



ECONOMIC DEVELOPMENT STRATEGY UPDATE

**Final Report
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EXECUTIVE SUMMARY

The City of Parksville's current Economic Development Strategy was adopted by Council in March 2000. In the time since its adoption, many strategic initiatives have been completed or are underway, new opportunities and challenges have arisen, and the local and regional economies continue to change. This update builds on the foundation of the 2000 Strategy while also providing fresh analysis of key trends and issues affecting the Parksville economy, the best opportunities for future growth, and the most appropriate strategic actions for achieving the City's economic development goals.

Trends and Issues

Parksville's population growth has been slower in recent years compared to the early 1990s, but it remains one of the fastest growing municipalities on Vancouver Island. The Regional District of Nanaimo (RDN) has been easily the fastest growing part of Vancouver Island for at least the last 15 years and is projected to be one of British Columbia's fastest growing areas in the next several decades.

Parksville's popularity as a destination for retirees from across Canada contributes to an older population profile than the BC average. This is reflected in a lower labour force participation rate, a higher share of income from pensions and lower share from employment, and overall lower average incomes.

Employment in the community is concentrated in tourism-related industries like retail trade, food services and accommodations, as well as construction. This higher proportion of lower-end services-related employment is associated with lower wages and seasonal employment. While Parksville's aggregate employment situation appears healthy, the quality of the employment is lower than in some other communities. Manufacturing, business services, resource-related industries, and the public sector all have proportionally lower employment in Parksville.

This employment profile suggests that Parksville does not have a sufficient number of employment alternatives for people in their 30s and 40s to earn a good living and support families. Compared to the rest of the Vancouver Island/Coast region, Parksville has a higher share of workers under the age of 25 (reflecting the lower-skill services orientation of many jobs), as well as a higher share of workers age 55 and over. There are fewer workers in the prime working and family-raising years of 25-54. The community also has a lower rate of full-year, full-time work than the provincial and Vancouver Island averages, suggesting that there are sufficient job opportunities for the young and relatively unskilled, but as people get older and acquire more education and skills, many are not finding appropriate employment opportunities in Parksville.

Building activity in Parksville is approaching an all-time high in 2003 after a period of lower activity starting in the mid 1990s. This pattern is evident through most of Vancouver Island.

Parksville's housing prices are higher than for most other Vancouver Island markets outside of Greater Victoria. As a result, some retirees who may otherwise have located in Parksville will be forced to move to less expensive locations elsewhere on the Island.

Municipal tax rates are competitive in Parksville with other mid-Island communities. The total municipal tax base is very reliant on residential properties, which account for 76% of the total.

Parksville's development cost charges (DCCs) are not out of line when compared to other mid-Island communities. Residential DCCs are in the mid-range of a group of comparable communities, while both commercial and industrial DCCs are on the higher end of the range. The level of DCCs is often not a key determinant of development locations as many other locational attributes are more important and DCCs are typically a small share of a developer's total cost. They are not in themselves a major factor in Parksville's ability to compete with other jurisdictions for development opportunities. However, when combined with off-site works and services costs, certain areas within the city, notably the downtown area, may be at a competitive disadvantage compared to other areas within the city.

The use of incentives in the form of reduced charges or standards has been suggested to increase the amount of redevelopment in the downtown area, with increased taxes from the redeveloped properties being sufficient to compensate for the initial lost revenue. Comprehensive financial analysis of the implications of proposed changes is required prior to significant policy decisions in this direction.

Competitive Assessment

Based on feedback from the community workshop and personal interviews, the consultants' view of Parksville as external observers, and work undertaken for the original Economic Development Strategy, the following is a summary of Parksville's strengths, weaknesses, opportunities and threats (SWOT).

Strengths

- ♦ Part of a fast-growing area that continues to attract in-migrants and new investment in housing and commercial facilities
- ♦ Pleasant climate and beautiful natural environment
- ♦ Access to numerous recreational amenities and outdoor activities
- ♦ Good transportation infrastructure within Vancouver Island with the new Island Highway, airports in Comox, Nanaimo and Qualicum Beach, and ferry service through Nanaimo to the mainland

- ◆ Availability of advanced telecommunications access
- ◆ Established tourism industry and associated services and amenities
- ◆ Competitive business tax environment
- ◆ Relatively diverse economy
- ◆ Good relationship between City and the business community (represented by the Chamber of Commerce)
- ◆ Proximity to Nanaimo and large trading area
- ◆ Industrial Park
- ◆ Positive new developments, including the Civic and Technology Centre and the new arena complex
- ◆ Active Chamber of Commerce

Weaknesses

- ◆ Limited direct air connections to Vancouver International Airport and other major centres
- ◆ Limited supply of vacant industrial land
- ◆ Rising residential values that may limit future in-migration
- ◆ Underperforming downtown and waterfront area
- ◆ High reliance on residential taxes in overall tax base
- ◆ Perception as a location for retirement and tourism, not business
- ◆ Considerable seasonal employment associated with tourism
- ◆ Relatively small local population base
- ◆ Relatively high industrial and commercial development cost charges
- ◆ Access and cost of getting to Vancouver Island
- ◆ Lack of public transportation and connections to ferries
- ◆ Perception as a difficult community for property development
- ◆ Low level of rental accommodations
- ◆ Lack of health care facility and 24 hour emergency service
- ◆ Insufficient number of signs within the community to identify and provide directions to the downtown, waterfront, parks, and other attractions

Opportunities

- ◆ Skilled retirees providing source of new business creation, financing, and/or mentoring
- ◆ Young retirees interested in part-time employment contributing to pool of highly-skilled labour
- ◆ Attraction of high quality light industrial development, including businesses supporting growing Island-based industries like aquaculture, coalbed methane, alternative energy production and specialized agriculture
- ◆ Advanced technology businesses
- ◆ Downtown and waterfront enhancement, including specialty retail and service commercial businesses
- ◆ Expanding four-season tourism opportunities through increased recreational and sport tourism, arts and culture, ecotourism, and conferences
- ◆ Home-based businesses associated primarily with incoming pre-retirees

- ◆ Expanding education sector to serve adult learning, skills training, and foreign student markets
- ◆ Health care services to meet needs of aging population
- ◆ Continued attraction for retirement living based on quality of life and healthy lifestyles
- ◆ Potential for more filming activity as the provincial and Vancouver Island film industries expand
- ◆ Potential to capitalize on opportunities afforded by the 2010 Winter Olympics

Threats

- ◆ Location in Nanaimo's retail trade area creates high competition for retail and services businesses
- ◆ Economic downturn and world events (disease outbreaks, war, terrorism) harming tourism industry
- ◆ Competition from other Vancouver Island and mainland communities for many opportunities
- ◆ Focus on residential growth crowding out industrial development
- ◆ Continued downloading of responsibilities to municipalities by senior levels of government
- ◆ Possible reliability issues surrounding electricity and natural gas supply to Vancouver Island
- ◆ Overall poor performance of the provincial economy negatively impacting all sectors

Sector Opportunities

There are a number of industries providing opportunities for future economic growth in Parksville. They have been identified based on overall trends in the regional, provincial and global economies and Parksville's competitive position in relation to each sector. The opportunity sectors are:

- ◆ Light Industrial Development
- ◆ Retail and Service Commercial Development
- ◆ Downtown Parksville
- ◆ Home-Based Business
- ◆ High Technology
- ◆ Tourism and Recreation, including Arts and Culture
- ◆ Retirement Living
- ◆ Health and Wellness
- ◆ Post-Secondary Education
- ◆ Film Industry
- ◆ Construction
- ◆ 2010 Olympic and Paralympic Winter Games

Organization of Economic Development

Economic development in Parksville in recent years has been a shared responsibility of the City of Parksville, the Parksville & District Chamber of Commerce, and the Oceanside Tourism Association (OTA). The City provides overall direction for economic development and assigns specific areas of responsibility to the Chamber and OTA in fee-for-service contracts. Within the City, staff-level responsibility for economic development is held by the City Manager, with overall input and direction also provided by the Council member with the Economic Development & Technology Services portfolio. Prior to the last several years, a second staff member shared some of the responsibility for economic development.

Decisions made by Parksville City Council on future investment in economic development must take into consideration the City's fiscal constraints and the potential benefit of economic development initiatives. As a first step, a list of economic development "tasks" is organized into three groups based on their level of priority. The task list is based on activities currently undertaken by one of the three parties (City, Chamber, OTA), proposed strategies arising from the sectoral opportunities, and other recommended activities and initiatives that are deemed appropriate for Parksville's current situation.

Level I (Essential Tasks)

- ◆ Maintain economic development website
- ◆ Respond to business information requests
- ◆ Maintain community profile
- ◆ Operate visitor information centre
- ◆ Maintain tourism website
- ◆ Respond to tourism information requests
- ◆ Produce basic tourism information/marketing materials
- ◆ Maintain relationships with other organizations engaged in economic development in the region
- ◆ Conduct annual economic development "summit" or workshop
- ◆ Develop and maintain performance monitoring and benchmarking system

Level II (Tasks requiring some additional resources)

- ◆ Produce additional tourism marketing materials
- ◆ Conduct external tourism marketing campaigns
- ◆ Maintain/develop promotional material for key economic opportunities
- ◆ Maintain/enhance "shop-local" program
- ◆ Engage in joint projects and initiatives with other organizations engaged in economic development in the region
- ◆ Develop email newsletter on economic development
- ◆ Manage land supply and building activity with respect to economic development
- ◆ Engage in various downtown-related initiatives

- ◆ Work with Malaspina University-College in program development
- ◆ Institute and operate Economic Development Advisory Committee
- ◆ Pursue Olympic-related opportunities through committee and workshop
- ◆ Provide support services to Parksville Film Liaison Office
- ◆ Business counselling and entrepreneurship program
- ◆ Produce and distribute directory of construction contractors

Level III (Tasks requiring significant additional resources)

- ◆ Develop targeted promotional campaigns for selected opportunity sectors
- ◆ Prepare articles on local economic development for local papers, newsletters etc.
- ◆ Conduct annual survey of business community
- ◆ Develop program to engage the retirement community with the business community

There are a variety of models for the organization of economic development in use in British Columbia, although the recommended approach for Parksville is to continue with the municipal Economic Development Officer (EDO) model with continued contracting of specific services to the Chamber of Commerce and Oceanside Tourism Association. The options to be considered by City Council are therefore related to the level of financial and staff commitment.

Option I, the Status Quo, would maintain the City's discretionary budget for economic development at \$25,000 per year (in addition to funding provided to the Chamber of Commerce and OTA). The EDO role would continue to be filled on a part-time basis by the City Manager or another existing staff person.

Option II, the Dedicated Part-Time EDO, would require creating a new staff position that is split between the EDO position and other duties within the City. The budget, including salary and benefits for a new position and associated project and other expenses is \$100,000 to \$125,000.

Option III, the full-time EDO, entails the creation of a new economic development officer position and associated budget in the range of \$125,000 to \$150,000.

The recommended approach is for Parksville to adopt Option II, the Dedicated Part-Time EDO. The additional funding required for this option is \$75,000 to \$100,000 (on top of current spending). The position should be funded through either an increase in the general tax rate, a reallocation of resources from other programs, or a combined approach that includes a tax increase, a reallocation of resources, or a small increase in the business licence fee.

Strategic Objectives

The 2000 Economic Development Strategy established six strategic objectives for economic development in Parksville. The objectives remain constant over time (with the exception of minor wording changes). They are:

1. To pursue and promote economic development in a structured manner.
2. To ensure that the policies and programs needed to attract economic development are in place.
3. To accommodate a diversity of economic activities.
4. To support and enhance Parksville's downtown and other existing commercial areas.
5. To enhance the tourism sector.
6. To enhance community well-being through a variety of other economic initiatives.

The recommended strategies and actions follow these six strategic objectives.

Conclusion

Parksville's economic situation has been better than in many other communities in British Columbia in recent years. Yet the potential exists for the Parksville economy to perform even better in the future by diversifying into a wider variety of business activities, particularly those that provide high paying jobs to support families.

The City of Parksville's continuing support of economic development, combined with the support of the Chamber of Commerce, Oceanside Tourism Association, and a variety of other business and community groups, will help to sustain the local economy, encourage the creation of a greater number of local jobs, and diversify the local tax base so that community services and amenities will be available for all Parksville residents, now and in the future.

1. INTRODUCTION

The City of Parksville's current Economic Development Strategy was adopted by Council in March 2000. In the time since its adoption, many strategic initiatives have been completed or are underway, new opportunities and challenges have arisen, and the local and regional economies continue to change.

This study was commissioned by the City of Parksville in August 2003 in order to update the 2000 Strategy. The update builds on the foundation of the 2000 Strategy while also providing fresh analysis of key trends and issues affecting the Parksville economy, the best opportunities for future growth, and the most appropriate strategic actions for achieving the City's economic development goals.

The consulting firms of Harris Consulting Inc., Eric Vance & Associates, and Vann Struth Consulting Group Inc. were commissioned to undertake the strategy update. The former two firms produced the 2000 Strategy.

1.1. Study Objectives

A more complete list of study objectives includes:

- i. Reviewing trends and issues affecting the Parksville and regional economies;
- ii. Providing additional analysis of issues affecting Parksville's downtown area;
- iii. Assessing Parksville's competitiveness for property development, including a comparison of development cost charges and the development review process;
- iv. Updating the competitive assessment of Parksville's strengths, weaknesses, opportunities and threats;
- v. Identifying sectors with the greatest potential for future economic growth;
- vi. Reviewing the organizational structure for economic development in Parksville, including the responsibilities assigned to the Parksville & District Chamber of Commerce and the Oceanside Tourism Association;
- vii. Developing an updated list of economic development strategies and actions, including items that remain relevant from the 2000 Strategy.

Each of these objectives is addressed in this report.

1.2. Study Process

The study process was initiated with a meeting in August 2003 with City of Parksville senior staff, the Council member with the economic development portfolio, and the Mayor. This meeting clarified the key issues to be addressed in the study, brought the consulting team up to date on developments in Parksville in recent years, and finalized a plan for consultation with the community.

An analysis of key trends and issues in Parksville was undertaken and summarized in a discussion paper that was distributed to participants in a public workshop held on October 8, 2003. The workshop was held at the new Parksville Community Centre and attracted 54 participants. The workshop was structured to provide feedback on additional strategies and actions that might be adopted by the City to achieve one of its six economic development strategic objectives (reviewed in Chapter 7 of this report).

Additional meetings were held with the Parksville & District Chamber of Commerce and the Oceanside Tourism Association prior to the workshop. Numerous other businesses, organizations, and individuals were contacted for information and insight following the workshop. A full list of workshop participants and other contacts is contained in the Appendix.

Based on the input received and further consultation with City staff, a draft report was prepared for review in November 2003. After receiving initial feedback from the City, a second draft report was submitted and distributed to City Council, the Chamber of Commerce, and Oceanside Tourism Association in early December. A session to review the draft was held in Parksville with Council members, senior staff, and representatives of the Chamber and OTA on December 12, 2003. Comments and issues raised during this session were incorporated into the final report, which was submitted to the City at the end of December 2003.

1.3. Defining Economic Development

The concept of “wealth creation” is increasingly being used to define the purpose of economic development. At the heart of this concept is the notion that economic development should leverage a community’s resources (human, natural, financial, infrastructure, land base, etc.) to add value to the community. This value is typically measured in terms of jobs created and money injected into the local economy.

Economic development at any cost or to the benefit of a few is no longer an acceptable option in most communities, particularly if social and environmental values may be compromised. It must be sustainable and it must contribute to a community’s overall quality of life for its citizens.

The following list of community-level economic development objectives represent added value to the community:

- ◆ Creating a larger tax base, with a healthy balance among residential, commercial and industrial revenue sources;
- ◆ Providing a mix of local employment opportunities suited to the skills of residents;
- ◆ Supporting existing businesses in the community (business retention);
- ◆ Attracting new businesses compatible with the community's overall vision and goals;
- ◆ Providing a wide array of amenities and services locally.

For the purpose of this Parksville strategy, economic development is defined as:

The process of adding value to Parksville's resources to create wealth and jobs that contribute to creating a sustainable community with a high quality of life for its citizens.

1.4. Concept of the Economic Base

One of the key underlying concepts in the analysis and discussion throughout this strategy is the concept of the economic base. Economic base theory says that a community's prosperity is based on its ability to export goods and/or services beyond its borders, thus bringing external money into the community.

This externally-generated income is then re-circulated within the community when companies spend their earnings on locally-produced supplies and when workers spend their wages on local goods and services. The businesses and industry sectors that are export-oriented form the economic base and drive the community's economy, supporting all the other businesses and industry sectors that serve local demand.

As the economies of small communities in BC have become more complex, the number of ways that they attract external income has increased. The tourism industry, for example, is made up of a wide variety of businesses (accommodations, restaurants, transportation, retail stores, entertainment, etc.) that sell goods and services to both locals and visitors. The part of their sales that is to outsiders is considered part of the economic base because it is income that originates outside the local area.

Similarly, the retirement living sector is also part of the economic base because most of the income of retirees is from pensions and investments outside the local area. The federal and provincial government share of public sector employment is part of the economic base because it is supported by taxpayers from throughout the country or province, not just local taxpayers.

The key conclusion from understanding the economic base is that local prosperity is tied to the economic base industries. These industries are the drivers of local growth and should be the focus of economic development initiatives. If economic base industries are successful, the other industries that serve local demand will also be successful.

Of course, not all economic base industries have the same impact on the local economy. Industries that purchase a greater share of goods and services from other local businesses will have a greater impact on the local economy. Industries that pay higher wages will also have a greater impact on the local economy because workers will have more income to spend.

This issue has been addressed by BC Stats, which has undertaken an in-depth analysis of the local economies of all regions of BC (with the exception of Greater Vancouver) to quantify the economic impact of changes in employment levels in various economic base industries¹. The results, known as employment multipliers, are expressed in terms of jobs gained (or lost) in the local economy as a result of an increase (or decrease) in employment in an economic base industry.

For example, an employment multiplier of 1.6 for the wood processing sector in a community means that for every direct job in the wood processing sector, 0.6 other jobs are supported elsewhere in the community's economy. Table 1 presents average employment multipliers for the Parksville-Qualicum area. These multipliers are "migration case" multipliers, meaning that over time, people will migrate to or from a community in response to jobs that become available or are lost. Therefore, they are long-run multipliers that would be realized over a period of several years.

Table 1. Parksville-Qualicum Employment Multipliers

Economic Base Industry	Employment Multiplier
Logging	1.54
Pulp & Paper	1.81
Wood Manufacturing	1.43
Mining	1.57
Fishing	1.19
Agriculture and Food	1.26
Construction	1.43
Miscellaneous Manufacturing	1.23
Tourism	1.16
High Technology	1.32
Public Sector	1.26

Source: BC Stats

¹ BC Stats (1999). *British Columbia Local Area Economic Dependencies and Impact Ratios – 1996*. Updated multipliers using 2001 Census data are expected to be available from BC Stats by the end of the year.

These multipliers are very similar to other local economies on Vancouver Island in that the traditional resource industries of forestry and mining have the highest employment multipliers. More services-oriented industries like tourism and high technology tend to have lower multipliers because they either pay lower wages or purchase fewer goods and services locally. These results should not imply, however, that tourism is less important to Parksville than mining, for example, because even though its employment multiplier is lower, it employs a far greater number of people and its overall economic impact is far greater.

2. TRENDS AND ISSUES

2.1. Overview of Statistical Trends

This chapter reviews recent statistical data on the population, labour force, development, and other variables for Parksville and the surrounding region. Key trends and issues with an impact on the local economy are identified. Although Parksville is subject to many of the same broad trends as the rest of Vancouver Island and British Columbia, it also has some unique characteristics that set it apart from most other communities in the province.

Population growth slower, but still relatively strong...

Population growth has been slower in Parksville in recent years compared to the early 1990s, reflecting a slowdown in economic growth that is consistent with the rest of Vancouver Island and British Columbia. Despite this slowdown, however, Parksville remains one of the fastest growing municipalities in the region, with 9.0% growth in population between 1996 and 2001. This ranks 4th among the 35 municipalities on Vancouver Island, and is also more than double the growth rate of the City of Nanaimo (4.3%) and more than three times the growth rate of the Town of Qualicum Beach (2.8%).

At the regional level, the Regional District of Nanaimo (RDN) has been easily the fastest growing part of Vancouver Island for at least the last 15 years. Taking a still wider view, Vancouver Island has been one of the faster growing parts of BC in the last decade, trailing only the Mainland/Southwest development region (which includes Greater Vancouver) and the Thompson/Okanagan region. In contrast, many parts of the province, including some of the more northern and resource-dependent communities on Vancouver Island, have lost significant population in recent years.

