

Evaluating the Economic Development Role of BC Local Governments

A Snapshot of Community Effort and Opportunity



UNION OF
BRITISH
COLUMBIA
MUNICIPALITIES

April 2010

All photographs in this publication have been gratefully provided by the local governments they represent unless otherwise noted.

Front Cover Photographs (Left to Right): District of Mission, District of Maple Ridge (Memorial Peace Park), Regional District of Central Okanagan, City of Nanaimo (City Hall), Fort St. James (Caledonia Classic Dog Sled Race).



Photo credit: Michael Braun

A publication by the Union of BC Municipalities (UBCM) with funding from the BC Ministry of Small Business, Technology and Economic Development.

FORWARD

It is our hope that the stories and information shared in this publication will inspire local governments to be forward-looking and realize the economic development opportunities inherent within their own communities.

In a 2004 survey on local government concerns UBCM members ranked economic development as the number one priority for their communities. In response to that original survey UBCM ramped up its efforts in economic development with additional funding support provided by the provincial government. In 2006 we held a conference on economic development for local government elected officials, chief administrative officers and senior economic development practitioners. This was a first of its kind for UBCM and it gave local governments a venue to share successes and talk about issues.

UBCM's early efforts were facilitated in large part by then Prince George Councillor, Dan Rogers. As the chair of the Community Economic Development (CED) Committee at that time, Rogers put forward a proposal to the Province to fund this initiative as a way to address the lack of research regarding the local government role in economic development. We are grateful to him for his vision and pivotal role in the early stages of this project.

Economic development remains a top-of-mind issue for local governments, particularly given the economic downturn and uncertainty facing all communities. This report represents the culmination of the work UBCM has undertaken in economic development, but focuses on the findings from a survey on the roles of local governments in economic development undertaken in the summer and fall of 2009. We are thankful to members for their patience and support as we brought this project to fruition and we are grateful to those members that contributed, both in the project's early stages as well as in recent months. The committee also extends a huge thanks to Joanne Gauci who has provided staff support to this initiative since its inception.

The stories of local government action aimed at bettering the economic and social well-being of their communities and regions are numerous. This report provides a snapshot of these stories plus additional resources in an effort to promote dialogue at the local level. The main objective of this publication is to promote dialogue and inspire solutions to the challenges local governments face with respect to economic development planning. We hope that this publication will serve as a valuable resource for UBCM members. Feedback or comments about this publication can be directed to the CED Committee by email at mcrawford@ubcm.ca.



Chair, Mayor Mary Sjostrom
Union of BC Municipalities'
Community Economic Development Committee

Table of Contents

Forward	3
List of Charts	7
Introduction	9
Section 1 Economic Development Delivery Models	13
1.1 Delivery Models – Overview of Survey Findings	14
1.2 Financing Economic Development	22
1.3 Thinking Regionally	23
1.4 Choosing A Delivery Model – Factors for Consideration	25
1.5 Conclusions	28
Section 2 Planning for Economic Development	29
2.1 Local Government Priorities – Overview of Survey Findings	31
2.2 A Change in Focus – Looking Inward Not Outward	32
2.3 The Economic Development Plan	36
2.4 Barriers and Challenges to Economic Development Planning	43
2.5 Conclusions	46
Section 3 Foundations for Success	47
3.1 Key Elements of Success – Overview of Survey Findings	49
3.2 The Imperatives – A Framework for Dialogue	50
3.3 Exploring Partnerships	60
Section 4 Concluding Remarks	63
Section 5 Economic Development Resources	65
Appendix 1 – List of Survey Respondents	67
Endnotes and References	69

List of Charts*

Chart 1:	2009 Survey responses by population category.....	9
Chart 2:	How does your local government deliver economic development?.....	14
Chart 3:	How many full-time equivalencies does your local government devote to economic development?.....	15
Chart 4:	If you utilize an economic development officer, please indicate if it is a full-time, part-time, or shared position.....	15
Chart 5:	Does your local government have a budget specifically for economic development?.....	22
Chart 6:	Is there an expectation that your local government's economic development expenditures will increase, decrease, or remain the same in the next three to five years?.....	22
Chart 7:	Comparison of in-house versus arms-length delivery models.....	26
Chart 8:	What are the top three priorities that represent the focus of your local government's economic development efforts?.....	31
Chart 9:	Does your local government have an economic development plan or strategy?.....	36
Chart 10:	How often is your economic development plan updated?.....	36
Chart 11:	What stakeholder groups were involved in the process of developing your economic development plan?	37
Chart 12:	How effective has your economic development plan been at fostering economic development in your community?.....	38
Chart 13:	What are the top two internal and external barriers to economic development in your community?.....	43
Chart 14:	What impact has the current global financial crisis had on your community?.....	44
Chart 15:	Foundations for success – an examination of critical factors	44

* Please note that the charts report on questions asked in UBCM's 2009 survey on economic development and for ease of reference the chart title often corresponds with the wording of the survey question.



Photo credits (top to bottom, left to right): *Prince Rupert and Port Edward Economic Development Corporation; Regional District of Central Okanagan; Chilliwack Economic Partners Corporation.*

Introduction

Project Background and Goals

In 2005 the UBCM Community Economic Development (CED) Committee responded to a members' list of priority issues by embarking on a survey of local government economic development practices. With the passing of four years and a dramatic shift in the global economic climate underway it was considered by the UBCM Executive to be an appropriate time to revisit the issue of economic development planning within BC local governments.

By providing a snapshot of current practice, this report is intended to serve as a basis for further discussion and exploration of the local government role in economic development, with the objective of facilitating effective local government participation in the economic development process.

This report is not intended to be an exhaustive review of economic development in BC, nor is it intended to duplicate efforts made by economic development umbrella organizations. Economic development planning by local governments faces many challenges as local leaders and practitioners try to find the resources, expertise and time to devote to this policy area in the face of increasing fiscal constraints and competing demands. While healthy skepticism about the efficacy of local governments in stimulating economic development exists, this report does not focus on this aspect of the contemporary debate.

Methodology

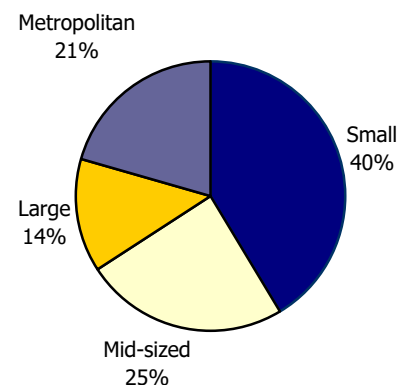
The UBCM CED Committee embarked on a second survey of local government members in June of 2009. The survey had a 66 percent response rate¹, with 124 of 189 local governments completing the survey (see Appendix 1 for a list of respondents). An excellent cross-section of responses was received from small to metropolitan communities, as shown in Chart 1. The report presents the findings in the following categories, based on how local governments identified themselves in the survey²:

- **Small** communities (less than 5,000 population);
- **Mid-size** communities (5,000 to 20,000 population);
- **Large** communities (20,000 – 50,000 population); and
- **Metropolitan** communities (50,000 + population)³.

The survey did not differentiate regional districts from municipalities. Where possible the regional district experience is reported on separately.

The 2005 survey provided the starting point for the design of the 2009 survey, with many questions being repeated and refined. In 2006 UBCM hosted a conference for local elected officials and senior staff with the aid of provincial government funding. Where appropriate this report also draws on the findings from this conference.

Chart 1: 2009 survey responses by population category



What do we mean by economic development?

Economic development means different things to different people. It involves a number of stakeholders – government, non-government, community and private sector organizations – and it can imply different outcomes – job creation, increased productivity or improved quality of life. For the purposes of this survey, a definition of economic development has been loosely adapted from the World Bank⁴:

Economic development is a collaborative process between all levels of government and non-government organizations that builds up the economic and social capacity of an area to improve its economic future and overall quality of life
(adapted from World Bank 2010⁴).

While there are many stakeholders in the economic development process, this report concerns itself with the local government role in economic development. This role is varied and complex and is not characterized solely by explicit economic development policies and programs. Local governments are increasingly adopting formal economic development functions, programs and policies, but they also facilitate the development of their local economy through core service delivery, like infrastructure provision and the carrying out of community planning and development. This is an important and often undervalued contribution.

Why bother with local government economic development?

Local governments face a number of complex challenges and to remain economically competitive and sustainable in a global and dynamic environment many have found it necessary to increase the scope and extent of their economic development efforts. Local governments in metropolitan areas often face the challenge of meeting the demands of a robust economy and growing population, while other local governments consider how to maintain economic viability in the face of an over-dependence on resource industries, stagnating economies and declining populations.

It is well accepted that local governments play a significant role in the economic development process and that economic development success is largely dependent on effective local government participation⁵. While there is substantial literature on the “how-to” of economic development there remains very little documentation of the different roles of local governments in the process. As the representative body for local governments in BC, UBCM is well positioned to address this research gap and provide a resource for UBCM members on this evolving policy area.

An evolving policy area for local governments

The 2005 UBCM economic development survey revealed that local governments have been playing a significant role in economic development planning for quite some time but that the level of intervention varies greatly across the local government landscape⁶. While this suggests that economic development is not a new responsibility for local governments, the degree and type of intervention chosen is highly dependent on a number of external and internal factors. Demographics, economic conditions, financial and human resources, and the civic culture of a local government⁷ are but some of the key determinants influencing economic development decision-making at the local government level.

All levels of government have been involved in economic development but the balance of responsibility and the types of interventions have changed⁸.

A trend toward a more formal economic development function has also been facilitated by changes to BC's local government enabling legislation – a process that began in the late 1990s and culminated with the enactment of the *Community Charter* in 2004. While a full discussion of these changes is beyond the scope of this project, it is important to note that the *Community Charter* affords local government greater autonomy and decision-making power over issues that affect their local communities⁹.

As opposed to prescriptively setting out a series of rules that restrict local governments, the current legislation provides broad powers “that allow local governments the maximum flexibility and scope needed to do their job” and “provide any service they feel necessary or desirable”¹⁰. Economic development falls into the category of a voluntary service and continues to compete with other essential services for the allocation of resources.

Document Outline

This report presents the findings of the survey and supplementary research along key thematic lines.

- **Section 1** discusses delivery models and funding.
- **Section 2** explores planning for economic development, including the process of plan-making, barriers to economic development planning, planning in transition times, and creating effective plans.
- **Section 3** explores the foundations for success, through the identification of six key imperatives, case studies and a closer look at the role of partnerships in economic development.
- **Section 4** presents concluding remarks.
- **Section 5** provides a list of resources.

An underlying goal of the report is to provide a snapshot of local government practice throughout the province and this is done through a series of **Community Snapshots** and insets throughout the document.

If interested only in the statistical findings from the 2009 survey, please refer to the supplementary document to this report found on the UBCM website (www.ubcm.ca). The supplementary statistical report provides a summary for each survey question response and a further discussion of the survey's limitations.

Section 1

Economic Development Delivery Models

1.1 Delivery Models - Overview of Survey Findings

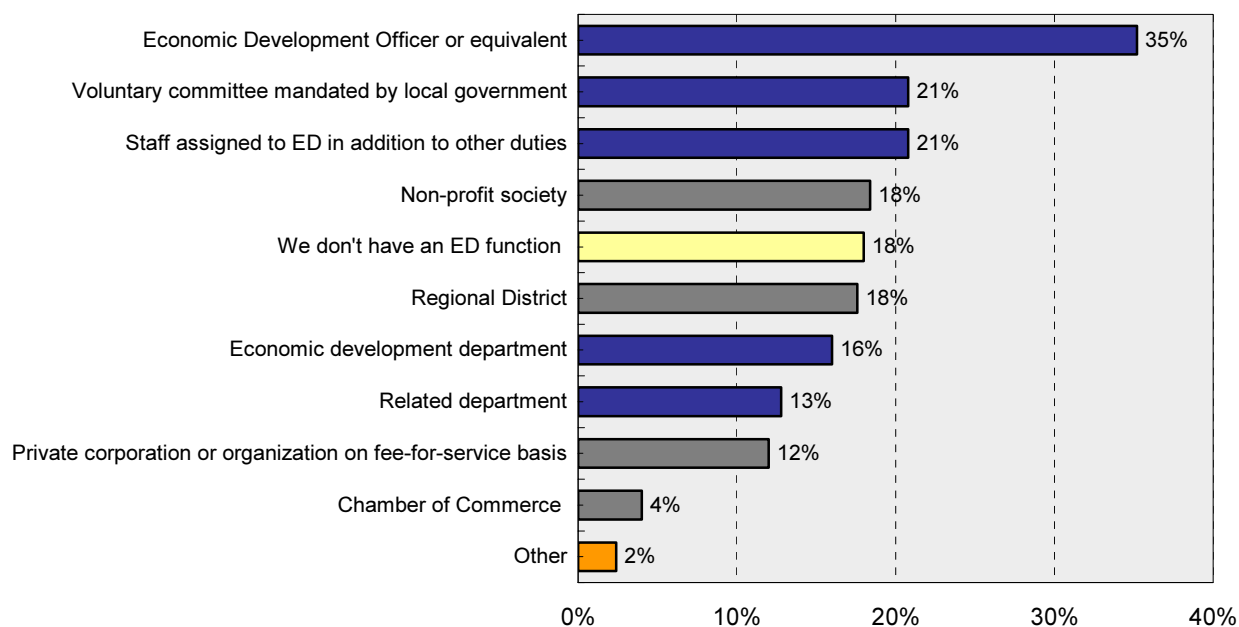
For those local governments that adopt an economic development function, choosing a delivery model or organizational structure is an essential consideration. Local government delivery of economic development can take a variety of forms - some local governments employ an economic development officer (EDO), others cover the economic development function through the planning department, while others fund an arms-length organization or contract to an external organization on a fee-for-service basis.

