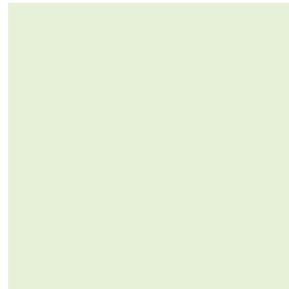


Economic Development Plan District of Fort St. James April 2015

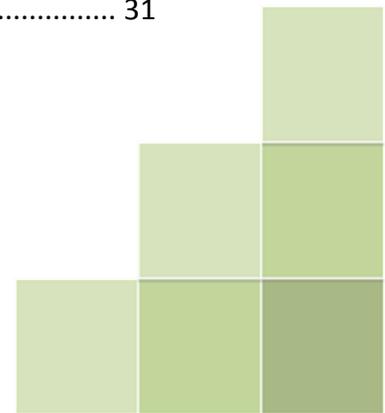


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Table of Contents

Acknowledgements.....	1
Introduction	3
The Process	6
Community Profile	8
Community Assets.....	12
Challenges	14
Strategy for Moving Forward	15
Establishing and strengthening community-industry relationships	15
Raising awareness about product and service needs and opportunities	18
Building capacity within the local business community	19
Forging partnerships and building synergies within the local and regional business community and First Nations	20
Exploring different avenues and mechanisms for small business financing	21
Action Plan	23
Appendix A: Community Profile.....	26
Appendix B: Workshop Summary	27
Appendix C: Economic Action Team	31





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Clare Mochrie, Marleen Morris, and Greg Halseth

April 2015

Accessing This Report

The reports from this project may be accessed through the Community Development Institute's website at: <http://www.unbc.ca/community-development-institute/research-projects>.

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Introduction

Fort St. James is home to a proud and resilient community. One of the oldest settlements in British Columbia, the people of Fort St. James have a strong and rich sense of history and culture. Originally inhabited by the Dakelh First Nations, the town is now located adjacent to the Nak'azdli First Nations Reserve. Situated on the shores of Stuart Lake, it is a gateway to a chain of waterways and encompassed within spectacular terrain that provides year round recreational opportunities. They are also fortunate to have excellent educational and training facilities, including a local post-secondary campus.

Fort St. James has established a solid resource-based, yet relatively diverse economy grounded in the industries of forestry, mining, agriculture, tourism, and bio energy. Surrounded by industrial activity, the town enjoys high rates of employment and through traffic.

Business is strong, people have jobs, and the residents of Fort St. James love where they live. There is, therefore, no urgent impetus for change or development. However, the District of Fort St. James – and the Fort St. James business community – are looking ahead.

This Project

This project was initiated by the District of Fort St. James with a view to identifying opportunities around which to build capacity and diversify the economy.

The District approached the Community Development Institute (CDI) at the University of Northern British Columbia to assist them establishing the building blocks of an economic development strategy. As with any successful plan, it was crucial that these building blocks come from and be grounded in the community: the men, women, organizations, local businesses, and industry that form the basis of existing economy. The process that was designed, therefore, sought to engage the key stakeholders, for both the course of this project and for the longer term.

Economic development is a slow and incremental process, made successful through a robust plan and the involvement of a committed core of individuals. For Fort St. James, this project was the launch of that process.

The group that was established and the outcomes achieved provide the foundation and next steps upon which to build the community capacity for economic development. While this process was carried out between May and December 2014, it equipped the community with an action plan that will take them through the better part of the next 18-24 months.

Both the process and outcomes are summarized in this report. While providing an account of what was done over the past year, it more importantly is intended to serve as a guide to the District and its Economic Action Team as they move forward and achieve their vision of a robust, diverse, and sustainable local economy.



The Process

This project was comprised of three main phases:

- Background research and the development of a community profile.
- A workshop with the broader community to identify assets and challenges in developing and diversifying the local economy.
- The formation of an Economic Action Team – and three working sessions to develop a strategy for building capacity.

Background Research

Fort St. James has been discussing economic development for a number of years through a variety of different initiatives. It was, therefore, important that the ideas and outcomes of these previous undertakings and conversations were not lost but rather woven into the current process.

This project therefore began with a review of existing reports and documentation, including:

- Fort St. James Community Visioning Workshop – Actions Summary (2013).
- Fort St. James Investment Ready Profile (2012).
- Economic Development Report (2011).
- District of Fort St. James Integrated Community Sustainability Plan (2009).
- Fort St. James Growth Opportunities Marketing Plan (2009).

