

SECTION V: ECONOMIC DEVELOPMENT

Venture Kamloops is the regional economic development agency which is jointly funded by the City of Kamloops and the Thompson-Nicola Regional District. Its mandate is to promote economic development and tourism in Kamloops and the Thompson-Nicola Region. The agency's vision statement is:

To work co-operatively with all communities and organizations within the Thompson-Nicola Regional District to create a tourism and economic development agency that improves the quality of life for all citizens by linking the region's competitive advantages to its innovative strengths.

In January 2003, Venture Kamloops completed an Industry Sector Opportunity Analysis Strategy which examined seven key industrial sectors (agriculture, mining, forestry, manufacturing, transportation, tourism, and high technology) to determine opportunities for growth and development of these sectors. The report provides an overview of the Kamloops economy in relation to the region and examines the strengths and weaknesses in each of the sectors analyzed. Key recommendations from the report are:

- building a stronger, more diversified economic base;
- supporting existing businesses to ensure their retention and expansion; and
- attracting new businesses by focusing on the strengths and opportunities Kamloops has to offer.

The report will also form the basis of an economic development strategy to be followed by Venture Kamloops in the years ahead.

Kamloops traditionally has been an industrial city with an economy relying on basic sector activities such as forestry, agriculture, mining, transportation, construction, and public administration. These sectors, which are typically high paying and generally stable, are not expected to grow significantly over the next 10 to 15 years. In fact, the resource sector is expected to decrease in relative importance as the Kamloops economy moves from a resource based economy to a service economy.

Kamloops' Major Employers	
School District No. 73	1,700
Royal Inland Hospital	1,400
Convergys	1,000
Highland Valley Copper	950
Weyerhaeuser Canada	950
Thompson Rivers University	900
City of Kamloops	650
Overlander Extended Care Hospital	450
Wal-Mart	300
BC Lottery Corporation	285
Pollard Bank Note	275
McDonald's Restaurants	250
Ponderosa Lodge	250
Save On Foods	230
CP Rail	220

The projected closure of Highland Valley Copper in 2009 will lead to the loss of 463 mining jobs and between 400 and 570 related jobs in Kamloops. The after tax employment income attributable to these jobs is estimated to be between \$34.8 and \$37.5 million or approximately 2% of total community income.

On the plus side, over the same period (2003 to 2009), the Thompson Rivers University is expected to increase in enrolment from 6,542 full-time enrollment (FTE) students to 9,607 FTE students, an increase of 47%. This will require an increase of approximately 250 academic, administrative, and support staff. Growth at the university is projected to continue until 2030 when there will be a projected enrolment of 16,000 students. This will have significant benefit to the local and regional economies.

Annual Economic Impact of UCC Student Body

	2003	2008	2013
Canadian Students	\$138 million	\$200 million	\$250 million
International Students	44 million	75 million	94 million
Total	\$182 million	\$275 million	\$344 million

Plus: the \$175 million current operating budget spent in the local economy.

Kamloops will continue in its role as the regional centre for government and health care. Local area economic dependencies for 1996 indicate that the public sector (health, education, and government) was the single most important base sector, accounting for 26% of all income flowing into the community (*Kamloops Sector Analysis 2003*).

The majority of new jobs being created are in the service producing, non-basic sectors such as retailing, tourism accommodation, food services, and personal services, which typically tend to be lower paying and less stable. Between 1981 and 2001, the goods producing labour force in Kamloops declined from 25% of the labour force to 17%. This is despite the fact that the Kamloops labour force as a whole grew by almost 24% in the same period. The trend is expected to continue toward a greater proportion of jobs found in service rather than basic sectors of the economy, which will result in a slower rate of community income growth.

The two sectors of the economy identified as having the greatest potential for expansion are tourism and value-added wood products (manufacturing). In the tourism sector, Venture Kamloops is working hard at branding Kamloops and region as "BC's Adventure Destination", and the City of Kamloops is building on the success of its Tournament Capital of BC program by pursuing recognition as the "Tournament Capital of Canada". In 2002, 91 tournaments were held on City facilities, 21,625 people visited Kamloops to participate in sporting events, and \$8.4 million was spent in the local economy by participants. The enhanced Tournament Capital program will involve aggressive tournament marketing and recruitment, athlete and coaching development, and development of

national calibre tournament facilities on McArthur Island and at Hillside Stadium/Canada Games Pool. New regional tourism opportunities which will benefit Kamloops include such ventures as the Rocky Mountaineer Railtours, Sun Peaks Resort, and the proposed Six Mile development.

