

Regional Industrial Growth Strategy



Prepared For:

***Community Futures Development Corporation – North Okanagan
Greater Vernon Services – Economic Development Commission***

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Introduction

Background

- In June 2005, community leaders, economic development managers, First Nation representatives, and owners/CEOs of leading manufacturing firms met with the Minister of Industry Canada to discuss the critical factors affecting the manufacturing sector in the Regional District of the North Okanagan (RDNO). At this meeting all participants agreed that the three most pressing issues for industry in the North Okanagan were:
 - Identification of industrial land and establishment of the required infrastructure to service industrial areas;
 - Access to rail transport with both loading and off loading capabilities – inter-model facilities; and,
 - Skill training requirements for the manufacturing sector.

Approach

- This study focuses on analyzing the growth and diversification of needs and issues of the manufacturing sector in RDNO. It systematically investigates the future intentions of existing industrial land users with regards to industrial land requirements. The study also investigates issues or impediments that the manufacturing community is experiencing and plan to experience concerning land, transportation, and labour. This was combined with discussions with local elected and administrative officials to determine the willingness to collaborate on a collective approach to Regional industrial initiatives.

Manufacturing Profile and Locational Factors

Profile

- Manufacturing is a major player in the North Okanagan economy, generating a significant number of direct jobs, supporting spinoff businesses and payrolls, and contributing to the Region's tax base. Based on the available data sets, the number of active manufacturing establishments with revenues and employees is estimated to be between 150 and 160. In 2003, a diverse range of products were produced by companies in the Region with dominant sectors including forest products, metal fabrication, food and beverage, transportation and machinery.

Site Location Factors

- Manufacturers and major industry will consider a variety of factors in deciding where to establish their operations. In many cases, the residency of the owner or ownership group is a major determinant, as most small and medium-sized businesses are based in the same community as the owner's residence. For larger companies, significant resources can be spent using site location tools to seek out and evaluate locations that provide the optimum mix of features they value. Based on national level surveys, the top three ranking factors tend to be highway

accessibility, labour costs and labour availability. Though not as important, the cost and availability of land was still a major decision factor for more than three quarters of the executives polled in the national survey.

Overall Cost Competitiveness

- Manufacturers are sensitive to numerous cost factors when determining where to locate their production facilities. While generating detailed cost information was not part of the terms of this project, we have relied on some recent competitiveness research to gauge how the North Okanagan compares to major competitors in the industrialized world.
- In March 2006, KPMG issued its latest benchmark analysis comparing business costs in Canada with those in the US, Europe and Japan.¹ In brief, Canada led G7 countries in terms of low business costs, with a cost advantage of 5.5 percent over the United States. The only area where Canada did not excel was in taxation. Canadian cities were among the least costly of all the cities studied. Locally, Vernon has a slight cost advantage over Kelowna and clear advantages over Vancouver and Seattle.

Transportation

Transportation Overview

- New infrastructure that can increase local productivity, lower input costs for producers, and support new product, business and export development, helps the Region better position itself to achieve its development goals.
- ***Transportation Infrastructure*** - The North Okanagan has a strong highway system providing connectivity throughout the Region and access to many major destinations. Two shortline railways, the Okanagan Valley Railroad (OVR) and Kelowna Pacific Railway, operate in the North Okanagan and are connected to the mainlines of CN and CP. The Kelowna International Airport is a 30 minute drive from downtown Vernon, north of Kelowna. As well, the Vernon airport plays an important role for several local air related companies located at the airport.
- ***Location and Proximity to Markets*** - Proximity to key markets can be made in a timely fashion. The North Okanagan, with Vernon as its major commercial centre, is strategically located midway between Vancouver and Calgary. Access to US Northwest and Asian markets is also convenient.

Transportation Issues

- Trucking is the main transportation mode used to bring product in and ship goods out for most companies. However, there were some noticeable exceptions and it is known that five larger manufacturers in the area are very reliant on receiving

¹ <http://www.competitivealternatives.com/>

commodities by rail. As well, Tolko Industries utilizes rail to ship finished wood products out of the Region.

- **Roads and Highways** – For the manufacturers in the Vernon area, there are several instances where increased traffic on local roads has made it difficult for truck traffic to move efficiently in the City. Most manufacturers in the North Okanagan Regional District have the United States as a key market and are moving product south by truck over Highway 97. Manufacturers have noticed increased travel times through the Okanagan on Highway 97 as traffic congestion increases. Access to the Region’s industrial sites needs to be carefully planned with the Provincial and Municipal governments to ensure accessibility to the key arterial routes.
- **Rail** – Among manufacturers using rail, some find that the multinational railways are best structured to deal with large numbers of cars from one customer, and some find that if they do not deal with big numbers it is often hard to get the required level of service they need. For the two short-line rail operators (Okanagan Valley Railway and Kelowna Pacific Railway) there is a considerable volume of empty cars moving out of the North Okanagan after delivering goods into the Region, and it would help their economics if more back haul was possible. From the survey it was observed that approximately half of the manufacturers are looking at new ways to ship finished products and receive input commodities and would like to explore rail.
- **Container Shipments** – Container use has been rising in recent years. Effectively, the increased container use has allowed the facilitation of integration transportation modes, better connecting rail, trucking and shipping. Currently there are a sizeable number of empty containers that are backhauled out of the Okanagan Valley as a result of container use in the Region’s retail sector (ie., Costco, Wal-Mart). The potential utilization of these containers in a backhaul scenario and integration of the rail and road transportation systems could strengthen the overall feasibility of inter-modal transportation in the Valley.
- **Air** – The companies interviewed did not have any issues with the level of service in the Vernon area, and as mentioned above most companies did not use air as a major mode of shipping goods. In the future, the Vernon airport would like to lengthen the runway and explore regular schedule services. However, the airport does face several land constraints that could make the runway expansion challenging.

Labour Force Characteristics and Issues

Labour Wage Rates and Issues

- **Wage Rates** - The average annual wage for all wages in RDNO in 2000 was slightly below the BC average. However, a closer look at specific occupations

within manufacturing illustrates that within the Okanagan, the North Okanagan has established a higher average wage level in all manufacturing categories.

- It is generally believed that workers in the Okanagan Valley are paid a bit less than elsewhere in the province. However, as labour force scarcity increases, this advantage will disappear for firms. While up-to-date manufacturing wage information is not available for RDNO, the provincial manufacturing wage increase was 7.1 percent between 2000 and 2005. Furthermore, in the past year, from February 2005 to February 2006, provincial manufacturing wages have increased by an additional 4.7 percent.²
- ***Labour Wage Rates Issues*** –several local companies surveyed mentioned they were now finding that wages are climbing quickly for properly trained employees. In addition, several firms foresaw challenges in the future as the Region's affordability slipped due to rising housing prices and the associated cost of living. At the time of the study, labour costs had already started to rise for the Region's firms.

Labour Force Characteristics and Issues

- ***Labour Force Characteristics*** - As the Region shifts over to more advanced value-added manufacturing and knowledge-intensive activity in both the goods and service industries, the demand by employers for an educated, skilled and adaptable work force can be expected to increase. Currently, there is a sizeable experienced labour force well suited to the goods production sector of the local economy; however, those firms wishing to expand in the Region will be competing for the same pool of labour.
- Unemployment has steadily declined in the North Okanagan area in recent years. In 2001 the unemployment rate in Vernon was approximately 8.9 percent and has declined steadily to its recent low at the end of 2005 of only 4.8 percent. Both the Thompson Okanagan and Vernon had a lower overall rate than the province with 5.9 percent at the end of 2005.³ The current provincial unemployment rate has not been this low since 1969.
- Over the next five years the local manufacturing sector may require close to 2,200 new workers to cover expansion and attrition within this sector. This coupled with affordability issues in the local housing market could position the Region to face a serious labour shortage combined with rapidly increasing wage rates. Furthermore, the increasing strength of the Canadian dollar has already eroded the wage advantage of local manufacturing with their competition in the United States.

² Statistics Canada Labour Force Survey, March 2006.

³ Statistics Canada Labour Force Survey, revised by BC Stats January 25, 2006.

Current Workforce Availability Issues

- ***Entry Workforce Availability Issues***- Several companies have started to notice an acceleration in the turnover rate among their entry level employees as the choice of entry level opportunities grows in the province. Local businesses estimate that over the next five years a full 65 percent of their new worker requirements will be within the entry level/general labour positions.
- ***Skilled Workforce Availability Issues*** – One-third of the firms interviewed stated they were having problems meeting their employment targets for skilled workers. In the near future, local businesses also forecast that 25 percent of their required workforce needs will be among semi-skilled workers such as truck drivers with a further 8 percent within hard-to-fill skilled trades. Already skilled trades are the most difficult group to find and as workers retire and companies grow, this shortage will continue to present challenges. Finally, 2 percent of employees will be required for management level positions as senior workers retire and companies need to broaden their staff skill sets with new specialized management skills.

Industrial Land Availability

Industrial Availability, Cost and Issues

- ***Land Availability and Cost*** - In 1997, the North Okanagan had approximately 1,643 acres (665.2 ha) of industrially zoned land. While a full inventory has not been completed since 1997, the amount of industrial land today is believed to be approximately 100 (40.5 ha) acres less than the 1997 level.
- Industrial real estate is available in very limited quantities in the Greater Vernon area, especially in the large parcel range. However, RDNO as a whole region has good potential to bring in new land for heavy and light industrial development.
- ***Industrial Site Issues*** - Manufacturers have generally identified issues with traffic congestion, complaints from residents concerned about noise and smells, the need for better serviced sites, and highway planning as reasons for being interested in looking at new sites. However, the key driver locally is that two-thirds of firms are planning for growth in their business activities with half of these companies saying they will require new sites to accommodate this growth.
- Cost of land and services for an industrial site is an important factor, one that many firms looked at when they initially located to the area. Several companies mentioned locating outside of Vernon on more affordable lands; however, they also wanted to stay close to Vernon as this is the location of the major portion of their labour force. In some cases small sized, and some medium sized industrial producers are currently operating on sites within the Agriculture Land Reserve (ALR), with or without the permission of the Agriculture Land Commission.

- It is estimated that upwards of 60 firms now located in the North Okanagan could be looking for new sites over the next five years. This internal migration could put considerable pressure on local industrial land. Additional pressure is expected from those current industrial activities located within the ALR that want to expand and to shift to industrial land from agriculture land. At the same time investment attraction has drawn numerous enquiries from firms outside the Region who are examining relocating to the area. Overall, the pressure for industrial land will only grow over the near-term for the North Okanagan.

Conclusions

- The Greater Vernon Services Commission (GVSC), made up of Vernon, Coldstream, and Areas B and C, have very little industrial land to offer interested businesses. There is also very little proposed in the short-term (in the next year), except for the seven one-hectare sites planned for Coldstream which must come from the ALR. Overall, there is simply a lack of suitable land in GVSC area available for future industrial designation.
- There are, however, sites located in other areas of the North Okanagan for industrial purposes that are currently available for industrial designation and development. These include more than 26 hectares in Lumby, 16 hectares in Enderby, the Dairyland site and building in Armstrong, and Phase 1 of the Industrial Park in Spallumcheen.
- To serve the short terms needs of industrial development (two to five years) possible sites include:
 - Armstrong – 9.7 hectares (24 acres) currently zoned Country Residential that could be earmarked for industrial land in future OCPs.
 - Spallumcheen – there is an application to remove 32.4 hectares from the ALR to construct an Industrial Park.
 - OKIB – up to 64.8 hectares (160 acres) that may also be available for industrial use (see Indian Reserve 3 in Figure 3 and other Indian Reserves belonging to OKIB).
- Overall, it is critical to identify future industrial sites in the North Okanagan immediately. Residential and commercial pressures are intensifying and if land is not set aside in the near future, it will not be there to meet long-term demand 20 to 50 years into the future.
- To serve the long term needs of industrial development, the possible sites are:
 - Spallumcheen – Phase II Industrial Site – more than 202 hectares (500 acres).
 - OKIB – sites adjacent to main highways and railroads.
- Phase II of the Industrial Park in Spallumcheen, most of which is currently within the ALR with low capability and is being used in a gravel operation; additional locations within the OKIB's area; and land within Areas B and C that are currently within the ALR, but have low agriculture capability, need to be

reviewed. The combination of these potential sites equals more than 243 hectares (600 acres).

Strategic Plan

Organizational Structure Initiative

- Businesses and manufacturers of the North Okanagan see the Region as an integrated economy, yet existing location factors (e.g. property tax policy, infrastructure, site services, attraction policy) are determined, and fragmented, at the local political level that includes municipal, Regional District, and First Nation jurisdictions. This lack of coordinated economic development policy and planning has contributed to lost industrial development opportunities.
- ***Establish Regional Collaboration for delivery of Economic Development Activities*** -This initiative would ensure that the business retention and expansion activities currently offered to Vernon, Coldstream, and Electoral Areas B and C could be offered uniformly through the entire North Okanagan.
- ***Undertake Periodic Consultation With Regional Manufacturing Firms*** - Moving forward, it will be important to receive periodic feedback from the manufacturing industry that solicits ideas and input on specific development initiatives as they are refined and implemented.

Industrial Land Initiatives

- A key part of rationalizing the North Okanagan's industrial land supply is to jointly undertake the planning steps necessary for identifying, planning and servicing prime industrial areas throughout the Region.
- ***Detailed Regional Industrial Land Plan*** - A detailed industrial land plan that identifies the industrial lands that are to be designated and brought on stream in the short, medium and long term will be required.
- ***Support Industrial Land Infrastructure Priorities*** – As an industrial plan evolves, it is critical to ensure that infrastructure requirements are supported consistently across the Region.
- ***Expand Investment Attraction Materials*** – While GVSC has been providing business retention and expansion services to its current service area, a Regional approach or jurisdiction will have to generate and incorporate business information and industrial assets of its new partners in order to represent the entire Region.

Transportation Support Initiatives

- The manufacturers interviewed for this project underlined the importance of transportation infrastructure in the North Okanagan as a key business input. Key

transportation components, including rail and highway services, are critical for moving goods and people into and out of the Region.

- ***Determine the Feasibility of a Local Rail Reload Centre*** - Manufacturers indicated an interest in utilizing a local reload centre for accessing the rail network. A local reload centre would also allow the two local rail lines an opportunity to increase their rail car utilization. However, the feasibility of such a reload centre would require further study.
- ***Highway 97A Upgrade*** - The BC Ministry of Highways is in the process of finalizing plans for Highway 97A upgrades near the Spallumacheen Industrial Park and the Tolko mill. Continued consultation between municipal government, the provincial government and local manufacturers is required to ensure the transportation needs of the industrial sector are met.
- ***Highway 6 Upgrade*** - The BC Ministry of Highways will soon begin planning on Highway 6 upgrades between Vernon and Lumby, specifically looking at the Aberdeen to Recardio area. This will allow the District of Coldstream and the Regional District to provide input for ensuring there is adequate service to industrial lands along the corridor.

Workforce Development Initiatives

Many of the manufacturers identified common challenges in attracting and retaining workers. As noted, the unemployment rate in the Vernon area has declined to 4.8 percent, lower than the rate for the Thompson Okanagan at 5.3 percent and the provincial rate of 5.9 percent.

- ***Coordination and Information Support for Local Worker Retention*** - With the tighter labour market and trend towards higher skilled workers, it may now be in the best interest of many manufacturers to explore retention strategies that focus on up-training existing workers. There is a need to coordinate and facilitate the dissemination of information and provide insight into best practices in the increasingly important area of worker retention.
- ***Attracting Skilled Workers from Abroad*** - The province has moved to attract workers from outside of Canada to fill specific skilled job positions. RDNO should explore working collaboratively with its local business community to undertake a similar skilled worker attraction campaign.
- ***Pre-Apprenticeship Project*** - The Okanagan College is in the process of bringing the pre-apprenticeship program up to full capacity in the North Okanagan. The focus of this program will be on developing skill among local residents. The potential exists for manufacturers to participate in the facilitation of specific training that can meet their skill requirements.

1.1 Background

In June 2005, community leaders, economic development managers, First Nation representatives, and owners/CEOs of leading manufacturing firms met with the Minister of Industry Canada to discuss the critical factors affecting the manufacturing sector in the Regional District of the North Okanagan (RDNO). At this meeting all participants agreed that the three most pressing issues for industry in the North Okanagan were:

- Identification of industrial land for retention, expansion and future attraction of light manufacturing businesses and high technology businesses and the required infrastructure in terms of water and sewer to industrial land;
- Access to rail transport with both loading and off loading capabilities – inter-modal facilities; and,
- Skill training requirements for the manufacturing sector.

As a follow-up to the Minister’s meeting, economic development and community leaders discussed the need for a long term Regional Industrial Growth Strategy. The project has been lead by Community Futures Development Corporation – North Okanagan, in partnership with the Greater Vernon Economic Development Services, with funding support being provided by Western Economic Diversification.

1.2 Purpose and Approach

This project served as a venue to engage manufacturing companies, local governments, and First Nations located in the North Okanagan. The goal of the project is to develop a long term strategy that will encompass identified needs of manufacturing businesses in order to retain and expand this industry sector, and at the same time gain support from local governments in the planning processes required for the retention and growth of this industry sector.

The approach to determining the RDNO Regional Industrial Growth Strategy involves four basic steps including:

- Analytical review of the existing statistical information;
- Comprehensive in-person interview process with area industrial land users;
- Meetings and interviews with area municipal, First Nation, and Regional District elected officials and planners; and,
- Comprehensive planning workshop with area elected officials and business leaders.