Community Workshop

The community facts and ideas gained from this review of documents comprised the starting point for a workshop convened with key community and business stakeholders to discuss strengths and opportunities for developing and diversifying the local economy.

Community assets and challenges were discussed in relation to four main categories: community (human), economy, physical, and social. (See Appendix A for a summary of discussions.)

An Economic Action Team was then formed to explore strategies for capitalizing upon the different community strengths identified in the workshop.

The Economic Action Team was comprised of business and community leaders from Fort St. James, Nak'azdli First Nation, and the region. Representatives from all of the main industry players active in the region were invited. There were also three members of the District Council.

The Economic Action Team met three times over the course of two months. The results of their deliberations are contained in the following sections.



Community Profile

One of the oldest communities in British Columbia, Fort St. James has experienced several significant population swings in connection with up and downturns in the economy.

As of 2014, the community had a population of 1,808. As with many small towns in the region, this is a smaller community than in the mid-1980s and 1990s; however, unlike many northern districts, Fort St. James saw 29% growth in its population between 2006 and 2011 and has since continued to grow at an average rate of 1.5% per year.¹

This growth can be attributed to the wealth of industrial and economic opportunities in the region, as well as the high quality of life that Fort St. James has to offer. Contingent on the pace of industry development in the region, there is the potential for this annual rate of growth to pick up to 3.5%.

The population in Fort St. James is considerably younger than average, with close to a third (30.4%) under 20 years of age, including 22.7% under 15.

¹ BC Stats. (2014) "British Columbia Regional District and Municipal Population Estimates". BC Stats. Demographic Analysis Section. Ministry of Technology, Innovation and Citizens' Services. Government of BC.

Education

As of 2011, four out of ten (43%) residents between the ages of 25 and 65 in Fort St. James held some form of post-secondary training, degree, or certification: 15% had apprenticeships or trade certificates and 25% had either a college diploma or university degree. The proportion of university degrees or diplomas was slightly above the regional average of 15%; however, on the opposite end of the spectrum, 24% had no certificate, diploma, or degree as compared to 19% in the region and 10% provincially.

While this educational profile is below average, Fort St. James is fortunate to have a strong college presence in town and excellent educational facilities. As such, economic prospects that involve training opportunities might be a good fit for the community. Given that over a third of the population holds the equivalent of a high school certificate, the ongoing prevalence of lower skilled jobs, with the opportunity for on-the-job training or upgrading should also be priority.

As of 2011, the most common form of education and training was in the field of engineering, architecture, and related technologies (13%). This was followed by business, management, and public administration (8%), education (5%), health and transportation, protective, and personal services (both 4%).

Employment and Industry

As of 2011, the labour participation rate in Fort St. James was 64.7% and unemployment rate was 11%. These Census figures were on par with provincial averages. However, between 2012 and 2014, the Nechako-North Coast Development Region has experienced a 27% drop in its unemployment rate from 11% to 8%. The most recent 2015 figures for the region have unemployment rates hovering between 4.7% and 5.8%. Further, labour force projections for the region predict participation rates to rise from 61.5% in 2014 to 63.3% by 2017.²

Employment in Fort St. James is relatively well distributed across a diversity of sectors. As of 2011, manufacturing was the largest employer, responsible for employing just over a quarter (27%) of the labour force. Retail trade was the second largest employer accounting for 16% of the labour force, followed by agriculture and public administration (both 8%).

These sectors have been the primary employers in Fort St. James through history. However, between 2006 and 2011, the community saw some important shifts in its economy that saw the number employed in both manufacturing and agriculture/forestry drop by half. The number employed in education dropped by 30; and 25 jobs were shed in health and arts, entertainment, and recreation. Meanwhile, numbers employed in construction quadrupled (from 10 to 50) and the retail sector added 10 jobs.

² Statistics Canada, Labour Force Survey, Custom Tabulation. Prepared by BC Stats, March 2015.

The sectors which exhibited growth are typically characterized by lower skill requirements and lower wages. While these jobs will be important employment prospects for the lower educated population in Fort St. James, it will also be important to replace the higher paying jobs shed from the manufacturing and agriculture/forestry sectors.

