



**City of Kingston
Report to Council
Report Number 19-258**

To: Mayor and Members of Council
From: Lanie Hurdle, Interim Chief Administrative Officer
Resource Staff: Same
Date of Meeting: October 15, 2019
Subject: Strengthen Economic Development Opportunities – Potential Partnership

Executive Summary:

The purpose of this report is to provide Council with a recommendation on a potential partnership that would help to advance the Council strategic priority of strengthening economic development opportunities. More specifically, the proposed partnership would partially address the endorsed strategy to redefine roles and responsibilities between the City and Kingston Economic Development Corporation for after care and existing business support. This partnership would also support Council's strategy to invest in innovative workforce development and in-migration strategies.

The proposed partnership between the City and the Kingston Economic Development Corporation would include the joint leadership of the economic development strategic plan, similar to the approach that was taken about a year ago for the joint development of the Integrated Destination Strategy (IDS) with Tourism Kingston, which was endorsed by Council in June 2019. The process for the development of the economic development strategic plan would be similar to the IDS which would ensure that there is consulting expertise leading the initiative with significant key stakeholder engagement. This strategic plan process will also be an opportunity to properly define roles and responsibilities between the City and the Kingston Economic Development Corporation as it relates to after care and existing business support. As a co-lead and partner of the IDS, the City contributed \$65,000 to its development. City staff are recommending the same contribution into the economic development strategic plan. These funds will come from the 2019 operating budget and therefore will have no budget implications.

City staff are also recommending a partnership with the Kingston Economic Development Corporation to build more internal city capacity to support economic development requests and needs. This partnership would include a contribution from the Kingston Economic Development

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Corporation of \$150,000 per year for two (2) years to support the ongoing implementation of the Workforce Development and In-Migration Strategy led by the City, and the creation of a new position within the City that would create a one stop support service for new and existing businesses that are trying to navigate municipal services. The intent of this new position is to provide the right support and accelerate when possible municipal services to businesses. These services can range from a patio license application to the acquisition and complex development of a property. The City does provide a wide range of services that businesses need to access in order to be successful. The complexity of systems and processes can make it difficult for businesses to obtain services within an appropriate time frame, especially smaller businesses. This enhanced service to new and existing businesses is not meant to replace any services already provided by departments but rather to support businesses as they go through the process of obtaining City services.

The success of this proposed partnership will need to be monitored based on clear measurements. In December 2019, City and Kingston Economic Development staff will report proposed measurements for this partnership as well as measurements for the current Service Level Agreement (SLA) between the City and the Kingston Economic Development Corporation which expires in January 2020.

The review of the SLA is an important step in strengthening the Kingston Economic Development Corporation's reporting and accountability to the City. From a staff perspective, it is critical to move forward with increased accountability and focus on strengthening the partnership with the Kingston Economic Development Corporation in order to position the overall community for ongoing economic success.

This proposed partnership and changes were discussed with the Kingston Economic Development Corporation's Board of Directors in September. Members of the Board were supportive of moving forward with the proposed partnership and changes.

Recommendation:

That Council approve a contribution of up to \$65,000 from the 2019 operating budget to co-lead with the Kingston Economic Development Corporation the development of an economic development strategic plan; and

That Council support the development of a partnership with a contribution from the Kingston Economic Development Corporation of \$150,000 per year for two (2) years for the ongoing support to the implementation of the workforce development and in-migration strategy and the creation of a one-stop service to support businesses working with the City; and

That Council direct staff to report back on benchmarks and metrics for both the new partnership as well as the Service Level Agreement by the end of 2019.

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Options/Discussion:**Background**Service Level Agreement

In 2017, Council endorsed a Service Level Agreement (SLA) with the Kingston Economic Development Corporation. This SLA was established after a comprehensive review which resulted in the creation of a separate organization for tourism (Tourism Kingston) and a number of changes to the Kingston Economic Development Corporation's policies and procedures to increase accountability and transparency.

The upcoming changes to the SLA will provide for more reporting from the Kingston Economic Development Corporation to the City as well as a review of the measurements, Key Performance Indicators (KPI's) and benchmarking in order to target appropriate economic development outcomes. This information will be presented back to Council in December 2019.

