



**CENTRAL
OKANAGAN**

ECONOMIC
DEVELOPMENT
COMMISSION

2010 Strategic Plan

Economic Development Commission
Regional District of Central Okanagan

Table of Contents

Executive Summary	3
Strategic Imperatives	4
Role of the COEDC Advisory Board of Directors	8
2010 COEDC Advisory Board of Directors Members	9
2009 Core Activities of the Economic Development Commission	10
Business Enhancement Programs	
Agriculture Support	11
Arts, Cultural, Heritage & Tourism	12
Business Liaison	12
Export Development	13
Technology Enhancement	13
Retention of Workforce	14
Investment Attraction Programs	
Agriculture Investment Attraction	15
Attraction of Entrepreneurs & Workforce	16
Export Development	17
Technology – Attraction of SME’s	18
Administration	19
Economic Facilitation Programs	
Communications to Municipalities	20
Partnerships with Post Secondary Institutions & School Dist #23	21
District of Peachland	22
District of West Kelowna	22
City of Kelowna	23
District of Lake Country	23
Regional	23

ECONOMIC DEVELOPMENT COMMISSION Regional District of Central Okanagan

VISION

“A prosperous region, where smart growth complements its natural resources and amenities embracing new global economic and social change.”

MISSION

“Working in partnership to facilitate a healthy, dynamic and sustainable community economy by supporting existing businesses and encouraging appropriate new business investment.”

VALUES

The COEDC takes an objective and informed approach to research and evaluation while recognizing the relationship between economy, society, culture and environment. The Commission strives to work in the public interest and with all levels of government regardless of political affiliation.

EXECUTIVE SUMMARY

The 2010 Strategic Plan outlines the Commission's activities within three primary focus areas – ***Business Enhancement (60% of the Commission's work)***, ***Business Attraction (20%)*** and ***Economic Development Facilitation (20%)***.

The COEDC's Advisory Board consists of appointees from local government, collaborative organizations, and representatives from a cross section of business sectors. Board members provide a valuable linkage between the business community and the organization or industry sector they represent. The Advisory Board provides valuable input as to the state of their industries and advisement to the staff of the Central Okanagan Economic Development Commission.

Through the strategic planning process, the industry leaders and regional representatives who comprise the Advisory Board have recognized how the Commission's emphasis on Business Enhancement, Investment Attraction and Economic Development Facilitation are the most strategic approach to facilitate economic prosperity in the Central Okanagan Region.

The 2010 COEDC Strategic Plan was developed based on information gathered at the September 2009 Industry Roundtable where 50 representatives from a cross section of industries provided advantages, barriers and opportunities to support growth of their industries, 763 site visits conducted by COEDC staff in 2008 & 2009, Industry Reports and direction provided by the Commission's Advisory Board of Directors.

According to David Birch at MIT nothing is more central in economic development and, ironically, more controversial than job creation. "For the first fifty years of professional economic development the answer of what created jobs was unambiguous: manufacturing plant recruitment produced economic growth and new jobs". But a new paradigm emerged in the early 1980s driven by research conducted by David Birch. Birch reported that small business startups accounted for the vast majority of the nation's net new jobs.

Needless to say, Birch's findings turned economic development on its head. Boards, investors and the federal development community began to question the effectiveness of traditional approaches, such as recruitment and promotion. Infrastructure geared toward promotion, such as business and industrial parks, were given lower priorities for grant funding and assistance. "Development groups turned their focus inward toward assistance for small businesses, startups and existing companies. Academic researchers increasingly derided marketing, promotion and recruitment strategies as a waste of development resources. A significant number of communities abandoned strategies built on community competitiveness and the recruitment of external investment. Why worry about such things when it's the local startups that matter?

What we know about the accuracy of the Birch paradigm has grown exponentially in the last decade and has great importance to the practice of economic development at the local, regional, state and national level. A significant body of research is now emerging which provides an unparalleled clarity on which economic development strategies and tactics create jobs.”

STRATEGIC IMPERATIVES



Demographic Shift

Canada, British Columbia and the Okanagan Valley are going through a significant shift in demographics that act as both a catalyst for societal change, but also creating significant long-term challenges to our economic future. The phrase "demographic winter" has been used to describe the reason behind our current global economic challenges. It refers to the contemporary phenomenon of a worldwide rapid decline in birthrates, which some believe has led to the loss of millions due to population control efforts and has meant an irreplaceable loss of millions of producers and consumers who otherwise would be participating and supporting today's global economy. With 80% of the world's economy tied to decreasing population, some theorize that this is our challenged future.

Globally, Canada is beginning to show the signs of demographic challenge. The impact of an aging population will be greater in Canada than in most developed countries, as it will experience the 6th largest increase among countries in elderly dependency ratio, which is the number of working aged people to seniors. (BTC Senate Committee, 2006) The boom years of 2005-2008 created massive job shortages, health care costs have continued to outpace government's ability to fund the demand for services and we continue as a nation to have fewer babies. Canada's fertility rate is ranked at number 181 in the world, a mere 1.49 children per woman. Countries such as Iran, Sweden, Belgium, the Netherlands, Cuba and Monaco have higher rates than Canada. By comparison the United States sits at number 121 with a rate of 2.05. British Columbia has the lowest fertility rates in Canada and the Okanagan the **lowest in the Province**.

A result of our fertility rates is the aging nature of the population. The following facts outline the fact that the Province and Central Okanagan will be highly challenged in the years ahead to provide servicing of our local economy, if we don't take measures to soften the demographic trends that will be arriving on our doorsteps:

- 20% of the Canadian population will be over 65 by 2030. The Okanagan Valley is there already with the City of Kelowna the oldest census city in Canada in 2006, with over 19% over sixty five years of age.

- By 2024, it is expected that deaths will exceed births in Canada and that immigration will sustain growth until about 2040. There is virtually no natural increase in the Central Okanagan (Kelowna CMA) population. The death rate is almost equal to the birthrate and by 2019; the death rate is predicted to begin to greatly outstrip our birth rate.
- As of spring 2009, the Central Okanagan is now home to more seniors than children. Demographers identify this trend as a “key indicator” that potential economic challenges will persist in the future.
- The Central Okanagan’s (Kelowna CMA) population will continue to age. By 2036, it is projected that there will be about 7 dependents for every 10 people of working age and that most of these dependents will be seniors
- Kelowna CMA Median age 2009 - 43 years – Canada = 39
- Kelowna CMA Median age 2036 - 48 years – Canada = 44
- Canadian Institute of Health figures show that Canadians aged 65 and over accounted for an estimated 44% of total provincial and territorial government health care spending.
- British Columbia will graduate 695,000 students by 2018 – at the same time close to a million workers will leave the workforce.

The implications of the above are wide in reach. Beside government priorities and spending, where will replacement workers who provide health care come from? With housing cost significantly higher in the Okanagan compared to the rest of the country (currently ranked 3rd in the country) how can we attract younger people into the Region? What proactive measures can we do to attract more families?



Human Capital

The ability to deal with the “Demographic winter” is really focussed around strategies to encourage talented and highly skilled individuals to look at making a life in the Okanagan. This has economic implications in shifting the region from being a economic centre of mass production to one focussed on value added skills, production and services. As a low cost producer, the Okanagan cannot and never will compete with the developing world.

