



Employment Lands Report



Regional District of the North Okanagan
April 26, 2016

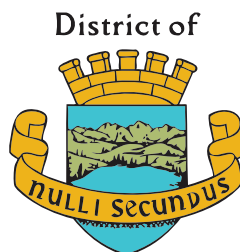
Acknowledgments

The Employment Lands Action Plan has been a highly participatory planning process over the past fifteen months and is the culmination of several dialogues and discussions with each community individually and as a region as a whole. This could not have been accomplished without the concerted effort and commitment of each community.

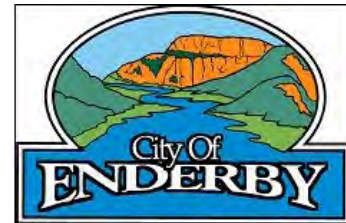
- City of Armstrong
- District of Coldstream
- City of Enderby
- Village of Lumby
- North Okanagan Regional District
- Okanagan Indian Band
- Township of Spallumcheen
- Splitsin Band
- City of Vernon



City of Armstrong



Coldstream



Abstract

Effective management and offering of employment lands can play an integral part of an open and effective economic system, and function as a major catalyst for community economic development. Yet, the benefits of employment lands do not accrue automatically and evenly across regions, sectors and communities. Macro-economic conditions, sectorial trends, regional and local policies, and relationships in the investment marketplace strongly affects an individual community's ability to attract and retain businesses. In order to realize the benefits of utilizing employment lands, individual communities need to focus their limited resources strategically and look for partnership synergies at the regional, provincial and national scale. The challenges communities are often faced with are unrealistic expectations of their economic development efforts in regards to economic metrics; such as increased tax base and increased employment. Primarily host communities need to establish a transparent, broad and effective enabling environment for investment, and to build the human and institutional capacities to implement them.

The following Plan looks at the current situation of the communities within the North Okanagan as they relate to actions that can be implemented within the next 5 years to increase the number of employment opportunities in the region.

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Urban Systems Ltd. April 2016

Executive Summary

The strategic development of employment lands within a region can act as the catalyst to create significant economic growth and regional prosperity. Today, more than ever, it is essential that communities through inter-municipal cooperation and regional efforts undertake careful and comprehensive strategic regional planning along with committed and focused action to preserve and enhance economic circumstances and quality of life. The reality that faces communities across Canada is that local governments rely heavily on local taxes to fund their budgets. Therefore, they are more likely to see local economic development as a way of increasing their tax base to finance local services, assets, and amenities. In these instances local economic development is highly oriented towards attracting and expanding business with success measured in property tax development. This is often the root cause of strained relationships that are at best operating in silos and at worst aggressively competing and seeking win-lose approaches to business attraction and retention. The reality of this is that it is a very costly and competitive ethos pace and the individual communities do not have the capacities nor the land mix to be successful on their own. Therefore, the impetus for the development of this Employment Land Action Plan is to enhance the capacity of the communities with the North Okanagan, to prioritize and coordinate the development of employment lands to support new industrial, commercial and institutional growth in these communities. This Employment Land Action Plan (Plan) suggests that the individual communities within the North Okanagan must adopt a regional mindset to investment attraction – North Okanagan Investment Zone. With this precondition the Plan provides the framework to coordinate decision making on employment lands by local politicians, councils, and citizens.

In order to create a platform that would allow local governments to develop a coordinated plan and partnership approach for developing employment lands, Urban Systems, working closely with the Regional Growth Strategy Support Team (RGSST), have developed guiding principles, processes and protocols to adhere to. This framework was created to help drive forward the engagement in a fair, objective and transparent manner. These tools and protocols not only resulted in the prioritization of lands through

the development of investment corridors, and the process for identifying actions, but they have also established a foundation for greater cooperation and collaboration to guide implementation efforts.

Further, to support this effort, a geo-spatial analysis of the employment lands in the North Okanagan was conducted to determine if any patterns would emerge with regards to potential employment land nodes. This technical analysis provided a broad overview of the distribution and typology of the approximately 260 ha employment lands identified in the Region; this was then used to develop action items. Key findings from this analysis included:

- 84% of the current employment lands inventory falls within the core of the region - Vernon, Coldstream, Spallumcheen, and Armstrong;
- 81% of the parcels are less than a hectare in size, and only 7% of the current land supply is greater than 5 hectares;
- only 8% of the employment lands identified are currently serviced; and,
- the majority (86%) of employment lands identified are located within 1 km of a major highway.

A primary outcome of this analysis was the establishment of a Regional Investment Corridor concept to make effective use of the economic geography of the Region, and to support regional economic integration and growth. The goal of the Regional Investment Corridor concept is to promote regional employment land growth by focusing on transportation connections; in this case Highways 6 and 97. In order to prioritize parcels of land that will yield the most benefit in terms of employment lands development, the Regional Investment Corridor was further broken into four (4) Investment Zones. Investment zones were defined by having sufficient infrastructure, traffic patterns, visibility, market (investor) attractiveness.

Based on the partnership principles, geo-spatial analysis, and the Regional Investment Corridor and Investment Zones identified, an action plan was developed to better prepare the region to capitalize on existing and evolving demands over the next 5 years.

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1.1 Introduction

Recognizing the need to catalyze economic growth and more specifically the need to generate employment, the Board of Directors of the Regional District of the North Okanagan, and the Regional Government Management Advisory Committee (RGMAC) embarked on the creation of an Employment Lands Action Plan (ELAP or Plan). Nine communities and the Regional District participated in the development of the ELAP, including:

- City of Armstrong
- District of Coldstream
- City of Enderby
- Village of Lumby
- North Okanagan Regional District (Electoral Areas B, C, D, E and F)
- Okanagan Indian Band
- Township of Spallumcheen
- Splotsin Band
- City of Vernon

The Action Plan that has been prepared focuses on three (3) types of land nodes:

- 1.** Industrial;
- 2.** Institutional; and
- 3.** Commercial.

The aim of the Plan is to assist the region in identifying lands that can yield rewards within the next 5 years. This is to be completed through the cooperation of all nine (9) communities within the North Okanagan and guided by the taskforce of the Regional Growth Strategy Support Team (RGSST) and the Regional Government Management Advisory Committee (RGMAC). Recognizing the need for economic growth and importantly regional employment, project partners developed a Regional Employment Lands Action Plan resolution (See Regional Growth Management Advisory Committee (RGMAC) Employment Land Action Plan Resolution Appendix 1.0).

For the purposes of the Employment Lands Action Plan the project team has defined Employment Lands as:

“lands that are identified in Official Community Plans, Zoning Bylaws and other Land Use Plans for clusters of business and economic uses and activities including, but not limited to, institutional, manufacturing, warehousing, offices, retail and associated ancillary uses.”

The Plan will provide the vital framework for the region to capitalize on ‘low hanging fruit’ and identify the specific tasks necessary to realize these opportunities and generate employment within the region.

Specifically, the Plan aims to address the following points:

- Identify the vacant land parcels that can realistically be developed to generate employment within the next 5 years.
- Review the existing industrial land development program and identify possible extension opportunities.
- Identify and evaluate the suitability of locations for new general and light industrial lands.
- Develop a strategy to facilitate the delivery of general and light industrial land, and assist in the restoration of the Local Government’s long-term general and light industrial land bank.

The Plan study area relates to the statutory boundaries of the North Okanagan, as defined by Regional District of North Okanagan's (RDNO) boundaries. The North Okanagan has a current total vacant employment land supply of approximately 259.11 ha (representing 160 parcels).

The Plan provides details on a number of key initiatives that should be actively pursued by the local governments within the RDNO region. These initiatives focus on addressing land supply shortfalls, and advanced planning for future land supply to ensure realization of opportunities within the next 0-5 years. The RGSST and RGMAC will play a pivotal role in overseeing and implementing the employment land action plan program.

Project Goal and Objectives

In September 2014, the Regional District of the North Okanagan contracted Urban Systems to work with the RGSST to facilitate a discussion between all North Okanagan communities and develop the Employment Lands Action Plan. (See Appendix 2.0 — for Oversight Terms of Reference).

Develop and implement a Regional Employment Land Action Plan through collaboration and partnership as to establish realistic and achievable actions to expand the available employment land supply in the short to medium term (0-5 years).

Ultimately the goal of the ELAP is to:

Specifically, the terms of reference for this assignment stated that the project was intended to and must accomplish:

- 1.** Engage and energize the community and key stakeholders;
- 2.** Pursue a process where employment lands, as critical resources, are identified, secured and utilized more effectively and efficiently;
- 3.** Define employment land actions that are systematic, relevant and well thought out; and,
- 4.** Develop a framework or model that outlines steps for policy develop-

ment, creating incentives and program recommendations for key actions and activities that can be implemented faster, more sustainably and with greater flexibility.

Principles of Action Plan

The ultimate desired outcome of the engagement is the development of an Action Plan that will assist the North Okanagan to market and develop employment lands, and generate new employment opportunities within the region in the next five years. Working with the RGSST and the nine North Okanagan communities the following principles were developed to ensure a common understanding of what would constitute best fit action items.

ACTIONABLE – The plan should provide the strategic foundation upon which operational action plans can be developed and executed.

ACCOUNTABILITY – The plan should incorporate performance metrics that are measurable and demonstrate the community’s progress toward achievement of stated goals.

DATA-SUPPORTED – The plan should be based on systematically gathered and analyzed information.

RELEVANCE – The plan should reflect each community’s councils’ distinctive role in the region and articulate how the group adds value to residents in the community, the region, and the province.

Project Approach

There are a number of planning approaches and frameworks, which could be used to develop a detailed action plan of this nature. However not all approaches are equal or even practical to address this complex issue. The approach used for developing this Plan focuses on the inclusion and energizing of nine communities in the RDNO, and it is tailored to the context of the region and the major players that will ultimately be responsible for implementing this action plan. For this reason Urban Systems, working with the RGSST, have organized the engagement as follows:

- Premised on an open and ongoing **COLLABORATIVE & CONSULTATIVE** process;
- Based on **PARTICIPATORY** planning;
- Build from communities **PAST EFFORTS** and **FUTURE ASPIRATIONS**;

- Look for **IMPLEMENTATION** opportunities along the journey;
- Comprehensively encompass and assess all **CRITICAL INTER-JURISDICTIONAL FACTORS** and **PRIORITIES** in a manner that is relevant and objective; and,
- **INNOVATIVELY** respond to the unique needs of the community.

In respect to this assignment the following guiding principles were specified by the RGSST:

- Define a region-wide and sub-regional approach for providing available employment lands;
- Address short to long term priorities;
- Identify opportunities for partners to contribute to the Plan's implementation, including potential resources;
- Develop a process for measuring progress; and,
- Provide a strategic framework from which the Regional District, municipalities and other partners can develop and update their individual plans and strategies.

Overall our approach is consistent with sound development principles:

- it responds directly and fully to the individual aspirations and visions of their desired futures of each of the nine (9) community within the North Okanagan;
- it responds directly to the collective aspirations of communities in the region;
- it encompasses and builds off best practice and leading edge development principles;
- it reflects the most efficient utilization of incentive programs; and,
- it is reflective of the regional context(s).

Where we are in the process

This report is the culmination of the efforts to-date to provide a proper and thorough context and foundation from which the RGSST and elected officials can undertake in the identification of priorities in preparation of an Employment Lands Action Plan. It builds from and adds significantly to earlier investigative efforts, both primary and secondary. It does so by specifically focusing on the effort to provide a better understanding of availability of employment vacant lands and how each of the communities envisions their future economic development aspirations and how it relates to the utilizations of lands to help achieving their aspirations.

It is important to remain cognizant of where we are in the overall process of investigation and action plan preparation to fully appreciate and incorporate the input the attached narrative provides. The multi-stage approach outlined on the next page (Figure 1.1.1) is in essence a high-level overview of the project.

The above-mentioned approach is the result of several adjustments throughout the project. It demonstrates the RGSST's collective commitment to ensuring that the Plan created is relevant and tailored to the specific (and dynamic) contexts of the region; as well as the players within the region that will ensure the Plan's successful implementation and to achieve the desired results.

The strategic use of employment lands within a region can act as the catalyst to significant economic growth and regional prosperity. Employment Lands Studies provide the foundation for disseminating information to local politicians, councils, decision makers, and citizens. Without these studies, strategies and action plans, an inherent lack in informed decisions made regarding the present and future use of employment lands within a community would be the norm.

Figure 1.1.1 - Process Chart

COMMUNITY ENGAGEMENT & DISCUSSIONS

RGSST PROJECT LAUNCH

- Developing a regional approach to employment lands
-

ESTABLISH PARTNERSHIP FRAMEWORK

- Guiding Principles for Regional Collaboration
 - Site Selection Criteria
 - Identifying Best Fit Actions
-

SYNERGIES

- Reoccurring themes
 - Shared aspirations
 - Mutual reinforcing synergies
-

PARTNERSHIP OPPORTUNITIES

- How?
 - Infrastructure and services
-

ACTION PLAN CREATION

- Identify key investment Corridors
 - Create Employment Land Node Profiles
 - Identified regional and sub-regional actions
 - RGMAC and elected Officials Session (Adjust and Conformation of Actions)
-

ACTIONS

- In partnership
 - Regional – Sub-Regional
-

**REGIONAL
ACTIONS**

**SUB-REGIONAL
ACTIONS**

IMPLEMENTATION

Limitations

As with any consulting effort, regardless of the care taken, certain limitations are inherent from the methodology of investigation and assumptions made; and we have tried to minimize the impact of these limitations as much as possible. While we feel our findings and actions presented are firmly based and valid, we acknowledge that certain limitations exist and it is important for the reader of this document to be aware of these limitations.

- This project assignment focuses only on the development of actions not a strategy. It was not within the mandate of this effort to review or discuss the broader aspects of Strategic Priorities for Employment Lands. This also does not include a comprehensive market assessment to help determine the demands of industry on land within the North Okanagan.
- Several contextual circumstances changed throughout the duration of the project. Notably the two (2) different electoral cycles within the municipality and First Nation spheres. This resulted in the need to duplicate certain efforts, such as project introductions, and community level Economic Development and Lands priority setting.
- The action plans developed are based on regional and sub-regional levels not individual communities. This allows the Plan to focus on the natural occurrence of private sector development, which largely ignores political jurisdictions.
- All communities have a different level of economic development readiness and capacity. There is a noticeable challenge with the absence of an economic development function and/or strategy. This results in economic development being conducted sporadically and inconsistently.
- There is limited access to detailed GIS referenced infrastructure data (capacity, availability, etc.), limiting the ability to develop action plans of great detail.
- By necessity (due to lack of research, such as specifically on inbound investment) this project effort draws from statistics and observations that may/may not be specifically relevant to the circumstances within the Region. In some instances information drawn from the region, province or national level are used to reflect community circumstances. Certain observations made and conclusions drawn are based on this broader perspective and may or may not be completely accurate when disaggregated.

- Vacant and underutilization lands in the region are privately owned which creates challenges in regards to the 1) control of motivations and actions, 2) what actions can be utilized by the local governments and 3) the sensitivities about releasing intentions and actions publicly as they might cause adverse reactions.

Notwithstanding the collective importance of these assumptions, limitations and other methodological considerations, we contend that the findings noted throughout the report are germane and supportable.

1.2 The Context of Employment Lands in Economic Development

Employment lands are not an ends but a means to sustainable employment. Simply supplying serviced lands is not enough to generate investment interest to spur economic growth to sustain an economy but rather needs to be a component of economic development and treated in this manner.

Before exploring the myriad of opportunities and challenges, as they pertain to the North Okanagan's efforts to pursue a focused and effective Employment Lands Action Plan, it is imperative to first have a clear understanding of what role Employment Lands play within Economic Development.

What is Economic Development?

.....

Local economic development refers to the process in which the "local" government or some agency, authority or organization on behalf of the local government engages to enhance a community's (most commonly a hamlet, village, town or city) capacity to effect economic progress in both a quantitative and qualitative manner.

Defining economic development is not a simple, straightforward task as it can often mean different things to different people. Before embarking on an in-depth employment action plan with the goal of creating employment, and ultimately improving the quality of life of North Okanagan residents, it is critical to appreciate what economic development entails and what are the realistic expectations of land use to generate economic activity. To further emphasize this point, consider the following examples of definitions for Economic Development; you may notice that they have some commonalities, but are nonetheless different:

Economic Development...

“...is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. Economic development is thus about communities continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes.”
(World Bank)

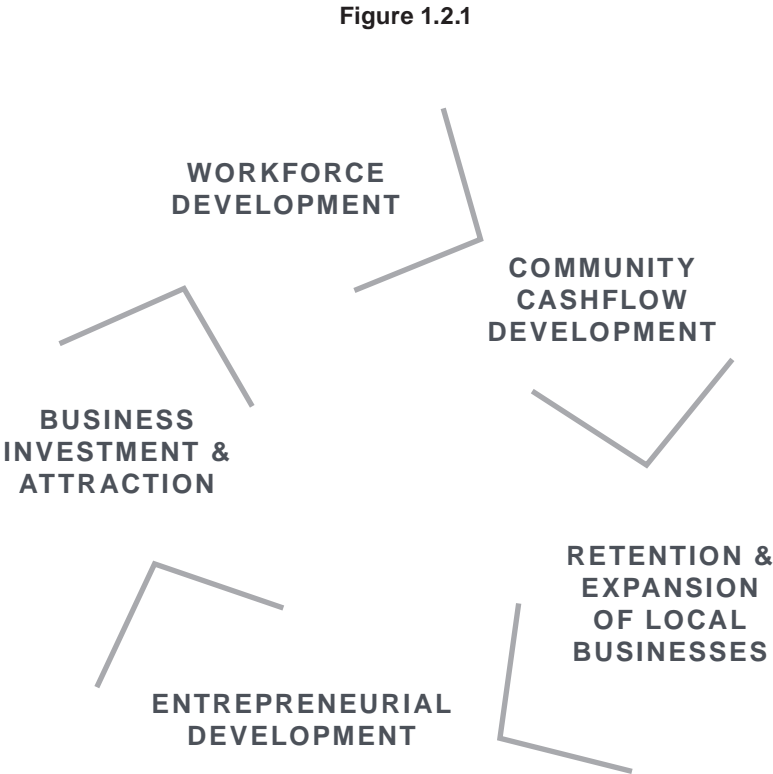
“...is a participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, enabling the joint design and implementation of a common development strategy by making use of the local resources and comparative advantage in a global context, with the final objective of creating decent jobs and stimulating economic activity.” (United Nations)

“...refers to the process in which the ‘local’ government or some agency, authority or organization on behalf of the local government engages to enhance a community’s (most commonly a hamlet, village, town or city) capacity to effect economic progress in both a quantitative and qualitative manner. Local economic development refers to the process in which local governments engage to enhance economic prosperity and quality of life.”¹

There is no standardized list of functions and responsibilities carried out by every economic development effort globally, in Canada or even in British Columbia. The functions and activities of economic development agencies and authorities differ, out of necessity, from municipality to municipality. These differences in activities and functions referred to as economic development are adaptive and usually influenced by resources available, capacity, priorities, and commitment to the process. How Employment Land Action Planning fits into the process varies significantly from one community to the next for exactly the same reasons.

From an academic perspective, economic development implementation is usually comprised of five general components at work within the economic development process. While all components suggest an ongoing effort, some are more short-term focused while others are necessarily longer term focused. Further, because they are “typical” it should not be inferred that all of these broad categories imply equal weight or resource allocations; that these weights are consistent over time; or even that these activities are all present at any one time.

It should also be noted that not all five general components are represented equally nor wholly within a single Economic Development effort; and for each function, there is an array of sub-activities. A brief generalized overview of each component’s application and financing is provided to the right:



¹ *The Evolution of Local Economic Development in Canada, Federation of Canadian Municipalities, by Lochaven Management Consultants*

Retention and Expansion Of Local Businesses:

There is substantial empirical evidence to support the argument that facilitating the development and growth of local businesses is fundamental to achieving strong local economies; and as such is typically a key component of most Economic Development efforts in Canada. However, many retention and expansion efforts tend to be undervalued, in terms of financial allocation, often because these activities have a less visible impact than other activities. Consequently, when deemed a priority and with an absence of sufficient funding, Economic Development agencies are limited by the range of services they might offer and are required to be very innovative in how they approach the broader issues of Business Retention and Expansion (BRE) program delivery.

