

## MEMORANDUM

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**TO:** Sandy Webster  
Director of Corporate Initiatives  
City of West Kelowna

**CC:** Paul Gipps  
Chief Administrative Officer  
City of West Kelowna

**FROM:** Allan Neilson  
Principal, Neilson Strategies Inc.

**DATE:** May 12, 2022

**SUBJECT:** ECONOMIC DEVELOPMENT CORPORATION — SUMMARY AND PROPOSED NEXT STEPS

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### BACKGROUND

The City of West Kelowna today provides a municipal economic development service alongside a local tourism function through the City's Corporate Initiatives Department. The municipality is also a participant in the Central Okanagan Economic Development Commission (COEDC) which exists as an in-house service of the Regional District of Central Okanagan (RDCO).

Strong development coupled with new economic opportunities and challenges in West Kelowna prompted the City in 2021 to examine its local and regional economic development service efforts, as well as its role in the tourism promotion. Staff reports and briefings on the existing in-house service model were provided in the first half of the year, followed by two facilitated workshops with Council on alternative service models to consider. At the end of the second workshop Council made the following decisions:

- to separate the delivery of the City's local economic development service from the tourism function, and to focus the service review on economic development
- to confirm the City's participation in and support of the regional COEDC service
- to undertake a review aimed at exploring the establishment of an arm's-length, City of West Kelowna economic development corporation (EDC) as the vehicle through which to deliver West Kelowna's local economic development service

Council emphasized the importance of engaging economic development stakeholders in discussions on the establishment of a corporation, including business and industry associations, public and non-profit economic development bodies, significant West Kelowna-based businesses, post-secondary institutions, Westbank First Nation Economic Development Commission and others. To that end, the

City's consultant conducted fifteen interviews with stakeholder organizations in late 2021. The results of these interviews were presented to Council on January 25, 2022. The consultant then facilitated a workshop with representatives of stakeholder organizations on April 27, 2022.

### **STAKEHOLDERS' WORKSHOP**

The purpose of the Workshop was threefold:

- to explore the merits and challenges of establishing a stand-alone, arm's-length City of West Kelowna EDC
- to help shape the mandate, scope of services, governance, funding model, staffing model and other elements of the corporation's structure
- to help position the corporation to complement the work of the Central Okanagan Economic Development Commission (COEDC) and other economic development agencies in which West Kelowna is an important stakeholder

Participants were advised that the City had examined various models and was now interested in establishing an arm's-length corporation. The Workshop was an opportunity to help participants understand the model and provide input on key elements of the corporation's structure.

Invitations to the Workshop were sent to representatives of a variety of organizations and stakeholder groups, including:

- Greater Westside Board of Trade
- Westside Wine Trail
- major employers and businesses from key industry sectors
- financial institutions
- Central Okanagan Economic Development Commission
- Accelerate Okanagan
- economic development organizations (e.g., Community Futures, Economic Trust Southern Interior)
- Kelowna International Airport
- Okanagan College
- other arm's-length economic development agencies in British Columbia — namely, Chilliwack Economic Partners (CEPCO) and Venture Kamloops

West Kelowna's Mayor introduced the event with the CAO in attendance; an economic development leader from Waterloo University's Economic Development Program participated (virtually) as a resource. In total, there were 20 attendees.

### **Workshop Findings**

The discussions at the Stakeholders' Workshop confirmed earlier research findings and the feedback from the interviews conducted in late 2021: there is considerable value in and support for the proposal to establish a City-owned, arm's-length West Kelowna Economic Development Corporation.

Support for an EDC was based on a variety of points, including a corporation's:

- ability to act quickly without being encumbered by the process and other constraints that can constrain in-house departments
- governance model with an autonomous board of direct, populated by business leaders and others with key stakes in the local economy
- ability to ensure confidentiality to potential investors and new businesses interested in establishing or expanding operations in West Kelowna
- ability to interact effectively with City administration, despite being separate from the administration
- ability to take on mandates and initiatives that would be difficult, if not impossible, to pursue within City Hall

Important factors required for the success of an EDC were also identified, including some based on the experiences (successes and challenges) of existing arm's-length agencies. Factors emphasized the need for:

- a West Kelowna economic development strategy, led by the corporation but with strong Council and industry input, to help inform the mandate of the corporation, along with efforts of key partners
- strategic planning for the corporation to set out its mission, strategic directions and goals
- a clear understanding of the relationship between, roles and responsibilities of, and boundaries between the corporation and the City
- a strong level of collaboration with the region — there is both "space" and the need for efforts at the regional and local levels
- a board of directors with senior people from industry and business sectors, as well as other major stakeholder groups
- the value of formal protocols or MOUs to set out the relationship with the municipality, but also the relationship between a West Kelowna EDC and the COEDC
- stable, base funding (e.g., five-year agreements) from the City to enable the corporation to do its work (funding for key projects and initiatives can be raised from other sources)
- clear and reasonable performance measures to assess performance, and to report to the municipality

### **PROPOSED NEXT STEPS**

The service review was designed to seek Council direction, following the stakeholder consultation, on the establishment of a West Kelowna Economic Development Corporation. If Council decides to proceed with establishment, staff and the City's consultant will develop a detailed *West Kelowna EDC Charter* to outline all proposed aspects of the corporation, including its mission (purpose) and mandate, legal structure, share structure, board of directors composition and powers, operating/staffing model, funding model, start-up costs, and all other elements. The contents of the *Charter* will be informed by the stakeholder feedback, but also by the research and discussions with Council undertaken earlier in the review process.

The *Charter* will set the stage for the corporation's *Articles of Incorporation*, as well as any other documents (e.g., bylaw, letter to Inspector of Municipalities) required by the City to establish the corporation, pursuant to the *Community Charter* and *Business Corporations Act*.

#### **RECOMMENDATIONS**

The recommendations are contained in the staff report for Council's consideration.

— END —