As a result, the Region should focus its efforts on attracting entrepreneurs and skilled workforce from across the country and from around the world with the aim

toward permanency rather than temporary residence. The ability to attract tourists with families to the Region to showcase the quality of life should be supported and encouraged in assisting in communicating the quality of life offering to young families. Traditionally the Central Okanagan has attracted more 45+ year olds (most recent data shows the Region attracting about 8% older than the provincial average in population growth (by age cohort) Kelowna CMA, between 1991 and 2006 for example saw the 25 to 34 year old age group suffering the largest decline (-3.5%) in population).

Richard Florida has written extensively on the creative class, *The distinguishing characteristic of the creative class is that its members engage in work whose function is to "create meaningful new forms."* *The super-creative core of this new class includes scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, designers, and architects... Members of this super-creative core produce new forms or designs that are readily transferable and broadly useful...coming up with a theorem or strategy that can be applied in many cases, or composing music that can be performed again and again...Those regions that will succeed are those that will be magnets for the highly educated, highly mobile, innovative people that high wage, high growth companies need to hire."*

Subsequent research has shown that a pronounced positive relationship between high share of creative population and employment growth and new firm formation at the regional level. At the same time, being creative matters more than being educated.

To this end, the Region should continue to seek not only talented creative people but also ensure that the reasons for such relocation and retention are maintained. This in effect is the third pillar of the economic development strategic filter – quality of place.



Quality of Place

Quality of place or life is often used in the world of economic development, and in most cases overused for many Regions. Defined as the degree to which a person enjoys the important possibilities a person's life that result from the opportunities and limitations each person has that reflect the interaction of personal and environmental factors. The climate, housing choices, natural physical attributes of the landscape like the lake and vineyards and our ties to the land are all key factors in taking quality of life from a theoretical to actual level.

The City of Calgary's economic development strategy succinctly connects to the quality of life argument. "The focus of economic development strategies is shifting. As cities and city-regions grow in importance in the global economy, more attention is being given to creating an urban environment that provides a high quality of life and quality of place for residents as a way to ensure that a city can attract the best and the brightest to its workforce."

In his scribe, *Who's Your City*, Richard Florida undertook to complete the most comprehensive examination of why people choose to live where they live. His conclusions make for a great template to filter economic strategic direction. In wealthier countries where many citizens already enjoy a relatively high quality of life, individuals tend to seek satisfaction through less tangible things such as personal fulfillment, self-actualization, pleasure, and positive emotion. His findings suggest the following are key influencers of decisions:

- Physical and economic security - perceptions of crime and safety.
- Basic services - schools, health-care, affordable housing, roads, and public transportation.
- Leadership - the quality and efficacy of elected and unelected leadership and the opportunity for public and local engagement.
- Openness - the level of tolerance and diversity
- Aesthetics - physical beauty, amenities, and cultural offerings.
- Direction of the economy, and availability of jobs

Work done in Pittsburgh as they developed their tech economy pointed to the following elements around quality of life or place and creative workers.¹

Balance: Creative workers are highly mobile and essentially balance economic opportunity and lifestyle in selecting cities and regions that are attractive to them as places to live and work.

Amenities: “Quality of Place” – particularly the variety and accessibility of natural, recreational, and lifestyle.

A Sense of Place: Creative class workers prefer urban to suburban neighbourhoods and seem particularly drawn to areas that feature interesting older structures, a range of public spaces, a blend of personal and commercial space, and the bustle and buzz of varied activity including work, shopping, and entertainment.

Active Lifestyle: Knowledge workers prefer “doing” to “watching.” They prefer to participate rather than watch sports and favour a diverse range of intense outdoor activities (rowing, sailing, cycling, rock climbing). Easy access to water and water-based recreation is particularly important.

¹ Need better transition to this statement or intro

The Environment: Environment – particularly air and water quality – matters. The new economy dramatically transforms the role of the environment and natural resources. What was once viewed as raw material and a sink for waste disposal must now be seen as an essential component of the total “Quality of Place” package required to attract talent and generate economic growth.

The strategic imperative to be taken from the three areas is that we need to seek value added economic opportunities that build upon maintaining our environmental landscape making the Region the most attractive place to attract new talent. A recent technology mapping exercise, which included 60 in depth interviews with technology companies found some amazing similarities: over 90% of the companies could work and locate their companies anywhere they choose in North America and in some cases globally. Their primary reason for locating in the Okanagan was not the cost of doing business or the access to talent but was put quite simply as “quality of life” This is our competitive advantage and given the demographic shifts, the global search for human capital, is one we should continue to use from a marketing perspective and from a policy plank.

ROLE OF THE COEDC ADVISORY BOARD OF DIRECTORS

The Central Okanagan Economic Development Commission is an agency of the Regional District of Central Okanagan (RDCO). The Commission is funded by and accountable to the elected board of the RDCO.

In creating the 2010 Strategic Plan, market research was conducted into eleven industry sectors considered to have the most potential for growth in the Central Okanagan. This research consisted of an industry roundtable of 50 key representatives from a cross section of sectors and associations, from 763 COEDC facilitated site visits conducted in 2008-September 2009, information provided by the COEDC’s specialized contractors and industry specific research and statistics. On presentation of these industry sector reports to the Advisory Board of Directors, strategies and areas where the COEDC will concentrate its time and resources in the coming year were identified. Specific Objectives, Strategies and Action Items are described within the Business Enhancement, Business Attraction and Facilitation sections of the 2010 Strategic Plan.

2010 EDC Advisory Board of Directors

Executive:

Scot Speiser, Chair	Business Development Bank
David Webb, Past Chair	Everest Recruitment Solutions Inc
Mike Gilmore, Vice Chair	BDO Dunwoody LLP
Laurel Douglas	Women's Enterprise Centre
Renee Wasyluk	Troika Development Inc.
Alison Yesilcimen	Vericorder Technology Inc

Directors appointed from local government and organizations:

Lindsay Bell	District of Peachland, Councillor
Broc Braconnier	Westbank & District Chamber of Commerce
Kevin Craig	City of Kelowna, Councillor (alternate Graeme James)
Jim Edgson	Regional District of Central Okanagan
Jayne Fosbery	Westbank First Nations
Penny Gambell	District of Lake Country (alternate James Baker)
Jim Hamilton	Okanagan College (alternate Heather Schneider)
Jason Johnson	District of West Kelowna
Norm LeCavalier	Kelowna Chamber of Commerce
Elsie Lemke	District of Peachland, Administrator
Gord Milsom	District of West Kelowna, Councillor
Doug Owram	UBC-Okanagan (alternate Gwen Zilm)
Jim Paterson	City of Kelowna
Sam Samaddar	Kelowna International Airport
Bob Sugden	Peachland Chamber of Commerce
Michael Joss	Community Futures Development Corporation(alt. Larry Widmer)
Peter Withers	Lake Country Chamber of Commerce
Martin Yuill	Okanagan Research and Innovation Centre (ORIC)

Directors representing the local business community:

Bradley Field	ArmorWorks Enterprises Canada ULC
Guy Gaiser	WearAir Oxygen & WearAir Industrial
Ched Gaglardi	Beelineweb.com
Doug Gallagher	Peller Estates
Ron Labossiere	Labossiere & Company
Paul Maarschalk	Solomon Resources Limited
Sharen Marteny	Seniors Consulting
Geoff Millar	Postnet
Barrie Pachenski	Royal Bank of Canada
Roger Sellick	InterVISTAS Consulting Inc
Larry Smith	QHR Software Inc

MEASURING OUR PERFORMANCE

The importance of key performance measures to monitor the work of the Economic Development Commission is reflected in the identification of specific activities, budget implications and timelines for the implementation of projects. Monthly Activity Reports are submitted to the Central Okanagan Economic Development Commission Advisory Board, The Regional District of Central Okanagan Directors & City Councils within the Central Okanagan Region. During the Assessment periods of June and December 2010, the outcomes will be reviewed to measure the value of these activities.