Business/Investment Attraction:

Business attraction programs are intended to round out or help diversify local economies by bringing in new investors and new enterprises. Globalization has resulted in an increasing number of Economic Development agencies working to attract new businesses and investment in Canada over the past twenty years. However, of all the Economic Development components business/investment attraction tends to be the most costly of endeavors (to do it right, that is) though surprisingly in many cases the easiest to finance. The availability of somewhat “easy” financing exacerbates those situations that imply less focus on what needs to be done and a greater focus on where the money is.

Entrepreneurial Development Activities:

Enterprises and entrepreneurs have been at the center stage of growth, transition and modernization since the days of the Industrial Revolution. In fact, in Canada, entrepreneurship is the catalyst that initiates and sustains the process of development. Today, unlike in the United States, much of the programming that supports entrepreneurial development in Canada has been retained within line Ministries (Provincial and Federal), universities and colleges, or carved off to other quasi Economic Development agencies and authorities; such as Community Futures Organizations, Young Entrepreneurs Associations, and Women’s Enterprise Centers. This means, quite frankly, there is little or no interest nor financing available for traditional Economic Development endeavors to directly support the entrepreneurial development process other than to focus on building a business/entrepreneur friendly environment, which in terms of financing usually implies programming predominantly along the lines of advocacy, improving the regulatory regime and selected pro-business policy changes.

Workforce Development Activities:

Currently, across Canada, a significant amount of time and money is being expended by Federal and Provincial governments on workforce development in order to facilitate sustainable economic development. In an increasingly competitive global economy, a skilled workforce is critical to competitiveness and by implication sustainable economic growth and development. On a local level these workforce development efforts, while funded directly by the higher tiers of government,¹ are usually designed and implemented by a collaboration of agencies and partners, including: the private sector; vocational/educational institutions; and, various Economic Development or quasi- Economic Development agencies. It should be noted that in most cases the bulk of financing targets the recipients (individuals seeking training and the educational institutions that provide it) versus the agencies that initiate, design and develop the programming (e.g. Economic Development Authorities).

Community Cash Flow Development:

Community cash flow has become an increasingly important Economic Development function, and it is taking up an increasing amount of time and effort within many agencies. This activity is complex, highly visible and tends to attract a fair amount of financing (directly and indirectly). It should be noted, that the effort to seek out and take advantage of innovative financing ideas requires a high level of financial skills at the local level.

The Site Selection Process

Ultimately the actions provided in this Plan need to successfully motivate and spur private sector investment. Understanding why private sector investment occurs will assist in the development of goals, objectives and tactics that will best align local community efforts with the investment process. It is then important to refine this approach by considering within that equation the role of “location” and site location decision making undertaken by the private sector.

The process by which a company chooses to relocate to another property and the process by which that locational decision is made varies from company to company, from sector to sector and within sectors (e.g. some companies gradually establish operations in an overseas location, while others proceed directly to an in-country investment).

¹ In Canada education is a Provincial responsibility though the federal government is quite active in funding directly or indirectly through the provinces a range of workforce development initiatives.

The process normally proceeds as follows.

Investors first broadly consider potential regions (e.g. North America) for investment, then possible countries within that region (e.g. Canada or United States), then further still to sub-regions (British Columbia or Washington), and finally to prospective sites and sub-sites (e.g. Vernon, Kelowna, Kamloops Penticton). The analytical process becomes increasingly detailed as the decision makers narrow the list of possible investment locations down to one or two sites.

Generally speaking the preeminent factors on which different locations are assessed and rated can be broken into the following general categories:

- Market characteristics (local and regional);
- Costs (including labor, transport and other inputs);
- Natural resources (availability and quality);
- Infrastructure;
- Policy framework; and
- Business support and promotion (as provided by the IPI and other agencies).

Within the context of each of these factors there are a number of considerations / indicators² as illustrated in **Table 1.2.1** below.

KEY FACTORS USED BY PRIVATE SECTOR TO EVALUATE AN INVESTMENT LOCATION

Market

- Market size and per capita income
- Market growth
- Import barriers (tariff and non-tariff barriers)
- Access to regional and global markets
- Country-specific consumer preferences
- Competitive considerations (e.g. market share, pricing, entry barriers)
- Cost, quality, availability, and productivity of trained/trainable labour
- Costs of inputs, components, raw materials
- Transportation, communications, and utility costs
- Taxation, financing costs, foreign exchange access and availability
- Incentives and disincentives (e.g. performance requirements) for investment and trade

Natural Resources

- Availability of resources (e.g. oil/gas, minerals, raw materials, land, tourism resources)

² Source: Adapted from UNCTAD, 1999.

KEY FACTORS USED BY PRIVATE SECTOR TO EVALUATE AN INVESTMENT LOCATION

Infrastructure Framework

- Physical infrastructure (e.g. ports, airports, roads, telecommunications)
- Technological and R&D infrastructure (e.g. research institutions, universities)
- Industrial infrastructure (e.g. subcontracting and business services, supplier industries, industry clusters)
- Educational infrastructure (e.g. schools, colleges, universities)

Policy Framework

- Economic, political, and social stability
- Private-sector orientation and privatization of state-owned enterprises
- Entry rules, guarantees, and incentives
- Structure and functioning of markets
- International agreements on trade and FDI; bilateral tax and trade policies
- General legal systems (e.g., intellectual property rights, competition and labor laws, tax administration, and regulations regarding business establishment)

Business Promotion & Support

- Availability of information and assistance
- Promotion (e.g. internal and external, targeting of investors)
- After-care services
- Administrative efficiency of economic development agency and other agencies
- Availability of information and assistance
- Promotion (e.g. internal and external, targeting of investors)
- After-care services
- Administrative efficiency of economic development agency and other agencies

People

- Employee retention
- Language barriers
- Education level of workforce
- Size of labour market

Industry Size and Agglomeration

- Concentration of like industries

Clearly the importance or relative weight afforded each of these factors to the final site location decision varies according to the type, structure, motivation and scope of the proposed investment. For example, resource-seeking companies examine closely and weigh heavily the availability and quality of required natural resources at the outset. Other important factors, such as the country's basic infrastructure; economic, political, and social stability; policy frameworks may also be evaluated. However, it should be noted that in some cases a positive rating on these additional considerations may be

necessary considerations in final site location decision; they may not be in and of themselves sufficient considerations in the final decision. This is an extremely important distinction to be aware of when finalizing plans that play a role within inbound investment strategy and not surprisingly one that is often overlooked or underappreciated by new entrants in the economic development attraction game.

The seeming unimportance of these basic cost factors in producing inbound investment is good news for British Columbia and the North Okanagan, since it is a high wage, high tax, high cost province. Businesses looking for sites for investment tend to be more interested in key business inputs rather than in costs. At the provincial level costs can be a tie-breaker, but they are rarely the first consideration.

Additional Thoughts

For many communities and regions around the world the strategic use of employment related lands to spur inbound investment and business retention and expansion (BRE) is, if not the panacea to sustainable economic growth and development, at the very least a critical ingredient. However, almost every region in the world that has been truly successful in inbound investment and BRE has effectively developed working relationships at a regional level to promote, facilitate and service lands. Conversely, research on the regions / communities that are struggling to attract investment and grow / retain businesses shows they are usually working in silos, and are often at odds with neighbouring communities. This highlights the critical importance that the communities in the North Okanagan not only work together in their efforts, but truly see the collective gains and wins in attracting new investment anywhere in the region.

Communities applying margin cost doctrine to their decision making are predisposed to steer investments (resources: monies, infrastructure and human) to initiatives that offer the most tangible and immediate individual returns. Communities short-change investments and relationships in initiatives that are crucial to their long-term strategies and ultimately sustainability. If you study the root causes of community shortfalls, over and over you'll find this predisposition toward endeavours that offer immediate gratification.

1.3 A Framework for Success

“In the past, local development efforts have sometimes failed to achieve anticipated results because they sought simply to transplant one approach from one area to another without paying enough attention to differences in context.”

Best Practices in Local Development Local Economic and Employment Development (LEED) Organization of Economic Cooperation and Development. (OECD)

The reality that faces communities across Canada is that local governments rely heavily on local taxes to fund their budgets. Therefore, they are more likely to see local economic development as a way of increasing their tax base to finance local services, assets, and amenities. In these instances local economic development is highly oriented towards attracting and expanding business with success measured in property tax development. This is often the root cause of strained relationships that are at best operating in silos and at worst aggressively competing and seeking win-loose approaches to business attraction and retention.

A significant outcome of the in-depth community lands analysis and discussions has been the collective realization that only through the total lands inventory (offerings) of the entire North Okanagan does the region have a competitive offering; with respect to the availability, accessibility, diversity and quality of employment lands. Therefore, if the region wants to be successful in attracting investment or retaining / growing existing business, as to generate increased employment, the region needs to market itself and act as one **INVESTMENT ZONE**.

With this in mind Urban Systems, working closely with the RGSST, have developed guiding principles, processes and protocols to adhere to. This framework was created to help drive forward the engagement in a fair, objective and transparent manner. These tools and protocols not only resulted in the prioritization of lands through the development of investment corridors (to be detailed later in the report), and the process for identifying actions, but they have also established a foundation for greater cooperation and collaboration to guide implementation efforts.

Principles of Partnerships

THINK REGIONALLY - Use strong regional representation to ensure the initiatives and programs embody the needs of the entire region. While working on assignments the representatives of Regional Growth Strategy Support Team has the vested interest of the entire region as the primary focal point.

COLLABORATIVE EFFORT - The planning process should encourage the active participation of all communities within RDNO at both the staff and elected official levels.

COMMUNICATION AND TRANSPARENCY – Planning deliberations will be communicated regularly with the community and senior leadership will make strategic decisions in a timely, open, and transparent way.

MUTUAL TRUST AND RESPECT - The efforts engage each of the member communities in a fair and respectful way that fosters understanding between diverse views, values, and interests.

EQUITABLE ENGAGEMENT PROCESS - The partnership designs engagement processes that allow all member communities a reasonable opportunity to contribute and develop a balanced perspective.

COMMITMENT - The partners commit resources to engagement processes to ensure engagement activities are effective.

Selection Criteria and Application

While the initiative is taking a North Okanagan investment zone approach, there still needs to be an inventory of objectively identified lands that have the highest and best yield for the region. In an effort to do this objectively selection and prioritisation criteria has been established to help assess whether employment lands are to be released and/or identified/allocated as high quality employment lands; with specific reference to commercial, industrial and institutional uses within North Okanagan. The overall objective of the selection criteria is to determine the state of readiness and best fit, with regard for access to strategic infrastructure, market attractiveness, sustainable development, and being within strategic planning framework.

The site selection criteria (**Figure 1.3.1**) utilised were:



Market Attractiveness Factors

- 1.** Has the site been formally identified for employment for at least 10 years?
- 2.** Has there been any recent development activity, within the last 5 years? This could include works on site but also new or revised planning applications / building regulations applications.
- 3.** Is the site being actively marketed as an employment site?
- 4.** Is the site owned by a developer or another agency known to undertake employment development?
- 5.** Is the site in multiple ownership / occupation, or owned by an organisation unlikely to bring it forward for development?
- 6.** Is there a valid permission for employment development, likely to meet market requirements? Or for an alternative use?
- 7.** Would employment development on this site be viable, without public funding to resolve infrastructure or other on-site constraints?
- 8.** Has there been any recent market activity? [This could include enquiries, sales or lettings]
- 9.** Is development for employment viable, with any public funding if it is committed?
- 10.** Is the site immediately available?

Sustainable Development Factors

- 1.** Would the site be allocated today for employment development, measured against present sustainability criteria (including public transport and freight access, environmental impacts and brownfield/greenfield considerations)?
- 2.** Is employment the only acceptable form of built development on this site (e.g. because of on-site contamination, adjoining uses or sustainable development reasons)?

- 3.** Does the site meet present (and expected future) sustainability criteria (including public transport and freight access, on and off-site environmental impacts)?

Strategic Planning Factors

- 1.** Is the site within an area identified as of strategic importance to the delivery of the North Okanagan Regional Growth Strategy?
- 2.** Is the site identified or likely to be required for a specific user or specialist use?
- 3.** Is the site part of a comprehensive or long term development or regeneration proposal, which depends on the site being developed for employment uses?
- 4.** Is there public funding committed (or likely to be provided) sufficient to overcome infrastructure or on-site constraints to make employment development viable?
- 5.** Are there any other policy considerations, such as emerging strategic objectives or spatial vision, which should override any decision to release the site?
- 6.** Is the site important in delivering other economic development objectives or the spatial strategy?

Strategic Infrastructure Factors

- 1.** Does the site concentrate public and private investment in locations that have been selected on the basis of the development potential?
- 2.** Does the site increase productive use of land and advance alternative energy generation and use (renewable energy)?
- 3.** Is the development of the site dependent on the proximity to strategic transportation infrastructure (i.e. road and rail networks, airport and mobility corridors)?
- 4.** Is the site serviced with a community water system?
- 5.** Is the site serviced with a community sanitary sewerage system?
- 6.** Does the site have direct access to major road or rail transportation networks?
- 7.** Does the site have access to waste management facilities?
- 8.** Is the site supported by sufficient and effective Information Communication Technology (i.e. cable, telephone, fiber optic, cellular coverage) infrastructure to increase economic competitiveness?
- 9.** Does the site contribute to R&D (sufficient and appropriate development of skills) – develop the knowledge base to enhance the knowledge economy?
- 10.** Is the development of the site subject to infrastructure phasing?

Identifying Best Fit Actions

Inner-municipal partnerships require a transparent decision-making process in which the parties within the partnership, in an effective and accountable manner, direct, resources and exercise powers on the basis of shared values

In order to meet the above mentioned Partnership Principle's and properly identify action items that the region can/will implement, it is an important part of the exercise to identify a set of criteria that all member communities support. Specifically this criteria will drive the drafting and selection of individual actions/activities while respecting that there is not an infinite supply of resources from which local economic development efforts might be premised. Further, there is a need to balance limited resources with the inherent desire to ensure efforts are the most efficient and the most effective as possible. In this regard the following thirteen (13) criteria were presented and adopted by the RGSST.

- 1.** Ease of Implementation (low hanging Fruit)
- 2.** Is Compatible with Goals of the Regional Growth Strategy
- 3.** Aligned with the Region's Core Competencies
- 4.** Sustainability of Economic/Social Impacts
- 5.** Diversifies Local Economic Base
- 6.** Retains/Strengthens Local Economic Base
- 7.** Promotes/Supports/Enhances Environmental Sustainability
- 8.** Increases/Preserves Local Tax Base
- 9.** Protects/Preserves/Enhances Local Infrastructure
- 10.** Builds Community Partnerships/Participation
- 11.** Impact on Community Resources (Capacity and Human Resources)
- 12.** Internal Resources Required - Financial
- 13.** Internal Resources Required Human Capacities Skill and Time

The above thirteen (13) criteria were utilized in the evaluation of the action alternatives in order to ensure an objective analysis was conducted.

Impacts of Regional Wins

In an effort to further illustrate the regional benefits and impacts of a truly regional approach, and to the notion of the North Okanagan Investment Zone concept, we have modelled the Economic Impact Assessment of the retention of an enterprise within the region. We have purposely eliminated the property tax from the equation as it reinforces the independent mindset and rather we have projected the impacts on families, populations¹ and personal (private) property taxes. The assessment is provided on a one year impact.

Table 1.3.1 ASSESSMENT INPUTS

Employer	Confidential
Existing Employment Numbers	60
New Jobs to be Created	35
Total Employment Numbers	95
Average Household Income (North Okanagan)	\$73,530
Average Family Size (North Okanagan)	2.7

If the region works collaboratively to meet the enterprises needs and is able to retain the enterprise the following economic impact will be retained in the region.

Table 1.3.2 RETAINED ANNUAL ECONOMIC IMPACT

Community	Retained Impacts		
	Enterprise Population Distribution	Family Population	Household Income into Communities
City of Armstrong	3.6	9.6	\$261,203
District of Coldstream	7.6	20.5	\$557,693
City of Enderby	2.2	5.8	\$158,553
Village Lumby	1.3	3.4	\$93,440
Township of Spallumcheen	3.7	10.0	\$273,358
City of Vernon	28.3	76.5	\$2,083,732
Unincorporated Area	13.4	36.1	\$983,821
Total	60.00	162.00	\$4,411,800

The increased economic impacts to the region of the increased in employment numbers based on its needs for growth are as follows:

¹ Based on population distribution Source for all - Statistics Canada, 2011 Census of Population and 2011 National Household Survey

Table 1.3.3 FORECASTED ANNUAL INCREASED ECONOMIC IMPACTS

Community	Increased Impacts		
	Enterprise Population Distribution	Family Population	Household Income into Communities
City of Armstrong	2.07	5.6	\$152,368
District of Coldstream	4.42	11.9	\$325,321
City of Enderby	1.26	3.4	\$92,489
Village Lumby	0.74	2.0	\$54,506
Township of Spallumcheen	2.17	5.9	\$ 159,459
City of Vernon	16.53	44.6	\$ 1,215,510
Unincorporated Area	7.8	21.1	\$ 573,896
Total	35.00	94.5	\$2,573,550

The total economic impacts to the region of not only retaining this enterprise but also supporting it in its needs for growth are as follows:

Table 1.3.4 TOTAL ANNUAL ECONOMIC IMPACTS

Community	Total Impacts		
	Family Population	Household Income into Communities	Home Porperty Taxes
City of Armstrong	15.2	\$413,571	\$4,465
District of Coldstream	32.4	\$883,014	\$16,946
City of Enderby	9.2	\$251,042	\$2,935
Village Lumby	5.4	\$147,946	\$2,186
Township of Spallumcheen	15.9	\$432,817	\$7,932
City of Vernon	121.1	\$3,299,243	\$49,596
Unincorporated Area	57.2	\$1,557,717	\$24,366
Total	257	\$6,985,350	\$108,426

Additional thoughts

While the above is a very simplified economic impact assessment of one enterprise it illustrates how the retention/expansion and new in-bound investment into the North Okanagan Investment Zone has significant benefits to all member communities. The annual impacts are:

- Retention of 35 families in the region;
- Retained 62 residents in the region;
- Retention of household incomes of \$4.4 Million per year into the region;
- Attraction of up to 35 new jobs in the region;
- Attraction of up to 94 residents into the region;
- Attraction of up to an additional \$2.57 Million in household incomes in the region; and
- Retention/Attraction of \$108,426² in private property taxes.

² based on 2015 tax rate before homeowner grants
Regional district tax rates are set by the Province and differ for every Electoral Area. An estimate average was provided by RDNO staff.



2.1 North Okanagan Investment Zone - Economic Overview

The North Okanagan Region is situated in the south-central interior of British Columbia. The North Okanagan contains a variety of landscapes, rich agricultural land, forested hill-sides and mountain peaks. The North Okanagan region is dominated by several large lakes (i.e. Kalamalka, Mabel, and Okanagan Lake), which run along the valley floor North-South beneath steep hills. The North Okanagan region covers a territory, which extends from the North boundary of the Regional District of Central Okanagan border, near Oyama, North to Shuswap Lake. Due to topographical constraints the majority of development is found along the valley where the major communities are connected by Highway 97, which follows the Okanagan Valley North-South from the US/Canada border up to the Shuswap Region, the Trans-Canada Highway, and beyond.

Population and Demographics:

The population of the North Okanagan Regional District in 2011 was approximately 81,237 people or about 1.8% of the population of British Columbia. With a year over year increase of 1.0% the region as a whole is experiencing more substantive population growth when compared with some neighboring regions and the Province (0.7%). Population within the North Okanagan Region is expected to continue to increase over the next 10 to 12 year period and reach approximately 94,000 people by 2025. Population growth by community varies significantly.

The regional population is predominantly urban. In fact, 78% of residents currently reside in key urban areas including, but not limited to, Vernon, Coldstream and Armstrong.