This section illustrates that there is no single right answer for the best type of delivery model for all communities. Local governments considering which organizational structure is best suited to their needs have two main options but, as will be noted throughout this chapter, can also consider a blend of these options:

The “**in-house model**” is where an economic development function is established within the local government. This may be a single individual with sole responsibility for economic development, a multi-person department, or an individual or department that handles economic development in addition to other responsibilities.

The “**arms-length model**” is where the local government provides funding, usually through a fee-for-service arrangement, to an arms-length organization. This can be a dedicated economic development entity (such as a non-profit society or development corporation), or an organization like a Chamber of Commerce or Community Futures Development Corporation.

Chart 2: How does your local government deliver economic development?
(n=124)



*Please note: Blue denotes in-house options and gray denotes arms-length options.
Percentages do not add to 100, as multiple choices were allowed.*

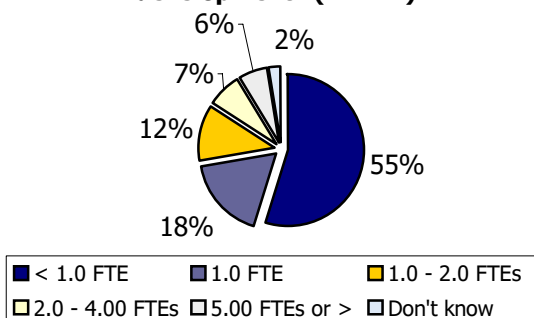
Degrees of Capacity

The level of institutional capacity for economic development among local governments varies, with 18 percent of communities identifying that they do not have an explicit economic development function (see Chart 2). This number is higher for regional districts, with 26 percent reporting that they do not have an economic development function. While there is a trend toward local governments assuming more formal economic development roles, there is still a large discrepancy in the level of intervention. This reflects the evolving and voluntary nature of economic development as a local government service. By reason of necessity or choice, many local governments still do not play an active role in economic development.

Reliance on In-House Delivery

For those local governments that have an economic development function the majority operate economic development in-house, relying on some combination of less formal delivery mechanisms, such as the use of voluntary committees, the services of a planning department or other related department, and/or the use of a staff member with primary responsibilities other than economic development. Only 16 percent of survey respondents identified having a separate economic development department (see Chart 2). Arms-length delivery models such as the non-profit society and the private corporation are most prevalent among the 5,000 – 20,000 and 50,000 + population categories.

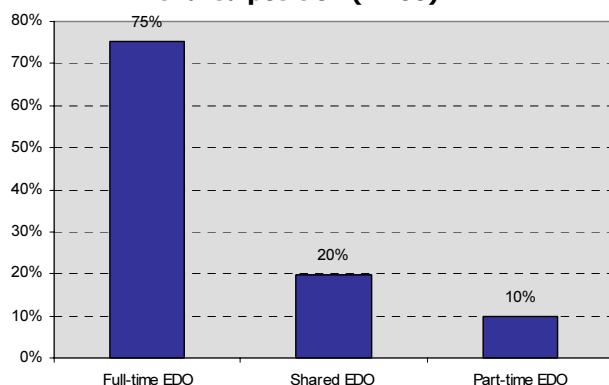
Chart 3: How many full-time equivalencies (FTE's) does your local government devote to economic development? (n=124)



Modest Staffing Resources

Approximately one third of local governments employ an EDO (Chart 2), making it the most commonly identified delivery model. Of those that do employ an EDO, the majority of these positions tend to be full-time (75% as indicated in Chart 4). The majority of local governments (55%), however, devote less than one full-time equivalency to economic development (Chart 3). As well, a significant proportion of local governments (21% as indicated in Chart 2) continue to rely on other staff – namely CAO's, planners, finance directors, clerks – to deliver an economic development function “off the side of their desks” in addition to their core responsibilities.

Chart 4: If you utilize an EDO, please indicate if it is a full-time, part-time or shared position (n=60)



Move to Blended Models

Many local governments are embracing a blended option with elements of both an in-house and arms-length delivery model. Finding the appropriate delivery model can involve refining an approach over time to reflect the changing circumstances, needs and priorities of the local government.

Choosing a delivery model is highly dependent on a number of external and internal factors and the survey results highlight that there is likely an approach suited to the circumstances of each local government.

Evolution to a Blended Model in Revelstoke

The **City of Revelstoke** (popn 5,000 – 20,000) has had in place a successful blended economic development model for many years – but this model has evolved over time. Revelstoke and Area B of the Columbia Shuswap Regional District fund an economic development commission, employ an economic development manager, and contract out their business information service and tourism function to the local Chamber of Commerce. The economic development manager and the Chamber of Commerce are co-located with the local Community Futures Development Corporation (CFDC) at the Revelstoke Business Information Centre to provide a “one stop shop” for local residents and potential investors.

The contract with the Chamber of Commerce began with a contract for business information services in the mid-1980s and culminated with an additional contract for tourism (including funding for a tourism coordinator) in 1997. When CFDC’s were being established in the province, the area B of the regional district and the city funded half the salary of a contractor to cover the economic development function and CFDC covered the remaining 50 percent of this expenditure.

Eventually the need for the city and area B of the regional district to hire its own economic development staff became evident. While the local CFDC was no longer funding the position, the linkages between the city, regional district and the CFDC had been developed and co-location was seen as mutually beneficial.

Co-location was also a priority for Revelstoke and the regional district when negotiating the contracts for services with the Chamber of Commerce because of the many benefits it offers. Benefits include: ensuring the coordination of work among the local service providers, eliminating the duplication of effort, and ensuring no one organization works in a silo – separated and removed from that of its counterparts. This approach also makes excellent use of limited financial and human resources. Today’s current structure has been in place for over twenty years and provides clear lines of responsibility for stakeholders. The public, who has a streamlined “one stop shop” service at their fingertips, however, gains the real benefit from this approach.



Working toward downtown revitalization, preserving architectural heritage and developing a world-class ski resort have been important community goals in Revelstoke.

Source: Alan Mason, Director of Community Economic Development, City of Revelstoke.

Reliance on Voluntary Committees

Voluntary committees are a common delivery model, particularly among communities that lack large budgets. Ideally, these committees contain members of the public and business community in addition to elected officials and staff. Nearly all of these committees are advisory. Some have a fixed roster of appointments that come from designated organizations or relevant sectors.

Committees can require potential board members to apply, however many committees use their knowledge of community leaders to identify and approach individuals. Any opportunity to recruit community champions improves the potential for committee success, as having the right volunteers often makes the difference with respect to vision setting and the implementation of projects.

The input of committee members is best received at the strategic level as opposed to the operational level.

*Survey respondent
Popn 20,000 – 50,000*

The participation of the business community can be less easily achieved with the in-house delivery models where business leaders must work within a bureaucratic framework. For example, one BC local government noted in the survey that they have struggled to maintain an advisory committee over the years as there is a feeling that council has not been interested in allowing others to provide direction to the economic development program.

Outlined below are issues and elements of success to consider when establishing voluntary committees.

Voluntary Committees - Issues

- Ensuring the commitment and backing of council.
- Getting the business community to engage in a local government model that can be bureaucratic.
- Avoiding the “sectorization” of a board, where sector representatives feel responsible for representing their sector rather than acting in the best interest of the economic development organization.
- Ensuring the introduction of “fresh blood” through the use of term limits.
- Avoiding the politicization of the board.

Voluntary Committees - Elements of Success

- Support of the local government, the business community, and the public at large.
- A transparent and rigorous selection process.
- Involvement of key business stakeholders who know the needs of the business community and can aid in the development of strategies that target the most important economic development issues.
- Involvement, in some capacity, of all key sectors of the local economy.
- The establishment of a clear mandate and action plan early in the process to focus the work of committee members.

“As a community grows there is an increasing diversity in its economic strengths and the ‘old guard’ of long-established business owners do not always recognize how new businesses (home-based, service or knowledge businesses) can sustain the economy.

Sometimes there is tension between the ‘vision’ that well-established persons have for their community and how newer residents (retirees, pre-retirees, young professionals, immigrant professionals) view the economic opportunities in a community.”

*Survey respondent
Popn 50,000 +*

Examining the Effectiveness of Delivery Models

The survey sought to identify how effective – “highly effective, somewhat effective, not too effective, not at all effective” – local governments felt their chosen delivery model to be. There was differentiation by community size as well as by the type of delivery model.

Only 26 local governments or 21 percent of respondents stated that they had a highly effective economic development delivery model (n=121). While highly effective was the top answer for local governments in the 20,000 – 50,000 and 50,000 plus population categories, the majority of smaller communities (0-5,000 and 5,000 – 20,000 population) chose “somewhat effective”.

Those employing an EDO expressed the greatest satisfaction with their organizational structure, with 64 percent of local governments with an EDO stating they were highly effective. The economic development department and the voluntary committee ranked second and third respectively.

In general, in-house models were considered more effective than arms-length models. However, very few of those that utilized a non-profit organization or private corporation ranked the effectiveness of their delivery model, making it difficult to determine how these models compare. The fact that most delivery models were labeled “somewhat effective” by the majority of respondents suggests that there is room for improvement as well as a more critical analysis of how different delivery models are meeting the goals set by local governments.

Eight Criteria Influencing the Effectiveness of Delivery Models

- | | |
|---|--|
| <ul style="list-style-type: none">• Amount of staff• Quality of staff• Financial commitment• Contact with stakeholders | <ul style="list-style-type: none">• Support of council• Support of community• Evidence of partnerships• Presence of a regional approach |
|---|--|

Eight key considerations were identified through the research as impacting on effectiveness: amount of staff; quality of staff; financial commitment; contact with stakeholders; support of council; support of community; evidence of partnerships; and the presence of a regional approach.

Those that noted their model to be ineffective often cited these criteria as lacking. Being able to dedicate staff, even on a part-time or one day a week basis, allows time to advance initiatives and undertake research as well as enable active engagement with the community and stakeholders. Having the right person - someone that is both knowledgeable and able to communicate well - allows for effective networking and communications to take place. Many respondents that noted having an effective delivery model were only funding a very small function, suggesting that desirable outcomes can be achieved with modest funding commitments and that the level of funding and staffing can be reflective of the size of the local government, with smaller commitments for local governments with smaller operating budgets.

COMMUNITY SNAPSHOT: In-house Delivery Models

- **ECONOMIC DEVELOPMENT OFFICER WITHIN A LOCAL GOVERNMENT:** The **District of Chetwynd** (popn 0 - 5,000) employs one full-time EDO and one full-time assistant and has an economic development commission. The EDO has been in place for eight years and before that the district did not have an economic development function for at least two years prior. The arrangement works because the EDO has the full support of council and the economic development commission and there is one individual dedicated to researching opportunities and providing consistent contact with the business community¹¹.
- **ECONOMIC DEVELOPMENT DEPARTMENT WITHIN A LOCAL GOVERNMENT:** The **City of Nanaimo** (popn 50,000 +) has been operating an in-house economic development department since the mid-1990s. The department now has five full-time staff and an advisory Economic Development Group (EDG). Having the function within the local government ensures responsiveness to issues impacting local business (e.g. close connection to city's planning department). Having the EDG comprised entirely of key stakeholders from the community ensures that all decisions regarding economic development projects reflect a commitment to the community as a whole¹². The **City of Terrace** (popn 5,000 – 20,000) has a similar arrangement.
- **ED AGENCY THROUGH A REGIONAL DISTRICT:** The **Regional District of Central Okanagan** (popn 185,000) funds the Central Okanagan Economic Development Commission (CO EDC), which is guided by a 30-member advisory board from local government, collaborative organizations, and representatives from the business community. The CO EDC employs three full-time staff and at any one time contracts out up to five additional positions to offer specialist services in areas such as business enhancement, agriculture support, and export development. Having one economic development function for the region has meant being able to deliver relevant programs that have had a valley-wide impact¹³.



Photo credits (left to right, top to bottom): Chilliwack Economic Partners Corporation, Regional District of Central Okanagan, District of Chetwynd, City of Merritt, City of Nanaimo (Newcastle Island).

COMMUNITY SNAPSHOT: Arms-length Delivery Models

- **NON-PROFIT SOCIETY:** The **Town of Golden** (popn 0 – 5,000) partners with the Columbia Shuswap Regional District to fund an economic development society. Golden Areas Initiative is staffed with one full-time EDO and one full-time and one part-time support staff. This model works for this local government because it provides one voice for economic development in the greater Golden area and there is an enthusiastic board of directors combining both local government elected officials and members at large from the community¹⁴. Other local governments that utilize a non-profit society include: the **City of Courtney** (popn 20,000 – 50,000) that partly funds the Comox Valley Economic Development Society and the **City of Salmon Arm** (popn 5,000 – 20,000) that funds the Salmon Arm Economic Development Society through business license revenues.
- **CONTRACT WITH EXTERNAL AGENCY:** The **City of Merritt** (popn 5,000 – 20,000) has a service agreement with the Community Futures Development Corporation of Nicola Valley (CFDC of NV) for the provision of an EDO, an arrangement that has been in place since 2001. The current budget is based on a financial contribution from the city and an in-kind contribution by CFDC of NV. This model provides the ability to leverage additional funds, and projects are often supported by Western Economic Diversification Canada, Human Resources Development Canada and private entities. Through cost sharing the city can afford a more substantial economic development function than it would on its own and is also able to access the expertise of staff at CFDC of NV. The EDO is housed in the CFDC of NV office and reports to the CEO and board of directors, yet can still easily liaise with city staff when economic development proposals have a development or land use issue. Operating at arms-length also allows goal setting to be done without the direct influence of council and it enables companies or individuals to get a sense for the community and its demographics also without the influence of council¹⁵.

