary admin staff and community engagement) for six months of operating the committee (excluding any consulting costs). In addition, the committee would need to be supported by a member of the Senior Leadership Team and potentially other staff, depending on the nature of the work undertaken by the committee, which will likely result in delays in meeting other strategic priorities of Council.

Three suggested priorities in which an Economic Development Committee could assist Council include:

1. COVID-19 recovery;
2. Policy and strategies for the OCP and Zoning regulation development; and,
3. Creation of an Economic Development Strategy.

1. COVID-19 Recovery

We are in unprecedented times related to the health of our economy during a pandemic. Like most communities, North Cowichan business stability varies depending on the commercial sector and level of support offered by higher levels of government. As we move out of the pandemic, there is an opportunity to discuss how to support our business community and move forward with business retention and business attraction that would help transition back to "normality."

Our Municipality is comprised of several distinct communities that may have varying issues of support required for businesses within these communities. Our communities should be recognized and supported for the uniqueness of their needs and efforts made to support local, rural, and regional businesses.

An Economic Development Committee comprised of community business experts could assist with outreach and support to local businesses and recommend actions for Council to consider to support the local business community. This would include any strategies around Council's advocacy to other levels of government to assist with our local economic recovery efforts.

2. Official Community Plan

We are currently in the midst of an OCP update in which most of the effort is focused on land-use organization and environmental policy development. Economic development policy will be included in the new OCP, but there has not been broad engagement with business and industry. One of the pillars of an OCP is an economic development policy, and at this point, no process has been formalized for referrals to provide input into the OCP in this regard. For the most part, while there may be some economic expertise on the OCP Advisory Group and the draft plan will be referred to stakeholders for comment and input, the business sectors have not been formally engaged.

The current policies of the OCP related to the economy are included in Attachment 1. These policies are well developed, still relevant, and likely very applicable to meeting the higher-level needs for policy direction.

A Council Economic Development Committee could provide expert input and policy recommendations that the OCP committee and consultant could consider when creating the draft OCP for broader community engagement purposes. The timing of achieving this input, however, would delay the projected OCP completion date. Flowing from the OCP policy development, a committee could also assist with ensuring that the subsequent development of our zoning bylaw meets the changing needs for clean, environmental business park developments.

Inserting a new committee would add another layer of review to the OCP and would be very challenging at this point. The time constraints of initiating an Economic Development Committee will make its use impossible without significantly delaying the OCP process. However, an Economic Development Committee could assist with the development of the Zoning Bylaw, which will flow from the OCP adoption.

3. North Cowichan Economic Development Strategy

As noted above, staff believe the current policies of the OCP, with some minor tweaking and updating during the OCP process, are still valid and provide excellent and balanced policy direction related to economic development in the Municipality. The recent Industrial Land Use Strategy (March 2019), for example, will help inform some of the amendments necessary to our OCP policies as part of its review.

Staff anticipate that the adoption of the OCP will have several implementation actions and recommendations associated with its adoption. These could include recommendations around economic development. Part of the OCP implementation plans could include a recommendation to develop an Economic Development Strategy, similar to the one developed by Ladysmith in 2018. The creation of an Economic Development Strategy could utilize the same type of committee noted above to aid in its development and act as an advisory body to a consultant retained to develop the draft strategy for Council.

Developing an Economic Development Strategy would help clarify partnering opportunities with First Nations and refine strategies across all economic sectors while recognizing the unique characteristics of our individual communities. The development of a Strategy should flow from the adoption of the new OCP.

There will be several identified priorities flowing from the adoption of the OCP, and while the development of an Economic Development Strategy is important, it is a large undertaking. Completing this project would require significant budget allocation to address staff resourcing (i.e. senior staff resourcing to the committee and Corporate Services Administrative staff), consultant hiring and community engagement. It is estimated that an engagement plan and consulting budget would cost approximately \$50-\$100K, and new administrative staff, \$50-\$80k. If Council desires to initiate such a review, it should be identified in the 2022- 2027 financial plan discussions and included as one of Council's priorities for the balance of the term. Undertaking this project would also impact the completion of other Strategic Priorities of Council.

OPTIONS

1. **(Recommended Option)** THAT the Committee of the Whole recommends that Council not proceed with establishing an Economic Development Committee at this time and that staff refer the draft OCP policies to the Regional Economic Development Officer for comments and input to Council as part of the OCP process.
2. THAT the Committee of the Whole recommends that Council:
 - (1) Authorize the creation of a committee on economic development and clarify the objectives of this review;
 - (2) Direct staff to prepare a report identifying which other strategic priorities cannot proceed and determine staffing and budget necessary to complete the work;
 - (3) Direct staff to develop terms of reference for the committee for Council's consideration; and,
 - (4) Include funding for a committee in the 2022 budget plan.
3. THAT the Committee of the Whole recommends that Council not proceed with the establishment of an economic development committee.

IMPLICATIONS

Staff have updated Council regularly throughout its term, respecting the progress of completing its Strategic Priorities. We have provided detailed business plans regarding funding and staffing needs required to meet Council's priorities and maintain the service levels to the community that Council authorizes each year through the budget approval. Staff can not take on new projects without dropping other priorities that Council has directed. Staff are working at full capacity and are also working after hours and on weekends to keep up with the pace of development and project management required of these priorities. We cannot meet the expectations that would be demanded by taking on new work at this time without adjustments to Council's work plan and the additional resources noted in the report. This is a very challenging budget year with a projected significant tax increase as part of the COVID-19 recovery budget adopted by Council. As identified in the report, this project would add significantly to the tax burden of the 2022 budget year. As previously noted, we also already contribute a substantial

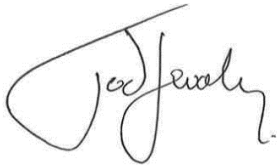
amount of funding to the CVRD for economic development, which could be leveraged to assist with our OCP review without the need to form an Economic Development Committee.

The OCP and Forestry reviews are two of our most complex and significant policy projects underway, both of which would form the basis of informing further economic policy strategies. Staff recommend taking no further action on this issue until the OCP and Forestry reviews are completed, and Council has a workshop to prioritize the implementation priorities flowing from the implementation plans from each of these major policy initiatives. Staff would ensure any future discussion about initiating an Economic Development Committee would continue to include the direction passed in the above-noted motion adopted by Council.

RECOMMENDATION

THAT the Committee of the Whole recommends that Council not proceed with establishing an Economic Development Committee at this time and that staff refer the draft OCP policies to the Regional Economic Development Officer for comments and input to Council as part of the OCP process.

Report prepared by:



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Approved to be forwarded to Council:



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Attachment:

- (1) OCP Policies – Economic Opportunities