This study focuses on analyzing the growth and diversification of needs and issues of the manufacturing sector in RDNO. It systematically investigates the future intentions of existing industrial land users with regard to industrial land requirements. The study also investigates issues or impediments that the manufacturing community is experiencing and plan to experience concerning land, transportation, and labour. This was combined with

discussions with local elected and administrative officials to determine the willingness to collaborate on a collective approach to Regional industrial initiatives. From here, a Strategy was developed that focused on addressing the issues of industrial land for business expansion and retention, inter-modal transportation infrastructure, and skill development and/or labour needs of local manufacturers and focused on a Regional approach.

1.3 Report Outline

Following this Introduction, the report is organized as follows:

- Section 2 provides an overview of the manufacturing sector and the locational factors that are important to manufacturing;
- Section 3 highlights transportation infrastructure and characteristics, along with transportation issues in the area;
- Section 4 outlines labour force characteristics and issues for the manufacturing sector;
- Section 5 overviews the development issues and land opportunities associated with the various communities in RDNO; and,
- Section 6 outlines the detailed strategy that will guide the implementation.

Detailed appendices follow the main body of the report and include: the manufacturing sector overview, detailed survey results, sample survey, and list of contacts.

1.4 Study Area

The North Okanagan is composed of six distinct municipalities, six electoral areas within RDNO, and two Bands including:

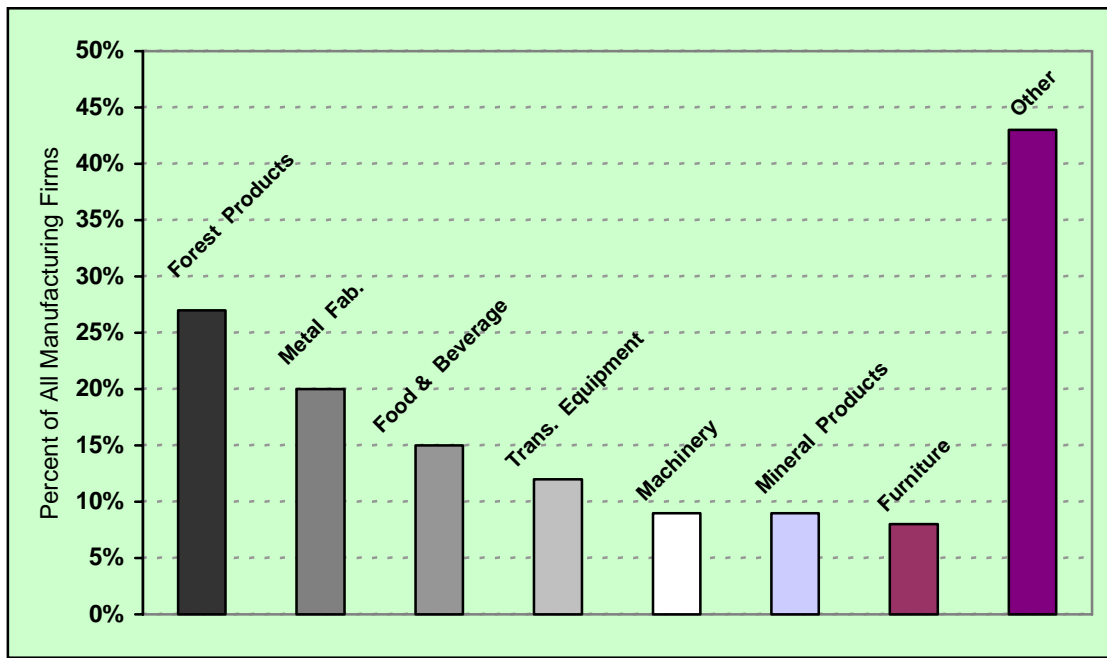
- City of Armstrong
- District of Coldstream
- City of Enderby
- Village of Lumby
- Township of Spallumcheen
- City of Vernon
- Electoral Area A
- Electoral Area B
- Electoral Area C
- Electoral Area D
- Electoral Area E
- Electoral Area F
- Okanagan Band Reserve lands
- Spallumcheen Band Reserve lands

2 MANUFACTURING PROFILE AND LOCATIONAL FACTORS

2.1 Manufacturing Sector

Manufacturing is a major player in the North Okanagan economy, generating a significant number of direct jobs, supporting spinoff businesses and payrolls and contributing to the Region's tax base. Estimates of the number of firms vary, depending on the criteria applied. Based on the available data sets, the number of active manufacturing establishments with revenues and employees is estimated to be between 150 and 160. In 2003, a diverse range of products were produced by companies in the Region with dominant sectors including forest products, metal fabrication, food and beverage, transportation and machinery (Figure 2-1).

Figure 2-1: North Okanagan Manufacturing Firms, 2003



SOURCE: STATISTICS CANADA

The 27 largest manufacturers in the North Okanagan are shown in Table 2-1. The largest employer in the Region at a single plant is O-I Canada Corp., which manufactures glass products at its Lavington facility. Other major manufacturers with more than 140 employees include Tolko Industries (forest products), Okanagan Spring Brewery (beverages), Bigfoot Industries (transportation equipment) and Hytec Plumbing Products (plumbing and fixtures).

Large manufacturers are complemented by a number of small and medium-sized enterprises (SMEs) who produce products for export and provide support services and supplies to other primary, manufacturing, construction and service businesses in the Okanagan. Other products

produced in the Region, including clothing, concrete product, fabricated structural products, flour milling, rice milling, malt manufacturing, wood panels, control and measuring systems, furniture and boat building, demonstrate the relative diversity of the local manufacturing base.

Table 2-1: Major Manufacturers in the North Okanagan

Company Name	Employees Estimated	Products	Markets
O-I Canada Corp.	400	Container, bottle glass	NA
Tolko Industries Ltd.	320	Lumber, plywood, veneer	NA
Okanagan Springs Brewery	230	Brewery, beer	Canada
Bigfoot Industries	195	Transportation equipment	NA, Eur, UK, Japan
Hytec Plumbing Products	140	Bathroom/plumbing fixtures/accessories	NA
AcuTruss Industries	120	Trusses, joists, engineered roof/floor systems	NA, Ger, Japan, China
Bell Pole	100	Poles, lumber, sawn timber, plywood	NA
Westwood Companies	100	Industrial controls, control systems	US, New Zealand, Eur
Paragon Wood Products	100	Decking, dimensional lumber, paneling	US, Ger, Japan
Pacific Regeneration Tech.	162	Conifer seeds and seedlings	NA
Rogers Foods	98	Cereal and grain products	NA, Asia
Far West Industries	95	Clothing	
Rapid-Span Structures	85	Precast concrete, metal fabrication	NA, South America
Tekmar Control Systems	75	Heating/ventilating controls/accessories	NA, Eur, Aust, New Zea
North Enderby Timber	75	Decking, fencing, lumber, railings, panelling	US
Unique Timber	60	Log homes/timber frame homes	US, Asia, Eur
Harbercraft Powerboats	60	Marine equipment	NA
Maax Canada	50-99	Fibreglass bathroom products	US, Ger, Russia
Colonial Farms	60	Poultry processing	Canada
Okanagan Aggregates	50-99	Sand, gravel, asphalt, emulsions	Canada
Universal Specialties	25-49	Art and decorative ware, ceramics	US
Coldstream Lumber	30	Cedar siding, T&G boards, planer products	NA
Darford Industries	30	Pet food supplies	US, UK, Brazil, Israel
Creative Connectors	25	Shelving, partitions, wall brackets	US
Chapman Mechanical	25-49	Machinery and steel fabrication	-
Unifeed	25	Animal food products	US
Sure-Crop Feeds	29	Animal food products	US

SOURCE: BC MANUFACTURERS DIRECTORY, CITY OF VERNON.

Although there is a concentration of activity in the Vernon area, manufacturing is well dispersed across the Region, with pockets through the Spallumcheen and Coldstream Valleys.

2.2 Site Location Factors

Manufacturers and major industry will consider a variety of factors in deciding where to establish their operations. In many cases, the residency of the owner or ownership group is a major determinant, as most small and medium-sized businesses are based in the same community as the owner’s residence. For larger companies, significant resources can be spent using site location tools to seek out and evaluate locations that provide the optimum mix of features they value.

Although the significance of location features will vary by sub-sector, some factors tend to rise to the top and rank as important by most manufacturers and heavy industry. Table 2-2 provides some good evidence as to what those factors are, based on an annual survey of corporate executives by Area Development Magazine. The survey asked respondents about the criteria they used when evaluating facility development, expansion or relocation. The top three ranked factors were highway accessibility, labour costs and labour availability. Though not as important, the cost and availability of land was still a major decision factor for more than three quarters of the executives polled.

Table 2-2: Important Manufacturing Site Selection Factors

Rank	Selection Factor	% Responding*
1	Highway accessibility	91.4
2	Labour costs	87.9
3	Availability of skilled labour	87.2
5	Availability of high-speed Internet	85.7
7	Occupancy and construction costs	83.7
9	Proximity to major markets (location)	83.2
10	Energy availability and costs	82.8
12	Cost of land	79.1
14	Availability of land	75.0

SOURCE: AREA DEVELOPMENT MAGAZINE, ANNUAL CORPORATE SURVEY 2005.

NOTE: * All percentages are the total of “very important” and “important” ratings.

Of the sixteen industrial businesses in the North Okanagan were interviewed as part of this project, only one undertook a formal site selection process. The other companies were established in the North Okanagan either to service local markets or because the owner was from the area. In fact, 60percent of the survey participants had been located locally for 20 years or more. It is large subsidiary manufacturers with no resident ownership and new businesses exploring the Vernon area as a location that are more likely to apply the selection criteria as outlined above in their location decision-making.

2.3 Overall Cost Competitiveness

Manufacturers are sensitive to numerous cost factors when determining where to locate their production facilities. While generating detailed cost information was not part of the terms of this project, we have relied on some recent competitiveness research to gauge how the North Okanagan compares to major competitors in the industrialized world.

In March 2006, KPMG issued its latest benchmark analysis comparing business costs in Canada with those in the US, Europe and Japan.⁴ In brief, Canada led G7 countries in terms of low business costs, with a cost advantage of 5.5 percent over the United States. The low cost position was maintained for manufacturing, software, research and development and corporate services. For manufacturing operations, facility ownership costs (including land purchase, building construction costs and financing) were lowest in Canada. Utility rates were also the least expensive among the nations studied. Canada managed to retain its top ranking among G7 countries despite the strong appreciation in value of the Canadian dollar relative to the US dollar over the last two years. The only area where Canada did not excel was in taxation.

Canadian cities were among the least costly of all the cities studied. Table 2-3 shows the index rating for three BC cities, Vernon, Kelowna and Vancouver, as well as Seattle. Vernon has a slight cost advantage over Kelowna and clear advantages over Vancouver and Seattle. While Vernon enjoys cost advantages in manufacturing, they tend to be more significant in the high technology sectors, including software and research and development.

It is difficult to compare tax rates between communities without a more in-depth analysis. However, a recent study indicated that BC in general has the highest maximum tax rates and ratios in Canada for light and major industry.⁵ On a more positive note, of the 25 municipalities listed as having the higher tax rates, none were in the North Okanagan.

⁴ <http://www.competitivealternatives.com/>

⁵ Robert L. Bish, *Property Taxes on Business and Industrial Properties in BC*, Fraser Institute Digital Publication September 2004. <http://www.fraserinstitute.ca/admin/books/files/Property-Taxes.pdf>

Table 2-3: Business Cost Index Rating by BC City, US = 100

	Vernon	Kelowna	Vancouver	Seattle
Manufacturing				
Aerospace	97.5	96.9	99.8	104.5
Agri-Food	95.4	95.5	97.1	105.1
Automotive	96.6	96.6	98.9	106.8
Chemicals	94.2	94.5	96.3	101.9
Electronics	96.4	96.6	99.0	103.9
Medical devices	95.7	95.8	98.2	104.0
Metal components	96.3	96.3	98.6	106.8
Pharmaceuticals	95.7	95.7	97.7	103.7
Plastics	97.1	97.1	99.3	106.6
Precision manufacturing	95.7	9.58	99.6	105.6
Telecommunications	97.3	9.74	98.8	102.4
Total Manufacturing	95.7	9.58	97.9	104.5
R & D				
Biotechnology	82.7	84.6	92.6	103.7
Clinical trials	79.0	81.0	89.8	104.9
Product testing	81.0	82.9	91.6	103.2
Total R & D	81.8	83.7	92.1	103.4
Software				
Software design	88.5	89.3	94.5	103.5
Web & multimedia	88.7	89.6	95.4	103.9
Total software	88.6	89.5	94.9	103.7
Corporate services				
Back office/call centres	88.3	89.7	98.2	106.5
Overall result	92.9	93.3	96.9	104.4

SOURCE: KPMG, 2006

3.1 Transportation Overview

New infrastructure that can increase local productivity, lower input costs for producers, and support new product, business and export development, helps the Region better position itself to achieve its development goals. Different industries emphasize different types of infrastructure. For manufacturers and major industry, which must rely on inflows and outflows of raw materials and finished goods, transportation is one of the most critical infrastructure services that affect their site needs.

3.1.1 Transportation Infrastructure

The North Okanagan has a strong highway system providing connectivity throughout the Region and access to many major destinations. The highways are well maintained and are all-weather, permitting efficient travel and easy access. Access to the important USA market is possible via many different routes in the North Okanagan. This road system supports a significant volume of truck traffic with an estimated 45,300 truckload equivalent units (TEUs) inbound to the Okanagan each year and corresponding 51,500 TEUs are outbound from the Okanagan each year.⁶ The largest inbound product is groceries making up 58 percent of inbound traffic, while wood materials make up the largest outbound product (46 percent of all outbound shipments).

Starting in 1999, the Okanagan Valley Railroad (OVR) began providing rail service to and from CPR's east-west main line at Sicamous. The OVR also has running rights over the CN line between Vernon and Kelowna. The Kelowna Pacific Railway is the short line operator for Canadian National with rights over 200 kilometres of track between Kamloops-Kelowna and Vernon-Lumby. Collectively, the two lines move approximately 21,000 railcars through the North Okanagan each year. Both lines provide vital linkages to domestic, North American and international markets. Major companies operating in the Region, including Owens-Illinois, Tolko Industries, Sure Crop and Unifeed, rely on rail services for supplies and goods shipments. Rail is the primary mode of transportation for commodities including sand, lumber, grain, chemicals and fertilizers, cement, and soda ash.

The Kelowna International Airport is a 30 minute drive from downtown Vernon, north of Kelowna. In terms of passenger activity, the Kelowna International Airport is the third busiest airport in British Columbia and the eleventh busiest airport in Canada. Direct connections to five major international airports are available. Air carriers serving the airport include Air Canada, Horizon Air, Central Mountain Air and WestJet. There is a Canada Customs office located within the airport. The Vernon airport plays an important role for several local air related companies located at the airport. It is also home to the Okanagan College's Aviation maintenance technician school.

⁶ McNair Baker Hurd & Associates (August 2004), *Thompson Okanagan Inbound and Outbound Transportation Volumes*.

3.1.2 Location and Proximity to Markets

Proximity to key markets can be made in a timely fashion. The North Okanagan, with Vernon as its major commercial centre, is strategically located midway between Vancouver and Calgary. Access to US Northwest and Asian markets is also convenient. Table 3-1 outlines the travel distances and times to key cities.

Table 3-1: Distance & Travelling Time To Other Cities From Vernon

	Kilometers	Miles	Driving Time
Penticton, BC	114	71	1 hr, 30 min
Vancouver, BC	441	276	5 hrs
Spokane, Washington, USA	454	284	5 hrs
Calgary, AB	556	348	6 hrs, 15 min
Kelowna, BC	51	32	50 minutes
Prince George, BC	642	401	7 hrs, 15 min
Seattle, Washington, USA	667	417	7 hrs, 30 min
Edmonton, AB	851	532	9 hrs, 30 min
Portland, Oregon, USA	975	609	11 hrs

3.2 Transportation Issues

Trucking is the transportation mode used to bring product in and ship goods out for most companies. However, there were some noticeable exceptions and it is known that five larger manufacturers in the area are very reliant on receiving commodities by rail. As well, Tolko Industries utilizes rail to ship finished wood products out of the Region. A small amount of product moved into the area by air. While the infrastructure in the area is generally seen as good there are several issues that have been identified and could impede investment decisions in the future.

3.2.1 Roads and Highways

Local Road Issues – For the manufacturers in the Vernon area, there were several instances where increased traffic on local roads has made it difficult for truck traffic to move efficiently in the City. In particular, in the Waddington area, the industrial park has become difficult to maneuver trucks in, with the large influx of residential traffic using the roads within the area.

Highway Issues - Most manufacturers in the North Okanagan Regional District have the United States as a key market and are moving product south by truck over Highway 97. Manufacturers have noticed increased travel times through the Okanagan on Highway 97 as traffic congestion increases particularly through the Kelowna area. Several manufacturers have begun shifting the hours their trucks use the Okanagan corridor to try and avoid travel delays. As well, it has been mentioned that the province should follow through with the

Aspen Grove cut off that would provide a more direct trucking route to Vancouver instead of forcing Okanagan traffic down the hill into Merritt.

Future Highway Infrastructure – The Provincial government has already begun highway upgrades in the North Okanagan on local highway infrastructure. Firms have outlined the importance of the local highway infrastructure to the functionality of their operations. Specifically, access to the Region’s industrial sites needs to be carefully planned with the Provincial and Municipal governments to ensure accessibility to the key arterial routes. In addition, as the Highway infrastructure is upgraded, a couple of manufacturers will be required to move from their current sites. It is important that work to relocate or accommodate these firms in the North Okanagan is a priority.

