
Technical Background Report Cranbrook Economic Development Strategy 2010-2014

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September 2009

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1. INTRODUCTION

The City of Cranbrook has commissioned a community economic development strategy to present a vision for Cranbrook's local economy and to highlight opportunities for creating employment and investment. The strategy articulates the City's fundamental attitude about economic development, to show where the local economy can be improved to enhance the quality of life, and to make sound use of limited resources to enhance community sustainability.

In May 2008, the City of Cranbrook selected, through a competitive bid process, Westcoast CED Consulting Ltd., in partnership with Lions Gate Consulting Inc. and Peak Solutions Consulting Inc., to prepare the strategy for the City. The consulting group team has completed two documents – the economic development strategy and the Technical Background Report. The consulting group employed the following research and community input methods in developing these two documents:

- A comprehensive review of data related to the socio-economic situation of the City and the surrounding region.
- A review of current information related to the sectors that make-up the key economic drivers for the City and region.
- Site visits within the City with specific focus on commercial, industrial, and institutional activities.
- Visits to other communities in the region to review their current commercial, industrial, and institutional activities.
- A household opinion survey on economic development issues (597 responses).
- A comprehensive inventory of vacant and under-utilized industrial land by visiting and photographing each site followed by cataloguing each site based on retrieving available information on location, size, and ownership.
- Through site visits and airport-specific telephone interviews, a comparison of available industrial land at airports in BC's interior.
- Thirteen separate sector focus group meetings attended by approximately 110 different individuals.
- A strategic planning session (1 day) with Mayor and City Council (complete attendance) and senior City staff.

Appendix 1 contains a bibliography of sources as well as a list of key informant interviews that took place throughout the research process.

The contract's terms of reference required the completion of several tasks, which are listed on the following page. The second column provides the location of the associated written results, either in the Technical Background Report (TBR) or the Economic Development Strategy (EDS). The bulk of the analysis is in this Technical Background Report and the bulk of the strategy components are in the Strategy document thus providing an easier to use, condensed strategy document.

	<u>Location</u>
• Socio-economic overview	
○ Key economic indicator and capacity results	TBR ¹ Sec 2
○ Review and analyze key economic indicators and trends	TBR Sec 2 & 3
○ Profile leading industries	TBR Sec 3
○ Identify basic economic sectors and level of dependency	TBR Sec 2.2.2
○ Perform a strengths, weaknesses, opportunities and Threats analysis on the local economy	TBR Sec 3 & 4
• Workforce	
○ Identify skill sets that can be capitalized on	TBR Sec 6
▪ Including how to retain, develop and attract labour	
○ Develop a Skilled Labour Force Retention and Attraction Strategy	TBR Sec 6.4
○ Develop a Young Family Retention and Attraction Strategy	TBR Sec 6.4
• Physical Assets	
○ Analyze transportation and telecommunications infrastructure	TBR Sec 4
▪ Identify implications for development and diversification	
○ Develop a feasibility analysis and attraction strategy for light industrial and commercial park at Canadian Rockies International Airport	TBR Sec 7 & EDS ² Sec 7.3
○ Examine and identify Cranbrooks competitive advantage	EDS Sec 7.11
○ Develop a business retention and attraction strategy for targeted sectors	EDS Sec 7.1, 7.2 & 7.3
• Capacity and Sustainability	
○ Provide recommendations on community capacity for development not limited to infrastructure	EDS Sec 8
○ Provide an analysis of local government policies, fees and tax structure	TBA
• Consultation, communication and implementation	
○ On website content and development	Rebranding
○ Lead and facilitate targeted focus groups	EDS Sec 2.6
○ Prepare a prioritized strategy showing short term and longer tasks	EDS Sec 9
○ Prepare more detailed project plans for key strategies	EDS Sec 7
• Strategic Plan	
○ Provide a long term vision, mission statement, policy framework and action	EDS Sec 4, 5 & 6

¹ TBR – Technical Background Report: Cranbrook Economic Development Strategy 2008-2013, June 2009.

² EDS – Cranbrook Economic Development Strategy, June 2009.

1.1 TIMELINE OF ACTIVITIES

Cranbrook Economic Development Strategy - Revised Timeline (December 9, 2009)

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
1. Project Initiation & Meeting #1	■										
2. Community Socio-Econ	■	■									
3. Key Economic Drivers		■	■								
4. Meeting #2				■			■				
5. Site Visit – Strategic Sites	■										
6. Community Asset Mapping		■									
7. Community Household Survey				■	■	■	■				
8. Focus Groups								■			
9. Industrial Site – Feasibility Analysis			■	■				■			
10. Industrial Site – Attraction Strategy									■		
11. Labour Force Analysis									■		
12. Retention & Attraction Strategy										■	
13. Key Informant Interviews									■		
14. Summary Report									■		
15. Strategic Planning Workshop										■	
16. Draft Strategy											■
17. Meeting #3											■
18. Community Meeting – Draft Report											■
19. Final Report											■

2. SOCIO-ECONOMIC SITUATION

2.1 SOCIO-COMMUNITY CONDITIONS

2.1.1 City of Cranbrook Overview

The City of Cranbrook was incorporated as the Corporation of the City of Cranbrook in 1905. In 2006, the City of Cranbrook covered a total of 2,552.3 hectares. Cranbrook is located south of the St. Mary River on Highway 3 and is situated on a broad plain that is approximately 16 kilometres wide, with a view of the Rocky Mountains to the east and south and the Purcell Mountains to the west.

2.1.2 Population

a) Local and Regional Population Change

Table 2-1 outlines the population for the Regional District of East Kootenay (RDEK) and the City of Cranbrook. In 2007, the population of the RDEK was 59,065, an increase from 54,893 in 1986. In addition, the Town of Creston and Central Kootenay Electoral Area B are in close proximity to Cranbrook. This area adds an additional 9,500 to the regional population. Over the last 10 years, the entire region has seen its population remain relatively constant with regional growth having been concentrated in the period between 1986 and 1996. From 1996 to 2007, the regional resident population increased by only 370.

In the City of Cranbrook, the population has grown throughout the entire period. However, the City has expanded its boundaries over the past 20 years, which may account for some of the population growth.³ Still, in 2007 the City was close to reaching 20,000 people, an increase of almost 18 percent from 1986.

Table 2-1: Population for the City of Cranbrook & RDEK, 1986-2007

	1986	1991	1996	2001	2007	% Change 1986 to 2007
City of Cranbrook	16,465	16,885	18,830	19,280	19,410	17.9%
City of Kimberley	6,940	6,690	6,985	6,765	6,640	
Village of Canal Flats	n/a	n/a	n/a	n/a	795	
DM of Elkford	3,295	2,925	2,830	2,700	2,585	
City of Fernie	5,360	5,145	5,060	4,810	4,455	
DM of Invermere	2,065	2,265	2,785	2,985	3,320	
Village of Radium Hot Springs	n/a	410	550	610	805	
DM of Sparwood	4,695	4,325	4,135	3,980	3,865	
Unincorporated Areas	16,075	15,100	17,310	17,615	17,190	
Total East Kootenay R D	54,895	53,745	58,485	58,745	59,065	7.6%
Town of Creston	4,225	4,301	4,980	4,820	4,920	
Central Kootenay EA B ⁴	n/a	n/a	4,725	4,740	4,575	
Total Regional Population	n/a	n/a	68,190	68,305	68,560	

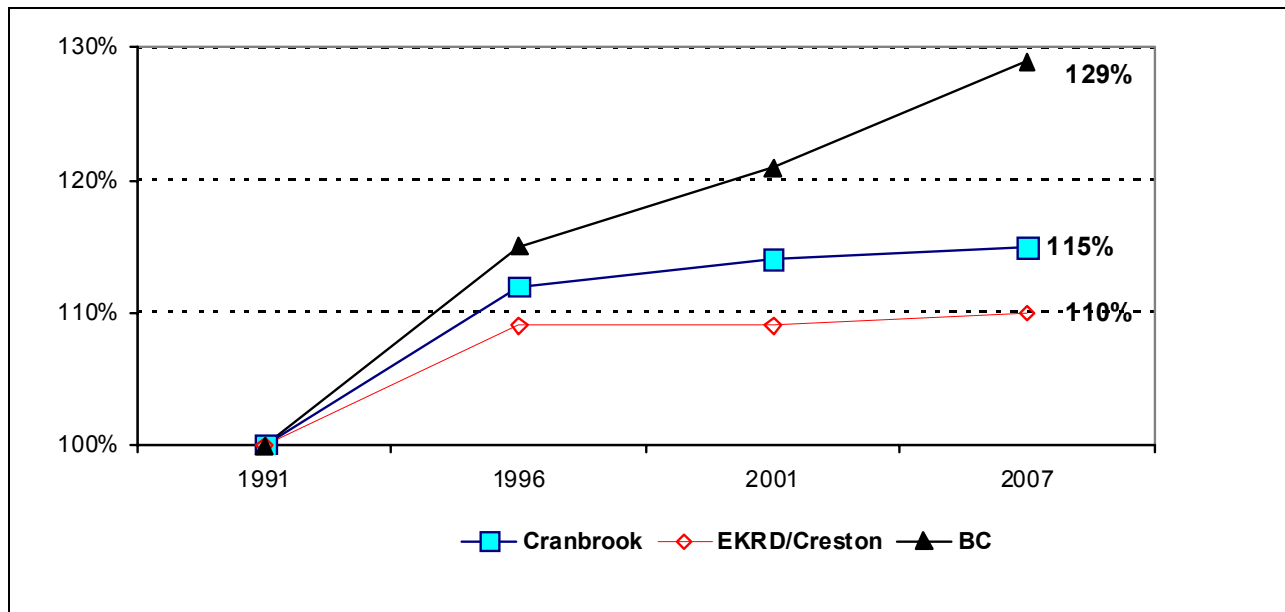
Source: BC Stats. Population Estimates

³ In 1986 the City of Cranbrook included 1,649 hectares, in 1992 the area had increased to 1,753 hectares, and in 2006 the City of Cranbrook was 2,552.3 hectares. Source: Ministry of Community Services.

⁴ Electoral Area data is not available prior to 1996.

Figure 2-1 highlights the change in population between 1991 and 2007. As illustrated, the City of Cranbrook and RDEK/Creston are showing a modest growth of less than one percent per annum. In comparison, the province grew by just over 1.8 percent per annum during the same time period. RDEK and Cranbrook noticeably lagged behind provincial growth between 1991 and 2007. However, this growth is noticeably stronger than the 0.4 percent per annum observed by the larger Kootenay Economic Development Region of which RDEK is a portion.