A number of industries hold promise in Fort St. James. Mount Milligan Mine, located just 90 minutes from Fort St. James, has a labour contingent of 400 workers (over 60% of which are estimated to be hired from communities in the region), not including contractors and ancillary services. The opening of a new biomass plant in the region signals a possibility for growth in the area of bioenergy and ancillary services. In addition, the town is seeing growing numbers of people passing through.



Community Assets

Both the facts and discussions in the community underscored the wealth of opportunity that is before Fort St. James. Indicative of its situation, the community presently enjoys high rates of employment. In addition, Fort St. James has a number of assets that represent potential points of leverage for developing and diversifying its economy. These include:

- High rates of through traffic in connection the extensive industrial development in the region.
- Established industries such as mining and forestry, as well as emerging industries such as the biomass plant that offer high paying employment, as well as opportunities for environmental monitoring and other value-added/ancillary services and businesses.
- A growing base of agricultural and unique food product operations, as well as a growing farmers' market.
- An annual base of 10,000 tourists who come to Fort St. James in connection with the National Heritage Site, as well as several established yearly events (i.e. Music on the Mountain, Caledonia Classic/WinterFest).
- Campers to the area that have logged on average 1,700 and 2,000 individual camping nights per year respectively at Paarens Beach and Sowchea Bay campsites.

- A solid base of committed community residents and strong connections with other communities in the region.
- A rich First Nations history and culture.
- A history of collaboration among small businesses working together and sharing space.
- An ideal setting for various outdoor sports and recreation activities – with the potential to grow the base of 10,000 tourists who visit the National Heritage Site in Fort St. James on an annual basis.



Challenges

Notwithstanding its diversity of strengths, the Economic Action Team felt that the community often falls short in promoting its strengths, capitalizing upon its assets, and positioning its businesses to avail of opportunities in related fields.

The Team discussed there being a general complacency with how things are from an economic perspective in Fort St. James. There is also a critical need for better understanding with respect to the precise nature of current and future business opportunities in association with regional industrial development.

While there was an acknowledgement of the need to have a plan and vision for the local economy, Fort St. James has neither the need nor appetite for transformative economic change. It was decided that, at this time, a strategy structured around smaller, local initiatives would find the most support with the community. The strategy that follows was developed around this vision of economic development.



Strategy for Moving Forward

The strategy developed by the Economic Action Plan is focused around five main components:

- Establishing/strengthening community-industry relationships.
- Raising awareness about product and service needs and opportunities.
- Building capacity within the local business community.
- Forging partnerships and building synergies within the local and regional business community and First Nations.
- Exploring different avenues and mechanisms for small business financing.

Each one of these components, their objectives and potential first steps is explained in more detail below.

Establishing and strengthening community-industry relationships

Despite being surrounded by increasing industrial activity and development, the Economic Action Team felt that local businesses are availing of only a fraction of the potential economic spin-offs and sourcing opportunities created by these developments. Opportunities are being missed largely as a result of local businesses not knowing what product and service demands exist. Similarly, in many cases, the industry players are unaware of what Fort St. James has to offer.

In many cases, communities wait for and expect industries to come to them to solicit services. However, another more proactive approach that has proven successful is for communities to go to industry. The nurturing of social capital between industry and local business – and the demonstrated openness to partnerships has shown to be critical in positioning a community to maximize the benefits of industrial development.

Building on this promising practice, the first component of the strategy is a proactive one, focused on establishing and strengthening relationships with local industry.

The objectives are to:

- Establish a human connection with key industry players in the region.
- Exhibit an interest in doing business with industry.
- Profile what the local business community of Fort St. James has to offer.
- Gain a full picture of industry’s product and service needs currently and in the future.
- Better understand the processes and timelines for procuring goods and services.
- Explore potential value added opportunities associated with industrial development in the region.

This outreach to industry will be implemented through a partnership between the District of Fort St. James, the Chamber of Commerce, the Economic Action Team, and the broader business community. It will involve:

- A series of meetings with each of the key industry players in the region – to be attended by a member of the business community and a representative from the District.
- The development of a pamphlet and other materials promoting the economic strengths and competitive advantages of Fort St. James.
- The development of key speaking points and questions to guide the meetings.
- The development of a set of questions/survey to solicit information about the company sourcing and procurement processes, and current and future product and service needs.

These components are outlined in more detail in the Next Steps chapter of this report.