2009 CORE ACTIVITIES OF THE ECONOMIC DEVELOPMENT COMMISSION

- **Respond to public inquiries daily by phone, e-mail & walk-in traffic**
(17,670 in 2009)
- **Valley-wide initiatives** *(Okanagan Partnership, Okanagan Valley Economic Development Society (OVEDS);*
- **Work with companies seeking to locate in the Central Okanagan;** *(site selection, commercial/industrial space location);*
- **Work with groups of companies within specific industry sectors to ensure new markets developed** *(e.g. assist with market diversification strategy development; participation in trade shows and other initiatives);*
- **Website Updating** *(regular updating of links and downloads; 250,000 unique visitors in 2009);*
- **Ongoing communication with various agencies and organizations** *(Okanagan Research & Innovation Centre, BC Innovation Council, Okanagan Science & Technology Council, Chambers of Commerce, Community Futures, Women's Enterprise Centre, etc.)*
- **Newsletter development** *(distributed weekly to up to 2,000 businesses)*
- **Technology Inward Investment Strategy developed**

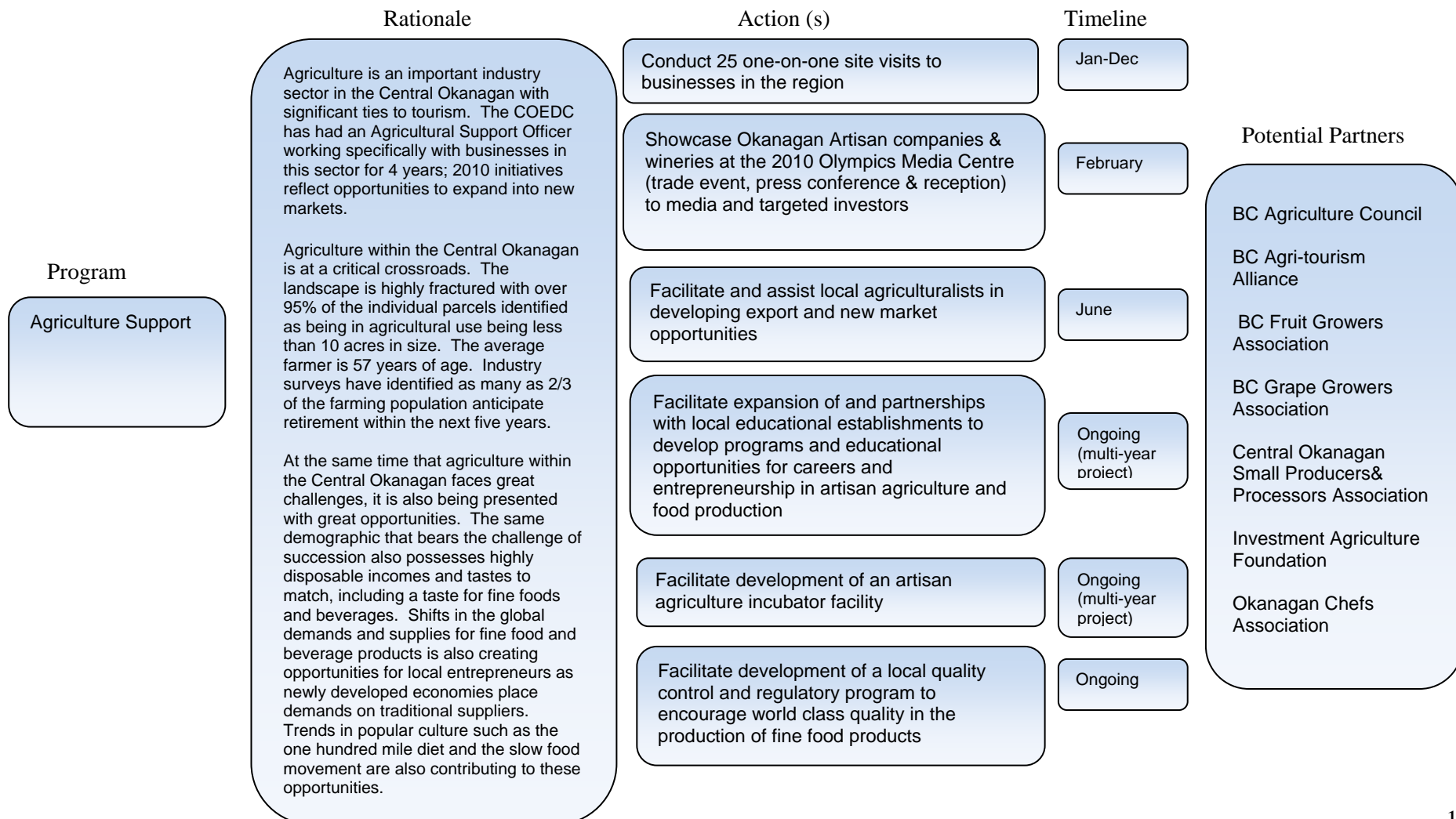
52% of Central Okanagan businesses have 0-5 employees






(BCStats, Regional Stats, Interim Report, Q1 2009)

BUSINESS ENHANCEMENT

Research in the field of economic development shows that the majority of wealth in a community is generated by its existing business base; A strong and viable business retention and enhancement focus is fundamental to a successful economic development strategy. The COEDC has made business enhancement activities the mainstay of its programs and services for the past seven years.

Now more than ever we need to focus on the sectors that have the great potential to contribute to the growth of the Region’s economy and provide a solid foundation we can build on.