Figure 2-1: Population Change for Cranbrook, RDEK and BC, 1991 to 2007



Source: BC Stats and Stats Canada.

b) Age Characteristics

Table 2-2 highlights the current age characteristics for the City of Cranbrook and compares them to the RDEK and British Columbia. The City has a slightly larger portion of its population under the age of 24 and over the age of 65 than is generally observed in the Regional District and in the province.

Table 2-2: Age Characteristics for the City of Cranbrook, RDEK and BC, 2006

Age	City of Cranbrook	RDEK	British Columbia
Age 0–14	17.7%	16.4%	16.5%
Age 15–24	13.0%	12.2%	13.1%
Age 25–44	24.3%	24.6%	27.4%
Age 45–64	28.6%	31.9%	28.4%
Age 65–74	8.5%	8.3%	7.6%
Age 75+	7.9%	6.6%	7.0%

Source: Statistics Canada. 2006 Census.

2.1.3 Education Attainment

Table 2-3 highlights the educational levels for the residents of the City of Cranbrook and compares this to the RDEK and British Columbia. As illustrated, the City has a higher percentage of its population with an apprenticeship, trade, diploma, or certificate and college diploma or certificate than is generally seen at the provincial level. Conversely, the City also has a noticeably lower percentage of its working age population with university-level degrees. The City and Regional District have relatively similar education attainment across the various categories.

Table 2-3: Total Population (25 to 64 Yrs) by Highest Level of Education Attainment, 2006

	Cranbrook	RDEK	BC
No Certificate, Diploma or Degree	13.2%	14.2%	12.4%
High School Certificate	30.8%	29.7%	25.8%
Apprenticeship, Trade Diploma or Certificate	14.3%	16.3%	12.0%
College, CEGEP or Other Non-university Diploma or Certificate	26.0%	23.8%	19.6%
University Diploma Below Bachelor Level	4.1%	3.7%	6.1%
Bachelor's Degree	8.0%	8.0%	15.2%
University diploma above a Bachelor's Level	0.8%	1.2%	2.4%
Degree in medicine, dentistry, veterinary medicine or optometry	0.4%	0.5%	0.7%
Master's Degree	2.3%	2.3%	4.9%
Earned Doctorate	0.1%	0.3%	0.9%
Total Population Age 25 to 64	9,600	31,240	2,284,460

Source: Statistics Canada. 2006 Census.

2.2 SOCIO-ECONOMIC CONDITIONS

2.2.1 Surrounding Regional Population

While the population in the immediate region is 70,000 (RDEK and Creston area), the City of Cranbrook is surrounded by a significant population base in several neighbouring jurisdictions, including other BC regional districts to the west and north, neighbouring US counties to the south, and southwestern Alberta to the east. These surrounding regions have played a role in Cranbrook's economic growth in the past and with these regions growing rapidly, will likely increase in importance for Cranbrook's economic future.

Table 2-4 highlights the population from these neighbouring jurisdictions. By far the largest neighbouring regional population base is in southwestern Alberta with 1.2 million people. Within southwestern Alberta, Calgary represents close to 1.0 million residents. Overall, southwestern Alberta makes up almost 74 percent of the total neighbouring jurisdiction population of 1.7 million. The RDEK is bordered to the south by Montana and Idaho State. The counties in close proximity to the border are home to over 329,000 residents, including 41,000 residents from Couer d'Alene City, Cranbrook's sister city in the United States. A further 104,375 residents surround the RDEK and Creston area from the neighbouring BC regional districts of Columbia Shuswap in the north and Central Kootenay in the west.

The neighbouring jurisdictions outside of BC, in Alberta and the United States, have shown very strong growth over the past six years. The nearby Alberta jurisdictions grew by 15.6 percent over the period. This growth has been primarily driven by population increases in the City of Calgary. Over the same time period, in neighbouring Montana and Idaho counties, the population grew by 13.4 percent.

Table 2-4: Population for Neighbouring Jurisdictions, 2001 and 2007

	2001	2007	% Change 2001 to 2007
Neighbouring BC			
Central Kootenay RD	59,505	60,115	1.0%
-City of Nelson City	9,705	9,915	2.2%
Columbia Shuswap	50,320	53,760	6.8%
-City of Salmon Arm	15,875	17,265	9.4%
-City of Revelstoke	7,630	7,270	-4.7%
Total Neighbouring RDs	109,825	113,875	3.9%
Montana State			
Lincoln County	18,550	18,885	10.2% - Error
Flathead County	76,000	84,635	11.4%
- Kalispell City	15,595	19,340	24.0%
Lake County	26,845	28,440	5.9%
Sanders County	10,405	11,035	6.1%
Idaho State			
Boundary County	9,835	10,870	10.5%
Bonner County	37,090	41,050	10.7%
Kootenai County	111,740	134,445	20.3%
- Coeur d'Alene City	34,515	41,330	19.7%
Total Neighbouring US Counties	290,465	329,360	13.4%
Alberta Alliance Regions			
Calgary Regional	1,043,165	1,212,935	16.3%
-City of Calgary	879,005	988,195	12.4%
Southwest Region	40,085	39,505	-1.4%
Total Neighbouring Albertan Cities	1,083,250	1,252,440	15.6%
Total Neighbouring Jurisdictions	1,483,540	1,695,675	14.3%

Source: BC Stats. Population Estimates

2.2.2 Economic Dependencies

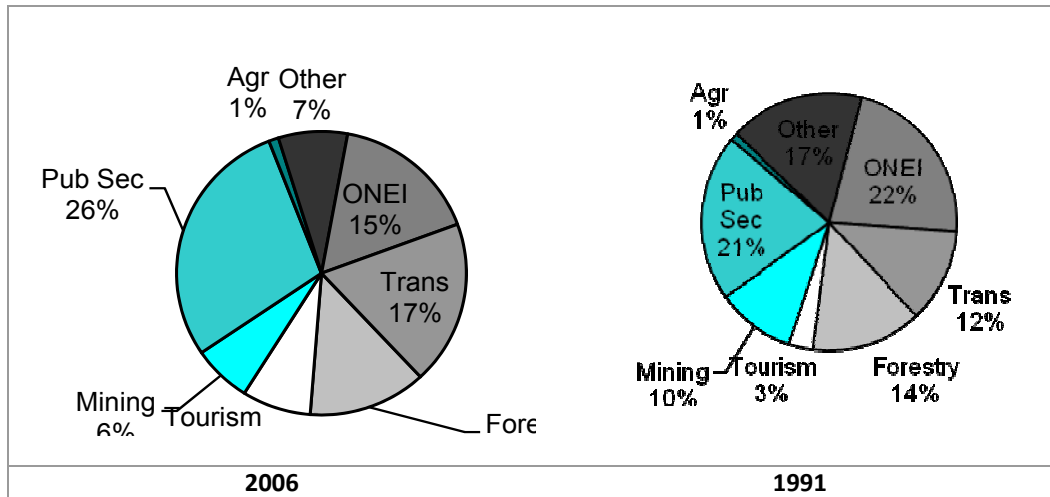
The City of Cranbrook is included in the Cranbrook–Kimberley Local Area by BC Stats and is considered to be the immediate trading area for Cranbrook and area.⁵ The structure of the Cranbrook area economy changed during the 15-year period between 1991 and 2006. This is seen in the economic-dependency estimates shown in Figure 2-1. Economic dependencies show the distribution of total community income by economic base sector and by non-employment sources of income. They tend to be a reliable measure of wealth generation because they combine employment, employment income, and indirect employment activity and attribute them to the originating sector.

The major changes in economic structure were the increased share from tourism, transfer payments, and the public sector, matched by declines in share from forestry, mining, and in “other non-employment income” (ONEI) during this period.

When the 2006 Census is assessed, local dependency by sector is likely to have changed dramatically, reflecting the closure of the Sullivan Mine in Kimberley in December of 2001 and the decline of mining employment in Kimberley, and the continued increase in tourism dependency.

⁵ The Cranbrook-Kimberley Local Area includes: Cranbrook, Kimberley, East Kootenay Electoral Areas C and D, and populated First Nation reserves Isidore’s Ranch 4, Kootenay 1, Cassimayooks 5, and Bummers Flat 6.

Figure 2-2: Cranbrook Area Economic Dependencies, 1991–2006⁶



Source: BC Stats – Note: ONEI – Other not elsewhere identified

2.2.3 Labour Force

a) Regional Labour Force Change

The labour force in the City of Cranbrook has virtually remained the same between 1996 and 2006. In 2006, the Cranbrook labour force made up 30.9 percent of the total labour force in the RDEK. This is by far the largest community labour force in the region, with nearby Kimberley a distant second with 10.6 percent of the region’s labour force, of which many are also employed in Cranbrook. Table 2-5 highlights the trend and the size of the municipal labour forces in RDEK between 1996 and 2006.

Table 2-5 : Experienced Labour Force For Municipalities in RDEK from 1996–2006

	1996	2001	2006
Communities			
Cranbrook	9,435	9,275	9,500
Kimberley	3,245	3,245	3,250
Fernie	2,610	2,665	2,565
Sparwood	1,895	2,075	1,930
Invermere	1,515	1,665	1,720
Elkford	1,505	1,370	1,390
	20,205	20,295	20,355
Other RDEK	9,565	9,875	10,405
RDEK	29,770	30,170	30,760

Source: Statistics Canada.

⁶ Abbreviations in the Figure include: TRANS= Transfer Payments from senior government, such as welfare payments, Old Age Security pensions, Guaranteed Income Supplements, Canada Pension Plan, Employment Insurance benefits, Federal Child Tax benefits and other income from government sources. ONEI= Other Non-Employment Income and includes investment income, such as dividends and interest; retirement pensions, superannuation, annuities, alimony, etc.

b) Cranbrook Labour Force Characteristics

Table 2-6 highlights the 2001 and 2006 labour force in the City of Cranbrook and compares the percentage of labour in each industry with the BC averages for 2006. Overall, the City of Cranbrook has similar shares of its labour force in the goods-producing and service-producing sectors as is generally observed in the province. However, the City has noticeably larger shares in mining, retail trade, and health care and social assistance than is reported at the provincial level. In 2006, Cranbrook had 2,070 or 21.8 percent of its labour force in the goods-producing sector. Within the goods-producing sector, manufacturing was the largest individual sector, with an experienced labour force of 740. This was followed closely by construction, with an experienced labour force of 735. Collectively these two sectors made up 71.3 percent of the total goods-producing sector. The remaining labour force in Cranbrook was in the service-producing sector, with the largest sector being retail trade, with an experienced labour force of 1,540. This was followed by health care and social assistance, with an experienced labour force of 1,090. Within the service producing sector, these two sectors made up 36.0 percent of the total service producing sector.