Strategic Plan

City Council endorsed its strategic plan 2019-2022 in May 2019 which included initiatives to strengthen economic development opportunities. With these council priorities endorsed, the Kingston Economic Development Corporation will be initiating its own, aligned economic development strategic plan.

It is important that this strategic plan be supported with an individual or team that has expertise and knowledge in economic development and growth and that have facilitating skills in order to engage key stakeholders in the creation of this strategic plan. Considering the importance of economic development within the Council strategic plan, City staff believe that it is important for the City to be a co-lead in the development of the economic development strategic plan.

The proposed process for this strategic plan is very similar to the development of the Integrated Destination Strategy (IDS) endorsed by Council in June 2019. The City was a co-lead with Tourism Kingston and Kingston Accommodation Partners (KAP) and contributed \$65,000. Tourism Kingston retained the services of Twenty31 Consulting led by Greg Klassen and Oliver Martin who have national and international experience and expertise in developing tourism plans and strategies.

The intent is to follow a similar process for the development of the economic development strategic plan and therefore staff are recommending a contribution of up to \$65,000 from the 2019 operating budget. The strategic plan will also enable a review of the Kingston Economic Development Corporation's mandate and governance which will contribute to the Council's initiative to redefine the economic development roles and responsibilities.

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Enhanced Support to New and Existing Businesses

The City of Kingston provides a wide variety of services that are necessary for new and existing businesses to thrive. Services can range from simple licenses required to operate a business to major developments that require complex land use approvals and property acquisitions. Many different City departments can be involved in providing these services and, at times, the process to access and obtain these services can be complicated, especially for small businesses.

Council endorsed a priority to enhance services to new and existing businesses as well as aftercare. The intent is to create a new position within the City that will act as a one stop support service to help businesses navigate the City system and processes to access services. This position is intended to leverage the existing supports that are offered to businesses that purchase city employment land. The types of services will include but will not be limited to the following:

- Enhance support to small businesses to navigate City services;
- Provide first City point of contact for land and site selection for new and existing businesses;
- Review city programs and services from a business perspective to identify policy bottlenecks and redundancies.

As a key first step and ongoing practice, it will be important for the person who fills the new position to reach out to the business community with the Kingston Economic Development Corporation and various member organizations to learn more about their needs regarding access to city services.

Furthermore, this position will work closely with staff from the Kingston Economic Development Corporation to help implement additional support for aftercare by conducting more in person interviews and reviews with existing businesses.

As part of the proposed partnership, the City will continue to play the lead role in the implementation of the Workforce Development and In-Migration Strategy with the overarching goals of attracting, developing and retaining a productive workforce. The City facilitated the development of the strategy in collaboration with key stakeholders which resulted in its endorsement by Council in 2017. Following its endorsement, community partners with leadership from the City, created 7 working groups to implement the recommendations set out in the strategy. The City committed funding of \$200,000 for two (2) years to support the implementation of the Strategy and has been able to secure substantial grant funding and leverage contributions from other project partners. A number of initiatives have been completed and launched in 2019 but significant work remains to be completed in the implementation of the Strategy. The City will continue to lead this work.

The proposed partnership will include a contribution of \$150,000 per year for two (2) years from the Kingston Economic Development Corporation to the City in order to continue its work on the

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Workforce Development and In-Migration Strategy and create a new position that will provide enhanced support to new and existing businesses. The City will contribute an equivalent amount in its operational budget to support these services. There will be measurements and benchmarks established and reported back on a regular basis.

Existing Policy/By-Law:

Not applicable

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

Financial Considerations:

The proposed contribution of up to \$65,000 from the City for the economic development strategic plan will be funded from the 2019 operating budget. The Kingston Economic Development Corporation will provide a contribution of \$150,000 per year for the next two (2) years to continue the implementation of the Workforce Development and In-Migration Strategy as well as an enhanced service to existing businesses. The City will include a matching contribution in its operational budget for 2020 and 2021.

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Other City of Kingston Staff Consulted:

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Others Consulted:

Donna Gillespie, Chief Executive Officer, Kingston Economic Development Corporation

Exhibits Attached:

Not applicable