The Okanagan region has an older than average population when compared to the Province. In the 2011 Census, over 52.7% of the North Okanagan's population was aged 45 years and over versus 45.6% for BC and this is expected to increase substantially by 2036. A portion of the population in the front wave of the 'baby boomer' cohort (b.1948-1964) has already entered retirement. There is also substantial age variation and the population aged 65+ years is particularly notable at 21.5% in the North Okanagan compared to 15.7% for BC as a whole.

Median family incomes in the region (\$53,647) tend to be less than the BC average (\$60,333). The most populated city in the Region is Vernon with a population of 38,150 people within City boundaries and an urban population of 58,584 people in the Greater Vernon area. Population projections conducted by BC Stats suggest that the population of this regional centre will reach 72,753 by 2025.

Key Communities

	Population 2011	Percentage Change (2006-2011)
Armstrong	4,815	13.54%
Coldstream	10,314	8.90%
Enderby	2,818	3.68%
Lumby	1,731	5.94%
Spallumcheen	5,045	1.71%
Vernon	38,150	6.03%
Unincorporated Area	14,643	-2.28%
Total	81,237	5.00%

First Nations

First Nations Bands provide services and facilities to their members in the North Okanagan Valley region, these organizations include:

- Okanagan Indian Band
- Splatsin Band

Land Use Patterns

The highly concentrated population of the North Okanagan Region has resulted in substantial development in valley floors and along the shores of Okanagan, and Kalamalka lakes. Existing urban and agricultural development patterns have built up around town centers situated in lower elevations of the Okanagan valley. As future growth is encouraged in higher density and sequential outward development patterns, the need for new infrastructure is competing with other land uses in the same narrow north-south corridor along Highway 97.

Residential development in many communities is spread-out and a large amount of suburban development over the past three decades has resulted in vast urban sprawl, especially in Coldstream and Vernon. This has resulted in many communities being highly dependent on personal automobile as a primary mode of travel, resulting traffic congestion and low levels of investment in alternative modes of transportation (e.g. transit, bike lanes, sidewalks, etc.).

Large concentrations of commercial and industrial development are found along the Highway 97 corridor through the North Okanagan, especially in Vernon. Smaller amounts of tourism commercial development can also be found in smaller communities, such as Armstrong, and Mabel Lake, and in the downtown core of Vernon.

Vernon is the Region's major institutional centre providing health and educational services through the Region. Major institutional uses include the Vernon Jubilee Hospital (VJH) and Okanagan College, both of which are located in close proximity to Highway 97 and major transit routes.

Large areas of agricultural land surround every community, and fill-in settlement gaps in rural areas, such as Spallumcheen, Coldstream, Enderby and Lumby. In communities such as Vernon and Coldstream large areas of land in the ALR are positioned inside municipal boundaries limiting the expansion of residential, commercial and industrial uses.

Overall, the limited amount of flat developable land, outside of the ALR, limits options for growth and settlement expansion, which has resulted in an increased effort to densify existing settlements and limit the expansion of hillside development on steep slopes.

Community Growth

The Regional Growth Strategy for RDNO highlights common strategic directions for the Region, which include:

- Sustainable economic growth;
- Environmental protection of water, land, air and biodiversity;
- Growth management, encouraging compact growth and mixed use development, and reducing sprawl;
- Protection of rural character and agricultural land;
- Increasing transportation options and reducing automobile consumption; and,
- Making substantial improvements to the function and aesthetics of the Highway 97 corridor.

Economy

The North Okanagan has a diverse regional economy that is well integrated with other economic regions of British Columbia and Alberta, the United States and the global economy.

- Employment: In December 2015 the average unemployment for the Thompson-Okanagan region was 7.3% (BC Stats)
- Business: Okanagan Valley is home to 17,500 businesses of which 95% employ less than 20 employees. (OEP 2013).
- Labour Force: The total labour force for the North Okanagan is estimated at 46,000 people representing a participation rate of 61.8%. (BCStats 2015).
- Services: There are a number of government and business support offices including a full service passport office, Service BC locations, and a trade commissioner, Chambers of Commerce, the Vernon Downtown Associations, as well as several tourism offices. (OEP 2013).

Employment and the Labour Force

As noted above, the North Okanagan Region represents about 1.8% of the population of British Columbia. At 46,000 people it also represents approximately 1.9% of BC's total employed. That said, the proportion of the population that is of working age (ages 15 to 64) within the North Okanagan Region is proportionally smaller than that of the rest of BC (61.8% compared to 64.0%). Furthermore, according to a recent labour market survey prepared for the region, the proportion of the population that is of working age is expected to decrease over the next five years.

In terms of employment by sector, the services producing sector represents more than three-quarters of all employment in the Okanagan region, led by

healthcare and social assistance (12.2%), accommodation and food services (7.5%), educational services (6.7%), finance, insurance, real estate and leasing (6.3%), and professional, scientific and technical services (6.1%). The region's largest industry is trade (wholesale and retail sales), which accounts for nearly 17% of total employment.

Key Sectors and Major Projects

Over the past two decades the North Okanagan region has moved away from its historic reliance on forestry and mining to include a diverse mix of industries. The region is a popular tourist and retirement destination, which has spawned significant investment and construction activity over a number of years. It is one of BC's premiere agricultural production centres, and it has a growing number of high tech, aviation and diversified manufacturing businesses. It is also home to a number of emerging industries including film production.

REAL ESTATE -The real estate industry facilitates great deal of the economic growth and outside investment in the region and local economies and housing markets. The average value of Owned Dwelling was \$419,182 in 2011, depending on the community in which the property is located (Canada).

TOURISM -Tourism is another primary economic driver throughout the Region. Estimates suggest that in the Thompson Okanagan, the industry generated over \$1.7 billion for the economy.

Transportation Infrastructure

The North Okanagan has an extensive, well-integrated transportation infrastructure. Goods are moved throughout the region through various transportation services; roads, rail, border crossings, frequent domestic and international flight schedules and transit systems support a wide variety of economic functions and industries.

Highways

Highway 97 is the Okanagan Region's key north-south highway. From Highway 97 the connections to east-west include:

- Highway 1 - Trans Canada Highway
- Highway 6 – connects with the Kootenay Region
- Highway 97A – connects with Armstrong/Sicamous

North-South routes that parallel various sections along the Highway 97 spine include:

- Highways 97A – connects to Armstrong/Sicamous
- Highway 97B – connects Grindrod/Salmon Arm

Air

Air travel is an important component of the transportation system in the Okanagan. Centred around the Kelowna International Airport (YLW) –Canada’s 10th busiest airport - air travel offers increasingly convenient travel options between the Okanagan Region and the rest of the world (via direct connections to major centres including Vancouver, Calgary, Toronto, Seattle, and Victoria). This access supports year round tourism, business/ investment connections, and air freight for high value goods.

Transit

BC Transit provides both conventional and HandyDART public transit services to the North Okanagan. While Vernon’s system is directed more towards maximizing area coverage, as is typical in small to mid-range systems. The North Okanagan’s Transit Future Plan (2014) is based around the development of a core transit network with reliable, frequent 15-20 minute service on weekdays between 7 AM and 10 PM. Core transit routes to Enderby, UBCO in North Kelowna, and Lumby are identified.

Rail

The North Okanagan region is home to over 480km of railway lines – for primarily freight movement. This includes over 200km of the main Canadian Pacific (CP) line that travels east-west through the Shuswap area between Kamloops and Revelstoke. This route carries approximately 200 CP trains per week and approximately 160 Canadian National (CN) trains per week (2012). Each train may include 150 individual rail cars or more.

Principal commodities on BC railways (province-wide) include wheat, canola, and other vegetables (from Saskatchewan); coal, wheat, and sulfur (from Alberta); and coal, wood pulp, and wood chips within BC.

Investment Zone - Socio-Economic Overview¹

		Lumby*	Coldstream	Vernon	Armstrong
Population	2001	1,618	9,106	33,542	4,256
	2006	1,634	9,471	35,979	4,241
	2011	1,731	10,314	38,150	4,815
Yearly Avr Change in population 2001 - 2011		0.70%	1.25%	1.30%	1.20%
Median Age 2011\		42.9 yrs	45.8 yrs	46.5 yrs	46.2 yrs
Demographic profile	15-44 yrs	585 -33.80%	3,285 -31.90%	12,935 -33.90%	1,540 -34.80%
	45 -65 yrs	475 -27.40%	3,675 -35.60%	11,035 -28.90%	1,390 -28.90%
	65 yrs +	340 -19.60%	1,625 -15.80%	8,795 -23.10%	1,095 -24.80%
Lone parent families 2011		45 - 65 yrs	285	1,755	230
Households 2011		715	3,800	16,415	1,985
Median Household Income 2006		49,732	76,353	56,211	51,729
Median Household Income 2011		65 yrs +	78,417	65,533	50,005
Incidence of low income (2011) and 5 yr % change		16.00%	6.90%	17.60%	18.20%
Average Income 2011		29,465	42,605	30,910	31,459
Changes in median incomes – 5yrs		16.00%	2.70%	16.60%	-3.30%
Sources of Income:	Employment	58.90%	69.00%	65.10%	66.90%
	Pensions	18.10%	8.50%	10.00%	9.00%
	Government Transfer	2.10%	10.60%	17.10%	19.00%
Labour Force Dependency		mnfg	cnstr	cnstr	mnfg
		forestry	mnfg	mnfg	retail
		retail	health care	health care	forestry & agriculture
			retail	retail	
Regional Labour Participation rate Dec 2015 ²					
Regional Unemployment rate Dec 2015 ³					
Labour Participation rate 2011		60.30%	63.20%	59.30%	59.90%
Employment Rate 2011		54.40%	57.80%	53.70%	55.60%
Unemployment rates 2011		9.80%	8.70%	9.40%	7.30%
Avr Value of Owned Dwelling - 2011		\$278,236	\$526,753	\$383,016	\$341,051

¹ Source for all - Statistics Canada, 2011 Census of Population and 2011 National Household Survey

² BCStats Labour Force Participation 2015

³ BCStats

	Spallumcheen	Enderby	Electoral Areas**	North Okanagan	BC
	5,134	2,818	14,279	73,227	3,907,738
	4,960	2,828	14,985	77,301	4,113,487
	5,045	2,932	14,643	81,237	4,400,057
	-0.20%	0.40%	0.25%	1.04%	1.19%
	47.3	50	47.1	47.2	41.9
	1560	845	4,550	26,030	1,714,390
	-30.90%	-28.80%	-31.10%	-32.00%	-39.00%
	1,840	860	5,565	26,055	1,319,585
	-36.50%	-29.30%	-38.00%	-32.10%	-30.1%
	845	805	2,295	17,075	688,715
	-16.80%	-27.50%	(15.7%)	-20.60%	-15.70%
	185	145	520	3,315	189,805
	1,950	1,415	6,230	33760	1,764,630
	57,225	42,177	\$55,271	\$56,271	\$52,204
	60,691	40,954	\$60,983	\$53,647	\$60,333
	16.10%	20.70%	17.70%	16.50%	16.40%
	33,710	29,357	\$36,838	35,325	39,415
	6.10%	-2.90%	6.62%	-4.66%	15.60%
	68.30%	58.50%	67.70%	65.40%	73.70%
	5.80%	12.10%	7.84%	9.50%	6.90%
	16.20%	25.90%	13.73%	16.50%	11.70%
	Trades and transport	retail	Education, law, govern- ment	cnstr	Education, law, government
	mnfg	mnfg	Service Sector	mnfg	Trades and Transport
	forestry & agriculture	Trades and transport	Business, finance and administration	forestry & agriculture	Business, finance and administration
	retail		Trades and Transport	retail	retail
	61.80%				64.60%
	7.30%				6.00%
	66.70%	47.80%	64.70%	59.70%	64.60%
	60.40%	43.90%	59.30%	54.10%	59.50%
	9.40%	8.30%	8.40%	9.40%	7.80%
	\$502,990	\$293,332	\$480,384	\$419,182	\$543,635

*Note: No data exists for Lumby at the National Household Survey Level, therefore 2006 data was carried forward

**Note: No data exists for RDNO Electoral Area E at the National Household Survey Level, therefore 2006 data was carried forward

Key Socio-Economic Findings

In terms of some key observations that summarize the regional context in which the actions need to address are the following:

- Traditionally the economy was heavily dependent on forestry and agriculture for growth and expansion. However, even though there remains a heavy dependence on primary industry (8.3% of labour distribution versus the BC average of 4.6%) over the past ten years there has been considerable growth in manufacturing and service economies, which typically are more stable than primary industries.
- The area boasts a large percentage of small and medium-sized enterprises. Ninety-one percent of all businesses in the region have less than twenty employees and those considered large businesses (200+ employees) constitute less than 0.5%.
- In terms of employment by sector, the services producing sector represents more than three-quarters of all employment in the Okanagan region, led by healthcare and social assistance (12.2%), accommodation and food services (7.5%), educational services (6.7%), finance, insurance, real estate and leasing (6.3%), and professional, scientific and technical services (6.1%). The region's largest industry is trade (wholesale and retail sales), which accounts for nearly 17% of total employment.
- Small number of vacant lands with a limited diversity within each community. Impacting the level of interest of inventors and site selectors.
- Majority of conversations within the region gravitated towards industrial (either heavy or light industrial) as key focal point for the creation of the plan.
- External interest in lands within the North Okanagan, while healthy, would still rank as moderate. Especially in comparison with other regions.
- There is also substantial age variation, and the population aged 65+ years is particularly notable at 20.6% in the North Okanagan; especially compared to 15.7% for BC as a whole. This aging of the population has some significant implications to the local labour market and longer term implications to economic growth within the region.
- Median family incomes in the region (\$53,647) tend to be less than the BC average (\$60,333).
- The Thompson Okanagan region is expected to have 98,300 job openings from 2012-2022. Most of these openings (~80%) are to replace retiring workers, and the other (~20%) is due to expanding demand.

- Labour force within the Thompson Okanagan is expected to grow by 18.5% over the next six years. However, current population growth and migration levels are only sufficient to cover between 52.3% and 69.4% of the future employment demands. Migration levels need to double or triple to meet labour market demands.
- 47% of current residents do not have education or training beyond high school, yet the demand for individuals with post-secondary education or trades skills is a growing requirement.
- In most cases it is not known exactly just what will be the specific requirements of future industries and workplaces. New types of businesses—with new occupations and new skill sets are sure to emerge. On a regular basis industrial and technological change will demand different and more advanced skills from employees. Workers will need to be able to learn and adapt to new job opportunities, innovate, and build businesses that can manage in a totally different economic environment.
- There is an ever changing list of demands from investors that influence site selection; including moving away from heavy industrial large properties that we witnessed in the 1970's to more compact sites with increase services beyond that of typical water, septic, roads and power. New service attractions include public transit and personal services, such as cafes and other businesses that will help attract and retain workforces.



3.1 Regional Employment Lands Breakdown

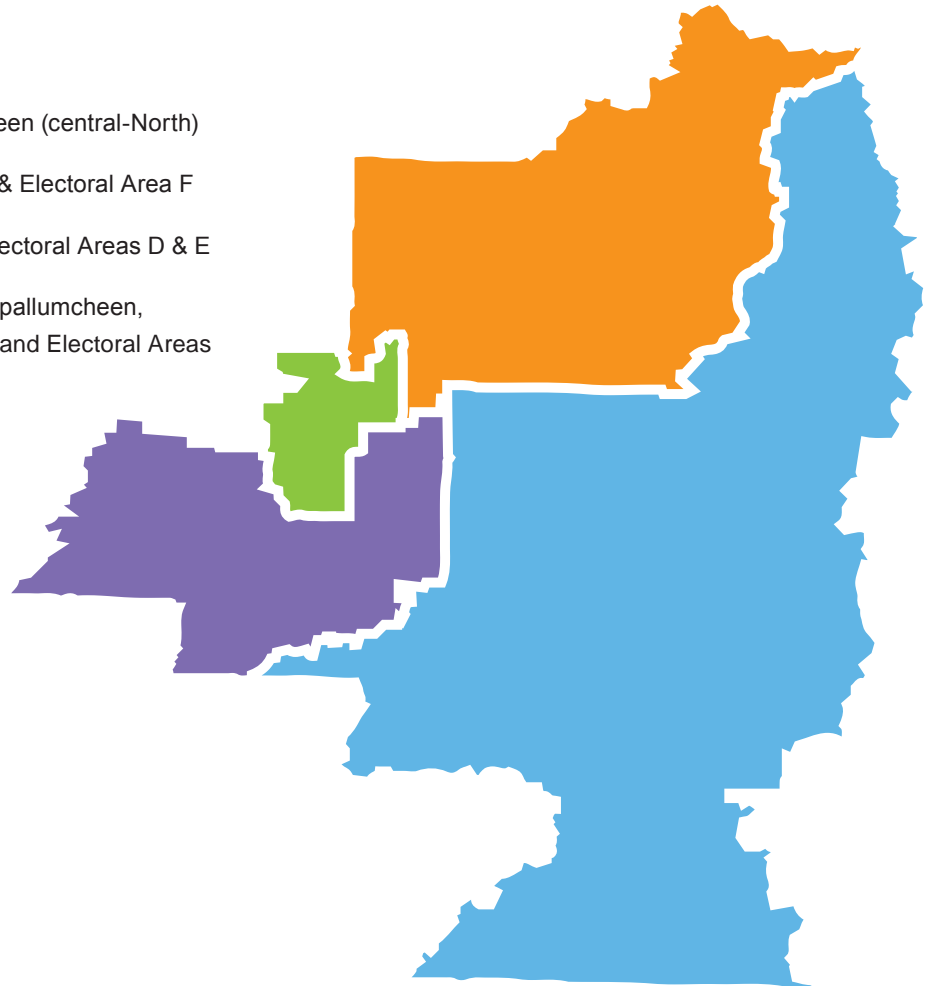
The original land inventory, included in the Regional Growth Strategy Initiative (2013), is approximately 409 ha in extent, totalling 199 individual land parcels of varying size. In 2015, as part of the Employment Lands Action Plan, several meetings with each community were undertaken to confirm and verify the status and relevancy of the individual land parcels. This was done to finalize the employment lands inventory. A number of sites were removed from the lands inventory as they did not conform to the criteria/definition or because they were constrained due to environmental factors and/or other reasons. Although the discussion did incorporate the definition of under-developed and utilized lands the breakdown presented will only focus on the current vacant and vacant potential additions as recorded per individual community.

In order to categorize employment land by location a geo-spatial analysis was conducted for the region. This analysis was largely based on the five North Okanagan Economic Development Regions established in the Regional Growth Strategy (RGS) (see Map 3.1.1 below).

Map 3.1.1 -North Okanagan Economic Development Regions:

Zone Names:

- Armstrong & Spallumcheen (central-North)
- Enderby, Splatins Band & Electoral Area F
- Lumby, Coldstream & Electoral Areas D & E
- Vernon, Coldstream & Spallumcheen, Okanagan Indian Band, and Electoral Areas B & C (Central-South)



It is evident from the spatial and data analysis that the **NORTH OKANAGAN REGIONAL DISTRICT** has a current total vacant employment land supply of approximately 259.11 ha (representing 160 parcels). This includes the potential vacant additions totalling approximately 10 ha, predominantly in the Central Economic Development Area (Spallumcheen). The diagram below illustrates that 51% (131.7 ha) of the current lands fall within the Central-North Area, followed by 33% (85.4 ha) in the Central-South Area. The majority of the vacant employment lands are categorized as Industrial use, representing 83% of the total lands. This is followed by Commercial use which represents 17%. Institutional lands total less than a hectare and represent 1 single parcel located within the City of Vernon. From this analysis it is evident that the majority of the employment lands are purposed for industrial development.