3.2.2 Rail

Rail Issues – Among manufacturers using rail, some find that the multinational railways are best structured to deal with large numbers of cars from one customer thus some companies have found that if they do not deal with big numbers it is often hard to get the required level of service in a timely fashion. It is felt that part of the cause of this is the centralization of rail traffic control in Winnipeg which has created challenges on turn around times and delivery certainty. Manufacturers were also experiencing challenges in getting access to rail, either because of lack of spur lines or not being located on rail at all. For the two short-line rail operators (Okanagan Valley Railway and Kelowna Pacific Railway) there is a considerable volume of empty cars moving out of the North Okanagan after delivering goods into the Region and it would help their economics if there was more back haul possible.

Future of Rail - Approximately half of the manufacturers are looking at new ways to ship finished products and receive input commodities and would like to explore rail. Overall, rising transportation costs and highway congestion are making it more desirable than in the past to look at rail as a viable transportation alternative. It was felt that if the area could establish a common reload facility this would facilitate greater use of rail and make it more cost effective for a variety of users. A quarter of manufacturers currently not using rail said they would like to use rail and that this mode of transportation would likely be possible with a reload centre.

3.2.3 Container Shipments

Container Utilization Issues – Container use has been rising in recent years. Effectively the increase container use has allowed the facilitation of integration transportation modes, better connecting rail, trucking and shipping. Locally, approximately half the companies said that they had occasionally used containers. However, one of the local setbacks with containers is the need to own their own container and the length of time that it is out of their hands. This is in spite of the fact that approximately 300 to 500 containers come into the Okanagan each month to service the commercial sector.

Future of Vancouver Port and Container Utilization – Currently there are a sizeable number of empty containers that are backhauled out of the Okanagan Valley as a result of container use in the Region’s retail sector (ie., Costco, Wal-Mart). The current local

container use is driven by population and as the population grows this inflow of containers will continue. The potential utilization of these containers in a backhaul scenario and integration of the rail and road transportation systems could strengthen the overall feasibility of inter-modal transportation in the Valley. However, upgrades to the short line rail network would be required in order for the larger containers to be moved effectively by rail.

3.2.4 Air

Air Issues – The companies interviewed did not have any issues with the level of service in the Vernon area, and as mentioned above most companies did not use air as a major mode of shipping goods. However, one firm that used air on a regular basis was concerned with the cost of insurance and increased fuel costs.

Future Air Issues – The Vernon airport would like to lengthen the run way and explore attracting regular schedule air service to the airport. However, at the same time, the Vernon airport needs to secure new leases on First Nation land that is currently being utilized by the airport. For manufacturers at the airport, the cost of leases will likely remain their primary concern at the airport.

4 Labour Force Characteristics and Issues

4.1 Labour Wage Rates and Issues

4.1.1 Labour Wage Rate Characteristics

As illustrated in Table 4-1, the average 2000 annual wage in RDNO was slightly below the BC average, as was the average manufacturing wage. This gives a slight competitive advantage to processors who are seeking to access a quality work force at a reasonable cost. While this data is only available for the year 2000, between 2000 and 2005 there has not been any significant change in wage rates until very recently thus the table still gives a good indication of existing wage rates.

Table 4-1: Average Wages for Manufacturing Sector, 2000

	Vernon	RDNO	BC
Manufacturing	\$43,236	\$42,821	\$47,093
Wood Products	\$51,487	\$48,376	\$60,294
Food	\$43,056	\$41,676	\$44,468
Metal Fabrication	\$52,800	\$48,592	\$40,692
Transportation Equipment	\$30,590	\$33,586	\$29,964
Total All Industries	\$38,128	\$38,193	\$42,746

SOURCE: STATISTICS CANADA.

However, a closer look at specific occupations within manufacturing illustrates that within the Okanagan, the North Okanagan has established a higher average wage level in these manufacturing categories. This is very noticeable in the supervisory and general labour categories where the North Okanagan is much higher than the greater Okanagan Valley and also higher than the provincial average. This partly driven by the larger wood processing sector in RDNO, which tends to pay higher wages than other manufacturing sub-sectors. Table 4-2 highlights the wages by occupations for Vernon, North Okanagan, the Okanagan Valley and BC.

Table 4-2: Average Wages By Occupation, 2000

	Vernon	RDNO	Okanagan	BC
Supervisors in Manufacturing	\$56,027	\$55,208	\$46,222	\$54,996
Machine operators in manufacturing	\$35,672	\$36,130	\$36,156	\$40,819
Assemblers in manufacturing	\$33,726	\$30,872	\$30,122	\$31,920
Labourers in processing, manufacturing	\$39,680	\$39,800	\$35,924	\$36,677

SOURCE: STATISTICS CANADA.

It has generally been accepted that workers will reside in the Okanagan for slightly lower wage levels than competing jurisdictions, an effect known locally as the “sunshine tax”. However, it is not clear this advantage existed in manufacturing in the North Okanagan in 2000 and that since then and as unemployment levels decline and the demand for labour increases, the effects of this phenomena has dissipated further.

Nevertheless, labour force scarcity will eventually force up wage rates, irrespective of local quality of life issues. For example, the wage rates in the construction sector are rising rapidly due to a booming housing market and competition from neighbouring Regions, including Alberta, for skilled trades. While up-to-date manufacturing wage information is not available for RDNO, the provincial manufacturing wage increase was 7.1 percent between 2000 and 2005. Furthermore, in the past year, from February 2005 to February 2006, provincial manufacturing wages have increased an additional 4.7 percent.⁷ The rise in wages rates in the past year is noticeable and clearly a reflection of a tightening labour market that is forcing firms to offer higher wage compensation to attract the people they need.

In an international context, wage and overall compensation rates remain very competitive in the Region. According to a recent study released by the consulting firm KPMG, which studied the competitive business costs of hundreds of cities around the world, Canada retains an overall labour cost advantage versus all other G-7 countries, including the United States.⁸

4.1.2 Wage Rate Issues

Labour Wage Rates Issues – Within BC, the North Okanagan has traditionally enjoyed very competitive labour costs; however, several companies surveyed mentioned they were now finding that wages are climbing quickly in order to attract the properly trained employees. Several firms foresaw challenges in the future as the Region’s affordability slipped with rising house prices and the associated cost of living. Some companies have even expressed concern in attracting management level employees as the concern for affordability grows. Others noticed the sunshine tax (paying lower wages than in the GVRD or northern BC) was disappearing.

Future Wage Rate Issues – As noted, labour costs are already starting to rise for Region’s firms. Most firms anticipating some level of local growth over the next five years however 60 percent of firms do not have human resource plans aimed at replacing workers as they leave or attracting new workers as the company grows. This lack of planning, coupled with an already tight labour market, will likely ensure additional upward wage pressure in the local labour market over the next few years. As well, the North Okanagan should anticipate additional recruiting pressure for skilled workers from other jurisdictions within BC and Alberta attempting to attract labour to their own areas, thus further tighten the local labour market over the next five years.

⁷ Statistics Canada Labour Force Survey, March 2006.

⁸ <http://www.competitivealternatives.com/>

4.2 Labour Force Characteristics and Issues

4.2.1 Labour Force Characteristics

As the Region shifts over to more advanced, value-added manufacturing and knowledge-intensive activity in both the goods and service industries, the demand by employers for an educated, skilled and adaptable work force can be expected to increase. A recent survey by the Okanagan Science and Technology Council found that the major issue facing science and technology companies was recruitment, with the most difficult-to-fill positions being technical, marketing and computer science occupations.⁹

Compared to the province as a whole, the Regional labour force is more likely to be employed producing goods (Table 4-3), an indication of the influence primary and manufacturing industries continue to exert on the economic base. Even though the North Okanagan is known for its agriculture and wood processing, the sectors in which it enjoys a significant labour force advantage include the plastic, rubber, non-metallic metal and transportation equipment sectors. The size of the experienced labour force also means the labour pool is well suited to goods producers wishing to expand in the Region.

Table 4-3: Regional Labour Force, 2001

	Vernon	RDNO	BC
Manufacturing Labour Force			
Food	155	495	22,125
Beverages	25	55	4,240
Clothing and Textiles	95	165	10,695
Wood and Paper	540	1,460	62,355
Printing, Publishing & Allied	45	120	8,665
Plastics and Rubber Products	145	280	6,320
Non-metallic Mineral Products	310	635	6,810
Metal Fabrication	70	175	12,690
Machinery	55	135	9,665
Transportation Equipment	140	310	10,055
Other Manufacturing Ind.	160	415	40,735
Total Manufacturing	1,730	4,260	194,365
Remaining Goods Producing	1,820	5,950	223,035
Primary Sectors	590	2,890	92,685
Construction	1,010	2,645	118,705
Utilities	220	415	11,645
Service Producing Sector	11,730	24,470	1,597,200
Undefined	435	870	45,340
Total Labour Force	15,720	35,560	2,059,945
Manufacturing as % of Total LF	11.0%	11.9%	9.4%

SOURCE: STATISTICS CANADA

⁹ Hans DeBruyn, *Okanagan Technology Industry Study 2005*, Okanagan Science and Technology Council, March 21, 2005.

Unemployment has steadily declined in the North Okanagan area in recent years. In 2001 the unemployment rate in Vernon was approximately 8.9 percent and has declined steadily to its recent low at the end of 2005 of only 4.8 percent. In comparison the Vernon rate is lower than the unemployment rate for the Thompson Okanagan, which has declined from 9.3 percent in 2001 to 5.3 percent at the end of 2005. Both the Thompson Okanagan and Vernon had a lower rate than the provincial with 5.9 percent at the end of 2005.¹⁰

When considered in light of wage inflation and labour shortages in many occupational categories, this implies an economy approaching full employment and possible future barriers to industrial development and expansion. Furthermore, if the Region's manufacturing sector, which employs close to 4,300 workers, follows the same trend as the surveyed manufacturing firms, then the North Okanagan industrial sector will need close to 2,200 new workers over the next five years to cover expansion and attrition within the sector.

This demand coupled with affordability issues in the local housing market could position the Region to face a serious labour shortage combined with rapidly increasing wage rates. Already the increasing strength of the Canadian dollar has eroded the wage advantage of local manufacturing with their competition in the United States.

4.2.2 Current Workforce Availability Issues

Entry Level Workforce Availability Issues- Several companies have started to notice an acceleration in the turnover rate among their entry level employees as the choice of entry level opportunities grows in the province. A couple of the larger manufacturers actually have on-going openings for entry level works. This marks the first time in a long time in which suitable individuals can basically walk off the street and secure employment.

Future Entry Level Workforce Requirements- Local businesses estimate that over the next five years a full 65 percent of their new worker requirements will be within the entry level/general labour positions. This could represent upwards of 1,430 workers for the North Okanagan manufacturing sector.

Skilled Workforce Availability Issues - Two-thirds of firms interviewed stated they were currently able to attract and retain all the skills types and qualifications they required. However, the remaining third stated they were having problems meeting their employment targets, while others mentioned specific skill sets that were requiring additional effort to fill. Overall the types of skills businesses found challenges retaining and recruiting include:

- Structural engineer technicians;
- Electricians;
- Lumber graders;
- Computer skills.
- Ticketed carpenters;
- Millwrights;
- Class 1 truck drivers; and,

Future Skilled Workforce Requirements – Local businesses also forecast that 25 percent of their required workforce needs will be among semi-skilled workers such as truck drivers,

¹⁰ Statistics Canada Labour Force Survey, revised by BC Stats January 25, 2006.

which could account for 550 new employees locally. A further 8 percent will be within the skilled trades and could represent a workforce requirement of 175 new workers over the next five years. Already this is the most difficult group to fill and as workers retire and companies grow, and this level of demand will continue to present challenges. Finally, 2 percent or approximately 45 management level people could be needed over the next five years. This demand will primarily be driven by retirement as much of the leadership in area businesses is among the 55+ age range. In addition, some companies will be looking for specialized management skills (i.e., marketing) to broaden their company's expertise in specific areas.

5 INDUSTRIAL LAND AVAILABILITY

5.1 Industrial Availability, Cost and Issues

5.1.1 Land Availability and Cost

In 1997, the North Okanagan had approximately 1,643 acres (665.2 ha) of industrially zoned land. While there has not been a comprehensive industrial inventory since that time, the amount of industrial land today is believed to be approximately 100 acres less than the 1997 level. Table 5-1 outlines the industrial land by community in 1979 and 1997.

Table 5-1: North Okanagan Industrial Inventory (Acres)

	1979	1997	% of Total
Armstrong	19.9	27.1	1.7%
Coldstream	386.9	250.9	15.3%
Enderby	25.4	75.4	4.6%
Lumby	226.7	196.6	12.0%
Spallumcheen	617.2	598.7	36.4%
Vernon	254.7	280.2	17.0%
Electoral Areas	294.4	214.6	13.0%
Total RDNO	1,825.2	1,643.5	100.0%

SOURCE: REGIONAL DISTRICT OF THE NORTH OKANAGAN, 1997.

Industrial real estate is available in limited quantities in the Greater Vernon area, especially in the large parcel range. However, RDNO as a whole has good potential to bring on new land for heavy and light industrial development. Serviced or partially serviced properties are available in several parcels throughout the Region (i.e. Spallumcheen Industrial Park (15 kms north of Vernon), and in Lumby Industrial Park (24 kms east of Vernon)) at costs starting at \$150,000 per acre and up. Serviced or partially serviced industrial property within the City of Vernon costs considerably more given the very limited supply of available land within the municipality's boundaries. Building costs in the North Okanagan region are now ranging from \$7-\$12.00 per square foot. This compares favourably to building costs in the Lower Mainland and Kelowna.

5.1.2 Industrial Site Issues

Local Manufacturing Issues – Manufacturers have generally identified issues with traffic congestion, complaints from residents concerned about noise and smells, the need for better serviced sites, and highway planning as reasons for being interested in looking at new sites. However, the key driver locally is that two-thirds of firms are planning for growth in their business activities with half of these saying they will require new sites to accommodate this growth. Most firms want to stay in the North Okanagan, and in a few instances have been looking for a new site for the past several years already. Access to suitable land is important

for many firms looking to move to locations with the proper services, and an established building is also an important requirement for several firms.

Industrial Land Costs and Location – Cost of land and services for an industrial site is an important factor, one that many firms looked at when they initially located to the area. Several companies mentioned locating outside of Vernon on more affordable lands; however, they also wanted to stay close to Vernon as this is the location of the major portion of their labour force. Furthermore, many small sized, and some medium sized, industrial producers currently operate on sites within the Agriculture Land Reserve (ALR), with or without the permission of the Agriculture Land Commission.

Future Local Manufacturing Land Requirements – It is estimated that upwards of 60 firms now in the North Okanagan could be looking for new sites over the next five years. This internal migration could put considerable pressure on local industrial land. Additional pressure is expected from current industrial activities located within the ALR that want to expand and to shift to industrial land from agriculture land. At the same time investment attraction has drawn numerous enquiries from firms outside the area to consider the North Okanagan area recently. Overall, the pressure for industrial land will only grow over the near-term for the North Okanagan.

5.2 Industrial Land Identification Process

Meetings were conducted with administrators of all six municipalities, and key planning staff of the North Okanagan Regional District to discuss the availability of current industrial land, and the municipalities' vision for future industrial land expansion.

In addition, presentations were made to one full elected municipal Council, and one municipal planning committee and individual visits held with elected officials. Follow-up discussions were also held with all municipal and Regional district administrators at their regular meeting in February 2006.

A member of the Okanagan Indian Band's Community Development Committee attended the Industrial Strategy workshop and a presentation was also made to the Spallumcheen Indian Band Council and key administration staff.

The face-to-face meetings were followed up with a review of the respective Official Community Plans (OCPs) and the planning workshop, which was attended by area elected officials from all municipalities except one, and key business leaders. The results of these consultations and primary and secondary research formed the findings on land availability.

5.3 Industrial land By Community

5.3.1 Vernon

Existing Land – The City of Vernon has a limited amount of land designated for light industrial use and only a few parcels zoned to accommodate heavy industrial uses. See Appendix D-1 for a map of Vernon's key industrial land areas.

Services – Electricity, natural gas, sewer and water service all industrial sites in the City of Vernon.

Transport Access – All sites have developed road access and are located near major routes, e.g. Highway 97, Highway 6 and 25th Avenue. Sites along or near Highway 97 and Highway 6 are near existing rail lines. Sites along 25th Avenue were adjacent to rail line before it was removed.

Land Availability – Current industrial land availability in Vernon includes smaller parcels near the airport (which are restricted to airport-related uses), near 25th Avenue (close to Highway 97 and Highway 6) and in the Anderson Subdivision, adjacent to Highway 97. There are no new “green field” (empty plots of land) sites planned for the City of Vernon.

Future Plans – The City does not have lands available for new heavy industrial uses and plans to redevelop existing parcels currently zoned heavy industry for other uses. The vision for the City of Vernon is to focus on light industrial land, and in particular, to encourage high technology to use the existing land zoned industrial. No new industrial land is planned for the City.

5.3.2 Coldstream

Existing Industrial Land – A few larger industrial users are located in Coldstream including Coldstream Lumber, Paragon Ltd., Tolko Industries Ltd.’s Lavington Division and Owens-Illinois Glass Plant. Smaller industrial users are also dispersed throughout the community (see Appendix D-2).

Services – The key industrial areas east of McClounie Road (as identified above) are all serviced by water, electricity and gas but they do not have sewer service.

Transportation Access – All industrial sites have good road access and are located near Highway 6. The major industrial sites are along the Canadian National Railway (CNR) line.