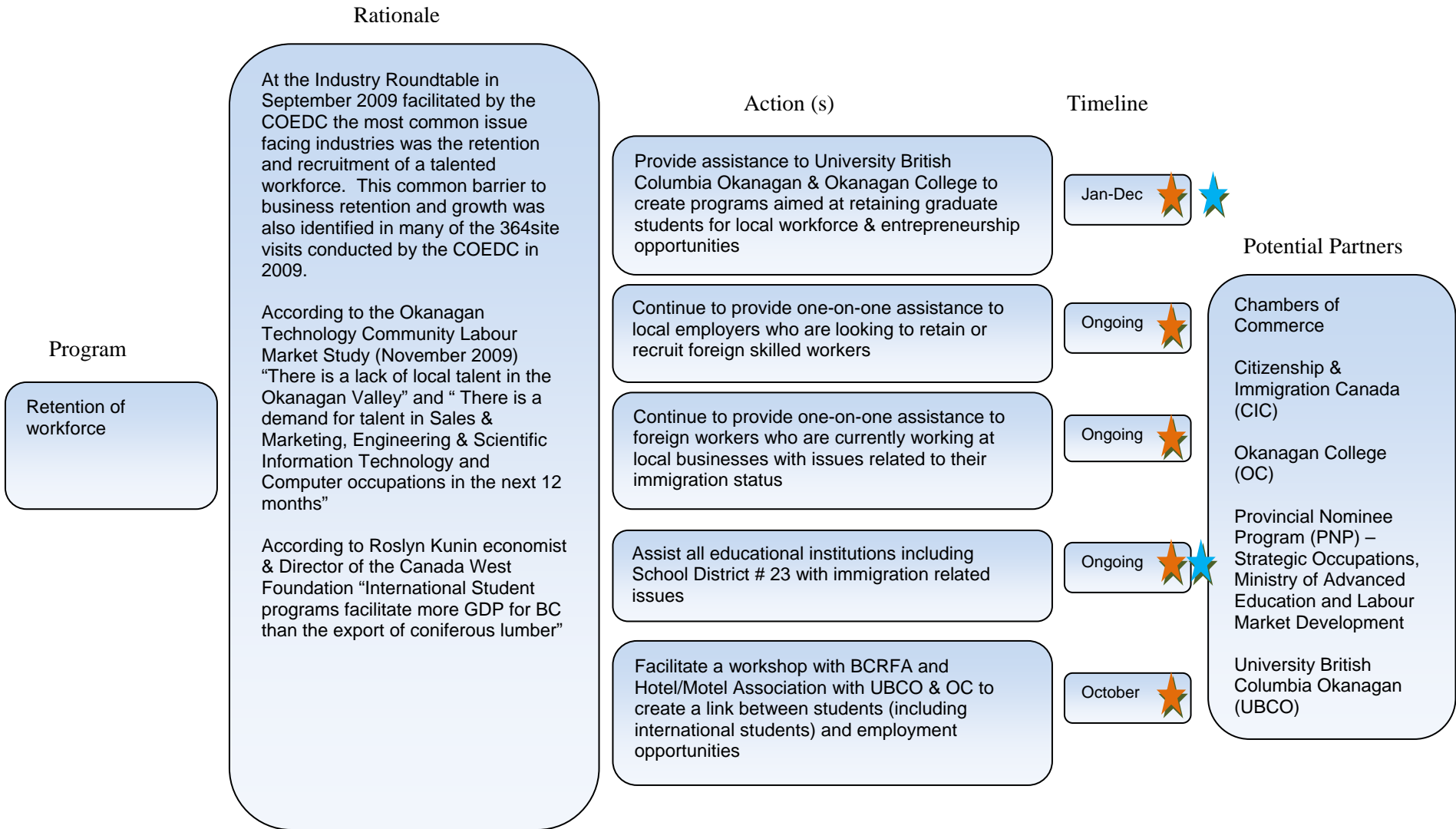


Program	Rationale	Action (s)	Timeline	Potential Partners
Arts, Cultural, Heritage & Tourism	<p>Individuals are attracted to visiting and living in cities that offer a large number of performances, festivals, and events. Families are attracted to being residents of communities that are rich and diverse. Families also look for communities that offer opportunities for personal growth, including opportunities in art, music, and dance</p> <p>As of 2005 there were 295 full-time workers in the cultural sector in the Central Okanagan, an increase of 40% since 2000 (above the provincial average of 14.2%)</p>	<p>Create a regional calendar of events highlighting, concert series, exhibitions, festivals etc.</p> <p>Facilitate annual forum that includes networking event & series of workshops for business development</p> <p>Conduct 25 one-on-one site visits to businesses in the region</p> <p>Partner with Westbank First Nation to highlight cultural products at the 2010 Winter Olympics Media Centre</p> <p>Provide feedback to Convention Centre Task Force on successful models of incorporation arts businesses as permanent tenants</p> <p>Artisan Agriculture Guide</p> <p>Identify barriers to festivals & events</p>	<p>January </p> <p>January </p> <p>Jan-Dec</p> <p>February</p> <p>March </p> <p>June </p> <p>September </p>	<p>BC Agri-tourism Alliance</p> <p>BC Arts Council</p> <p>Chambers of Commerce</p> <p>Tourism Kelowna</p> <p>Tourism West Kelowna</p> <p>Thompson Okanagan Tourism Association</p> <p>Westbank First Nation</p>

Program	Rationale	Action (s)	Timeline	Potential Partners
Business Liaison	<p>Building the economy of a community where an existing strong business base is proven to be a viable economic development strategy. This strategy has been employed in the Central Okanagan where 97% of businesses have 50 or fewer employees.</p>	<p>Business in the Park (6 seminars: SR & ED, Co-op programs, Access to Capital, Social Media strategies for sme's, and R & D partnership opportunities etc)</p> <p>Update Okanagan Businesses Financing resource document</p> <p>Develop Industry Sector Reports & Distribute, RDCO board, city councils & administrators</p> <p>Facilitate communication to the business community by representing the COEDC at Industry Events & Chamber after hours etc.</p> <p>Provide information to existing companies & start-ups about COEDC programs</p>	<p>Bimonthly Feb-Dec</p> <p>March</p> <p>September</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Business Development Bank</p> <p>Chambers of Commerce,</p> <p>Community Futures</p> <p>Department of Foreign Affairs & International Trade</p> <p>University of British Columbia Okanagan</p> <p>Okanagan College</p> <p>Women's Enterprise Centre</p>

Program	Rationale	Action (s)	Timeline	Potential Partners
Export Development	<p>The manufacturing sector is one of the most important contributors to the Canadian economy and in the Central Okanagan, is a major provider of quality, long-term, well paying jobs</p> <p>The Business Enhancement programs have identified strategic planning – especially marketing strategy, awareness of supply chain opportunities and export development – as areas where local manufacturers need the greatest amount of assistance</p>	<p>Provide one-on-one assistance to 30 companies in the region in efforts to develop new markets and provide support to enable investment readiness</p> <p>Business in the Parks programs (2 sessions e.g. business in the UK, China etc)</p> <p>Networking event for manufacturers</p>	<p>Jan-Dec</p> <p>Feb & Sept</p> <p>March</p>	<p>Chambers of Commerce</p> <p>Department of Foreign Affairs and International Trade (DFAIT)</p> <p>Export Development Canada (EDC)</p> <p>Ministry of Small Business, Technology and Economic Development</p>

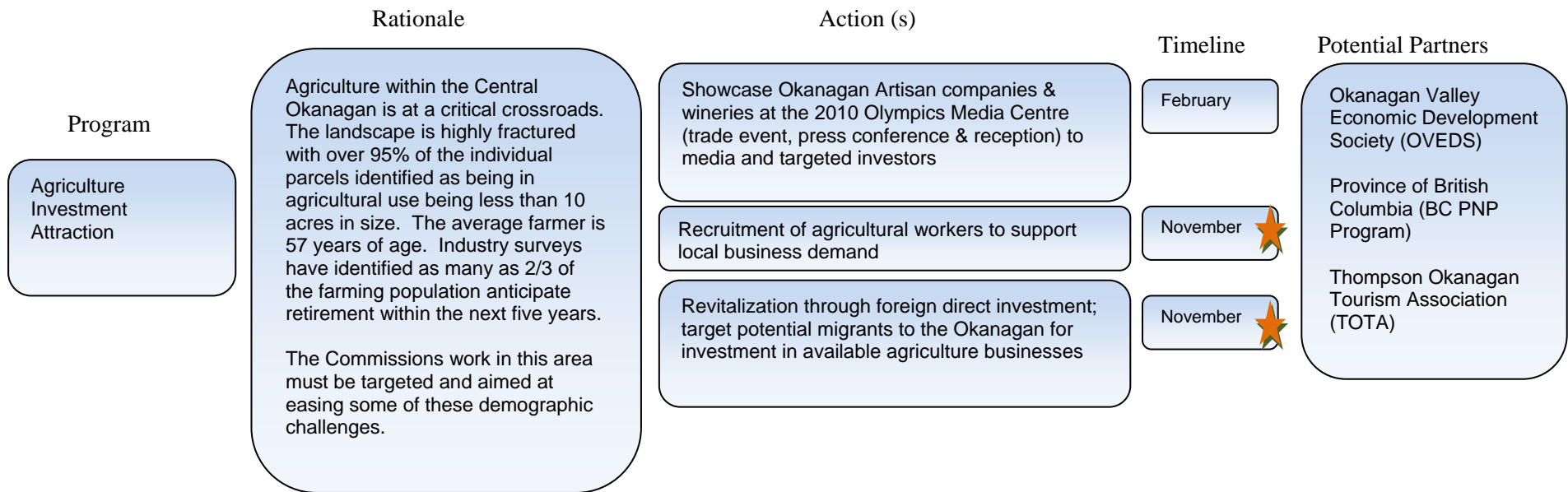
Program	Rationale	Action (s)	Timeline	Potential Partners
Technology Enhancement	<p>Based on the research provided in the Premier's Technology Council's Report (June 2008) & direction provided by the CO EDC Advisory Board, five specific areas have been identified within the technology sector as having the greatest opportunity for growth in the Region and will be top of mind during attraction work related to this sector.</p> <p>A large number of small businesses in the Central Okanagan sit at the top of the value chain – possessing top level management & creative capacity while they contract out most back office functions, prototyping, mass manufacturing, and logistics.</p>	<p>Create "how to" resource tool for Research & Development (outlining departments faculty contacts, examples of R & D projects, desired types of contracts etc)</p> <p>metabridge year 2 – plan & develop visit by major US and Canadian companies to the region looking to explore collaborative opportunities</p> <p>Develop strategy and target markets for Web Portal Launch (portal project began Fall 2009)</p>	<p>Jan-Dec</p> <p>Jan, June, Aug & Nov</p> <p>February</p>	<p>BC Innovation Council</p> <p>Chambers of Commerce</p> <p>Okanagan Research Innovation Centre (ORIC)</p> <p>Okanagan Science & Technology Council (OSTEC)</p>