Table 2-6: Labour Force by Industry for City of Cranbrook, 2001 and 2006

	Cranbrook		Cranbrook %	BC %
NAICS - Goods Producing	2001	2006	2006	
11- Ag. and Logging & Forestry Ind.	275	335	3.5%	3.4%
21- Mining	195	205	2.2%	0.9%
22- Utilities	30	55	0.6%	0.5%
23 - Construction	555	735	7.7%	7.5%
31-33 - Manufacturing	785	740	7.8%	8.5%
Total Goods Producing	1,840	2,070	21.8%	20.8%
Service Producing				
41- Wholesale Trade	245	285	3.0%	4.1%
44-45- Retail Trade	1,455	1,540	16.2%	11.2%
48-49- Transportation & Storage	585	510	5.4%	5.2%
51 - Information & Cultural ind.	180	155	1.6%	2.6%
52 - Finance, Insurance	405	320	3.4%	3.8%
53 - Real Estate, rental & leasing	175	120	1.3%	2.3%
54 - Prof., science & technical	300	315	3.3%	7.3%
55 Mgmt. of companies & enterprises	0	10	0.1%	0.1%
56 - Admin., support, waste mgmt.	335	355	3.7%	4.4%
61 – Education	455	575	6.1%	6.9%
62 - Health Care & Social Assistance	1,065	1,090	11.5%	9.6%
71- Arts, entertain. & recreation	200	270	2.8%	2.3%
72- Accommodation & Food Services	825	785	8.3%	8.1%
81- Other Services	450	475	5.0%	4.9%
91 - Public Administration	515	500	5.3%	5.0%
Total Services Producing	7,190	7,305	77.0%	77.8%
Not Applicable	245	125	1.2%	1.4%
Total Labour Force	9,275	9,500	100.0%	100.0%

Source: Statistics Canada, 2001 Census.

2.2.4 Unemployment

Unemployment is not tracked on an annual basis for the City of Cranbrook. However, the Cranbrook unemployment level is available for Census years and is also believed to be similar to that of the Kootenay Development Region. Table 2-7 highlights the local and regional unemployment rate and compares it to the provincial rate. Overall, the unemployment rate has declined sharply over the last seven years and, as of July 2008, the recorded unemployment rate for the Kootenay Development Region was 3.9 percent, compared to 4.5 percent for the province.

Table 2-7: Unemployment Rate for City of Cranbrook, Kootenay Development Region and BC

	2000	2005	2006	2007
Cranbrook				
- Male	11.7%	4.7%		
- Female	9.5%	5.9%		
- Total	10.7%	5.3%	n/a	n/a
Kootenay DR	10.0%	6.1%	6.2%	5.5%
British Columbia	7.1%	5.9%	4.8%	4.2%

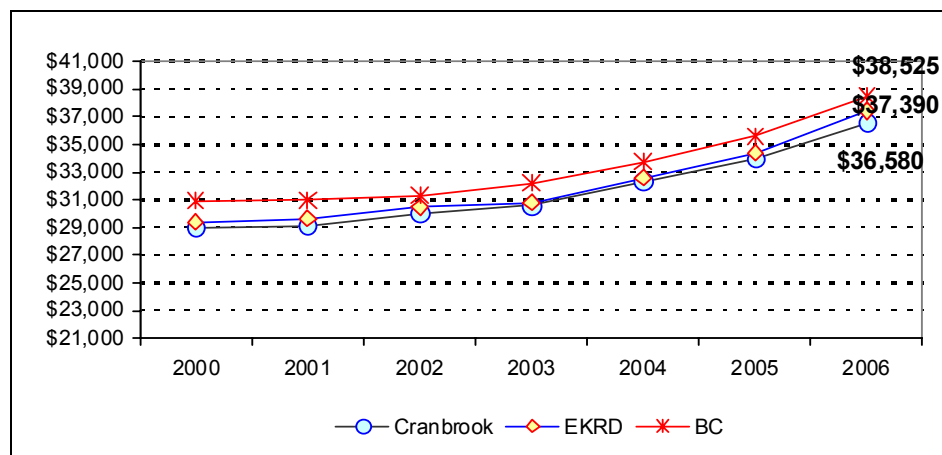
Source: BC Stats and Statistics Canada.

2.2.5 Personal Income

a) Average Personal Income Comparison Over Time

Figure 2-3 charts average personal income levels for the City of Cranbrook, the RDEK, and BC. This includes personal income from both employment income and other sources. As illustrated, in 2000 Cranbrook trailed BC in average personal income but was slightly ahead of the RDEK. However, by 2006 Cranbrook had a slower average personal income than both the RDEK and BC. Both Cranbrook and RDEK have consistently had lower average personal income than is seen at the provincial level.

Figure 2-3: Average Personal Income for Cranbrook, RDEK, BC and Canada, 2000 to 2006



Source: BC Stats.

Table 2-8 highlights the change in personal income in 2005 from various sources, and provides insight into the difference among the sources for Cranbrook, RDEK, and BC. The City of Cranbrook has a higher share of income from pension income than is generally seen in the regional district or at the provincial level and less self-employment income and investment income.

Table 2-8: Source of Personal Income for Cranbrook, RDEK and BC–2005

	Total (\$'000)	Employment (%)	Pension (%)	Investment (%)	Self-Employ (%)	Other (%)
Cranbrook	\$625,708	66.0%	15.1%	6.7%	4.9%	7.3%
RDEK	\$1,482,187	67.5%	13.9%	6.7%	4.8%	7.1%
BC	\$113,022,820	65.9%	12.5%	8.6%	6.0%	7.0%

Source: Canada Customs and Revenue Agency.

b) Employment Income

As illustrated above, employment income is the largest source of personal income for Cranbrook residents. A closer look at personal income shows that, on average, women earn noticeably less than men in the City. In addition, the average employment-income levels for full-year, full-time work is typically lower for both men and women in Cranbrook than generally reported for the province. Table 2-9 outlines the average employment income and the average income for full-time, full-year work for men and women in Cranbrook and British Columbia in 2005.

Table 2-9: Average Employment Income for Cranbrook and BC – 2005

	Cranbrook	British Columbia
Average 2005 Employment Income		
Male	\$39,718	\$42,655
Female	\$23,725	\$26,783
Total – Both Sexes	\$31,997	\$34,978
Worked Full Year, Full Time		
Male	\$54,408	\$57,772
Female	\$36,098	\$41,073
Total – Both Sexes	\$46,585	\$50,855

Source: Statistics Canada. Catalogue No. 97-563-X2006066.

2.2.6 Building Permits

Building permit activity has significantly increased in the region and in Cranbrook. Table 2-10 highlights the region's building activity, which was dominated by residential construction, while the City's building activity was more evenly split between commercial, institutional, and residential. It is important to note that commercial, institutional, and multi-family residential construction often has a lag between permit and actual construction activity by a year or more. This results in the economic activity generated being spread over subsequent years after the building permit has been issued.

Table 2-10: Building Permits by Category for City of Cranbrook and RDEK, 2002 to 2007 (000's)

	2002	2003	2004	2005	2006	2007
City of Cranbrook						
Industrial	\$153	\$1,897	\$705	\$1,463	\$6,594	\$1,272
Commercial	\$3,313	\$9,144	\$4,830	\$2,681	\$14,030	\$7,633
Institutional & Govt Building	\$2,281	\$590	\$3,191	\$27,591	\$22,406	\$408
Residential	\$6,454	\$3,709	\$5,796	\$15,644	\$26,297	\$27,473
Total Permits	\$12,201	\$15,340	\$14,522	\$47,379	\$69,327	\$36,786
East Kootenay Regional District						
Industrial Permits	\$1,426	\$3,312	\$2,601	\$2,815	\$9,385	\$5,743
Commercial	\$12,054	\$17,394	\$10,114	\$11,807	\$25,304	\$33,564
Institutional & Govt Building	\$2,394	\$7,643	\$12,472	\$32,946	\$37,383	\$2,715
Residential Permits	\$70,033	\$87,008	\$82,159	\$182,697	\$173,811	\$233,100
Total Permits	\$85,907	\$115,357	\$107,346	\$230,265	\$245,883	\$275,122
Cranbrook Share of Total Permits	14.2%	13.3%	13.5%	20.6%	28.2%	13.4%

Source: Statistics Canada, 2001 Census.

Note: Cranbrook numbers are included in EKRK values.

3. SECTOR PROFILES

This section profiles 11 major sectors of the regional economy, including the major economic base sectors of tourism, forestry, agriculture, mining, manufacturing and transportation, as well as construction, retail, social, business and government services.

3.1 TOURISM

3.1.1 Overview

Table 3-1 provides an overview of tourism labour force sectors, income levels, visitor origins, regional attractions, and provides insight into the contribution of tourism to various economic sectors in the Cranbrook area. The two major sources of employment include accommodation services and arts, and entertainment and recreation, which together account for about 11.3% of the labour force. Incomes tend to be below the regional average, but in some categories they are above the regional average and provide a healthy and stable livelihood for operators and their employees.

Table 3-1: Tourism Profile, 2008

Labour Force (2006)		Number					
Total Labour Force ⁷		12,915					
Arts, Entertainment, Recreation		350					
Accommodation and Food		1,040					
Total tourism		1,390					
Percent of Total Community Income (2006)		7%					
Visitor Origin	%	Visitor Origin	%	Visitor Origin	%	Visitor Origin	%
BC	38	Alberta	31	Other Canada	11	Washington	3
California	1	Other US/Mex	7	Europe	7	Asia/Other	1
Key Regional Attractions							
<ul style="list-style-type: none"> ▪ Fort Steele ▪ Canadian Museum of Rail Travel 		<ul style="list-style-type: none"> ▪ St Eugene Mission ▪ Golf courses 					
Proportion of Sector GDP Attributable to Tourism ⁸							
<ul style="list-style-type: none"> ▪ Taxi transportation 27% ▪ Food stores 13% ▪ Gasoline stations 15% 		<ul style="list-style-type: none"> ▪ Restaurants/pubs ~27% ▪ Clothing stores ~10% ▪ Car/truck leasing 75% 					

Source: Stats Canada 2006 Census and Cranbrook Visitor Centre.