Land Availability – Currently, there is little empty land available for industrial uses in Coldstream, except for approximately seven small (1 hectare) sites, which are in the approval stages including review by the ALC (see Appendix D-3). These sites are adjacent to two exiting wood processing operations and to both Highway 6 and the CNR rail line. Water is available at these new sites, but not sewer.

Future Plans – Coldstream recognizes and encourages the continued operation of existing industrial land users within areas designated industrial. New industrial land may be considered, which will be directed to locations where it will not conflict with existing agricultural, rural, and residential land uses.

5.3.3 Spallumcheen

Existing Land – There are several industrial employers in Spallumcheen. Many of these are located within areas that are currently zoned industrial. In addition, there are many industrial users located on agriculture lands, with some of the uses Agriculture Land Commission (ALC) approved.

Services – All industrial sites are serviced by water, electricity and natural gas while none have sewer services. Most agriculture sites where industrial activities are taking place are supplied by water and all have electricity but not sewer.

Transportation – All industrial land is accessible by road and the key industrial sites are adjacent to both Highway 97A and Canadian Pacific Railway (CPR) line.

Land Availability – There is only one, one-acre (0.4 hectare), site available in Phase 1 of Spallumcheen’s Industrial Park, which is framed by Highway 97A and the CPR (see Appendix D-4).

Future Plans – The new “green field” site is planned for Phase II of the Industrial Park, on the site east of Highway 97A, as shown in Appendix E-4. Part of this site could be made available in the medium term (2-5 years), which can expand as the aggregate resource is substantially reduced over the next decade.

An application has been made to the ALC to remove 32.4 hectares (80 acres) in south Spallumcheen (see Appendix E-5) and have it rezoned industrial. The site is situated between the CPR line and Highway 97A and bisected by L & A Cross Road.

Spallumcheen plans to retain its existing industrial land and supports development of additional industrial land in the short to medium-term, particularly lands adjoining Phase 1 of the existing Industrial Park.

5.3.4 Armstrong

Existing Land – There is existing industrial land adjacent to the railroad lines (CNR & CPR), and the former Dairyland site. Armstrong plans to retain its existing small industrial land base.

Services – All sites are serviced by water, electricity, natural gas and sewer.

Transportation Access – All sites have road access and are near to Highway 97A. The key sites are adjacent to the CN rail line (see Appendix D-6).

Land Availability – Armstrong has retained the former Dairyland site as industrial site and this asset is available for use.

Future Plans – There is one more 10-hectare site where rezoning to industrial use would be compatible, which is currently zoned country residential (CR). The site is fully serviced to the property line by water, sewer, electricity and natural gas. This potential site is located adjacent to Highway 97A and the CPR.

Growth in Armstrong is restricted because it is surrounded by land designated ALR and the Township of Spallumcheen. The City of Armstrong sees most of the area’s need for industrial land being met by Spallumcheen and supports new industrial land development in Spallumcheen’s industrial zoned areas.

5.3.5 Enderby

Existing Industrial Land – The City of Enderby has vacant or under-utilized lands that are zoned industrial at the north end of the City (see Appendix D-7).

There is about 16 hectares (40 acres) of vacant industrial land in small parcels in north Enderby, as shown in Appendix D-7. Some of these sites are located in the floodplain, which means fill is required before development proceeds. In south Enderby, there are small industrial parcels scheduled for redevelopment within the industrial classification.

Services – The industrial land in north Enderby has water, electricity, natural gas and sewer at the south end of these northern industrial lands and complete services at the south Enderby sites.

Transportation Access – The industrial lands are adjacent to Highway 97A, located on the east side of the CPR requiring use of existing rail crossings.

Future Plans – Enderby anticipates that there will be a shortage of industrial land throughout the North Okanagan as the population continues to grow and residential areas expand. Enderby plans to keep this industrial land base available for future industrial operations despite pressure to convert the land to other uses. There is no new “green field” industrial sites planned or land available for such designation.

5.3.6 Lumby

Existing Industrial Land – Industrial land in Lumby is located in the southeast area of the village (See Appendix D-8). Lumby has large fully zoned industrial areas within its borders.

Services – Most of the western pieces of industrial land are fully serviced with water, sewer, electricity, and natural gas. The eastern portion of the industrial lands has water, electricity and natural gas to the northern property line. Sewer engineering plans have been completed for the area awaiting appropriate financing arrangements.

Transportation Access – The industrial lands are adjacent to Highway 6 and the CN railroad bi-sects the industrial site dead heading in the eastern portion of the industrial lands.

Land Availability – There are more than 26 hectares (65 acres) of industrial land, most of it in large parcels, much of it with full rail and industrial road access in the western part of the current industrial area. Water is available to the site property line and sewer services are planned for these parcels.

Future Plans – Demand for new industrial development in Lumby has tapered off and based on this trend Lumby has decided not to identify new areas for industrial land use.

5.3.7 Area B

Existing Industrial Land – Electoral Area B plans to retain its small existing industrial land base, at the north and south ends of Swan Lake (see Appendix D-9) and it will also consider new sites.

Services – The existing industrial sites are serviced by water, electricity and natural gas but have no sewer connections. Engineering plans for sewer have been prepared but land owners rejected the installation of sewer.

Transportation Access – Both of these industrial areas are adjacent to Highway 97, with the northern site adjacent to the CPR.

Land Availability – There is no industrial land ‘officially’ available in these areas.

Future Plans – No “green field” sites are planned. Some commercial sites could potentially be rezoned for industrial use, which would require community and landowner desire and approval.

5.3.8 Okanagan Indian Band

Existing Industrial Land – The Okanagan Indian Band (OKIB) plans to retain its existing industrial lands located adjacent to Highway 97.

Services – These lands are serviced by water only with electricity along the major roads adjacent to the property lines.

Transportation Access – These sites are located adjacent to Highway 97 and 97A with established feeder roads adjacent to the property lines or running through the exiting properties.

Land Availability – Currently with the OKIB Reserves, there are more than 101 hectares (250 acres) that could be used for industrial purposes, most of it is in large parcels that are located on main railroad lines and have highway frontage (Highways 97 and 97A). Some of these lands currently have low levels of activity taking place on them.

Future Plans – The locatees and OKIB are interested in moving these lands to their highest and best use including the possibility of industrial uses. In most situations water and sewer service will need to be provided to these areas.

5.3.9 Spallumcheen Indian Band

Existing Industrial Land – The Spallumcheen Indian Band (SIB) plans to retain its existing commercial and industrial land, located adjacent to Highway 97A.

Services – These sites have only electricity at the property line.

Transportation Access – All sites are located adjacent to Highway 97A.

Land Availability – There are no new parcels currently available for industrial use, but there are potential “green field” sites within SIB’s boundaries.

Future Plans – SIB is currently involved in a land-use visioning process.

5.4 Conclusions

The Greater Vernon Services Commission (GVSC), made up of Vernon, Coldstream, and Areas B and C, has very little industrial land to offer interested businesses. There is also very little proposed in the short-term (in the next year), except for the seven one-hectare sites planned for Coldstream and must come from the ALR. Added to this shortage is a lack of suitable land in these areas available for future industrial designation.

There are, however, sites located in other areas of the North Okanagan for industrial purposes that are currently available. These include more than 26 hectares in Lumby, 16 hectares in Enderby, the Dairyland site and building in Armstrong, and Phase 1 of the Industrial Park in Spallumcheen.

Within the next two to five years possible sites include:

- Armstrong – 9.7 hectares (24 acres) currently zoned Country Residential that could be earmarked for industrial land in future OCPs.
- Spallumcheen – there is an application to remove 32.4 hectares from the ALR to construct an Industrial Park.
- OKIB – up to 64.8 hectares (160 acres) that may also be available for industrial use (see Indian Reserve 3 in Figure 3 and other Indian Reserves belonging to OKIB).

It is critical to identify future industrial sites in the North Okanagan immediately. Residential and commercial pressures are intensifying and if land is not set aside in the near future, it will not be there to meet long-term demand 20 to 50 years into the future.

To serve the long term needs of industrial development the possible sites are:

- Spallumcheen – Phase II Industrial Site – more than 202 hectares (500 acres).
- OKIB – sites adjacent to main highways and railroads.

Phase II of the Industrial Park in Spallumcheen, most of which is currently within the ALR with low capability and is being used in a gravel operation, and additional locations within the OKIB’s area, and land within Areas B and C that are currently within the ALR, but have low agriculture capability, need to be reviewed. The combination of these potential sites equals more than 243 hectares (600 acres).

6.1 Organizational Structure Initiatives

The Greater Vernon Services Commission's service area is made up of Vernon, Coldstream, and Electoral Areas B and C. This area has very little industrial land to offer existing or prospective industrial businesses. Sites located in other areas of the North Okanagan for industrial purposes are currently available and hold potential for future development.

Businesses and manufacturers of the North Okanagan see the Region as an integrated economy, yet existing location factors (e.g. property tax policy, infrastructure, site services, attraction policy) are determined, and fragmented, at the local political level that includes municipal, Regional District and First Nation jurisdictions. This lack of coordinated economic development policy and planning has contributed to lost opportunities in new business attraction and development and resulted in the loss of existing businesses that may have stayed within the Okanagan Region if there had been better continuity and consistency with the Region's retention efforts. Ironically, industrial lands in North Okanagan communities not represented by Greater Vernon Services Commission (GVSC) have remained empty or under-utilized. A major contributing factor to this land supply-demand imbalance is that GVSC represents only member communities and not all North Okanagan areas.

Based on our understanding of business relocation, expansion and startup trends, upwards of 60 firms in the North Okanagan may change locations over the next five years. If the Region's various jurisdictions can cooperate on an industrial land and policy program, it is possible that the vast majority of these firms could remain locally-based. This will require a proactive and coordinated approach to ensure the location features and services firms are looking for are made available and affordable. A TEAM approach will ensure that the smaller communities can leverage the expertise and partnerships in investment attraction that GVSC has built over the last five years working with the provincial and federal government and with Okanagan level initiatives in generating new investors.

Vision:

Development of a ***Regional Industrial Team*** that includes all the municipalities, electoral areas, and First Nation Bands that work collaboratively to support the designation and development of industrial land so that existing businesses will stay in the Region and new industrial investment is attracted to a Region that shares integrated services and offers readily available and varied industrial land and infrastructure that is desirable to numerous manufacturing categories.

Two initiatives are envisioned to organize and coordinate a collaborative economic development approach in the Region.

6.1.1 Establish Regional Collaboration for Delivery of Economic Development Activities

This initiative would ensure that the business retention and expansion activities currently offered to Vernon, Coldstream, and Electoral Areas B and C could be offered uniformly through the entire North Okanagan. Currently the GVSC Economic Development office is able to leverage marketing and investment attraction activities associated with the Okanagan EDO Society, the provincial-level Linx BC investment attraction initiative, and the investment attraction programming undertaken by the provincial and federal government. Regional collaboration will ensure that all external marketing and attraction efforts are integrated to make the maximum investment from local resources.

The Regional industrial land supply available for development, including the communities of Spallumcheen, Lumby, Enderby, Armstrong, and the Okanagan Indian Band, is much larger than that currently marketed by GVS. Moving forward, this base can be expanded and improved to accommodate a diversity of industrial and manufacturing companies.

Objective:

Have all municipalities with available industrial land join the RDNO/GVS economic development function for industrial land marketing and internal relocation.

Approach:

- ⇒ The GVSC Economic Development Officer should visit key municipal councils to explain the cost, benefits and strategic advantages of joining the economic development function;
- ⇒ GVSC and the new communities need to develop specific terms and conditions for the marketing services and retention services that GVSC will provide;
- ⇒ Initial municipalities to work with are Lumby, Spallumcheen and Enderby, all of which currently have available industrial land for marketing; and,
- ⇒ Secondary municipalities and Indian Bands are Armstrong, and the Okanagan Indian Band.

Responsibility and Time Frame:

- ⇒ GVSC, in collaboration with municipal councils, will scope out the new framework and have this completed by September 2006.

6.1.2 Undertake Periodic Consultations with Regional Manufacturing Firms

The industrial growth strategy is primarily focused on the manufacturing sector and the issues they have identified in the North Okanagan. Moving forward, it will be important to receive periodic feedback from industry and solicit ideas and input on specific initiatives as they are refined and implemented.

Objective:

Develop an effective voice by the manufacturing sector so that their views and issues can be incorporated into the industrial land strategy as it is refined and implemented.

Approach:

- ⇒ The GVS Economic Development Office (GVSC) and Community Futures Development Corporation – North Okanagan (CFDC) should ensure that the feedback and input is provided by the manufacturing firms; and,
- ⇒ Explore linking manufacturing feedback to events such as the upcoming Community Futures conference in which a focus group can be undertaken to solicit group insights.

Responsibility and Time Frame:

- ⇒ GVSC and CFDC will work in collaboration with area manufacturing representatives to formulate the advisory committee. This committee would be confirmed following the determination of the communities that will formally participate in the industrial growth strategy. Committee in place by October 2006.

6.2 Industrial Land Initiatives

A key part of rationalizing the North Okanagan’s industrial land supply is to jointly undertake the planning steps necessary for identifying, planning and servicing prime industrial areas. There are several pockets of industrial land that can meet short-term demand in the North Okanagan, but beyond this, efforts will have to be made to ensure supply is available to meet the medium and longer-term demand of businesses already in the Region, as well as outside businesses that may be considering relocating here.

Vision:

Development of **Regional Industrial Lands** that will be marketed collaboratively and will be representative of all participating jurisdictions. The Regional industrial land approach will also ensure common approaches and planning to ensure timely and efficient infrastructure across the Region.

Three initiatives have been identified to support industrial land development in the Region.

6.2.1 Detailed Regional Industrial Land Plan

Once a Regional organizational model is developed, as suggested in the preceding, a detailed industrial land strategy that identifies the industrial lands that are to be designated and brought on stream in the short, medium and long term will be required.

Objective:

Have all municipalities, RDNO and Okanagan Indian Band collaborate on an industrial land strategy for the North Okanagan.

Approach:

Request that the Regional District, municipal and Indian Band councils:

- ⇒ Develop a Memorandum of Understanding that identifies how participating parties will participate in, contribute to, and benefit from an industrial land strategy;

- ⇒ Seek the adoption of council resolutions in general support of the MOU and the concept of a cooperative industrial land strategy;
- ⇒ Prepare a Terms of Reference for the strategy with reference to the following parameters:
 - Current OCP policies governing industrial land use
 - Identification of industrial zones
 - Industrial market trends and growth prospects
 - Evolution of industrial areas
 - Planning requirements for future land needs, including OCP implications, bylaw changes, infrastructure needs and other steps needed to coordinate land use across the Region;
- ⇒ Undertake the strategy;
- ⇒ Ensure that the industrial land strategy is integrated with the RDNO's growth management planning process;
- ⇒ Ensure that the RDNO's efforts and planning for affordable housing and transportation infrastructure consider the industrial land issues;
- ⇒
- ⇒ Discuss making a Regional ALR application that would target highest value industrial lands and lowest capability agricultural lands; and,
- ⇒ Initiate public debate and undertake technical discussions in support of the strategy. Greater Vernon Services Commission and CFDC - North Okanagan can play a supporting role in this regard.

Responsibility and Time Frame:

- ⇒ GVSC and participating councils will need to work on this collectively, with the target time initially set for January 2007.

6.2.2 Support Industrial Land Infrastructure Priorities

Once the common strategy has been prepared and infrastructure needs are identified, efforts will have to be made to ensure they are supported consistently across the Region.

Objective:

Encourage municipalities, RDNO and Indian Bands to **prioritize** infrastructure requirements identified in the industrial land strategy.

Approach:

Working collaboratively with governments in the Region:

- ⇒ Prepare a set of guidelines governments can use for implementing infrastructure needs. This would include, but not be limited to:
 - ⇒ How to establish joint infrastructure agreements;
 - ⇒ Funding options and partnerships for new infrastructure; and,
 - ⇒ Supportive policies government can incorporate into their planning processes.
- ⇒ An early priority will be to address servicing requirements for existing industrial land in Lumby and Enderby ; and,
- ⇒ Research funding options and tax revenue sharing approaches and best practices.

Responsibility and Time Frame:

⇒ GVSC and participating councils will work together, with the target time initially set for January 2007.

Case Study: District of Mission and City of Abbotsford Shared Sewer and Water Systems

In the early 1980s Abbotsford and Mission both began exploration of new water sources for their communities. Abbotsford was drawing water from ground water sources and needed a new source, while Mission was finding their lake sources at capacity as well. Collectively they developed the Norris Creek system which captured economies of scale for both communities. Shortly after the joint water system Mission was faced with required upgrades to their sewer treatment plant; however right across the river was the James treatment plant of Abbotsford. It was decided that the two communities could share services on this facility as well.

Today the two municipalities continue to share water and sewer services. The relationship was recently reorganized and now sees three councilors from each community sit on the Mission/Abbotsford Water and Sewer commission. Each community is equal despite the fact that Mission makes up 25 percent of the total population and Abbotsford 75 percent. The system is operated on a user pay system with flow metres set at strategic locations so the use of each community is clearly known. Development Service Charges in both communities are designed to cover the full cost of any new users to the system and both communities have agreed to separate charges for industrial users that place high demands on the systems.

Overall, both communities have areas to expand their communities and the economic development of both communities has moved forward separately. However, by sharing key infrastructure, both communities have benefited from economies of scale and modern up-to-date systems.

**Contact: Rick Bomhof, Director of Engineering for the District of Mission.
Tel: (604) 820-3739.**

6.2.3 Expand Investment Attraction Materials

GVSC has been providing business retention and expansion services to its current service area (Vernon, Coldstream, Electoral Areas A and B) but will have to generate and incorporate business information and industrial assets of its new partners in order to represent the entire Region.

