



# Greater Saint John: Competing and transforming in the 2020s

# The Objective



- A new, innovative approach to regional economic development that aligns the key players in the ecosystem focused on economic growth.
- With a budget and the scale to compete with the other larger urban centres across Atlantic Canada and beyond.
- This **IS NOT** about consolidation to achieve cost efficiencies. The focus is **GROWTH**.
- This new economic development model will be funded regionally in the Greater Saint John area.

# Engagement Process

- Advisory council came together at request of Saint John City Manager to build a path forward for the City of SJ.
- During this engagement, the model evolved from a SJ centric exercise to a regional approach with all municipalities (Quispamsis, Rothesay, Grand Bay-Westfield, Hampton, and St. Martin's engaged by Fall 2019).
- This process was driven by the Municipalities/City – the major investors in this new model and all work done was accountable back to the collective (municipalities/city)
- Smaller Advisory council continued as David Campbell and Cathy Simpson asked to play a facilitation and consultative role.
- Other investors including GNB, ACOA, and Hotel Association engaged at a high level throughout.
- Existing agencies engaged through the Executive Directors & Board Chairs as the process unfolded.



# Why Regional collaboration?



The Saint John metropolitan area



Economically integrated economy



Scale matters



Competing & winning in the 2020s

A path  
forward

*“A singular economic development entity with greater impact and alignment that propels growth for the Greater Saint John region.”*



# Vision for this Approach



One Organization



One Leader



One Board



One Budget

# Four broad areas for economic development collaboration



Economic development: industries, investment, entrepreneurs, etc.



People Attraction & population growth



Tourism development



Infrastructure development

# A Game Changer



Will be one of the largest regional economic development agencies in Atlantic Canada



Private sector led Board of directors from various organizations, LSD, and municipalities



Funding & governance model that is fair and equitable with intent to increase funding & investment over time



Multi-year funding commitments to deliver greater stability that will drive results based on the “right” KPI’s



# Funding the new economic development model: Principles



- Fair and equitable funding from all Saint John CMA municipalities (including LSDs). Securing core and stable municipal funding is critical.
- Per capita model with municipalities ramping up funding over a five-year time period.
- New entity tasked with leveraging other sources of funding with the goal of driving economic development and people attraction to the region.
- The provincial government contributes \$250,000 per year for the first two years while a negotiated funding formula with the LSDs is developed.

# Proposed Five-Year Revenue Forecast, New Economic Development Organization



<b>Core municipal funding:</b>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Saint John	\$1,700,000	\$1,700,000	\$1,900,000	\$1,900,000	\$1,900,000
Rothsay	\$148,000	\$192,000	\$250,000	\$266,000	\$283,000
Quispamsis	\$168,000	\$219,000	\$284,000	\$370,000	\$454,000
Grand Bay-Westfield	\$36,000	\$48,000	\$64,000	\$86,000	\$118,000
Hampton	\$31,000	\$41,000	\$56,000	\$74,000	\$102,000
St. Martins	2,800	3,600	4,700	6,000	6,800
<u>Other communities (LSDs)</u>	<u>250,000</u>	<u>250,000</u>	<u>275,000</u>	<u>300,000</u>	<u>330,000</u>
Core municipal funding:	\$2,335,800	\$2,453,600	\$2,833,700	\$3,002,000	\$3,193,800
 <b>Accommodation levy:*</b>	 \$700,000	 \$1,500,000	 \$1,700,000	 \$1,800,000	 \$1,900,000
 <b>Other potential funding</b>					
Prov/federal government**	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
Private sector**	<u>200,000</u>	<u>300,000</u>	<u>400,000</u>	<u>450,000</u>	<u>450,000</u>
Total – other	\$1,900,000	\$2,000,000	\$2,100,000	\$2,150,000	\$2,150,000
 <b>Funding forecast (proforma):</b>	 \$4,935,800	 \$5,953,600	 \$6,633,700	 \$6,952,000	 \$7,243,800

**Table 2: Proposed Five-Year Revenue Forecast, New Economic Development Organization**

\*Estimated by the Saint John Hotel Association.

\*\*Based on current provincial and federal funding of local economic development and people attraction initiatives.

\*\*Recommended private sector contribution.

# Summary of governance model



- The board will consist of Inside Municipal/Government Directors and Outside Private Sector Directors. The Chair will be an outside director.
- The inside directors will be appointed by the municipalities from senior staff members; primarily the city and/or town managers. No elected representatives will sit on this board.
- Municipalities (the shareholders) will have preferred shareholder status, which in effect will require a majority of municipal director's approval surrounding certain key directional decisions of the board and, by extension, the organization.
- The board will be made up of 12 – 15 directors including 7-8 outside private sector directors and 6 inside municipal directors, and 1 provincial/federal government nominated director.

# Summary of governance model



- Inside Municipal Directors will be appointed to the board on 4-year terms coinciding with municipal election cycles.
  - Representation is proposed as follows:
  - 2 from the City of Saint John, including the City Manager with 2 votes each for a total of 4 votes
  - 4 Municipal representatives from Grand Bay-Westfield, Rothesay, Quispamsis, and Hampton with a total of 4 votes
- There will be four board committees: executive, governance/nominating, finance/audit, and human resources.

# Summary of governance model



## **Preferred Shareholder Status**

- Inside Municipal Directors will have to approve certain essential and material decision of the board such as:
  - Four-year strategic goals and objectives.
  - New Funding Arrangements of a material and/or directive nature.
  - Bylaws.
  - Annual business plans that vary in a material way from the approved strategic plans.

# Transition Planning for model

1. August: Transition committee of 6 set up as recommended by the five municipalities to recruit new board chair and initial board of directors

2. August: Firm to facilitate recruitment of the Chief Economic Development officer hire

3. Fall: Transition activities with agencies underway/ GNB begins process for LSD engagement by 2023/ Municipal govt priorities established with KPI's approved by councils

4. January: New organization up and running

# Letters of Support

- GNB - Premier Blaine Higgs
- GNB - Minister Jeff Carr
- Fed Govt - Wayne Long – MP, Saint John –  
Rothesay
- Roxanne Fairweather – Innovatia
- Dr. Shelley Rinehart – UNB
- Derrick Stanford – SJ Airport
- Shilo Boucher – YMCA
- Peter Stoddard – Restaurants – Ale House and  
more
- Frank McKenna
- Dr. David Elias – Elias Mgmt Group
- Leslie Magee – Real Estate, Develop SJ
- Danielle Timmons – Aquilla Tours
- Brice Belyea – Living SJ
- Rob Beliveau – Emera
- Martin Chaisson – Entrepreneur
- Saint John Hotel Association – 11 Hotels
- Doug Jenkins – iSpire
- JD Irving Ltd.

More to come

# Suggested Council Motion

“To accept and adopt the new regional economic development framework as stated in the Prospectus presented dated July 13, 2020 and agree to sign a letter of commitment to the Advisory council to that effect”