Taken in the context of what has been happening elsewhere, the strong local and regional growth in Parksville and area suggest that it remains a highly desirable place to live and its economy has been healthier than most other parts of the province. Population projections developed by BC Stats suggest that the RD of Nanaimo will remain one of the faster growing parts of the province in the years ahead.

Demographics affect labour force and income...

The demographics of Parksville's population are well known. As a popular destination for retirees from across Canada, it has a far older population than the rest of British Columbia, as shown in the following table.

Table 2. Population Distribution by Age, 2001 Census

Age Range	BC	RD of Nanaimo	Nanaimo	Parksville	Qualicum Beach
0-14	18%	17%	18%	15%	11%
15-24	13%	12%	13%	9%	7%
25-44	30%	25%	27%	20%	14%
45-54	15%	16%	15%	12%	14%
55-64	10%	12%	10%	13%	16%
65+	14%	20%	17%	31%	38%

Source: Statistics Canada

Parksville has far more residents aged 55+ and far fewer children and young adults than the BC average. This age profile has several implications for the city's labour and consumer markets.

First, the labour force participation rate is considerably lower as few residents of retirement age are active in the labour market.

Table 3. Participation Rate, 2001 Census

	BC	RD of Nanaimo	Nanaimo	Parksville	Qualicum Beach
Participation Rate*	65.2%	58.0%	61.1%	47.5%	38.9%

* Participation Rate is defined as the percentage of the population age 15+ that is in the labour force, meaning they are either working or actively looking for work.

Source: Statistics Canada

Second, the larger number of retired residents in Parksville means that the total income of the community is derived less from income and more from pensions, contributing to a lower overall average income.

Table 4. Income Statistics, 1999

	BC	RD of Nanaimo	Nanaimo	Parksville	Qualicum Beach
Income Share from Employment	65.9%	55.5%	60.9%	44.8%	40.6%
Income Share from Pensions	11.9%	20.5%	16.6%	29.8%	31.9%
Average Income per Tax Filer	\$29,295	\$26,872	\$27,159	\$25,227	\$27,288

Source: BC Stats (compiled from data supplied by Canada Customs and Revenue Agency)

Lower incomes in Parksville imply that the local retail and services sectors will be smaller than would otherwise be the case (notwithstanding the significant leakage of retail spending out of the community). Even through retirees often

have higher disposable incomes due to their lower core expenses for housing and food, they are not typically large consumers.

Labour force concentrated in tourism, retail trade, and construction...

Strong population growth and relatively low unemployment are positive indicators for Parksville's economy. Examining the local economy more closely, however, reveals that Parksville residents are more likely to work in retail trade and accommodation and food services than residents elsewhere in the province and region. These industries reflect Parksville's strong position in tourism – in fact, according to the BC Stats definition of tourism adapted for use in this study, Parksville has 37% greater employment in tourism than the Vancouver Island average (relative to the size of the local labour market). These industries are characterized by lower wages and seasonal employment, so even though Parksville's aggregate employment situation appears healthy, the quality of the employment appears less than in some other communities.

Other industries employing a relatively greater share of Parksville residents include construction and social services.

Table 5. Distribution of Experienced Labour Force by Selected Industry, 2001 Census

Industry	Parksville		Vancouver Island/Coast	BC	Nanaimo	Qualicum Beach
	#	%	%	%	%	%
Retail Trade	670	17.0%	12.4%	11.6%	16.0%	12.0%
Accommodation Services	150	3.8%	2.4%	1.9%	1.8%	2.8%
Food Services & Drinking Places	360	9.1%	6.4%	6.4%	7.3%	8.3%
TOURISM*	335	8.5%	6.2%	6.0%	6.5%	6.7%
Construction	375	9.5%	5.9%	5.9%	5.4%	8.5%
Social Services	150	3.8%	2.6%	2.2%	2.8%	2.8%
Forest Industry**	175	4.4%	6.0%	5.1%	5.2%	5.3%
General Manufacturing***	40	1.0%	2.0%	3.5%	1.8%	1.1%
Transportation & Warehousing	100	2.5%	4.4%	5.7%	5.7%	1.9%
Business & Professional Services	415	10.5%	12.9%	14.9%	13.5%	12.6%
Health Care	260	6.6%	9.1%	7.8%	9.3%	10.9%
Education	190	4.8%	7.3%	6.9%	6.5%	9.2%
Government	215	5.4%	10.3%	5.6%	6.0%	4.5%

* Tourism definition is adapted from the BC Stats definition and includes parts of accommodation, food, retail trade, transportation, entertainment, and other industries.

** Includes forest products processing and manufacturing

***Non-resource industry manufacturing

Sources: Statistics Canada, BC Stats

One of the reasons that Parksville has not suffered the population losses seen in other parts of the province is that it is not nearly as reliant on resource industries. Parksville has significantly less employment in the forest industry than the Vancouver Island average and mining does not employ any Parksville residents.

Parksville is also significantly underrepresented in general manufacturing (i.e. non-resource manufacturing), transportation and warehousing, business and professional services, health care, education, and government. General manufacturing is one of the weaker industries throughout Vancouver Island, and what activity does exist is heavily concentrated in the Greater Victoria area. Parksville is like many other Island communities that do not have a large labour force to support manufacturing and also have transportation and logistics difficulties in moving raw materials to the Island and finished products off it.

Business and professional services tend to cluster in larger centres, although Parksville has an opportunity to attract more footloose professionals and small firms who may be attracted by the area's quality of life, lower overhead costs, and support for home-based business. Many of these people fit into the "pre-retirement" category and wish to maintain a business on at least a part-time basis before moving into full retirement.

Health care, education, and government employment are lower in Parksville as the city's residents often must rely on services provided in Nanaimo.

Shortage of good jobs in prime working and family-supporting years...

Parksville has a higher percentage of employment in tourism and retail trade and a relative shortage of employment in industries with higher wages and full-time, full-year employment (such as manufacturing, business and professional services, and the public sector). These facts suggest that Parksville does not have a sufficient number of employment alternatives for people in their 30s and 40s to earn a good living and support families. A variety of other evidence from the 2001 Census supports this view, including:

- ◆ Parksville has a lower rate of full-time, full-year work (50.6%), compared to 57.0% in BC and 55.2% in the Vancouver Island/Coast development region
- ◆ Parksville's average employment income in 2000 was \$24,656, compared to \$33,260 in BC and \$30,741 in Vancouver Island/Coast
- ◆ Even for those working full-year and full-time, Parksville's average employment income is substantially lower at \$35,351 compared to \$44,384 in BC, \$39,070 in Nanaimo, and \$41,056 in Qualicum Beach
- ◆ Contrary to what the area's overall demographics might suggest, Parksville has a higher share of workers under the age of 25 (16.2%) than either BC (15.0%) or the Vancouver Island/Coast region (15.1%)

- ◆ More consistent with the area's demographics, Parksville also has a significantly higher share of labour force participants age 55 and over. What this suggests is that Parksville's labour force is relatively hollow in the middle, with a large number of very young and very old workers, but fewer workers in the prime working and family-raising years of 25-54

What this data shows is that Parksville is providing sufficient employment opportunities for the young and relatively unskilled, but as people get older, perhaps acquire more education, skills, and training and seek better-paying employment, many are not finding the right opportunities in Parksville.

Parksville not a suburb of Nanaimo...

Many residents of Parksville, Qualicum Beach, Nanaimo, and the surrounding unincorporated areas live in one community and work in another. It might be expected that Nanaimo is a net importer of labour from the surrounding communities due to its larger and more diversified employment market. At least in the case of Parksville, however, that is not the case.

According to the 2001 Census, commuting patterns between Parksville and Nanaimo are nearly even, with 340 Parksville residents working in Nanaimo and 355 Nanaimo residents working in Parksville. The rapid development of new housing in Parksville in the last two years seems to be attracting more people who work in Nanaimo, so commuting patterns may be changing. Perhaps the 2006 Census will show that Parksville is increasingly becoming a suburb of Nanaimo, but to date that has not been the case.

Parksville is also a significant net importer of labour from Qualicum Beach, with 355 Qualicum Beach residents working in Parksville and 220 Parksville residents working in Qualicum Beach.

Development activity trending higher...

The value of building permits in Parksville over the last 10-15 years has followed a similar pattern to other communities on Vancouver Island. There was rapid growth through the early 1990s, reaching a peak of \$28.2 million in 1997. Value fell considerably in the following years to a low of \$9.8 million in 2001.

Values rebounded somewhat to \$12.5 million in 2002, and are expected to be significantly higher again in 2003, perhaps reaching a new all-time high. Most of Vancouver Island has been in a construction boom in the last year, particularly for residential properties but also with substantial commercial development.

Housing relatively more expensive...

If Parksville is to continue to attract a large number of retirees, it will need to have ample health care and other personal services, as well as a range of housing options, including affordable housing. Figures from the Vancouver Island Real Estate Board show that Parksville has the 2nd highest average housing price on

the Island after the Victoria market, suggesting that some retirees who might otherwise have chosen to locate in Parksville will instead be forced to move to a less expensive location elsewhere in the region. Parksville housing is more expensive on average than Duncan, Comox, Port Alberni, and Nanaimo.

Municipal tax rates are competitive...

The following table shows that Parksville's property tax rates are near the lower end of a range of neighbouring municipalities in mid-Vancouver Island.

Table 6. Municipal Tax Rates by Property Class, 2003

Property Class	Parksville	Qualicum Beach	Nanaimo	Comox	Courtenay
Residential	6.0988	4.8180	14.5810	10.5812	12.1039
Utilities	27.2919	37.5804	69.7170	56.0426	66.7008
Unmanaged Forest	15.2469	0.0000	0.0000	12.7393	12.7393
Major Industry	7.6235	0.0000	54.9501	36.7870	42.8777
Light Industry	8.1723	0.0000	33.3974	10.2250	40.0075
Business/Other	10.9168	11.8041	33.0429	28.5024	31.8107
Managed Forest	6.0988	0.0000	11.7684	2.6699	2.6699
Recreation Non-Profit	9.4531	9.6360	19.7798	13.0525	12.1238
Farm	6.0988	9.6360	8.3048	12.9011	14.4238

Source: Ministry of Community, Aboriginal and Women's Services

Tax base reliant on residential properties...

Parksville will receive 76% of its municipal taxes from residential properties in 2003, which is in the mid-range of the municipalities in Table 7. This implies that unless the tax base can be diversified, the burden of funding future increases in municipal services will fall on Parksville's residents to a greater degree than in some other communities.

Table 7. Share of Municipal Taxes from Residential Properties, 2003

Parksville	Qualicum Beach	Nanaimo	Comox	Courtenay
76%	86%	62%	83%	56%

Source: Ministry of Community, Aboriginal and Women's Services

2.2. Competitiveness of Municipal Development Costs

Concerns were raised through the public consultation process about the costs of development in Parksville, which are perceived by some parties as negatively affecting the City's ability to attract new development and also discouraging some existing businesses from expanding. These concerns primarily focused on Development Cost Charges (DCCs) and off-site works and service requirements.

Parksville has DCC Bylaws for water, sewer, drainage, roads and parkland. There are five DCC areas in the City, four of which are area-specific (Downtown, Craig Bay, Wembley Mall and the industrial area) and a fifth that covers the rest of the municipality.

The total DCCs payable vary between these areas based on the City's analysis of the type and value of the infrastructure required to accommodate new development. Some areas are exempt from paying for certain infrastructure and others pay a different charge for the same type of infrastructure.

Table 8 compares Parksville's Development Cost Charges (DCCs) with those of other municipalities in the south to mid-Island, as well as the RD of Nanaimo.

Table 8. Development Cost Charges Comparison

Municipality	Residential (\$ per dwelling unit)	Commercial (\$ per square metre)	Industrial (\$ per square metre)
Parksville	\$6,978	\$57.03 - \$60.79	\$27.29 - \$31.00
Qualicum Beach	\$9,445	\$86.27	\$86.27
Nanaimo	\$13,411	\$53.58	\$14.44
RD of Nanaimo	\$2,125 – \$3,064	\$5.02 - \$7.25	\$2.13 - \$6.13
Port Alberni	None	None	None
Comox	\$7,229	\$33.35	\$33.56
Courtenay	\$5,150	\$53.92	\$70,101 (per gross hectare)
Ladysmith	\$8,885	\$25.00	\$8.85
Duncan	\$4,375	\$11.46 + \$185/parking space	None (no industrial land in city)

Source: Ministry of Community, Aboriginal and Women's Services

In terms of residential DCCs, Parksville is around the middle at just under \$7,000 per unit compared to the other jurisdictions, which range from a low of no DCCs (Port Alberni) to a high of just over \$13,400 (Nanaimo).

Parksville's commercial DCCs are towards the higher end of the range at \$57.03 to \$60.79 per square metre, with Port Alberni again at the low end of the range with no DCCs and Qualicum Beach at the top at \$86.27 per square metre.

Parksville's industrial DCCs (\$27.29 to \$31.00 per square metre) are towards the higher end of the range among the jurisdictions in the table, but the comparison is less meaningful because one jurisdiction (Duncan) has no industrial land and another jurisdiction (Courtenay) does not use a per square metre calculation.

The key issue is whether or not Parksville's DCCs are putting it at a competitive disadvantage in attracting development relative to other jurisdictions in the south to mid-Island area. There are several factors that need to be considered in drawing a conclusion.

First, not all development is a competition between jurisdictions. Parksville has certain locational attributes that have stimulated developments that would otherwise not have occurred, notably some of the resort and residential projects. Similarly, some of the other jurisdictions have attributes that have allowed them to attract developments that Parksville would not have been in the running for, even if it had lower development costs.

Second, DCCs are only one of many costs borne by developers and typically account for only a small share of the total costs of a development. While no cost should be viewed as insignificant DCCs are rarely the key variable in the locational decision made by developers when considering distinctly different jurisdictions.

Third, not all developers are seeking locations with high quality or certain types of infrastructure, so simply reducing DCCs would not make a jurisdiction more attractive to them. There are a number of predominantly industrial and quasi-industrial developments that have occurred just outside of Parksville's boundaries in surrounding unincorporated areas where there are either no or very low DCCs. The DCCs are low or non-existent because there is little infrastructure provided. The businesses that choose to locate in these areas are typically not the type that the City of Parksville wishes to attract anyway.

The fourth factor to be considered is that municipalities establish DCCs so that the impacts of new development on municipal infrastructure are paid for by the new development rather than by existing taxpayers. Reducing DCCs would require the City to either shift part of the cost for paying for new infrastructure triggered by development onto existing taxpayers or to reduce the level of infrastructure provided, which could well negatively affect the City's ability to attract or accommodate new development.

The conclusion which can be drawn is that Parksville's DCCs are not in themselves a major factor in the City's ability to compete with other jurisdictions for development opportunities². As elaborated upon below, however, when combined with off-site works and service costs, certain areas within the City, notably the downtown area, may be at a competitive disadvantage with other areas within the City.

There are aspects of the City's DCC policies that should be reviewed. For example, a recent comprehensive analysis of DCCs in a number of municipalities in the province, including Parksville, noted that most do not differentiate between residential unit type and size in setting DCCs. In Parksville, this means that a small apartment unit pays exactly the same DCC rate (\$6,978) as a large single-family home, despite the differences in demand on services and efficiency of land use.

² Coriolis Consulting Corp. (September 2003), *Do Development Cost Charges Encourage Smart Growth and High Performance Building Design? – An Evaluation of Development Cost Charge Practices in British Columbia*.

In addition to DCCs, Parksville also requires some development, typically in the downtown area, to pay for off-site works and services to bring infrastructure adjacent to the subject property up to current standards. This can include frontage improvements (e.g., sidewalks, road upgrading, storm drainage works) and/or replacement of aging pipes in the ground. In some cases, the required upgrades will ultimately benefit other property owners as they redevelop and the City establishes a latecomer fee. This means that the developer is out-of-pocket upfront for much or all of the cost of the upgrades, but may recover some portion of the cost if one or more other property owners develop within a specified timeframe, which could be years out.

These off-site works and services can add significantly to the cost of a development, with some members of Parksville's development and business community citing this as a major disincentive for redevelopment of smaller properties, especially in the downtown area.

There are many factors affecting where, when and how properties are developed or redeveloped in Parksville. There are still choices in Parksville in where to develop and it is clear that certain areas have been preferred over others for development, notably on the commercial side.

Part of this has to do with the types of commercial development that have been attracted and their scale. The City has been successful in businesses that are part of chains or relatively larger, such as Overwaitea and Shoppers Drug Mart. These businesses are better able to absorb the development costs imposed by the City, either as the property owners or as tenants. On the other hand, smaller businesses are often not able to do so, meaning that the owners of properties in areas that are primarily composed of smaller businesses, notably downtown, are unwilling to redevelop or expand because they cannot recover their costs through tenant rents.

As with DCCs, the issue is not whether the off-site works and services are needed, but rather whether the standard is too high and who pays for the improvements. Among the suggestions offered through the public consultation process were City incentives such as reduced DCCs and other municipally-imposed development costs in areas of Parksville where the City would like to stimulate redevelopment, especially downtown.

It is not at all clear that such incentives will on their own be enough to attract significant interest in the downtown and similar areas from the development community. A comprehensive financial analysis of a range of theoretical projects would be required that shows whether or not reduced DCCs and works and service standards would be enough to make it viable for property owners to redevelop in selected areas of the City.

Appendix 10.5 contains an example of a typical template for calculating the financial viability of a proposed development (new or expansion). It can be amended as necessary to incorporate or delete line items depending upon the nature of the project (e.g. commercial, mixed commercial/residential, residential)

and other factors. The first step is to estimate each of the line items (costs and revenues) for a project using current data to arrive at the bottom line in terms of developer profit and return on equity. The second step is to then adjust the assumed DCC and offsite works and services costs to determine what effect these changes would have on the project's bottom line.

From this, the City can make its determination of the role of its development charges and standards on the viability of selected types of projects and whether or not adjusting them downwards is likely to motivate more development.

It has also been suggested by some parties that the additional taxes the City stands to gain through the redevelopment of properties would more than offset the costs transferred to it through reduced costs to the developer. There has been no analysis undertaken thus far by proponents of this position to demonstrate that this is the case. Comprehensive analysis would be required of the financial implications for the City prior to any policy decision on whether or not it is prepared to bear a share of the costs associated with new development beyond those that it already incurs.

This financial analysis would entail first identifying a number of properties that the City would like to see redeveloped. For each, the annual property taxes currently received by the municipality need to be determined. The value of the improvements if the properties were redeveloped would then be estimated to show how much additional property tax revenue the City would receive. The cost that the City would incur if it were to reduce municipal charges to the developer and pick them up itself would then need to be calculated. The costs and revenues would then be projected out over a number of years and a discount rate applied to arrive at a net present value. This would show whether what the City were to gain in additional revenue over time offsets the upfront costs that it would incur by reducing the DCCs and/or off-site works and services charged to the developer.

3. COMPETITIVE ASSESSMENT

This chapter provides an assessment of Parksville's strengths, weaknesses, opportunities and threats (SWOT). Elements in the SWOT have been determined through feedback from the workshop and other interviews, the consultants' view of Parksville as external observers, and work already completed from the current Economic Development Strategy.

The results of the SWOT are used in part to determine the types of businesses and industries that are the best fit for Parksville's unique attributes, both positive and negative. These sector opportunities are discussed in the next chapter.