Objective:

Identify, update and incorporate data and information needs of new partners into existing investment attraction and business retention programs.

Approach:

- ⇒ Undertake an inventory of market-ready industrial buildings and sites in and among the participating jurisdictions;
- ⇒ Develop a database that can readily track and describe the industrial sites (both land and buildings) in the expanded service area;

- ⇒ Prepare the appropriate promotional materials and information required for the expanded investment attraction and relocation effort;
- ⇒ Explore the implementation of a formal business visitation and retention initiative to support local industrial firms; and,
- ⇒ Link new participants to the on-going investment attraction efforts currently underway within GVSC.

Responsibility and Time Frame:

- ⇒ The GVSC with support from participating councils will be responsible for delivery. This would be an on-going activity with early 2007 being the target to finalize new marketing materials for the new service area.

6.3 Transportation Support Initiatives

The manufacturers interviewed for this project underlined the importance of transportation infrastructure in the North Okanagan as a key business input. Key transportation components, including rail and highway services, are critical for moving goods and people into and out of the Region.

Rail Service - The Kelowna Pacific Railway and the Okanagan Valley Railway both serve the North Okanagan Region, providing services that connect the area to both the Canadian National (at Kamloops) and Canadian Pacific (at Sicamous) mainlines. A recent report noted that approximately nine percent of businesses in the Okanagan Valley utilize rail, with companies like Tolko using rail to ship upwards of 50 percent of out going product by rail.¹¹ Rail service in the North Okanagan, because it is utilized by so many of the larger manufacturing firms, is more important to the economic base than it would be in either the rest of the Okanagan Valley or the Lower Mainland.

Highway Infrastructure - The Highway system is a critical component of the manufacturing community in the North Okanagan. The three main highways are Highway 97 (running through RDNO and connecting to Kamloops), Highway 97A and Highway 6 (connecting Vernon to Lumby). The majority of outgoing manufactured products leave area facilities by truck and a significant volume of incoming materials arrives by truck. Local manufacturers have specific issues with regards to continued proper access on Highway 97A near the Spallamucheen Industrial Park and Tolko mill site, and upgrading of Highway 6.

Vision:

Ensure that all Regional jurisdictions cooperate to ensure that key Highway and Rail infrastructure is developed in such a fashion as to support future industrial growth and local business needs.

Three initiatives are highlighted to support the development and diversification of the transportation network in the North Okanagan.

¹¹ Urban Systems (June 2004), *Okanagan Valley Transportation Corridor – An Assessment of Selected Projects and Initiatives*.

6.3.1 Determine the Feasibility of a Local Rail Reload Centre

A number of manufacturers indicated an interest in utilizing a local reload centre for accessing the rail network. As well, the two local rail lines would have an opportunity to increase their car utilization in the Region by moving cars out of the area (most cars now return back to the mainlines empty) and are also supportive of such an initiative.

A reload centre can be described as a location in which the transportation needs of a number of firms can be met in one central loading and unloading facility (See Case Study below and Appendix F for a definition of Inland Port). Typically, the reload centre is operated by the private sector with most having a close affiliation with a major rail line. In the Vernon area the centre is seen as providing an opportunity to move a variety of goods such as lumber, containers, and other local commodities and products, out of one location and allowing firms not now exposed to rail, to utilize this mode of transportation.

One of the key issues that would need to be address is the market niche that could be developed with a reload centre in Vernon, given that there is a reload centre in nearby Kelowna. The Kelowna facility is described by Canadian National (CN) as a lumber distribution centre and is located in Kelowna's Winfield industrial park. In 2002, CN provide financing to construct the centre and assistance in the form of new ties to allow KPR to transport heavier railcars.¹² The site is operated by Timber Trax and is a fully fenced and gated five-acre multi-commodity facility that is equipped with: four acres for layout and storage; side ramp with a four-car spot; and, a six-car track for centrebeam loading/unloading. The transload services offered are transfer, storage, inspection, and delivery of lumber, cedar, panels, steel and other industrial products.¹³

Determining the demand and the size of the reload centre will be an important first step in confirming if this opportunity is viable in the North Okanagan. Local government can play a role in leading the initial investigation into a local reload centre.

Objective:

Confirm if a reload centre can be **viable** in the North Okanagan and determine what products could be efficiently shipped from such a Centre.

Approach:

This is an initiative that will be implemented by the private sector. However, GVS can facilitate the consideration of this opportunity by:

- ⇒ Identifying the other inland port/reload exercises underway in the Region. Currently, Kamloops, Ashcroft, Northern communities, and several Lower Mainland communities are investigating inland ports. Kelowna has previously studied as a trucking container terminal;

¹² CN News Release – CN to Help Kelowna Pacific Railway upgrade rail line, capture new traffic. 2002, 2nd Quarter.

¹³ www.cn.ca/specialized/transloading/forest_products/kelowna

- ⇒ Undertaking preliminary discussions with the CN and CP to determine their Regional interests in seeing another reload centre in the Okanagan Region;
- ⇒ Undertaking a feasibility assessment of the viability and concept of developing a reload centre in the North Okanagan; and,
- ⇒ If the preliminary feasibility proves positive, being prepared to move forward on key implementation steps, which would likely include site identification and pre-development planning and a marketing program to identify and attract a suitable investor and operator for such a facility.

Responsibility and Time Frame:

- ⇒ GVS will play a lead role, support from CFDC North Okanagan and input from consultation with key manufacturers. This project should be completed no later than mid- 2007.

Sample Reload Centre: The Indiana Reload Centre

What is the Indiana Reload Centre?

The Indiana Reload Centre is operated by the Indiana Rail Road Company and provides seamlessly Integrating Rail And Truck Transportation.

The Center unloads railcars at its centrally located facility and either stores the products for future distribution or transloads the products directly onto trucks for final delivery. The process can also work in reverse by loading railcars with products that can be delivered to customers directly or through another reload center near the customer.

The goal of the reload centre, which operates as a stand alone business, is to deliver shipments in a timely and reliable manner and to provide inventory control reporting designed around individual company needs.

Products Handled

The Centre handles a variety of commodities including:

- | | | | |
|-----------------------|-------------|-------------------|--------------------------|
| • Wallboard | • Chemicals | • Coil Steel | • Lumber |
| • Steel Bars & Plates | • Wire | • Aluminum Ingots | • Industrial Sands |
| • Plastics | • Grain | • Bricks | • Other Bulk Commodities |

Services

The Indiana Reload Centre provides a range of services to their customers including:

- | | | |
|---------------------------------|----------------------------|------------------|
| • Covered Storage | • Repackaging Capabilities | • Bar Coding |
| • Inventory Control | • Customized Loads | • Security |
| • On-Site Truck Scale | • Flexible Hours | • Crane Services |
| • Trucking Services if required | | |

For more information: www.indianareload.com

6.3.2 Highway 97A Upgrade

The BC Ministry of Highways is in the process of finalizing plans for Highway 97A upgrades near the Spallumcheen Industrial Park and the Tolko mill. The Ministry will be building a below-grade turning lane (over pass) near the Tolko mill site that will facilitate truck turning. The Ministry is also planning to commence construction of the upgrade prior to the spring of 2007. The Township of Spallumcheen recently deemed a similar overpass at the Spallumcheen Industrial Park unnecessary.

Objective:

Ensure the Ministry of Transportation is aware of critical highway infrastructure serving current and potential industrial customers that may locate in proximity to the Highway between the L & A X Rd. and the Tolko mill site.

Approach:

This initiative would ensure proper Highway infrastructure in the Region's key industrial area and would include:

- ⇒ Ensuring Regional consultations take place between Regional communities, key stakeholders and the Ministry of Transportation to ensure that the appropriate road infrastructure improvements take place in consideration of the entire Region;
- ⇒ Confirming the anticipated demand for industrial development in the area and the need for Highway access, especially given the Regional focus that could be generated for the area;
- ⇒ Ensuring that the Town of Spallumcheen and the tenants at IR 3 have confirmed their intentions for land adjoining the Highway prior to the Ministry of Transportation finalizing their construction plans;
- ⇒ Exploring how the new industrial clients will be served with road access. A new frontage road is proposed by the Ministry and this may be sufficient, or it may be appropriate to develop the over pass at the Industrial Park now so that future phases will have the appropriate Highway access.

Responsibility and Time Frame:

- ⇒ Municipal on the Highway 97A corridor, Regional and First Nation governments working collaboratively over the next year on immediate Ministry of Transportation upgrades and then on-going as new upgrades are planned.

6.3.3 Highway 6 Upgrade

The Ministry of Highways will soon begin planning on Highway 6 upgrades between Vernon and Lumby, specifically looking at the Aberdeen to Recardio area. This will allow the District of Coldstream and the Regional District to provide input for ensuring there is adequate service to industrial lands along the corridor.

Objective:

Ensure Highway upgrades along Highway 6 reflect future growth in industrial activity in the Coldstream area and support increased trucking use in Lumby in the longer term.

Approach:

⇒ Ensure the industrial land development plans in the Highway 6 corridor are communicated to the Ministry as they undertake their planning and then eventual upgrades.

Responsibility and Time Frame:

⇒ Municipalities on the Highway 6 corridor, with the Region providing support as required. From a provincial perspective, this initiative will follow Highway 97A upgrades in the area and is a longer on-going exercise.

6.4 Workforce Development Initiatives

Many of the manufacturers identified common challenges in attracting and retaining workers. In recent years the labour market has tightened significantly in the Region and throughout the province. As noted, the unemployment rate in the Vernon area has declined to 4.8 percent, lower than the rate for the Thompson Okanagan at 5.3 percent and the provincial rate of 5.9 percent. In fact, unemployment rates have now reached lows not experienced in the province since 1969.

Overall low unemployment, coupled with the eroding affordability, is starting to make it more difficult to recruit the required workforce. In 2002, approximately 48 percent of businesses in BC were concerned with overall labour shortages, and by 2005 this had risen to 60 percent of businesses identifying labour shortages as a “priority issue” for their firms.¹⁴ Locally, several of the manufacturing companies stated they had jobs (both skilled and unskilled) that were now going unfilled.

Vision:

Ensure that a local proactive approach is initiated to ensure that industrial firms are successful in recruiting and obtaining the labour force they will require in the future.

To address the issues experienced in the manufacturing labour force locally three workforce initiatives are outlined.

6.4.1 Coordination and Education Support for Local Worker Retention

The BC Manufacturing Industry Advisory Committee recently outlined that workforce capabilities will be an even more important determinant of competitive success in the future and that the workforce will have to be highly knowledgeable, highly skilled, highly experienced, and highly flexible.¹⁵ This has already been experienced on the ground for many manufacturers, and local businesses need to begin to explore approaches that will allow their current workforce to up-train employees to meet these demands. As well, many local firms need to begin to address the transition of key skills from older workers to younger workers.

¹⁴ Canadian Federation of Independent Business (April 2003), *Labour Pains – Results of CFIB Survey on Labour Availability*.

¹⁵ Manufacturing Industry Advisory Committee (December 2005), *A Report to the BC Competition Council – Manufacturing Driving into the Future*.

On the employee side, many workers leave their current employment situation in search of new challenges, higher pay, or better working climate. With the tighter labour market and increasing demand for more flexible and experienced workers, it may now be in the best interest of many manufacturers to explore retention strategies that focus on up-training existing workers. By working collaboratively efforts to coordinate and facilitate the dissemination of information and provided insights into best practices in the increasingly important area of worker retention can be undertaken.

Objective:

Support the education process and communication of best practices that area manufacturers can explore or utilize to ensure that their existing workforce is retained and their skills upgraded to meet the expertise requirements.

Approach:

Assisting with the education and communication of best practices in worker retention will involve the following:

- ⇒ Host periodic conferences focused on labour market and human resource issues, the first such conference is scheduled for October 2006 in Vernon;
- ⇒ Research best practices on various labour force issues and solutions that will be of interest to the manufacturing firms; and,
- ⇒ Expand the information and connectivity to provincial and federal programs that can support manufacturing firms with their existing workforce.

Responsibility and Time Frame:

This initiative will be lead by CFDC-North Okanagan and will draw on their relationship with the federal and provincial governments. This will be an on-going initiative.

6.4.2 Attracting Skilled Workers from Abroad

The province has moved aggressively to attract workers from outside of Canada to fill specific skilled job positions. As well, several communities have moved independently to help their local business community fill specific job requirements. Regionally, Penticton, Kelowna, and Merritt are in the process of undertaking initiatives to attract skilled tradesmen from outside Canada. RDNO should explore working collaboratively with its local business community to undertake a similar skilled worker attraction campaign.

Objective:

Work collaboratively with area manufacturers to target specific types of skilled trades people from outside of Canada to fill difficult manufacturing skill types.

Approach:

Attracting workers from aboard will involve the following:

- ⇒ Identify RDNO companies that are interested in attracting skilled labour from aboard;
- ⇒ Work with interested local manufacturing firms to identify the specific skill sets that are needed;

- ⇒ Follow-up with other BC communities to see how their worker attraction efforts in the UK have worked out and if they are worth replicating;
- ⇒ Explore best practices in labour force attraction from across Canada, as many Canadian communities have a longer history in skill shortages and have developed innovative and effective approaches (e.g., [www: chooselethbridge.ca](http://www.chooselethbridge.ca))
- ⇒ Follow-up with the Cariboo and Northeast development Regions, both of which are engaged in formulating skilled worker attraction programs;
- ⇒ Engage consulting and legal resources that would be required to undertake this initiative;
- ⇒ Establish a relationship with the Provincial Nominee Program and develop an understanding of the “*strategic occupations*” category of the program;
- ⇒ If there is enough interest in the approach, explore a funding arrangement that will demonstrate cost sharing; and,
- ⇒ The individual business will need to make the application to bring in the foreign worker but the GVSC and CFDC could serve as the clearinghouse for local applications, managing the provincial requirements and becoming familiar with the programming requirements to streamline the process for local businesses.

Responsibility and Time Frame:

- ⇒ This initiative will be lead by the GVSC and will draw on their current expertise within the Regional and provincial investment attraction campaigns. This will be an on-going initiative.

6.4.3 Pre-Apprenticeship Project

The Okanagan College is in the process of bringing the pre-apprenticeship program up to full capacity in the North Okanagan. The focus of this program will be on developing skills among local residents. The program focuses on three key skill sets including: plumbing, welding, and electrical trades. The plan is to rotate the three cores throughout the Okanagan with one course being offered in each of the Okanagan three service areas, then rotating the next session to another part of the Okanagan Valley.

Objective:

Work collaboratively with Okanagan College to maximize the delivery and effectiveness of the pre-apprenticeship program for local manufacturers.

Approach:

Supporting the success of the pre-apprenticeship project in the North Okanagan could include:

- ⇒ Assist the Okanagan College in finding a suitable industrial site in Vernon to locate their apprenticeship program;
- ⇒ See if RDNO businesses have redundant equipment that could be provided to the College in order to help them establish in the Vernon area;
- ⇒ Identify RDNO companies that could sponsor specific individuals entering training and subsidize the cost of their tuition in exchange that the student will work at their facility; and,

⇒ Work with area manufacturers to offer special courses that meet their needs and the College can provide.

Responsibility and Time Frame:

⇒ This initiative will be lead by CFDC - North Okanagan and will draw on their relationship with the Okanagan College. This will be an on-going initiative.

Case Study: Welding Training for Kelowna Manufacturers

In Kelowna, three manufacturing companies (Northside Industries, Monashee Manufacturing, and Reidco Metal Industries) needing welders approached Okanagan College to offer a welding training program locally. The College and the manufacturers jointly held a job fair, in which, the companies selected 32 students to enter the welding course. The course was staggered with 16 students starting first and completing their first 17 weeks of training. These first 16 students then went to work for the manufacturing companies and the second group started their first 17 weeks of training. When the second group of trainees completed their first 17 weeks, they then started work for the manufacturing firms while the first group returned to class to complete the remaining 17 weeks of training. This ensured that the firms had access to workers over the entire 32 weeks of the training program.

The program was also a success from the students' perspective because the companies offered them employment during the work experience period and also contributed an additional \$100 towards their tuition each pay period. The payment of the extra money towards tuition served as an incentive for the students to stay with the companies, because the longer they stayed, the more of the student's tuition was paid for by the employer.

Contact: Rob Kjarsgaard, Okanagan College Tel: (250) 503-2670.

A Appendix - Industry Profile

This section provides an overview of business activity, focusing on the manufacturing and technology sectors, and local labour force characteristics affecting the industrial sector of the North Okanagan Region.

A-1 Economic Base

The economy of the North Okanagan is diversified across all economic sectors, with particular strengths in agriculture, forestry, tourism, and manufacturing. The recent strong expansion of the Regional population that has stimulated construction, real estate, retail, service and health care sectors is expected to be sustained in the future.

The other factor responsible for the strong economy is the performance of the economic base sector (i.e. those sectors exporting goods and services outside the Region, creating new wealth and supporting non-basic activities such as retail and personal services). The proportion of total Regional income attributable to these sectors is shown in Table A-1. A growing number of tourism products and experiences, combined with the Okanagan's favourable climate, is increasing visitor volumes and giving this industry a growing share of the economic base. Growth has been particularly strong in the Vernon area. The two historical primary sectors of forestry and agriculture remain important contributors. The manufacturing sector is highly diversified with a core of forestry and agri-food facilities and a growing number of wood, metal, machinery, transportation and consumer producers.