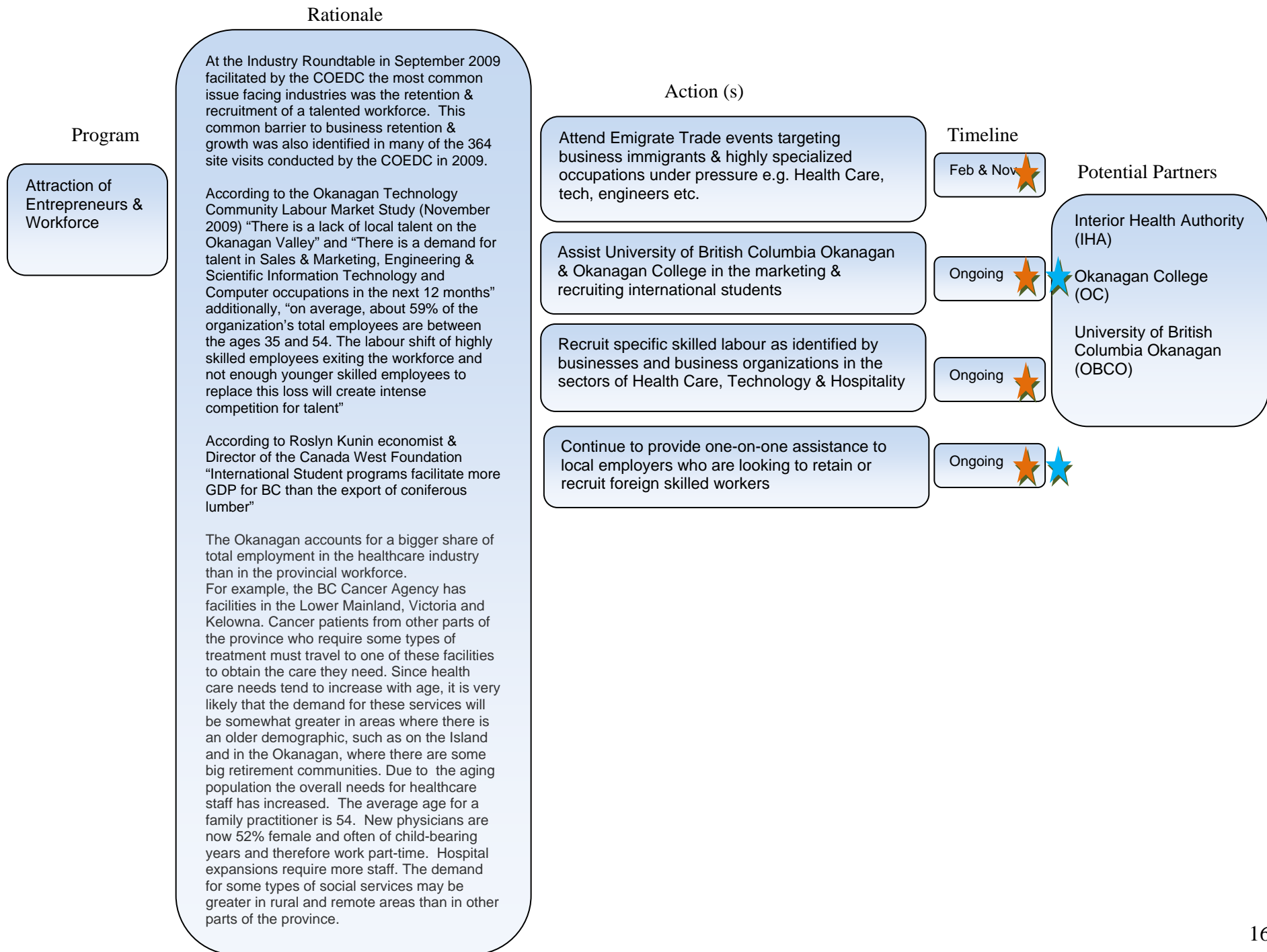


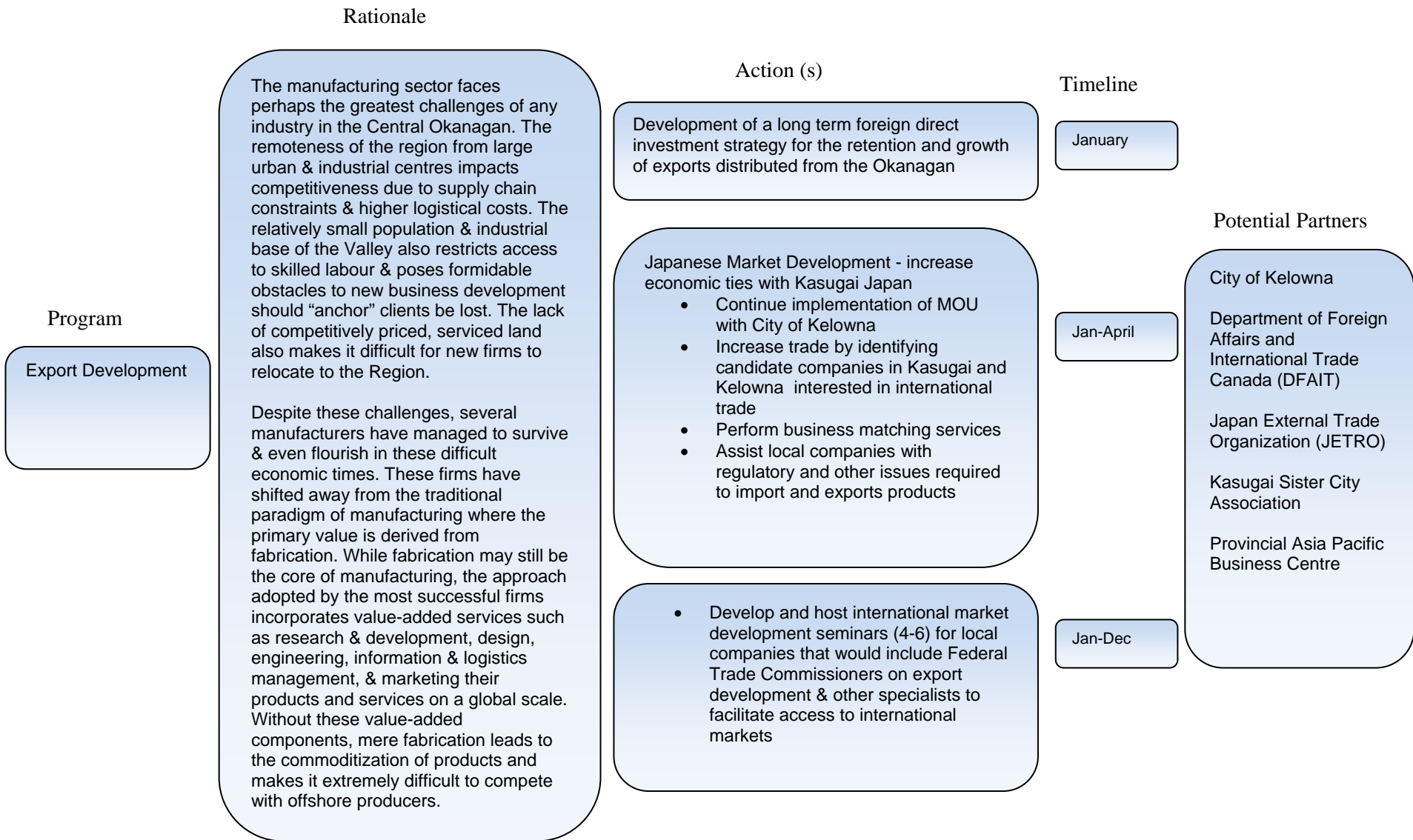
INVESTMENT ATTRACTION

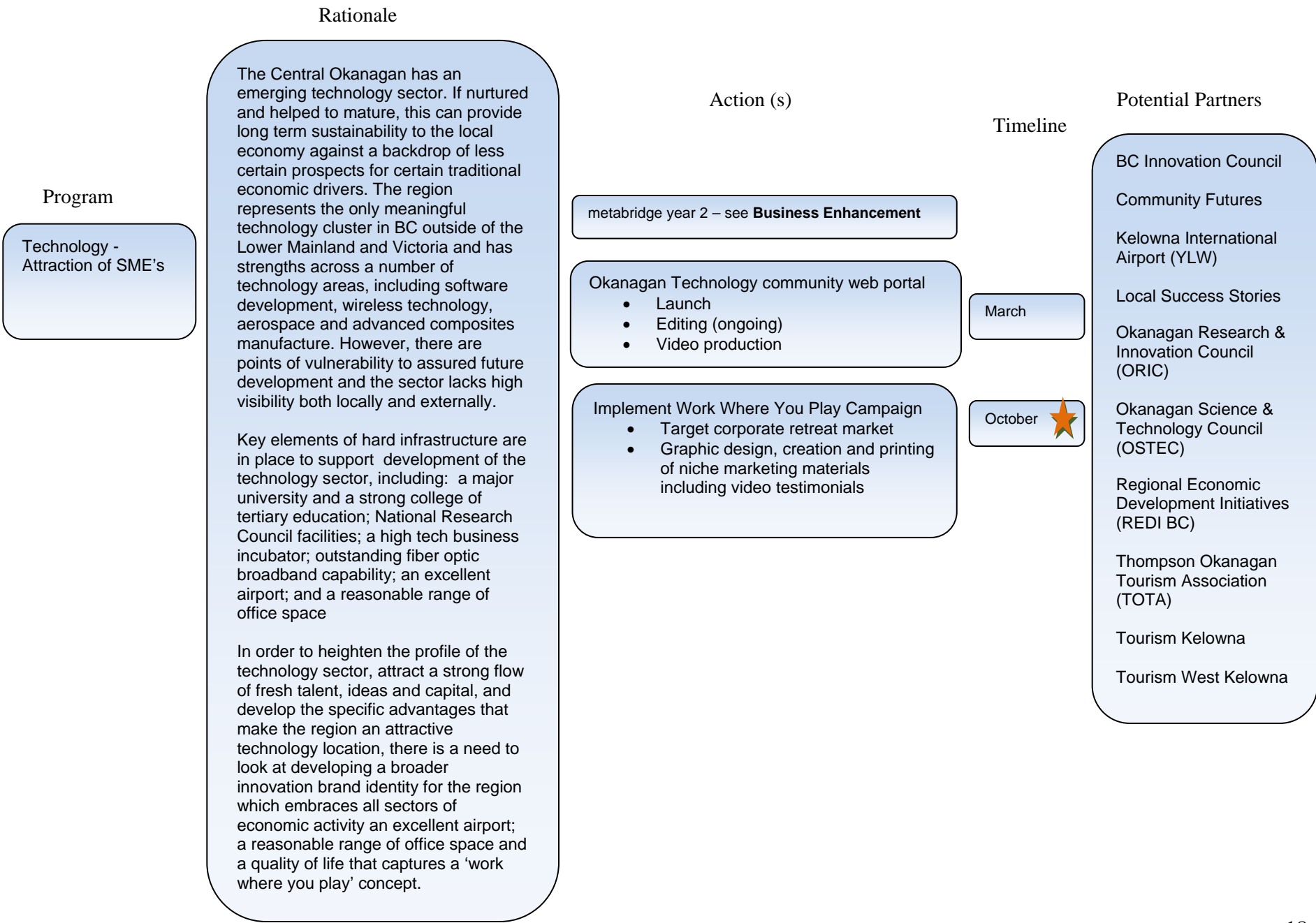
While the Central Okanagan Economic Development Commission worked for many years to attract new businesses to the Okanagan, efforts shifted to attracting *investment into existing businesses* in the community in 2005. This reflects the need for capital