Strengths

- ◆ Part of a fast-growing area that continues to attract in-migrants and new investment in housing and commercial facilities
- ◆ Pleasant climate and beautiful natural environment
- ◆ Access to numerous recreational amenities and outdoor activities
- ◆ Good transportation infrastructure within Vancouver Island with the new Island Highway, airports in Comox, Nanaimo and Qualicum Beach, and ferry service through Nanaimo to the mainland
- ◆ Availability of advanced telecommunications access
- ◆ Established tourism industry and associated services and amenities
- ◆ Competitive business tax environment
- ◆ Relatively diverse economy
- ◆ Good relationship between City and the business community (represented by the Chamber of Commerce)
- ◆ Proximity to Nanaimo and large trading area
- ◆ Industrial Park
- ◆ Positive new developments, including the Civic and Technology Centre and the new arena complex
- ◆ Active Chamber of Commerce

Weaknesses

- ◆ Limited direct air connections to Vancouver International Airport and other major centres
- ◆ Limited supply of vacant industrial land
- ◆ Rising residential values that may limit future in-migration
- ◆ Underperforming downtown and waterfront area
- ◆ High reliance on residential taxes in overall tax base
- ◆ Perception as a location for retirement and tourism, not business
- ◆ Considerable seasonal employment associated with tourism
- ◆ Relatively small local population base
- ◆ Relatively high industrial and commercial development cost charges
- ◆ Access and cost of getting to Vancouver Island
- ◆ Lack of public transportation and connections to ferries

- ◆ Perception as a difficult community for property development
- ◆ Low level of rental accommodations
- ◆ Lack of health care facility and 24 hour emergency service
- ◆ Insufficient number of signs within the community to identify and provide directions to the downtown, waterfront, parks, and other attractions

Opportunities

- ◆ Skilled retirees providing source of new business creation, financing, and/or mentoring
- ◆ Young retirees interested in part-time employment contributing to pool of highly-skilled labour
- ◆ Attraction of high quality light industrial development, including businesses supporting growing Island-based industries like aquaculture, coalbed methane, alternative energy production and specialized agriculture
- ◆ Advanced technology businesses
- ◆ Downtown and waterfront enhancement, including specialty retail and service commercial businesses
- ◆ Expanding four-season tourism opportunities through increased recreational and sport tourism, arts and culture, ecotourism, and conferences
- ◆ Home-based businesses associated primarily with incoming pre-retirees
- ◆ Expanding education sector to serve adult learning, skills training, and foreign student markets
- ◆ Health care services to meet needs of aging population
- ◆ Continued attraction for retirement living based on quality of life and healthy lifestyles
- ◆ Potential for more filming activity as the provincial and Vancouver Island film industries expand
- ◆ Potential to capitalize on opportunities afforded by the 2010 Winter Olympics

Threats

- ◆ Location in Nanaimo's retail trade area creates high competition for retail and services businesses
- ◆ Economic downturn and world events (disease outbreaks, war, terrorism) harming tourism industry
- ◆ Competition from other Vancouver Island and mainland communities for many opportunities
- ◆ Focus on residential growth crowding out industrial development
- ◆ Continued downloading of responsibilities to municipalities by senior levels of government
- ◆ Possible reliability issues surrounding electricity and natural gas supply to Vancouver Island
- ◆ Overall poor performance of the provincial economy negatively impacting all sectors

Summary

In summary, Parksville has a number of key strengths and a variety of opportunities for future economic growth. Unlike many smaller centres in British Columbia that are experiencing dire economic conditions, Parksville's location and quality of life are likely to bring about continued population growth, supporting many local businesses and service providers. Yet while Parksville has a variety of opportunities, it is also constrained by its size, its position in relation to the Nanaimo market, and its non-industrial character. It will continue to be a community that is regarded primarily as a retirement and tourist destination while also striving to accommodate new types of industrial and business growth.

Parksville also shares many competitive attributes with other similarly-sized communities on Vancouver Island. Its location on an island can be a limiting factor for many kinds of business activity, but can also create opportunities for exploiting the Island's captive market. The community is relatively accessible via road and air, but does not have direct connections to larger centres through local ferry facilities or regular air service. Then again, many emerging opportunities can be exploited from anywhere through advanced telecommunications infrastructure, which Parksville is fortunate to possess and has already capitalized upon with the Civic and Technology Centre.

For Parksville to best stimulate future growth, it must be realistic about its limitations and eager to build upon its strengths. The strong working relationship between the City and the business community, as represented by the Chamber of Commerce, is an advantage not shared by many communities and can be built upon to further local economic development. Many broad economic trends, including the move toward a more services-oriented economy, increased tourism of many kinds, and in general a higher regard for quality of life are all favourable to Parksville's future growth prospects.

4. SECTOR OPPORTUNITIES

This section of the report focuses on industry sectors that present the best opportunities for future economic growth in Parksville. These opportunities have been identified based on a combination of overall trends in the regional, provincial, and global economies and Parksville's competitive position in relation to each sector.

The sector profiles are based on prior analysis and reports, other public information and statistics, and interviews with industry experts and those involved in the industries in Parksville.

4.1. Light Industrial Development

Light industrial development encompasses a wide variety of activities, including small-scale manufacturing, repair and construction workshops, testing laboratories and facilities, storage and distribution facilities, and many others. Light industrial activity may be classified as manufacturing, transportation and warehousing, construction, or any of a number of services or resource industries. This wide category of activity is reflected in the current occupants of Parksville's Industrial Park.

The Industrial Park's current tenants include:

- ◆ a bakery
- ◆ a guitar manufacturer
- ◆ a lumber supplier
- ◆ a pet food distributor
- ◆ a foundry
- ◆ a goalie school
- ◆ a high tech company
- ◆ a vehicle repair business
- ◆ a carpet supply business
- ◆ a sand and silicate supply company
- ◆ a fitness centre
- ◆ a window business
- ◆ an electrical supply firm
- ◆ a waste management services firm
- ◆ construction firms
- ◆ small offices

Light industrial businesses are typically "cleaner" than traditional heavy industry, meaning that they have minimal impact on the environment and typically are not obtrusive for residents and other businesses in the community.

Key Trends

While non-resource based manufacturing is not a strength of the Vancouver Island economy, the diversity of activities suitable for light industrial land will ensure a continual steady demand for this type of land in Parksville. The demand will be driven by many types of businesses that are looking to locate in the Parksville area, including businesses similar to those already in the Industrial Park (such as construction suppliers, storage facilities, and small-scale manufacturers). Another potential source of new demand may come from businesses that provide goods or services to Vancouver Island's resource industries. Although Parksville has very little primary resource activity of its own, its location in the mid-Island area and proximity to transportation connections may make it a suitable location for firms servicing the forestry, agriculture, or fishing industries. Growing industries such as aquaculture, coalbed methane extraction, small-scale power production, and even offshore oil and gas may provide further opportunities in the future for firms to locate in Parksville and service these industries.

Parksville Opportunity

Parksville's Industrial Park and other industrial lands are well-situated within the broader market for industrial land in mid-Vancouver Island. They are located in close proximity to the Island Highway, Highway 4 to Port Alberni, and other highway and rail linkages. Ferry and air service is relatively close by in Nanaimo and the Comox and Qualicum Beach Airports are also nearby. Available lots in the Industrial Park have electricity and water servicing, and most also have sewer and natural gas servicing. Land prices are typically in the \$80,000/acre range, which is very competitive compared to other communities

Despite these advantages, however, Parksville may soon be faced with a shortage of available industrial land. The 80-ha Industrial Park has only a handful of available lots remaining, and there is only limited industrial land available elsewhere (e.g. City-owned land along the extension of Franklin's Gull Road).

According to several local contacts involved in the real estate industry, however, substantial land is available for industrial development just outside the City boundaries. While this land is clearly not under the control of the City of Parksville, it may be part of the solution to a future shortage of industrial land within the municipal boundaries. It would not support the City's industrial tax base, but if developed would provide additional employment opportunities for Parksville residents and increased demand for related goods and services from Parksville businesses. The City of Parksville could consider these lands part of their inventory of available land in attempting to attract new light industrial investment to the community.

Alternatively, one of the tools that the City may consider using to address future shortages of industrial land is to expand the municipal boundaries to include some adjacent parcels of land. These could then be serviced for industrial

purposes. This would allow the City to maintain greater control over the development of these lands, including storm water management, health regulation, and other issues relating to the sensitivity of developing on top of the town's aquifer. A full cost-benefit analysis, undertaken in cooperation with the Regional District of Nanaimo, should be undertaken before proceeding further on this issue.

Other issues surrounding new development in Parksville's industrial lands, including development cost charges and off-site works and services requirements, are addressed in greater detail in Section 2.2.

Potential Benefit

As discussed earlier, there is a wide range of businesses that locate in industrial areas in Parksville. Generally speaking, however, these companies export their products outside the community, are more likely to be goods-producers than services-producers, and in some cases will pay higher than average wages to their employees. These characteristics imply that light industrial businesses have a greater spinoff benefit to the local community – goods-producing firms tend to have greater local purchases of supplies, equipment, and other services, while higher-paying jobs imply greater local spending on food, housing, and other everyday items by residents. A greater number of good-paying jobs will also serve to attract more working-age adults and families to the community.

4.2. Retail and Service Commercial Development

Much of the retail spending generated by Parksville residents takes place in Nanaimo and elsewhere, either as single purpose shopping trips or as part of other household activities such as attending sports, cultural or other entertainment events, visiting family and friends, or for medical or other appointments. Both comparison shopping (where consumers go to several stores to compare price, quality, and selection of goods) and destination shopping (where shoppers go to a single store to make a specific purchase) have historically drawn significant retail spending away from Parksville.

There is a large concentration of both comparison and destination retail space in Nanaimo intended to serve much of the mid-Island and north-Island markets, including Parksville. Many of the large shopping areas such as Woodgrove Mall and Rutherford Mall and large stores in these centres and elsewhere in Nanaimo such as Wal-Mart, the Bay, Costco, Canadian Tire, Staples and others are of a sufficient scale to reach well into the surrounding market for their customers. However, many retailers are entering smaller markets with smaller stores and this trend has positive implications for Parksville.

Key Trends

So-called “big box” stores are evolving into smaller “baby boxes”, more appropriate to meeting the needs of those living in smaller centres. While many

“big box” stores are as large as 100,000 square feet or more, newer box stores are able to operate in much less space. As a result, communities like Parksville are now positioned to attract retailers that can operate in stores of between 12,000 and 50,000 square feet. Like the larger store formats, these seek out highly visible and easily accessible sites, usually at the outer edge of the community. Many specialty categories including home improvement, sporting goods, apparel, furniture, drug stores, grocery stores, and others are now willing to locate beyond major retail concentrations in places such as Nanaimo.

Another trend potentially favourable to Parksville is the polarization of the retail landscape with most growth occurring in very large and very small retailers. Smaller stores offering highly specialized or high quality goods or a superior level of service are also thriving.

In general, consumers of all ages are becoming more demanding, more discriminating, more price and value-conscious, and more service-oriented. This is due in part to modern technology that has created the expectation among consumers of getting what they want quickly and easily. Modern consumers also have increasingly busy lifestyles and want products and services that are convenient. The growth of e-commerce is one of the byproducts of this trend and can be utilized by small companies to broaden their markets far beyond a local or regional area.

Shifting demographics in North America are also affecting demand for goods and services. As the baby boom generation ages, its spending patterns are changing toward things that provide an enhanced quality of life as opposed to instant gratification.

Finally, tourism is becoming an increasingly important component of the retail market for many communities. While many larger shopping malls in Canada are virtually indistinguishable from one another in their mix of stores and services, tourists in smaller communities seek unique shopping opportunities.

Apart from all of these trends are several other factors influencing local retail markets. Growth in retail is dependent in large part on population growth and growth in incomes. As shown in Section 2.1, the population of Parksville has grown faster than nearly all other Vancouver Island communities in recent years and the region is forecast to be one of the fastest growing areas in the province over the next several decades. While Parksville’s high proportion of retirees contribute to the community’s lower average income, retirees usually have higher disposable income. Local retail spending will also grow along with growth in local incomes even though people spend a smaller share of their income as they become wealthier.

Parksville Opportunity

With its excellent access from the new Island Highway, Parksville is well positioned for the new generation of larger-format “baby box” retailers that can

serve the Parksville population and attract retail spending from elsewhere, especially from up-Island communities.

This new generation of retailer can create jobs in Parksville and generate new commercial tax revenue. While there may be a desire to see new larger-format retailers locate in the downtown core, this is not expected to happen as these retailers require relatively large sites (a 50,000 square foot store needs a site as large as 4.5 to 5 acres), exposure to a large volume of passing traffic, and easy access and egress.

At the opposite end of the market, the downtown and other commercial areas can capitalize on increasing demand for specialized, high quality goods and services. Tourism, the retiree market, and increasing demand for convenience and good service are all factors that can be capitalized upon by Parksville retailers.

Potential Benefit

Larger-format stores prefer freestanding locations or to cluster with other similar stores, meaning that they cannot be expected to locate in the downtown core. They can, however, serve to keep more retail spending in the City and as a result should benefit smaller goods and services providers located within the downtown core and elsewhere in Parksville as the number of outside shopping trips is reduced.

Smaller, more specialized retail and service commercial businesses can also reduce the leakage of spending outside the community. Success for these types of operators also implies success for the small business owners and local employees that are already established in the community.

4.3. Downtown Parksville

Support for and revitalization of Parksville's downtown core is one of the City's highest economic development priorities.

The Official Community Plan (OCP) defines the downtown core as the area bordered by the old Island Highway, McVickers Street, Jensen Avenue, and McMillan Street. The plan calls for a mix of uses in this area, with a focus on retail and office developments and entertainment and cultural activities. Residential use is also encouraged in some parts of downtown, typically in the form of low-rise apartments built above at-grade commercial businesses.

The OCP emphasizes the need for high quality urban design in the downtown to give it a distinct character. Among the planning principals are:

- ◆ Encouraging a pedestrian friendly environment by downplaying the dominance of the automobile.

- ◆ Creating a strong visual and physical connection between downtown and the waterfront, as well as surrounding residential areas.
- ◆ Providing a strong sense of arrival by developing identifiable gateways defined by signage, lighting, banners, planting and high quality material.

Despite the City's vision for downtown, the area continues to face challenges, including relatively high vacancy and turnover rates amongst businesses, especially small retailers. And yet, there is clearly strong demand for more commercial services in Parksville, as evidenced by recent and proposed developments in the community. The issue, therefore, is what the City can do to encourage more businesses to locate and stay in the downtown core.

Parksville is not alone in the challenges that it faces in trying to revitalize its downtown. Many communities throughout BC have also experienced a decline in their traditional core shopping areas, with much of their new commercial development occurring in areas with a predominantly automobile rather than pedestrian orientation. Some communities have had more success to date than others in their downtown revitalization efforts. Communities such as Chemainus, the City of North Vancouver, and Nelson have generally been considered as successful in their downtown revitalization efforts.

There is no one solution as to how to revitalize downtowns. Each community is unique and what works well in one setting may not in another. However, there are some common factors that most successful downtown initiatives share, including:

- ◆ A significant number of people living in or close to downtown, including in mixed commercial/residential use developments.
- ◆ Interesting building architecture and signage.
- ◆ A walkable scale of three to four blocks.
- ◆ A pedestrian friendly environment, including generous sidewalk widths, seating, traffic calming measures, good lighting, weather protection over sidewalks (building awnings, colonnades, etc.) and other features that make it convenient, interesting and safe for pedestrians to move about.
- ◆ Businesses that are open evening and weekends, including entertainment establishments.
- ◆ Unique and interesting shops and services.

Parksville's 2000 Economic Development Strategy concluded that the downtown area had not established a clearly defined role for itself in the distribution of goods and services in the local market. It was recommended that the downtown area focus on providing highly specialized convenience-oriented goods and services. It was also recommended that the City and downtown businesses work

more closely in making incremental and cost-effective physical improvements within the core. However, a major downtown revitalization program was not recommended because of the cost.

There is no quick solution to the challenges facing the downtown area, as evidenced by the fact that it has been one of the major economic development issues in the community for many years. Whatever is done to improve the viability of the downtown as a commercial area will only succeed if it meets with market acceptance. And, thus far, the market has perceived better commercial and residential development opportunities elsewhere in Parksville.

Much of the land surrounding the established downtown core was zoned for commercial use by the City a number of years ago to predominantly C3 use in anticipation of population growth in Parksville and throughout the region. The population has not grown at the rates expected a decade or more ago and, as a consequence, there is much more land designated for downtown use than is required. Currently, new commercial development can take place anywhere within the pre-zoned lands. It would be preferable to have downtown uses concentrated in a more compact area and any spreading of downtown uses over a larger area has the effect of weakening the downtown.

A number of uses can locate adjacent to the downtown core that will have the potential to actually strengthen the core. For instance, multi-tenant office buildings and many of the typical tenants of a high-quality business park could add considerably to the downtown by insuring a larger daytime population of employees who would use the many services of the downtown, especially food and beverage outlets. Multi-family residential buildings on the periphery of the downtown and within walking distance of the core can also be expected to contribute to the vitality of downtown Parksville as these residents would look to the downtown for some consumer goods and services.

If the City is supportive of tightening the geographical area defined as the downtown core and allowing developments such as those suggested above as permitted uses outside of the core, amendments to OCP policies are required. It is not recommended, however, that there be another mass City-initiated rezoning of the periphery lands to a use other than C3. Rather, the City should approach the subject land owners and make them aware of the changes in land use policies and Council's willingness to consider alternative land uses that will help support the downtown core and/or the community at large.

The cost of developing in the downtown core is another issue. Because of the relatively high costs associated with required off-site upgrades of civic works and services, some builders and developers have found that their proposed projects are not viable. On the other hand, if new development does not pay for the required upgrades, then the cost must be borne by all taxpayers in the community. This issue needs to be resolved through a comprehensive financial analysis of the costs and benefits to both the developer and the City, as was discussed in Section 2.2.

While there appears to be little disagreement in the community on the need to have a strong downtown core, how this can be best accomplished and who will pay for it is a key issue. One solution might be to allow higher density developments that generate sufficient revenues for the developer to offset the higher costs of building in the downtown. This may, however, change the form and character of downtown Parksville in ways that some residents do not support, especially given the high value placed on the community's small town feel.

Another challenge that downtown Parksville faces is its lack of identity. For those unfamiliar with the downtown's layout and entry points, it can easily be overlooked. As a consequence, downtown merchants and other businesses are likely missing out on a significant amount of the potential trade associated with the large numbers of tourists passing through and stopping in Parksville. Currently, the link between Parksville's waterfront and the downtown is weak. As development and redevelopment along the waterfront occurs, there will be opportunities to reinforce the visual and pedestrian linkages between these two important areas of the City that need to be capitalized upon.

In order to better focus attention on the downtown, it is important to reinforce the edges and boundaries of downtown and to ensure that there are common elements such as paving materials, lighting, banners, public art, and street furniture and signage. As well, store directories, improved way-finding signs, and greater consistency of business hours will all help to strengthen the downtown. While downtown "revitalization" programs rarely, by themselves, dramatically improve the performance of downtown businesses, there are steps such as these that downtown business owners and property owners can take to begin to enhance the core's appeal.

The need for the City and the downtown business community to work together on planning and implementing these programs is absolutely critical to their success. Many suggestions have been put forward as to what the City might do to improve the downtown area, yet few of the initiatives will have any long-term benefit if the business and property owners are not fully involved, including financially. One of the first steps in the process must therefore be the restarting of a downtown association, to include businesses and other downtown tenants, users, and organizations, potentially including Malaspina University-College. By broadening the membership of the association, it should have a better chance for success than the business-only association that was attempted several years ago. This is an area where the Chamber of Commerce may be able to play a larger role to help ensure that the association is successfully launched and remains strong. The City may also be able to provide some in-kind support such as meeting space for the association.

4.4. Home-Based Business

The incidence of home-based employment continues to rise in both BC and Parksville, although at a slower pace than in the early 1990s when

telecommunications technology first allowed a large number of people to work from home. Table 9 below shows that the proportion of Parksville's labour force working from home increased modestly from 8.7% to 9.0% between 1996 and 2001, slightly below the provincial average in both years. Incidentally, British Columbia has the highest rate of non-farm home-based employment in Canada.

It is not known how many of Parksville's home-based workers are business owners, although provincial data shows that 41% of the self-employed work from their homes. Parksville had 725 self-employed residents in 2001, suggesting that up to 300 of these people may work from home.

Table 9. Home-based Employment and Self-Employment

Class of Worker	Parksville		BC	
	2001	1996	2001	1996
Home-based Employment	330	305	171,390	155,455
% Home-based	9.0%	8.7%	9.1%	8.8%
Self-employment	725	635	291,455	284,210
% Self-employed	19.8%	18.1%	15.5%	16.0%

Source: Statistics Canada

Key Trends

Parksville is likely to experience a continued increase in home-based employment based on a number of factors. As shown in the table above, Parksville's rate of self-employment is considerably higher than the provincial average and increased substantially from 1996 to 2001, a period in which the provincial rate of self-employment declined. The high number of self-employed residents in Parksville will continue to operate home-based businesses in large numbers.

Demographics are also a key indicator of the rate of home-based employment and business operation. Specific figures for Parksville are not available, but in BC as a whole, the rate of home-based employment rises substantially with age. Nearly 40% of people who continue to work past age 65 will work at home, along with about 15% of people aged 55-64 and around 10% of people aged 45-54. Many of Parksville's existing and future retirees are therefore far more likely to work from their home, including the operation of home-based businesses, than are younger residents.