The **Regional District of Kootenay Boundary** (popn 20,000 – 50,000) has a contract in the Boundary communities (Grand Forks, Greenwood, Midway, electoral areas C, D and E) with the Community Futures of Grand Forks and Boundary Region. In the Kootenay communities (Rossland, Warfield, Trail, Montrose, Fruitvale, and electoral areas A/B) they are finalizing an agreement with the Lower Columbia Community Development Team¹⁶.

- **ECONOMIC DEVELOPMENT CORPORATION:** Chilliwack Economic Partners Corporation (CEPCO) is a private company wholly owned by the **City of Chilliwack** (popn 50,000 +) and incorporated in 1998. A 16-20 person board of directors reflects the partnership's public-private make-up and community-wide representation. As a city-owned company, CEPCO benefits from the input of city staff, elected officials and the business community. The CEPCO office is home to subsidiaries that target specific sectors (e.g., the Chilliwack Agricultural Commission, the Chilliwack Film Commission and the Chilliwack Aviation and Aerospace Committee) and also houses other close partners such as the City of Chilliwack Business Licensing Office. Core funding is provided by the city through a service agreement on a five-year basis. Having a stable long-term funding source also enables CEPCO to leverage other funding sources. CEPCO has a reputation for having one of the most business friendly approaches to assisting business and places client services a number one priority¹⁷. Another example of a wholly owned municipal corporation is the Quesnel Community and Economic Development Corporation, which represents the **City of Quesnel** (popn 5,000 – 20,000).

1.2 Financing Economic Development

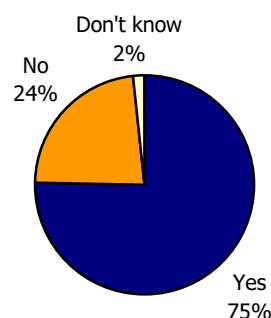
The 2009 survey did not ask local governments how much they were spending on economic development, as what constitutes economic development expenditures is open for interpretation. Both the 2005 and 2009 survey, however, asked local governments if they had a budget for economic development (Chart 5) and if they expected future funding to increase, decrease or remain the same (Chart 6).

According to the survey, 75 percent of local governments have a budget for economic development and 97 percent of local governments expect their future funding levels to remain the same or increase. The fact that only three percent expect a decrease in funding underscores the importance of economic development on the local government agenda.

Some additional observations can be made about funding based on the research:

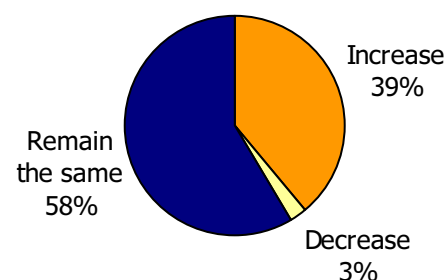
- The economic development budgets of local governments are modest but growing and funding varies by community size, with smaller municipalities generally providing less funding than larger communities.
- An increasing number of communities are leveraging local government investment in economic development by sharing overhead costs with other organizations or by pooling funds with adjacent jurisdictions.
- Nearly all core funding for economic development is derived from local government.
- Some municipalities have dedicated business license revenues to funding economic development.
- Cost-sharing for economic development organizations covering multiple jurisdictions are usually based on each area's share of total property assessment, although a per capita funding formula can also be used.
- Arms-length organizations are able to access a wider range of core funding sources. These include income from rent and land development, selling of professional services and corporate sponsorships.
- Project funding is available from various government agencies. Some programs are long-standing, with a regular application and award cycle, while others require local governments to respond quickly as funding opportunities become available¹⁸.

Chart 5: Does your local government have a budget specifically for economic development?
(n=123)



Please note: Economic development budgets for the purposes of this survey include any core funding (i.e., stable year to year funding provided through general revenues or other government source), project funding or tourism funding. Numbers do not add to 100 due to rounding.

Chart 6: Is there an expectation that your local government's economic development expenditures will increase, decrease, or remain the same in the next three to five years?
(n=119)



1.3 Thinking Regionally

Many local governments are involved in regional economic development entities. Sharing of costs and the leveraging of additional resources are the primary arguments in favour of a regional approach. The resources of a combined regional entity are often more than any of the individual entities could fund on their own. This is particularly true of small communities that can deliver a far more substantial economic development program by partnering with other communities in their region.

Most of the provincial economy is regional in nature and innovation is also best thought of at the regional level. There are about 515,000 people living in unincorporated areas in the province (11.5% of the total provincial population)¹⁹, most of who live near incorporated municipalities that act as retail and service centres and places of employment. In more urbanized areas, adjacent municipalities often function as part of a single regional economy. Businesses looking to invest in an area are interested in the size of the market, regardless of boundaries, so it often makes better sense for multiple jurisdictions to have a unified economic development organization or approach. Regions are also large enough to offer a critical mass of companies, institutions, infrastructure and talent, while small enough to enable close interactions among people, firms and organizations - factors that contribute to regional innovation²⁰.

Will a Regional Approach Work for You?

The Cities of **Prince George** and **Kamloops** were formerly the central communities for regional partnerships for the very large Fraser-Fort George and Thompson-Nicola Regional Districts. Both municipalities now fund municipal-only economic development organizations.

A small community (popn 0-5,000) that formerly had an in-house economic development office with fewer than two staff reported that they joined a regional partnership with a neighbouring electoral area and through cost-sharing now have three full-time staff at a lower cost.

Collaboration at the regional level allows local governments to work together to achieve common goals or address common needs and potential partners include not just other local governments but First Nations, community groups and private sector organizations. Taking a regional approach also offers the opportunity to access additional sources of funding that would otherwise be unavailable.

The survey results indicate that a number of local governments are maximizing returns by working together at a regional level. Regional partnerships can take many forms: a local government can choose a regional delivery model for an economic development function or choose to deliver their economic development function independently but come together with neighbouring communities on projects that will provide mutual benefits, such as tourism planning and infrastructure investment.

There are some important considerations when developing a regional approach. Regional economic development organizations face unique challenges, regardless of how they are structured. There can be political difficulties in ensuring that each contributing entity (either a municipality or a regional district electoral area) is satisfied that they are receiving value for their contribution. It is often the case that smaller entities feel, either fairly or unfairly, that the central or largest community receives most of the attention and benefit of the economic development program.

Regional Collaboration Pays Off for Communities on Vancouver Island

Having an organized regional approach, with all stakeholders working together, has been noted as the key to success in bringing a number of large-scale provincial investments to the mid-Vancouver Island region. The City of Nanaimo, with the support of the port authority, airport authority, regional district and neighbouring First Nations approached the Province collectively for funding for key “regional” infrastructure investments.



The group, working together, was successful in securing a significant provincial contribution for its airport expansion project, Port of Nanaimo Cruise Ship Terminal and the Port of Nanaimo Centre – a multi – purpose civic and commercial centre in downtown Nanaimo that includes a new conference facility. Together, these strategic infrastructure projects will facilitate economic opportunities for the entire region and is a reflection of what a well-organized consortium can accomplish when working collectively.

Source: Island Coastal Economic Trust (www.islandcoastaltrust.ca)
Marilyn Hutchinson, Economic Development Officer, City of Nanaimo.

The physical size of a region is important when considering a regional function or partnership. Many economic development professionals noted that a regional partnership would not work in their area due to the geography of the region and the long travel times to get to outlying communities. Large distances can diminish the argument that the entire region functions as a single economy and can make it more difficult for outlying areas to feel connected to activities happening at the centre.

Electoral areas of a regional district can be very different in terms of economic drivers, population, industry base, accessibility and tourism draw. Often, it may make sense for only one electoral area to enter into a partnership with a neighbouring community for the delivery of an economic development function. For example, the **Thompson-Nicola Regional District (TNRD)** (popn 50,000 +) uses a blend of options. In some electoral areas it is the director who looks after economic development and in other electoral areas funding is provided to local business associations. In other cases the TNRD and member municipalities jointly fund economic development contract positions and projects. The TNRD has no overall dedicated economic development position and some electoral areas still have very limited economic development activities.

1.4 *Choosing a Delivery Model – Factors for Consideration*

As already mentioned there is no one “right” model for economic development and there are many variations within an in-house and an arms-length model to choose from. There are a number of factors to consider when determining which model may be suitable and it may take time to find the structure that best fits the circumstances of a particular local government.

Six main factors for consideration are:

- operational costs and access to external funding;
- relationship with business community;
- relationship with local government;
- administration and regulation;
- co-location with other agencies (e.g. tourism, film); and
- “deal-making” and the provision of incentives.

The following table offers a comparison of the in-house and arms-length delivery model based on these factors. Each local government also must take into consideration what they hope to accomplish and pay close attention to the resources and programs of other organizations that are already operating in the area, such as Community Futures Development Corporations, Chambers of Commerce, Business Improvement Areas, rotary clubs, tourism agencies and economic development agencies at the regional level and in nearby communities. The goal should be to identify gaps in service and construct an organization that fills those gaps and does not duplicate services that are already in place.

IN – HOUSE DELIVERY MODELS

Operational costs / access to external funding	<ul style="list-style-type: none"> ▪ Overhead costs absorbed in local government budgets. ▪ Access to government funding programs is the same regardless of the organization's structure. The only exceptions are for projects that exceed the typical mandate of a local government (e.g., constructing commercial buildings).
Relationship with business community	<ul style="list-style-type: none"> ▪ Enables coordinated service across all departments. ▪ Provides business community with direct access to decision-makers. ▪ Subject to Freedom of Information requests, so care required to maintain confidential business information
Relationship with local government	<ul style="list-style-type: none"> ▪ Proximity to local government departments enhances information sharing and coordination of activities. ▪ Allows greater opportunity for political influence and control over economic development activities. ▪ Enables economic developers to exert greater influence on the direction of local government policy. ▪ EDO's can act as champions for large projects within local government.
Administration and regulation	<ul style="list-style-type: none"> ▪ Involving the EDO in meetings and issues with little relevance to the position can detract from the economic development function ▪ Having access to all areas of local government can ensure that economic development remains a top-of-mind issue and is considered in all other areas of government. ▪ Need for senior staff / council approvals can slow response time to business demands.
Co-location with other agencies	<ul style="list-style-type: none"> ▪ Co-location is possible but may involve more "hoops" to jump. Maintaining an office outside of local government (even if economic developer is still employed by local government) can enhance the relationship with business community. ▪ Possible for some agencies to be brought into the local government but tourism promotion in particular is often more suited to a location outside of government offices.
"Deal-making" and provision of incentives	<ul style="list-style-type: none"> ▪ Constrained by local government legislation that prohibits offering anything to a company that might confer an advantage relative to other companies. ▪ Lack of incentives (e.g., property tax reduction, free infrastructure upgrades, support for training) relative to American locations may be a disadvantage in the eyes of American companies that are accustomed to being offered inducements to locate in a particular area. However, this avoids the "race to the bottom" that happens when municipalities compete to offer the best incentives.

Chart 7: Comparison of in-house versus arms-length delivery models

ARMS – LENGTH DELIVERY MODELS

Operational costs / access to external funding	<ul style="list-style-type: none"> Overhead costs can be shared with other jurisdictions if a regional entity is created. Some economic development offices own buildings and charge rent to other organizations, while others are tenants in facilities owned by other organizations. May have greater access to non-traditional sources of funding through partnerships, sponsorships, for-profit ventures, etc.
Relationship with business community	<ul style="list-style-type: none"> Economic developer viewed more as an advocate for business, and less as part of the regulatory body. Greater assurances of privacy and confidentiality. Direct access to decision-makers is not likely with many arms-length models.
Relationship with local government	<ul style="list-style-type: none"> Difficult to have effective communication with local government and input into relevant local government policies. Physical separation of economic development office can exacerbate communication problems. Less direct oversight by local government can lead to a sense of disconnect and consequent loss of political support for the economic development organization. Independence from local government control reduces influence of politics on decision-making.
Administration and regulation	<ul style="list-style-type: none"> Independence from local government can lessen administrative burden and allow more rapid response to opportunities. Dealing with the "operation of an organization", whether it be a non-profit or private corporation, takes up a certain amount of time Having non-union staff enhances flexibility; contract labour can be moved in and out as project demands change.
Co-location with other agencies	<ul style="list-style-type: none"> Co-location allows for greater co-ordination of activities and a reduction in overhead costs. Possible partners include Chambers of Commerce, Community Futures Development Corporations, Business Improvement Areas and other business-related groups. There may be significant synergies between, for example, tourism promotion, investment attraction promotion, and new resident promotion that are less likely to be realized with separate organizations.
"Deal-making" and provision of incentives	<ul style="list-style-type: none"> Freedom to be creative in dealing with potential investors, and possible to own land and sell it - not necessarily to the highest bidder, but to the bidder that will create the greatest economic value from the land. Ability to negotiate a comprehensive deal that may include other inducements to the company, such as assistance with financing or a lower land sale price. Increased freedom to structure deals, although not comparable to the incentives offered by American jurisdictions.