Raising awareness about product and service needs and opportunities

After having established relationships with various industry players and obtained information about their current and future product and service demands, the next step will be to raise awareness about these opportunities among the local business community.

The objectives are to:

- Alert existing local businesses to current and future product and service demands, as well as potential value-added opportunities.
- Use the knowledge of potential opportunities to inspire new local entrepreneurial endeavors.

The Fort St. James Chamber of Commerce will play a key role in reaching out to local businesses with this knowledge. In partnership with the District Economic Development Office and/or industry, this component might involve:

- An opportunities fair with local business.
- Individual meetings with prospective businesses/franchises that align with industry product and service needs.
- Working with interested stakeholders (businesses and funders) to explore ways of reducing the risks associated with start-ups and business expansions.

Building capacity within the local business community

In many cases, smaller communities such as Fort St. James are challenged in responding to the size and timing of large industry product and service demands. Demands often exceed the capacity of local businesses working on their own. Smaller operators are often also unfamiliar with the procurement processes of large industry suppliers.

In light of this reality, this third component of the strategy involves building capacity within the local business community to respond and be successful in securing bids to supply larger industry clients.

The objectives are to:

- Build and hone the skills set of local businesses and in specific areas (i.e. mechanics, trades, etc.) to align with the current and future opportunities.
- Enhance local business knowledge with respect to marketing and business development, entrepreneurship, and succession planning.
- Strengthen the acumen of local business in relation to procurement processes.

The Regional District of Bulkey Nechako, Northern Development Initiative Trust, Community Futures, College of New Caledonia and Initiatives Prince George are all key potential partners in this component of the strategy. Working together, some initiatives to be developed under this component could include:

- Training and mentoring programs in specific occupational areas.
- Small business training in business development, entrepreneurship, succession planning.
- Industry-sponsored/led procurement boot-camps with local businesses.

Forging partnerships and building synergies within the local and regional business community and First Nations

A key component of building capacity within the local business community will involve establishing and strengthening partnerships among local businesses, both within Fort St. James and regionally.

It is difficult for smaller entrepreneurs to obtain tenders for large industrial supply, maintenance, and service contracts due to the small scale of their operations, as well as their limited access to capital, skills, infrastructure, and equipment. However, there are a growing number of examples of businesses working together and forming conglomerates so as to scale up their capacity and function at a scale that enables them to win business contracts with industry. There are also a number of co-ventures with First Nations that have been highly successful. These are all options for Fort St. James businesses and this strategy will lay the groundwork for those synergies and partnerships to emerge.

The objectives are to:

- Increase awareness within the business community about the potential advantage of partnership/collaborative approaches.
- Strengthen linkages between local entrepreneurs and build their understanding about the strengths and competitive advantages of other operators.

The Chamber of Commerce, Community Futures and Nak'azdli First Nation are all key potential partners in this component of the strategy.

Working together, some initiatives that might be explored include:

- Training and mentoring in collaborative business models: how and when to establish collaborative enterprises and how they operate, for example.
- Members of the Economic Action Team working to facilitate potential partnerships between local entrepreneurs.
- Exploring methods and mechanisms by which to incite partnerships.
- Establishing a platform for local entrepreneurs and individual operators/tradespeople to come together and explore possible synergies.

Exploring different avenues and mechanisms for small business financing

One of the key obstacles to establishing and growing a small business is obtaining financing. In some cases, this is working capital; in others it is funding necessary to support an expansion into new markets, investments in technology, or the costs of purchasing equipment.

While the majority of business owners seek financing through banking institutions, a host of funding resources are also available to small businesses from both the provincial and federal levels of government. Connecting and familiarizing local entrepreneurs with available funding programs and supports will provide options for small companies facing financing barriers to achieving growth and prosperity.

The objectives are to:

- Build awareness within the local business community, including potential and budding entrepreneurs about funding available to finance all stages of business start-up, development, and growth.
- Empower local businesses with information and connections to help them grow and develop.
- Community Futures Stuart Nechako, Northern Development Initiative Trust, BC Ministry of Aboriginal Relations and Reconciliation are all potential partners in this component of the strategy.

Working together, initiatives to be potentially pursued under this component include:

- Workshops on small business financing for local entrepreneurs.
- The continued contract of a grant writer (funded in part by the NDIT Grant Writing Support Program or other such program) to expanding this program to provide support to local entrepreneurs and First Nations to apply and receive small business financing.