LEGEND:

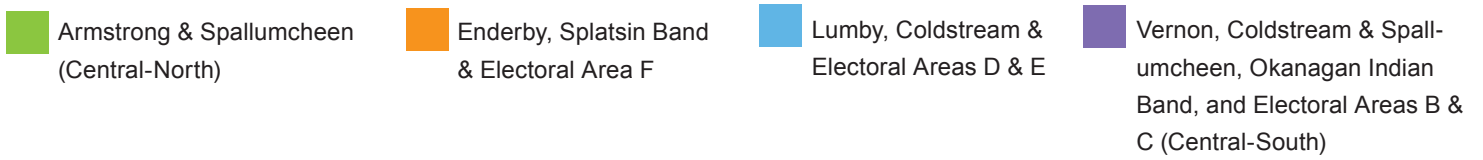


Figure 3.1.1 - Current Employment Lands (Hectare per Area)

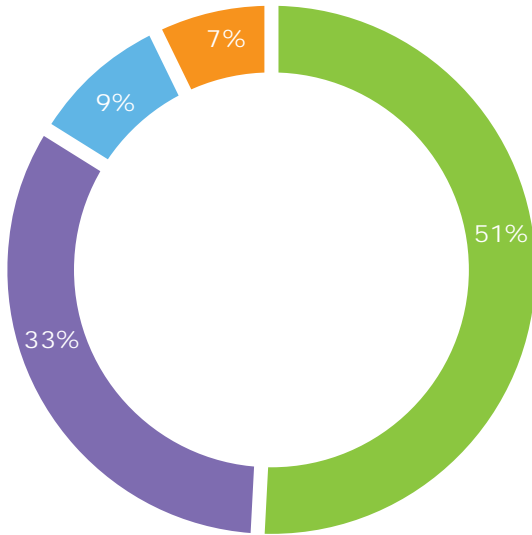
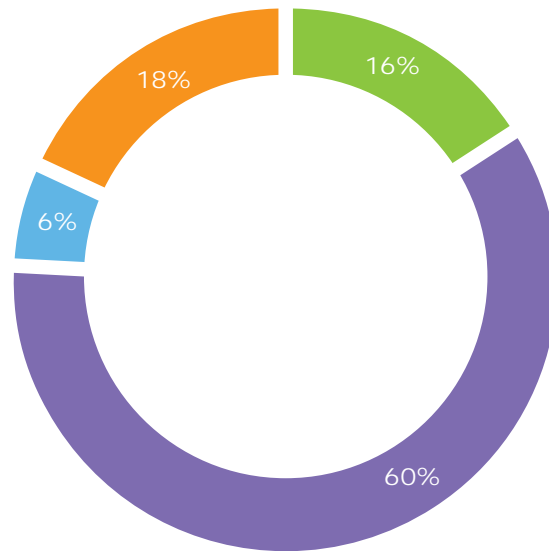


Figure 3.1.3 - Current Land Parcel Counts



Considering the distribution of land parcels per economic area, the majority (96 land parcels) falls within the Central-South Area, totalling 60% of the region.

Figure 3.1.4 - Current Employment Lands per Lands Use Category

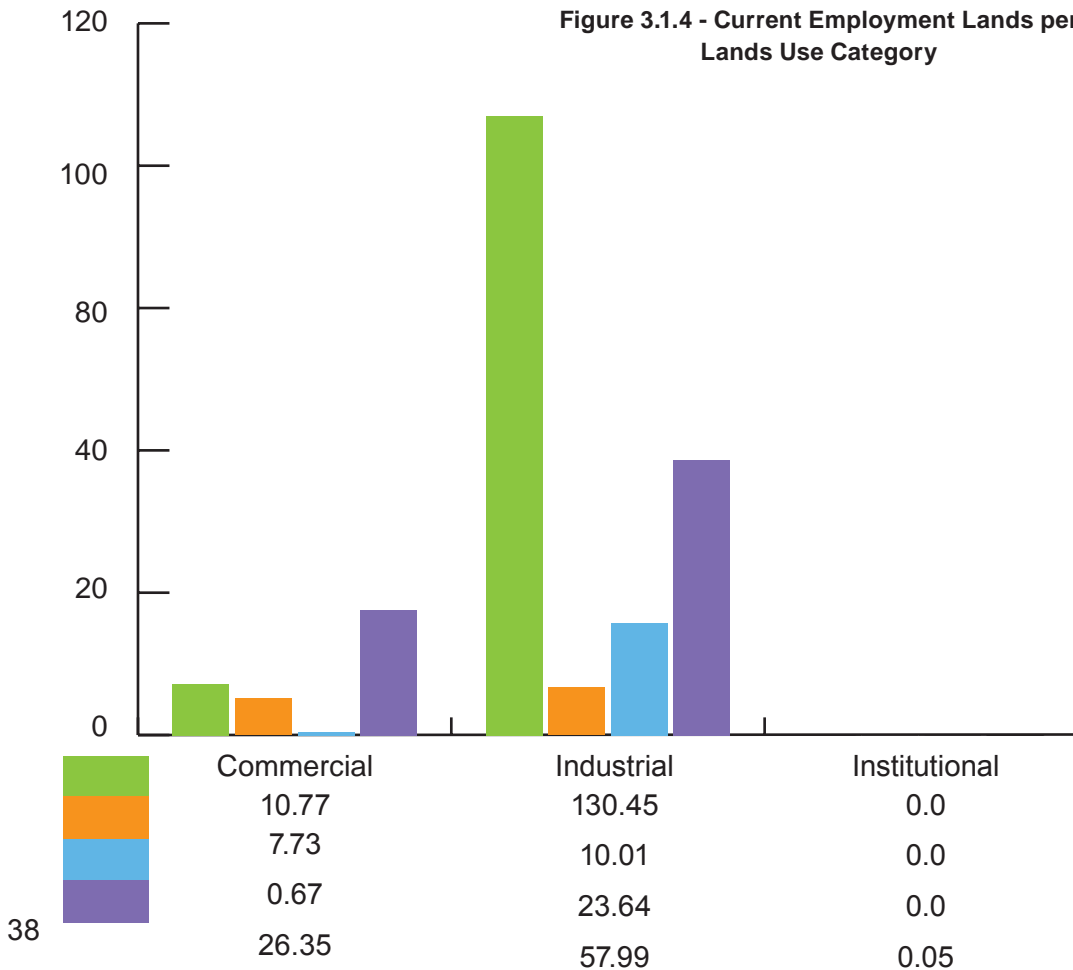
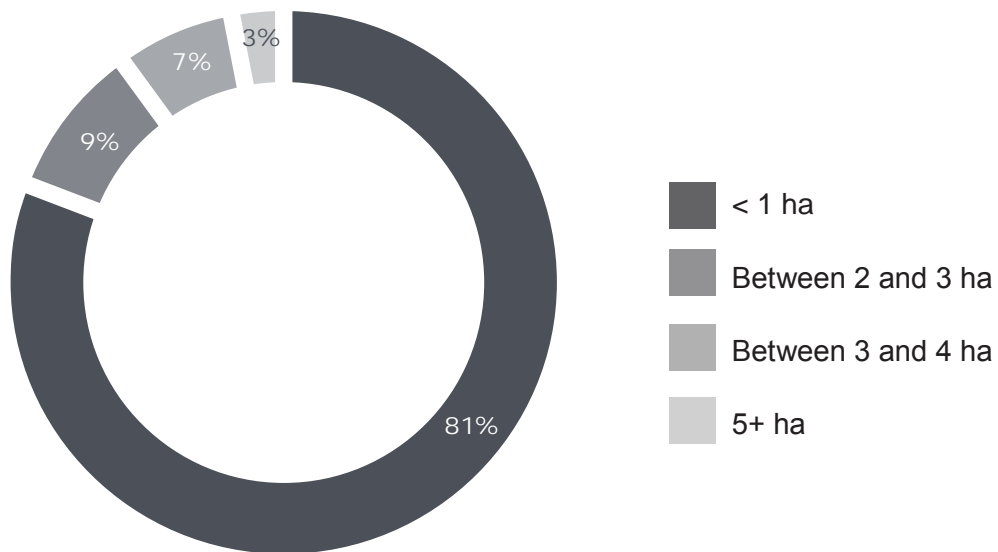
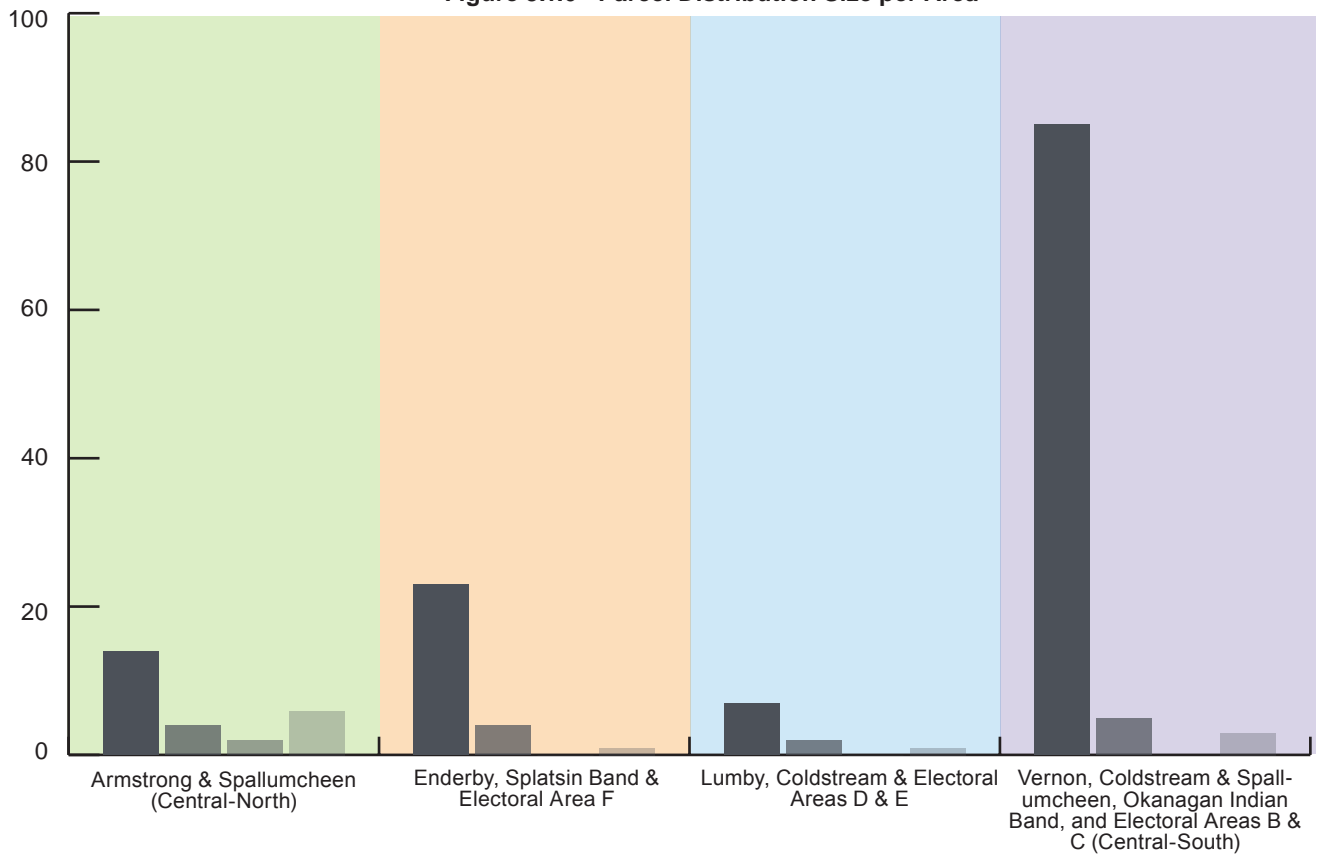


Figure 3.1.5 - Current Employment Lands (Parcel Size Distribution)



The current parcel size distribution within the region shows that 81% of the parcels are less than a hectare in size and primarily located in the Central-South Area. Only 7% of the current land supply is greater than 5 hectares and predominantly located in the Central-North Area.

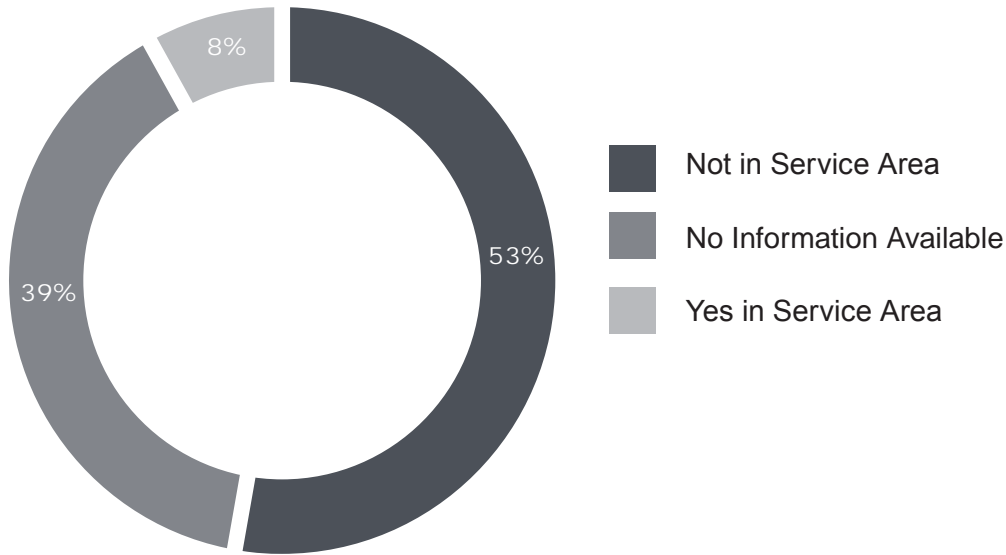
Figure 3.1.6 - Parcel Distribution Size per Area



Approximately 67% (180.0492 ha) of the current employment lands are assigned and fall within appropriately designated land use zones. The Central-North area contribute 57%, followed by Central-South representing 29%. Thus, 86% of the appropriately zoned employment lands fall within the Armstrong, Spallumcheen, Vernon and Coldstream areas.

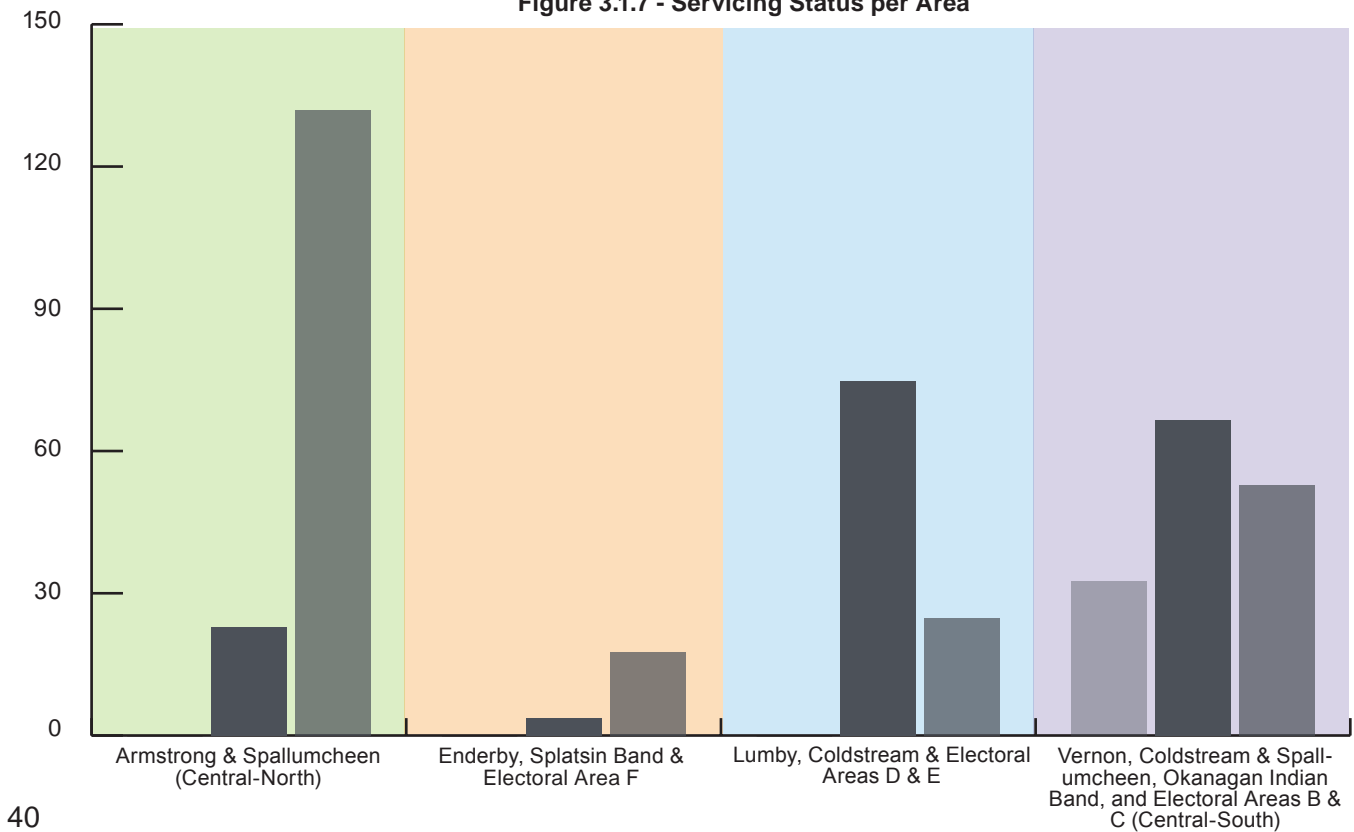
With regards to infrastructure services, especially pertaining to water and sewer services, it's notable that most of the current employment lands have limited to no access to infrastructure service.

Figure 3.1.7 - Water and Sewer Servicing Status



Currently, serviced lands located in the Central-South Area represent 8% of the total employment lands inventory. This analysis demonstrates a strong need for infrastructure support, as a lack of information on lands not within serviced areas provides limited direction on future infrastructure needs for the region.

Figure 3.1.7 - Servicing Status per Area



In applying the criteria of “accessibility” to the current employment lands a geospatial analysis was undertaken to determine the proximity of employment lands to major road networks; with a particular emphasis on Highway 97 and Highway 6. The diagram below depicts the percentage of parcels located within 100 – 500 m of a road network on either side. From this analysis it is evident that the majority of parcels are within close proximity to an established road network. More specifically, the bulk of the current employment land inventory is located in the Central-South and Central-North areas. What is evident in many cases, such as in the City of Enderby, is that most employment lands are in close proximity to major roads as the Highway passes through the town centre.

