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**TO:** Electoral Area Services Committee    **MEETING:** October 8, 2019  
**FROM:** Nick Redpath  
Planner    **FILE:** 6750-01  
**SUBJECT:** Service Agreement with Gabriola Island Chamber of Commerce to Provide  
Economic Development for Electoral Area B

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## **RECOMMENDATION**

That the Board defer entering into any new economic development service agreements until the review of economic development delivery models within the region has been completed.

## **SUMMARY**

The Gabriola Island Chamber of Commerce (GICC) has requested that the Regional District of Nanaimo (RDN) enter into a new three-year service agreement through the Southern Communities Economic Development (SCED) Service for delivery of economic development and tourism marketing for Electoral Area B starting in 2020.

## **BACKGROUND**

In November 2011, the RDN established the Southern Community Economic Development Service through Regional District of Nanaimo Bylaw 1648, 2011 (see Attachment 1 – Regional District of Nanaimo Bylaw No. 1648, 2011). The purpose of this service is to promote economic development in Electoral Areas A, B and C (the service area). The Bylaw allows the RDN to pay for this service by collecting property taxes in the service area. The maximum amounts to be collected each year started with \$125,000 in 2012, rising to a final annual maximum of \$191,000 in 2017 and each subsequent year. The Bylaw also allows the RDN to enter into an agreement with an economic development corporation owned by a local government.

With the dissolution of the Nanaimo Economic Development Commission and Tourism Nanaimo at the beginning of 2017, the GICC expressed an interest to provide tourism marketing and economic development for Gabriola Island. The GICC submitted their original request to the RDN in February of 2017 to seek funding through the SCED service.

The GICC entered into a three-year service agreement in October of 2017 that is due to expire in March of 2020 (see Attachment 2 – Southern Community Economic Development Service Agreement for Electoral Area B). Within this service agreement, the RDN agreed upon a service fee of \$159,925, with the final installment of \$65,000 being released to the GICC on September 13, 2019, thus completing the terms of the service agreement.

## **DISCUSSION**

With the conclusion of the previous service agreement, the GICC has requested that the RDN enter into a new three-year service agreement through the SCED service to continue the delivery of economic development and tourism marketing for Electoral Area B commencing in 2020. As part of the request to enter a new service agreement, the GICC would need to provide a new Gabriola Island Economic Development Plan for the next three years outlining priorities, key activities, leaders and resource allocations based on identified economic priorities.

Prior to the RDN entering into any future service agreements, the SCED service through Bylaw 1648 will need to be amended as the service area currently includes Electoral Areas A and C, who no longer participate in the SCED service. The bylaw amendment process does not require elector approval and would include consent from the Director of Electoral Area B, three readings by the Board, followed by Provincial approval from the Inspector of Municipalities prior to final Board adoption, with an approximate timeline of four months.

The current review of economic development delivery models within the region is underway with an expected completion date in December 2019. As this review may result in the development of a new economic development service that may have implications for the surrounding electoral areas and member municipalities, it is recommended that any new economic development service agreements be deferred until such time that the review exercise has been completed.

## **ALTERNATIVES**

1. To enter into a new three-year service agreement with the GICC.
2. To enter into a new one-year service agreement with the GICC.
3. To defer entering into any new economic development service agreements until the review of economic development delivery models has been completed.
4. To not enter into a three-year service agreement with the GICC.

## **FINANCIAL IMPLICATIONS**

Alternative 1 – The SCED service through Bylaw 1648 allows for a total of \$191,000 to be collected on an annual basis to provide this service for Electoral Areas A, B and C. As part of the service fee agreed upon in the previous service agreement, the RDN paid the GICC a total of \$159,925 over a three-year period in annual installments. The terms and fees of a new three-year service agreement would be outlined within the Gabriola Island Economic Development Plan to be provided by the GICC.

Alternative 2 – As there will be a gap in economic development service post March 2020 between the expiry of the SCED agreement and start of possible new regional economic development service, a one-year agreement with GICC may also be considered.

Alternative 3 – The review of economic development delivery models within the region is underway and is funded within the 2019 budget. Once the review is complete, recommended options on the future of service delivery within the region and their financial implications will be presented.

Alternative 4 – There are no anticipated financial implications if the RDN does not enter into a new service agreement with the GICC.

## **STRATEGIC PLAN IMPLICATIONS**

Economic Coordination - Develop a Regional Economic Development Strategy that addresses both overall regional goals as well as those of the municipal partners and electoral areas.

A review of economic delivery models within the region will help achieve Goal 6.0 of the Strategic Plan by initiating the process to develop a Regional Economic Development Strategy that addresses both overall regional goals as well as those of the municipal partners and electoral areas.



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September 23, 2019

Reviewed by:

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- G. Garbutt, General Manager, Strategic and Community Development
- P. Carlyle, Chief Administrative Officer

Attachments:

1. Regional District of Nanaimo Bylaw No. 1648, 2011
2. Southern Community Economic Development Service Agreement for Electoral Area B