And finally, technological advances in the last 10-15 years have revolutionized the ability of many workers and business owners to operate from their homes. These trends will continue into the future.

Parksville Opportunity

As mentioned above, Parksville's demographics and self-employment characteristics are consistent with continued growth in home-based business.

The community is also well-connected to high-speed telecommunications networks, which are a prerequisite for many home-based businesses. The City of Parksville remains supportive of the continued growth of home-based employment and should continue to monitor regulatory issues relating to home-based business so that any problems that arise can be effectively resolved.

Potential Benefit

Home-based businesses have several general benefits for Parksville. They reduce traffic congestion and road impacts in the community, and also serve as a potential source of rising employment and commercial and industrial occupancy by growing over time and moving into other premises.

The industries that are most conducive to home-based businesses are some of the same industries that Parksville would like to attract, such as information-based businesses (software developers, professionals, consultants) and artists. These types of businesses are often quite small and have the potential for higher than average incomes, therefore increasing the basic income flowing into the community.

Many home-based businesses will continue to be operated by retirees or semi-retirees who move to the community and wish to continue working in at least a part-time capacity. Enhancing Parksville's home-based sector is therefore closely related to the continued attractiveness of the community as a place to live for both retirees and others who have the ability to bring their job with them to the community.

4.5. High Technology

The high technology industry is difficult to define as it includes parts of many other industries, from manufacturing to services. BC Stats has developed a definition³ of the industry based on the extent to which a variety of industries make use of technology in their production of goods and services. The definition includes industries ranging from aerospace and pharmaceuticals to information services and engineering.

Key Trends

The BC high technology industry demonstrated rapid growth in the decade from 1991 to 2001. Gross domestic product from high technology grew by 84% over this 10-year period, compared to 34% growth for the provincial economy as a whole. In terms of employment, the BC high technology industry grew by 68% in the decade to 2001, reaching a total of 45,550 workers. This is considerably

³ BC Stats (December 2001), *Defining the British Columbia High Technology Sector Using NAICS*.

faster than the 22% employment growth in BC as a whole, and also faster than national high technology employment growth of 54%.

More locally, the high technology industry on Vancouver Island did not suffer the serious business failures and job losses of many American cities in recent years, and anecdotal evidence suggests that established firms are now growing again, some by as much as 20-30% per year. Difficulties remain in accessing venture capital and sufficient skilled labour in the region, although these problems are shared by most technology centres in North America.

Detailed high tech employment statistics for regions in British Columbia are not available, although another useful indicator is the number of high tech establishments. There were 875 high technology establishments in the Vancouver Island/Coast region in 2001, just more than 600 of which were located in the Greater Victoria area. The Regional District of Nanaimo's 122 establishments ranked 2nd in the region. The number of these firms located in Parksville is not known.

Parksville Opportunity

The opportunity for local growth in the high technology industry is limited in BC's smaller centres outside of the Vancouver and Victoria metropolitan areas. Many of the location requirements of the high technology industry are typically not met by smaller communities like Parksville, including proximity to major airports, access to universities and technology institutions, the availability of a large pool of highly skilled labour, and access to the industry's "social infrastructure", including networking events, forums, incubators, mentoring programs, technology showcases, and other events and organizations that are typically found only in larger centres.

While the opportunity for rapid growth by attracting a large technology firm may be limited, this is not to say that Parksville is lacking in opportunity. Most high tech firms that are located in smaller communities in the province are there because the company founders are either long-time residents of the local area or moved to a smaller centre for quality of life reasons. Many companies originate as 1-2 person operations, often home-based, that grow into larger companies.

This fact suggests that existing small high technology ventures in Parksville should be assisted in whatever way is possible so that any future growth occurs in Parksville. Parksville also has an advantage over many other communities in the province in that its quality of life is proven to attract new residents to the community who are potential technology entrepreneurs. External marketing efforts for the high technology sector are more likely to be successful in attracting entrepreneurs or small firms interested in the area's quality of life.

The Parksville Civic & Technology Centre also demonstrates the community's commitment to the industry and the feasibility of technology-oriented development. It is nearly at full occupancy with partners such as Malaspina University-College and tenants such as BraveNet.

Potential Benefit

The high technology industry is not currently a large contributor to the Parksville economy and growth opportunities will remain modest for the foreseeable future. Additional businesses and employment that are created, however, will serve to further diversify the local economy and provide high-quality, high-income employment. Wages in BC's high technology industry were 39% higher than overall average wages in 2001, and had grown significantly faster over the previous decade.

High technology also forms part of the economic base of a community as a majority of its goods and services are exported out of the region.

4.6. Tourism and Recreation, including Arts and Culture

Tourism is without question one of the strengths of the Parksville economy. A large number of Parksville's hotels and motels, restaurants, pubs and retail stores would not exist if not for the large number of visitors attracted to the Oceanside area each year. Labour force statistics suggest that Parksville's tourism employment is 37% higher than the Vancouver Island/Coast average. These figures are based on the BC Stats definition of the industry, which includes a percentage of employment in a variety of other industries, including accommodations, food services, transportation, and retail.

Key Trends

The long-term trend for the tourism industry throughout British Columbia is positive, but 2003 has been a difficult year. The outbreak of Severe Acute Respiratory Syndrome (SARS), the war in Iraq, the isolated discovery of mad-cow disease in Canadian beef, slow economic growth around the world, and the falling value of the American dollar have all conspired to reduce tourism traffic.

What these events underscore is the responsiveness of the tourism industry to overall economic conditions and to significant world events. Luckily for the Vancouver Island industry, most of its tourism traffic is "rubber-tire" visitors from Alberta, Washington, and the rest of British Columbia. Tourists making smaller trips such as these are less likely than overseas visitors to alter their plans in response to world events. Tourism Vancouver Island indicates that the downturn in tourism in 2003 has been felt much more severely in Victoria, which caters to more international visitors, than in the rest of Vancouver Island.

The resilience of the local market is supported by occupancy statistics from the last several years. The monthly occupancy rate was higher in seven of the first nine months of 2003 compared to 2002, and in six of the nine months was also higher than in 2001.

Table 10. Hotel Occupancy Rate, Parksville and Qualicum Beach

Month	2001	2002	2003
January	31.2%	27.1%	29.4%
February	44.9%	46.7%	56.8%
March	50.5%	59.6%	57.0%
April	46.0%	44.8%	54.2%
May	56.8%	48.1%	50.9%
June	56.0%	56.3%	57.5%
July	72.2%	66.9%	66.6%
August	84.0%	83.7%	85.8%
September	52.9%	52.3%	61.2%
October	42.0%	40.2%	
November	32.2%	33.0%	
December	29.9%	26.0%	
Annual Average	50.4%	48.2%	

Source: Oceanside Tourism Association

The long-term prognosis for tourism on Vancouver Island remains very strong. Part of the construction boom of the last two years has been the development of tourist-oriented facilities such as golf courses, recreational properties, resorts, and hotel and conference centres.

Not only is tourism expected to see an overall increase in the future, but the types of activities enjoyed by tourists continue to evolve. Trends of particular interest to Vancouver Island and the Parksville area are the growing interest in ecotourism, adventure tourism, and cultural tourism, while sport tourism, meetings and conventions, snowbirds, and visiting friends and relatives are other important market niches.

Ecotourism encompasses a variety of activities associated with the enjoyment of the outdoors in their natural state, including birdwatching, wildlife viewing, and hiking and kayaking in pristine environments. The Brant Wildlife Festival is a successful part of Parksville's ecotourism offering. The proposed Mount Arrowsmith environmental interpretive centre, currently the subject of a detailed feasibility analysis, would serve as a key attraction for ecotourists. The garden tourism segment is a related market with opportunities for more passive tourists.

Adventure tourism is also focused on the outdoors and includes everything from mountain biking and whitewater rafting to mountaineering and back country skiing and snowboarding. As with ecotourism, most of these activities would not take place within Parksville itself, but the community can serve as a staging point for visitation to the many natural attractions in the surrounding areas.

Cultural tourism reflects many tourists' increasing interest in learning about the history, culture, and art of an area. Parksville and the Oceanside area in general have a number of artisans that attract visitors to watch the creative process and

purchase finished art. The Oceanside Community Arts Council, located in Parksville, works to promote the development of the arts community through a public gallery and periodic art exhibitions featuring local artists. These activities further contribute to Parksville's attractiveness for cultural tourists.

Another potential attribute for both cultural tourism and tourism in general is the Esquimalt & Nanaimo Railway (ENR), which runs from Victoria in the south to Courtenay in the north and passes through Parksville. The ENR has struggled to remain a viable operation for many years and its future remains uncertain. An Island-based group called the Vancouver Island Railway Society has developed a proposed long-term solution that would involve a public-private partnership to maintain the tracks and a new Vancouver Island Railway Company to operate enhanced passenger and rail service. The railway's ultimate fate remains unresolved, so an enhancement of train tourist traffic to Parksville cannot be relied upon in the near future.

The meetings and conventions market is another growing tourism sub-sector with opportunities for Parksville. Vancouver Island is traditionally a popular destination for conferences and events due to its many attractions for visitors. Meeting and convention planners are increasingly seeking an experience that is somewhat out of the ordinary, which they may find by holding an event in a smaller community like Parksville rather than a large centre.

There are constraints to attracting more conferences to Parksville related to the size and suitability of available meeting and accommodation facilities. Many conferences prefer to have their meeting and accommodation facilities in the same building or at least next door, something that can not be accomplished in Parksville for conferences of more than 300 people. Tigh-Na-Mara Resort can accommodate up to 350 conference delegates, while the Bayside Oceanside Inn can accommodate 125-150 guests onsite. Other conference facilities in the community, including the new Community Centre, require transportation from hotels. Furthermore, Parksville is competing against many other communities for increased convention business, particularly larger communities like Nanaimo, which is actively investigating the construction of a new conference centre.

Summer is the high season for tourism in the Oceanside area and one of the industry's important challenges is increasing visitation in the off-season and shoulder seasons. Sport tourism is one industry sub-sector with growing potential for winter activity, much of it associated with the recently constructed arena complex and five-sheet curling rink. When the ice is out in the summer, the curling rink will also provide additional space for any number of potential uses, from flea markets to trade shows.

Another promising sub-sector for increasing off-season visitation is the snowbird market. An estimated 1,500 visitors from the Prairies and Ontario spent anywhere from several weeks to several months in the Oceanside area in the most recent winter season. These visitors fill accommodation spaces that would otherwise be empty and also help support restaurants, retailers and other local businesses.

The final sub-sector worthy of comment is the visiting friends and relatives (VFR) market. According to the Oceanside Tourism Association, the Oceanside area has a higher percentage of VFR tourists as a share of the total than in the rest of the province. Research also shows that, with the exception of spending on accommodation, these visitors spend more dollars in the local economy than other tourists.

Parksville Opportunity

Successful expansion of the tourism sub-sectors discussed above (ecotourism, adventure tourism, cultural tourism, meetings and conferences, sport tourism, and snowbirds) will require a continued increase in tourist accommodations. New waterfront developments are expected to include an accommodation component and the City should ensure that new accommodations are of the highest quality. New facilities should also incorporate facilities to take advantage of the growing market for meetings and conferences. While a stand-alone convention centre is almost certainly not a viable project at this time, existing accommodation and convention facilities can explore innovative ways to combine their assets to host larger events in the community. This may include on-call transportation for moving delegates between their hotel room and the meeting space.

Several other growth activities like ecotourism and adventure tourism require Parksville to be a staging ground for activities in the surrounding areas. Accommodations that have amenities and facilities attractive to these markets should also be encouraged.

Cultural tourism, meetings and conferences, sport tourism, snowbirds, and the VFR market are all possibilities for expanding Parksville's off-season and shoulder season visitation. The environmental interpretive centre would also be a strong draw to the ecotourist market in the non-summer months. The City of Parksville should encourage local groups involved in developing new events and attractions to consider the off-season and shoulder season markets, recognizing that they must attract sufficient visitation to make their operations viable.

Potential Benefit

Tourism is one of the key drivers of the Parksville economy and its continued health is vital for future economic growth in the community. Even though it does not provide the same type of high-paying, full-time jobs as some other industries, the number of people who are employed as a result of tourism make it a very significant part of Parksville's economic base.

As the tourism industry matures and tourists become increasingly sophisticated, the number of high-quality managerial, technical, and customer service positions is expected to increase. The potential environmental interpretive centre is a good example of a tourism-related operation that would require a number of highly skilled employees. Increasing the number of high-quality employment

opportunities in tourism would enhance the industry's local economic impact even further.

4.7. Retirement Living

Retirement living is included as an opportunity sector for Parksville because it is a valuable contributor to the community's economic base. Many retirees receive pension and investment income that originates outside the region, meaning that retirees are similar to exporters in that they draw external income into the region.

Key Trends

The Parksville area and Vancouver Island as a whole are widely known and well-established retirement destinations. Retirees and those nearing retirement from other parts of British Columbia and indeed the rest of Canada continue to move to the Island. This migration pattern is reflected in the considerably older demographic profile of Parksville discussed in Chapter 2.

Population projections developed by BC Stats suggest that the proportion of retirees in the region's population will continue to increase, both as a result of the overall aging of the North American population and the continued migration of retirees to the area. Although Parksville-specific projections are not available, BC Stats estimates that 19% of the current population of the Regional District of Nanaimo is age 65+, a figure that will increase only modestly to 24% by 2023. This increase is smaller than in some other parts of Vancouver Island because the overall population of the RDN is projected to increase by nearly 60,000 people in the next 20 years, including a large number of younger people but also just over one-third (20,400) senior citizens.

One of the key factors in choosing a retirement location for many people is housing affordability. As some parts of Vancouver Island become more popular and potentially experience residential land shortages, housing prices increase and make other parts of the Island appear more affordable. This has been observed over time as higher housing prices in the Victoria area have prompted many retirees to opt for locations further north. Housing price data from the Vancouver Island Real Estate Board indicates that the average sale price of a home in the Parksville/Qualicum market has been around \$200,000 (and rising) for 2003, which is significantly higher than possible competitors in Nanaimo, Duncan, Campbell River, Port Alberni, and the Comox Valley. The northern and western parts of Vancouver Island are already seeing a greater influx of retirees, a trend that is expected to continue into the future.

The other key consideration for most retirees is the availability of health care facilities, recreational amenities, and other community services. As Parksville's retiree population continues to grow, demand for these types of facilities and services should ensure that they are provided in an appropriate manner. The private sector is likely to play an increasingly important role in the provision of health and other services.

Parksville Opportunity

Parksville has demonstrated over time that it has the appropriate mix of services, amenities, housing, and natural environment to continue to attract retirees. The success of the Craig Bay development suggests that there remains strong demand for more expensive residential housing, although the concern has been expressed by some that less wealthy retirees and others are being priced out of the Parksville market.

Ensuring that an appropriate mix of residential housing options is made available for retirees and others should allow Parksville to continue its past strong growth. Similarly, continued attention should be paid to the type of community services and amenities provided by both the public and private sectors to ensure that the needs of retirees continue to be met.

The large retiree population in Parksville presents other opportunities for business development. As the baby boom generation moves toward retirement, there will be significant growth in the number of products and services that are designed specifically for retirees. Although not a large community, Parksville's retirees should be able to support many additional service providers in the areas of health and wellness, recreation, care facilities, entertainment, and education. The advantages of Parksville's retiree market should be included in promotional material on the community. Perhaps Parksville could become a test market for companies that are developing products aimed at retirees.

Potential Benefit

Parksville's large retiree population has many benefits for the community through support for many local goods and services providers.

Many retirees also bring with them a lifetime of skills and experience that can be utilized for the betterment of the community in a variety of ways, including through involvement in the business community. A concerted effort to engage the retiree community with local businesses, either through working part-time, volunteering, or mentoring, should be undertaken. A special membership class in the Chamber of Commerce may be one way to go about this. Another possibility is including a retired businessperson on an Economic Development Advisory Committee. Malaspina University-College's ElderClass (further discussed in 4.9) may also be an avenue for matching retirees with local businesses.

4.8. Health and Wellness

Health and wellness opportunities in Parksville include formal health care facilities and practitioners, as well as a wide range of providers of general wellness services.

Key Trends

The consolidation of health care facilities and services in British Columbia in the last several months has not seriously impacted Parksville and is not expected to be a negative influence in the future. As part of a growing region, health care services can be provided in a more cost-effective manner in the Parksville area than in many more remote parts of the province.

That being said, Parksville is unlikely to be the location for a significant expansion of health care facilities in the near future. The regional hospital in Nanaimo is intended to meet the needs of Parksville residents, although as health care moves toward a more decentralized service delivery system with more home and community based care, there is certainly potential for Parksville to receive improved services.

The Canadian health care system seems to be in a state of permanent upheaval from dissatisfied patients, practitioners, and governments. What will emerge over the coming years is not yet clear, but it is likely that the private sector will play an increasing role in the delivery of health services. This is consistent with a move to a more decentralized system where more services may be provided in local communities without requiring the intervention of doctors or hospital visits.

Increasing interest by retirees in overall health and wellness will create new opportunities for service providers in the future. These opportunities may be in areas like exercise, food services, and recreation specifically tailored for retirees. Alternative health care providers are also expected to see increasing demand, particularly as the baby boomer generation moves into retirement and demands new levels of personal services.

Parksville Opportunity

Due to the number of retirees currently living in Parksville and the expected increase in retirees over the coming decades, health care is an important issue for the community. The demographics of the community and broader region work in favour of expanded services, as a large base of potential health care users will create economies of scale in the provision of services, whether by public or private health care providers.

In the short term, there is some concern in the community about the current level of emergency services. Parksville should ensure that the Vancouver Island Health Authority is aware of local gaps in service and should lobby for service deficiencies to be addressed in the future.

Finally, Parksville seniors are already known for their healthy lifestyles, and their relative affluence compared to some other communities will create an enticing market for providers of a wide range of health and wellness services.

Potential Benefit

Like most other industries, increased employment in health and wellness is a source of economic diversification in the community. At least some jobs in this sector are very high-paying, while other positions will provide opportunities for lower skilled workers.

The other benefit of a thriving health and wellness sector is the positive impact on the quality of life for all residents, including retirees, helping to ensure that Parksville remains a desirable location for living and working.

4.9. Post-Secondary Education

Post-secondary education in Parksville is currently provided primarily by the Parksville campus of Malaspina University-College, located in the Parksville Civic and Technology Centre. Malaspina is a partner in the development of the Civic and Technology Centre and represents one of the community's key attributes in attracting new business to the community.

Malaspina also has the potential to develop into a valuable partner for the City in a number of economic development initiatives where the two organizations share common interests. This may include expanding a particular type of industrial development (such as high technology) that meets the City's economic development objectives and also increases demand for Malaspina's services. Or Malaspina's training resources may be used as an enticement to attract new business to the community.

The Chamber of Commerce and Oceanside Tourism Association may also be able to enhance some of their initiatives through closer cooperation with the college. A greater role for Malaspina in Parksville's economic development would be consistent with the past focus in the community on obtaining a local campus and having it become a partner in the Civic and Technology Centre. All of this was done in the hope that a local university college campus could become a catalyst for local economic development.

Currently, Malaspina's Parksville campus provides courses mainly in continuing education and adult basic education, with several academic university courses typically offered each year. In addition, there are several special programs offered, including ElderCollege, which provides daytime courses for up to 500 students aged 55+ each year. ElderCollege is operated with the cooperation of a volunteer advisory board and the instructors are also volunteers, many of whom are retired teachers or professionals from the community.

Continuing education courses offered in Parksville are mainly non-credit courses in a wide range of areas from computer and management skills to writing, first aid, horticulture, and many other areas. The adult basic education courses are for adults returning to school to complete Grade 12 or to acquire a particular pre-requisite course.

Key Trends

The fiscal situation facing the current provincial government has been a significant influence on Malaspina and other colleges in the province. Positions have been cut and other steps taken to reduce costs, some of which have caused the Parksville campus to lose some of its individual identity by being absorbed in the Nanaimo campus's course calendar, for example. The current environment makes it unlikely that significant new funding for program development will be forthcoming from the Province in the coming years.

On the positive side, general societal trends toward lifelong learning and increased training requirements in many industries and professions create a steadily growing demand for advanced education. The success of ElderCollege demonstrates that education can be equally valued as a consumption good independent of its usefulness for employment purposes.

Parksville Opportunity

The presence of a university college campus in Parksville is a valuable asset for the community's economic development prospects. The opportunities it provides for specialized training delivered locally, for access to advanced facilities such as computer labs for online and distance education, and the benefits it provides for the quality of life of potential students in the community are all invaluable.