Figure 3.1.8 - Current Lands Accessibility to Highways

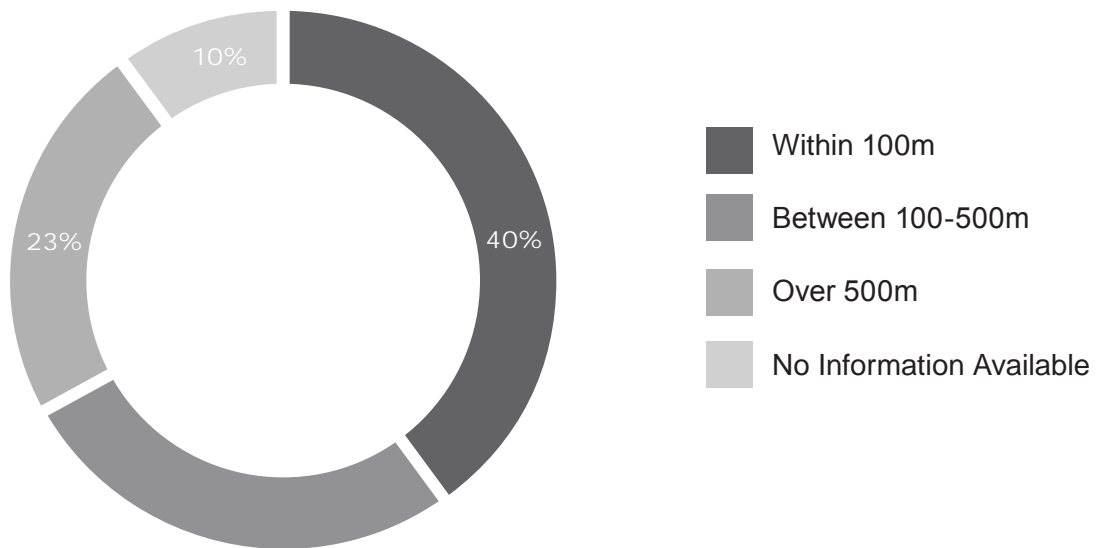
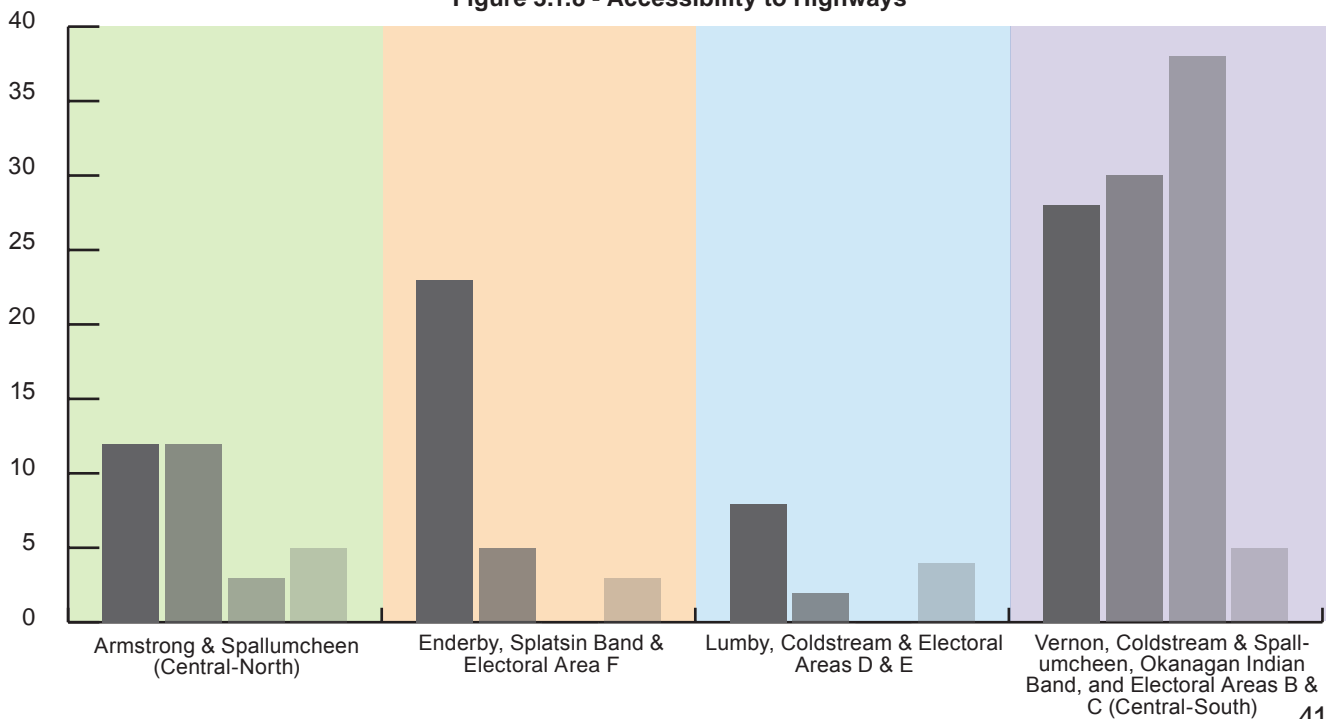


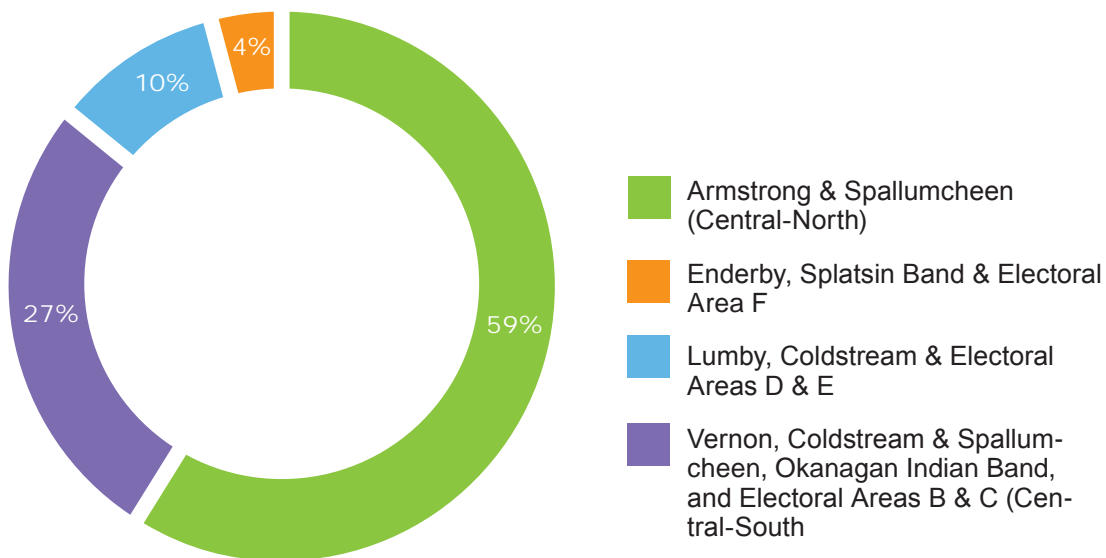
Figure 3.1.8 - Accessibility to Highways



Broadening the scope of the analysis along the major road network to 1km on either side, it is evident that a dominant corridor pattern unfolds mostly along Hwy 97 and Hwy 6; including the linkage to Kamloops that passes through the OKIB's IR# 1. Again the majority (59%) of the current employment lands fall within the Central-North area followed by 27% within the Central-South area.

It is evident from this assessment that the majority (86%) of employment lands are located within the Central area and within a 1 km of a major highway corridor; largely due to natural topographical features, Agricultural Land Reserve (ALR) and community planning.

Figure 3.1.9 - Available Lands within 1km Corridor



Key Land Analysis Findings

This analysis of employment lands revealed several important findings, which can be used to guide future action for developing employment lands. These key findings, include:

- The total vacant employment land supply is approximately 259.11 ha spread-out over 160 parcels;
- 51% (131.7 ha) of the current employment lands inventory falls within the Central-North area, and 33% (85.4 ha) falls within in the Central-South area;

- 81% of the parcels are less than a hectare in size and primarily located in the Central-South area;
- only 7% of the current land supply is greater than 5 hectares (primarily in the Central-North area);
- only 8% of the employment lands identified are currently serviced, most of which are located in the Central-South Area; and,
- the vast majority (86%) of employment lands identified are located within the Central area and within a 1 km of a major highway corridor.



4.1 Regional Investment Corridor

Background and Context

The North Okanagan will continue to face a growing demand for land and development in all categories of employment lands, especially industrial and commercial lands. It is necessary to direct and encourage future development in a strategic and economic way as to ensure the Region's employment and economic goals are achieved.

A Regional Investment Corridor concept has been developed to express a new approach for making effective use of the region's economic geography as to facilitate regional economic integration and inclusive regional growth. There are many cumulative benefits that become

apparent when potential growth-inducing investments, which raise the production potential of integrated economic and geographic areas, are modeled along economic corridors. Investment corridors are not mere transport connections along which people and goods travel, Investment corridors are integral to the economic composition and the economic actors surrounding it. Investment Corridors will not generate significant economic benefits in isolation, but rather as part of integrated economic networks (such as regional value chains and networks), to become successful as part of an economic network of interactions. Notably, corridors occur at different scales and in different circumstances, as is the case of North Okanagan Regional District.

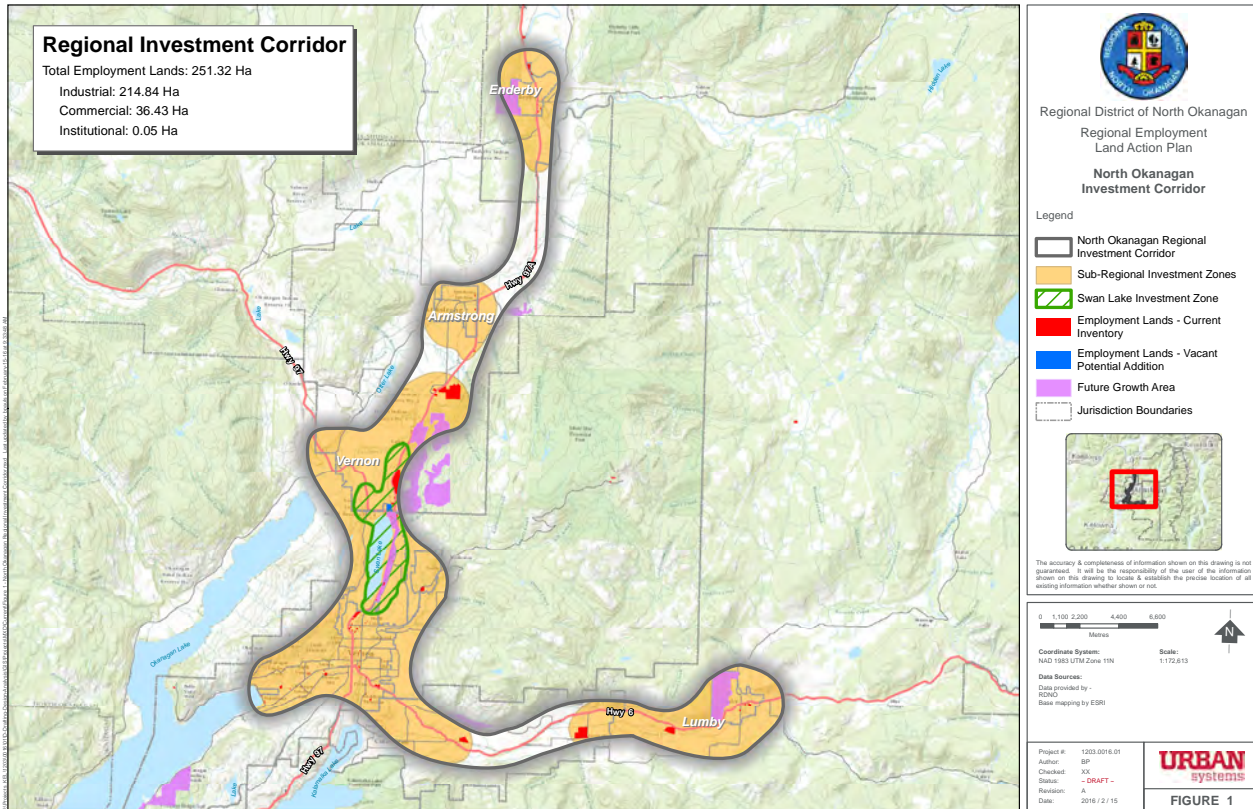
CORRIDORS are land use systems of increased linear intensity, which help to structure and shape the surrounding environment.

TRANSPORT ROUTES are the arteries of corridors that carry the flow of people and economies that are critical to the functioning and character of a corridor.

No two investment corridors are alike, thus it is inappropriate to assign specific dimensions to a corridor. However for purposes of expressing the North Okanagan Regional Corridor, an area is identified and incorporates the primary road network infrastructure, location of employment lands and the urban functional areas. The key advantage of this corridor, as a spatial structuring element and tool for economic growth, is that it has the potential to link areas of higher thresholds (levels of support) and economic potential with those that have insufficient thresholds. This allows areas that are marginalised to be linked to areas of opportunity, which benefit from higher thresholds as well as increasing thresholds along the common spines.

Primarily the corridor's backbone characteristics are transportation infrastructure. A transport corridor is a multimodal corridor connecting points of major economic activity. Performance is evaluated on the basis of time, cost, and reliability indicators, because the primary focus is economic efficiency (rather than economic distribution) and the transport choices available to corridor users. In this Plan, we concentrate on identifying a transportation network that meets regional demands and fosters new areas of economic activity and regional integration.

Figure 4.1.1 – North Okanagan Regional Investment Corridor



It is evident from the above map that the majority of the current employment lands fall within the Regional Investment Corridor representing 94% (251.32 hectare) of the total vacant lands.

The table below outlines the current employment lands within the Regional Investment Corridor broken into the land use categories. With limited Institutional lands throughout the region and corridor, the Industrial lands are mostly located in the Spallumcheen and Vernon jurisdictions.

Table 4.1.1 - Employment Lands Inventory

Employment Lands Category	Regional Investment Corridor	Sub-Regional Investment Corridors							
		Enderby, Splotsin Band & Electoral Area F		Armstrong & North Spallumcheen		Vernon, Coldstream & Spallumcheen, Okanagan Indian Band, and Electoral Areas B & C		Lumby, Coldstream & Electoral Areas D & E	
Industrial	214.84	5.41	3%	0.5	0%	150.97	70%	57.96	27%
Commercial	36.43	0.9	2%	1.26	3%	33.41	92%	0.67	2%
Institutional	0.05	0	0%	0	0%	0.05	100%	0	0%
TOTAL AREA (ha)	251.32	6.31	3%	1.76	1%	184.43	73%	58.63	23%

Note: OKIB and Splotsin Employment Lands do not form part of the analysis.

4.2 Regional Investment Zones

Not losing sight of the RGS designations which identified Growth Areas, Future Growth Areas and Rural Protection Areas, the proposed investment zones do relate to these areas with the Future Growth Areas that may require further review to determine their development potential and viability, including the identification of water sources. The objective within these areas, as in Growth Areas, is to encourage compact, complete, mixed use and serviced communities with well-defined Rural Protection Boundaries.

In order to prioritize parcels of land by what will yield the highest impact (employment) the Regional Investment Corridor was further broken into four (4) Investment Zones. Investment Zones are defined by having sufficient infrastructure, traffic patterns, visibility, market (investor) attractiveness.

It should also be made clear that an inherent risk in this type of system (corridor based planning) is increased sprawl. Therefore, a key consideration in the establishment of Investment Zones is to help target specific locations within the corridor where employment land development can be concentrated. This will help encourage the sustainable development of employment lands while limiting the potential negative impacts of corridor planning. Having a defined area where growth can and should occur will help to develop employment centres with a concentration of industries and facilities that can be more easily serviced with infrastructure and connected to transit networks. Further, it is also presumed that this approach will allow the Employment Lands Action Plan to be more easily integrated with the proposed RGS update and partner community OCPs.

Verification and confirmation of proposed Key Actions

During the recent RGMAC meeting the respective communities were given an opportunity to verify and confirm the key areas of interest particular to their investment zone but also to express support with regards to cross-cutting priorities. It is evident that the affected communities did underline the priority interests adding localized initiatives i.e. particular street upgrades with focus on downtown commercial expansion and redevelopment. Considering regional economic impacts, most communities are in support of infrastructure master planning and inter-jurisdictional collaboration

strengthening existing and establishing new partnership towards shared and sustainable service delivery, integrated land use planning with strong policy alignment incorporating future growth management principles, environmental impact management particular towards contaminated sites, and coordinated funding and resource management.

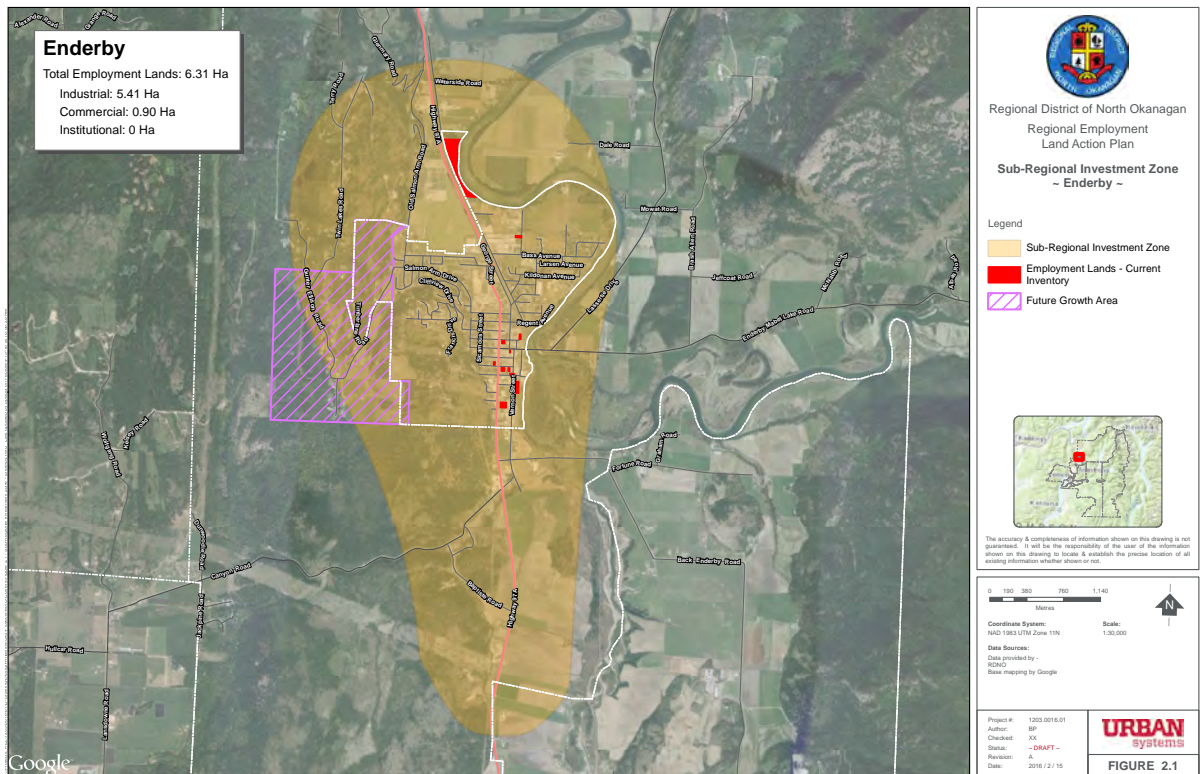
The four established Investment Zones are as follows:

- 1.** Enderby, Splat-sin Band and Electoral Area F
- 2.** Armstrong and Spallumcheen
- 3.** Lumby, Coldstream & Electoral Areas D & E
- 4.** Vernon, Coldstream, Spallumcheen, Okanagan Indian Band, & Electoral Areas B and C
 - a.** Swan Lake (Vernon, Spallumcheen, Okanagan Indian Band, and Electoral Areas B and C)

Investment Zone - Enderby, Splat-sin Band and Electoral Area F

This investment zone is located in the north of the Investment Corridor with Hwy 97 traversing the Town of Enderby. This zone is characterized by a compact and well defined rural-urban setting acting as a functional local service area to its residents and surrounding settlements. It has a diverse local economic base with good mixture of employment lands to complement its local economic development growth path. It also has a healthy cross jurisdictional working relationship with strong leadership, a clear and shared development vision through coordinated partnerships contributing to its local economic growth. The zone is further characterized and supported by sustainable planning principles and directives, appropriate development incentives, accurate land data and information management contributing to the regional economic objectives. However, like most of the other Investment Zones, this zone is constrained by lack of infrastructure service and funding.

Map 4.2.1 - Investment Zone – Enderby, and Surrounding Splitsin Band and Electoral Area F:



From the map it is evident that the Investment Zone provide for good mix of Industrial and Commercial employment lands.

Note: The Splitsin Band is currently in the process of preparing its Community Land Use Plan (see Table 4.1.1)

Investment Zone Priorities

Through the in-depth economic development and lands conversations it became evident that there are many localized challenges and opportunities within the respective communities which complement the regional employment lands objectives. Contribution towards employment lands for each of the communities varies due to its local context, functional role and character as well as its geographic location within the region.

The following key contributions are noted.