⁷ The study area for the sector profiles is the Cranbrook CA (905), which includes the City of Cranbrook and Area C of the RDEK.

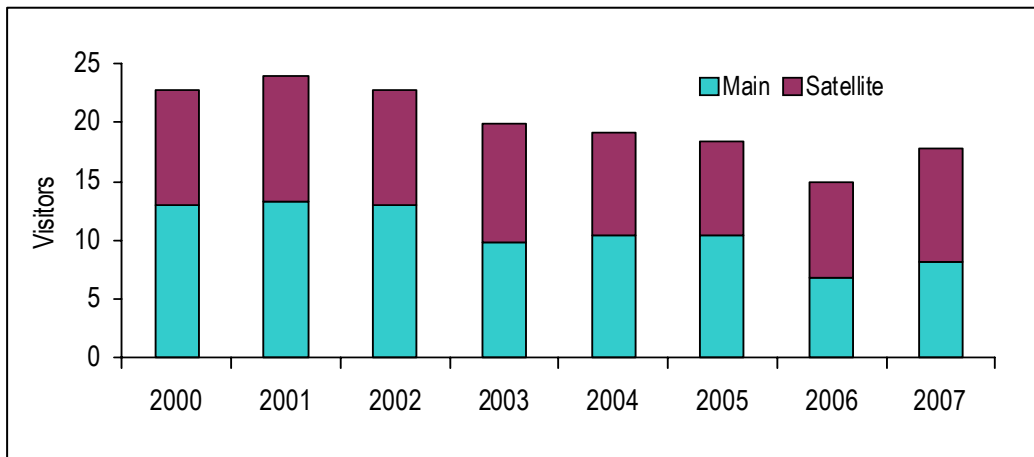
⁸ GDP (Gross Domestic Product) is the market value of goods and services produced in a given area and given period, less the cost of goods and services utilized in production. Source for tourism-related GDP (BC) is BC Stats.

The market base for tourism is relatively diverse with 62% being non-residents, primarily from close regions (e.g., Alberta, Washington), but long-haul and overseas visitors are another important contingent. According to Tourism BC visitor studies, the primary purpose of travellers was visiting friends and relatives, followed by outdoor activities.

3.1.2 Activity Indicators

Visitation statistics for the two Cranbrook visitor centres are shown in Figure 3-1. Peak attendance of 23,000 occurred in 2001, the same year as the 9/11 tragedy. In the years following, attendance declined steadily, before reviving in 2007 when approximately 18,000 visitors arrived.

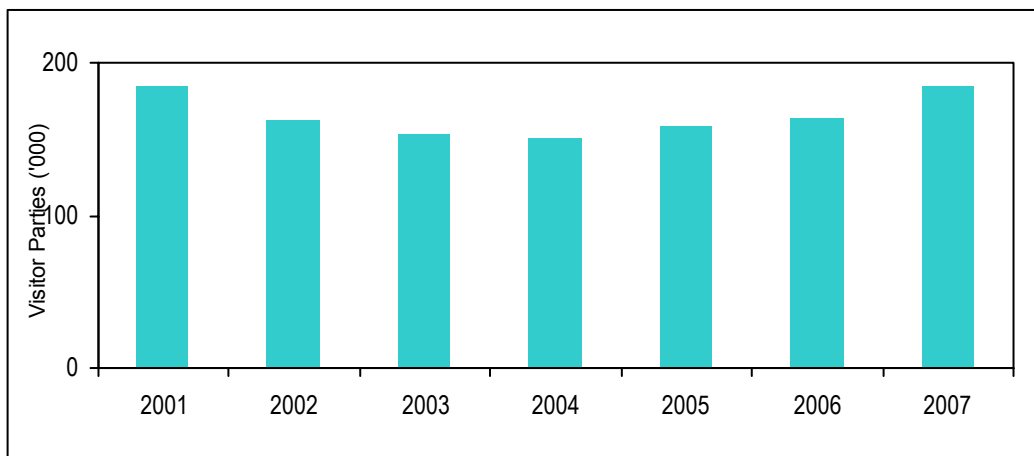
Figure 3-1: Cranbrook Visitor Centre Attendance, 2000-2007



Source: Tourism British Columbia January 2008

Visitation trends among all Visitor Centres (VC) in the Kootenay Rockies follow a different path, showing strong growth since 2004 and establishing peak attendance of 184,000 in 2007 (see Figure 3-2). This is equivalent to 11.0% of all VC visits province-wide.

Figure 3-2: Kootenay Rockies Visitor Centre Use 2000-2007



Source: Tourism British Columbia January 2008

Annual room revenues in the East Kootenays have climbed about 12% in the past five years, while revenues in Cranbrook grew 9.6% (see Table 3-2). Both are well below the provincial growth rate of 21.0%. In both Cranbrook and the remainder of the East Kootenays, the increased revenues are attributable to an increase in the room inventory (about 7%) and a modest increase in annual revenues per room (revpar).

Table 3-2: Room Revenues, 2002–2006 (\$ '000)

	2002	2003	2004	2005	2006		
	Revenue	Revenue	Revenue	Revenue	Revenue	Properties	Rooms
East Kootenay	49,155	49,416	52,357	52,164	55,161	142	5,026
Hotels	16,181	15,888	16,165	17,439	18,623	31	1,695
Motels	11,679	10,561	11,297	11,670	10,680	54	1,178
Vacation Rentals	9,462	9,734	11,382	10,668	12,930	21	1,050
Cranbrook – City	8,376	7,931	8,034	8,508	9,181	21	1,032
Motels	3,678	3,622	3,800	4,052	4,333	12	382

Source: Ministry of Labour and Citizens' Services, May 2007

3.1.3 Attractions, Products and Services

Cranbrook has numerous natural features, as well as core attractions that serve as the basis for the local tourism industry, including the following:

- The surrounding mountain ranges, parks, and waterways support a diversity of summer and winter outdoor activities, with skiing and golf being two of the highest value tourism niches. The trail network is also extensive and capable of supporting multi-day and multi-mode excursions.
- A strong roster of heritage facilities and festivals appeal to domestic and international travellers.
- Sport tourism is anchored by the Cranbrook RecPlex and an inventory of indoor and outdoor recreation facilities.
- There are 34 accommodation properties with over 1,000 bed units.
- There are close to 800 camp and RV sites in neighbouring parks and private facilities.
- There are approximately 80 food and beverage establishments.
- Competitive air and ground and transportation services (rail is for freight only) also exist.

3.1.4 Development Issues

The strengths and advantages of Cranbrook are clearly associated with its natural features, the history and heritage of the region (both colonial and pre-colonial), its proximity to key Alberta and Washington travel markets, and infrastructure services such as the airport, which is expanding its service connections. According to Tourism BC research studies, the average traveller sees Cranbrook as providing good value for money. Areas where Cranbrook could make improvements include signage, highway gateway presence, hospitality amenities, and more activities and attractions for children and younger age groups. The greatest threats to tourism development are primarily external, those being the cost of gas and continuing concerns with declining US visitation. But community planning meetings over the last few years have cited vandalism and an overall lack of community support for tourism as being of equal concern.

The opportunities for more investment in attractions, services, and products are varied and, despite the economic uncertainty, are proceeding on many fronts, including golf and resort projects, airport expansion and inter-community trail development (Cranbrook to Kimberley), and the expansion of the Canadian Museum of Rail Travel and Fort Steele. These should increase the flow of amenity migrants and diversify the hospitality base, as well as increase niche tourism (i.e., golf and outdoor adventures). Further public-sector investments in community beautification, signage, and public services would complement the ongoing efforts of tourism operators to expand the tourism sector in Cranbrook.

Some of the major trends that have influenced the tourism industry recently and will continue to influence it in the future are highlighted below. While tourism in BC is growing long term, key indicators, such as the number of visitors, are fluctuating on an annual basis. Despite the growth of overseas visitation, Canadian and American travellers will continue to represent the largest volume in the foreseeable future. US market development will be slowed by currency fluctuations, gas prices, security concerns, and overall economic uncertainty. Baby boomers continue to be the largest demographic segment; with the baby bust/Generation X, the second largest segment, is experiencing the highest growth rates for tourism. Having an Internet presence is important as the majority of American and Canadian travellers use the Internet for vacation planning with half booking online. The growth of niche tourism will influence travel patterns as visitors seek out new learning, outdoor, and cultural experiences. The following highlights the trends in tourism:

- Overnight customs entries into BC were on an uptrend during the 1990s, but have fluctuated in the last eight years in response to 9/11, 2001, SARS, forest fires, security concerns over the war in Iraq, and changes to passport requirements.
- There is an ongoing decline in overnight trips from the US, led by those travelling by automobile.
- The strengthening Canadian dollar and gas prices have hurt Canadian price competitiveness. This is being offset somewhat by growth in overseas markets including Japan, Germany, the UK, China, Mexico, and South Korea.
- There is continued strong demand from the domestic market (i.e., BC residents represent the majority of visitors).
- Baby boomers in the 55+ age group represent the single biggest demographic—they are fuelling demand for “soft” adventures. Generation X (1965–80) is a small cohort and is characterized by a high spend per trip, while Generation Y (1977–94) is a larger segment and is fuelling growth in the adventure travel industry in particular.
- The role of the Internet continues to expand as a critical element of the “buying” process and the potential for converting “lookers” to “bookers.” By 2011, close to 40% of all travel will be booked online.
- Environmental consciousness continues to affect visitor expectations and experiences, although the willingness to pay for responsible environmental stewardship remains questionable.
- In Canada, about one-third of all travellers stay in commercial accommodations, while the remainder stay in private accommodations. The trend toward increased property ownership at destination resorts will likely maintain the share represented by private accommodation.
- Niche tourism continues its expansion, with Aboriginal, Culture/Heritage, Golf, Meetings/Conventions, Nature-based Tourism, Sport Tourism, Winter Tourism, Wellness and Culinary Tourism leading the way.