Table A-1: Changes in Economic Dependency, 1991 - 2001

Vernon Area	FOR	MIN	F&T	AGF	TOU	PUB	OTH	TRAN	ONEI
2001	10	1	0	3	6	24	18	23	16
1996	14	1	0	3	5	23	20	21	13
1991	10	4	0	3	3	17	20	14	29
Spallumcheen Area	FOR	MIN	F&T	AGF	TOU	PUB	OTH	TRAN	ONEI
2001	13	2	0	9	3	19	18	23	14
1996	14	1	0	13	4	18	16	23	12
1991	15	2	0	9	2	15	18	15	24

Source: BC Stats.

A-2 Number of Businesses

Table A-2 outlines the number of business establishments in the North Okanagan. In 2003, there were 3,824 business establishments in the North Okanagan Regional District, approximately one third of which were engaged in goods producing activities, including agriculture, forestry, construction and manufacturing. The other 63 percent of companies were involved in trade and services, including public services such as health, education and government. The proportion of companies involved in goods producing activities is much higher in the North Okanagan than it is in the province.

Table A-2: Number of Business Establishments, 2003

Industry	North Okanagan					British Columbia	
	# of employees	0 - 4	5 - 49	50 +	All Sizes	% of Total	All Sizes
Agr., For., & Fishing	637	70	6	713	11.7%	8,490	5.4%
Mining, Oil & Gas Extraction	24	1	0	25	0.4%	726	0.5%
Utilities	10	1	0	11	0.2%	159	0.1%
Manufacturing Industries	198	79	17	294	4.8%	8,318	5.3%
Construction Industries	800	110	4	914	15.0%	17,206	10.9%
Transportation & Storage	261	38	1	300	4.9%	7,342	4.6%
Trade & Service Ind.	2,989	774	61	3,824	62.7%	116,256	73.5%
Total, All Industries	4,919	1,703	89	6,081	100.0%	158,497	100.0%

SOURCE: STATISTICS CANADA.

Large employers account for a significant proportion of employment and economic activity in the study area. Table A-3 shows the number of employers in Vernon with more than 50 employees and the employees they represent. Of the 61 employers, 26 (43 percent) are producing goods, while the other 57 percent are in trades and services. The number of large employers in forestry and manufacturing represent a much higher proportion of employees than the economy as a whole.

Table A-3: Major Employers and Employment, Vernon, by Industry, 2005

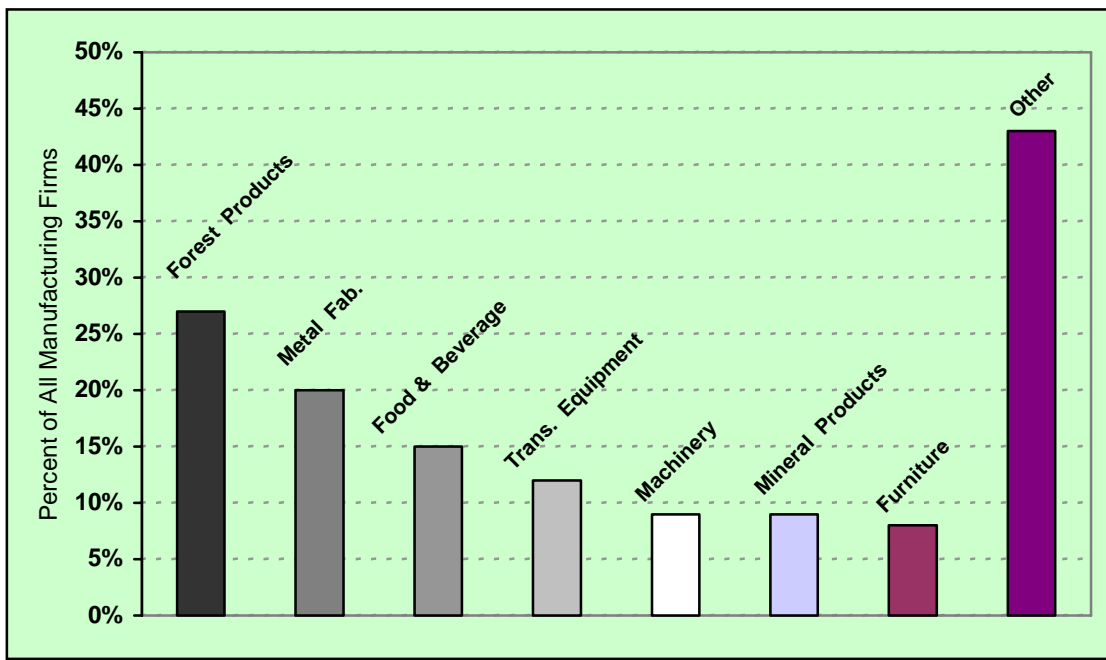
Industry	Number of Employers	Total Employees
Agriculture	1	29
Forestry	8	1,606
Manufacturing	11	1,635
Construction	3	202
Transportation and Storage	2	230
Communications and Utilities	2	133
Total Goods Producing	26	3,835
Trade	11	1,013
Business Services	4	224
Government	2	330
Education	2	1,087
Health Services	7	1,599
Accommodation, Food and Beverage	9	1,023
Total Service Producing	35	5,276

SOURCE: CITY OF VERNON.

A-3 Manufacturing Sector

Manufacturing is a major player in the North Okanagan economy, generating a significant number of direct jobs, supporting spinoff businesses and payrolls and contributing to the Region's tax base. Estimates of the number of firms ranges, depending on criteria applied and the number of firms varies. However, based on the available data sets, the number of active manufacturing establishments with revenues and employees is estimated to be between 150 and 160. In 2003, a wide variety of products were produced by companies in the Region, with dominant sectors including forest products, metal fabrication, food and beverage, transportation and machinery (Figure 2).

Figure A-1: North Okanagan Manufacturing Firms, 2003



SOURCE: STATISTICS CANADA.

The 27 largest manufacturers in the North Okanagan are shown in Table A-4. The largest employer in the Region at a single plant is O-I Canada Corp., which manufactures glass products at its Lavington facility. Other major manufacturers with more than 140 employees include Tolko Industries (forest products), Okanagan Spring Brewery (beverages), Bigfoot Industries (transportation equipment) and Hytec Plumbing Products (plumbing and fixtures).

Large manufacturers are complemented by a number of small and medium-sized enterprises (SMEs) who provide support services and supplies, as well as engaging in their own export activities. Other products produced in the Region, including clothing, concrete product, fabricated structural products, flour milling, rice milling, malt manufacturing, wood panels, control and measuring systems, furniture and boat building, demonstrate the relative diversity of the manufacturing base.

Table A-4: Major Manufacturers in the North Okanagan

Company Name	Employees Estimated	Products	Markets
O-I Canada Corp.	400	Container, bottle glass	NA
Tolko Industries Ltd.	320	Lumber, plywood, veneer	NA
Okanagan Springs Brewery	230	Brewery, beer	Canada
Bigfoot Industries	195	Transportation equipment	NA, Eur, UK, Japan
Hytec Plumbing Products	140	Bathroom/plumbing fixtures/accessories	NA
AcuTruss Industries	120	Trusses, joists, engineered roof/floor systems	NA, Ger, Japan, China
Bell Pole	100	Poles, lumber, sawn timber, plywood	NA
Westwood Companies	100	Industrial controls, control systems	US, New Zealand, Eur
Paragon Wood Products	100	Decking, dimensional lumber, paneling	US, Ger, Japan
Pacific Regeneration Tech.	162	Conifer sees and seedlings	NA
Rogers Foods	98	Cereal and grain products	NA, Asia
Far West Industries	95	Clothing	
Rapid-Span Structures	85	Precast concrete, metal fabrication	NA, South America
Tekmar Control Systems	75	Heating/ventilating controls/accessories	NA, Eur, Aust, New Zea
North Enderby Timber	75	Decking, fencing, lumber, railings, panelling	US
Unique Timber	60	Log homes/timber frame homes	US, Asia, Eur
Harbercraft Powerboats	60	Marine equipment	NA
Maax Canada	50-99	Fibreglass bathroom products	US, Ger, Russia
Colonial Farms	60	Poultry processing	Canada
Okanagan Aggregates	50-99	Sand, gravel, asphalt, emulsions	Canada
Universal Specialties	25-49	Art and decorative ware, ceramics	US
Coldstream Lumber	30	Cedar siding, T&G boards, planer products	NA
Darford Industries	30	Pet food supplies	US, UK, Brazil, Israel
Creative Connectors	25	Shelving, partitions, wall brackets	US
Chapman Mechanical	25-49	Machinery and steel fabrication	-
Unifeed	25	Animal food products	US
Sure-Crop Feeds	29	Animal food products	US

SOURCE: BC MANUFACTURERS DIRECTORY, CITY OF VERNON.

Although there is a concentration of activity in the Vernon area, manufacturing is well dispersed across the Region, with pockets through the Spallumcheen and Coldstream Valleys.

It is apparent from the data that North Okanagan manufacturers are highly reliant on an efficient transportation system. They are bringing in raw material such as timber, aggregate, grains, metals and other basic materials from all over the province, elsewhere in Canada and offshore. The goods they are producing are being distributed around the world, most notably to markets in North America, Europe and Asia.

Aggregate production, shipment, employment and value-added values of North Okanagan manufacturers are shown in Table A-5. The 3,417 direct jobs in 2003 had an associated payroll of \$132 million. When the indirect and induced effects are added in, this sector accounted for between 17 percent and 23 percent of total Regional income.

Only the public sector and government transfers payments contributed more to Regional wealth than manufacturing. Manufacturing activity trends are all upward. In the three year period ending 2003, the number of firms, employment, shipment values and value-added rose in the range of 25 percent, signalling significant growth in these sectors, and their contributions to the Regional economy.

The ability to obtain needed inputs, ship final products to market and attract workers efficiently, reliably and at reasonable cost are key site location factors for manufacturers. Material inputs are significant, implying reliance on transportation systems, services and infrastructure. Labour inputs, which average 17 percent of shipment values, tend to vary by sub-sector. One input that does appear to be a major factor is energy, as it only constitutes three percent of total shipment values across all industries. There are no energy-intensive industries in the North Okanagan.

Table A-5: Manufacturing Activity, North Okanagan Regional District, 2003

Industry	Manufacturing Activity					Employment		Total Activity		
	Firms	Energy	Materials	Shipments	Value-Added	Employees	Sal/Wages	Materials	Shipments	Value-Added
	Number	\$'000	\$'000	\$'000	\$'000	Number	\$'000	\$'000	\$'000	\$'000
Total	152	23,801	435,568	762,111	307,065	3,417	132,179	481,311	813,084	312,044
Food Mfg.	19	3,933	147,818	192,727	41,773	652	20,278	173,942	222,199	44,814
Meat Product Mfg.	5	463	7,150	10,175	2,347	32	916	7,183	10,777	2,921
Animal Slaughtering & Processing	5	463	7,150	10,175	2,347	32	916	7,183	10,777	2,921
Bakeries & Tortilla Mfg.	6	630	5,869	13,608	7,138	327	5,536	9,766	19,852	9,485
Wood Product Mfg.	33	6,676	135,514	198,983	56,620	773	31,040	141,144	203,753	55,769
Sawmills & Wood Preservation	11	4,614	84,999	121,772	30,746	447	19,286	86,897	123,368	30,463
Wood Window & Door Mfg.	7	50	3,676	5,558	1,824	29	824	4,294	5,769	1,413
Other Millwork	4	550	19,068	26,590	8,353	121	4,192	20,323	28,509	9,007
Fabricated Metal Product Mfg.	19	295	11,162	23,340	12,215	192	7,072	12,479	24,107	11,667
Plate Work/Fab. Structural Prod	4	157	8,887	16,441	7,694	103	3,685	9,479	16,515	7,176
Machine Shops/Turned Prod./Related	9	112	1,426	5,256	3,733	69	2,683	1,992	5,865	3,774
Electric Equip./Appliance/Component	3	9	503	760	248	7	197	518	849	322
Transportation Equipment Mfg.	9	304	33,695	60,730	26,424	312	11,636	34,165	61,236	26,449

SOURCE: BC STATS.

A-4 Development Activity

Table A-6 highlights the industrial building permits in the Region between 1999 and 2004. The North Okanagan accounted for 1.6 percent of all industrial permits in the province and has maintained a range of \$4.7 million to \$8.1 million since 2000. The bulk of this activity is in Spallumcheen, the Regional District rural areas, and Vernon.

Table A-6: Industrial Building Permits for North Okanagan and BC, 1999-2004 (\$'000s)

	1999	2000	2001	2002	2003	2004
Armstrong	48	17	1,225	-	6	17
Coldstream	7	99	862	79	-	43
Enderby	-	-	-	-	100	240
Lumby	-	-	450	490	-	800
NO RDR	703	558	355	4,154	866	1,061
Spallumcheen	609	4,743	1,116	1,170	4,610	920
Vernon	521	314	709	427	2,546	2,197
Total RDNO	1,888	5,731	4,717	6,320	8,128	5,278
BC	319,145	295,525	221,353	230,119	244,024	328,050

SOURCE: STATISTICS CANADA AND BC STATS.

A-5 Property Taxation

Property tax rates can be a very significant site location factor for businesses as they decide whether or not to remain open, expand or move to a new locality. Generally, manufacturing businesses are easy entry, difficult exit, meaning firms are often reluctant to relocate once they have invested in a site, particularly if that process is capital intensive. However, it is worth noting that business investment has become increasingly mobile and jurisdictions have been forced to pay more attention to their own taxation relative to that of adjacent municipalities, provinces, and states in order to maintain a favourable business climate. For this reason, it is in interests of all municipalities and others concerned with the business climate in British Columbia to look more closely at our property tax system.

Tax amounts and contributions for municipalities in the North Okanagan are shown in Table A-7. It can be seen that the tax distribution toward light and major industry remained relatively stable for the first part of this decade. Spallumcheen, Coldstream and Lumby obviously have a high dependence level on their industrial tax base, versus Armstrong, Enderby and Vernon where residential and commercial taxation account for the bulk of municipal revenues.

Table A-7: Major and Light Industry Municipal Tax Amounts and Contribution

	2001		2005	
	Municipal Tax	% of Total Tax	Municipal Tax	% of Total Tax
Armstrong				
• Major Industry	\$0	0%	0	0%
• Light Industry	\$10,508	1%	\$11,964	1%
Coldstream				
• Major Industry	\$339,977	14%	\$431,427	13%
• Light Industry	\$15,002	1%	\$23,897	1%
Enderby				
• Major Industry	\$0	0%	0	0%
• Light Industry	\$13,618	2%	\$32,188	4%
Lumby				
• Major Industry	\$40,792	9%	\$44,143	8%
• Light Industry	\$40,816	9%	\$53,555	10%
Spallumcheen				
• Major Industry	\$395,357	17%	\$508,535	17%
• Light Industry	\$271,656	12%	\$454,824	15%
Vernon				
• Major Industry	\$0	0%	0	0%
• Light Industry	\$139,458	1%	\$167,389	1%

SOURCE: MINISTRY OF MUNICIPAL AFFAIRS.

B APPENDIX – SURVEY RESONSES

Fifteen manufacturing businesses participated in the formal survey component. A detailed survey was provided to each participant several days before the interview and then this was followed up with an in-person interview by the consulting team. A sample of the formal survey is attached in Appendix B.

The survey consisted of five Sections covering a range of topics and issues. In section 1 some general business information was collected.

1.1) What is the primary product(s) or service(s) that your business provides?

Of the fifteen companies interviewed there were:

- 4 value added wood companies
- 1 apparel manufacturer
- 1 trucking firm
- 1 boat assembly plant
- 1 concrete precasting company
- 3 agri-food companies
- 1 aircraft maintenance company
- 1 fibreglass household products manufacturer
- 1 heavy equipment servicing facility
- 1 marking equipment producer

1.2) Do you operate your business from more than one location in the North Okanagan?

Seven firms operate from more than one location in the North Okanagan Regional District. Of this, **four** of these companies operated on properties in close proximity to their main plant in order to provide support (ie., storage, parking, finishing) to expanded activities. Two had two sites with the second site being part of future relocation plans. One firm operated two separate manufacturing sites.

1.3) Does your company operate manufacturing facilities outside of the North Okanagan?

Ten of fifteen companies operated manufacturing facilities outside of the North Okanagan Regional District.

1.4) Where is your head office located?

Six of fifteen companies interviewed had their head office in Vernon. One head office was in Coldstream, one in Armstrong, one in Enderby and one in Spallmacheen.

1 Section 2: Industrial Land in the North Okanagan

2.1) For your main North Okanagan industrial location, do you lease or own your site?

Eleven of fifteen companies owned their own manufacturing site and land.

2.2) How many years have you been at your main North Okanagan industrial location?

Six of fifteen firms had been at their main site for more than 30 years, with an additional five firms being at their current site for more than fifteen years. The remaining four firms had been at their current site for less than ten years. The oldest site occupation among the participating manufacturers was 55 years with the youngest having been in its current location only five years.

2.3) What is the size of your plant and the total area of the land you occupy?

Square footage of your main facility:

Three respondents didn't know the size of their plants. Four plants were 40,000 square feet or larger, while one plant was 25,000 square feet. The remaining seven plants were less than 15,000 square feet, with two of these being under 5,000 square feet.

Acreage of the site in which the plant is located:

One respondent was on more than 90 acres, another was on more than 25 acres, and one was on 19 acres of land. At the other end of the scale, three companies were on less than an acre. Five firms were on acreages of between 1.5 to 3 acres and four were on acreages ranging from 6 to 11 acres.

2.4) Is your industrial site fully serviced?

Six firms had full municipal services, an additional eight had all services except sewer, and one firm had no sewer or water service.