1.5 Conclusions

- One size does not fit all. There is no single best model for local economic development and there are a number of different options available to local governments.
- Each local government must take into consideration their objectives for economic development, the range of services that are already being provided by other agencies, the amount of available funding, and potential partners.
- The “in-house” model of economic development remains the most common organizational structure for BC local governments, but there is a trend toward more arms-length organizations, particularly in the 5-20,000 and 50,000 + population categories.
- An economic development advisory committee is a common tool for the delivery of an in-house economic development model, but careful consideration needs to be given to ensuring a broad cross-section of community representation, council and area-wide support, as well as a rigorous and transparent selection process.
- Arrangements for economic development can vary within a regional district, with the approach in each electoral area reflecting its distinct and unique geography, population, economic drivers and community partners.
- The regional nature of the BC economy suggests that economic development is often more suited to a regional approach than a single-community approach. Thinking regionally and engaging in partnerships can be particularly important for small communities.

Section 2

Planning for Economic Development

The role of small businesses in the BC economy:

“The small business sector continues to play a key role in strengthening job creation and economic growth in British Columbia. It is the province’s primary provider of private sector jobs, reflecting an important and ongoing trend toward economic diversification within the provincial economy. Small business is also a vital source of innovation – nearly all high technology businesses in British Columbia are small businesses.”

FACT:

Small businesses in BC account for 98 percent of all businesses in the province and BC ranks first in the country in terms of small businesses per capita, with 87.7 small businesses per 1,000 people.

British Columbia Small Business Profile 2009

A joint publication of Western Economic Diversification Canada and the BC Ministry of Small Business, Technology and Economic Development

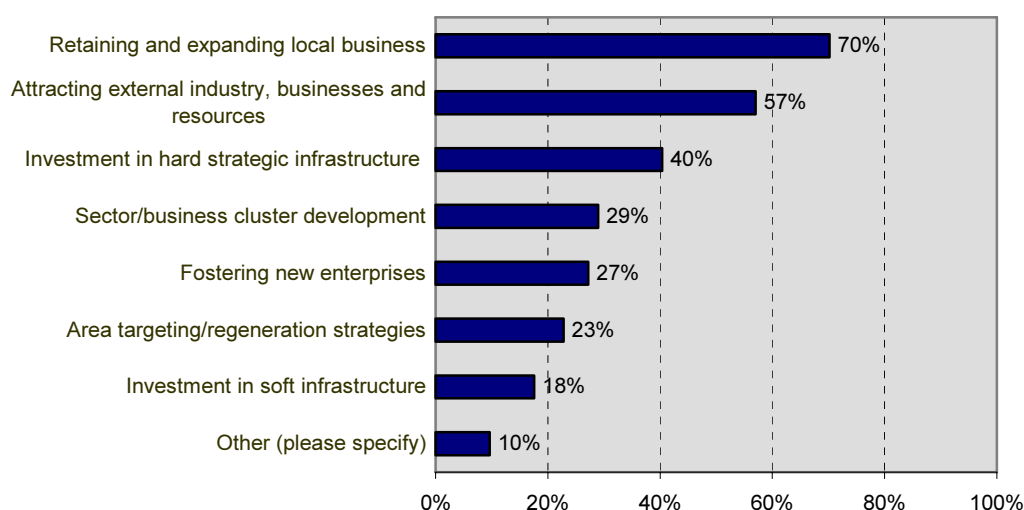
October 2009, www.gov.bc.ca/sted

2.1 Local Government Priorities – Overview of Survey Findings

There was little differentiation by population category with respect to economic development priorities (Chart 8). The survey results suggest that all local governments, regardless of size, generally share the same top three priorities:

- Retaining and expanding local business (70%);
- Attracting external industry, businesses and resources (57%); and
- Investing in hard strategic infrastructure (40%).

Chart 8: What are the top three priorities that represent the focus of your local government's economic development efforts? (n=114)



Business Retention and Expansion

Business retention and expansion is consistently viewed as one of the cornerstones of a successful economic development program. This approach focuses limited dollars on a sector of the local economy that already has a vested interest in the community and the survey results indicate that local governments continue to see this as a top priority, with 70 percent of respondents identifying it among their top three priorities.

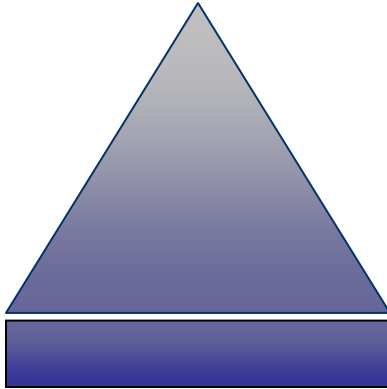
Business Attraction

With 57 percent of local governments identifying business attraction as a top priority, it remains a common economic development goal for many local governments in BC. Fostering new enterprise or encouraging the growth of new companies from within the community remains a lower priority, with only 27 percent of respondents identifying it among their top three priorities.

Infrastructure Investment

A traditional responsibility of local governments is the provision of infrastructure and in both the 2005 and 2009 survey it was identified as one of the top three priorities. Traditional infrastructure provision - roads, water, sewer - have long been linked to economic development. Investment in amenity-based or place-based infrastructure – e.g., civic and arts centres, vibrant public spaces, recreation facilities, and parks – is now considered essential in the attraction of a skilled labour force and new companies and is therefore also top-of-mind for many local governments²¹.

2.2 A Change in Focus: Looking Inward Not Outward



Should local governments be rethinking their priorities? Business attraction and business retention and expansion (BR+E) have their place in economic development but what weight should be given to each, particularly with limited resources? Current research suggests a realignment of priorities to reflect :

- Thinking of business retention and expansion as ;
- A greater emphasis on and ; and
- A strong foundation.

Business Development

Business development denotes a more strategic approach to traditional business retention and expansion than currently exists, with a greater emphasis on the end product and a shift toward the collection of more strategic business information. Traditional BR+E contact with businesses can rely too heavily on confirming easily obtainable business information and information regarding community problems – information that is not actionable – as opposed to more strategic company information such as growth potential, market trends and opportunities, and product development. With comprehensive business development programs there is also added emphasis on the economic development organization as the hub – “connecting companies and business support programs to stimulate and/or accelerate the growth of companies in the community” .

Entrepreneurship and Innovation

Entrepreneurial development and innovation are increasingly viewed as an economic development priority. An entrepreneur has the ability to grow and expand the market and as such is vital to the local economy because of their ability to create jobs and fuel innovation.

The ability for local governments to foster entrepreneurial development has often been questioned. While there are clear roles for federal and provincial governments there are also ways in which local governments can provide support. This can be done by assuming roles in: information dissemination; investment in hard, soft and intellectual infrastructure; and fostering connections.

The art of cultivating innovation is “combining bottom-up strategies, with top-down support” from different levels of government” . Facilitating a coordinated approach and ensuring a favourable business environment promotes an atmosphere for entrepreneurialism and innovation to flourish.

Economic gardening refers to the ability to grow local businesses and is an example of entrepreneurial and business development. Entrepreneurial by nature, the emphasis is on providing the tools necessary to grow your local businesses by developing small business incubators, addressing zoning and permitting processes, providing training to start-ups and connecting entrepreneurs to start-up finance. Spearheaded in Littleton Colorado, the economic gardening movement has taken root in many communities because of its ability to:

- create significant job growth;
- reduce reliance on a single employer;
- expand local companies with a greater commitment to the community; and
- support growth without the use of outside assistance or incentives.

- In the (popn 185,000) a network of organizations exists to grow businesses and foster entrepreneurship in the region. The Central Okanagan Economic Development Commission, an agency of the regional district, has always had a strong focus on business retention and development. Through an agricultural support officer they provide responsive and focused business mentoring assistance to farmers to enable them to access new opportunities and grow their business .

A related organization, the Okanagan Innovation and Research Centre (ORIC), acts as a technology business incubator by providing customized facilities for start-ups and by value-adding business support services. The Okanagan Science and Technology Council offer peer-to-peer and one-on-one mentoring programs for technology sector entrepreneurs . These organizations are able to work together strategically to foster innovation and entrepreneurship among key sectors in the economy – showcasing a locally grown approach.

- The (popn 5,000 – 20,000), through the Salmon Arm Economic Development Society has a comprehensive Business Development Program (BDP) that for the past six years has utilized a collaborative team approach to foster innovation and entrepreneurship. A business coach and team of approximately 20 volunteer mentors from the business community assist new and existing businesses expand and grow through one-on-one mentoring, site evaluations and advice on start-up and business plans. As the community partner of the Canadian Youth Business Foundation, the BDP also provides start-up financing and resources for young entrepreneurs aged 18-34 – a service that complements and expands on the core responsibilities of the BDP staff .
- Economic Development Cowichan (EDC) provides economic development, tourism marketing and film attraction for the (popn 80,000). They work with the nine electoral areas and the four municipalities of Duncan, Ladysmith, Lake Cowichan and North Cowichan. EDC has a comprehensive business retention and expansion program called Cowichan First, offering local business advice in expanding export markets, access to financing and marketing information. The program is run in partnership with community organizations and business leaders who are committed to helping local businesses become more competitive. The program works to find solutions to individual business issues and develops strategies to improve the overall business climate. EDC's business attraction activities in tourism infrastructure, clean technology and agriculture complement the organization's business development initiatives .



! " #" \$
% #! \$ & "

! " #
\$ \$

\$ " \$ \$
% !
\$! & \$ ' ' !
"

% ' & \$
(" #
%)
)
\$ " * \$ ' & " " "

Community Development

There are strong linkages between community development and economic development and many researchers and practitioners assert that successful economic development must be based on strong community development foundations . By building a strong community development platform, a local government is laying the foundations for seizing opportunities when they arise. The challenges facing BC communities are no different than those facing other Canadian communities and the case study of Gravelbourg, Saskatchewan illustrates how building on a community's unique assets and investing in quality of life and quality of place factors can foster economic development.

(popn 0 - 5,000) is a small community southwest of Moose Jaw, Saskatchewan. Gravelbourg has been successful in leveraging its multicultural heritage, which includes strong francophone roots, to redefine itself .



Concern arose in the mid-1990s about community decline. Local elections in 1996 represented a turning point for the community and resulted in the town's first EDO being hired in 1998. The EDO was instrumental in helping the community set a vision for itself based on a sustainable community development model and numerous initiatives were spearheaded and supported by town council. Community success in Gravelbourg has largely been attributed to the contribution of volunteers and momentum was achieved in the initial stages through small, volunteer-led projects including a town beautification initiative and a campaign to save the local grain elevator.

Following a sustainable community development model based on the leveraging of place-based assets has proved successful for Gravelbourg and with an emphasis on quality of place and quality of life Gravelbourg has increased tourist attraction, resident retention and resident attraction. Today, people come to experience “A Touch of Europe on the Prairies” and the town's early successes have multiplied into more far-reaching successes including the start-up of a mustard processing plant – Mustard Capital Inc (MCI). A concept originally identified by the economic development office, MCI has utilized vacant office and retail space in Gravelbourg and benefits to the community have included job creation, further business development through spin-offs, and enhanced community pride.

Devise and implement a broad range of development initiatives.

Tap into local, place-based assets.

Take advantage of provincial and federal government programs.

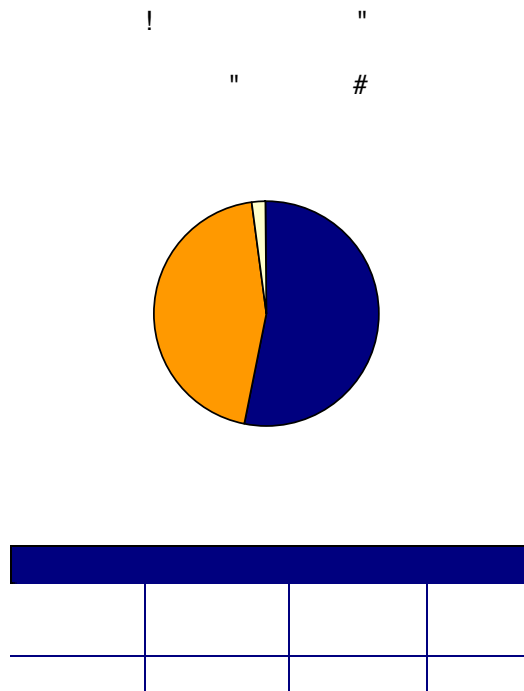
Harness and nurture local stocks of social capital and be inclusive.

Focus on quality of life to generate numerous benefits.

Successful community economic development can be achieved with the most modest budgets.



An economic development plan can be an important tool for focusing a local government's economic development effort. Even though the day-to-day work of the economic developer is often focused on the opportunity of the moment, it remains essential that the overall direction of the organization be guided by a well-conceived plan. Planning allows scarce resources to be most effectively deployed to the areas that are believed to generate the greatest economic benefit.



Presence of a Plan

The majority of local governments (53%) have an economic development plan (Chart 9). Communities that do not have an explicit economic development budget often have economic development policies set out in other planning documents, such as the Official Community Plan or annual work plans. These documents serve much the same purpose in guiding the projects that will be completed over the course of the year and providing a set of goals against which progress can be evaluated.