3.2 FORESTRY

3.2.1 Overview

Forest activity in Cranbrook, including logging, forestry services, and manufacturing, is linked primarily to the timber extracted from the Crown land base in the Cranbrook Timber Supply Area (TSA). This TSA covers approximately 1.24 million hectares and includes the cities of Cranbrook, Kimberley, and communities in the Elk Valley. Employment in the forest industry was 930 in 2006, 29% of which was in logging, while the other 71% was in wood products manufacture. See Table 3-3.

Tembec Industries Inc. is the TSA's main forest industry company, with rights to approximately two-thirds of the TSA's Annual Allowable Cut (AAC), and about 70% of the TSA's timber processing capacity. Other major licensees include BC Timber Sales, Galloway Lumber, and the Ktunaxa/Kinbasket Development Corp. The wood consumption of local manufacturing facilities roughly equals the TSA harvest, meaning the majority of fibre is being processed locally. However, there is an active flow of logs between Cranbrook and neighbouring TSAs. Private lands and woodlot licences also contribute to the local fibre mix.

Table 3-3: Forestry

Labour Force (2006)		Number	
Total Labour Force		12,915	
Forestry and logging		270	
Support services for forestry		120	
Wood product manufacturing		385	
Paper manufacturing		155	
Total forestry		930	
Percent of Total Community Income (2006)		12%	
Crown Timber Supply (Cranbrook TSA)			
Annual Allowable Cut	Major Licensees		
<ul style="list-style-type: none"> ▪ 904,000 m³ 	<ul style="list-style-type: none"> ▪ Tembec Industries Inc. ▪ Ktunaxa/Kinbasket Dev. Corp. 	<ul style="list-style-type: none"> ▪ Galloway Lumber Co. Ltd. ▪ BC Timber Sales 	
Major Processors			
Facility	Location	Product	Capacity
Tembec Industries Inc.	Elko	Lumber (dimension)	168 million bd ft
Galloway Lumber Co. Ltd.	Galloway	Lumber (dimension)	60 million bd ft
J.R. Blackmore & Sons Ltd.	Lumberton	Posts, rails & stakes	.875 million pieces
Bear Lumber Ltd.	Cranbrook	Lumber (timbers)	5 million bd ft
McDonald Ranch and Lumber Ltd.	Grasmere	Lumber (timbers)	3.4 million bd ft
Selkirk Forest Products Ltd.	Galloway	Poles	24 000 pieces
Canalog Wood Industries Ltd.	Cranbrook	Log homes	NA

In addition to being its major licensee, Tembec is the main forest industry employer in the TSA. The company has a dimension lumber mill at Elko, a planer mill and value-added centre at Cranbrook, and employs more than 500 workers at the pulp mill at Skookumkuck.

Locally-owned Galloway Lumber operates a small dimension lumber mill 50 kilometres east of Cranbrook. J.R. Blackmore and Sons (poles and posts), Bear Lumber (small head rig sawmill), Macdonald Ranch and Lumber (band sawmill), and Ktunaxa First Nation (two small portable mills) round out the processing sector.

3.2.2 Development Issues

The future development of the forest industry in Cranbrook is heavily influenced by conditions and events outside the region, particularly as they affect the competitiveness and sustainability of BC's lumber and pulp/paper sectors. BC forest companies are producing commodity products in price-sensitive markets, competing against larger international forest companies that generally bear lower delivered log, processing, and business costs. Also, the dramatic decline in the US demand for construction materials in 2007 and 2008 has impacted BC and Canadian producers. The result for Canadian and BC companies is poor profitability and a corresponding inability to reinvest in new production capacity.

In the region itself, growth is limited from the perspective of primary production because the Crown timber AAC is fully allocated to existing licensees and is expected to decline over the long term. The mountain pine beetle is also expected to adversely affect the long-term timber supply. General industry conditions are not conducive to new investments in primary production while the availability of locally produced wood for value-added processing has traditionally been limited. Indeed, the track record of value-added wood manufacturing growth in the province is relatively poor over the past decade.

The following points highlight the trends in the forestry industry

- The emergence of low-cost, southern hemisphere and Asian solid wood and pulp producers has put increasing pressure on BC forest companies over the last decade.
- Exports of solid wood and pulp products from BC continue to languish amid deteriorating economic conditions and intense competition from other jurisdictions. The long-term prospects for newsprint are gloomy; shipments today are only 40% of their peak levels reached in 1993. Meanwhile, lumber and panel shipments have suffered due to setbacks in the US housing market and continued economic uncertainty.
- Although the softwood lumber dispute with the US has been resolved temporarily, punitive border measures continue to restrain export volumes and diminish any upside potential of a recovering US housing market.
- Forest policy has changed considerably in the last seven years as restrictive conditions on harvesting and processing activity have been relaxed in an attempt to restore industry competitiveness. Policies such as cut control and appurtenancy no longer guarantee a steady stream of production and related employment in local communities.
- The long-term sustainable yield in the Cranbrook TSA is lower than the current AAC by about 10%. This implies that future timber flows may decline.
- The mountain pine beetle epidemic, although concentrated in the province's interior region, has penetrated the East Kootenays and will affect future timber supply and development potential.
- The overall profitability of the BC forest sector is poor with Return on Capital Employed ratios amongst the lowest in the world in recent years. Not only does this performance hamper company profitability, it has in recent years constrained new investment in plants and facilities needed to keep the industry competitive.
- Industry consolidation has considerably reduced the number of forest companies in the province and concentrated harvest commitments and processing capacity into far fewer corporate hands.

- The ratio of jobs per cubic metre of timber harvested in BC and the local area has been declining steadily over the last 25 years as a result of improved mechanization and increased consolidation of facilities and operations.
- BC lags behind the rest of the country in its investments in value-added activity. BC's share of total Canadian value-added wood exports has fallen from 33% in 1990 to below 14% in 2006.

An eventual rebound of the US housing sector and encouraging signs of new opportunities in other markets could help return the industry to profitability in the years ahead. Other emerging opportunities in bioenergy (e.g., cogen, wood pellets, gasification, liquid fuels) and biorefining and potential advantages accruing because of a carbon-restricted environment may have positive implications for the region. However, commercialization of these technologies is still in its infancy, as are policies and mechanisms for the trading of carbon credits.

3.3 AGRICULTURE

3.3.1 Overview

Agriculture is not a major contributor to Cranbrook's economic base, but it does represent an important land use in the region. As seen in Table 3-4, the 2006 experienced labour force was 120, primarily on local area farms. Food manufacturing is a very small sector with a focus on bakeries and small-scale food processors. Of the 132 farms, 40% are cattle/calf operations, while another one-third is raising other livestock. A dozen farms are involved in greenhouse operations while the remaining handful grows other crops, vegetables, and fruit. Farms in the Cranbrook area have a larger average area size than those in either the RDEK or BC, and a comparable market value of about one-quarter of a million dollars. The average annual receipts flowing to local farms are only about one third the provincial average.

Table 3-4: Agriculture

Labour Force	Number	% of Total	
Total Labour Force	12,915		
Farms	120		
Support activities for farms	15		
Food manufacturing	50		
Total agriculture	185		
Percent of Total Community Income (2001)	1%		
Agriculture Census (2006)			
Indicator	Cranbrook	RDEK	BC
Number of farms	132	395	19,844
Average age of operator	53.5	55.0	53.6
Average farm area (ha)	272	247	143
Average farm receipts	\$39,660	\$39,420	\$133,640
Average market value	\$1,240,092	\$1,325,360	\$1,255,024
Top four farm classes	Cattle	Cattle	Cattle
	Other animal	Other animal	Other animal
	Greenhouse	Other crops	Fruit and nut
	Other crop	Greenhouse	Other crop
Major hay and field crops (by area planted)	Alfalfa, other tame hay, barley	Alfalfa, other tame hay, barley	Alfalfa, other tame hay, oats, canola
Major vegetables (by area planted)	n/a	Corn	Corn, peas, beans
Major fruit (by area planted)	n/a	Cherries, strawberries, apples	Apples, grapes, blueberries

Note: n/a, not available due to data suppression.

3.3.2 Development Issues

Cranbrook has never had a substantial agriculture sector and it is unlikely this will change in the future. An overall lack of arable land and critical mass of primary and processing production will limit future industry development. However, emerging issues concerning food safety and preference for locally grown produce and products will create opportunities for more local farm production. Other communities in the province are further ahead than Cranbrook on programs such as farmers' markets, farm-gate sales, and agri-tourism. The following highlights the trends in agriculture:

- The number of farms and farmers continue to decline across the country, even though the total area farmed has remained constant. This means that many more farmers are exiting the industry than coming in.
- A little more than half of all farms in country make enough gross income to cover their costs of production. The costs of inputs are rising much faster than prices. Almost half of all farmers must therefore find off-farm employment to maintain production.
- Rapidly escalating land prices are slowly eroding the agricultural land base in the province, particularly in areas such as the Lower Mainland and the Okanagan where residential development growth pressures are intense.
- The competitive price challenges in the industry are intense. For example, in the organic sector, the rapid penetration of the market by large, multi-national companies in the US and Mexico has resulted in significant competitive pressures.
- BC's food processing sector is relatively small in overall size and in the size of its individual processing plants, and is characterized by few economies of scale.
- BC crop production is highly seasonal and is a significant factor limiting competitiveness in the global market. Issues include obtaining a return on capital and increasing market reach during low seasons.
- Fuel costs have increased significantly in the last five years. This situation has increased the cost of imported inputs for local producers but is also an opportunity for small-scale processors to displace imports in local markets.
- The rapid appreciation of the Canadian dollar in relation to the US dollar in the last five years has reduced the competitiveness of Canadian products in both domestic and export marketplaces.
- North Americans are becoming more concerned about the quality of the food they are consuming. In light of recent food safety issues associated with imports locally produced and processed, products tend to be viewed with greater confidence than imports.
- The demand for healthier foods in combination with an ageing population is shifting consumer tastes towards higher fibre, fruit, vegetable, and cereal products and lower fat dairy, meat, and other products. Changing ethnic, household, and labour force composition has led to greater demand for new and different food commodities, including more prepared, higher value-added food commodities, and snack foods. Further product innovation has spawned "healthier" versions of existing commodities.
- Recently, the "food miles" concept has been superimposed onto the organic trend to add a sustainability component to organic food supply. Proponents of this concept note that much of the demand for improved food quality is contradicted by the impacts caused by the distant supply networks on the environment. As such, there is opportunity for locally produced organic processed foods to displace imported items in local markets.