- Town of Enderby - Industrial Mixed Use of and Commercial Infill & Redevelopment

- Splatsin Band - While the land use plan and economic development strategies still under construction there is the initial thinking that both industrial and commercial opportunities would be acceptable.
- RDNO Area F - Largely the generation of employment would be accomplished through mixed use agriculture and industrial (Agri-processing)

Investment Zones Key Initiatives

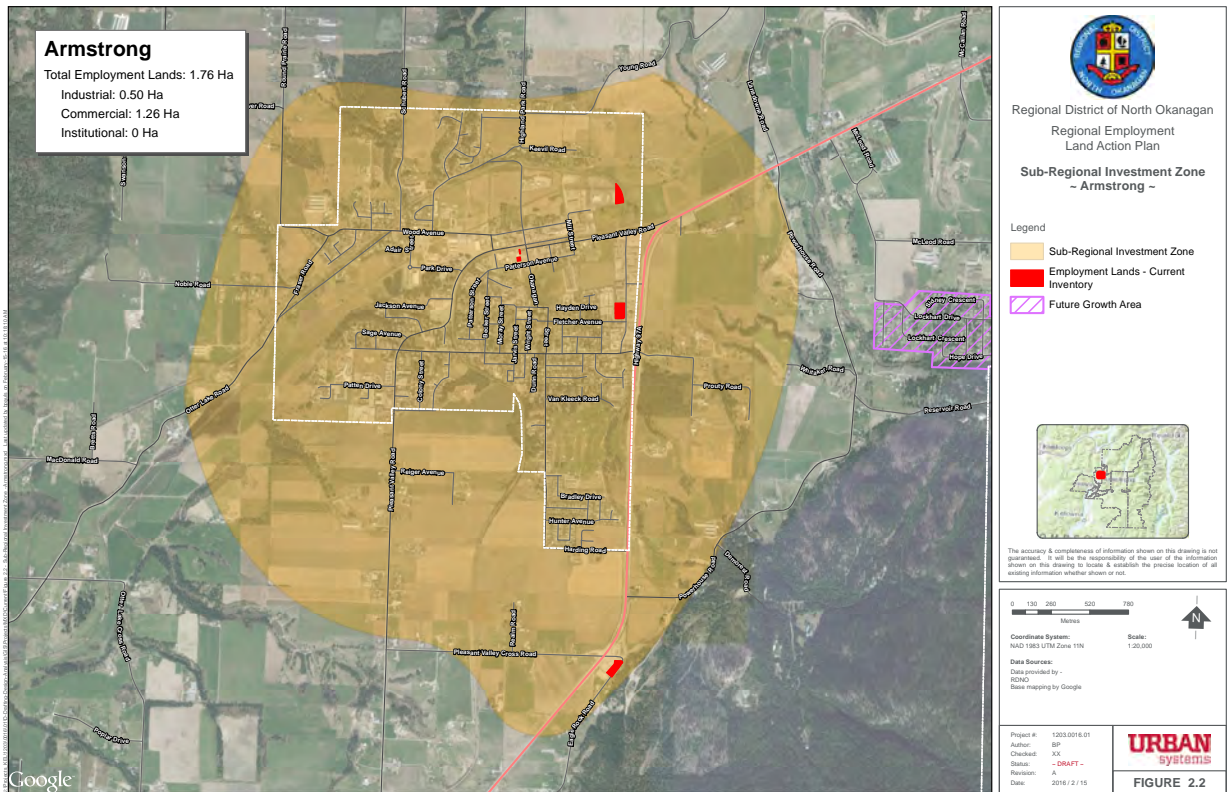
The following critical actions for this zone are:

- Expand infrastructure servicing specific to water and sewer;
- OCP and zoning bylaw amendments for lands that are currently not designated or improperly designated as and when they become relevant development opportunities ;
- Remediate sites which have environmental impediments;
- Ensure artillery roads and services align with future alterations of Highway 97;
- Complete Community Land Use Plan for Splatsin – in process; and
- Continue the Partnerships and Shared Service Agreements.

Investment Zone - Armstrong and Spallumcheen

The unique characteristic of this Investment Zone is that it primarily consist of the Town of Armstrong, land locked due to the surrounding agriculture land use designation. Acting more than an Investment Node, the zone possesses many a key success factors that contribute to a functional Investment Zone. Although situated along Hwy 97 spine, this zone is characterized by the concentration /clustering of economic land use activities acting as a “bead along a string pattern”. Hence the Zone creates a more complex land use pattern and land values that allow economic growth to find a place within the corridor system. This zone possesses a good mix of employment lands, but has smaller land parcels when compared to the rest of the Corridor.

Map 4.2.2 - Investment Zone – Armstrong and Spallumcheen:



This Zone provides mostly for commercial lands within the downtown of the Town of Armstrong. Refer to Table 4.1 for more detail.

Investment Zone Priorities

It is expected that Armstrong will maintain its historically significant role as a service centre, developing in a compact, efficient way. The City is committed to infilling and increasing densities using a variety of planning tools. The Zone restricted with little developable land within the City, it is anticipated that at some point within the OCP time horizon it will be necessary to support one or more applications for exclusion from the Agricultural Land Reserve (ALR).

Within the Zone, the City of Armstrong, being a regionally designated Growth Centre, supports business development through specific policy that encourages an adequate supply of industrial and commercial land, a diversity of housing opportunities as well as economic diversification through value added, community based business development, green jobs and sustainable industries.

The following key focal points and contributions are noted.

- Town of Armstrong - Industrial Mixed Use (Agricultural Services) and

Commercial Infill & Redevelopment

- Spallmucheen - Large scale agriculture with support industrial (Agri-processing)

Investment Zones Key Initiatives

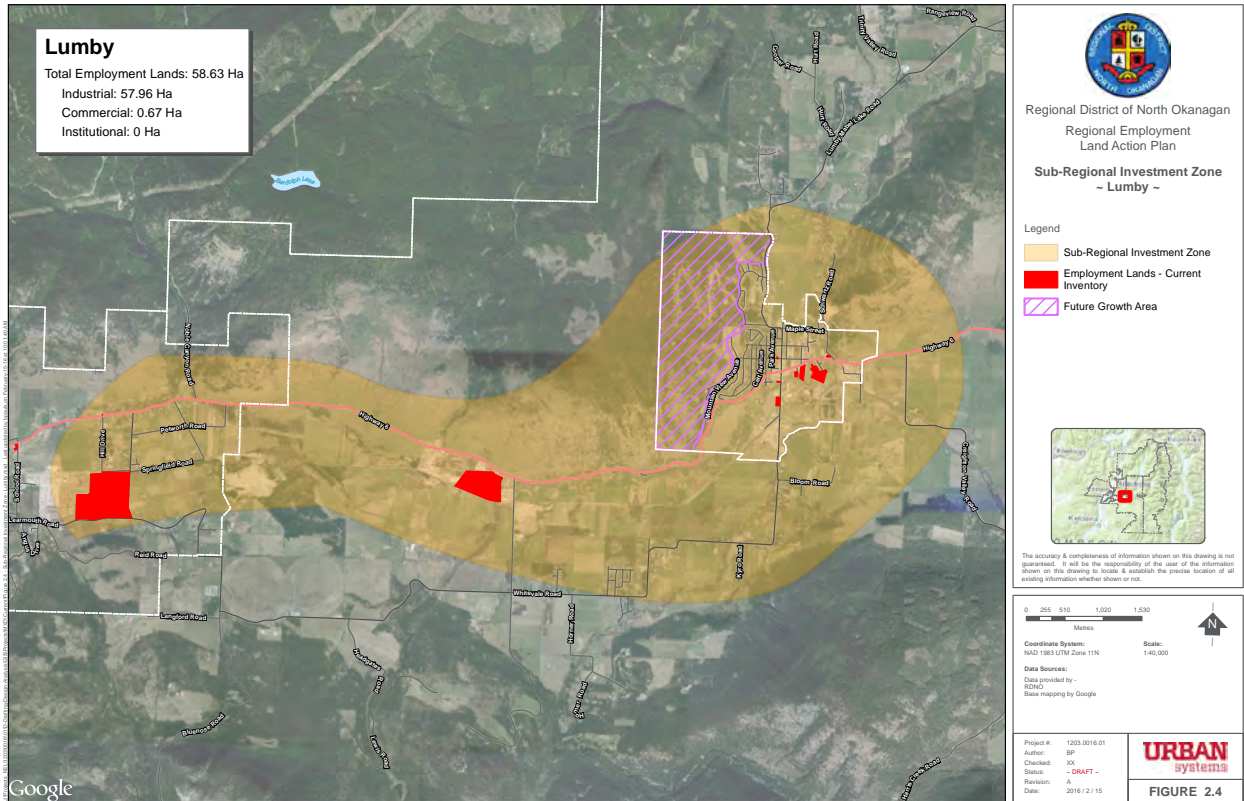
The following critical actions for this zone are:

- Focus efforts to support infill and redevelopment of under-developed and under-utilized employment lands; and
- Utilize sustainable growth management and development principles, maximizing existing land resources and developing within existing boundaries for the horizon of Armstrong's OCP.
- Focus opportunities in the context of the Regional Growth Strategy and Armstrong's designation as a Growth Area within the Region.

Investment Zone - Lumby, Coldstream and Electoral Areas D & E

This investment zone is located along Hwy 6, which traverses the Town of Lumby situated on the eastern side of the Investment Corridor. The Zone is characterized by a compact and well defined rural-urban setting acting as a functional local service area to its residents and surrounding settlements - mostly towards Coldstream. It has a diverse local economic base, with good mixture of employment lands with clear and shared development vision contributing to its local economic growth. However, like most of the other Investment Zones, this zone is constrained by lack of infrastructure service and funding.

Map 4.2.3 - Investment Zone – Lumby, Coldstream, and Electoral Areas D & E:



The map illustrates the spatial distribution of employment lands within the Investment Zone, with a good mixture within the Village of Lumby and larger industrial parcel along highway 6. Refer to Table 4.1.1.

Investment Zone Priorities

Through the in-depth economic development and lands conversations it became evident that there are many localized challenges and opportunities within the respective communities which complement the regional employment lands objectives. Contribution towards employment lands for each of the communities varies due its local context, functional role and character as well as its geographic location within the region.

The following key contributions are noted.

- Village of Lumby & Coldstream (glass plant site) – Large scale Industrial with limited Commercial and Institutional
- RDNO Areas D and E- Mixed use agriculture and support industrial (Forestry and Agri-processing)

Investment Zones Key Initiatives

The following critical actions for this zone are:

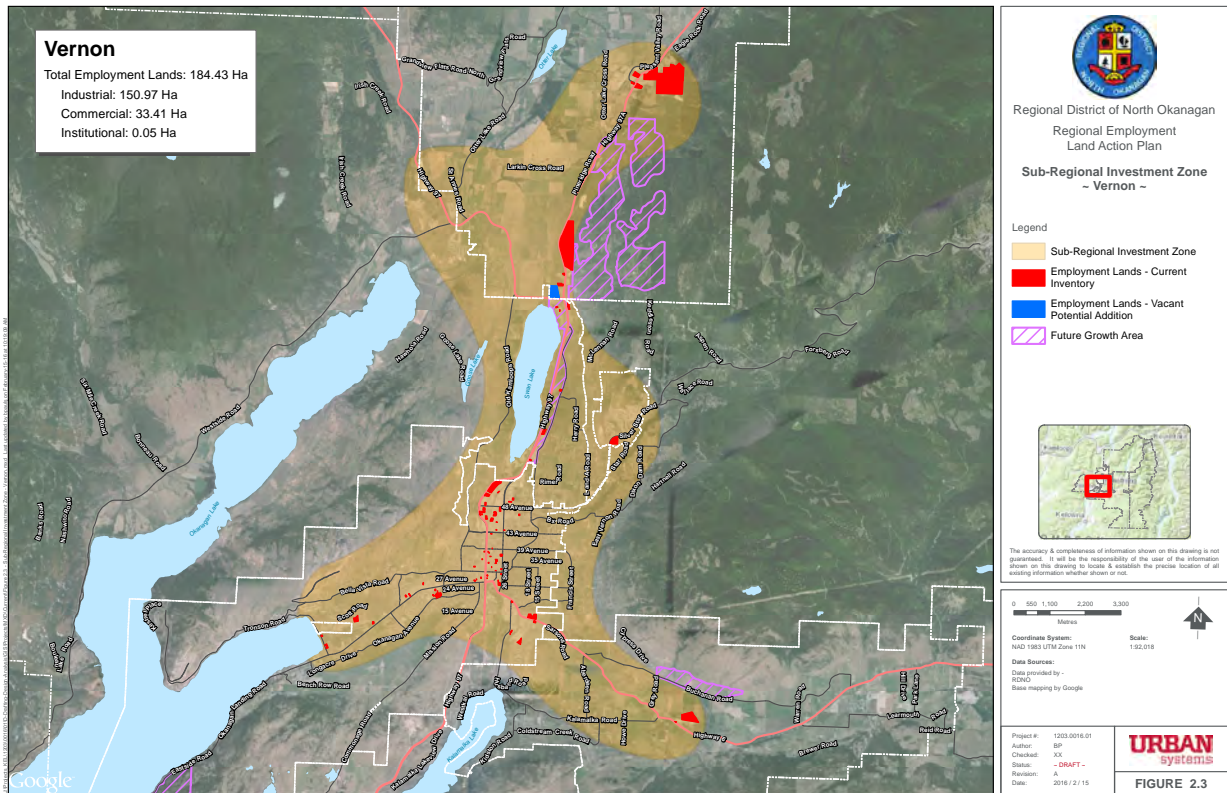
- Ensure the security of the Railway

- Expand infrastructure servicing specific to water and sewer;
- Remediate sites which have environmental impediments; and
- Develop equitable and transparent Partnerships and Shared Service Agreements.

Priority Investment Zone - Vernon, Coldstream, Spallumcheen, Okanagan Indian Band, & Electoral Areas B and C

This Investment Zone forms the core of the Regional Corridor stretched to cover a significant urban setting that runs north-south along Highway 97 and east along Highway 6. This integrated peripheral rural setting also includes part the OKIB and Electoral Areas B and C. This corridor is anchored by the City of Vernon, which acts as the investment hub supported by land development opportunities along the Highway road network; this supports the functionality of the Investment Zone. This zone is characterized as an urban setting with a diversity of employment lands, which also vary in parcel size, land use designation and accessibility to key infrastructure. Furthermore, this zone is subject to development pressures attempting to capitalize on its spatial equity/concentration of activities; this strengthens access to economic opportunities. Fulfilling the vision of this zone will require greater coordination of both public and private investment that results in a higher accessibility to goods and services for communities, while ensuring more economic service delivery. The zone possesses many key success factors, including: a clear intent and objective of regional economic growth; strong leadership and collaboration with a shared development vision; a high level of accessibility; sound planning directives; highly applicable densities and thresholds, with accurate land data; and, strong information management. One of the critical success factors is the availability of infrastructure services and budget alignments.

Map 4.2.4 - Priority Investment Zone – Vernon, Coldstream, Spallumcheen, Okanagan Indian Band, and Electoral Areas B and C:



The map above depicts the distribution of employment lands throughout the Investment Zone. The bulk of the industrial employment lands are to the north along Hwy 97 corridor with a good balanced land use mix in and around the City of Vernon. It is evident that the commercial lands are concentrated within the urban context of Vernon. Institutional lands are limited to this investment zone and forms a small part of the employment lands. Refer to Table 4.1.1 for more detail.

Investment Zone Priorities

Through the in-depth economic development and lands conversations it became evident that there are many localized challenges and opportunities within the respective communities which complement the regional employment lands objectives. Contribution towards employment lands for each of the communities varies due to local context, functional role and character as well as its geographic location within the region.

The following key contributions are noted.

- District of Coldstream – Mixed Use Agriculture with support industries as well as Industrial Estate Development
- Spallumcheen – heavy and light Industrial Mixed Use,
- Okanagan First Nation Indian Band – Mixed industrial and Commercial Use

- City of Vernon – Industrial, commercial and Institutional
- Area B – Swan Lake Corridor has existing potential for service commercial use
- RDNO Areas B and C - Largely the generation of employment would be accomplished through mixed use agriculture and industrial (Agri-processing)

Investment Zones Key Initiatives

The following critical actions for this zone are:

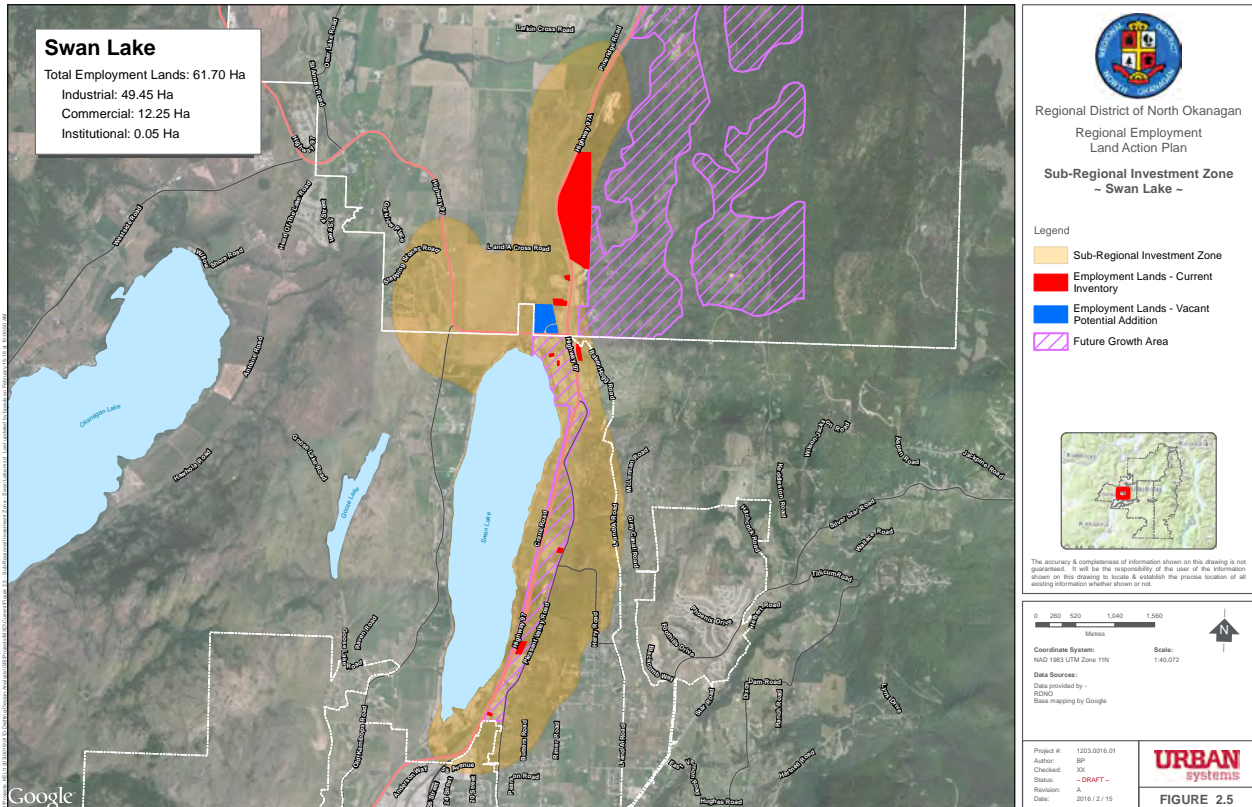
- Expand infrastructure servicing specific to water and sewer;
- Remediate sites which have environmental impediments;
- Draft Community Land Use Plan for OKIB and Land Use designation confirmation– in process
- Local Area Plan Swan Lake Commercial Corridor.
- Develop Partnerships and Shared Service Agreements for shared investment and revenue sharing for infrastructure;
- Focus efforts to support infill and redevelopment of under-developed and under-utilized employment lands; and
- Utilize sustainable growth principles while accessing to additional land – boundary expansion.

Sub-regional Priority Investment Zone - Swan Lake (Vernon, Spallumcheen, Okanagan Indian Band, and Electoral Areas B and C)

This sub-regional investment zone is highlighted as a pressure point due to on-going development initiatives and the need to provide supportive infrastructure. The sub-zone should not be seen in isolation, but as part of the sum total of the overall Regional Investment Corridor. Consultation with affected stakeholders and other interested parties confirmed the need

to collaborate and create a discussion platform to align and integrate initiatives. One of the critical issues highlighted by all parties was the lack of infrastructure services, but more specifically sewage disposal.

Map 4.2.5 - Sub-regional Priority Investment Zone – Swan Lake (Vernon, Spallumcheen, Okanagan Indian Band, and Electoral Areas B and C)



Subsequently, a Waste Water Recovery Partnership MOU was concluded in May 2015 as a first step toward regional collaboration with mutual interest towards preserving Swan Lake and the wetlands surrounding the lake and to improve the opportunity for economic development. The partnership consists of the Okanagan Indian Band (OKIB), the Regional District of North Okanagan and the Township of Spallumcheen. The partnership acknowledges the need for information exchange, need to align current initiatives and activities, and formulate an Action Plan to address the infrastructure challenges in a coordinated manner. The underpinning principles of the partnership is guided by:

- Waste water is considered a water resource;
- Working together will achieve better results
- Sharing resources and expertise improves the feasibility of the initiative
- Respect for individual partners mandates and decision-making processes

- Open and transparent dissemination and communication amongst parties and to the public.