Action Plan

The development and diversification of a community's local economy development is a slow and iterative process. As such, the different components of the strategy outlined in this report aimed at honing the community's knowledge and capacity for strategic and sustainable economic development will guide a series of initiatives over the next one to three years. While a detailed work plan for the implementation of this strategy has yet to be developed, the Economic Action Team did identify a series of key next steps to kick off the strategy and be implemented over the next six months. These are outlined below.

Engage the business community and grow the team.

- Work with the Chamber of Commerce to communicate the strategy to local businesses and solicit their engagement in an outreach strategy with industry.

Engage and communicate the strategy to the not-for-profit sector.

- While absent from the Economic Action Team discussions, it was noted that this sector is an important asset of the local economy and has much to contribute to economic development activities moving forward.

Compile a list of key industry stakeholders in the region to target with outreach activities.

- The Economic Action Team and Economic Development Officer will work together to devise a list.

Organize in-person meetings with each industry/business player identified.

- Arrange to have one representative from the District and one relevant local business champion/member of the Economic Action Team at each meeting.
- Establish a plan for compiling/reporting back on the information gained from the meetings.
- Brief those attending the meetings on the questions/information to be gathered and establish expectations around keeping notes/reporting back on information obtained.

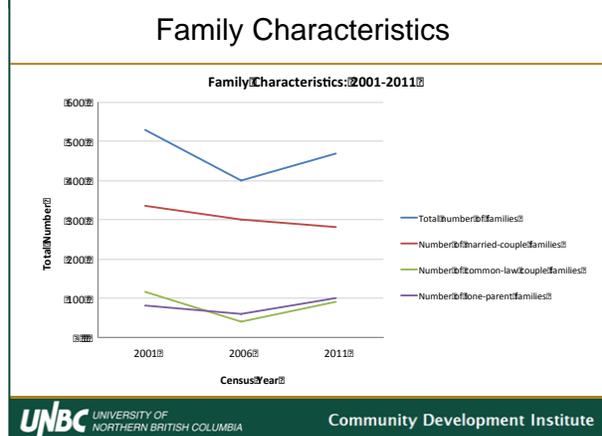
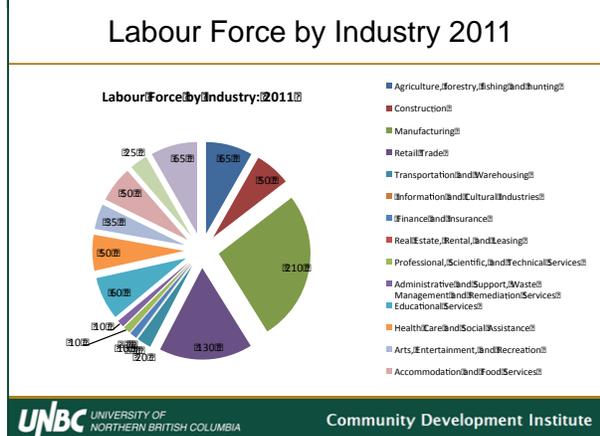
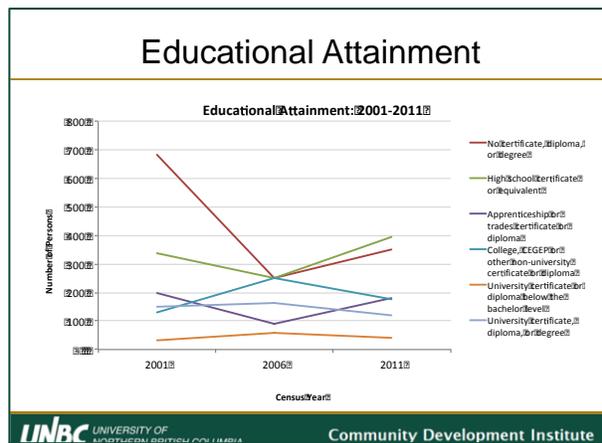
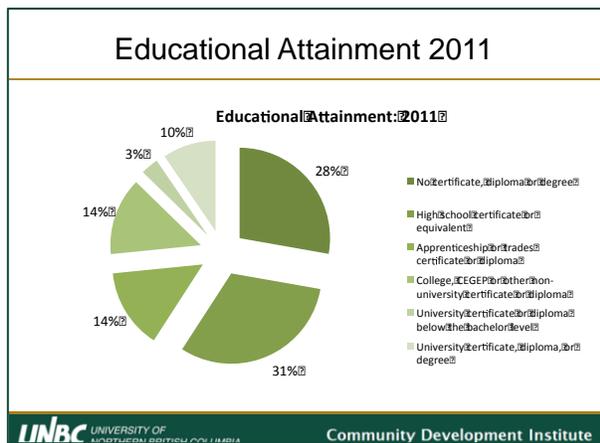
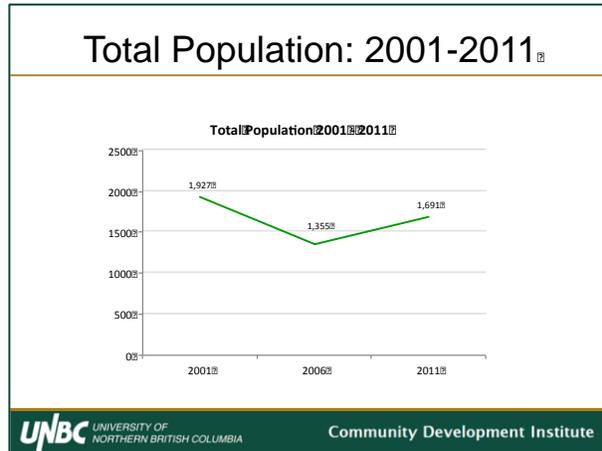
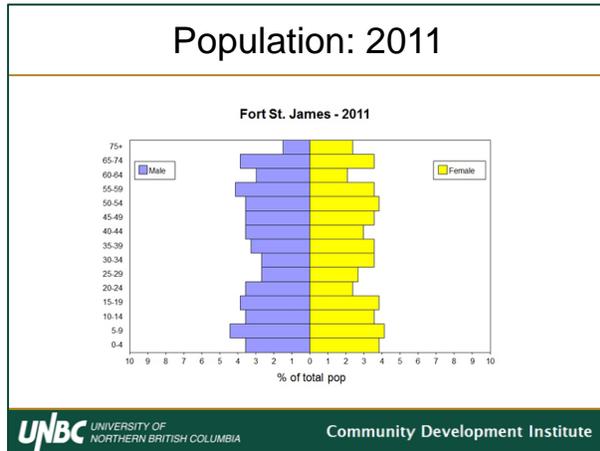
Create a marketing package to promote the local economy of Fort St. James.