In the manufacturing sector, Kamloops manufacturers have traditionally been tied to the resource sector. In recent years, the trend has been toward smaller, more flexible and niche-oriented companies. This is true in Kamloops where the majority of firms are small, with fewer than five employees. The absence of a single dominant company or group of related companies limits the development of an industrial cluster of related businesses. The one exception to this is value-added wood manufacturers. Venture Kamloops is seeking to recruit manufacturers of wood products to develop an economic cluster in Kamloops.

The consensus that has emerged through the planning process recognizes the importance of continued economic development. While Kamloops cannot afford to ignore economic opportunities no matter what sector they may fall under, Venture Kamloops and the City will continue to focus on high employment, higher paying activities and businesses. Major developments should be reviewed on an individual basis to determine what level of support the community would be prepared to provide. The City will continue to encourage development of all kinds, subject to appropriate environmental and community safeguards.

The City has developed the following goal and policy statements in response to the community's economic issues.

1.0 ECONOMIC DEVELOPMENT

GOALS

- To develop a strong, diversified, and sustainable economy that will provide expanded opportunities for employment, support community growth, and foster community pride.
- To encourage economic development while maintaining an equitable balance between business/industry and residential taxpayers.

Economic Development Policies

- 1.1 The City strongly supports and encourages employment generating development, particularly that which will not negatively impact the environment or the community's image.
- 1.2 The City will support Venture Kamloops' efforts to develop an economic development strategy based on the findings of the Industry Sector Opportunity Analysis Strategy and, in particular, to target specific economic sectors and businesses to locate in Kamloops. The economic development strategy should include efforts to:

- develop a strong and identifiable Kamloops brand,
 - increase tourism and value-added wood manufacturing opportunities,
 - create a supportive business climate, and
 - support cultural diversity and activity.
- 1.3 Aggressively support the Tournament Capital of Canada strategy as an economic development initiative and significantly increase the number of tournaments hosted by the City each year.
- 1.4 The City will support Venture Kamloops' efforts to encourage tourism development, particularly those projects that will reflect the "BC's Adventure Destination" brand or which will assist in extending the length of visits.
- 1.5 The City will continue to pursue the development of a strong, well defined community image, building on such opportunities as:
- Tournament Capital of Canada program,
 - Thompson Rivers University development,
 - the community's vast and well trained volunteer base,
 - regional initiatives such as:
 - ▶ Sun Peaks expansion,
 - ▶ Rocky Mountaineer Railtours,
 - ▶ Six Mile Ranch development, and
 - ▶ Tranquille farm resort development.
- 1.6 Aggressively support the retention of senior government offices in Kamloops to maintain and enhance the City's role as a regional government centre.
- 1.7 The City will support and work with the two Business Improvement Areas (BIAs) and one Business Association as a means of maintaining, upgrading, and revitalizing commercial areas. The two BIAs are the North Shore BIA and the Kamloops Central BIA, and the one Association is the Valleyview and East Business Association. In addition, the City will support the efforts of the Kamloops Chamber of Commerce and Venture Kamloops to promote business in Kamloops.
- 1.8 The City will develop a mechanism to weigh the costs and benefits to the community of major developments.
- 1.9 The City will explore an assist factor for development cost charges on industrial zoned land.