Differentiation by Community Size

A relationship between the size of the community and the presence of an economic development strategy was also evident, with small communities (popn 0 - 5000) and mid-sized communities (popn 20 - 50,000) slightly less likely to have an economic development plan than those in the 5,000 – 20,000 and 50,000 plus population category. While the reason for this trend in smaller communities is likely related to capacity issues, it is possible that for mid-sized communities within or adjacent to metropolitan areas the need to manage growth takes priority over the need to plan specifically for economic development.

Updating of Economic Development Plans

There is a range in terms of how often local governments are updating their economic development plans (Chart 10). The majority of local governments update their plans only when the need arises (32%), with others updating them annually (23%) or every two to four years (23%). The survey results indicate that it is often harder for smaller communities to update their plans on a regular basis. Plans, as discussed in the next section, should be living documents that are created with the goal of updating in mind. In the case where a strategy is created by external consultants, there is the opportunity for in-house staff to update it through regular work or operating plans that relate back to the original objectives and strategies.

Public Consultation

Follow-up research revealed relatively few discrepancies in how communities have developed their strategies. Most engage the public and community groups to produce new or updated strategies every few years, often with the assistance of consultants.

Strategy updates in the intervening years are usually done internally (sometimes by using a smaller consultation process only with relevant community organizations).

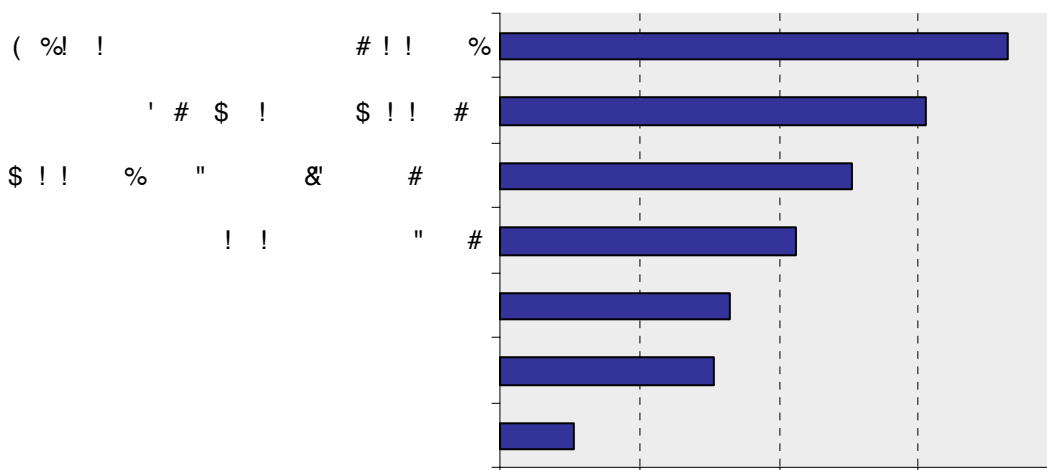
Listed under “other” in the survey results were the following stakeholders: universities and other educational institutions, health authorities, neighbouring local governments, local Community Futures Development Corporations and community champions.

The level of consultation also varies by community size (Chart 11). Some local governments are selective while others enlist the input of a broader selection of the local community.

The (popn 200,000+) for example, underwent an extensive consultation process that involved a diverse and knowledgeable 29 member steering committee comprised of representatives from all sectors of the economy including people with social and environmental perspectives. The steering committee guided the work of staff and consultants and also directed the creation of sub-committees that completed detailed work.

Over 100 people participated in nine sub-committees formed to cover 23 sectors of the local economy in support of updating the strategy. There were also opportunities for consultation with the broader business community and the general public. The size of the consultation effort is reflective of the size of the strategy – which is both extensive and far reaching with respect to the sectors of the economy it covers .

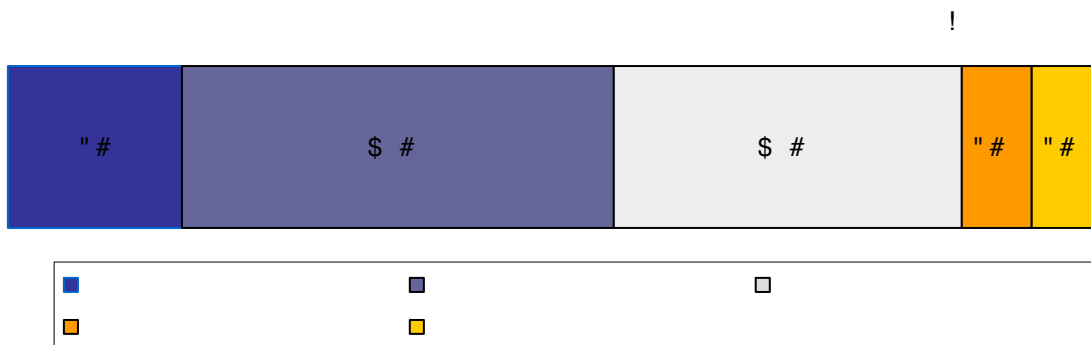
For a smaller community this level of consultation is likely neither realistic nor appropriate. Identifying and selecting the appropriate approach to consultation is an essential first step in the development of a successful economic development plan.



Effectiveness of Economic Development Plans

Survey respondents were asked to rate the effectiveness of their economic development plans (Chart 12). Only 16 percent of local governments considered their economic development plans to be “highly effective”, suggesting that there is room for improvement for all local governments regardless of size.

The large “don’t know” response (32%) underscores an important issue - that it can be difficult to gauge the effectiveness of economic development plans. As one respondent noted, “It is often hard to measure what caused a certain economic development activity or development to occur. It is like the chicken and the egg argument: did the chicken come first or was it the egg?”



Provided below are excerpts from the survey about why local governments consider their plan to be highly effective.

!

Creating an Effective Economic Development Strategy

Economic development plans are varied in size and content. An economic development plan does not have to be long or complex – some of the best plans are brief but focused and strategic in nature. It also does not have to be a stand-alone document. Setting out economic development policies in a community's strategic plan or Official Community Plan can be successful too. Many local governments are also now creating sustainability plans, through programs such as the Smart Planning for Communities program, which often consider economic development.

Many common challenges in plan-making were identified through the survey.

- Too ambitious, with unrealistic goals and expectations.
- Not updated as needed to reflect changing circumstances.
- Not strategic – no specific goals that can be implemented.
- Difficulty in engaging individuals and getting them to commit to the process.
- Staff resources to implement a plan are lacking.
- A champion or focus is lacking and plan not pursued on a priority basis.
- Lack of community and political support.
- Difficulty in mobilizing identified partner organizations for the delivery of projects.
- Focusing on opportunity identification over context and readiness, leading to a list of opportunities that may not reflect the realities of the community.

A number of success elements were identified through the survey. The best plans are realistic, strategic, focused, and involve a level of community engagement that reflects the size of the local government and its economic development efforts.

Being strategic means that there is a focus on anchoring the process in a realistic assessment of needs and capacities and providing a plan of action with clear steps, responsibilities and time frames for completion. A strategic plan links short-term actions with a long-term vision and implementation.

Economic development plans often fail because they are too ambitious or because all the resources go into making the plan with no resources left to implement it. Economic development plans can lose momentum and it is important, particularly in times of economic transition, to keep efforts focused and manageable.

An economic development plan should not be developed in isolation and should complement or relate to planning documents outlining the community's vision, such as the Official Community Plan.

An economic development plan should involve a level of community involvement and stakeholder participation that is reflective of the size of the economic development effort.

An economic development plan needs to be flexible to allow for updating that reflects changing economic times and emerging opportunities.

Smart Planning for Communities

!
" # " \$
%

While funding is often a limitation, the examples below illustrate that a local government, regardless of size, can implement an effective economic development plan.



The (popn 0 - 5000) is currently guided by the North Thompson Economic Development Strategic Plan (NTEDSP), which was led by the Thompson Country Community Futures Development Corporation in partnership with a number of local governments, Chambers of Commerce and the provincial government. The NTEDSP identified and evaluated economic opportunities with the goal of assisting diversification efforts within a ten year timeframe and setting out regional strategies and strategies for each of the three sub-regions of Barriere, Clearwater and Blue River. A combined regional and sub-regional approach provides an example of how to create a regional strategy while still respecting the differences of sub-regions within an area. It also is an example of a partnership approach where the lead organization is not a local government or local government economic development organization – a model that is particularly useful for smaller communities that don't have the resources in-house to develop a strategic plan.

Since the NTEDSP was created, the District of Clearwater has been incorporated as a municipality. With the NTEDSP reaching the end of its projected timeframes, the District of Clearwater passed a motion in January 2010 to take steps to pursue their own community economic development strategic plan in partnership with the regional district electoral area adjacent to the municipality .



The (popn 5,000 – 20,000) economic development function is guided by the work of the Terrace Economic Development Authority (TEDA) and the Strategic Initiatives Action Plan. Completed by an outside consultant, the action plan is intended to be a living document and contains ten strategic initiatives to be pursued in a three to five year timeframe. It is intended to guide the work of the authority and provide a mechanism for feedback and input, with stakeholders and indicators of success outlined for each initiative. At fourteen pages long it is concise but well used.



As the EDO emphasized, it is not intended to be shelved for three years. Instead, it is brought out at each board meeting to ensure that it remains top-of-mind for directors and staff in daily operations. TEDA spent a significant amount of time revising the action plan until consensus was reached but the result is a document that has been successful in guiding the work of the authority. Key to TEDA's success has also been ensuring the economic development board meets on a monthly basis .



The (popn 20,000 – 50,000) completed a comprehensive economic development strategy in 2002 through an independent consultant. The strategy aimed at putting in place an effective economic development function, building capacity for community economic development and facilitating priority initiatives. The strategy provided a thorough community and key sector assessment, articulated goals and objectives that were linked to strategies and actions, as well as identified resources for implementation.

The goals and objectives, strategies and actions were all rooted in the findings of a community visioning exercise and to-date the objectives of the plan have been achieved. The strategy continues to be updated internally as needed and its effectiveness is attributed to an engaged staff and a knowledgeable advisory committee .

Initiatives Prince George (IPG) is a municipally-owned corporation mandated by the (popn 50,000 +) to undertake programs and projects designed to grow and diversify the local economy. The work of the corporation is guided by the Initiatives Prince George Strategic Business Plan (2008 – 2010) which addresses infrastructure needs of the region aimed at building a knowledge-based resource economy connected to the world.

This plan is strategic, focused and outcome oriented. The plan is based on ten specific measurable goals that will enable Prince George to be an integrated and sustainable manufacturing, transportation, supply and service center, and the inland gateway to Asia and North America. Working with very specific and measurable goals allows staff to easily monitor progress and report regularly to board members.



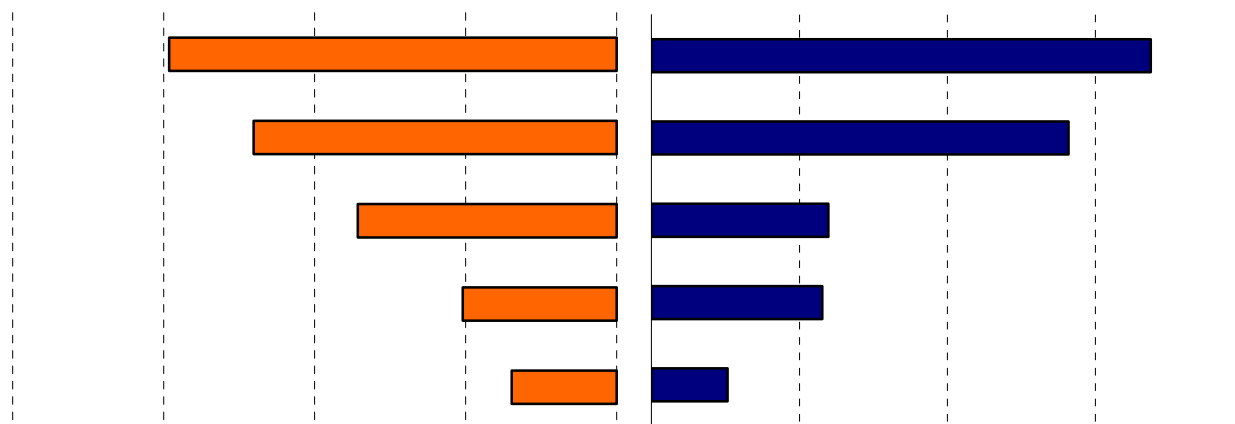
A large part of the plan's success has been attributed to a focus on communications and the fostering of strong connections with political leaders. Progress Prince George, the benchmarking framework for IPG, helps IPG deliver on its strategic plan and the economic development goals contained within it .

! ! " ! !

\$
! # ! %
!
& #
' ! (!
' !
! #) ! * + (!
! , - !
(#
. ! / .

There are many barriers to economic development planning at the local level. While BC's communities vary with respect to their economic and social fabric, survey responses regarding barriers highlight that they face common challenges (Chart 13). The two most commonly identified internal barriers were financial resources (67%) and lack of human resources (57%). The two most commonly identified external barriers were the global financial crisis (60%) and the forest industry restructuring (49%).

To engage in economic development local governments need human and fiscal resources, and support from provincial and federal governments. Often there is money in place to support an economic development position or to pursue projects but not both. This was the message reflected in the survey responses and reiterated by local elected officials and practitioners at the UBCM economic development conference in 2006.