- While existing brochures/materials provide an excellent template/starting point, it will be important to tweak these so as to present the information from a business perspective: adding in key economy-relevant information (i.e. one of the lowest new business development cost requirements in the province, low property costs, large land base with a variety of available zoned land, etc.) and including the message that the community is open to new investment.
- As necessary, collect relevant information from local businesses.

Develop a set of key messages and questions to guide discussions with key industry stakeholders, including:

- A clear set of objectives for the meeting, i.e.: to establish a relationship; convey our interest in working together; and begin to explore business opportunities and synergies with mutual benefits to both industry and the community of Fort St. James.
- A set of questions for gaining a better understanding of current and future product and service needs, procurement processes, and potential value-added opportunities.
- A specific next step for reconnecting and continuing the conversation.

Appendix A: Community Profile



Appendix B: Workshop Summary

Fort St. James Community Economic Development Strategy Workshop 1 – Summary

The CDI conducted a one day workshop in Fort St. James in May 2014. It was a productive day with solid input and active participation from the community members who attended. There were 28 people in total with 26 participants and 2 representatives from the CDI. The workshop began with an activity called, “Gathering of the Community: Sharing the News.” Participants took this opportunity to move around the room, talk with others, and share the latest information about their organization or industry. It was a great way to get participants thinking about the community and the local economic climate.

Following the opening activity, Corrine Swenson, Manager, Regional Economic Development, Regional District Bulkley-Nechako explained that the consulting firm, Millier Dickinson Blaise, has been hired to complete a three year, multifaceted Regional Economic Development Action Plan (Action Plan). This plan will not duplicate local planning efforts within the region, however the consultants will be conducting interviews with stakeholders and running online surveys, as well as collecting information alongside local efforts.