to facilitate continued growth and expansion of the many small businesses that make up the Central Okanagan, as well as the number of established niche markets and products that have developed in the Region.

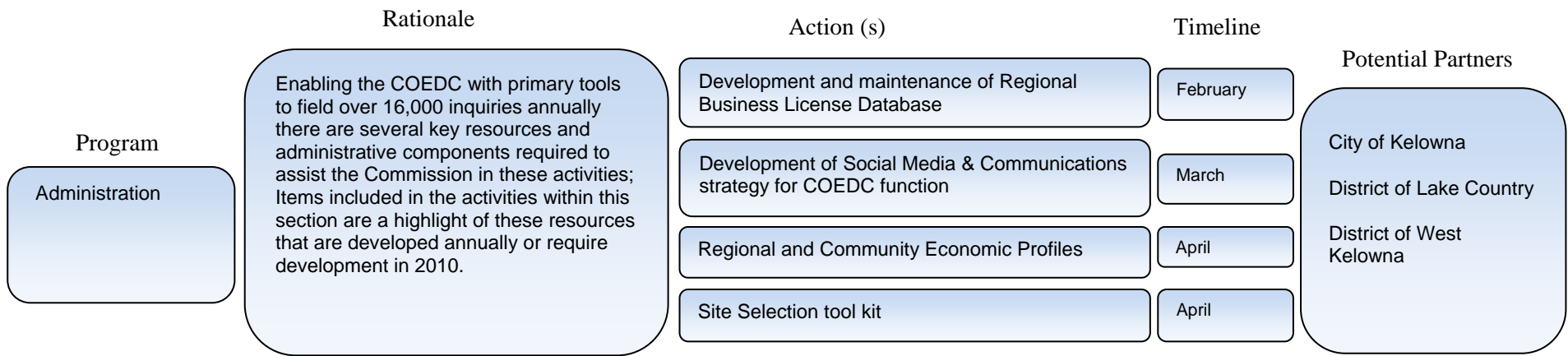
*Investment Attraction is about attracting investment into our Region, as well as people;
Work in this area has to be strategic and focused.*