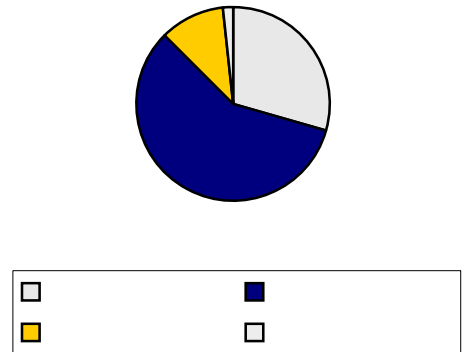
Lack of regional cooperation and coordination;
 Outmoded processes, regulations and structure;
 Lack of consensus or focus as to what the local government role is and what the appropriate investment should be;
 Lack of understanding of the value of the economic development service;
 Anti-business attitude – lack of knowledge as to why the business community matters;
 Lack of communication between local economic development organization and local government;
 Inadequate focus on entrepreneurship; and
 No commitment to multi-year funding.

Lack of adequate infrastructure – e.g., transportation - related, broadband, etc.;
 Geographical constraints in both rural and urban environments;
 Cost of development;
 Onerous provincial and federal funding requirements;
 Political factors limiting diversification and local value-added potential of sector specific opportunities; and
 Inadequate provincial and federal support for programs/projects.

In times of economic transition, when there are dramatic shifts in the global financial climate, the ripple effect at the local level is magnified. Obstacles that were already present become more acute and local governments often find there is a need to reflect and change their approach to better serve the needs of the community.

When asked if the current global financial crisis had an impact on their community, 29 percent of respondents noted it had a “huge impact” and 58 percent noted it had “some impact” (Chart 14).

Perspectives on how to deal with the financial crisis were varied – 43 percent of respondents noted they have changed their approach to economic development in light of the current financial crisis and 44 percent noted they have not changed their approach.



For those local governments that have changed their approach, the majority noted the need to focus on fewer priorities – priorities that are actionable and measurable – and the need to return to basics, such as local business retention and expansion.

It depends on the circumstances of the local government. Some local governments noted that they have scaled back their efforts in light of budget shortfalls, in some cases even returning to the delivery of core services only. Others, however, noted that they were ramping up their efforts in response to the financial crisis with an expanded budget to undertake activities such as the hiring of new staff or the delivery of a stimulus program. Another common response was the need to maintain focus on long-term objectives, as noted by the following local governments:

For those local governments in rural areas that are facing an economic crisis, such as the loss of a major employer, or for those that just want to take a proactive and long-term approach to building a more resilient local economy, the University of Northern BC has developed a

For more information:

Building resiliency through effective community engagement processes, a long-term strategic vision, collaborative partnerships, flexible planning processes, and a comprehensive and robust business development program can help weather the economic storm while also working toward the long-term vision a community sets for itself.

The survey results identified ways in which local governments are dealing with the significant barriers to economic development in their community. Strategies generally fell within four categories: strategy development and refinement; advocacy and relationship building; developing an organized effort; and fund leveraging.

The development of an economic development strategy and the refinement of an existing strategy were the most commonly identified tool for overcoming obstacles.

Included in this category were efforts to diversify, the development or enhancement of local business retention and expansion efforts, and the reassessment of priorities to reflect current circumstances. Also mentioned was the need to, through an economic development plan, maintain a focus on long-term objectives.

Responses focused on developing strategic regional partnerships with other local governments, the local Chamber of Commerce, regional districts, Community Futures Development Corporations and First Nations.

Lobbying senior levels of government regarding local issues and engaging council in discussions of economic development issues and strategies to move forward were identified. Pursuing stakeholder meetings and community leader involvement were also mentioned.

Many respondents noted that they were in the process, for the first time, of setting up some vehicle for focused discussions on economic development, such as an economic development commission, a committee of council and/or a separate economic development organization. This suggests that current circumstances are resulting in more local governments considering a formal economic development function where one did not exist before.

Placing additional emphasis on obtaining external sources of project funding was deemed an essential strategy for many. Repeatedly mentioned was the need to access funding for job and skills retraining to help displaced forestry workers, funding for tourism, infrastructure and community development projects, and accessing monies available through grant programs.

Some local governments are also implementing local stimulus programs to encourage business development within specific geographical areas such as town centres. The District of Sooke Town Centre Stimulus program demonstrates that stimulus programs can be a tool to stimulate the economy while at the same time advancing “greener” economic development goals.

The (popn 5,000 – 20,000) has adopted the that aims to transform the Sooke Town Centre through the provision of incentives for environmentally sound development. Incentives include tax exemptions for LEED certified development, a reduction in building permit fees for LEED certified developments, higher density developments and developments that incorporate non-market affordable housing, as well as similar reductions in development cost charges. The stimulus plan provides for an innovative tax increment financing arrangement, whereby every additional tax dollar generated by the new development will be reinvested back into the town centre area by way of beautification and infrastructure projects, resulting in a positive cumulative impact on revitalization efforts .



While local governments remain focused on business retention and expansion, community development, entrepreneurship and innovation, and amenity- and place-based infrastructure development are playing a greater role in shaping local economic development efforts.

Community-based, volunteer driven business development or retention and expansion programs continue to be a proven strategy for economic development, but are also now often augmented by more innovation-driven and entrepreneur-driven strategies.

Setting out a plan or vision is an important tool for guiding the work of an economic development organization and the most effective plans are strategic, focused and integrated with a community's larger community visioning or community planning processes.

The lack of financial and human resources continues to be the primary obstacle facing local governments in the delivery of an economic development function – a challenge that is more acute in times of transition when there are additional pressures on service delivery and the local employment base.

Local governments are using a number of innovative strategies to address economic development barriers, including: organizing an effort where one did not exist before; engaging in advocacy and relationship building with other levels of government and neighbouring local and First Nations governments; developing economic development strategies or refining existing ones; and working more diligently at fund leveraging.

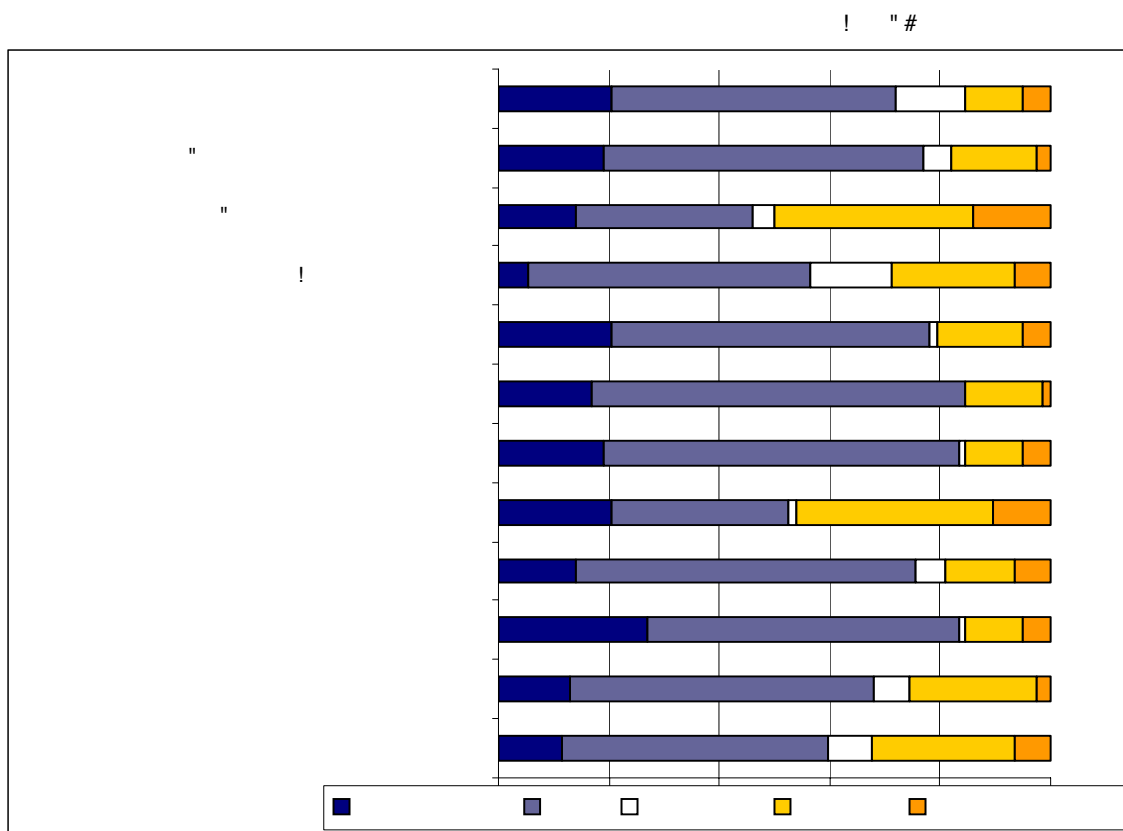
Many local governments continue to adopt a greater and more explicit role in economic development planning by identifying priorities, engaging in the economic development plan-making process and embarking on core economic development initiatives (e.g., business retention and expansion programs, marketing etc.).

Section 3

The 2006 UBCM conference identified a number of elements that practitioners and local elected officials felt were essential to successful economic development. The 2009 survey tested to what extent these factors were present within BC local governments. The results are generally positive as indicated in Chart 15.

Areas where local governments appear to be excelling include: having the political will to support their economic development efforts; having an awareness of business interests and needs; ensuring community buy-in and support for their economic development efforts; engaging in regional collaboration; having business leader involvement; giving consideration to sustainability; fostering innovation and entrepreneurship; and utilizing community champions to assist in achieving economic development outcomes.

Areas where local governments identified limitations included: having the staff expertise to deliver economic development; having a formal economic development strategy in place; engaging in public-private partnerships; and involving First Nations. In a rural area, First Nations and local governments are often sharing the broader geographic region and there can be mutual benefits to joint planning at the regional level as well as engaging in economic development initiatives such as infrastructure development and shared service delivery. Given that this is an area where there is increasing opportunity, innovative partnerships with First Nations are explored in greater detail in Section 3.3.



Taking into account the results from the survey and the prevailing themes from the literature, six precursors or imperatives for economic development success have been identified. The goal of these imperatives is to help local governments frame their discussions of and approach to economic development. They are intended to be a starting point for dialogue and additional resources are provided in Section 5. Following a discussion of the imperatives are community snapshots that embody one or all these characteristics. Section 3.3 provides a closer look at partnerships. While all of the imperatives outlined below are important, partnerships are examined in greater detail because of the important role they can play in local government economic development.



Partnerships have the potential to achieve economic development outcomes that would otherwise be unattainable. Partnerships can be important for many reasons: to leverage resources; to avoid duplication; to build credibility; to generate revenue; to establish contacts; to create synergies; to “keep the pulse” of the community and industry trends; and to enable and strengthen the work of an economic development organization . Partnerships are the vehicles of community-based innovation and local governments have a lead role in organizing and convening partnership processes. It is important to continually assess where mutually beneficial partnerships can be realized for the delivery of successful economic development outcomes.

The survey highlighted the importance of leadership and it is consistently identified as a success factor in economic development . If the leadership to set a long-term vision for a community or to see projects through to fruition does not exist, economic development success will likely not be realized. In addition to having a forward thinking and committed mayor and council, the ability for community champions to see potential projects through to completion should not be discounted. Sometimes the momentum needed for economic development does not come from staff or elected officials but from the thought and vision of community volunteers. Every effort should be made to utilize community champions.

Place matters. In a global age as space becomes less important place becomes more important and, as a result, place-based development is central to the current discourse on economic vitality and renewal . People are seeking out places with defining and unique qualities that set them apart from other localities and communities need to focus on being and doing what they want to attract . Economic development approaches need to focus on identifying and growing local assets and tapping into and taking advantage of the unique aspects of a region.

While innovation is most often considered in the context of emerging sectors and metropolitan areas it can exist in traditional manufacturing sectors and non-metropolitan areas and is, in fact, key to the economic renewal of these sectors of the economy . A supportive and conducive local business environment and a rich network of civic, institutional and organizational programs and policies provide the platform for entrepreneurship and innovation to flourish. While this is an area where a coordinated, integrated and multi-level governance approach is required, local governments are best positioned at the local level to engage the community, enable individuals, and connect people and information that exist in the wider arena. Strong regions, livable communities and collaborative “joined-up” governance facilitate regional innovation. Local governments can contribute by ensuring that innovation remains at the centre of local discourse on economic development, reassessing the region to ensure that current and potential sources of innovation are identified, accelerating and expanding innovation networks, and ensuring that regional innovation takes centre stage in the development of economic development plans .

Sustainability is increasingly viewed as being at the heart of economic recovery and it is no longer acceptable to think of sustainable development and economic development as mutually exclusive . For economic development to be successful it needs to be sustainable. Careful consideration should be given to balancing economic, social and environmental objectives to achieve improved quality of life and sustainable growth. Sustainability cuts across and influences all aspects of local government, from sustainable procurement policies to the utilization of green building technologies, land use and climate change policies. Local governments that are able to nurture a culture of sustainability and create a vision for sustainable economic development are defining themselves as the leaders of tomorrow. Sustainable communities are able to attract people because they create a positive image of a place to live and conduct business and it is important for local governments to recognize this connection and, where possible, incorporate sustainability into their economic development approach.