The following key contributions are noted.

- Spallumcheen – heavy and light Industrial Mixed Use,
- Okanagan First Nation Indian Band – Mixed industrial and Commercial Use
- City of Vernon – Industrial, commercial and Institutional
- RDNO Areas B and C - Largely the generation of employment would be accomplished through mixed use agriculture and industrial (Agri-processing)

Investment Zones Key Initiatives

The following critical actions for this zone are:

- Expand infrastructure servicing specific to water and sewer;
- Remediate sites which have environmental impediments;
- Draft Community Land Use Plan for OKIB and Land Use designation confirmation– in process
- Develop Partnerships and Shared Service Agreements for shared investment and revenue sharing for infrastructure;
- Focus efforts to support infill and redevelopment of under-developed and under-utilized employment lands;
- Design and provide side road networks to the land that will ensure safe and effective movement amongst the investment zone while capitalizing on the highway access; and
- Utilize sustainable growth principles while accessing to additional land – boundary expansion.

Note: The Sub-Investment Zone referred to as Swan Lake do not include those employment lands as shared by the Draft Land use Plan of OKIB. Two land parcels recorded and which were identified by the said Land Use Plan are designated as mixed commercial and encourages a broad range of complementary commercial uses. The map below depicts the land parcels measures approximately 32 hectares in extent.

Map 4.2.6 - OKIB Land Use Plan mixed use parcels





5.1 Bridging Analysis to Action

Employment Lands Action Planning should be rooted in the collective strengths and opportunities of the region. While it is important to be aware and celebrate the many opportunities and strengths within the North Okanagan, action planning for the purposes of utilizing lands to generate employment is about the regions future. Current critical issues also need to be strategic in terms of their immediate and long-term impacts and must be solved in harmony with the regions economic development and community strategies.

Very few critical issues come out of thin air. They are the products of sound analysis and most importantly objective honesty. They stem from the work already conducted in determining the regions socio-economic and employment lands analysis. Critical development issues can be defined by having major impact on the course and direction of the regions ability to ensure lands are able to generate employment. In the case of North Okanagan, it can have direct impact on the regions future ability to retain and create new employment opportunities.

Based on the in-depth analysis with each of the member communities, the following are the identified critical issues in which the ELAP needs to address in order to fulfill the stated project goal of:

Develop and implement a Regional Employment Land Action Plan through collaboration and partnership as to establish realistic and achievable actions to expand the available employment land supply in the short to medium term (0-5 years).

Employment Lands Development Strengths

Through the analysis the following are some of the development strengths and opportunities of the region:

- Significant commitment to local development within each community;
- Increased dialogue between member communities within the ELAP project;
- Significant quality of life assets within the region;
- Bonafide destination for tourism that has resulted in investment and citizen attraction;
- New Councils with significant length in terms, to implement actions;
- Strong leadership in each member community;
- Expressed willingness to focus on committed course of actions and tasks;
- Expressed willingness to allocate sufficient authority to implementation;
- Starting to create systems, process and practice for economic development activities;
- Inclusive and engaged communities; and
- Within the region there is a significant lands offerings that covers all three spectrums of employment lands (industrial heavy/light, commercial and institutional).

Employment Lands Development Challenges

Through the analysis the following are some of the development challenges of the region:

- Individualized approach to Economic Development causing:
 - Fragmented marketing and promotional efforts creating less impact externally regarding creating awareness and understanding of the true opportunities of the region.
 - Decreased in levels and effectiveness of business retention services/efforts.
 - Lack of regional integration of land use and economic development strategies.
- An Economic Development professional within each of the communities does not lead Economic Development functions within communities. Therefore lessening its focus and impact. With the exception of the City of Vernon, Okanagan Indian Band and Splatstin First Nation;
- Region made up of small communities with strained resources (human and financial capacities);
- Individual communities do not represent a significant offering of employment lands to garner noteworthy levels of interest;
- Multiple economic development interests and agencies/authorities (beyond local government) within the region;
- Limited engagement of major regional employers in economic renewal/development; and
- Increased risk of loss of businesses once they outgrow their facilities and/or with aging infrastructure.

Respecting that the communities within the North Okanagan have a strong desire to increase the quality of life of their residents while being faced with an ever-increasing demand by residents and stressed resources it is imperative that the ELAP and associated efforts respects these realities.

The basis of sound action plan creation is the reflection of the external environment and the increased competitive environment and the region's (and individual communities) vision(s), its competitive capabilities, market

position, and opportunities that will yield the greatest impacts. There are countless variations in the ELAP strategies and actions that a region can employ, mainly because each regions collective approach needs to entail custom-designed actions to fit its own circumstances.

In order to maximize the rewards on efforts Urban Systems has developed action plans on both a regional level and on a sub-regional bases. The regional wide actions are premised on overcoming the significant challenges of individualized approaches to Economic Development and recourse constraints to communities as a whole. While the sub regional action plans reflect the common issues and challenges of the collective sub investment zones

Table 5.1.1 - Actions

Regional Activity: North Okanagan Investment Zone Mindset	Implementation Priority: IMMEDIATE
<u>Objective:</u> Ensure local governments view the need for collaboration for economic success.	
ACTION CHAMPION: RDNO	Level of Risk: Low

Actions Required	Lead	Partners
<ul style="list-style-type: none"> • Link investment conversations strategies and actions to regional committees: <ul style="list-style-type: none"> • Staff Level - Maintain senior representation at RGSST by all member communities • Elected Official Level - Link reporting of actions to the Regional Growth Management Advisory Committee • Develop and use a Socio-Economic Assessment Modelling Tool to highlight and communicate both the social and economic benefits of inbound investment and business retention/expansion to the region. Share findings at RGSST and RGMAC. (cost ~\$30,000) • Establish good community neighbouring protocols to guide planning procedures. This should include such actions as: <ul style="list-style-type: none"> • Adjacent lands designation and zoning would include a conversation with the neighbouring community to ensure coordinated and aligned thinking. • Revisit and update the MOU for the City of Vernon Economic Development function to assist with facilitation of the development of Industrial Lands within the Region between the City of Vernon - MOU's for including City of Vernon • Ensure future strategies include a regional context element outlining regional realities and directives for how they can be supported by the strategy (Example Land Use, Zoning, Economic Development) • Celebrate success! Provide an annual announcement of the collective successes of the investment initiatives of the region <ul style="list-style-type: none"> • Apply the Socio-Economic Assessment Modelling Tool to communicate direct, indirect and induced impacts to individual communities. 	Facilitated by RDNO	Local Governments: City of Armstrong, City of Enderby, District of Coldstream, Okanagan Indian Band, Township of Spallumcheen Village of Lumby, Splat-sin Band, City of Vernon and Electoral Areas B, C, D, E and F

Budget for 3 Years:	Yr 1:	Yr 2:	Yr 3:
\$30,000.00	\$30,000	\$0	\$0

Table 5.1.2 - Actions

Regional Activity Rural Economic Development Function	Implementation Priority: IMMEDIATE
Objective: Improve Economic Development services available for rural communities and businesses within the North Okanagan.	
ACTION CHAMPION: RDNO / COMMUNITY FUTURES	Level of Risk: Low

Actions Required	Lead	Partners
<ul style="list-style-type: none"> • Create a partnership/working group of interested Communities along with Community Futures to determine the level of interest and specifically the needs/ desires of each community • It is being recommended that the Economic Function is designed to be operated through a third party agency, such as Community Futures – North Okanagan (CFNO) • Enter into conversations with CFNO regarding interest level and structure • Create Operating Model through CFNO and participating Communities (Governance, Reporting Structure, Services to be offered, and funding mechanisms) (See Appendix #4 for suggested approach) • Create a Detailed Terms of Reference for the Economic Development Committee • Create Economic Development Job Description • Retain Economic Development Professional • Develop Three Year Economic Development Strategy and Action Plan • Implementation and Review 	Facilitated by RDNO	Municipalities: Armstrong, Enderby, Coldstream, OKIB, Spallumcheen, Lumby, Splatsin Band, City of Vernon and Electoral Areas B, C, D, E and F NGO: Community Futures – North Okanagan &

Budget for 3 Years: \$300,000.00	Yr 1: \$120,000	Yr 2: \$90,000.00	Yr 3: \$90,000
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* See Appendix #4 for further discussion on possible model.

Table 5.1.3 - Actions

Regional Activity: Integrate Action Items into Regional Planning Framework		Implementation Priority: HIGH
<u>Objective:</u> Ensure actions within the ELAP are committed to and followed up on.		
ACTION CHAMPION: RDNO		Level of Risk: Low

Actions Required	Lead	Partners
<ul style="list-style-type: none"> Integrate the key findings and actions from the Employment Land Action Plan into the RGS. This effort should also carry forward and elaborate on the basic site analysis completed to date. Partner communities in the North Okanagan should recognize the importance of this process and carry forward any community specific and/or regional recommendations and actions in their planning procedures. This should include referencing the Employment Land Action Plan and developing policies for employment land planning as and when they update their Official Community Plans (OCPs) or any other land use planning endeavours related to employment lands. Coordinate with any other regional entities, such as Greater Vernon Water, to incorporate employment land actions into planning, and facilitate coordinated infrastructure servicing. 	Facilitated by RDNO	Governments: City of Armstrong, City of Enderby, District of Coldstream, Okanagan Indian Band, Township of Spallumcheen, Village of Lumby, Splotsin Band, Vernon and Electoral Areas B, C, D, E and F

Budget for Entire Initiative: No Additional Costs	Yr 1: \$0	Yr 2: \$0	Yr 3: \$0
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Table 5.1.4 - Actions

Regional Activity: Improve Marketing and Promotion of Lands	Implementation Priority: HIGH
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Objective: Improve marketing and promotions of the region as a viable and attractive location.

ACTION CHAMPION: RDNO	Level of Risk: Low
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Actions Required	Lead	Partners
<p>Create regional employment lands action committee (of local government staff) with the objectives to:</p> <ul style="list-style-type: none"> • Inventory existing efforts in each community • Develop a high-level marketing plan (cost ~\$40,000) <ul style="list-style-type: none"> • Identify North Okanagan’s Investment Zone’s Unique Selling Proposition (USP) • Define Target Markets (both sectors and geographic) • Identify Benefits of Investing and working in the North Okanagan’s Investment Zone • Research the Marketing Position of the North Okanagan’s Investment Zone (Branding) • Articulate Investment and Skills Attraction Marketing Goals and Objectives • Identify Potential Promotional Efforts • Research the potential of a Calendar of Implementation (Milestones) • Assign Marketing Budget & Allocate Resources • Develop Evaluation Processes and Tools (to measure return on efforts and ensure regional wins) • Ensure one master website (Investment In the North Okanagan is existing, but needs to be updated and maintained) (Cost ~\$25,000) • One Investment Profile with community specific details (cost ~\$15,000) <ul style="list-style-type: none"> • Socio-economic profile (i.e. housing costs, employment rates, labour details, incomes rates etc...) • High level details of available lands • Educational Opportunities • Recreational Opportunities • Cultural Opportunities • Develop Regional Site-Selection Response Team – Develop a team of community members that can meet (or tour) interested investors through the region and provide peer-to-peer insights on doing business and living in the Region. (example of potential team members: realtors, industry specific business owners, accountants, lawyers, bankers) 	<p>Facilitated by RDNO</p>	<p>Local Governments: City of Armstrong, City of Enderby, District of Coldstream, Okanagan Indian Band, Township of Spallumcheen, Village of Lumby, Splatsin Band, City of Vernon and Electoral Areas B, C, D, E and F</p> <p>NGO: Community Futures – North Okanagan & the Chamber of Commerce</p>

Budget Note: Focus is to use existing spending in a more regional and impactful means.

Budget for 3 Years: \$80,000.00	Yr 1: \$40,000	Yr 2: \$40,000	Yr 3: \$0
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Additional Thoughts:

Financing is especially crucial, it is arguably the preeminent theme in every jurisdiction when considering the development of a sustainable Economic Development Function for rural areas. Its importance arises from two different interrelated perspectives, namely: (1) how to finance the design, implementation and management of the Economic Development Function's actions and activities (core funding); and, (2) how to finance individual strategic efforts to promote greater municipal economic growth and development (program or service funding).

A properly resourced Economic Development Function effort implies an appropriate mix or balance of critical inputs; including human resources, infrastructure, technology and financing. It should be noted that some substitutability exists in respect to some of these inputs; for example, using volunteers rather than paid staff to deliver certain services or donated office space - the relative importance of each varies by community and by circumstance.

Typically, core funding for selected Economic Development Functions come in a variety of formats depending upon location and circumstance. The most common formats include grants, fees for services, in-kind contributions, equity investments, debt/loans and sponsorships. The following chart indicates typical sources for financing Economic Development Functions in Canada by typology.

Figure 5.1.5 - Sources for Financing

	Grants	Fees	Equity	Debt	In-Kind	Sponsor	Volunteer
Federal Gov't	x	x			x	x	
Provincial Gov't	x	x			x	x	
Municipal Gov'ts		x			x		
Private Sector		x		x	x	x	x
NGO's	x			x	x	x	x
Other, e.g. individuals			x		x	x	x

Action Plans (based on investment Corridors)

The following action plans put forward for the Investment Zones should be regarded as dynamic, and it is recommended that the Champion Implementation Team start with these actions then over the short-term regularly review them to build on successes, learn from mistakes, and adapt to new opportunities - implementation review. The implementation table includes actions and sub-actions along with who is responsible and recommended time frames. The actions recognize that time and resources are limited, and may need additional work to be undertaken in support of the prescribed action. The Action Plan will also assist to establish a lens through which the development of employment lands are evaluated, resourced and adapted as economic development necessities evolve.

The table below provides an overview of the areas of intervention identified as key priorities within the particular Investment Zones grouped into common themes. Of note is the cross cutting intervention toward the need to expand infrastructure services with specific reference to water and sewer provision. It is also evident that most of the themes are dominant in the Vernon, Coldstream, Spallumcheen, OKIB and EA “B” & “C”, followed by the Swan Lake sub-investment zone.

Table 5.1.6 - Areas of Intervention

KEY INTERVENTIONS	ENDERBY, SPLATSIN BAND & EA “F”	ARMSTRONG & SPALLUMCHEEN	LUMBY & EA “D”	VERNON, COLDSTREAM, SPALLUMCHEEN OKIB & EA “B” & “C”	SWAN LAKE SUB-INVESTMENT ZONE
Expand Infrastructure (water & sewer)	x	x	x	x	x
Site Remediation	x		x		x
Share Services Agreements	x			x	x
Land Use Plan	x			x	x
Support Infill & Redevelopment	x	x		x	
Growth Management		x		x	x
Partnership & Shared Services Agreements	x			x	x

Observations – Planning Considerations

The planning policies and process impacts how the regional communities use their land, and how they grow and develop over time. All too often land use planning is carried out on an ad-hoc basis with development decisions being made in isolation from considerations of the long-term and consideration of the regional community landscape. Sustainable infrastructure demands planning that is efficient, creates a need to collaborate and to promote functional integrated community, and preserves natural systems.

As small towns and agricultural areas transition from exurban to suburban landscapes, they face important decisions about the character and location of future development. Working often within a fragmented decision-making structure, the communities seek to balance numerous competing values; including preserving a rural lifestyle, providing opportunities for recreation, conserving sensitive natural areas, and providing economic opportunity through development. Creating enduring policies to guide orderly and sustainable development requires the engagement of multiple stakeholders and collaborations amongst those holding legitimate interests in the community's growth path.

Table 5.1.7 - Actions

Planning Directives & Policy Considerations		Implementation Priority: HIGH	
Objective: Collaborate to assess and integrate long-term development planning & policy alignment, facilitate a process to develop common planning principles to guide regional economic growth & land-related development.			
ACTION CHAMPION: RDNO			Level of Risk: Medium
Actions Required	Lead	Partners	
<ul style="list-style-type: none"> Conduct an analysis of barriers within existing legislation and policy and identify short- and long-term goals for change, potentially through participation in the Planning Roundtable process and a subsequent dialogue on the recommendations Create working group and encourage joint planning discussions promoting implementation and development of Employment Lands Conclude MOU to strengthening relationships and foster partnerships working collaboratively to facilitate investment exploring employment land development opportunities within the Investment Zone Create Response Team to comment and make early recommendation to employment land development opportunities Create Working Roundtable on Boundary Expansion and ALR exclusion strategy – possible designated employment lands Review the Official Community Plans & Community Land Use Plans to establish and acknowledge the Investment Zone and create a framework for local neighborhood area planning initiatives Prioritize, update, and develop Local Area Plans currently experiencing development interest to meet the economic objectives – i.e. Swan Lake Corridor, Explore, adapt and update policy alignment to increase density and mixed zoning and Land Use Frameworks Update Employment Lands Inventory Data Base - report quarterly – GIS Application <ul style="list-style-type: none"> Land development information (WebPortal) Infrastructure (capacity and availability) Development incentives to draw desired business to specific employment lands and align policy directives Expand employment land focus to include underutilized and under-develop employment land opportunity categories, as well as Agricultural Lands - create information data base and map accordingly Monitor, evaluate and adjust Action Plan to changing local circumstances and dynamics. – with regards to absorption rate, partnership arrangements, collaboration coordination initiatives, development approvals and local priorities addressed Create Sub Investment Zone Working Groups (See Appendix #5 - Sub Investment Zone Working Groups Terms of Reference) 	RDNO (Electoral Areas B, C, D, E, and F) City of Vernon District of Coldstream Okanagan Indian Band Splotsin Band Township of Spallumcheen City of Enderby City of Armstrong Village of Lumby	Electoral Directors Business Community Service Groups	
Budget: \$0	Yr 1: \$0	Yr 2:\$0	Yr 3: \$0

Observations – Infrastructure Consideration

The single biggest challenge facing most municipalities within investment zones today is finding funding for much-needed upgrades to aging or outdated infrastructure, and for growth-related new infrastructure. To create a new dedicated infrastructure fund to support the expansion and improvement of existing infrastructure within the Investment Corridor has become a topic for discussion. Infrastructure remains a crucial investment requirement in the region's economic productivity and quality of life. Though there is no single solution that will alleviate the regions infrastructure challenges. This creates a need to coordinate and secure suitable revenue sources and more cost-effective approaches to manage infrastructure requirement and grow the regional economy. We need to start thinking beyond the challenges to address the need for infrastructure development.

ALTERNATIVE FUNDING STREAMS

- 1.** Local Government Infrastructure Planning Grant Program - To assist local governments in developing sustainable infrastructure that will improve public health and safety, protect the natural environment and strengthen local and regional economies.
- 2.** Asset Management Planning Program - to assist local governments in delivering sustainable services by extending and deepening asset management practices within their organizations. These assets include, but are not limited to, transportation networks, water distribution networks, sewage collection systems, information technology systems, vehicle and equipment fleets, parks and civic facilities.
- 3.** UBCM Strategic Priorities Fund has two funding streams i.e. Capacity Building and Capital Infrastructure Funding Streams - to support projects that are either larger in scale, regional in impact or innovative, and align with the program objectives of productivity and economic growth, a clean environment and strong cities and communities. Eligible project categories are public transit; local roads and bridges; community energy systems; drinking water; wastewater; solid waste; disaster mitigation; recreational infrastructure; cultural infrastructure; tourism infrastructure; sport infrastructure; local and regional airports; short-line rail; short-sea shipping; broadband connectivity; highways; brownfield redevelopment; and capacity building.
- 4.** Community Works Fund (CWF) –Federal / Provincial grants and subsidies are available to local governments and/or community groups as Community Works Grants. Eligible projects include investments in infrastructure for its construction, renewal, or material enhancement. Money from the Community Works Fund must go towards capital improvements which result in:
 - a clean environment;
 - productivity and economic growth;
 - and strong cities and communities.