3.4 MINING

3.4.1 Overview

Mining has a long and varied history in the East Kootenays from the earliest days of settlement to the present time. According to the Ministry of Finance, close to 6% of total community income in the Cranbrook–Kimberley area derives from mining (see Table 3-5), while in the adjoining Elk Valley it's over 40%. With the closure of Teck Cominco's Sullivan Mine in late 2001, after almost 100 years of operation, these dependency levels have declined over the last decade, but labour force information from the 2006 Census indicates that employment in this important sector remains buoyant. Approximately 310 are employed in this industry, despite the absence of any operating coal or metal mines in the local area. It is believed many of these positions are related to direct and indirect (for example, heavy equipment suppliers) employment from the Elk Valley coal industry.

Table 3-5: Mining & Minerals

Activity Measures (2006)	Number	% of Total	
Total Labour Force	12,915		
Mining and oil and gas extraction	170	8%	
Support activities for mining	125		
Mining unspecified	15		
Total mining	310		
Percent of Total Community Income (2006)	6%		
Operating Mines and Exploration Projects (RDEK)			
<ul style="list-style-type: none"> ▪ Coal Mines <ul style="list-style-type: none"> - Fording River - Greenhills - Line Creek - Elkview - Coal Mountain ▪ Coal Exploration <ul style="list-style-type: none"> - Castle Mt./Bare - Mt. Michael/Saddle - Wheeler Ridge ▪ Coal Mine Pr'psed <ul style="list-style-type: none"> - Lodgepole ▪ Industrial Minerals <ul style="list-style-type: none"> - Mount Brussilof - Elkhorn - 4J - Ginty - Swansea Ridge ▪ Other Exploration <ul style="list-style-type: none"> - Moyie Lake - Findlay - Coyote Creek 			
Exploration Expenditures (Kootenay Development Region, 2007)			
<ul style="list-style-type: none"> ▪ Total expenditures 	<ul style="list-style-type: none"> ▪ Percent of BC 	<ul style="list-style-type: none"> ▪ Total Projects 	<ul style="list-style-type: none"> ▪ Percent of BC
\$43 million	10.3%	78	15.5%

Elk Valley Coal Corporation operates five large open-pit coal mines in the Elk valley area. Projected total 2007 coal production at the company's Coal Mountain, Elkview, Line Creek, Greenhills, and Fording River operations is approximately 21.6 million tonnes of predominantly metallurgical coal, up slightly from 2006. The company undertook major drilling programs on Wheeler Ridge (Coal Mountain Operations), Mt. Michael and Saddle (Line Creek Operations), and Castle Mountain and Bare Mountain (Fording River Operations), all aimed at establishing reserves outside of the active pits.

Cline Mining Corp. entered the Environmental Assessment Process in 2006 with its Lodgepole open-pit coal project, located 30 km southeast of Fernie. Public meetings were held on the project's terms of reference in early 2007, but no further exploration or development work was carried out. Also in the East Kootenays, the St. Eugene Mining Corporation drilled its Moyie property 25 km south of Cranbrook. Industrial mineral production is also active in the East Kootenays. Baymag Inc. produces high-quality magnesite from its open-pit mine near Mount Brussilof, northeast of Radium. CertainTeed Gypsum Canada operates the Elkhorn mine east of Windermere, and Georgia-Pacific Canada Inc. operates the Four J mine southeast of Canal Flats. The Canadian Pacific Railway mines diorite (mineral wool) at Swansea Ridge.

3.4.2 Development Issues

Exploration and development activities are expected to continue at current high levels in the Kootenays in the foreseeable future. Past producing camps and mine sites will continue to attract attention, as new technology and ideas are applied to areas of known mineralization. New projects which have not yet met the definition criteria for “major project” status are expected to come on-stream in 2008.

Issues that the provincial industry continues to deal with include high operating costs; the regulatory burden, particularly with the federal Fisheries Act; navigating through land claims issues; high and escalating capital costs; relatively thin operating margins; and the need for quality, reasonably priced infrastructure (i.e., roads, rail, electricity, and communication technologies).

The Kootenay region also holds good potential for gas production. Exploration has focused on conventional oil and gas and coal-bed gas, with over 60 wells drilled. Many have encountered hydrocarbon, including the discovery of an estimated 600 billion cubic feet (Bcf) of carbon dioxide-rich natural gas. MEMPR studies have identified major trends and the petroleum resource potential of the area. The following highlights these trends in mining and minerals:

- Since 2003, increased demand for minerals and metals around the world, especially from China and other countries in the Pacific Rim, has dramatically increased demand for commodities and driven up prices.
- Coal exports for the province and from the Elk Valley in particular have surged in recent years in response to strong Asian demand.
- With the closure of the Sullivan Mine in 2001, the region does not have a major metal mine.
- With high coal and metal commodity prices in recent years, exploration expenditures and activity in BC have been posting consistent year-over-year increases since 2004.
- Known oil and gas reserves in the southeast coalfields are growing as many exploration projects, with a focus on coalbed methane, continue; there is expectation for future commercial production.
- As with many other industries, mining is struggling with attracting many professional, trade, and skilled labour positions.
- Although the BC industry is currently doing well in terms of production and exploration activity, it remains a high-cost producer when compared to most other jurisdictions in the world.
- Numerous projects in the province are being impacted by unresolved land claims and other First Nations issues.
- The mining industry considers access to infrastructure, particular roads and electricity, to be a major consideration in future development.
- Mergers and acquisition activity in the global mining industry is increasing as large mining companies seek to replace reserves and resources through acquisition. There is substantial consolidation in the mining industry worldwide, but also in BC.
- BC remains a world centre for mining with access to important pools of services, research, human resources, and investment capital.

3.5 MANUFACTURING

3.5.1 Overview

Close to 1,000 people are employed in manufacturing in the Cranbrook area, approximately seven percent of the total labour force. The bulk of this employment is in the forestry sector (separately profiled in this report), and in other key sectors including metal and mineral products manufacturing, cement and concrete product manufacturing, and fabricated metals and machine shops. Most of these jobs are accounted for by small shops performing contract work for the forest, mining, transportation, and mining industries. As seen in Table 3-6, major manufacturing employers are engaged in wood processing, fabrication services, printing/publishing, sign manufacturing, and textiles.

Table 3-6: Manufacturing

Activity Measures	Number
Total Labour Force	12,915
Food manufacturing	50
Wood and paper manufacturing	540
Fabricated metal products	80
Non-metallic mineral products	80
Other manufacturing	210
Total manufacturing	960
Key sectors	
<ul style="list-style-type: none"> ▪ Wood & paper ▪ Metals & Minerals 	<ul style="list-style-type: none"> ▪ Cement & concrete product manufacture ▪ Fabricated metal & machine shops
Major Employers	
<ul style="list-style-type: none"> ▪ Tembec Industries Inc. ▪ East Kootenay Newspapers Ltd. ▪ Kooacanusa Publications Inc. ▪ Kootenay Knitting Company Ltd. ▪ B.A. Concrete Cranbrook 	<ul style="list-style-type: none"> ▪ Fab-Rite Services Ltd. ▪ Kootenay News Advertiser ▪ Selkirk Signs and Services Ltd. ▪ Hydraulics Unlimited ▪ Rocky Mountain Printers Ltd.

Note: Manufacturing employment estimates have been previously listed for in the agriculture, forestry and minerals profiles and are aggregated here to provide a manufacturing total.

Manufacturing, along with logging, mining, and transportation, is a critical component of the local economic base, because it represents almost all the wealth generated by the private sector. This in turn drives non-basic retail and service activity through the spending of basic sector companies and their employees. This wealth is derived through the export of goods and some services and returned to the region in the form of wages, salaries, and benefits that are considerably higher than average.

3.5.2 Development Issues

Manufacturing activity is closely influenced by international, national, and industry-wide forces that are usually beyond the scope of a local area to influence. For example, the decision to process locally derived raw materials such as timber, minerals, and coal is in large part based on international commodity prices, trade factors, and provincial land and resource policy (among others). However, it is also true that communities can control, to some extent, the local inputs manufacturing companies need to carry on their operations and to influence the local business climate. To understand how this might be done, it is necessary to distinguish between two key classes of manufacturers. The first and most important class are generally (but not always) local subsidiaries of national and international companies. Most forest and mineral manufacturing activity in the East Kootenays is accounted for by these firms.

These operations consider a wide variety of factors in deciding where to establish their operations, and if existing operations are to continue or to be expanded. Obviously, access to raw material inputs is a major factor, but less so now than it was in the past. These large, integrated companies now spend significant resources 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. According to surveys conducted by *Area Development Magazine*, the most important factors influencing the placement, relocation, or expansion of manufacturing facilities are as follows:

- Highway accessibility
- Labour costs
- Availability of skilled labour
- Availability of high-speed Internet
- Occupancy and construction costs
- Proximity to major markets (location)
- Energy availability and costs
- Cost of land
- Availability of land

The second class of manufacturer is the locally owned and based business that is providing goods and services to the above-mentioned major manufacturer or primary producer (e.g., mining company). In such cases, the owner/operator is responding to a local demand, but may also be involved in other exporting activities. Although the community plays a more important role in the business decision making of these entrepreneurs (when compared to larger subsidiary companies), it is equally true that they will seek out many of the same inputs as any manufacturer would, and in the end will make their decision to invest or not invest locally on a similar mix of location factors.

Compared to many other jurisdictions, Cranbrook ranks competitively on highway access, labour availability, land costs, and, particularly, energy costs. Labour costs and construction costs, at least in the BC context, are not considered competitive advantages. Cranbrook's proximity to Calgary and Spokane could be seen as a location advantage, but access to major markets in Europe and Asia would be less so. The availability of industrial land is apparently constrained, but this could change in the future if better use is made of the existing inventory and if proposed industrial lands at the airport and on First Nations' reserves are developed in the future.

3.6 TRANSPORTATION & STORAGE

3.6.1 Overview

There is an important service-business base built around the transportation sector, which transports goods for the manufacturing, resources, construction, wholesale, and retail trade sectors, as well as transporting humans in support of tourism. There is an intricate connection to all other industries and the better the reliability, quality, and cost of that system for moving people and goods, the better it is for the entire economic base. The experienced labour force in the transportation and warehousing sector in 2006 was 815, which is 6.3% of the total labour force in the Cranbrook area. Like manufacturing, incomes in this sector are much higher than the average personal income. The major sub-sectors include rail transportation, with CP Rail the key operator, and truck transportation, which is comprised of several fleets, as well as independent operators. See Table 3-7 for more information on transportation and warehousing.