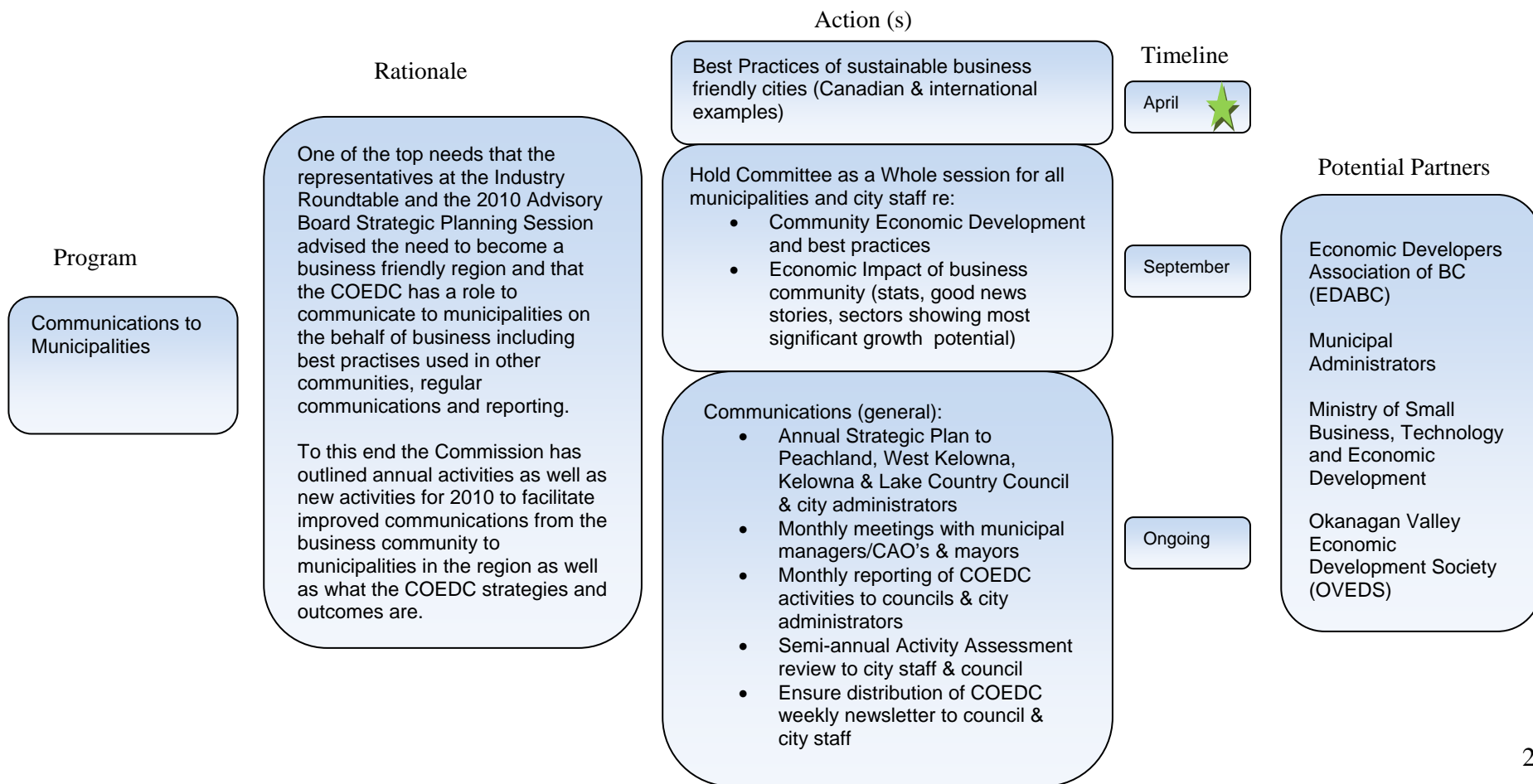


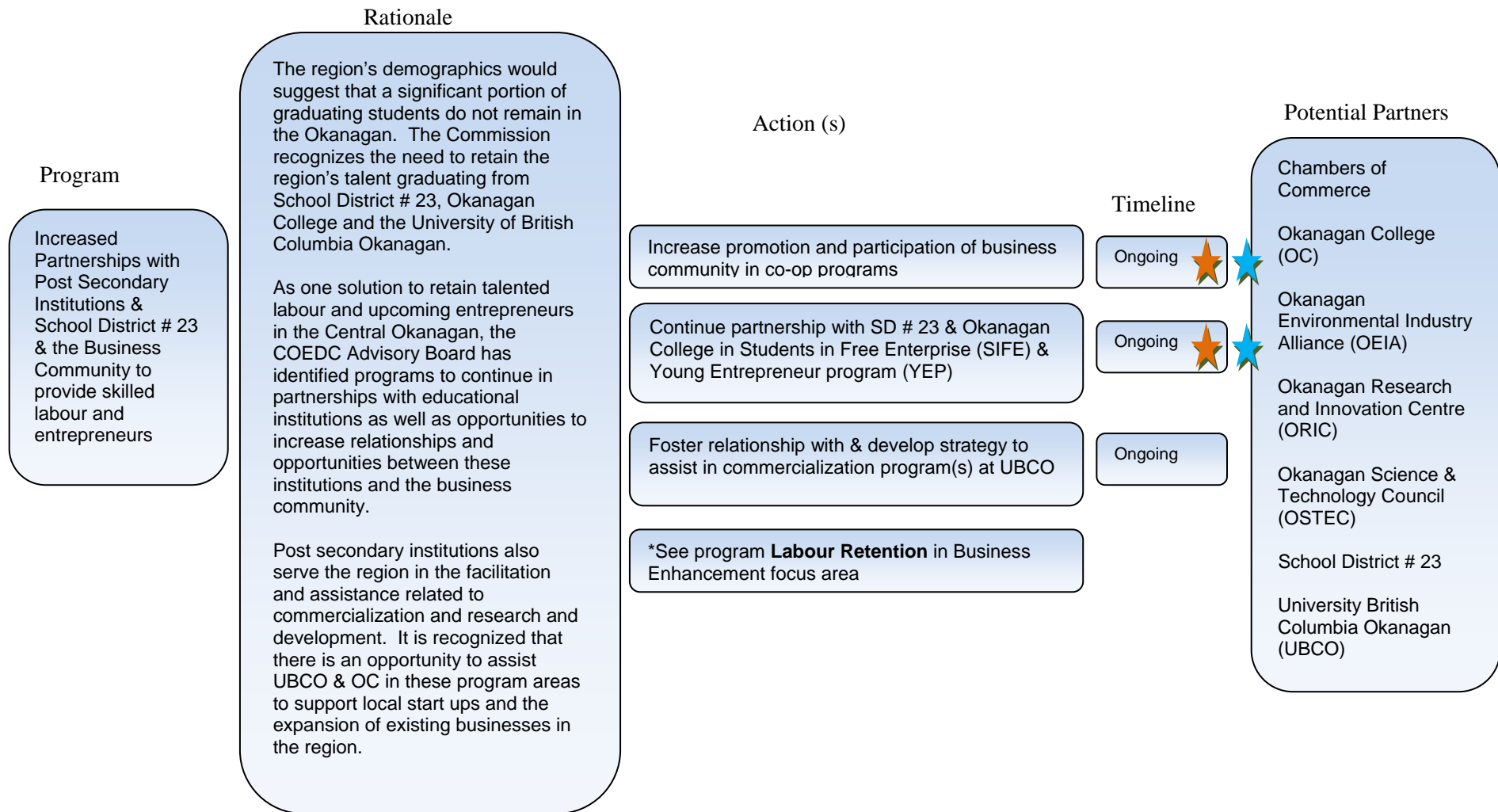


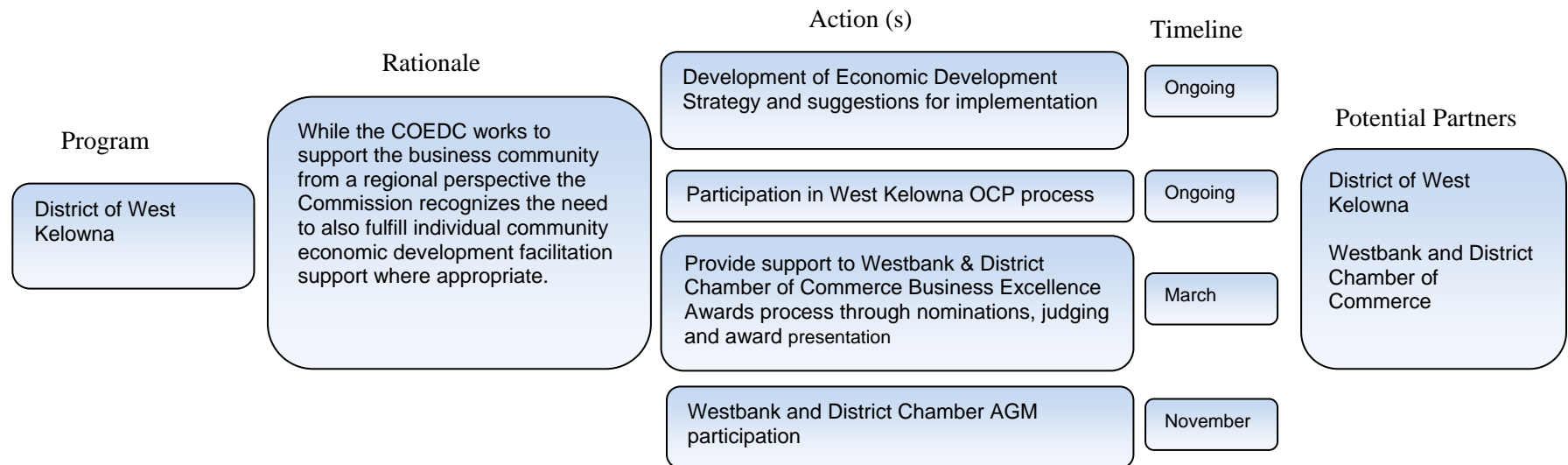
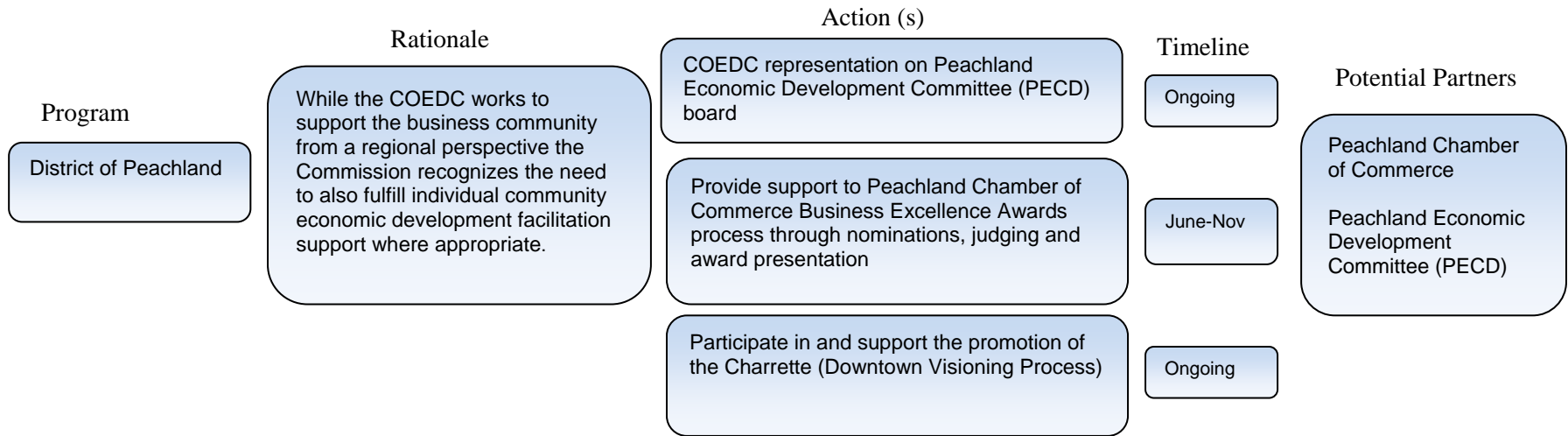
ECONOMIC DEVELOPMENT FACILITATION

Economic Development Facilitation requires developing an information infrastructure that ensures effective communication with decision-makers at all levels of government and with other community organizations. The COEDC works to bring a business perspective to the decision-making process by these organizations, and the Commission must be aware of the financial resources available for business retention and growth. Effective business facilitation also requires the Commission to work with groups outside its specific region on growth management strategies with regional benefits.

Clear, collaborative communication between businesses and organizations is essential to growing a regional economy. The COEDC plays a vital role in this area by ensuring a business perspective is brought to the decision-making process on all levels.







Program	Rationale	Action (s)	Timeline	Potential Partners
City of Kelowna	While the COEDC works to support the business community from a regional perspective the Commission recognizes the need to also fulfill individual community economic development facilitation support where appropriate.	<p>Provide feedback to the City of Kelowna re Economic Development Framework and future economic development strategies</p> <p>Provide support to Kelowna Chamber of Commerce Business Excellence Awards process through nominations, judging and award presentation</p>	<p>Ongoing</p> <p>October</p>	<p>City of Kelowna</p> <p>Kelowna Chamber of Commerce</p>

Program	Rationale	Action (s)	Timeline	Potential Partners
District of Lake Country	While the COEDC works to support the business community from a regional perspective the Commission recognizes the need to also fulfill individual community support where appropriate	<p>Assist in marketing of Town Centre</p> <p>Provide support to Lake Country Chamber of Commerce Business Excellence Awards process through nominations, judging and award presentation</p>	<p>January</p> <p>October</p>	<p>District of Lake Country</p> <p>Lake Country Chamber of Commerce</p>

Program	Rationale	Action (s)	Timeline	Potential Partners
Regional	Effective business facilitation requires the Commission to work with groups outside its specific region on growth management strategies with regional benefits.	<p>Airport - new route identification development</p> <p>Convention Centre Task Force</p> <p>2010 Commerce Centre</p>	<p></p> <p></p> <p></p>	<p>Kelowna Chamber of Commerce</p>