Local governments struggle with capacity constraints and should assess if the resources to achieve the economic development outcomes that they set for themselves are in place. It is recognized that it is not realistic or appropriate for many local governments to launch a large-scale economic development effort. For some communities, having a part-time EDO or Mayor and CAO working on economic development will be adequate to achieve their desired economic development outcome. The important consideration is to ensure that the amount of resources available match the scale of effort envisioned, otherwise it is likely that implementation challenges will arise. Equally important is building expertise among staff and council through training and information dissemination and embarking on a dialogue about the delivery model needed to achieve the desired outcomes.



Vancouver 2020: A Bright Green Future (paraphrased)

The (popn 600,000+) has set for itself the goal of being the greenest city in the world by 2020 – an approach that leverages its existing reputation as a sustainability hub. People are already choosing Vancouver as a place to visit and locate because of its green reputation and the city's new approach, which cuts across many city departments, seeks to build on that. Vancouver 2020: Bright Green Future sets out to grow 20,000 green jobs by 2020. It has three main areas of focus: green jobs and a green economy, greener communities, and human health.

Some of the initiatives that are being spearheaded include:

Vancouver Green Capital is the city's business branding for economic development that is intended to send the message that Vancouver means business but not business as usual.

The area currently known as False Creek Flats is being considered as a low-carbon economic development zone that would act as a "magnet for low-carbon businesses, technologies, products and services".

An entrepreneur development program is envisioned that would target green entrepreneurs and provide access to capital and expert guidance through a partnership model that draws on existing resources and potential partner organizations.

One of the recommendations of the Greenest City Action Team, which includes politicians, academics, business leaders, and staff, was to develop an economic development strategy that aligns with the city's green objectives. An economic development strategy – the city's first in more than 20 years – has been in development since 2006 in close consultation with the community, business leaders and academics. This document is expected to be delivered to Vancouver city council in the coming months as a roadmap for the city's sustainable prosperity. With an economic development strategy on the way and a vision in place, the City of Vancouver is well positioned to maximize their competitive advantage and become a mecca for green entrepreneurs and businesses.

Many communities are tapping into the green economy – a fast growing economic sector that includes green energy generation and clean technology development. It emphasizes development that respects the “triple bottom line” of economic, social and environmental considerations.

The (popn 5,000 – 20,000), through the Quesnel Community and Economic Development Corporation, underwent an intensive planning and visioning exercise in response to the Mountain Pine Beetle epidemic that had a devastating impact on their forestry dependent economy. The goal was to identify and optimize their strengths, which led the community to position themselves as a bio-economy hub for green electrical and thermal energy, bio-fuels and bio-refining. The strategy builds on their strengths – a productive land base, vast biomass resources, numerous pulp mills, a fully developed infrastructure, and a well-trained workforce.

Quesnel identified early that to make the community stand out they needed to build a competitive advantage that emphasized their unique cultural and natural history and provided access to quality recreation and leisure. The city embraced sustainability as an economic development strategy through the Quesnel 2020 process, a visioning exercise undertaken in 2003 that involved a large cross-section of the community. From this process the vision of a “Connected, Green and Active Quesnel” emerged, from which they have gone on to develop a number of sustainability frameworks to facilitate projects. These include the “Our Quesnel” Sustainability Initiative and Prosperity and Sustainability: Taking Action Now for Quesnel’s Future – a policy document that sets out how the city will develop 3000 new jobs and a diverse economy with a stronger emphasis on quality of life and sustainability.



Situated on the south-eastern coast of Vancouver Island, the Comox Valley has an abundance of available land for new and expanding food and beverage processing operations. Boasting a mild climate and excellent soil quality the Comox Valley is considered one of the top eight agricultural destinations in Canada. Recognizing that very little of their agricultural land was being optimized and that land was relatively cheap in comparison to other growing regions in Canada led the Comox Valley municipalities and regional district to identify agri-food as its number one sector for economic growth.

A focus on agri-food was identified in 2000 through the Comox Valley Economic Development Society's planning process, but developing the sector did not come without its challenges. At a time when the predominant trend was the depopulation of farms across Canada, it was difficult to convince people that agri-food represented a viable and realistic vision. But the development of the Comox Valley Agricultural Plan, the Comox Valley Five Year Economic Development Strategic Plan and the Comox Valley Inventory and Gap Analysis laid the foundations for what is now often referred to as the "Provence" of Canada, in light of the flourishing and diverse array of farming operations that have established in the region.



There are now nearly 450 operating farms in the Comox Valley contributing over \$30 million to the local economy. There is a focus on specialty niche products including vineyards, cranberries, sprouts, organic fruits and vegetables, in addition to an extensive aquaculture industry. Over 50 percent of BC's shellfish is produced in the waters surrounding the Comox Valley and the strengthening agriculture sector now supports a year round farmer's market and Canada's only 100 percent local grocery store.

Growth of the sector has been facilitated by the Comox Valley Economic Development Society who work with local producers to expand their businesses (both through local buy direct marketing and business retention and expansion initiatives) and develop external media and market strategies to bring attention to the agricultural opportunities. This process is supported by sound research into the strengths, gaps and opportunities both within the sector and the community.

Most recently, the region has focused on expanding into culinary tourism with the launch of Taste Comox Valley, an agriculture and culinary marketing program that hopes to increase the awareness of the Comox Valley as one of the most innovative culinary and agricultural regions in Canada. Taste Comox Valley is expected to increase the consumption and production of locally grown food by tapping into the consumer trend for locally grown quality and niche foods – all of which are on offer in the Comox Valley. The creation of a Comox Valley Growers Guide is intended to complement the Taste Comox Valley campaign by promoting how to buy direct from over 70 local farms and providing three farm tour routes and detailed maps.

The (popn 50,000+) has taken an innovative partnership approach to festival promotion with the launch of Discover Maple Ridge Weekends. Completed on a shoe-string budget of \$30,000, it illustrates that small projects can have big impacts.

Situated on the doorstep of Metro Vancouver, bounded by the Coast Mountains and the Fraser River, the District of Maple Ridge wanted to capitalize on its proximity to a major urban trading centre and its natural beauty. The goal of Discover Maple Ridge Weekends was to make Maple Ridge top-of-mind for weekend festivals and events and increase day trips and repeat visits from those residing outside the community.



The campaign was not on the district's radar or set out in its economic development plan, but realized as a result of an opportunity. The World Police and Fire Games were coming to Maple Ridge and the district's economic development department knew they had an opportunity to leverage this event to raise the profile of what the community had on offer. As in many other communities funding for festivals and events has historically been a challenge. The majority of festivals and events in Maple Ridge are grassroots efforts and, managed by devoted volunteers, face funding, awareness and marketing challenges. There was no single group or department with responsibility for festivals promotion and there was no longer money available from the district to support individual festivals and events as had been available in previous years. As a result, mayor and council supported a staff recommendation to redirect \$30,000 of provincial tourism grant money to develop a collaborative multimedia campaign that would benefit all the festivals and events within the community.

The economic development department established a Festival Promotions Team comprised of city staff, businesses and community organizations to develop the concept. The concept needed to be flexible to allow for future expansion if additional funding became available (for example, Discover Maple Ridge Business, Discover Maple Ridge Tourism) and it needed to deliver a framework that would meet the needs of the many partners involved in the project.

Officially launched on June 25, 2009 with a comprehensive website (www.mapleridgeweekends.com) and through traditional print and media, Discover Maple Ridge Weekends has surpassed expectations. A very successful and comprehensive multimedia approach from conception to delivery, including the establishment of performance measures, was delivered in a short time frame and with a small budget. Festivals and events that ran through the summer of 2009 noted an increase in visitation as did vendors, and increased festival-goers translated into additional business for downtown merchants. The initiative succeeded in raising the profile of Maple Ridge as a great place to live, work, play and invest.



Nestled at the head of Burrard Inlet, the [City of Port Moody](#) (popn 20,000 – 50,000) is an urban centre in Metro Vancouver. Through progressive land use planning and an emphasis on smart growth principles, the city has been successful in creating a vibrant and sustainable town centre with job growth that has outpaced Metro Vancouver.

Faced with increasing suburban development in the late 1990s, city council made the decision to curb further sprawl and concentrate growth in the development of a compact town centre – a move that required a referendum to implement. That vision is now taking shape with two key developments reaching completion – Newport Village and Suter Brook – and complementing the existing civic functions already present at the town centre. The result is a pedestrian-oriented town centre with the city hall, library, recreation complex, retail and commercial space all within walking distance of each other and the residential units.

Newport Village was the first significant development and because it was recognized early on as a success it provided a reference point for residents and facilitated the way for further mixed-use development. With Suter Brook, the city was able to use what they learned with Newport Village and refine their approach to mixed-use pedestrian-oriented development. The result is a development with many innovative features that sets it apart from similar developments. A new form of development for suburbs and small towns referred to as the "Hidden Box" retail concept was created in Suter Brook and is an example of a city influencing the design and construction of a successful pedestrian-oriented retail complex. Innovative residential units that incorporate green roofs are located on top of the commercial space and cars for the most part are directed underground. With Suter Brook and Newport Village, as well as with other neighbouring properties, the city has insisted on incorporating larger residential units in the Master Plan to ensure the development truly represents a complete community that can accommodate families and individuals, including seniors.

When asked what has enabled Port Moody to achieve its vision Gaëtan Royer, City Manager, attributes success in part to their approach with developers. For any application over a single family residential the city's Development Review Team, which includes a cross-section of staff, sits down with the developer. This team approach ensures developers leave with one message about what the city envisions for a site and also encourages innovative solutions to arise through round table discussions and negotiations. For large sites, the city insists on Master Plans as opposed to piecemeal development and they use land use contracts to ensure that developers are held to the principles set out in the Master Plan. Royer notes that it is easy for developers to be guided by past experience and that local governments should not be afraid of pushing the envelope and saying no to a proposal. Three applications for "standard" residential development were turned down on the Suter Brook site before a proposal was presented that aligned with the city's vision. By creating a town centre with a diverse mix of uses, high quality public spaces, sympathetic architecture and an urban atmosphere the City of Port Moody has been successful in attracting residents, visitors and businesses to the area.

Over 70 percent of local governments surveyed stated that they were involved in one or more partnerships related to economic development – a statistic that emphasizes the significant role that partnerships play in achieving economic development goals. Partnering can occur in many ways – between local governments for the delivery of an economic development function as was discussed in Section 1.3, between a local government and private corporation or community organization, and between local governments and First Nations. For example, local governments and First Nations are increasingly looking to each other as neighbours and as potential partners to facilitate mutually beneficial projects at the local level in areas such as service delivery, infrastructure development and economic development planning.

The partnerships identified below represent only a small fraction of those that exist across the province for the purposes of economic development but they illustrate what is possible when local governments seek out partners to work toward common goals or to address mutual needs.

The provides funding for local governments and First Nations to meet and initiate dialogue.

provides success stories in the area of local government-First Nations relations.

(2008) by the BC Treaty Commission provides guidance for relationship building with First Nations. Available at www.bctreaty.net.



Partnerships have been instrumental in the creation and delivery of an age-friendly initiative spearheaded by the (popn 0-5,000). While the district has a number of economic development partnership initiatives underway at any given time, they take great pride in the success they have had with this particular initiative that was made possible through seed money provided by UBCM's Seniors' Housing and Support Initiative.

Working with the Vancouver Island Health Authority, the local rotary club, the Chamber of Commerce, Literacy Now, Tourism Port Hardy, Tourism Vancouver Island, Port Hardy Parks and Recreation, community champions and local First Nations, the district has advanced several age-friendly and accessibility projects. Through an engaged and knowledgeable steering committee short and long-term goals for increasing accessibility for seniors and persons with disabilities have been identified and a comprehensive services guide has been developed.

The district was able to tap into the wealth of knowledge in the local seniors' population and this initiative has been developed by seniors for seniors. The district has also used the original UBCM seed money to leverage more funding and to advance a number of additional projects, including the development of the region's first accessible trail map that was completed in partnership with regional tourism bodies. While accessibility may not immediately come to mind when thinking of economic development, this initiative positively impacts on the district's quality of life and targets one of Port Hardy's main demographics - the 55 plus age group .



The Wharton Street Redevelopment Project in Summerland arose out of a desire by the (popn 5,000 – 20,000) to bring much needed amenities to residents as well as to facilitate the enhancement and revitalization of its downtown core. Since the district owned much of the land in the Wharton Street area of Summerland where the redevelopment was being considered they were in a unique position to work with a private developer to realize community objectives.

By partnering with a private developer the district was able to secure the inclusion of a new library, museum, cultural centre and senior's drop-in centre. The sale of the district's land in the Wharton Street area has enabled them to provide these facilities without increasing taxes. The district has also been able to play a key role in influencing the overall design of the development, which is envisioned to be a livable and vibrant neighbourhood that embraces sustainability principles. The redevelopment process has taken many years and required several planning amendments but is now underway with two phases to be completed by 2012 .



Local governments and First Nations are recognizing that partnering for the delivery of key community infrastructure can result in the leveraging of increased funds and efficiencies of scale. The Kitselas First Nation and the (popn 20,000 – 50,000) recognized this and partnered to build a new fire hall on reserve land that would be managed by the regional district and serve the First Nations population as well as the wider community in the Skeena Fire Protection Service Area.

Opened in June 2004, the Gitaus Fire Hall is run by a volunteer fire crew that also includes representatives from the First Nation. This joint venture pushed the regional district and the First Nation beyond their comfort zone but both communities are now reaping the benefit. This partnership has solved the problem of a dwindling volunteer crew and each community now has a more substantial fire hall than either could have built on their own .