Table 3-7: Transportation & Warehousing Profile

Activity Measures	Number
Total Labour Force	12,915
Rail transportation	275
Air transportation	25
Truck transportation	305
Other transportation and warehousing	210
Total transportation and warehousing	815
Major Employers	
<ul style="list-style-type: none"> ▪ CP Rail ▪ Cranbrook airport 	<ul style="list-style-type: none"> ▪ Van-Kam Freightways ▪ Geyhound Bus Lines

There are four common carriers with local terminals serving Cranbrook, and one bonded warehouse. Altogether, over 45 trucking establishments serve the region, providing service for hauling and general freight, moving and storage, logging and mining transport, and other trucking services. Many provide overnight or daily service to major centres.

Railway development in the late 1890s was a major impetus for Cranbrook's growth. The city later became a Canadian Pacific Railway divisional point as shops, roundhouse, and accommodation were centred there. Today, the CPR is a transcontinental rail carrier operating a 25,000 km rail network across Canada and the USA. Cranbrook is one of 19 CPR locations across the country. It is also the main railyard where US-bound exports and imports, shipped through Kingsgate crossing, are serviced from. Rail transportation is a critical service to the Elk Valley coal mines and the East Kootenay forest industry, and has raised Cranbrook's role in warehousing and distribution.

Although not as obvious an employment generator, the Cranbrook/Canadian Rockies International Airport is emerging as a transportation growth engine for the region's burgeoning tourism industry. Located nine kilometres north of the city, it is classified as an airport of entry by NAV Canada and is staffed by Canadian Border Services Agency (i.e., Cranbrook has a Custom Port of Entry). The facility is owned by the City of Cranbrook and is operated by Vancouver Airport Services. The 2,400 metre long runway has a category 1 Instrument Landing System, and can accommodate Boeing 767 and Airbus A321 aircraft.

Runway and terminal expansions were recently finished at Cranbrook and the airport can now accommodate non-stop flights from anywhere in North America. Further expansions are expected to allow direct flights from Europe. Delta Air Lines has completed its first winter season of non-stop international service between Cranbrook and Salt Lake City, Utah.

Aircraft movement trends over the last nine years are shown in the Table 3-8. The total number of movements has declined appreciably since the late 1990s, but this change is attributable mostly to the small plane categories. In terms of passengers, Cranbrook is the 10th busiest airport in the province with close to 100,000 passengers in 2007, a 30% increase over 2005 passenger levels of 76,825.

Table 3-8: Cranbrook airport Aircraft Movements, 1998-2006

	2006	2005	2004	2003	2002	2001	2000	1999	1998
A/C Movements	11,608	14,396	13,157	11,664	11,618	14,532	19,755	21,333	21,002
BC Rank	43	39	40	43	43	38	24	29	28

3.6.2 Development Issues

a) Road and Highways

Highway infrastructure remains the number one issue for the province's trucking industry. Working with the Ministry of Transportation to coordinate access between Highways 3 and 95 and industrial sites to ensure efficient linkages to arterial routes is a priority.

b) Rail

Rail is the primary mode of transportation for the region's large coal and forest companies, although most small manufacturers, service companies, and retailers will never use rail services. However, increasing highway congestion and truck shipping costs are forcing many sectors to investigate new ways to send finished products and receive input commodities via rail. The lack of reload, transload, and off-load and container facilities in Cranbrook limits these possibilities, but may be a future opportunity if the conditions favour it. The gradual loss of forest processing capacity over the last two decades and expected future declines due to the mountain pine beetle epidemic may create an unstable operating environment for rail services. However, traffic from other regions may yet replace any local lumber and pulp volume declines.

c) Air Issues

Once Delta commences its Salt Lake City to Cranbrook run, which is scheduled for the upcoming winter season, a priority initiative will be to ensure adequate passenger loads and the continuation of service beyond 2009. To this end, the Fly YXC Alliance is working in cooperation with Kootenay Rockies Tourism (KRT) and regional marketing representatives to deliver air marketing programs. A pending Marketing Plan has been prepared to generate leisure and business air travel demand and visitor stays to the Kootenay Rockies via Cranbrook, while at the same time soliciting other air carriers to increase current air services.

Over the long term, improved air services capacity could be an impetus to other forms of economic development; for example, professional, telecommuting, and technology services where convenient access to international transport hubs are important. If these services can be combined with a reasonable cost-of-living and high quality-of-life profile, then the ability to attract new forms of business development becomes more realistic. The following highlights the trends in transportation and storage:

- The BC Competition Council has stated that traffic congestion and inefficiencies are costing the provincial economy more than \$1.5 billion annually.
- The province has set a goal of quadrupling container shipments through West coast ports by 2020. Yet BC port and transportation infrastructure is struggling to be competitive.
- Port congestion in Vancouver is prompting the investigation of inland port development elsewhere in the province.
- Protecting industrial lands and transportation corridors will be increasingly important as residential and other land developments eat away at industrial precincts.
- Federal government regulations and policies concerning international air agreements are preventing airports from increasing their share of the important Asia-Pacific air travel market.
- Many local airports are struggling to maintain air services since being devolved from Transport Canada.

- In terms of warehousing and logistics, emerging services are expected to grow at a considerably higher rate in the near future, among them service parts logistics, reverse logistics, packaging, freight bill payment, IT services, consolidated procurement, 4PL, manufacturing support, business intelligence, supply chain planning, after-sales, and complete customer services.
- The advent of an online market place and e-business is putting added pressures on margins. Technology innovations in security and radio frequency, such as radio frequency identification, are accelerating the supply chains.

3.7 RETAIL, COMMERCIAL AND PUBLIC SERVICES

3.7.1 Overview

Cranbrook is the retail and service hub of the East Kootenays including Creston, with a trade area population of roughly 67,000 and close to 1,500 business establishments. Cranbrook also serves as the leading distribution and service centre for the regional mining and forest industries. As shown in Table 3-9, in 2006 close to 58% of the Cranbrook workforce was employed in the retail and service sectors (excluding the public sector and accommodation). This percentage is gradually increasing as the economy loses goods-producing jobs in the forestry and mining sectors.

Except for public services such as education, health, and government offices, the trade and service industries are supported primarily by the spending of the primary (e.g., logging, mining), manufacturing, transportation, and tourism industries, and their employees. Public services are supported by transfer payments from senior governments, as well as local property taxes.

Table 3-9: Trade, Commercial & Public Services Profile—2006

Labour force	Number
Total Labour Force	12,915
Retail and wholesale trade	2,360
Information and culture	210
Finance and insurance	410
Real estate rental and leasing	150
Professional, scientific and technical services	510
Administrative and support, waste management and remediation	405
Education	790
Health	1,415
Arts, entertainment and recreation	345
Government	615
Other	315
Total retail and commercial labour force	7,525
Activity Indicators	Number
Number of retail and commercial establishments (2008) ^e	1,500
Trade Area Population Estimate (2008)	67,000
Number of major shopping malls	4
Number of schools	1
Hospitals (East Kootenay Regional)	1
Major Employers	
▪ Interior Health	▪ College of the Rockies
▪ School District #5	▪ BC Government
▪ Golden Life Management	▪ Real Canadian Superstore
▪ Wal-Mart	▪ City of Cranbrook
▪ Canada Safeway	▪ Zellers

* estimated

Major employers include Interior Health, the provider of all public health services, including hospitals and medical services to the region; the school district, which is responsible for 22 local area K-12 schools; BC government regional offices; the City of Cranbrook; and several national retail chains.

3.7.2 Development Issues

Development trends in the retail, service, and public sectors are highly correlated with population growth because they depend on local demand and spending. Historically, Cranbrook and the East Kootenays have lagged behind provincial population growth by a considerable margin as new migrants flooded into the southwest BC and the Okanagan. BC Stats has projected this gap to close in the future but the region is still expected to slightly lag behind overall provincial population growth.

The most critical influences driving future population will be firstly, the performance of the forestry, coal, tourism, and transportation sectors, and secondly, by how well Cranbrook is able to improve its business climate and attract development that has historically bypassed the community.

It is difficult to project the future performance of primary industries due to their cyclical nature, but the medium-term prognosis for mineral and coal prices remains positive, while an emerging energy sector may soon reach commercial viability because of the region's gas resources. Future tourism activity is highly uncertain, but ongoing resort developments and improved transportation services should cement Cranbrook's growing role as a regional staging area for domestic and international visitors.

New sources of growth from amenity migration, retirement living, telecommuting businesses, and footloose service industries could help diversify growth patterns and prepare the community to offset possible drop-offs in future primary activity such as forestry. This would not happen automatically, but be contingent upon some of that same infrastructure and services that other industries are looking for, specifically:

- High quality of life, with reasonably good access to health, education, recreation and community services.
- A reasonable cost of living, including real estate and quality housing suitable for all age groups.
- A positive business climate that is welcoming to entrepreneurs, investors, and new business ideas, capable of delivering reasonable business costs and cognizant of the need to ensure a consistent and service-oriented development approval environment.
- Flexible and innovative development policies and practices that encourage a vibrant downtown and a potential cultural precinct.
- Attractive highway gateway entrances to the community.
- Quality, reliable, and competitive communications services.
- Suitable development lands.

The following highlights the trends in the trade, commercial, and public services sectors:

- The aging population and increasing ethnic and racial diversity are changing buying power and roles. Many shopping centres and malls will be challenged to attract younger markets brought up on specialty stores. Small communities will continue to lose services to emerging regional centres.
- The aging population is also giving impetus to the amenity migration phenomena, where people move, either permanently or part-time, to places principally because of their actual or perceived higher environmental quality and cultural differentiation. Communities that are able to appeal

and attract the “retirement” or semi-retirement cohorts will have an added element of diversification to their economic bases.

- Downtown revitalization efforts are attracting new investments and development into town centres that over the last 30 years have lost much of their tenancy to suburban and highway-oriented malls.
- Malls and shopping centres themselves have changed considerably over the last decade and more changes are expected in the future in response to demographic change (as noted above) and the shrinking retail cycle.
- Retail space is expected to grow more slowly than in the past and in more localized developments close to new residential/population growth. There will be a corresponding decline in super regional retail development. Some of this new space will be in redevelopments.
- As many as 60 percent of all new businesses are believed to be started at home. The percentage is even higher for women-owned business start-ups. The advance of telecommunications technology has made it much easier for many businesses, particularly in the professional fields, to operate out of their homes.
- Mixed-use projects in central urban areas are including more market rate and social housing to meet demand for housing closer to the workplace.
- Government policy, administrative, and budget changes have centralized many health services since 2001, and while this has created access issues for very small communities, it has also benefited regional centres with a critical mass of services and population.
- The declining birth rate and school age cohorts are expected to lead to school closures in the years ahead. This could destabilize some communities or neighbourhoods.