Malaspina University-College is in the early stages of a strategic planning process for the entire institution that is expected to conclude in mid to late 2004. As part of this process, each department and campus in the system will present its goals and plans for the future. This presents a tremendous opportunity for the City of Parksville and the business community to become involved in working with the Parksville campus to ensure that the community's needs are incorporated into future Malaspina plans. Partnership opportunities whereby the City and the college can jointly promote the area for a specific type of industrial development (such as high technology) or make use of the college's resources for training should be fully explored.

Some specific opportunities for the local campus include the development of an international education program for foreign students. The Nanaimo campus has been very successful in developing an international education program that has been very popular with students from Asia and around the world. The one potential drawback to the development of such a plan for Parksville is that there are no residences available to house students, but using vacant hotel space in the slow winter months would be a win-win situation for all concerned.

Another opportunity is the development of special summer programs to attract visitors and scholars from around the world. These would be unique, high-quality programs that would take advantage of the Parksville location as a draw for people to study and teach in a special environment for several months in the summer.

Increasing the number of university courses offered in Parksville is one of a number of other opportunities. The City and the business community need to be encouraged to make their needs and desires known to the local campus in the next few months to take advantage of the planning process underway for the entire college. To that end, the local campus is likely to hold a forum for gathering feedback from the local community sometime early in 2004.

Potential Benefit

The development of additional programs at Malaspina has the potential to increase the number of educational tourists (students and faculty) in the community. It would also create greater opportunities for local businesses to access new skilled employees or to provide training for existing staff.

Expansion of Malaspina's local operations would also create high-quality employment opportunities for working in the college itself, further diversifying the local labour market.

4.10. Film Industry

Support to the film industry in Parksville is currently the joint responsibility of Film Nanaimo and the Parksville Film Liaison Office.

This arrangement is a recent development. Up until last year, the Arrowsmith Film Commission (AFC) was responsible for dealing with the film industry in the Parksville-Qualicum area. With the departure of the AFC staff person, the City of Parksville entered into a one year agreement with Film Nanaimo for 2003 to provide certain film-related services in the community, including background work and film liaison. The value of this contracted service is \$10,000.

At the same time, the Parksville Film Liaison Office (PFLO), which is a volunteer organization, was formed to deal specifically with film opportunities and activities in the Parksville area. Information and referrals are passed along to PFLO from Film Nanaimo and PFLO is also establishing its own network of contacts and information sources. PFLO has also been involved in seeking out Parksville area acting talent for Island film productions.

With the Island North Film Commission (INfilm), which is a Certified Regional Film Commission, having recently expanded its catchment area to cover communities from Nanaimo northward, PFLO is also forming a close working relationship with this organization. Among INfilm's services is a web data base that contains comprehensive information on film locations, film services, acting talent and trades people in participating communities. Parksville is part of this data base.

Key Trends

There were an estimated 86 film productions on Vancouver Island in 2002, with a total production budget of \$23.5 million. These productions included feature films, TV series and pilots, commercials, documentaries, corporate / industrial productions, music videos and miscellaneous other types of productions.

As indicated in Table 11, the majority of the production activity took place in the Greater Victoria area.

Table 11. Vancouver Island Film Activity, 2002

Reporting Office	Total # of Productions	Production Budgets	Percent Share
Greater Victoria Film Commission	31	\$14,636,156	62.2%
Island North Film Commission	12	\$ 6,417,000	27.3%
Alberni-Clayoquot Film Commission	4	\$ 2,150,000	9.2%
Film Nanaimo	34	\$ 208,000	0.8%
Powell River Film Commission	5	\$ 123,000	0.5%
Total	86	\$23,534,156	100.0%

Source: Vancouver Island Film Association (VIFA)

The BC film industry as a whole saw production of \$993.6 million in 2002, meaning that the Vancouver Island film industry had only a 2.4% share. Even this share figure may be a bit on the high side since it appears that the Vancouver Island Film Association (VIFA) figure includes some types of production that the BC Film Commission does not include in the data that it collects.

On the other hand, not all film productions on Vancouver Island in 2002 were captured in the statistics included in Table 11. Notably absent from the list of reporting offices is the Arrowsmith Film Commission, which did not submit any information to VIFA for the year because of the transition to the current Film Nanaimo / PFLO model for 2003.

The BC film industry experienced major growth during the 1990s, but has been hovering around the one billion dollar mark in annual production value for the past several years. In fact, the 2002 figure of \$993.6 million was down from the 2001 figure of \$1,108.5 million in 2001 and \$1,180.3 million in 2000.

The BC film industry's growth is attributable to a number of factors, including the favourable Canadian dollar, heavy marketing by the BC Film Commission and local film commissions, a skilled technical and support labour force, good studio and post-production facilities, a film friendly environment in many communities, and varied scenery ranging from urban to rural settings.

Provincial government policy has also played a significant role in the development of the film industry, with various financial and other incentives (e.g.,

the BC Production Services Tax Credit) to stimulate growth and attract foreign investment.

While the results have been positive, the film industry is highly transient and there are many communities and regions in North America that are aggressively competing for a share of film production. The BC film industry will remain a strong component of the provincial economy for the foreseeable future, but it is unlikely to see the type of annual growth rates experienced in the 1990s.

The Vancouver Island/Coast region has seen more film production activity in recent years, although it is still a small player in the industry, with the vast majority of the industry concentrated in Greater Victoria. Growth of the region's film industry can be attributed to the establishment of a number of local film commissions and aggressive marketing by these commissions, coupled with a variety of attractive film locations on the island.

At the same time, the region has faced, and will continue to face, the problems associated with moving people and equipment on and off the island for film shoots (there are resources available on-island, but not enough to handle major productions). The island film industry also does not have the same permanent film infrastructure that is present in Greater Vancouver, such as large sound studios and post-production facilities. This is, however, beginning to change. For example, INfilm has acquired land in Campbell River for a film studio and is in the process of putting together the financing, although the timing of construction is unknown at this point.

The VIFA and many of the local film offices, including PFLO, are optimistic that Vancouver Island will see continued growth in the film industry as a result of marketing efforts and what it anticipates will be a desire by the industry to find fresh film locations outside of Greater Vancouver. For many of those in the region who work in the film industry, employment will be part-time and not their main source of income, although the amount of time that some are spending working in the industry is gradually increasing.

Parksville Opportunity

Given its central location on Vancouver Island and varied scenery, Parksville is likely to continue to gain some share of film work even if it were to take a relatively benign role in pursuing opportunities in the film industry. However, given the aggressive competition among communities for film business, the City's chances of success are greater if it takes an organized approach to promoting its filming advantages and resources in much the same way that an organized approach to economic development overall is better than simply letting businesses and investment find their own way to the community. This topic is further examined in Section V, where the structure of economic development in Parksville is covered.

Potential Benefits

The film industry offers a number of economic benefits to Parksville, including the sale of goods and services by local businesses to film production companies, employment for local acting talent and trades people, and revenue to the City through the use of municipal property and services. How much this means in quantifiable terms to the City is difficult to gauge given the nature of the industry and uncertainty over exactly how and where it will grow on Vancouver Island. Nevertheless, it is worthy of support. It should also be noted that filming does not have to take place within City boundaries in order for there to be benefits to the Parksville economy. Even if filming takes place in surrounding unincorporated areas, Parksville businesses and workers still benefit. Hence, the criteria for providing support to a film production should be based on where benefits will flow (ie, the amount of local spending by the production company) rather than production location.

4.11. Construction

Construction is one of Parksville's current economic strengths. Construction's share of Parksville employment was 60% higher in 2001 than in the Vancouver Island/Coast region.

Key Trends

The strong performance of the construction sector in Parksville and throughout Vancouver Island in recent years has been driven by phenomenal growth in construction activity, particularly residential. As discussed in Chapter 2, the value of building permits in Parksville was strong through the mid 1990s, peaking in 1997, before declining substantially in the ensuing years. A recovery began in 2002, while indications from so far in 2003 are that this could be the highest value year ever.

This strong growth has spurred demand for Parksville's construction firms, to the extent that shortages of labour are becoming a serious problem in some parts of the region. The frantic growth of the last several years has been driven by a variety of factors, including historically low interest rates, but cannot be expected to continue indefinitely.

Parksville Opportunity

Even as construction growth inevitably slows in the coming years, Parksville firms should be well positioned to meet the needs of continued residential, commercial, and occasional industrial or institutional construction in Parksville and the broader region. Construction activity and employment closely follows population and economic growth, so as the Regional District of Nanaimo continues to grow, demand for construction services will follow. As retirees age, they also demand different types of housing than may be currently available

(more multi-family housing with assisted living services, less single family housing).

The City should continue to support the local construction industry by encouraging the use of local contractors in local projects. This can be done by having the Oceanside Development & Construction Association (ODCA) produce a directory of contractors available to all applicants for a building permit. The City can also continue to make use of local contractors for its own construction purposes assuming the required skills are available locally.

Potential Benefit

Construction is an industry with substantial activity in both the basic and nonbasic parts of the local economy. If construction companies are working on projects outside their home area or for external investors, they are bringing external income into the community and therefore form part of the economic base.

Construction also includes a wide variety of employment possibilities, from highly skilled tradespeople to unskilled labourers. Those with advanced skills are able to command large salaries that help to support the local economy.

4.12. 2010 Olympic and Paralympic Winter Games

The 2010 Winter Olympics have significant potential to stimulate BC's economic performance. The challenge for businesses and communities throughout the province, regardless of size or location, is to find ways that they can maximize the benefits from the opportunities that arise.

Some of the opportunities are already available or will become available over the next several years as planning for the Games proceeds and world attention begins to focus on Vancouver. Other opportunities will arise closer to or during the Games and will be of shorter duration. Yet other opportunities will be ongoing and will extend well beyond 2010. In fact, for many communities and businesses, the opportunities leading up to and after the Games will be far more significant than the benefits generated during the 27 days over which the Games are held (February 12 - 28 for the Olympic Winter Games in Vancouver and Whistler and March 12 - 21 for the Paralympic Winter Games in Whistler).

The Provincial Government, working with the Vancouver Olympic Games organizers, is in the process of developing a 2010 Economic Opportunities Strategy that builds on five pillars:

- ◆ Trade and Investment
- ◆ Goods and Services Supply (Procurement)
- ◆ Labour and Volunteers
- ◆ Tourism
- ◆ Sport and Legacy

All of these pillars are relevant to Parksville to one degree or another from an economic development perspective. However, they are also relevant to many other communities in BC and the City will face strong competition in attempting to gain the attention of potential investors, trading partners and visitors leading up, during and following the Games. The cost of pursuing many of the opportunities will be high and is well beyond the resources of most small communities, and even many larger ones, to successfully undertake on their own.

The recommended approach is for the City to work with the organizations that are already in place or will be created in the coming months which have responsibility for developing and implementing the programs that form part of the 2010 Economic Opportunities Strategy. There has been considerable work undertaken by these organizations on program development, including how to build partnerships, and the City can best leverage its available resources by working within these programs as they become available.

The key marketing messages that will be used to promote the province are still being finalized, but it is expected that innovation and sustainability will be two of the major themes used in positioning BC's competitive advantages for trade and investment. For example, there is already work underway to develop an innovation showcase around products and services where BC has a leading edge, such as fuel cell technology, education, agri-food and fisheries products, resource management technologies, life sciences, alternative energy, and information and communication technologies.

Parksville and its economic development partners therefore need begin to develop a list of the products and services that the community has to offer that fit into the themes of innovation and sustainability so that these can be promoted through the showcase and other programs as they are introduced.

An immediate step that should be taken in this process is for Parksville to take part in a Community Opportunity Workshop, which is part of the "Planning for Gold" initiative jointly supported by the provincial and federal governments and Vancouver Olympic Games organizers. Over 50 communities in BC have already held these workshops, including Vancouver Island communities such as Nanaimo, Campbell River and the Comox Valley, and more communities are planning to have workshops.

The Community Opportunity Workshops are designed to assist communities in determining their own unique opportunities associated with the 2010 Games, and to begin the local effort needed to capitalize on them. The workshops bring community and business leaders together to begin "taking stock, taking aim and taking action" and ultimately to fuel a collaborative local effort to add the Games as an economic generator.

The goal of the workshops is to impart information, to build momentum, and to identify "champions" who can lead the development of a community-based

Olympic economic strategy. The Community Opportunity Workshops become the catalyst for wide-reaching, regional diffusion of Olympic economic success.

Parksville is already part of the District 69 Community Benefits Team as is recommended by the "Planning for Gold" initiative. This group will play a lead role in developing the area's 2010 strategy. The strategy will identify how Parksville can benefit now and in the future from direct, indirect and related opportunities offered by the Games.

As elaborated upon in the Appendix (Section 10.4), the strategy should include:

- ◆ An analysis of key opportunities.
- ◆ A framework for establishing relationships and networks.
- ◆ Ways to link Parksville's long-term goals with the opportunities offered by 2010.
- ◆ Action plans for building capacity within the community.

This should be a priority item for Parksville to ensure that it is well organized to proactively take advantage of 2010 opportunities as they arise and as programs are introduced.

5. ORGANIZATION OF ECONOMIC DEVELOPMENT

Economic development in Parksville in recent years has been a shared responsibility of the City of Parksville, the Parksville & District Chamber of Commerce, and the Oceanside Tourism Association (OTA). The City provides overall direction for economic development and assigns specific areas of responsibility to the Chamber and OTA in fee-for-service contracts. Within the City, staff-level responsibility for economic development is held by the City Manager, with overall input and direction also provided by the Council member with the Economic Development & Technology Services portfolio. Prior to the last several years, a second staff member shared some of the responsibility for economic development.

This chapter of the report addresses the organization of economic development in Parksville and how it can best be structured to maximize benefits to the community while also taking into consideration the City's fiscal constraints. A broader role for Malaspina University-College in a variety of economic development initiatives is a possibility that will require further discussions with the college and is not expressly recommended here. Decisions made by Parksville City Council on future investment in economic development should also take into consideration the Regional Services Review currently being performed by the Regional District of Nanaimo that includes consideration of regional economic development.

5.1. Economic Development Task List

The first step in assessing the optimal organizational structure is to outline all of the economic development "tasks" that could potentially be undertaken in Parksville. These tasks are organized into three groups - those that are essential for Parksville to serve its existing businesses and visitors (Level I), those that require some additional level of resources and personnel (Level II), and those that require significant additional resources and personnel (Level III). All tasks are valuable, but those further down the list are ranked lower due to their higher cost, lower or more uncertain return, or greater difficulty in execution.

This task list will be useful not only in assessing the optimal division of responsibilities between the City, Chamber and OTA, but will also allow Parksville City Council to make an informed decision on the level of resources they are prepared to commit to economic development. The ordering of the list is not fixed and Council may have different priorities that elevate an item in Level III and drop down an item in Level II, for example.

The task list is based on activities currently undertaken by one of the three parties, proposed strategies arising from the sectoral opportunities discussed in Chapter 4, and other recommended activities and initiatives that are deemed

appropriate for Parksville's current situation. Whether a task is currently being undertaken does not affect its location on any of the three levels.

Level I (Essential tasks)

- ♦ **Maintain economic development website.** A dedicated economic development webpage should be maintained to provide information on Parksville's economic opportunities, key competitive advantages, local community and economic characteristics, development procedures, how to start a business, key contacts, and links to other important information sources.

This webpage can remain part of the existing City of Parksville website but should be made more prominent on the City homepage with a direct link to economic development information. Most of the material that should be amalgamated on the economic development webpage is already in place. Separate industry profiles for Parksville's sectoral opportunities should be developed (based on the information in Chapter 4 of this report). The webpage should also include any other promotional information that is developed (such as the industrial park package and the high technology video). Parksville's key competitive advantages, based on the Strengths section of the SWOT analysis in Chapter 3, should be highlighted on the site. Information on development procedures should also be placed on this webpage, even though it also exists in the planning and building section of the website.

A more prominent economic development webpage is an essential tool in communicating Parksville's advantages and opportunities to potential investors. The internet is increasingly being used by investors to gather information on a community prior to, and often rather than, making personal contact. Communities that do not make information readily available through the internet risk missing potential opportunities.

- ♦ **Respond to business information requests.** Requests for information on Parksville opportunities must be responded to in a timely and effective manner, with valuable information being provided to the inquiring party. Depending on the nature of the inquiry, a package of material can be sent via regular mail or email. Profile and competitive information on the website should be made available in pdf format to facilitate emailing and printing for mailing hard copies.
- ♦ **Maintain community profile.** A general community profile is one of the key pieces of information that must be available for those inquiring about Parksville's economic development opportunities. The existing profile provides much of the necessary information, although in future the site

selection data standards⁴ developed by the International Economic Development Council (IEDC) should be taken into consideration in updating the profile. The provincial government, through the Invest BC initiative and website, has adopted these data standards and uses them as the basis for community profiles on individual communities in the province (including Parksville). Data collected through the Invest BC initiative should be incorporated into Parksville's community profile where appropriate.

- ◆ **Operate visitor information centre.** The Visitor Information Centre (VIC) functions primarily as a source of information for tourists visiting the area, but it also serves a valuable function in disseminating business-related information as well. Due to Parksville's strong reliance on the tourism sector, the continued operation of the VIC is essential.
- ◆ **Maintain tourism website.** Again due to Parksville's reliance on the tourism industry and the nature of the industry itself, a tourism website for the community is essential. The current Oceanside Tourism Association website meets the industry's needs by providing information on events and activities in the community, accommodation and other businesses, maps, travel planners, and related information.
- ◆ **Respond to tourism information requests.** Potential visitors to Parksville who request information on the community must receive information packages in a timely fashion.
- ◆ **Produce basic tourism information/marketing materials.** Several pieces of tourism information and marketing materials are essential. A tourism guide to the area and a tourism map are essential information for visitors and should be included in all information packages, as well as being widely distributed through the Visitor Information Centre and other locations.
- ◆ **Maintain relationships with other organizations engaged in economic development in the region.** Regular liaison with the City of Nanaimo, Town of Qualicum Beach, RD of Nanaimo, and associations like the Vancouver Island Economic Developers Association (VIEDA) is essential. Parksville's economic development strategies should be communicated to the other parties and information on their strategies and initiatives received. Over time, opportunities for collaboration on specific initiatives will emerge.
- ◆ **Conduct annual economic development "summit" or workshop.** An annual event bringing together the business community and interested members of the general public would provide an opportunity to receive feedback on key issues and economic development initiatives. The

⁴ The IEDC site selection data standards have also been endorsed by the Economic Developers Association of Canada (EDAC) and Investment Partnerships Canada. They can be viewed on the IEDC website (www.iedconline.org) in the Resource Centre section.

workshop format allows for dialogue and interaction between people involved in various facets of the local economy and promotes understanding and support of local economic development.

- ◆ **Develop and maintain performance monitoring and benchmarking system.** Success in achieving the goals of the strategy should be tracked.

Level II (Tasks requiring some additional resources)

- ◆ **Produce additional tourism marketing materials.** In addition to the essential tourism guide and map, additional tourism marketing material should be produced to promote events and attractions and tourism sub-sectors like sports and recreation, ecotourism, and the arts. Depending on the subject matter, it may be appropriate for the costs of producing material to be shared with a private sector partner.
- ◆ **Conduct external tourism marketing campaigns.** This item includes advertising, direct mail, or other marketing campaigns. It is not considered essential because the area is already well known as a tourist destination and the website will serve as a key promotional tool independent of other dedicated promotional initiatives.
- ◆ **Maintain/develop promotional material for key economic opportunities.** Promotional material for specific opportunities, such as the industrial park, the civic and technology centre, or key industries should be produced. Some of this is already done, such as the industrial park promotional package and the high-tech CD. Generally speaking, the promotion of economic opportunities should focus more on the provision of key information that translates into a clear business proposition rather than glitzy marketing messages. Emphasizing attributes such as quality of life are clearly less important than information on land costs, labour quality and availability, etc.
- ◆ **Maintain/enhance “shop local” program.** The current shop local program developed by the Parksville Chamber of Commerce, later expanded to include the Qualicum Beach Chamber, should be maintained and enhanced.
- ◆ **Engage in joint projects and initiatives with other organizations engaged in economic development in the region.** Building on the regular liaison with other municipalities and associations described under Level I, actively engage in joint projects and initiatives based on priorities or strategies of mutual interest.
- ◆ **Develop email newsletter on economic development.** An economic development newsletter distributed via email is a cost-effective method of communicating opportunities and relevant news. The newsletter should have a sign-up function on the economic development webpage and it should be promoted in other marketing materials. Newsletter content should include recent news in the community that would be of interest to developers or business investors, and could also include a brief profile of a current sectoral

or development opportunity. The newsletter should be distributed on at least a quarterly basis and preferably on a monthly basis. A good example of an economic development email newsletter is from the Vancouver Economic Development Commission (www.vancouvereconomic.com).