In 1997 the (RMOW) (popn 20,000 – 50,000) met with the Lil'wat Nation to consult about opportunities for the Nation's participation and presence in Whistler BC. Out of these discussions the idea of a world-class cultural centre was born and a relationship in the spirit of goodwill and cooperation evolved. Today, the Squamish Lil'wat Cultural Centre stands as a beacon of cooperation between the RMOW, the Lil'wat Nation and the Squamish Nation on a landmark site in Whistler, BC.

The relationship between the RMOW and the Lil'wat and Squamish Nations continues to develop and in April 2009, the three parties signed a 25-year tenure license for a community forest with the Province, giving them equal partnership in the management of a large tract of forested land .



The 2009 survey of local governments revealed new insights and confirmed existing thoughts about the state of economic development planning by local governments in British Columbia:

- local governments are trying, with limited resources, to play a meaningful economic development role in shaping the future of their communities;
- the playing field for economic development remains extremely uneven;
- the ability for local governments to impact economic development is great and the ways in which local governments choose to intervene is varied;
- economic development is impacted by all areas of local government service delivery; and
- economic development can in some cases be facilitated equally well through community and sustainability planning approaches as it can be through explicit economic development functions.

Local governments should think critically about how they choose to approach economic development, whether that is through a formal and explicit economic development function or through complementary and linked community and sustainability planning processes. Each local government faces unique challenges, needs and opportunities and responses need to be tailor-made. One of the goals of this document was to illustrate the diverse approaches to economic development by local governments in BC with a view to inspiring locally based action.

The survey results support what broader academic research suggests: local governments have the opportunity to facilitate a coordinated effort to economic development and to create a favourable environment for economic growth and community transition. Approaches that give consideration to innovation and sustainability while recognizing and building on place-based assets, whether large or small in scope, have the greatest potential to benefit local communities. A place-based approach allows communities to differentiate themselves, while lending itself to resident retention and attraction as well as visitor attraction. Similarly, efforts that are grounded in the assets of a community and that are driven by the community are likely to garner more success than cookie-cutter strategies.

The research confirms that it is not about the size of the economic development effort but the quality and level of focus that can be brought to the table – some of the most successful economic development initiatives are small in scale and largely volunteer-led. Those processes that are inclusive of the community and leverage the enthusiasm of community champions have been shown to have more credibility and staying power, leading to a more sustained effort over the long-term.

Multiple roles, drawn from the survey and current literature, are suggested for local governments in facilitating economic development: convening and organizing partnerships between different levels of government, civic, community and business organizations; disseminating information among stakeholders and the business community; building networks of people and information central to innovation; facilitating relationships and leading visioning and research initiatives, and ensuring better coordination among existing delivery programs in the wider arena. That said, it needs to be acknowledged that the ability of local governments to embark on any of these roles is severely limited by the availability of resources.

There remains a large discrepancy in the level and type of local government intervention in economic development. The reasons for this appear to be mixed. For some local governments economic development planning is simply not an area that is considered a necessary or desirable activity and for others more pressing issues win out. For a large majority, however, it comes down to a lack of resources.

Lack of human and financial resources were the primary barriers identified in the survey and for the majority of local governments there remains little room to move beyond traditional service delivery even though that is often what is expected, particularly in the current economic climate. Capacity building (particularly for innovation-based economic development) by local governments needs to include appropriate resourcing and without this, it is unreasonable to expect local officials to lead or even participate in economic development processes. While the opportunity exists for local governments to play a leadership role in economic development, this opportunity is often overshadowed by fiscal constraints. This is a debate and dialogue that goes beyond the scope of this document, but for clarity bears mentioning here.

Whether it occurs under the guise of economic development, community planning or sustainability planning local governments across the province are demonstrating that they can play a meaningful role in influencing and improving the economic future and quality of life for their residents. The community snapshots in this report represent a fraction of the success stories that are unfolding in communities across BC, but they demonstrate the community benefits that can be realized through the mobilization of resources and thoughtful planning. These communities are leaders in bringing about improved outcomes for their residents and serve as examples of what is possible.

As the organization representing the interests of local governments in BC, UBCM is guided by the issues that matter most to its members. Economic development has consistently been raised by members as a critical issue in their communities and this report represents the culmination of dialogue and discussion by UBCM on this important issue. Hopefully it will also serve as a starting point for future dialogue and action in communities across the province.

UBCM will continue its work on economic development through the direction of the UBCM Community Economic Development (CED) Committee and welcomes feedback from members on this publication or on economic development in general. There are also other resources available to members in their search for more information and Section 5 provides a list of key websites, organizations, and publications. Finally, the UBCM CED Committee would like to extend a heartfelt thank you to all of the members and individuals that contributed in some way to this publication.

Blakely, E.J., and Leigh, N.J. (Fourth Edition). Newbury Park, CA: Sage Publications, 2010.
Bruce, D. et al (Editors). ,
Cambridge, MA: EWU Press, 2009.

BC Research and Innovation Strategy, BC Ministry of Advanced Education and Ministry Responsible for Research and Technology (no date), www.tted.gov.bc.ca/TRI/research
Playing for Keeps: Boosting Western Canada's Economic Competitiveness in a Post-Recession World, Gibbins, R. for Canada West Foundation (2009), www.cwf.ca
Business Retention and Expansion Program, By Lions Gate Consulting for the Economic Development Association of BC (EDABC) (May 2006), www.edabc.com
Structuring an Economic Development Organization, By R.J. Bell Consulting for the Economic Development Association of BC (May 2006), www.edabc.com
The Essentials of Economic Development Practices, Principles and Planning, Economic Development Association of Canada (EDAC) (2009), www.edac.com
Incorporating Economic Development into Local Government Planning, Queensland Government (Department of State Development and Trade) (2006), www.regions.qld.gov.au

BC Ministry of Small Business, Technology and Economic Development, www.gov.bc.ca/tted
Business Improvement Areas of BC, www.bia.bc.ca
Community Futures BC, www.communityfutures.ca
Economic Development Association of BC, www.edabc.com
Economic Development Association of Canada, www.edac.com
International Economic Development Council, www.iedconline.org
RuralBC Secretariat, www.ruralbc.gov.bc.ca

BC Climate Action Toolkit, www.toolkit.bc.ca
Canadian CED Network, www.ccednet-rcdec.ca
Fraser Basin Council, www.fraserbasin.bc.ca
Green Communities Canada, www.gca.ca
ICLEI-Local Governments for Sustainability, www.iclei.org
Rocky Mountain Institute, www.rmi.org

BC Research and Innovation Council, www.tted.gov.bc.ca/
BC Innovation Council, www.bcic.ca/
PrGRIS, www.utoronto.ca/progris/
Centre for Sustainability and Social Innovation, UBC, www.sauder.ubc.ca
BC Government List of Innovation Organizations,
www.tted.gov.bc.ca/TRI/research/innovationorganizations/

Alert Bay, Village of
Armstrong, City of
Ashcroft, Village of
Belcarra, Village of
Bowen Island Municipality
Burnaby, City of
Burns Lake, Village of
Cache Creek, Village of
Campbell River, City of
Canal Flats, Village of
Central Saanich, District of
Chetwynd, District of
Chilliwack, City of
Clearwater, District of
Clinton, Village of
Colwood, City of
Comox, Town of
Coquitlam, City of
Courtenay, City of
Cranbrook, City of
Delta, District of
Duncan, City of
Elkford, District of
Enderby, City of
Esquimalt, Township of
Ferne, City of
Fort St. James, District of
Fraser Lake, Village of
Gibsons, Town of
Golden, Town of
Gold River, Village of
Grand Forks, City of
Greenwood, City of
Harrison Hot Springs, Village of
Hope, District of
Houston, District of
Kaslo, Village of
Kelowna, City of
Kent, District of
Keremeos, Village of
Kimberley, City of
Kitimat, District of
Ladysmith, Town of
Lake Country, District of
Langford, City of
Langley, City of
Lillooet, District of
Lions Bay, Village of
Logan Lake, District of
Lumby, Village of
Maple Ridge, District of
McBride, Village of

Merritt, City of
Metchosin, District of
Mission, District of
Montrose, Village of
Nanaimo, City of
New Denver, Village of
New Westminster, City of
Northern Rockies, Regional Municipality of
North Cowichan, District of
North Saanich, District of
North Vancouver, City of
North Vancouver, District of
Oak Bay, District of
Oliver, Town of
Osoyoos, Town of
Pemberton, Village of
Penticton, City of
Pitt Meadows, City of
Port Alberni, City of
Port Coquitlam, City of
Port Hardy, District of
Port Moody, City of
Pouce Coupe, Village of
Prince George, City of
Prince Rupert, City of
Princeton, Town of
Qualicum Beach, Town of
Radium Hot Springs, Village of
Revelstoke, City of
Richmond, City of
Saanich, District of
Salmon Arm, City of
Sayward, Village of
Sicamous, District of
Sidney, Town of
Slocan, Village of
Sooke, District of
Squamish, District of
Stewart, District of
Summerland, District of
Surrey, City of
Telkwa, Village of
Terrace, City of
Ucluelet, District of
Valemount, Village of
Vancouver, City of
Vanderhoof, District of
Vernon, City of
Victoria, City of
Whistler, Resort Municipality of
White Rock, City of
Williams Lake, City of

Alberni-Clayoquot
Bulkley-Nechako
Central Coast
Central Okanagan
Columbia Shuswap
Comox Valley
Cowichan Valley
East Kootenay
Fraser Valley
Fraser-Fort George
Kitimat-Stikine
Metro Vancouver
Mount Waddington
Okanagan-Similkameen
Peace River
Powell River
Skeena-Queen Charlotte
Strathcona
Sunshine Coast
Thompson-Nicola

" !
 #) ! \$% & ' (((#
 , *) + " *) / (0 (.) 1 2345 * 67 (, - . # *)
 8 + 8 + / ((/ 1 ,) - " .
 " / ((' 9 ! ' ((() 2 (:
 ; 8
 " :) - . ; / ((/ 9)
 8 % - ! % . 8 # 8 < / ((2 . 8 # 1 8 <
 * ! ; * - / ((4 # \$ \$ % & = * - . -
 8 % - ; + ') * - > # 7 ### ? 0 @ 6 / ((= * - . + * - / ((1 1 A
 ") / ((@ - , :
 ") / ((@ % B , :
 - C
 ") / ((@ - + %) - :) , -
 ") / ((@ < " - : "
 +
 ") / ((@ ? * - : : / ((@ - %
 ") / ((@ ? % - : , D *
 ") / ((@ ? ? < -) < -
 E ; F * - ; ! 7 , -

* - ; , * ,) ; % - ! G + * - - # / (0(
 1 1 1 1 + , " , - % . 8 = * - . + * - - # / (0(
 / - # 0 ; 7 / - . * - # / ((3) !
 %) < 1 2 3 " 44 1 1 C I) Cl . < E < ;
 ; / ((@ . 1 1 1
 - , 7 . - 7 : ! / ((@ . -
 , 0(01 , +
 - ? 5 / ((/) # ! E) , * ; , ; / ((/
 , 5 / ((/) # ! E) , * ; , ; / ((/
 * C < C) 0 /) 6 ') , - < 76/
 : : C . - < C) / ((6 - -
 ") / ((@ - + %) -
 :) , 1 - - :) , - -
) 1
 :) # - J :) ; " -
 ") / ((@ = ; ; * , ; < ;
 , ; 1 ; , ; * , , <
 ") / ((@ + % , %
 , - , -
 B + > > * - % - ; / @ / ((@6) ;
 / 3 K : / / ((@ = * -
 = , * - ? / ((@ , - 7 7 ; / 0 / ((@ , -
 03 K // / ((@
 ") / ((@ , - 8 < - *
 ") / ((@ 8 + F , : 1
 , -
 ") / ((@ ; B , : "
 ,
 ") / ((@ ; - , : ,
 %
 ") / ((@ " % < # < +
 % - 6# 6) ') , + = * - . + * - # ") 0
 / ((@ .
 , ;) 2 ,) ;) * - . , ;) / ((@ .)
 ;) ,) \$;) ; D ;)
 ,) 1 A A
 % - 6 ; + * - # , : = # * - . + 6
 * - 2 6, 0 ") 7 1 1 A
 / ((.

B + > >* - %- ; / @ / ((@ 6) ; / 3
 K: / / ((@ = * -
 + - 8 ! - ! -) # : : C. + 8 - ?
 7 / ((.
 <) # " ! " + - 9 ; / 0 / ((@ , - @ = , * - ? * -
 / ((@ ,) - G - ; 03 K / / / ((@ = , * - ? * -
 B) ? , : 2 6 ! /) , D : C J ; < # ;
 L D G > / ((/ L < ; ; H 6 1 1
 / - # 0 ; 7 / - . * - # / ((3) !
 <) # " ! " + - 9 ; / 0 / ((@ , - @ = , * - ? * -
 / ((@ ,) - G - ; 03 K / / / ((@ = , * - ? * -
 + 06 * - # , : = # * - . + 6 * - 2 6 ,
 1 1 A
 ") / ((@ < ; - ,
 - , < B
 ; ; / ((3 7 , % C ,) ; ; * - . ,
 > * - % " " * - . > * - %
 % 8 , < 4 2 4 ' " 8
 * - . %
 ,) ; , " L + + / ((/
 . L + / ((/
 * C 0 /) 6 ') , < 76 /
 : : C. - < C) # / ((6