2.5) If your site is currently not served, will it require services in the future?

Of the nine firms with partial or no service, three expressed interest in being connected to municipal sewer.

2.6) How would you describe the physical space of your present facilities and land?

Eight firms felt their current facilities (building) were too small, while the remainder felt it was about right. With regards to land, the same eight felt that their land area was too small. Six felt their land area was about right, while one felt it was too large.

2.7) How competitive is the area on municipal tax levies, development cost charges and service charges?

Five of fifteen did not know how their municipal taxes compared to other jurisdictions. Eight described their municipal taxes as reasonable or good, while one was not happy at the sharp increases experienced recently. One noted the higher rates paid on municipal lands compared to operations on First Nation reserve lands.

2.8) What were the key factors that helped your company decide to locate its manufacturing facility in the North Okanagan?

Five manufacturers stated that they established in the area to service local markets. For five companies, the owner is from the area and established in the North Okanagan because this is where they lived. One established in area because it was close to key suppliers in the Okanagan Valley. One located here due to the affordable land costs. One company did a formal site selection exercise and located in the North Okanagan based on land costs, availability of local skilled labour, and the new highway. Two could not recall why their firms located locally.

2.9) Are there currently any issues with neighbouring properties? Is there concern that residential growth may create conflict at your key location?

Nine companies had no issues or complaints from neighbouring properties. However, two of these companies have had the Ministry of Transportation interested in relocating them or taking over part of their property for road realignment. The remaining companies have experienced conflicts with neighbouring residents who have filed complaints regarding noise, dust, or smell. Several Vernon companies have concerns with the ability to get truck traffic in and out given the increase of residential traffic near their businesses.

One company has bought property to ensure residential neighbours didn't encroach any further onto their manufacturing facility. One company is trapped in residential area and now can not expand at its current location due to new zoning.

2 Section 3: Labour Force

3.1) How many employees does your company currently have in the North Okanagan?

The fifteen firms interviewed currently create 1,096 direct jobs locally. This is an average of 73 jobs per firm. Among respondents, the largest employer creates 245 jobs and the smallest 7. Nine of the firms created 30 jobs or less, while the remaining six created more than 30 jobs.

3.2) Are you currently able to attract and retain all the required skills of workers for your firm?

Ten firms stated they were able to attract and retain all the skills required by the firm. However, several mentioned they foresaw challenges moving forward as the Region's affordability slipped with rising house prices. Others noticed the sunshine tax (paying lower wages than in the GVRD or northern BC) was disappearing.

Five firms were having troubles meeting this employment target while others mentioned specific skill sets that were requiring additional work to recruit. Overall the types of skills businesses found challenges retaining and recruiting include:

- Structural engineer technicians
- Electricians
- Lumber Graders
- Ticketed carpenters
- Millwrights
- Class 1 truck drivers

- Computer skills

Also companies are noticing that there has been an acceleration in the turnover rate among their entry level employees.

3.3) How many workers do you expect to add to your workforce over the next five years?

Only four companies do not plan to increase the size of their labour force over the next five years and plan to remain stable. Collectively the remaining eleven companies plan to grow their labour force by between 80 and 100 employees. This represents internal growth within these firms of between 7 and 9 percent, or upwards of 1.8 percent per year.

3.3) How many participants from your current workforce do you anticipate will retire or leave over the next five years?

Many companies interviewed see retirements accelerating and natural turnover continuing at a similar pace. Collectively the fifteen participants identified a need for approximately 400 workers over the next five years to meet attrition issues. This represents approximately 35 percent of their current labour force.

3.4) In total, approximately how many new employees will you require to address employee turnover and company growth over the next five years?

In total, the fifteen firms identified needing between 525 to 560 new workers over the next five years, or approximately 50 percent of their current labour force levels.

3.5) Please specify the anticipated demands for specific skills.

Of the total labour required over the next five years, companies envision that 65 percent will be unskilled general labourers; an additional 25 percent will be semi-skilled (trucker drivers, etc.); 8 percent will be trades workers; and 2 percent will be within the management ranks.

3.7) Do you have a plan on how to replace or attract new workers you will require?

Nine companies **do not have a plan** on how to replace or attract workers while five do have plans. One company does not plan to add employees nor does it forecast losing any of its existing workers over the next five years.

3.8 and 3.9) Does your business have any identified training issues? Do you train most staff in-house? Expect staff to come with required training? Use external training to upgrade staff skills?

Only three companies do not have any training issues; all the rest experience some type of challenge. Thirteen of fifteen companies do training in-house, while two are using external resources only. Most are also using some type of external training, particularly for more senior staff and trades staff that require regular upgrading and courses.

3 Section 4: Transportation

4.1) **Approximately what percentage of your goods (both inputs and finished product) utilize the following transportation mode?**

Ten of fifteen companies have 100 percent of their in-coming materials and products arriving by truck. One company has 80 percent of goods arriving by truck and 20 percent arriving by rail. Two companies have goods arriving primarily by rail (99 percent and 95 percent). One company has 65 percent of their in-coming goods arriving by rail and 35 percent arriving by truck. One company has 90 percent of their in-coming products coming by air.

Twelve of fifteen companies have 100 percent of their goods leaving by truck. One company has 99 percent leaving by truck and one percent by air. One has 90 percent leaving by truck five percent leaving by rail, and five percent leaving by air. One has 90 percent leaving by air and ten percent by truck.

4.2) **Do you ship any of your final products offshore? If yes, in your estimation, what percentage of this offshore product goes through the Port of Vancouver?**

There is little focus on exporting product to offshore markets. Eleven of fifteen companies said they did not ship product offshore. The remaining four companies do ship to Asia, but it is not a large part of their business. However, there is consideration to do more such business in future among these four.

4.3) **Do you currently containerize your products or receive containerized inputs that utilize an inter-modal system for shipment via multiple transportation types?**

Nine companies do not ship or receive containerized products. Six do some shipping with containerized products, particularly when shipping offshore.

4.4) **Do you foresee a shift in the mode of transportation that you use to either receive inputs or ship finished goods? Please explain:**

Ten of fifteen do not see any change in their transportation methods, the remaining five do. The five that do believe rising trucking costs will make rail more desirable and also that expanding markets in Asia will facilitate greater use of inter-modal. One of the five would like to use rail more to access eastern North American markets in the future.

4.5) **Are there any challenges in your current transportation modes for finished goods or for receiving supplies? If so what are they?**

Some responses include:

- Would like to see a reload centre locally as concerned about the access to rail for the little guy;

- Issue with getting planes in from the US concerning insurance;
- Would like to leverage more inter-model trucking, currently ship to Calgary for inter-model rail service; and,
- Issue with the lack of skilled truckers.

4.6) Would you consider rail transportation if it was available?

Four of the eleven businesses currently not using rail would consider using rail, particularly if there was a local reload centre.

4.7) If you use rail, are you satisfied with the service? If not how could it be improved?

Six currently using rail with some concern expressed around ability of smaller users to access and capitalize on rail services at an affordable rate. However, acknowledgement of how the two short line operators work hard to service local clients.

4 Section 5: Future Location Plans

5.1) Over the next 5 years, do you plan to expand, downsize or re-locate your business?

Ten of fifteen companies said they plan to expand their operations over the next five years, with four saying they have plans to expand on existing sites. Three said they would stay the same, one didn't know what would happen, and one was looking at downsizing the site somewhat.

5.2) Will you need to relocate your manufacturing facility in order to fulfill future growth requirements?

Six said yes they will need to relocate to accommodate growth. As well, a further four were now looking for new facilities to better accommodate their current business.

5.3) Please indicate the size of facility and the land you would require.

Of the six businesses looking to move, they were looking for:

- | | |
|---------------------------------------|--|
| ○ 4,500 square feet building, no land | ○ 6,000 to 12,000 sq. ft. building, 2 to 4 acres |
| ○ 8,000 sq. ft. building on 1 acre | ○ 25,000 sq. ft building on 3 acres |
| ○ 7,000 sq. ft. building on 6 acres | ○ 25,000 sq. ft. building on 20 acres |

5.4) If you're planning to expand, what is the reason for expansion?

Among the ten expanding businesses, a variety of reasons were cited for expansion including:

- 1 firm – growing domestic market
- 2 firms – growing domestic and export markets
- 1 firm - growing domestic markets and changing technology
- 2 firm – facility upgrade
- 1 firm growing export market
- 1 firm – growing export and facility upgrade
- 1 firm – growing domestic and export markets, and technology and facility upgrades.
- 1 firm – changing technology.

5.5 and 5.6) If you will be considering relocation, please identify specific factors that you would be looking for locally regarding land requirements. Are there any special considerations your type of business requires when selecting a location for your business? i.e. water pressure and amount available, disposal systems, community proximity.

There was a range of answers to this question including:

- Being close to town (Vernon) as this is an important market;
- Consider cohabitating with other similar types of businesses to generate and share synergies;
- Being close to Vernon as this is the main source of employees;
- Size of land available, type of land, availability of water and sewer, transportation services locally, telecommunications (high speed internet a must), hydro and gas;
- Need large storage area;
- Affordable lease price important;
- Needs to be close to the highway;
- Flat land;
- Water pressure and volume important; and,
- Look at surrounding industrial to ensure traffic problems don't occur.

C APPENDIX – SAMPLE SURVEY

North Okanagan Industrial Land Survey	
Survey No:	Date:
Mail Address:	Physical Location:
Business Name:	Phone Number:
Contact Person:	Fax Number:
Position:	E-mail Address:
Interviewer:	Website:

Note: All surveys are kept in strict confidence and results are only reported on an aggregate basis.

1 Section 1: General Business Information

1.1) What is the primary product(s) or service(s) that your business provides?

1.2) Do you operate your business from more than one location in the North Okanagan?

yes no

If yes, please specify locations.

1.3) Does your company operate manufacturing facilities outside of the North Okanagan?

yes no

If yes please specify locations:

Elsewhere in BC

Outside of BC

1.4) Where is your head office located?

2 Section 2: Industrial Land in the North Okanagan

2.1) For your main North Okanagan industrial location, do you lease or own your site?

Lease Own

2.2) How many years have you been at your main North Okanagan industrial location?

2.3) What is the size of your plant and the total area of the land you occupy?

- Square footage of your main facility:
- Acreage of the site in which the plant is located:

2.4) Is your industrial site fully serviced?

Yes No

2.5) If your site is currently not served, will it require services in the future?

Yes No

2.6) How would you describe the physical space of your present facilities and land?					
	Land	Building(s)		Land	Building(s)
	<input type="checkbox"/>	<input type="checkbox"/>	About the right size	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	Too small	<input type="checkbox"/>	<input type="checkbox"/>
					Too large
					Other (please specify)
2.7) How competitive is the area on municipal tax levies, development cost charges and service charges?					
2.8) What were the key factors that helped your company decide to locate its manufacturing facility in the North Okanagan?					
2.9) Are there currently any issues with neighbouring properties? Is there concern that residential growth may create conflict at your key location?					
3 Section 3: Labour Force					
3.1) How many employees does your company currently have in the North Okanagan?					
4					
3.2) Are you currently able to attract and retain all the required skills of workers for your firm?					
<input type="checkbox"/> yes <input type="checkbox"/> no					
If no, what are the types of skills that you are currently unable to obtain?					
3.3) How many workers do you expect to add to your workforce over the next five years?					
Number of workers: _____					
3.4) How many participants from your current workforce do you anticipate will retire or leave over the next five years?					
Number of workers: _____					

3.5) In total, approximately how many new employees will you require to address employee turnover and company growth over the next five years?

Total Number of workers: _____

3.6) Please specify the anticipated demands for specific skills:

Number of unskilled labourers: _____

Number of semi-skilled trades, (specify specific skills): _____

Number of trades workers, (specify specific skills): _____

Management _____

3.7) Do you have a plan on how to replace or attract new workers you will require?

yes No

3.8) Does your business have any identified training issues?

3.9) Do you train most staff in-house? Expect staff to come with required training? Use external training to up grade staff skills?

5 Section 4: Transportation

4.1) Approximately what percentage of your goods (both inputs and finished product) utilize the following transportation mode ?

a) Truck _____% b) Rail _____% c) Air _____%

4.2) Do you ship any of your final products offshore?

Yes No

If yes, in your estimation, what percentage of this offshore product goes through the Port of Vancouver?

Percentage of total offshore product: _____

4.3) Do you currently containerize your products or receive containerized inputs that utilize an inter-modal system for shipment via multiple transportation types?

Yes No

4.4) Do you foresee a shift in the mode of transportation that you use to either receive inputs or ship finished goods? Please explain:

4.5) Are there any challenges in your current transportation modes for finished goods or for receiving supplies? If so what are they?

4.6) Would you consider rail transportation if it was available?

4.7) If you use rail, are you satisfied with the service? If not how could it be improved?

6 Section 5: Future Location Plans

5.1) Over the next 5 years, do you plan to expand, downsize or re-locate your business?

- | | |
|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> Expand | <input type="checkbox"/> Relocate |
| <input type="checkbox"/> Downsize | <input type="checkbox"/> Other |

5.2) Will you need to relocate your manufacturing facility in order to fulfill future growth requirements?

- yes no

5.3) Please indicate the size of facility and the land you would require.

Size of facility in square footage: _____

Land area in hectares that you would require: _____

5.4) If you're planning to expand, what is the reason for expansion?

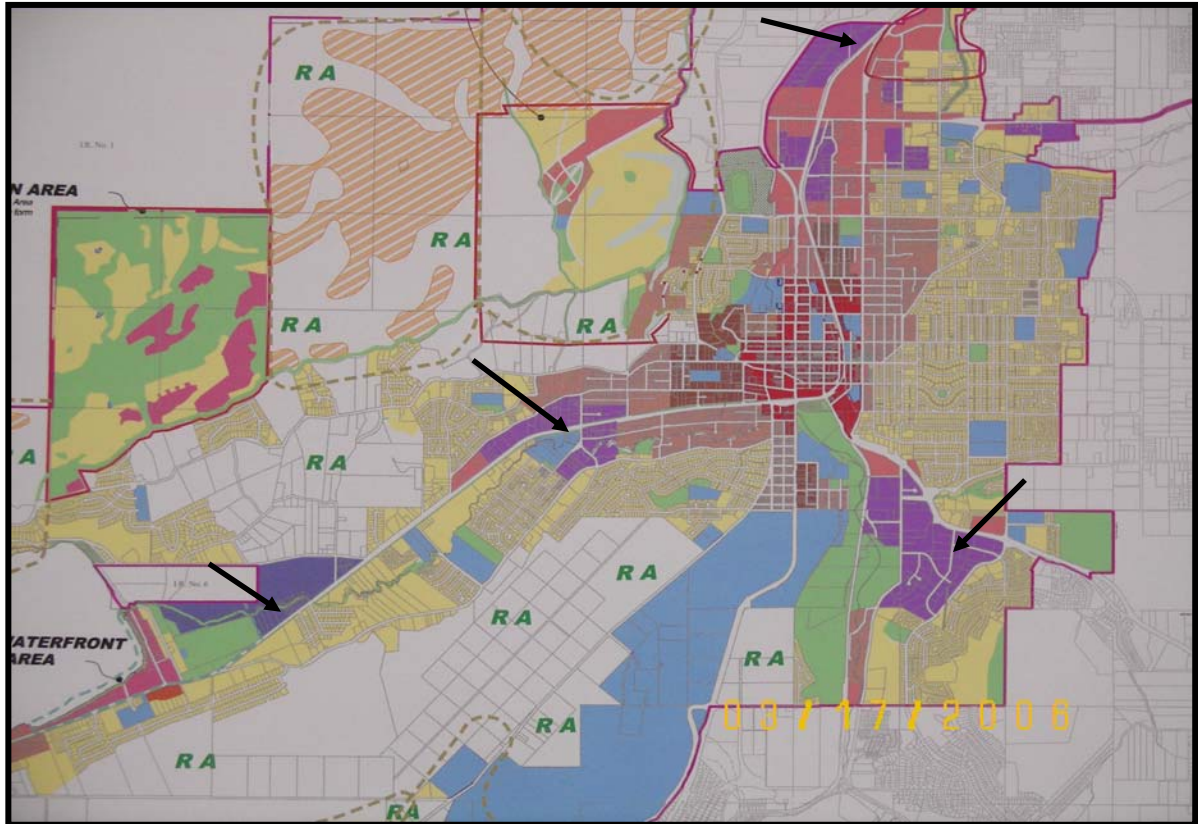
- | | |
|---|---|
| <input type="checkbox"/> Growing Export Markets | <input type="checkbox"/> Merger / Acquisition |
| <input type="checkbox"/> Growing Domestic Markets | <input type="checkbox"/> Production facility upgrades |
| <input type="checkbox"/> Technology | <input type="checkbox"/> Other |

5.5) If you will be considering relocation, please identify specific factors that you would be looking for locally regarding land requirements. Please check all that apply.