- ♦ **Manage land supply and building activity with respect to economic development.** Ongoing community planning and liaison with the development community should ensure that sufficient land remains available for economic development priorities and that development that does occur will enhance rather than detract from areas like the downtown. Priorities in this area include: (i) maintaining sufficient industrial land supply; (ii) encouraging construction of flex space in industrial and commercial areas; (iii) ensuring continued expansion of the retirement living sector; (iv) encouraging higher-density residential development on the periphery of downtown; (v) encouraging mixed-use development in the downtown core; and (vi) encouraging high-quality accommodation properties on the waterfront, preferably those with convention facilities as well. In meeting these priorities over time, amendments to the Official Community Plan may be required. A potential tool to deal with future shortages of industrial land is to expand the City boundaries to bring in adjacent parcels of land that could be serviced for industrial uses.
- ♦ **Engage in various downtown-related initiatives.** After encouraging the formation of a Downtown Association, work with the association to achieve harmonized operating hours, a consistent design theme, pedestrian linkages to the waterfront, and other measures.
- ♦ **Work with Malaspina University-College in program development.** Ensure that the educational and training needs of the business community and the broader community are effectively communicated to Malaspina to increase the range of course offerings available in Parksville.
- ♦ **Institute and operate Economic Development Advisory Committee.** An Economic Development Advisory Committee should be created with representation from various industries, the general public, the retiree community, and potentially others. The Committee will exist to provide advice and feedback on economic development issues and to help in monitoring the progress of the economic development strategy. Examples of the terms of reference for several other committees in BC communities are included in Appendix 10.6.
- ♦ **Pursue Olympic-related opportunities through committee and workshop.** The creation of a 2010 Community Benefits Team committee and the holding of a community opportunity workshop are the recommended steps to begin to capitalize on Olympic-related opportunities.
- ♦ **Provide support services to Parksville Film Liaison Office.** The Parksville Film Liaison Office (PFLO) is a volunteer organization handling film industry related business in Parksville and operating out of a volunteer's

home. It will not become a full-fledged film commission as Parksville falls under the territory of the Island North Film Commission in Campbell River, but a minimal improvement in the PFLO's operation could be achieved by providing a space for professional meetings and perhaps other basic services like a telephone line. Presumably the meeting space could be provided from current City space at the Civic and Technology Centre. The PFLO webpage, which is currently part of the City website, should also be given a higher profile and a direct link from the City homepage. Other support services like photocopying etc. could also be provided to the PFLO as required.

- ◆ **Business counselling and entrepreneurship program.** Business counselling for new and existing businesses is currently provided through the Chamber of Commerce. The continued provision of this service is important for the creation and success of new businesses in the community. A higher profile for the business counselling services that are available and greater emphasis on fostering entrepreneurship in the community would further enhance the program's benefits.
- ◆ **Produce and distribute directory of construction contractors.** In order to encourage greater use of local construction contractors in local building projects, applicants for development and building permits can be provided with a directory of local firms in all construction trades. This directory can also be used internally for all City construction projects.

Level III (Tasks requiring significant additional resources)

- ◆ **Develop targeted promotional campaigns for selected opportunity sectors.** This type of campaign would occur if the community chose to very strongly pursue a particular economic opportunity. It would require the production of associated promotional material, a targeted marketing campaign to companies in the industry, attendance at industry conferences and trade shows, and potentially other actions.
- ◆ **Prepare articles on local economic development for local papers, newsletters etc.** Articles could include topics directly relating to local economic development issues or to more general economic development principles and ideas. The aim is to increase the community's knowledge and awareness of economic development and the value that it can provide to a community. This item is included in Level III because it is of lesser importance than some other initiatives and because sufficient time may not exist to produce written articles on a regular basis. It is also expected to be more time-consuming than the email newsletter, which could be compiled more easily as shorter pieces of news and information.
- ◆ **Conduct annual survey of business community.** An annual survey would monitor key issues, track feedback on economic development initiatives, measure satisfaction with programs or policies, and address any number of other issues where comprehensive feedback from the business community is

useful. Responses to fixed questions could form part of a performance monitoring system for measuring the effectiveness of the economic development function.

- ♦ **Develop program to engage the retirement community with the business community.** As a well-known retirement destination, Parksville attracts retirees literally from across Canada. Many of these retirees are highly educated with extensive experience in business, academia, and various professions. An opportunity exists, therefore, to take advantage of this store of human capital that is attracted to the community and use it for the betterment of the local economy. Many retirees, particularly younger retirees who have recently left full-time employment, are interested in opportunities to volunteer, to work part-time, or to serve as a mentor for other businesses. A program could be developed that focuses specifically on encouraging retirees to become involved with local businesses and on encouraging local businesses to think of opportunities for retirees to become involved. One possible way to go about this is to invite retirees to become involved with the Chamber of Commerce through a special membership class. A program associated with Malaspina University-College's Elder College is another option.

5.2. Options for Organizing the Economic Development Function

The model used by the City of Parksville to deliver economic development services in recent years has been the municipal EDO model. This model places responsibility for economic development with an individual or department within the municipal government, even if the person with ultimate responsibility for economic development is not a full-time economic development officer (EDO). This has been the case in Parksville in recent years where the EDO role has been filled on a limited basis by the City Manager. Certain functions have been assigned to the Chamber of Commerce and Oceanside Tourism Association and funded through a fee-for-service contract or in the case of the OTA, the 1% accommodation tax.

There are several alternative models for the economic development function. One of these is the assignment of lead responsibility for economic development to the Chamber of Commerce. This approach has been used by some BC communities over time but has generally been less successful than other organizational models. Chambers of Commerce are membership-driven business organizations and are therefore oriented toward the interests of their members rather than the interests of the entire community. Chambers are also more removed from the development process, from planning, and from other municipal functions that are complementary to economic development. Communities that have adopted this model have often moved the economic development function back into the municipality after a period of time. While Chambers of Commerce can perform a valuable supporting role in economic development, and are better suited than a municipal government to undertake

some activities (such as business counselling), this approach is not recommended for Parksville at this time.

Another alternative is the establishment of a separate organization to take responsibility for economic development, such as a non-profit society, an economic development commission, or a development corporation. There are numerous successful examples of this approach in BC. The economic development commission or non-profit society models are successfully used to more fully engage with the business community, which assumes an oversight role through a board of directors. They may also allow for greater financial involvement of the private sector. The Cowichan Region Economic Development Commission and Vancouver Economic Development Commission are examples of the commission model.

These bodies are also commonly used in situations where multiple government jurisdictions wish to pursue economic development together. They jointly fund the organization and provide input into its operation through a board of directors. The Comox Valley Economic Development Society, which is a partnership of the City of Courtenay, Town of Comox, Village of Cumberland, and several electoral areas in the Regional District of Comox-Strathcona, is an example. Another example is Venture Kamloops, which is responsible for economic development for the City of Kamloops as well as the entire Thompson-Nicola Regional District.

Development corporations are the least common organizational form in BC, with the Chilliwack Economic Partners Corporation being the most prominent example. It differs from other models in that it has responsibility for marketing and selling land to investors. This model is far more common in the United States.

Due to the expense involved in establishing an entirely separate organization, the establishment of a non-profit society, economic development commission, or development corporation is not usually justified without a budget of at least several hundred thousand dollars per year. It is therefore not a recommended approach for Parksville at this time.

The other economic development model and the one that is most common in BC is the municipal EDO model. Parksville has already adopted this approach, although to a lesser degree than many other communities. While numerous communities even smaller than Parksville have full-time economic development officers with support staff, the key issue is the value or benefit that the community receives from this investment. Parksville continues to be one of the fastest growing communities in the province and development applications are being received at a record pace.

The issue in Parksville's case is whether the current investment in the community is providing the range and quality of employment that is necessary to attract younger families to the community, and whether the community's tax base can become less reliant on residential properties over time. Many of the strategies and actions proposed in this report are aimed at diversifying the industrial and

business mix of the community to achieve a greater number of high quality jobs and a more diverse and stable tax base.

There are several levels of investment in economic development that must be considered by Parksville City Council.

Option I: Status Quo

This option would maintain the City of Parksville's discretionary budget for economic development at roughly \$25,000 per year (in addition to funding provided to the Chamber of Commerce and OTA). The Economic Development Office role would continue to be filled on a part-time basis by the City Manager or another existing staff person. While not counted as part of the \$25,000 budget, the portion of the City Manager's salary for time spent on economic development should also be considered an economic development expense for the community. The transfer of these duties to a less senior staff person would free up the City Manager to focus on other duties and would reduce the implicit staff expense associated with economic development.

The funding and fee-for-service arrangements with the Chamber of Commerce (\$53,000) and Oceanside Tourism Association (about \$10,000) would remain at roughly the same level, with the possibility of changing some of the responsibilities assigned to those two organizations. The number of economic development "tasks" that could be undertaken would remain at current levels. This includes all of the Level I (essential) tasks and selected Level II tasks, depending on the priorities adopted by City Council.

Option II: Dedicated Part-Time EDO

A new position of dedicated part-time economic development officer would require a sharing of duties between the EDO position and other duties within the City. An EDO who is focused entirely on economic development but who only works part-time is not a workable solution given the irregular and unpredictable time demands of the EDO position. Other responsibilities that might be assumed by a part-time EDO include business licencing, special projects, or administrative support to the City Manager and other senior staff.

The budget requirement for a part-time EDO and associated project expenses might be in the range of \$100,000 to \$125,000. This includes a full salary and benefits cost of about \$75,000, plus associated budget for projects, travel, business development and other expenses consistent with a half-time office (an example of an economic development budget is provided in Appendix 10.7). The City's long-range financial planning currently allows for no staff increases for the next 20 years, so despite the fact that the part-time EDO is expected to assume administrative or other duties with the other half of the available time, the full staff cost is included in the estimate shown here.

The funding and contractual relationship with the Chamber of Commerce and Oceanside Tourism Association would remain broadly similar under this option.

Most if not all of the Level II economic development tasks should be feasible under this arrangement, with spare time and resources dedicated to selected Level III tasks.

Option III: Full-time EDO

This option entails the creation of an entirely new economic development officer position and associated budget in the range of \$125,000 to \$150,000. This budget includes all salary and benefits costs (estimated at \$75,000 to \$80,000), as well as required project and expense budgets. Like in Option II, the full staff cost is included in this option, plus an expanded budget for projects, travel, and other expenses to reflect the full-time economic development operation.

The funding and contractual relationship with the Chamber of Commerce and Oceanside Tourism Association will also remain broadly similar under this option. Sufficient time and resources will be available to undertake all economic development tasks under Levels I, II and III, with additional time and resources available for discretionary projects that emerge over time.

5.3. Funding Options

Current annual expenditures by the City of Parksville on economic development include:

- ◆ \$53,000 to the Chamber of Commerce in a fee-for-service contract
- ◆ approximately \$10,000 from a \$20 levy on each business licence to the Oceanside Tourism Association, also part of a fee-for-service contract
- ◆ about \$25,000 in expenditure by the City of Parksville.

In addition to the approximately \$88,000 listed above, the City flows through the revenue from the 1% hotel tax to the Oceanside Tourism Association. The \$88,000 is roughly equivalent to total business licence revenue per year. After the Chamber and OTA are paid, the City has traditionally used the remaining business licence revenue for its discretionary economic development budget.

Assuming the combined transfer to the Chamber and OTA remains roughly the same, the additional revenue required for Option II, the part-time EDO, is \$75,000-100,000. The additional revenue required for Option III, the full-time EDO, is \$100,000-125,000.

There are two broad alternatives for funding this increase. The first is an increase in business licence fees, which would require an 85% to 115% increase under Option II and a 115% to 145% increase under Option III. One perspective on this issue is that businesses are the biggest beneficiaries of economic development activity and therefore should pay for it. Perhaps a more compelling argument is that economic development is beneficial to the entire community and significantly increasing business licence fees only serves to discourage that which is trying to be created, namely jobs and investment.

The second funding alternative is an increase in property tax rates. This has the effect of spreading the cost of economic development over the entire community, increasing the likelihood that economic development will not be supported by large segments of the business and residential communities. Due to their higher tax rates, business owners end up paying a greater share of the increase than residents under this scenario as well. With a total tax base of \$5.9 million in 2003, the required tax increase would be in the neighbourhood of 1.7% to raise an additional \$100,000 (for Option II) and 2.1% to raise an additional \$125,000 (for Option III).

Other than these two options, the City could choose to reallocate resources away from current budget items toward economic development. Given the difficult fiscal environment of BC municipalities, however, this cannot be done without affecting some other service or program.

Another point to consider with a full-time EDO and possibly a part-time EDO is the potential to take better advantage of funding programs through the federal and provincial governments. In the last five years, the Comox Valley Economic Development Society has leveraged about \$1.5 million from programs (including associated contributions from the private sector and other partners). A number of programs are available, including the new Western Economic Partnership Agreement (WEPA), the Program for Export Market Development – Investment (PEMD-I), the Canadian Agricultural Rural Communities Initiative (CARCI), the Community Economic Adjustment Initiative (CEAI), Coast Sustainability Trust, and the Softwood Industry Community Economic Adjustment Initiative. Funding may also be available on a project basis from Human Resources Development Canada (HRDC) and Western Economic Diversification (WED). While Parksville projects may not be ideal fits for all of these programs, over the long term, there will be programs that Parksville can access to help cover the cost of local economic development initiatives.

5.4. Recommended Approach

Feedback from the community workshop held on October 8 was strongly in favour of Parksville adding an economic development officer. The Chamber of Commerce also expressed the view that having a person in place that is widely acknowledged both inside and outside City Hall as being responsible and accountable for economic development would provide a single source for the coordination of all initiatives and the communication of key economic development information. The current approach of having economic development as one of the many duties of the City Manager is not optimal from any of the party's perspectives.

On the other hand, the work plan arising from the adoption of this strategy is not likely to be sufficient to provide full-time employment for an EDO. Therefore, the recommended approach is for the City of Parksville to create a new position that is a combination of an economic development officer and other duties. The additional revenue required for the economic development portion of this position

is \$75,000-100,000 (assuming the combined transfer to the Chamber of Commerce and OTA remains the same). This is a slightly less onerous financial demand than for a full-time EDO and funding should be found from either an increase in the general tax rate, a reallocation of resources from other programs, or a combined approach that includes a tax increase, a reallocation of resources, or a small increase in business licence fees. Funding the new position entirely through an increase in the business licence fee would be an excessive burden on businesses that are providing what the community is seeking – jobs and investment.

Regardless of the decisions that are ultimately made for the organization of economic development in Parksville, the example of other communities reveals several key principles for success. The first is having a dedicated budget with a multi-year commitment. Economic development is a long-term process with results that are not easily accounted for and not often achieved in the short term. It also must have the full commitment at the political and senior management level. A large part of economic development is convincing the business community and the general public to take risks by going in new and different directions, so political and managerial support is crucial in building community confidence. Finally, economic development is ultimately all about people making decisions. Most of the successful economic developers in BC have been adept at working with people, inspiring confidence, developing and fostering contacts within and outside their communities, and “making things happen”.

The remainder of Chapter 5 provides specific additional comment on the Economic Development Advisory Committee, the Parksville & District Chamber of Commerce, and the Oceanside Tourism Association.

5.5. Economic Development Advisory Committee

The establishment of an Economic Development Advisory Committee (EDAC) was recommended in the current Economic Development Strategy in 2000. The Committee was put in place but for a number of reasons was disbanded.

If City Council chooses to implement either a dedicated part-time or full-time economic development officer position, the re-establishment of the EDAC is recommended. It is a very important tool for the business community and general public to stay connected to the economic development process, to provide feedback and advice, and to monitor the progress of the economic development strategy. It will be successful only if its role is clearly understood by all parties and if its members can see that their input is reflected in actions and policies.

The makeup of the committee should reflect the industrial diversity of the community, while also allowing for input from those not directly involved in business. Having assigned representatives from various associations is not required, but effort should be made to find informal representatives from the tourism industry, the construction and development industry, the retail industry,

high technology, the film industry, home-based businesses, downtown, the industrial park, and the public sector (perhaps education or health). Other sectors can be included as well. A member of the retiree community who is ideally a successful retired businessperson should also be on the committee, as well as one or more at-large members nominated for their ability to make a valuable contribution.

Prospective members should apply to join the committee through a letter to Council expressing their interest and qualifications and Council should make the appointments. Positions on the committee should be advertised on the City website, through the Chamber of Commerce, and through other local associations and newspapers.

Terms of reference for the committee should reflect the type of issues it is expected to address, as well as a code of conduct for members. Examples of economic development committee terms of reference are contained in Appendix 10.6.

5.6. Parksville & District Chamber of Commerce

The City of Parksville should maintain its fee-for-service arrangement with the Chamber of Commerce. The precise areas of responsibility that are assigned to the Chamber and the associated fees paid by the City must be negotiated, but may include the operation of the Visitor Information Centre, handling business information requests, operating a business counselling/entrepreneurship program, and assisting in various other initiatives that require the cooperation of the business community.

The Chamber has concluded based on an internal analysis that the \$53,000 they are receiving from the City is not sufficient to compensate them for the services they are currently required to provide. One possibility to be discussed is whether the Visitor Information Centre (VIC) should continue to be managed by the Chamber or whether it should more logically be under the control of the Oceanside Tourism Association.

This issue can only be resolved through negotiations between the three parties, although the City must keep in mind that the VIC also distributes business information, a function that may not logically carry over to the OTA. There are synergies between the distribution of tourism and business materials as many businesses drop in to the VIC for information and receive ad hoc business counselling at the same time. Given Parksville's popularity as a tourism and retirement destination, exposing visitors to information on the community's economic advantages and business opportunities may help to attract new residents to the area to start businesses.

The strong working relationship between the City and Chamber should be maintained and enhanced to provide even better communication and sharing of information. Outstanding issues regarding the contractual relationship between

the two parties should be resolved through discussion and negotiation by early 2004.

5.7. Oceanside Tourism Association

Similar to the situation with the Chamber of Commerce, the City should maintain its fee-for-service relationship with the OTA. Compared to the Chamber, the OTA has been assigned fewer areas of responsibility due to its narrower focus on tourism and there also remain issues around funding that must be addressed. Again subject to negotiation, the OTA may continue to be assigned responsibility for maintaining a tourism website, developing tourism promotional materials, and implementing tourism marketing programs.

If the area's accommodation properties consent to an increase in the local accommodation tax to 2% in 2004, total funds from this tax flowing through the City to the OTA will exceed \$200,000. While the accommodation owners must agree to a five-year business plan for the use of these funds and therefore have final discretion over how the funds are used, the City and OTA should be able to find agreement on the best use of these funds for the area's tourism industry. The legislation states that "(t)he purposes for which the amount paid to the municipality out of the revenue collected from the tax may be expended are tourism marketing, programs and projects."⁵

The continued \$20 levy on each business licence in Parksville, which contributes around \$10,000 to the OTA budget, should also be discussed, along with the issue of who operates the Visitor Information Centre (if there is any consideration given to a transfer of the VIC away from the Chamber of Commerce).

Finally, both the City and the OTA must commit to maintaining a strong working relationship. This includes regular contact and the two-way flow of information between the two organizations.

Again similar to the Chamber, the outstanding issues between the City and OTA should be resolved through discussion and negotiation by early 2004.

⁵ *Hotel Room Tax Act* 1996, Additional Tax Regulation (City of Parksville, Town of Qualicum Beach).

6. STRATEGIC OBJECTIVES

The 2000 Economic Development Strategy established six strategic objectives for economic development in Parksville. These objectives are consistent with the long-term economic development goals of the community and therefore should remain in place for a long period of time. Nevertheless, the objectives were reviewed as part of the strategy update process and minor wording changes were made to clarify the objectives' meaning.

Parksville's six strategic objectives for economic development are:

1. To pursue and promote economic development in a structured manner.

The execution of the economic development strategy and other economic development initiatives is best undertaken within a well-structured environment with clear delineation of responsibilities and sufficient resources for all partner organizations.

2. To ensure that the policies and programs needed to attract economic development are in place.

Effective policies and programs are required in order to actively attract and retain businesses and to ensure that the community is well-prepared for the requirements or current and future economic growth.