5. Interior Rural Side Road Program (former Heartland Program) – the program strategic objective is to invest in priority roadway rehabilitation and improvements on the roads serving industry and rural residents, to an extent of \$150 million for 2015/16 as part of the BC Ministry of Transportation and Infrastructure Revised Service Plan.

Table 5.1.8 - Actions

Infrastructure Considerations (specific reference to Water and Sewer)		Implementation Priority: HIGH	
<u>Objective:</u> To support and enhance the infrastructure assets that make the region development orientated. Expand and optimize infrastructure investment in support of Employment Lands			
ACTION CHAMPION: RDNO			Level of Risk: Medium
Actions Required		Lead Champions	Partners
<ul style="list-style-type: none"> Commit and recognize the inter-connected need for infrastructure through: <ul style="list-style-type: none"> Established sustainable partnerships agreements Create and develop information sharing knowledge platform/framework (WebPortal) Develop all-hazards risk management approach methodology Review shared service delivery and cost/revenue-sharing mechanisms Establish Joint Infrastructure Sector Working Group to promote and share infrastructure issues/ challenges and encourage cooperation: <ul style="list-style-type: none"> Establish engagement and communication protocols Develop and share sector-specific work plans Consult with infrastructure owners and coordinate activities – potential budget alignment Establish Broad (high level) Infrastructure Investment Plan Prepare Integrated Infrastructure Management Planning Framework in support of the Investment Zone: <ul style="list-style-type: none"> Update, analyze infrastructure requirements/needs Determine revenue implications associated with growth Act as lens to examine development in respect of infrastructure requirements, cost & efficiencies with greater understanding of the effects and timing of development Formulate Regional Infrastructure Strategy in support of the Investment Corridor and Zones <ul style="list-style-type: none"> Coordinate regular updates, created and maintained a comprehensive inventory of the Investment Zone of infrastructure assets developed and implement strategies to address the infrastructure gap coordinated the infrastructure funds received from federal and provincial programs consider developing innovative infrastructure asset management tools that include a ranking system to evaluate the state and condition of existing infrastructure assets and life cycle cost methodology to support better decision-making and long-term planning Develop and apply evaluation tools that enhance corporate policies and support infrastructure investment decisions. 		RDNO (Electoral Areas B, C, D, E, and F)	OKIB First Nation Indian Band Electoral Directors Business Community Service Groups
Budget: \$0	Yr 1: \$0	Yr 2:\$0	Yr 3: \$0

Observations – Site Remediation

The role of local governments is imperative in the management and monitoring of contaminated sites. The improvement of a contaminated site to prevent, minimize, or mitigate damage to human health or the environment remains the primary focus. Remediation involves the development and application of a planned approach that removes, destroys, contains or otherwise reduces availability of contaminants to receptors of concern. It is also important to note that it is the intended future land use that governs the decision on the level of remediation performed at a site. Most of the employment lands within the Investment Zones need some degree of remediation especially in the case of The Town of Enderby, Village of Lumby and District of Coldstream.

Meeting the legal requirements of a contaminated site the Ministry of Environment (Land Remediation Section) has prepared certain legislation and regulations, which includes a range of legal instruments such as:

- Determination about whether a site is contaminated or not;
- Approval in Principle of site remediation plans;
- a Certificate of Compliance with environmental quality standards; and
- Contaminated Soil Relocation Agreement.

The land owner remains ultimately responsible and can apply to have one of these instruments issued. (Refer to Environmental Management Act (section 44 and part 4 Division 4 as well as Contaminated Site Regulation (section 16, Part 8 & 9).

Table 5.1.9 - Actions

Site Remediation Consideration		Implementation Priority: HIGH	
<u>Objective:</u> To identify remedial options and outline their feasibility, and to recommends and describes a preferred conceptual remediation and performance monitoring approach incorporating ongoing site management.			
ACTION CHAMPION: Local Governments in partnership with private property owners			Level of Risk: Low
Actions Required		Lead Champions	Partners
<p>The following actions are sequential steps taken during the remediation process:</p> <ul style="list-style-type: none"> • Step 1 - Prepare a Risk Management Strategy once the land parcels have been profiled and classified with potential risk – Land Owner remains responsible for this task (and legally will also be held responsible) • Step 2 - Develop a Remediation Plan – again here the land owner is the responsible party • Step 3 - Monitor & follow-up with Regulatory Authority – owner collective with relevant local municipality 		Facilitated by Local Governments	Business Community, Private land Owners, Service Groups
Budget: \$0	Yr 1: \$0	Yr 2:\$0	Yr 3: \$0

Concluding Remarks

A favourable business climate is essential for attracting private sector investment and for the development of small and medium-size enterprises (SMEs). A poor business environment – i.e., one plagued by inner-government fighting, factors that impose heavy costs, delays and risks – impedes economic development and can frighten away investment. Private sector investment is the largest source of external finance in creating employment in most economies.

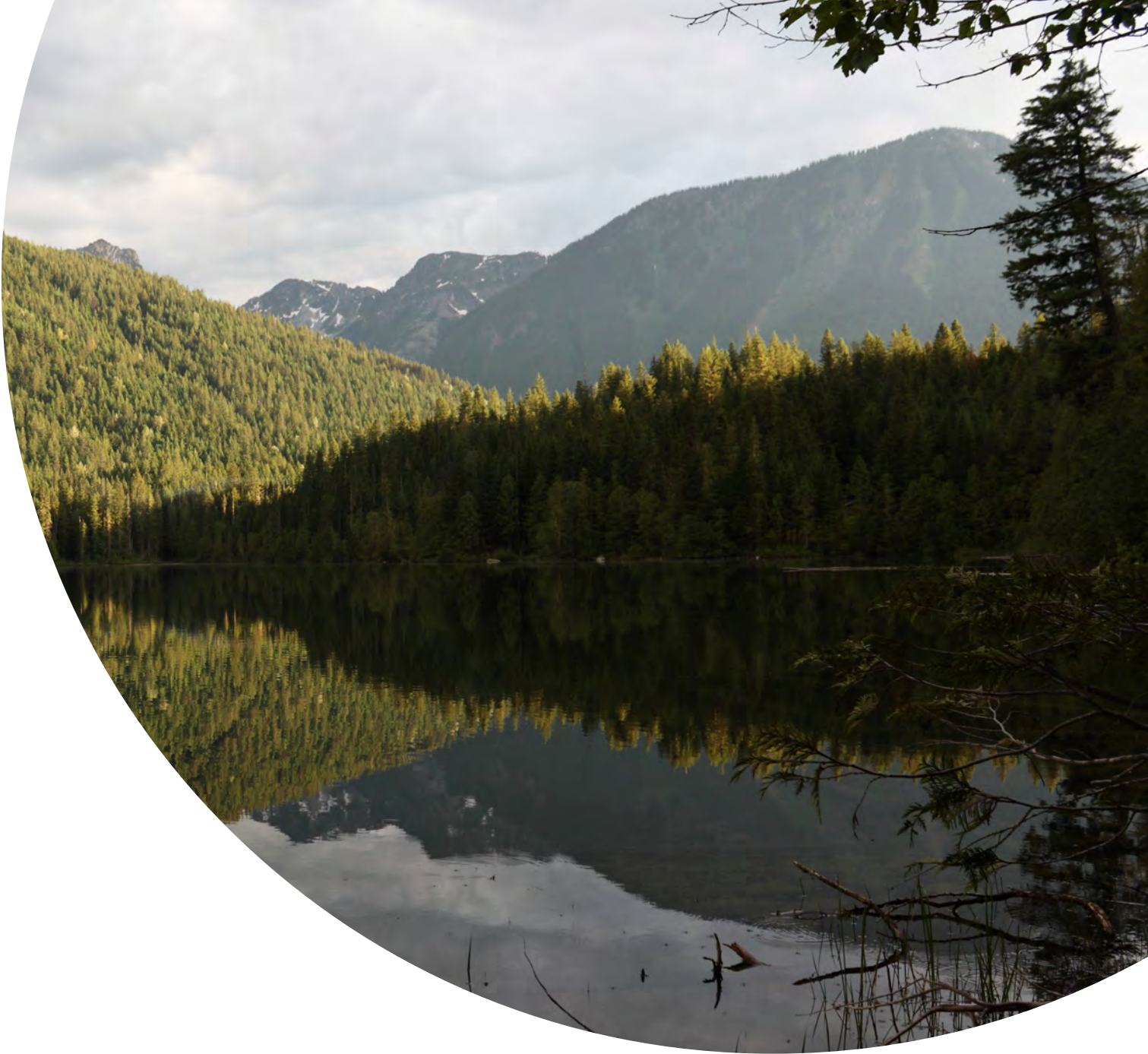
Developing Employment Lands Action Plans is important for the enhancement of community socio-economic well-being, and increasing competitiveness has become progressively better understood; and unfortunately, increasingly competitive. Much less is understood and perhaps the critical niche for emerging efforts is how to create intermunicipal cooperation's and servicing models while managing effective implementation of such initiatives. Community climate reforms are challenging for two main reasons. First, the list of possible changes can be long, and figuring out the right priorities and sequencing can be an intimidating task. Second, such changes are often contentious amongst the myriad of community stakeholder interests because of possible or perceived consequences.

The cause of this “**KNOWING-DOING GAP**” is multidimensional.

In the first instance many communities lack an appreciation or true understanding that the investment community requires a specific set of capacities that is unique based on investor and sector. Secondly, in order to successfully implement and yield tangible results the effort requires significant resources, both human and financial. Thirdly, there are often unrealistic expectations regarding the time and impact of the rewards yielded. Finally a lack of will to suffer the short-term discomfort in order to achieve the long-term benefits often relegates good intentions and good efforts to an exercise in futility. All of these issues and the decisions they imply are prescient to the North Okanagan Investment Zone's efforts to explore and define implementable actions.

The North Okanagan Investment Zone (as a region) clearly has strong assets to market. The North Okanagan Investment Zone should build on these assets, bearing in mind the unique needs of private sector.

Taking advantage of partnering opportunities, where they exist either regional or sub-regionally, is a requirement to have a real impact on efforts to attract private sector investment and ultimately increase employment opportunities for the residents of the North Okanagan.



Appendices

Appendix #1 Regional Government Management Advisory Committee (RGMAC) Employment Land Action Plan Resolution

AUGUST 22, 2013 RGMAC

Regional Employment Lands Inventory

Moved and seconded by Directors Dirk and Cyr

That the report dated July 23, 2013 from the Regional Growth Strategy Coordinator regarding Regional Employment Lands Inventory be received for information; and further,

That the report be referred to member municipalities and Electoral Area Advisory Committee.

CARRIED

NOVEMBER 6, 2013 BOARD OF DIRECTORS

Regional Economic Development Action Plan Concept

Moved and seconded by Directors Pearase and Cyr

That the report dated September 4, 2013 regarding the exploration of the Regional Economic Development Action Plan Concept be considered during the selection of 2014 Regional Growth Strategy implementation priorities.

CARRIED

APRIL 2, 2014 BOARD OF DIRECTORS

Regional Employment Lands Action Plan Draft Terms of Reference

Moved and seconded by Directors Cunningham and Acton

That the Regional Employment Lands Action Plan be supported as a joint Regional Growth Strategy implementation project with the City of Vernon; and further,

That the Regional Employment Lands Action Plan draft Terms of Reference, as amended to include provisions for engaging First Nations, be endorsed; and further,

That \$20,000 from the 2014 Regional Planning (031) Budget and staff resources be allocated to undertake the Regional Employment Lands Action Plan.

CARRIED

FEBRUARY 4, 2015 BOARD OF DIRECTORS

Regional Employment Lands Action Plan

Moved and seconded by Directors Quiring and Lord

That the Guiding Principles for the Regional Employment Lands Action Plan be endorsed.

CARRIED

MAY 6, 2015 BOARD OF DIRECTORS

Regional Employment Lands Action Plan

Moved and seconded by Alternate Director Fraser and Director Macnabb

That the scope and budget of the Regional Employment Lands Action Plan be expanded as proposed within the report dated April 1, 2015 from the Planning Department.

CARRIED

Appendix #2 - Oversight and Terms of Reference

Excerpt from Regional Employment Lands Action Plan Draft Terms of Reference presented to Regional Growth Management Advisory Committee on February 27, 2014.

Responsibilities:

Regional Growth Management Advisory Committee

The Plan is considered a priority RGS implementation action and the Regional Growth Management Advisory Committee (RGMAC) is responsible for overseeing RGS development, implementation and review. Although the RGMAC will not be directly involved within the development of the Plan, this Committee will be responsible for:

- Providing strategic direction throughout the Action Plan process; and,
- Reviewing and commenting on Action Plan deliverables.

Regional Growth Strategy Support Team

The Regional Growth Strategy Support Team (RGSST) was created during the development of the Regional Growth Strategy as a technical committee of senior planners and other senior staff (as needed), representing all North Okanagan jurisdictions. Currently, the mandate of the RGSST is to review, and provide recommendation, on Regional Growth Strategy amendments or matters of regional significance. It is proposed that, within the Action Plan process, the core responsibilities of the RGSST will be to:

- Provide advice, technical support and recommendations, from a local context, regarding employment land identification criteria, policy approaches and potential opportunities to expand the employment land supply; and,
- Review and provide feedback on the draft Action Plan including actions, policies, recommendations and implementation strategies.

The membership of the RGSST, in relation to this project, will be expanded to include First Nations, the City of Vernon Manager of Economic Development and, when reviewing infrastructure servicing opportunities, engineering staff.

C. Third most important:

- 7.** What business opportunities/gaps do you see as having potential in your community/surrounding region? (e.g., gaps in products or services, facilities, education/social resources/services)

- 8.** Are there any existing or potential employment lands (commercial, industrial, institutional) that you think are underdeveloped or face barriers to development in the community? What do you think needs to be done to realize the potential of these lands?

- 9.** How can a Regional employment lands action plan impact existing/new businesses in your community?

- 10.** What are the key weaknesses of your community employment areas? In what aspects do you feel your community's employment lands are not competitive when compared to the surrounding market area?

- 11.** What policy measures, tools or incentives do you presently use to enhance the competitiveness of your community employment areas?

- 12.** Which employment sites are of strategic or local importance and should be protected?

- 13.** What are the characteristics of different employment sectors, the types of premises necessary to accommodate them and the potential benefits for the Region's economy and residents?

- 14.** Are there any sites or premises that are no longer viable for employment use and which have the potential for other types of development?

- 15.** Where employment sites and premises are to be redeveloped, what uses or mix of uses should be prioritized?

- 16.** What are some opportunities for synergies amongst the member communities as it relates to Employment Lands?

- 17.** What are some barriers you perceive to the identification and implementation of Regional Employment actions?

- 18.** Have you witnessed missed opportunities due to lack of available employment lands? In your estimates what were the missed opportunities over the past five (5) years? (# of businesses and if possible estimated # jobs)

Appendix #4 - Economic Development Function Model Discussion

Based on the consulting teams intimate knowledge of the region and of best practices within Canada and internationally the following structure is being recommended. With that being said it should be a result of a highly participatory planning process that equally includes all stakeholders.

Organizational Structure:

It is being recommended that the Rural Economic Development Function be delivered through a third party agency such as Community Future – North Okanagan. This will allow the function to benefit from the synergies of a well-established Community Economic Development Agency that fully service the entire region and have services that play straight into the functional areas of Economic Development (in-bound investment, business retention and expansions, entrepreneurship, workforce development and community cash flows).

Reporting Structure:

As a newly developed function of CFNO the Economic Development Officer would report directly to the Board of Directors and Management of CFNO. It is being suggested that, as with other functions of CFNO, that a committee developed to provide direction and offer sight to the Economic Development Function. This will allow the rural communities to provide directions and guidance to the function while also providing the function the required autonomy not politically driven by many municipalities

Create Operating Model through CFNO and participating Communities (Governance, Reporting Structure, Services to be offered, and funding mechanisms)

Services:

By way of proposed services offered by the function are:

- Organizing more formalized economic development efforts
- External promotion (Business and Investment Attraction)
- Assist in identifying and developing business retention initiatives through being a connector and catalysts

- Engaging in advocacy and relationship building with other levels of government.
- Engaging in advocacy and relationship building with other Economic Development agencies within the Region, BC and Canada.
- Working more diligently at fund raising and leveraging in order to self-fund the function and activities.

Funding Mechanisms:

Often regional Economic Development functions obtain several types and modalities of funding. The primary operational funding could be arranged to be in part by Western Diversification and contributions by member communities. Member communities funding contributions often reflect one of three modalities 1) representation based on populations distribution, 2) representation based on tax income distribution, and 3) combination of tax and population distribution.

Appendix #5 - Sub Investment Zone Working Groups Terms of Reference

1.0 Introduction

Through the process of developing the Employment Lands Action Plan for the communities within the North Okanagan it was identified the value and need for increased intergovernmental collaboration. As precondition to collaboration is increased dialogue that leads to deeper understanding of the each communities realities and goals. The EALP identified five (5) sub investment zones that focused action plans based on sub regional partnerships. With this in mind Sub Investment Zone Working Groups started to form. The following draft Terms of Reference (TORs) have been created to help facilitate the process.

2.0 Name

This committee shall be known as the **SUB INVESTMENT ZONE WORKING GROUP**.

3.0 Purpose of Sub Investment Zone Working Group

Sub Investment Zone Working Group will act as an intergovernmental working group, to bridge the dived between individualized economic development approaches and efforts for the purposes of implementing the ELAP. The Working Group will also help engage a broad range of community stakeholders and partners in the implementation process. Members will help raise awareness of, and act as proponents for, the ELAP.

4.0 Operating Principles

By definition principle statements reflect the core ideology of an organization. Articulating values provides everyone with guidance, ways of choosing among competing priorities and guidelines about how people will work together. In this regard there is a clear ideology in respect to core values of the Sub Investment Zone Working Group. The working group will deliver its programs and services based on the following operating principles:

- Think Regionally First
- Collaborative Effort
- Commitment
- Communication
- Transparency
- Mutual Trust and Respect
- Equitable Engagement Process

5.0 Membership and Composition

In order to fulfill the purpose as stated above, the membership of Sub Investment Zone Working Group will stay consistent with its current representation based on the inclusion of an elected official and senior staff from each of the member communities. From time to time, the Steering Committee will invite other staff as deemed appropriate, to attend meetings of significant importance regarding the review of important information and/or to provide guidance on important aspects of the work plan and key strategic directions at the regional level.

6.0 Roles and Responsibilities

Sub Investment Zone Working Group will

- promote the development of cooperation between their community and the partner communities;
- strike, on an ad hoc basis, as needed, sub-working groups to engage in bilateral discussions on policy issues of common concern related to economic development;
- prepare and up-date a forward-looking agenda on sub regional co-operation;
- review and report annually on cooperation to RGSST;
- provide, as appropriate, general policy directions in the area of bilateral cooperation in the Arctic and the North; and
- consider proposals for partnerships for the development of specific initiatives and assist as appropriate.

Sub Investment Zone Working Group Activities Include:

- Share each communities vision and strategies associated to Economic Development;
- Exchange of information and research/analysis related to Economic Development;
- Where applicable partner on research and development, and/or exchange of results;

- Where applicable partner on symposiums, conferences and seminars for experts;
- joint publications;
- trade missions;
- joint commercial ventures and activities;
- technology exchange and transfer; and
- other mutually agreed forms of cooperation.

6.1 *Sub Investment Zone Working Group Coordination (RDNO)*

While the success of the committee strongly depends on the individual communities level of commitment the committee still requires some coordination and support. The Regional District will offer for the duration of the ELAP implementation some support. The support will be in the form of:

- Schedule meetings;
- Send meeting invites and reminders
- Attend meetings;
- Support the functions of the Steering Committee;
- Maintain a record of the minutes of meetings;
- Ensure minutes and agendas have been distributed;
- Provide meeting space (if required);
- Act as spokesperson for the project as necessary;
- Act as the primary point of contact for the Steering Committee; and
- Update individual communities on progress and potential issues in regards to progress.

7.0 Meetings

- Sub Investment Zone Working Group will meet quarterly for the duration of the implementation of the ELAP, and additionally if required upon the agreement of the committee members. The schedule of regular meeting dates will be determined as part of the approved work plan.
- The meeting location will rotate between the member communities.