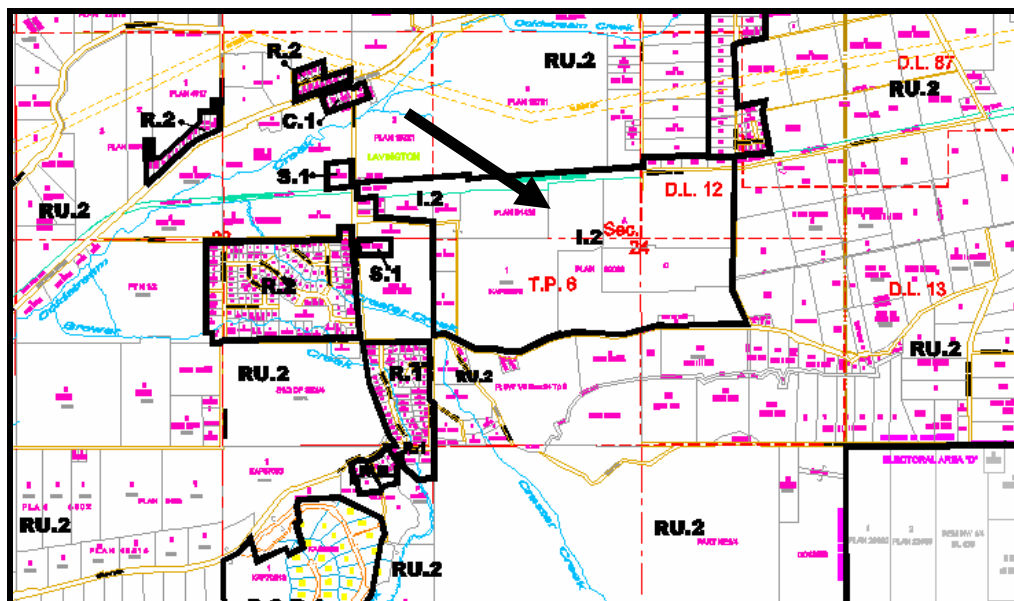
- | | |
|--|---|
| <input type="checkbox"/> Size of land availability | <input type="checkbox"/> Opportunities to network with others |
| <input type="checkbox"/> Type of land (maybe clay won't work) | <input type="checkbox"/> Transportation service to the location |
| <input type="checkbox"/> Availability of water and sewer | <input type="checkbox"/> Telecommunication Infrastructure |
| <input type="checkbox"/> Topography of land | <input type="checkbox"/> Hydro or natural gas availability |
| <input type="checkbox"/> Proximity to rail | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Proximity to roads | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Availability of raw materials and supplies | <input type="checkbox"/> |
| <input type="checkbox"/> Other business located near by | <input type="checkbox"/> |
| <input type="checkbox"/> Proximity to residential neighborhoods | <input type="checkbox"/> |
| <input type="checkbox"/> Industrial park infrastructure (i.e. cranes, warehouses, etc.). | <input type="checkbox"/> |
| <input type="checkbox"/> Tax rates of land | <input type="checkbox"/> |

5.6) Are there any special considerations your type of business requires when selecting a location for your business? i.e. water pressure and amount available, disposal systems, community proximity.

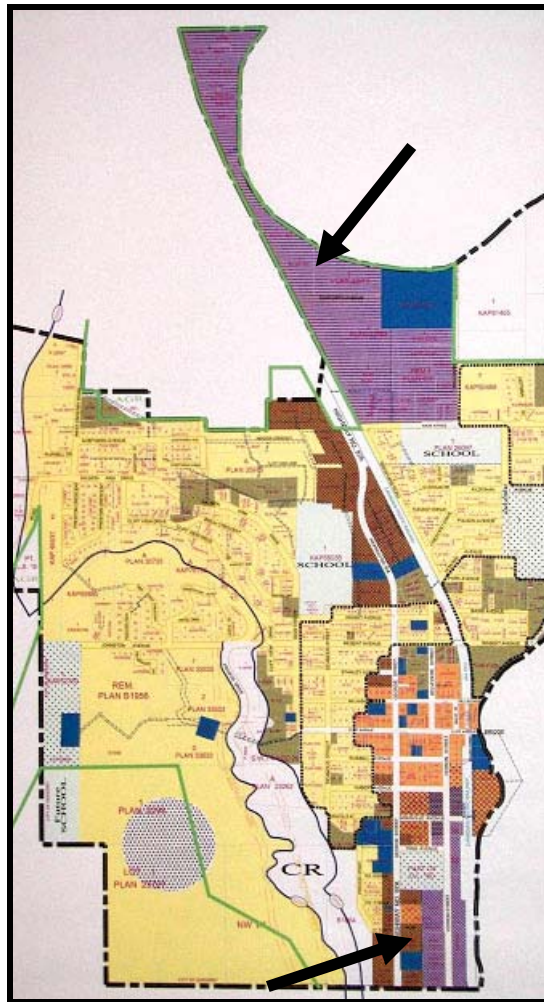
D-1 Vernon OCP (arrows indicate key industrial land areas)



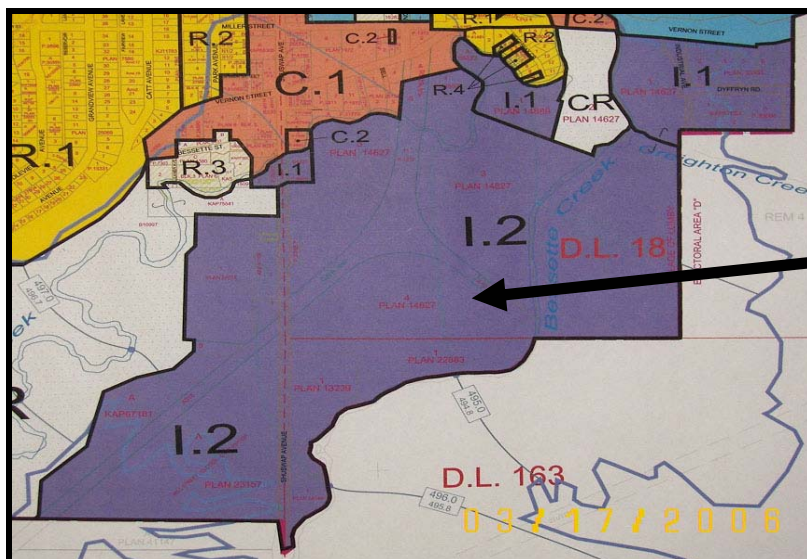
D-2 Coldstream OCP Industrial Land



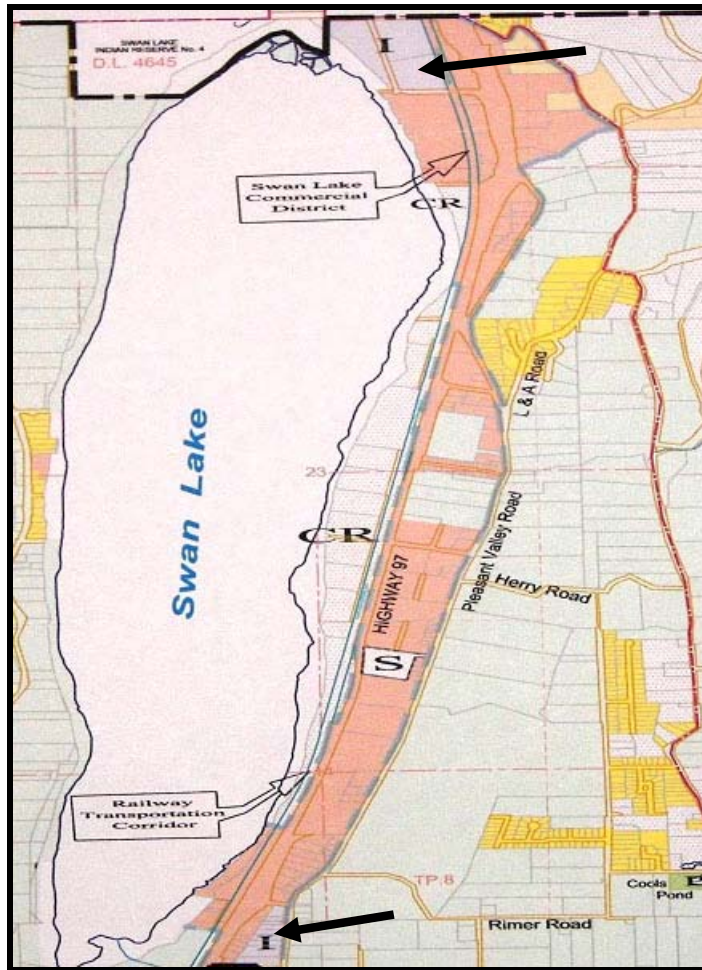
D-7 Enderby OCP – Industrial Lands



D-8 Industrial Land in Lumby



D-9 Electoral Area B – Industrial Sites



E Appendix – Inland Port Definition

As mentioned in the body of the report there is no universal definition of Inland Port and in BC the term is still evolving. However, a study that was undertaken by the Texas Department of Transportation and carried out at the University of Texas defined Inland Port as:¹⁶

“A site located away from traditional land, air, and coastal borders containing a set of transportation assets (normally multimodal) and with the ability to allow international trade to be processed and altered by value-added services at the site as goods move through the supply chain.”

This study also went on to identify four categories of Inland Ports including:

- (1) ***Inland Waterway Port:*** These ports are not a new concept in international and domestic freight movement. This class is listed by virtue of its inland location and volume of goods transported.
- (2) ***Air Cargo Port:*** Air cargo ports exist in conjunction with passenger facilities but are becoming more common as dedicated cargo ports.
- (3) ***Maritime Feeder Inland Port:*** The concept behind this class of Inland Port is to provide a deconsolidation point for cargo shipped to a congested maritime port.
- (4) ***Trade and Transportation Center Inland Port:*** This general class can be looked at as a location where border processing of trade is shifted inland and multiple modes of transportation are available in combination with value-added services.

Four key success factors were suggested:

- (1) Sufficient demand for intermodal freight transportation;
- (2) Local supply of competitive motor carrier service;
- (3) Practical basis for successful community relationships; and,
- (4) Adequate public/private-sector capital to fund development.

¹⁶ Sara Jean Leitner and Robert Harrison, Center for Transportation Research, The University of Texas at Austin, The Identification and Classification of Inland Ports. 2001.

F Appendix – Case Study on Community Cooperation

In situations where First Nations are located adjacent to or have lands surrounded by municipalities, it is becoming more common for First Nations and municipalities to have joint service agreements to avoid duplication of basic infrastructure and to take advantage of cost savings for the provision of basic services based on economies of scale. Here are a few BC examples that provide an initial glimpse of joint agreements that are possible.

The Opechesaht First Nation is located adjacent to the City of Port Alberni. The First Nation has a contract with the City to provide fire suppression and domestic water.

Squamish Nation has lands that are adjacent to the District of North Vancouver, the City of North Vancouver and District of West Vancouver. The First Nation does have a comprehensive, but outdated, service agreement with the District of West Vancouver, which is currently being updated. The City of North Vancouver is currently working on a service agreement with the Squamish Nation and the District of North Vancouver has an agreement in place with the Squamish Nation as well as the TsLeil-waututh Nation (Burrard Indian Band).

Squamish Nation has a community located close to Squamish as well. The First Nation purchases domestic water from the municipality and have separate agreements for other services.

Cowichan Tribe has a community adjacent to the City of Duncan. The First Nation does have a use agreement with the City of Duncan for a portion of both sewer and water for this adjacent community.

The Taku River Tlingit First Nation (TRTFN) has two communities located adjacent to the Village of Atlin. All water in the Village and in the First Nation is delivered by truck. Sewage is dealt with by holding tanks and pump out trucks which deliver the fluid to a sewage lagoon. TRTFN owns and operates the water treat system and the Village users pay a fee for water delivery that includes the costs associated with treatment. The same holds for sewage where Village customers pay for the pump out which includes related charges for operating the lagoon.

The Lower Mainland Treaty Advisory Committee (LMTAC) has drafted a discussion paper called “Towards a Model Local Government Service Agreement with Lower Mainland First Nations”. LMTAC coordinates and represents the collective interests of local governments, and through them their constituents, in defining and building relationships between First Nations and other orders of government. The discussion paper has been designed to provide guiding principles, as well as a model for local government service agreement with First Nations, for review and discussion. The discussion paper can be downloaded from the LMTAC website (<http://www.lmtac.bc.ca/>). Included in the discussion paper are several service

agreements that are currently in place between local governments and adjacent First Nations, e.g. Campbell River, Chilliwack and Coquitlam.

Other First Nations and municipalities, both in BC in other western provinces, have these similar joint service agreements that provide key basic services e.g. domestic water, sewage disposal, snow removal and garbage collection. As the North Okanagan considers a joint industrial land zoning and development strategy with all local and First Nation governments, joint service agreements, similar to those developed between other adjoining communities, provides a mechanism for the provision of basic services, at reasonable costs to all parties, and solidifies the intent of the joint industrial land zoning and development strategy.

G APPENDIX – LIST OF CONTACTS

Business Survey Participants

1.	Terry Bigsby	Aspenware
2.	Collin Black	Leeko Precast Ltd.
3.	Mike Brandt	Finning (Canada)
4.	Kevin Cmolik	Kohler Canada Co.
5.	Dave Correale	Alpine Spa Covers Ltd.
6.	Don Freisen	Coldstream Lumber
7.	Ben Hendrickson	North Enderby Timber Ltd.
8.	John Huntley	DCT Chamber Trucking Ltd.
9.	Dave Marcoux	Acutruss
10.	Tania McCabe	Bell Pole
11.	Joe McLean	Unifeed
12.	Andrew Powell	Paragon Wood Products
13.	Dave Pringle	Sure Crop Feeds
14.	Tim Ralston	Kal Air Repair Ltd.
15.	Lew Rossner	Rogers Foods Ltd.
16.	Gary Shadlock	Habour Craft
17.	Jake Wiebe	TimberStar Ltd.

Associated Interview Participants

Joe Bifano	Highmark Development
Lyle Brewer	Consultant
Grahame Go	Vernon Regional Airport
Rick Herbert	Kelowna Pacific Railway Ltd.
Rob Kjarsgaard	Okanagan College, Vernon
Curt Latham	Northern Sky Craft
Donna Lomas	Okanagan College, Penticton
Dennis Sawchuck	Okanagan Valley Railway
Dave Swales	Ministry of Transportation, Vernon

Regional Presentations

Village of Lumby

February 17, 2006

Mayor Eric Foster

Frank Kosa, Chief Administrative Officer

Dave Forai, GVS Economic Development Officer

City of Armstrong
February 20, 2006

Patti Ferguson, Administrator

City of Vernon
February 20, 2006

Leon Gous, Chief Administrative Officer

District of Coldstream
February 21, 2006

Wendy Kay, Chief Administrative Officer
Craig Broderick, Director of Development Services

Township of Spallumcheen
February 21, 2006

Lynda Shykora, Chief Administrative Officer

City of Enderby
February 22, 2006

Maggie Know, Chief Administrative

North Okanagan Regional District
February 27, 2006

Greg Betts, General Manager of Electoral Area Services
Cliff Kanester, Director – Area B

City of Armstrong Planning & Development Committee Meeting
February 27, 2006

Councillor Ryan Nitchie, Chairperson
Mayor Jerry Oglow
Councillors Trainor, Fowler, O’Sullivan
P. Ferguson, Administrator
N. Visser, Recording Secretary

District of Coldstream Council Meeting March 13, 2006

Mayor Gary Corner
Councillors Dirk, Firman, Garlick, Malerby, Taylor, Williams
Wendy Kay, Chief Administrative Officer
B. Bibby, Building Official
I. Breitreutz, Assistant to the Clerk
C. Broderick, Director of Development Services
D. Kutney, Director of Operational Services
K. Leeder, Community Policing Coordinator
C. Lord, Director of Financial Administration
D. Noble, Planning Technician

Regional Industrial Growth Strategy Meeting – March 20, 2006

1	F.C. (Rick) Herbert	Kelowna Pacific Rail
2	Dennis Sawchuk	Okanagan Valley Railway
3	Andrew Powell	Paragon Wood Products
4	Don Friesen	Coldstream Lumber
5	Lew Rossner	Rogers Foods Ltd. – Vice President
6	Grahame Go	Vernon Regional Airport – Manager
7	Dave Fletcher	CFDC – North Okanagan
8	Don Main	CFDC – North Okanagan
9	Dave Forai	Greater Vernon Economic Development
10	Greg Betts	RDNO – GM – Electoral Area Services
11	Rob Smailes	RDNO – Manager – Development Services
12	Allan Louis	Okanagan Indian Band – Councillor
13	Wayne Lippert	City of Vernon – Mayor
14	Will Hansma	Township of Spallumcheen – Mayor
15	Lynda Shykora	Township of Spallumcheen – Administrator
16	Terry Frame	Township of Spallumcheen – Councillor
17	Eric Foster	Village of Lumby – Mayor
18	Ken Klassen	Village of Lumby – Approving Officer
19	Sue Phillips	City of Enderby – Mayor
20	Maggie Know	City of Enderby – Administrator
21	Dee Weir	City of Enderby – Councillor
22	Craig Broderick	District of Coldstream – Director & Dev Services

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Canadian Federation of Independent Business, Labour Pains – Results of CFIB Surveys on Labour Availability. April 2003.

Canadian National Railway, CN to Help Kelowna Pacific Railway Upgrade Rail Line, Capture New Traffic. June 25, 2002. 2nd Quarter News Release.

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amended by: Bylaw No. 1396, 2000

Bylaw No. 1449, 2002

Bylaw No. 1482, 2003

Bylaw No. 1488, 2003

- <http://armstrong.ihostez.com/contentengine/launch.asp?ID=223>

City of Enderby Official Community Plan Bylaw No. 1171, 1995

amended by: Bylaw No. 1215 adopted on September 15, 1997

Bylaw No. 1218 adopted on September 15, 1997

Bylaw No. 1256 adopted on June 21, 1999

Bylaw No. 1336 adopted on November 15, 2004

- Contact City Hall at 250-838-7230 for a copy

City of Vernon – Zoning Map

- <http://www.vernon.ca/map/>

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- <http://www.districtofcoldstream.ca/services/planning/ocp/index.php>

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Village of Lumby – Official Community Plan

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