In the next portion of the workshop, Emily Colombo, Economic Development Officer/ Deputy Corporate Officer, District of Fort St. James provided a valuable overview of the projects that were produced as result of the planning initiatives

that were conducted in 2007. This was an excellent way to reinforce that planning works and the results proved that real action derives from effective planning. Emily indicated that 7 out of 10 of the priorities that were identified in 2007 were completed including a downtown revitalization project, the development of trails, a community museum and art gallery, and several other significant projects. A complete project list is available from the District of Fort St. James.

Emily further explained that a Community Visioning Workshop was held in 2012 and some of the outcomes from that initiative were the branding of Fort St. James (A Great Place to Be), the ski hill upgrade, a new hotel, an increase in recreational activities and community events, and other projects.

Following this overview, Marleen Morris, Co-Director of CDI presented an economic and historical overview of Fort St. James dating back to over 207 years. She presented information on the economic history of the community and explained its strong reliance on natural resources and the ebb and flow of its population base due to employment and industry fluxes. Marleen encouraged the participants to look at the global market now and not limit the potential growth of industry in Fort St. James to just the local area, British Columbia, or Canada.

Participants were then invited to brainstorm individually about the assets the community has and the challenges that the community faces. The participants were given Post-it notes and were asked to write each asset or challenge on a note and then rate it from 1-5 with five being the most important and one being

the least. The four categories were: community (human), economy, physical, and social.

Some of the main assets identified were natural resources and high paying jobs, and people including volunteers and the overall commitment of the community members to make Fort St. James a better place. In terms of challenges, the participants identified the rural location, lack of professional employment opportunities, and volunteer burn out as the overriding challenges. Refer to the attached charts for further detail.

In the second half of the workshop, the participants were divided into four groups and moved around four stations: community (human), economy, physical, and social. Each group worked collaboratively to brainstorm and answer the following questions:

- How could the assets identified be used to build community resilience and economic diversification?
- What other assets or opportunities do they link to?
- Which challenges could prove to be barriers?

During this activity participants engaged in 30-minute discussions and worked collaboratively to develop the answers to the above questions. Their goal was to brainstorm tangible solutions. An overall theme related to assets was a strong desire to develop partnerships between existing groups, further build on existing partnerships, and share resources whenever possible. As well, there was a noted interest in further expanding and marketing Fort St. James as a recreational destination.

As for challenges and barriers, volunteerism, both the lack of volunteers in the younger population base and the burn out experienced by existing volunteers, was identified as an ongoing issue. Transportation, both internally in Fort St. James and externally out of Fort St. James, was also identified as an area that is a hindrance. Refer to the attached charts for further detail.

Workshop 1 was a huge success because of the valuable input from the community members who attended.

Appendix C: Economic Action Team

Kerry Buck	Local Tourism Operator
Laura Chernowski	Apollo Forest Products
Patrick Freer	Fort Green Energy
Judy Greenaway	Seniors, Agricultural Industry
Brandi Hanterman	Fireweed Association
Rosa Ann Howell	Chamber of Commerce
Tammy Lyell	Community Futures Stuart Nechako
Ann McCormick	College of New Caledonia
Brad Miller	Local trucking company owner, Council member
Kris Nielsen	District Council, FSJ Medical Clinic
Fadi Oubari	Fort Green Energy
Lorraine Ouellette	Construction/Development Industry
Davee Palmantier	Conifex Timber
Leonard Thomas	Nak'azdli First Nation - Economic Development
Ron Winsor	Tl'az'ten First Nation
Vacant	Business Owner – Tourism Industry
Vacant	Mt. Milligan Community Relations
Vacant	Regional District of Bulkley-Nechako



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The Community Development Institute at The University of Northern British Columbia

The Community Development Institute (CDI) at UNBC was established in 2004 with a broad mandate in the areas of community, regional, and economic development. Since its inception, the CDI has worked with communities across the northern and central regions of British Columbia to develop and implement strategies for economic diversification and community resilience.

Dedicated to understanding and realizing the potential of BC's non-metropolitan communities in a changing global economy, the CDI works to prepare students and practitioners for leadership roles in community and economic development, and to create a body of knowledge, information, and research that will enhance our understanding and our ability to deal with the impacts of ongoing transformation. The Community Development Institute is committed to working with all communities – Aboriginal and non-Aboriginal – to help them further their aspirations in community and regional development.

www.unbc.ca/community-development-institute