3. To accommodate a diversity of economic activities.

Parksville already has a relatively diverse economy that is not reliant on a single sector for the economic wellbeing of the entire community, yet further diversification, particularly into industries providing high-quality employment opportunities for residents, would provide significant additional benefit to the community.

4. To support and enhance Parksville's downtown and other existing commercial areas.

A healthy commercial sector in Parksville is vital to supporting the tourism and retirement living industries and would reduce the leakage of retail and services spending to Nanaimo, thereby also enhancing the level of services and amenities available for all Parksville residents.

5. To enhance the tourism sector.

Tourism is a cornerstone of the Parksville economy, yet it has significant growth potential in a number of subsectors that can enhance Parksville's year-round attractiveness as a tourist destination.

6. To enhance community well-being through a variety of other economic initiatives.

In addition to strategies covered under the first five objectives, there are a number of more general initiatives that can be undertaken in Parksville that will support a wide variety of industries or otherwise enhance the community's economy.

7. STRATEGIES AND ACTIONS

The strategic action plan outlined in this chapter follows the six strategic objectives discussed in Chapter 6. Under each objective, a series of recommended strategies are listed, with the highest priority strategies appearing first. Each strategy is more fully explained and discussed in either the sector profiles in Chapter 4 or in Chapter 5 on the organization of economic development.

The priority listing of strategies is consistent with the three levels of economic development tasks that were discussed in Chapter 5. The lower priority strategies are likely to be undertaken only if sufficient resources are available.

Other information provided for each strategy includes:

- ◆ One or more accompanying actions. These are the actual steps that are required to carry out the strategy. For strategies with multiple actions, the actions are also listed in priority sequence.
- ◆ The lead role for each strategy. This is the organization or City staff person that should take the lead on implementing the strategy, along with potential partners.
- ◆ The expected results. These are concrete, easily identifiable outcomes of each strategy.
- ◆ The timeline, indicating whether the strategy should be addressed in 2004, 2005, or 2006 (for one-time initiatives). Other strategies are ongoing and should be addressed in multiple years.

7.1. Objective 1: To Pursue and Promote Economic Development in a Structured Manner

STRATEGY	ACTIONS	LEAD ROLE (POTENTIAL PARTNERS)	RESULTS EXPECTED	TIMELINE		
				2004	2005	2006
1. Re-establish a broad-based Economic Development Advisory Committee.	<ul style="list-style-type: none"> ◆ Review and revise Committee Terms of Reference ◆ Council to re-establish Committee and appoint members including sector and community representatives 	City Manager, Council member responsible for economic development	<ul style="list-style-type: none"> ◆ Terms of Reference completed ◆ Committee established with broad representation from business and community 	✓		
2. Enhance City economic development function	<ul style="list-style-type: none"> ◆ Prepare terms of reference for economic development function ◆ Prepare detailed job description ◆ Determine internal organizational arrangements (reporting) ◆ Establish budget 	City Manager	<ul style="list-style-type: none"> ◆ Economic Development Office established ◆ Position filled 	✓		
3. Redefine working relationship with Chamber of Commerce	<ul style="list-style-type: none"> ◆ Clarify roles and responsibilities of Chamber ◆ Re-assess budget ◆ Re-assess reporting structure ◆ Meet on a regularly scheduled basis with Chamber 	City Manager, Economic Development Office	<ul style="list-style-type: none"> ◆ New fee-for-service contract signed 	✓		
4. Redefine working relationship with Oceanside Tourism Association	<ul style="list-style-type: none"> ◆ Clarify roles and responsibilities of OTA ◆ Re-assess budget and funding options ◆ Meet on a regularly scheduled basis with OTA 	City Manager, Economic Development Office	<ul style="list-style-type: none"> ◆ New fee-for-service contract signed 	✓		
5. Strengthen relationships with other jurisdictions and organizations within the region with an interest in economic development.	<ul style="list-style-type: none"> ◆ Jointly meet on regularly scheduled basis with City of Nanaimo, Regional District of Nanaimo, Town of Qualicum Beach, Vancouver Island Economic Developers Association, and other potential partners ◆ Identify common strategies, goals and objectives ◆ Jointly pursue opportunities in areas of common interest 	Economic Development Office	<ul style="list-style-type: none"> ◆ Regular meetings with potential partners ◆ Sharing of resources, expertise and information ◆ Greater joint pursuit of opportunities of common interest 	→	→	→

✓ To be started and completed in designated year

→ On-going

7.2. Objective 2: To Ensure that the Policies and Programs Needed to Attract Economic Development are in Place

STRATEGY	ACTIONS	LEAD ROLE (POTENTIAL PARTNERS)	RESULTS EXPECTED	TIMELINE		
				2004	2005	2006
1. Enhance economic development website	<ul style="list-style-type: none"> ◆ Provide direct link to economic development information from City home page ◆ Develop industry profiles and description of key competitive advantages ◆ Compile industry promotional material, development applications and guidelines, and community profile on the site 	Economic Development Office (Planning, Chamber of Commerce)	<ul style="list-style-type: none"> ◆ Additional material for website completed and compiled ◆ New economic development website launched 	✓		
2. Maintain an appropriate economic development database and community profile	<ul style="list-style-type: none"> ◆ Update and revise current community profile on at least an annual basis ◆ Investigate additional information sources and additional opportunities for distributing data through City and other websites 	Planning Department, Economic Development Office	<ul style="list-style-type: none"> ◆ Profile completed annually and widely distributed ◆ Data available for investment inquiries ◆ Data available for internal plans and policy-making 	→	→	→
3. Raise the profile of economic development in the community.	<ul style="list-style-type: none"> ◆ Host annual economic development “summit” or workshop ◆ Develop email newsletter with sign-up function on City website to communicate economic development news and information ◆ Prepare regular articles on economic development and business topics for local papers ◆ Conduct annual survey of City businesses to determine their needs, potential opportunities, trends and the perceived benefits/performance of the City's economic development function and initiatives 	Economic Development Office (Chamber of Commerce)	<ul style="list-style-type: none"> ◆ Annual economic development workshop held ◆ Email newsletter developed and widely distributed ◆ Regular articles prepared and published ◆ Annual survey developed, implemented, and analyzed 	→	→	→
4. Monitor progress toward meeting strategic objectives	<ul style="list-style-type: none"> ◆ Develop quantitative benchmarks related to strategies and objectives ◆ Monitor benchmarks on an ongoing basis to determine success in fulfilling strategies and objectives 	Economic Development Office (Planning)	<ul style="list-style-type: none"> ◆ Performance monitoring program in place 	→	→	→
5. Ensure OCP and zoning bylaw are appropriate for updated economic development goals, objectives and policies	<ul style="list-style-type: none"> ◆ Identify any required changes to OCP and zoning bylaw 	Planning Department, By-law Enforcement (Economic Development Office)	<ul style="list-style-type: none"> ◆ OCP and zoning bylaw amended as appropriate 	✓		

6. Ensure development review and approval process is efficient and effective	<ul style="list-style-type: none"> ◆ Review timelines and processes 	Planning (Oceanside Development and Construction Association)	<ul style="list-style-type: none"> ◆ Review completed ◆ Changes implemented as required 		✓	
7. Ensure that municipally imposed development costs are fair	<ul style="list-style-type: none"> ◆ Analyze the effects of DCCs and off-site works and services standards on the financial viability of development in selected areas of the City ◆ Analyze the effects on municipal finances of potential changes to the current bylaws 	Planning (Finance, Engineering, Oceanside Development and Construction Association)	<ul style="list-style-type: none"> ◆ Analysis completed ◆ Bylaws amended as required 		✓	

✓ **To be started and completed in designated year**
 → **On-going**

7.3. Objective 3: To Accommodate a Diversity of Economic Activities

STRATEGY	ACTIONS	LEAD ROLE (POTENTIAL PARTNERS)	RESULTS EXPECTED	TIMELINE		
				2004	2005	2006
1. Encourage more industrial businesses to locate in the Parksville area	<ul style="list-style-type: none"> ◆ Maintain current relationship with realtors ◆ Maintain and keep current industrial land promotion package ◆ Broaden promotion to include other industrial areas in Parksville and potentially areas outside the City boundaries (with the cooperation of the Regional District of Nanaimo) 	Economic Development Office	<ul style="list-style-type: none"> ◆ Expanded industrial land promotion package ◆ More industrial businesses in Parksville and area 	→	→	→
2. Encourage science and technology related businesses with an emphasis on nurturing enterprises started locally	<ul style="list-style-type: none"> ◆ Promote telecommunications infrastructure, presence of the Civic and Technology Centre, and other local attributes for science and technology businesses through website, video and other promotional materials (resources permitting) ◆ Facilitate the creation of flex space in industrial park or commercial areas suited to the needs of science and technology firms through various stages of their development ◆ Ensure that business counselling and entrepreneurship program is suitable for new technology businesses 	Planning, Economic Development Office (Chamber of Commerce)	<ul style="list-style-type: none"> ◆ More space developed to suit industry's needs ◆ Creation and retention of more science and technology businesses 	→	→	→
3. Encourage continued growth of construction industry	<ul style="list-style-type: none"> ◆ Produce directory of local construction contractors and provide it to all applicants for building and development permits ◆ Encourage the use of local contractors in City and other public projects in Parksville 	Oceanside Development and Construction Association, Planning (Economic Development Office)	<ul style="list-style-type: none"> ◆ Directory of contractors completed and available for distribution ◆ Continued use of local contractors for City projects 	→	→	→
4. Continue to work with development community to expand retirement living sector	<ul style="list-style-type: none"> ◆ Regularly communicate with the development community regarding new retirement housing ◆ Ensure an adequate range of housing options are available for retirees ◆ Target companies providing all manner of goods and services for retirees 	Planning (Oceanside Development and Construction Association)	<ul style="list-style-type: none"> ◆ Regular meetings held. ◆ Continual influx of new retirees into community ◆ Increase in retiree-related businesses 	→	→	→

5. Continue to encourage and support home-based businesses and small offices	<ul style="list-style-type: none"> ◆ Work to make computer facilities and other business support services more readily available through Malaspina and PCTC ◆ Monitor regulatory issues (eg. zoning, business licensing) affecting home-based businesses and respond to any problems 	Economic Development Office, Planning (Malaspina University-College)	<ul style="list-style-type: none"> ◆ Enhanced local services available for home-based businesses 	→	→	→
6. Continue to promote Parksville and surrounding areas as filming locations	<ul style="list-style-type: none"> ◆ Give film industry a higher profile on City website ◆ Establish terms of reference for Parksville Film Liaison Office (PFLO) ◆ Formalize arrangements with PFLO to provide meeting space and other support services as required ◆ Formalize working relationship between City/PFLO and Island North Film Commission 	City Manager, Economic Development Office, Parksville Film Liaison Office	<ul style="list-style-type: none"> ◆ Higher profile film website launched ◆ PFLO terms of reference finalized ◆ Agreement reached with PFLO for meeting space and other support services ◆ Parksville fully integrated into promotional material of Island North Film Commission, including online location database 	✓		
7. Ensure adequate land supply for future industrial and commercial users	<ul style="list-style-type: none"> ◆ Review the supply of industrial and commercial land ◆ Identify necessary planning or other actions required to ensure sufficient future land supply ◆ Investigate the possibility of incorporating some adjacent lands and servicing them for industrial purposes 	Planning	<ul style="list-style-type: none"> ◆ Review of industrial and commercial land completed ◆ Adequate land supply made available ◆ Decision on incorporating adjacent lands for industrial purposes 		✓	
8. Promote expansion of private sector health and wellness businesses and facilities	<ul style="list-style-type: none"> ◆ Highlight the private sector opportunities in health and wellness in all promotional materials (website, brochures, email newsletters etc.) ◆ Actively pursue health and wellness companies through a targeted investment attraction project 	Economic Development Office	<ul style="list-style-type: none"> ◆ Industry promotional material produced 			✓

✓ To be started and completed in designated year

→ On-going

7.4. Objective 4: To Support and Enhance Parksville's Downtown and Other Existing Commercial Areas

STRATEGY	ACTIONS	LEAD ROLE (POTENTIAL PARTNERS)	RESULTS EXPECTED	TIMELINE		
				2004	2005	2006
1. Encourage formation of a Downtown Association	<ul style="list-style-type: none"> ◆ Chamber of Commerce to lead the formation of an association through a consultation process and development of a business plan addressing the association's organization, financial, and other arrangements 	Chamber of Commerce (Economic Development Office, Malaspina University-College)	<ul style="list-style-type: none"> ◆ Association business plan created ◆ Association formed 	✓		
2. Retain existing and encourage new retail and service businesses to locate in the downtown	<ul style="list-style-type: none"> ◆ Ensure downtown receives special attention from reviews of development process and costs (Objective 2, Strategies 6 and 7) ◆ Continue to develop a shop local program for Parksville ◆ Ensure that downtown representative is appointed to Economic Development Advisory Committee 	Planning, Economic Development Office (Chamber of Commerce, Downtown Association)	<ul style="list-style-type: none"> ◆ Downtown issues incorporated into results of development process and costs reviews ◆ Increased sales for Parksville businesses and reduced spending leakage 	✓		
3. Enhance image of downtown as a strong local service centre	<ul style="list-style-type: none"> ◆ Encourage consistent hours of business in the downtown core ◆ Reduce the area defined as the retail and service commercial core of downtown ◆ Develop consistent design theme for signage and facades ◆ Schedule downtown festivals and other events 	Downtown Association (Planning)	<ul style="list-style-type: none"> ◆ Harmonized operating hours achieved ◆ Cohesive design theme in downtown ◆ Improved local and tourist awareness of businesses in downtown 	→	→	→
4. Enhance connections between downtown and the waterfront	<ul style="list-style-type: none"> ◆ Develop pathways or other linkages to waterfront 	Planning (Engineering)	<ul style="list-style-type: none"> ◆ New physical linkages developed 	→	→	→
5. Encourage multi-family residential development in the periphery of the downtown area and mixed-use development in the downtown core	<ul style="list-style-type: none"> ◆ Approach landowners to determine interest in redevelopment ◆ OCP amended to reflect policy changes 	Planning	<ul style="list-style-type: none"> ◆ OCP amended 		✓	

✓ To be started and completed in designated year

→ On-going

7.5. Objective 5: To Enhance the Tourism Sector

STRATEGY	ACTIONS	LEAD ROLE (POTENTIAL PARTNERS)	RESULTS EXPECTED	TIMELINE		
				2004	2005	2006
1. Ensure that the Visitor Information Centre has appropriate resources for future needs	<ul style="list-style-type: none"> ◆ Negotiate with Chamber of Commerce (and potentially Oceanside Tourism Association) to resolve funding and operational issues ◆ Investigate feasibility of a summer-only Visitor Information Centre location in the downtown area ◆ Investigate feasibility of tourism ambassadors patrolling the downtown and beach areas in the summer 	City Manager, Chamber of Commerce, Oceanside Tourism Association, Economic Development Office	<ul style="list-style-type: none"> ◆ Funding and operational status of Visitor Information Centre secured ◆ Additional options for tourists to access information created (if feasible) 	✓		
2. Pursue expanded sports and recreation tourism	<ul style="list-style-type: none"> ◆ Develop marketing materials and marketing program to capitalize on new arena and curling rink facilities for winter tourism ◆ Communicate with local sports and recreation organizations and support efforts to host sporting events 	Oceanside Tourism Association, Economic Development Office (Curling Club, RDN)	<ul style="list-style-type: none"> ◆ New marketing emphasis on sports and recreation tourism achieved ◆ Greater number of sporting and recreation events taking place 	→	→	→
3. Pursue expanded eco-tourism and adventure tourism	<ul style="list-style-type: none"> ◆ Develop marketing materials and marketing program to target eco-tourists and adventure tourists ◆ Assist in securing the necessary funding and support for the development of the environmental interpretive centre 	Oceanside Tourism Association, Economic Development Office	<ul style="list-style-type: none"> ◆ Marketing emphasis on eco-tourism and adventure tourism achieved 	→	→	→
4. Pursue expanded arts and cultural tourism	<ul style="list-style-type: none"> ◆ Publicize comprehensive calendar of arts and cultural events and attractions in the area ◆ Encourage development of new arts and culture events in the off-season and shoulder seasons 	Oceanside Tourism Association (Oceanside Community Arts Council, Economic Development Office)	<ul style="list-style-type: none"> ◆ Comprehensive calendar of events and attractions completed and distributed ◆ More off-season and shoulder season events 	→	→	→
5. Support development of more visitor accommodation and conference facilities in the City	<ul style="list-style-type: none"> ◆ Target high quality hotel operators by developing a promotional package on local advantages and contacting hotels ◆ Encourage the incorporation of conference facilities into new accommodation properties ◆ Encourage existing operators of conference facilities to cooperate in hosting larger conferences and events 	Economic Development Office (Oceanside Tourism Association, Chamber of Commerce)	<ul style="list-style-type: none"> ◆ More high quality visitor accommodation in Parksville ◆ Increased local capacity for hosting conferences 		→	→

<p>6. Continually monitor tourism trends and markets to identify and capitalize on new opportunities</p>	<ul style="list-style-type: none"> ◆ Continue to monitor and promote increased snowbird tourism, garden tourism, and visiting friends and relatives (VFR) tourism ◆ Monitor other emerging trends and opportunities 	<p>Oceanside Tourism Association</p>	<ul style="list-style-type: none"> ◆ Increased marketing to specific growing niches 	<p>→</p>	<p>→</p>	<p>→</p>
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✓ To be started and completed in designated year

→ On-going

7.6. Objective 6: To Enhance Community Well-being Through a Variety of Other Economic Initiatives

STRATEGY	ACTIONS	LEAD ROLE (POTENTIAL PARTNERS)	RESULTS EXPECTED	TIMELINE		
				2004	2005	2006
1. Work with Malaspina University-College to explore partnership opportunities and to develop programs and services suited to the community's needs	<ul style="list-style-type: none"> ◆ Participate fully in Malaspina forum in early 2004 ◆ Meet regularly with local campus officials to explore opportunities to partner on economic development initiatives (such as training programs for targeted industries or joint promotional initiatives) and to communicate community needs ◆ Encourage the business community to also participate in Malaspina forum and communicate their needs ◆ Assist in the promotion of existing Malaspina programs through the economic development website and email newsletter to ensure full enrollment in local courses 	City Manager, Economic Development Office (Chamber of Commerce)	<ul style="list-style-type: none"> ◆ Full participation in Malaspina forum in 2004 ◆ New joint economic development initiatives ◆ Increased number of courses offered locally 	→	→	→
2. Pursue opportunities arising from the 2010 Olympics	<ul style="list-style-type: none"> ◆ Establish a 2010 Community Benefits Team ◆ Organize a Community Opportunity Workshop ◆ Create and implement a 2010 strategy 	Chamber of Commerce, 2010 Community Benefits Team (Economic Development Office, Oceanside Tourism Association, senior government agencies)	<ul style="list-style-type: none"> ◆ Organization and strategy in place to pursue 2010 opportunities ◆ Effective communication of opportunities to local businesses ◆ Stronger working relationship with senior government agencies 	→	→	→
3. Promote general entrepreneurship in the community	<ul style="list-style-type: none"> ◆ Enhance existing business counselling services through Chamber of Commerce ◆ Promote business counselling services to potential entrepreneurs ◆ Develop entrepreneurship resources and programs through Malaspina University-College 	Chamber of Commerce (Malaspina University-College, Economic Development Office)	<ul style="list-style-type: none"> ◆ Business counselling / entrepreneurship program re-established with higher profile ◆ Entrepreneurship programs available through Malaspina 		✓	
4. Enhance local health care facilities and services	<ul style="list-style-type: none"> ◆ Regularly communicate deficiencies in Parksville services to Vancouver Island Health Authority 	Economic Development Office (Chamber of Commerce)	<ul style="list-style-type: none"> ◆ Regular contact with Vancouver Island Health Authority ◆ Enhanced local health care facilities and services in the long term 	→	→	→
5. Actively engage the retiree community with the business community	<ul style="list-style-type: none"> ◆ Explore opportunities for programs aimed to taking advantage of retirees' skills and experience, including mentoring, part-time work, volunteerism 	Economic Development Office (Chamber of Commerce, Malaspina University-College)	<ul style="list-style-type: none"> ◆ Retiree program implemented 			✓

✓ To be started and completed in designated year

→ On-going

8. BENCHMARKING AND PERFORMANCE MONITORING

The value of an economic development strategic plan cannot be fully realized without some means to determine its effectiveness. A performance monitoring system should therefore be developed to measure progress in achieving the plan's strategic objectives over time.

