

Date: 01/09/2021

To: Chair and Directors, Committee of the Whole

And To: John MacLean, Chief Administrative Officer

From: Darron Campbell, Manager of Community Services

Date of Meeting: September 9, 2021

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Short Summary:

Proposed Establishment of a Regional Economic Development Function

Background:

At its meeting in August 2020, the Regional District Board passed a resolution directing staff to bring forward a Committee of the Whole report exploring the opportunity to merge the three existing sub-regional economic development functions.

This concept is consistent with the Board's 2020-2022 Strategic Plan. Specifically, Strategic Goals 2 and 3 which state:

Strategic Goal 2: Planning - Intentionally plan services and activities of the CRD to prepare for future needs of residents and community stakeholders.

Objective 2.4 Identify opportunities to increase efficiencies and streamline services.

Tactical Action 2.4.5 Review CRD service categories (and individual functions) with a view to combine functions into regional services where appropriate

Strategic Goal 3: Economic Sustainability - Foster an environment to ensure the economic sustainability of CRD communities and the region.

Objective 3.2 Develop and implement a strategy for appropriate CRD action, partnership, or advocacy to address regional economic impactors.

Currently, there are three sub-regional economic development functions in the region including the north Cariboo (Electoral Areas A, B, C, I), central Cariboo (D, E, F, J, K) and south Cariboo (G, H, L). Each function has its own separate business plan and financial plan; however, many of the goals are similar and overlapping, such as support for hosting events, partnering on economic development projects, as well as the Board's strategic direction to review species at risk developments and encourage economic cooperation by hosting regular EDO roundtable

meetings.

The current requisition and tax rate for each sub-regional function is as follows:

North Cariboo (1026) in 2021 has a requisition of \$40,000, an operating surplus of \$58,031 and a residential taxation rate of about \$1.90 / \$100,000 of assessment on land and improvements.

Central Cariboo (1025) in 2021 has a requisition of \$100,000, an operating surplus of \$113,688 and a residential rate of about \$3.83 / \$100,000 of assessment on land and improvements.

South Cariboo (1017) in 2021 has a requisition of \$63,750, an operating surplus of \$75,084 and a residential rate of \$1.95 / \$100,000 of assessment on land and improvements.

Using the status quo for economic development revenues and expenditures and the assumption that all existing contribution agreements and business plan project goals are maintained, a combined regional economic development function for the electoral areas would have an annual requisition of \$203,750 and a residential rate of about \$2.55 / \$100,000 of assessment on land and improvements.

The advantage to combining the functions is a significant gain in administrative efficiency and economy of scale and having an appropriate regional function for large-scale initiatives such as Cariboo Strong or regional economic development branding such as Explore Cariboo and the Make the Move regional landing pages, as well as labour market research, business façade programs, and market housing and development property analysis.

A regional economic development function would also provide an appropriate budget for allocation of the Regional Economic and Community Development Officer position salary, which is currently under the Electoral Area Administration. The RECDO position is subsidized by capacity funding from the Northern Development Initiative Trust and this funding should be allocated to the proposed regional economic development budget.

There are inherent efficiencies and economies of merging the sub-regional functions, which help avoid duplication and overlap, but there may also be smaller scale input and detail that would be reduced.

For example, as a regional function, the review and approval of individual funding contribution agreements, such as those supporting visitor centre services or tourism infrastructure management, would be brought forward to the Regional Board. Current practice with the sub-regional functions is receipt and recommendation from the north, central or south Cariboo rural Directors caucus, prior to coming forward to the Board for endorsement. However; avoiding this two-step process will, in and of itself, also support the Board's strategic goals to create efficiency and streamline process.

If the Board wishes to proceed with merging these three sub-regional functions, this can be accomplished in a straightforward manner with a regional establishment bylaw approval based

on agreement of all service area participants – equivalent to the process which merged the five central Cariboo economic development functions for areas D, E, F, J, and K into the Central Cariboo Economic Development function in 2019.

Attachments:

2021 Business Plans for the South, Central and North Cariboo Economic Development functions.