- 1.10 The City will continue to pursue a co-operative relationship with the Kamloops Indian Band to address matters of mutual concern including, but not limited to, economic development. The City supports the Kamloops Indian Band in its endeavour to become economically self-sufficient.
- 1.11 The City, in co-operation with Venture Kamloops and the North Shore BIA, will actively pursue establishment of increased employment generating development on the North Shore, particularly relating to the future development of businesses and residential development along the Tranquille Market Street area, light industrial development at the Kamloops Airport, and the resort development at Tranquille Farm site.
- 1.12 The City will ensure adequate industrial land is available in the City to meet future demand.
- 1.13 The City will use the cost recovery mechanism of DCCs to offset costs arising from new growth and the need to expand City services and infrastructure. Further, the City will review DCCs to determine:
- their impact on development and the financing of services;
 - their competitiveness with other municipalities;
 - their use to further planning objectives and not simply to be used as a revenue generator; and
 - the appropriateness of charging DCCs based on location of the proposed development, KAMPLAN policies encouraging infill, intensification, and redevelopment, the impact of development on existing neighbourhoods, the value of development, and cost-effectiveness of extension of services.
- 1.14 The City will provide municipal services in a cost-effective and efficient manner in order to minimize taxes and other costs.
- 1.15 The City will maintain a positive, pro-development attitude and will ensure that its regulations, policies, and procedures encourage community growth and development.
- 1.16 The City will encourage the development of a performing arts facility. The City will support the project with consideration being given to location, transportation access, partnership, services in the area, residential impact, and parking options.

- 1.17 The City will encourage the use of innovative approaches to facilitate and assist community development, including, but not limited to:
 - use of municipal real estate assets,
 - senior government programs/incentives, and
 - joint ventures/partnerships.
- 1.18 Review the potential to develop a convention centre within the term of this plan.
- 1.19 The City will work co-operatively with businesses in Kamloops and those considering locating in Kamloops. We will maintain a streamlined operation and provide client services to guide businesses.
- 1.20 The City will consider developing partnerships with businesses that are actively and aggressively seeking new or expanded operations in Kamloops.
- 1.21 The City will consider strategies to specifically attract and nurture new significant economic investments in Kamloops.
- 1.22 The City is strategizing on ways to market the community globally so that when businesses are looking at communities, Kamloops is considered and chosen.
- 1.23 The City will examine global tourism opportunities and ways to market our qualities to new and growing tourism-seeking countries.
- 1.24 The City will encourage historic, cultural, and First Nations tourism ventures to provide more activities and educational opportunities for tourists who come to Kamloops.
- 1.25 The City will support in principle the construction of a heritage railway museum in Kamloops as a tourism and economic development initiative.
- 1.26 The City of Kamloops shall enact a tax exemption by-law consistent with the following rationale and objectives:

The City of Kamloops recognizes that promoting revitalization in specified areas of the City is an essential component to the overall economic prosperity of Kamloops. The objectives of this designation are:

- To strengthen the viability of existing businesses;
- To stimulate and encourage new private investment;
- To encourage higher density residential development; and
- To improve the image and attractiveness of the tax exemption areas.

Additional objectives for the creation of a North Shore Revitalization Tax Exemption Program include:

- Encouraging sustainable development and green building techniques throughout the whole of the North Shore;
- Encouraging mixed-use development in core areas of the North Shore defined by Development Permit areas;
- Encouraging construction of non-market housing units; and
- Encouraging development throughout the whole of the North Shore.

2.0 AIRPORT

- 2.1 The Kamloops Airport has extensive land holdings which may be developed for ancillary and complementary commercial and industrial uses in accordance with the *Airport Area Land Use and Development Plan (2000)*.
- 2.2 The City will actively pursue the development/redevelopment of the Airport Lands with the intent of providing additional employment generating activities for the North Shore.
- 2.3 The City will actively pursue increased airline service to Kamloops.
- 2.4 The City will promote the importance of the airport to Kamloops' future economic development.
- 2.5 The City will ensure the services offered by the airport meet the needs of existing business and residents and are appropriate to the needs of new businesses considering locating in the City.
- 2.6 The City will review its Development Cost Charges By-law to examine if the lands around the airport should receive an assist factor for DCCs.
- 2.7 The City will be making application to the Agricultural Land Commission (ALC) to exclude 21.37 ha of land to permit the extension of the runway. This is in the City's and region's interest so as to open the opportunity for jet service.

3.0 THOMPSON RIVERS UNIVERSITY

- 3.1 Thompson Rivers University is expanding as it continues to serve as a four year degree granting institution. Land has been designated, as shown on Map 1, to accommodate its expansion. The City will encourage and facilitate growth of the university to 16,000 students in accordance with the *UCC Campus Master Plan (2003)* and will continue to pursue opportunities for joint development and operation of community facilities.
 - 3.1.1 The City will encourage a variety of affordable student housing for Thompson Rivers University students, both on campus and in the "Main Street" section of the McGill corridor.