The development of a performance monitoring system starts with the determination of the key variables that will be tracked over time. These "performance variables" should be related as closely as possible to the objectives and strategies contained in the plan. In some cases, it is possible to directly measure a desired outcome, such as employment figures in a particular industry or the level of hotel occupancy in the community.

In other cases, the variable that is truly of interest cannot be measured so a proxy variable must be used. A good example of this is a community wishing to track the number of potential investors that view an industrial land promotional package. Since this value cannot be directly measured, a proxy value might be the number of downloads of the industrial land promotional package from a website.

The variables that are incorporated into a performance monitoring system can be "big-picture" variables, such as the level of employment or income in a community, or they can be small-scale, directly measurable variables like the number of meetings held with developers in a year or the number of potential entrepreneurs receiving counselling from the Chamber of Commerce. In other cases, the variable is not a numeric value but a yes/no variable, such as whether or not an economic development workshop was held in a given year.

In theory, nearly every strategy and action in an economic development strategic plan can be incorporated into a performance monitoring system. As this would usually require significant effort to track over time, a limited number of variables are usually chosen based on the community's priorities and the ease of measuring a particular variable. More advanced performance monitoring systems may incorporate the chosen variables into a composite index or indices that attempt to provide an overall view of progress at a single glance.

By measuring the performance variables or indices over time, trends will quickly emerge that show which areas of the strategic plan are making progress and which areas require renewed effort or a different approach.

Benchmarking

Benchmarking takes the performance monitoring system a step further by comparing progress not only against the community's own past performance, but also against the performance of similar communities. Benchmarking therefore

provides a very valuable additional degree of insight into the success of an economic development strategic plan. Because cause and effect in economic development is never a sure thing, economic developers cannot be sure if a positive or negative trend is due to local strategies and actions or some other unrelated factor. By tracking the same variables for a selected number of benchmark communities, it is possible to determine if the local community is performing better or worse than other communities in similar situations.

A critical first step in a benchmarking process, therefore, is determining the most appropriate set of comparable communities. They need to share enough common characteristics that it can reasonably be assumed that they would react similarly to overall economic trends. The benchmark communities may be chosen based on their physical location, their population, their dominant industries, or some other factor.

Benchmarking is also more limited than simple performance monitoring in the number of variables that can be tracked. Only those variables that are measured in the same way in all of the benchmark communities can be used, so some of the small-scale performance variables like the number of entrepreneurs receiving counselling cannot be used in a benchmarking exercise.

Examples

Examples of some broad economic variables that could be included in a performance monitoring or benchmarking process include:

- ◆ Employment (in selected industries or overall)
- ◆ Hotel occupancy rates
- ◆ Number of square feet of commercial and industrial floorspace developed or leased
- ◆ Total and per capita retail sales
- ◆ Number, type and value of industrial and commercial building permits issued
- ◆ Number of business licenses issues
- ◆ Number of new businesses licensed
- ◆ Number of business bankruptcies
- ◆ Assessed property values by class
- ◆ Crime rates
- ◆ Population (overall and by age category)
- ◆ Average incomes

Other variables that may be tracked by the Economic Development Office, the Chamber of Commerce, or other local organizations include:

- ◆ Number of visitors to the Visitor Information Centre
- ◆ Number of website hits and downloads of promotional material
- ◆ Number of tourism or business information requests handled
- ◆ Average time to respond to inquiries

- ◆ Percentage of business inquiries that are converted to new businesses or development applications
- ◆ Number of site visits or delegations hosted
- ◆ Completion of projects on budget and on time
- ◆ Level of grant and other non-core funding secured
- ◆ Results of business survey

9. CONCLUSION

Parksville's economic situation has been better than in many other communities in British Columbia in recent years. The community is a well known tourist destination and its high quality of life attracts retirees from throughout Canada. Yet the potential exists for the Parksville economy to perform even better in the future by diversifying into a wider variety of business activities, particularly those that provide high paying jobs to support families.

The strategies recommended in this report address Parksville's best opportunities for expanding its economy in new areas, including construction, high technology, light industry, home-based businesses, and education and health. Enhancing the downtown area is also a key objective, as is the continued success of the tourism and retirement living sectors.

The ultimate success of this strategy and of most of the programs and initiatives it recommends will not be determined by the City of Parksville alone. The Parksville & District Chamber of Commerce and Oceanside Tourism Association are partners in the provision of economic development services in the community, and there are a variety of other business and community groups that have a role to play in the successful execution of many of the strategies and actions.

The City of Parksville must determine the appropriate level of resources to commit to economic development and several alternatives have been presented here. With a greater commitment, a greater number of initiatives can be undertaken in a shorter period of time, but the fiscal constraints faced by all municipal governments require a careful balancing of the costs and benefits of any new expenditure. The City's continued support of economic development will help to sustain the health of the local economy, encourage the creation of a greater number of local jobs, and diversify the local tax base so that community services and amenities will be available for all Parksville residents, now and in the future.

10. APPENDICES

10.1. Workshop Participants

Clayton Baker, Thrifty Foods
 Doug Bamford, strata manager
 Jim Banks, Parksville & District Chamber of Commerce
 Kathy Bishop, Parksville & District Chamber of Commerce
 Hans Boerger, District 69 Historical Society
 Kim Burden, Parksville & District Chamber of Commerce
 Councillor Chris Burger, City of Parksville
 Estelle Chabot, ShoreLine Estates
 Lynda Colbeck, Vancouver Island Regional Library
 Dallas Collis, citizen
 Councillor Fred Demmon, City of Parksville
 Rob Diack, Royal Canadian Mounted Police
 Cheryl Dill, Malaspina University-College
 Peter Drummond, District 69 Housing Society
 Debbie Elderbroom, Gold in the Net
 Perry Elderbroom, Gold in the Net
 Claudio Fantinato, Flix N Pix Video
 Jacquie Fantinato, Flix N Pix Video
 Disa Hale, Oceanside Community Arts Council
 Jackie Hirsch, Tigh-Na-Mara Resort
 Joe Hirsch, Tigh-Na-Mara Resort
 Councillor Barry Johnston, City of Parksville
 Rhona Johnston, student and citizen
 Lori Koop, Parksville Community Centre
 Manley LaFoy, architect and Oceanside Development and Construction
 Association
 York Langerfeld, TD Canada Trust
 Councillor Marc Lefebvre, City of Parksville
 Mayor Randy Longmuir, City of Parksville
 Don Lure, Parksville Community Centre
 Carmen MacLean, Parksville Film Liaison Office
 Lotar Maurer, citizen
 Mike McBride, Oceanside Tourism Association
 Bill McKinney, Ideal Images
 Dianne O'Brien, citizen
 Joan Oliver, Old Age Pensioners
 Aldo Opel, citizen
 Norman Patterson, District 69 Housing Society and Central Builders
 Rita Paul, citizen
 Judy Perkins, citizen
 Bruce Robertson, Quality Foods
 Carolyn Robinson, citizen

Patricia Sibley, District 69 Housing Society
 Hugh Sinnott, Skylite Motel and Parksville & District Chamber of Commerce
 Tera Spyce, student
 Ron Taylor, Blossoms 'N Such
 Tim Tullis, Surfside RV Resort
 Councillor Caroline Waters, City of Parksville
 Neil Watson, Cartier Partners Securities
 Rudi Widdershoven, Re/Max
 Andrea Wilson, Parksville Dance Supplies
 Kevin Wilson, Society of Organized Services, Parksville
 Richard Young, citizen

10.2. Contacts

These contacts include those who provided information in personal meetings, through telephone interviews, or through the working session with City Council and representatives of the Chamber of Commerce and Oceanside Tourism Association.

Nancy Avery, Regional District of Nanaimo, Nanaimo
 Jim Banks, Parksville & District Chamber of Commerce
 Kathy Bishop, Parksville & District Chamber of Commerce
 Councillor Chris Burger, City of Parksville
 Geoff Corbett, Oceanside Tourism Association, Qualicum Beach
 Councillor Fred Demmon, City of Parksville
 Bakh Dhillon, Ministry of Community, Aboriginal and Women's Services, Victoria
 Cheryl Dill, Malaspina University-College, Parksville
 Disa Hale, Oceanside Community Arts Council, Parksville
 Councillor Sandy Herle (responsible for Economic Development & Technology Services portfolio), City of Parksville
 Gayle Jackson, City of Parksville
 Christine Jiggins, Sandcastle Inn and Parksville & District Chamber of Commerce
 Councillor Barry Johnston, City of Parksville
 Manley LaFoy, Oceanside Development and Construction Association
 Councillor Marc Lefebvre, City of Parksville
 Mayor Randy Longmuir, City of Parksville
 Mike McBride, Oceanside Tourism Association
 Joan Miller, Island North Film Commission, Campbell River
 Terri Miller, Oceanside Community Arts Council, Parksville
 Blair Milligan, Highway Four Rentals and Parksville & District Chamber of Commerce
 Esther Pace, Vancouver Island Health Authority, Port Alberni
 Dave Petryk, Tourism Vancouver Island, Nanaimo
 Carrie Powell-Davidson, Parksville Film Liaison Office
 Rob Roycroft, City of Parksville
 Hugh Sinnott, Skylite Motel and Parksville & District Chamber of Commerce
 Bruce Tunstall, Vancouver Island Railway Society, Nanaimo

Councillor Caroline Waters, City of Parksville
 John Watson, Comox Valley Economic Development Society, Courtenay
 Rudi Widdershoven, Re/Max and Parksville & District Chamber of Commerce

10.3. Information Sources

BC Stats (December 2001), *Defining the British Columbia High Technology Sector Using NAICS*.

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City of Parksville (2002), Official Community Plan Bylaw No. 1370.

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City of Parksville (March 6, 2003), *Economic Strategic Directions and Actions: Status as of March 6, 2003*.

City of Parksville (August 2003), *2002-2003 Community Profile*.

City of Parksville (undated), Parksville Industrial Park information package.

City of Parksville Task Force for the Development of a Cultural Strategy (September 29, 2002), Memo to Mayor and Council.

Coriolis Consulting Corp. (September 2003), *Do Development Cost Charges Encourage Smart Growth and High Performance Building Design? – An Evaluation of Development Cost Charge Practices in British Columbia*, prepared for West Coast Environmental Law.

Economic Planning Group of Canada and Lanarc Consultants Ltd. (April 2003), *An Environmental Interpretive Centre for the Parksville-Qualicum and Surrounding Area: Pre-feasibility Study*, prepared for Interpretive Centre Committee.

Harris Hudema Consulting Group and Eric Vance & Associates (November 1999), *City of Parksville Community Economic Development Strategy*.

Urban Systems (June 2000), *Downtown Waterfront Policy Recommendations*, prepared for City of Parksville.

Vann Struth Consulting Group and Eric Vance & Associates (September 2003), *Regional Economic Analysis: Vancouver Island/Coast Economic Region*, prepared for Vancouver Island Economic Developers Association.

10.4. Planning for Gold – Creating a 2010 Strategy

Analyze opportunities - and act on them

The opportunities are there - it's simply a matter of identifying and pursuing them. Here are a few ideas to get you started:

- Identify local product or business opportunities, and create local events or celebrations to profile them.
- Develop media packages, respond to Calls for Content for BC promotional videos and create ways to be discovered at the Games.
- Participate in trade shows, missions and tours to promote your community and its offerings.

Establish relationships and networks

Working closely with various levels of government, other communities and business organizations can help you meet your goals. Your community can:

- Invite Tourism BC executives to help you with detailed tourism planning.
- Develop partnerships with other communities in your area - for example, communities located along Highway 22 could create an "Olympic 22 Corridor."
- Work with local or regional economic development officers.
- Form alliances with product and service providers.
- Develop relationships with Olympic partners, sponsors and licensees.
- Use government entrepreneurial and training programs to develop the skill sets your citizens need to benefit from Olympic-related opportunities.

Link your community's goals with 2010

What can you do to maximize the potential areas of overlap between your community's goals and the 2010 Winter Games? Here are just a few ideas:

- Capitalize on pre-training visits by national teams to BC and Canada.
- Analyze your community's potential for hosting Olympic pre-training camps.
- Match what your community can offer to the needs of various Olympic countries
- Create new facilities - or improve existing ones - to meet winter sport training needs.
- Pursue relationships with Olympic "sister countries."
- Get sports, youth and educational leaders involved in planning.

Build on your greatest strength - your people

Does your community have the labour skills to make the most of the opportunities offered by the 2010 Games? Now is the time to:

- Identify the labour skills your community will need and assess any gaps in skill requirements.
- Train local residents and employees to build capacity.
- Take advantage of entrepreneurial and training programs.
- Develop a volunteer training program and create events to expand the skill sets and experience of volunteers in your community.
- Use community educational facilities to train local residents.

Source: <http://www.smallbusinessbc.ca/2010/>

10.5. Evaluation of the Effects on Project Viability of Municipally Imposed Development Costs – Example Template for Financial Analysis

Key Assumptions	Base Case	%	Reduced Development Costs	%
TIMING				
Hold, Build, Sell / Lease				
PURCHASE COSTS				
Land				
Purchase Tax				
Legal				
Total				
HARD COSTS				
Building				
Parking				
Contingency				
Total				
SOFT COSTS				
Design / Construction Fees				
Building Architecture and Engineering				
Land Survey				
Strata Survey				
Soil test / Geotechnical				
Total				
Fees and Charges				
Building / Development Permit Fees				
Rezoning Fees				
DCCs				
School Site Acquisition Charge				
Off-Site Works & Services				
Strata and Misc. Fees				
Property Taxes				
Total				
Warranty				
Total				
Legal				
Strata Incorporation				
Unit Sales				
Total				
Other				
Project Management				
Insurance				
Total				
Contingency				
Total				
Financing				
Draw Inspections				
Appraisal				
Initial Fee				
Discharge Fee				
Interest – Land				
Interest - Building				
Total				
Total Soft Costs				
Total				
TOTAL PROJECT COSTS				
Total				
REVENUE				
Sales / Lease Price				
Less Realtor / Other Fees				
Total - Net				
PROFIT / RETURN				
Profit				
Return on Equity				
Return on Costs				

Source: Eric Vance & Associates

10.6. Economic Development Advisory Committee – Examples of Terms of Reference

City of Coquitlam – Economic & Business Development Standing Committee

The Committee's mandate is to review and make recommendations to Council with respect to policy formulation and decision making related to achieving the City's Strategic Goal to "support a business friendly community to leverage assets, attract diverse business interests and promote balanced living", the accompanying strategic directions and as identified in the Business Plan and resourced in the Financial Plan:

- ◆ A well managed transit and transportation system, including:
 - ➔ Implementation of the City's Strategic Transportation Plan related to the City's employment areas
 - ➔ Traffic system operations and management matters related to the City's employment areas
 - ➔ Promotion and pursuit of alternative transportation modes
 - ➔ Exploring and recommending inter-municipal and inter-governmental opportunities for improved transportation and transit services

- ◆ Diverse employment and business, including :
 - ➔ Preparation and implementation of Official Community Plan and neighbourhood plan policies related to the City's employment and business sector
 - ➔ Review of applications for development and regulatory mechanisms to manage commercial and industrial development including Zoning Bylaw amendments and rezonings, development permits and development variance permits
 - ➔ Preparation and implementation of infrastructure management plans to support the City's employment areas.

- ◆ A responsible and involved business community, including :
 - ➔ Promoting and encouraging responsible business practices
 - ➔ Liaison with other levels of government and the business community regarding economic development issues.

- ◆ Balanced living, including :
 - ➔ Preparation and implementation of Official Community Plan and neighbourhood plans that accommodate living, working, shopping and leisure pursuits closer to home

- ◆ Convenient and innovative business services, including:
 - ➔ Provision of innovative business support services
 - ➔ Encouraging partnerships within the local business sector
 - ➔ Leveraging funding and support from other levels of government

- ◆ A business friendly community including :
 - ➔ Implementation of the City's Economic Development Strategy/Action Plan
 - ➔ Periodic review and where appropriate, program and operational changes to improve efficient and effective customer service
 - ➔ Fostering a positive business environment for tourism and growth

The Standing Committee will establish an action plan for the Economic & Business Development Advisory Committee for consideration by Council.

Town of Ladysmith – Economic Development

Responsible to plan and/or facilitate development of industry and commercial enterprises on town held land (including waterfront, water leases, proposed Peerless Road Joint industrial site) and private lands and private water leased in order to expand the tax base and create employment.

District of Maple Ridge – Economic Advisory Commission **(excerpts of by-law)**

WHEREAS Council has deemed it expedient to have the Economic Advisory Commission established by by-law;

NOW THEREFORE the Municipal Council of the Corporation of the District of Maple Ridge, in open meeting assembled, ENACTS AS FOLLOWS:

3. The Economic Advisory Commission ("EAC") is comprised of nine Commissioners.
4. The Commissioners are appointed by Council and are people who reside or work in Maple Ridge, with an interest in the various business, educational and industrial sectors in Maple Ridge.
5. The position of Commissioner will be advertised annually in a local paper, listing the following sectors and asking interested persons to respond by stating their background and their first three choices of which sector they would like to represent on the EAC :
 - a. health services;
 - b. natural resources;
 - c. government relations;
 - d. industrial and commercial development;
 - e. residential development and construction;
 - f. retail, marketing and home occupation;
 - g. transportation;
 - h. tourism; and
 - i. community-at-large.

6. Applicants will be interviewed by Council and a ballot will be prepared where each member of Council votes for his/her choice for each sector representative. The applicant with the most votes from Council for a sector becomes the Commissioner who represents that sector for one term.
7. Other people who may attend EAC meetings, to provide opinions, advice or information or other services to the EAC, but who are not Commissioners, are:
 - a. the Mayor;
 - b. a Councillor appointed annually by the Mayor as Council's representative to the EAC;
 - c. a representative from the education community, the Canada Employment Centre and the Maple Ridge Chamber of Commerce;
 - d. the Chief Administrative Officer or his/her designate;
 - e. the Director of Community and Business Relations; and
 - f. District staff from the Community and Business Relations Department.
14. The EAC will meet monthly between September through June, though special meetings over and above the monthly meeting may be called by the chairperson.
15. The EAC is an advisory body to Council on matters relating to the economic well-being of Maple Ridge and may make recommendations to Council relating to the economic development of the District.

City of Port Moody – Economic, Tourism and Arts Development

Committee Purpose

To provide Council with advice and recommendations on strategic economic, tourism and arts development directions and related matters within the terms of the Council Committee System Policy.

Duties

The Committee will provide advice and recommendations in the following areas:

- ◆ short, medium and long-term goals and objectives for economic, tourism and arts development in the community;
- ◆ regional and national economic trends affecting the City as well as the City's strengths, weaknesses and threats from a competitive and comparative perspective;
- ◆ opportunities for strengthening the City's business and tax base including marketing and partnership initiatives;

- ♦ job creation and retention in the community;
- ♦ participation from relevant business and community stakeholders including other City committees;
- ♦ and may identify other areas for approval by Council.

Review and advise Council on other matters referred by Council.

The Committee may hear and consider representations by any individual, organization or delegation on matters referred to it from Council.

Membership

In addition to the Council liaison, the Committee will be comprised of up to 17 members, appointed pursuant to the Council Committee system policy, one of which will be a member appointed by the Chamber of Commerce.

Operations of the Committee

Meeting Schedule

The Committee will, at their organizational meeting each year, determine their meeting dates, time and location and shall meet at minimum twice per year.

Rules of Procedure

Meetings shall be conducted in accordance with the rules of procedure set out in the Council Procedure Bylaw and Committee System Policy.

10.7. Sample Economic Development Budget (District of Squamish, 2004)

The overall size of the Squamish economic development budget is larger than any of the options considered for Parksville, but it nevertheless shows the line items and distribution of expenses within a typical economic development budget in British Columbia.

Item	2004 Budget	%
Marketing, Promotion, Attraction, Business Development	\$50,000	19.3
Salaries, Benefits	\$145,000	55.9
Travel, Meetings, Conferences, Events	\$25,000	9.6
Training, Professional Development	\$6,000	2.3
Telephone, Communications	\$5,600	2.2
Professional Fees (general)	\$5,000	1.9
Professional Memberships, Subscriptions	\$3,500	1.3
Office Supplies & Equipment	\$8,000	3.1
Special Materials and Printing	\$6,500	2.5
Other, Miscellaneous	\$5,000	1.9
Total	\$259,600	100.0

Source: District of Squamish

In addition to the core operations outlined here, the District also contributes to a number of special projects and initiatives that also receive at least partial funding from senior government grants and other sources.