3.8 SUMMARY

The focus groups generated considerable discussion concerning the issues affecting key economic sectors and opportunities for future development. Priority opportunities are summarized in Table 3-10.

Table 3-10: Focus Groups’ Opportunities Summary

Tourism	Forestry	Agriculture	Mining	Manufacturing
<ul style="list-style-type: none"> • Prioritize existing plans • Coordinate by-laws • Website update • Higher council profile • Lead key events • Establish DMO • Coordinate marketing • Beautification 	<ul style="list-style-type: none"> • Coordinate land use • Fire-proofing • Co-generation • Pellets and other value-added • Changes to tenure system • Trail development • Business resource centre 	<ul style="list-style-type: none"> • Ag awareness • Abattoir • Community ag plan • Farmers’ market • Food charter • Encouraging local production 	<ul style="list-style-type: none"> • Improve incentives • Find home for core library • Regional mining vision • Aggregate extraction plan • Regional training centre • Industry forum to build support • City mining liaison 	<ul style="list-style-type: none"> • Local business statistics • Business directory • Business attraction package • Website alpha listing • Labour development • Supportive by-laws/policies • Infrastructure plan

4. KEY ECONOMIC ASSETS

Introduction

As a key component in setting the foundation for building the strategy, the Key Economic Assets were identified through a combination of site visits in the community, visits to other communities in the region, a review of the key sectors' research, and informal conversations with a variety of Cranbrook residents. Often economic strategies are best built on assets rather than gaps or weaknesses particularly when they are growing or strengthening sectors. The results presented below, in 12 key areas, provide a solid foundation for strategy development when combined with the regional demographics and sector profile information.

- **Retail and service hub of the East Kootenays**
 - Immediate regional population of 68,000+.
 - 1500 local businesses.
 - 30,000 vacation residents in Invermere/Radium/Windermere/Kimberley/Fernie all using Cranbrook as a service center. The trends recognize that many of these part-time residents plan to be full time residents. This will create a sharp increase in spending revenues in Cranbrook.
 - Cranbrook also serves as the leading distribution and service centre for the regional mining, forestry and agriculture industries.
 - Big box stores for a population of 68,000+ plus the vacation residents with many chains already deciding to locate in Cranbrook.
 - Neighbouring regional population of 1.7 million with 1.2 million in near-by Alberta-Calgary area and 329,000 in neighbouring US counties.
 - Central hub for East Kootenay communication delivery:
 - Cable, wireless, phone, etc.
- **Regional healthcare services hub**
 - These services will also expand as the region grows.
- **Regional government services hub**
- **College of the Rockies**—main campus and education hub for the East Kootenay
- **Regional transportation hub – shipping, repack and distribution centre**
 - Major sub-sectors include rail transportation, with CP Rail the key operator with its direct access to the US, and truck transportation, which comprises several fleets as well as independent operators.
 - There are four common carriers with local terminals serving Cranbrook, and one bonded warehouse. Altogether, over 45 trucking establishments serve the region providing service for hauling and general freight, moving and storage, logging and mining transport, and other trucking services. Many provide overnight or daily service to major centres.
 - Cranbrook is central to an expanded bus transit service for the East Kootenay.
- **Cranbrook/Canadian Rockies International Airport**
 - Emerging as a transportation growth engine for the region's burgeoning tourism industry. Cranbrook is the 10th busiest airport in the province with close to 106,000 passengers in 2007, a 38% increase over 2005 passenger levels of 76,825.
 - Cranbrook air links to Salt Lake City, Utah via Delta Airlines.
 - Regular schedule daily flights to and from Vancouver and Calgary.
 - Provincial air tanker sub-centre for the region.

- In 2008, Canadian Border Services Agency moves into new offices and begins full-time custom services at the airport.
- Runway extended to 8,000 feet in 2006 and facility upgrades.
- Airport has runway accessible industrial land for aerospace development.
- **Manufacturing Hub**
 - A range of manufacturing companies supporting a stable and established skilled manufacturing labour force.
 - Wood manufacturing including:
 - sawmills,
 - wood window and door manufacturing, and
 - miscellaneous wood products.
 - Food manufacturing regionally including:
 - brewery, and
 - retail bakeries.
 - Metal fabricating including:
 - plate work and fabricating structural product manufacturing,
 - machine shops,
 - construction machinery manufacturing,
 - sawmill and wood machinery manufacturing, and
 - other.
- **Diverse tourism facilities and market base**
 - 62% being non-residents, primarily from close in regions (e.g., Alberta, Washington), but also an important contingent of long haul and overseas visitors. According to the previous tourism BC visitor studies, the primary trip purpose of travelers was visiting friends and relatives, followed by outdoor activities.
 - Two tourism peak seasons—summer (the higher peak) and winter.
 - Sports and tournament facilities—anchored by the Cranbrook RecPlex and an inventory of indoor and outdoor recreation facilities.
 - Key service hub for resorts and tourism facilities. (ski, hotspings, golf).
 - Central to a series of historical and museum attractions and historical services:
 - Fort Steele, Railway Museum, Key City Theatre, etc
 - 34 accommodation properties—over 1,000 bed units and meeting facilities
 - Close to 800 camp and RV sites in neighbouring parks and private facilities.
 - Approximately 80 food and beverage establishments.
 - Excellent golf courses in the region—at least 16 are considered world class
 - **Wildstone** – Gary Player Black Knight Title Course Status & Community (2500 homes at build-out)
 - Only two in existence, the other is Gary Players’ own course in South Africa.
 - Includes retail, food, and wellness center.
 - **Shadow Mountain**—golf course and community (500+ homes at build-out)
- **Livability, Landscape and Community**
 - Rockies, forest, wildlife provide natural background to attract visitors and new residents.
 - Commercial and residential with room to grow more building lots.
 - Crime rates in the East Kootenay are among the lowest in the province.
 - Low unemployment rate from 2003-2008.

- High quality of life, with good access to health, education, recreation and community services.
- A reasonable cost of living, including real estate and housing suitable for all ages:
 - Inexpensive Housing—real estate in the East Kootenay amongst the lowest in the province.
- Most diversified economy in the Kootenays.
- Positioned to grow from amenity migration, retirement living, tele-commute businesses and footloose service industries.
- Positioned to attract manufacturing:
 - Ranks competitively on highway access, labour availability, land costs and energy costs and access to the marketplace (Calgary, Spokane, etc).
 - Skilled workforce attracted by the many industrial and construction jobs.
 - Abundance of hydroelectric power, natural gas, water and land.
- **High Proximity Value to Economically Strong Regions**
 - Calgary, Lethbridge, Banff/Canmore, US Border counties, Spokane
- **Land and water for future Development**
 - Industrial Property—City, Airport and surrounding communities
 - Availability presently and in the future—Note: Attractive space in the US is now \$5 per square foot (expected to fall) and approximately \$1.5 in Cranbrook
 - Fill-in areas for development.
 - Ample municipal water
 - Climate change is expected to add to the agriculture potential with increased degree days and moderation of the local climate

5. COMMUNITY VIEWS ON LOCAL ECONOMIC DEVELOPMENT ACTIVITIES

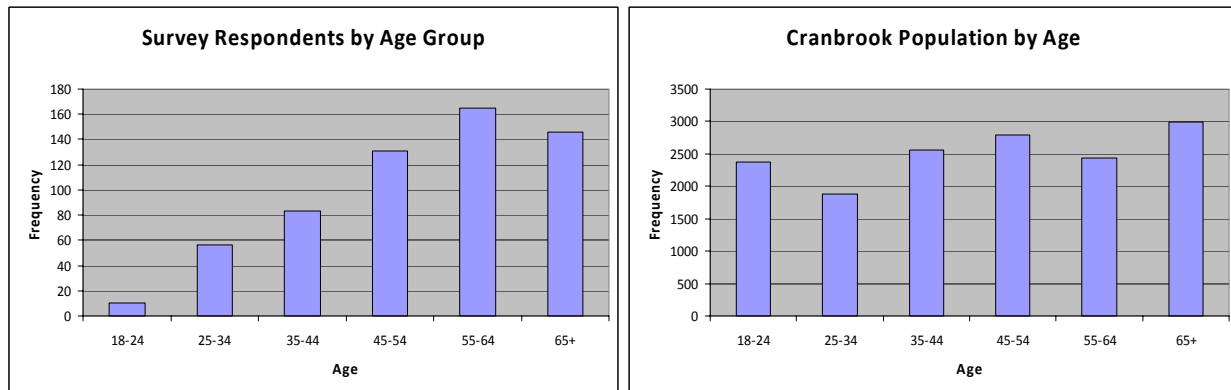
5.1 INTRODUCTION

The Economic Development Survey was designed to gain feedback from residents, businesses, and community groups about the direction the City of Cranbrook and its consultants should take on this strategy. The total number of respondents to the survey was 597. The method selected for conducting this survey provided each household in the City and surrounding region with a questionnaire to be filled in. There was also an opportunity to complete an identical online version of the survey. These methods provided each household with an introduction to the economic development planning process and the survey, as well as equal opportunity to provide their opinion/input. As the method was not based on a significant random sample, the results cannot be used confidently to represent the full view of residents. Instead, the results provide a good indication of residents’ (who completed the survey) views to be included with other input collected using other methods during this planning process.

5.2 DEMOGRAPHICS

The gender breakdown for the 597 people who responded to the survey indicates more men than women answered the questions. Almost 55% (54.9%) of the respondents were men, while 42.4% of the respondents were women. The remainder did not indicate their gender. Also, it appears that the older residents were more likely to fill out the questionnaire. The largest age group of respondents was the 55-to-64 age category (27.6%), followed closely by those people 65 and older (24.5%), and then those in the 45-to-54 age category (21.9%). The smallest age group of respondents were those in the 18-to-24 category (1.7%), followed by the 25-to-34 year olds (9.4%) and the 35-to-44 year olds (13.9%). See Figure 5-1.

Figure 5-1: Age of Respondents versus Cranbrook 2006 Census Demographics

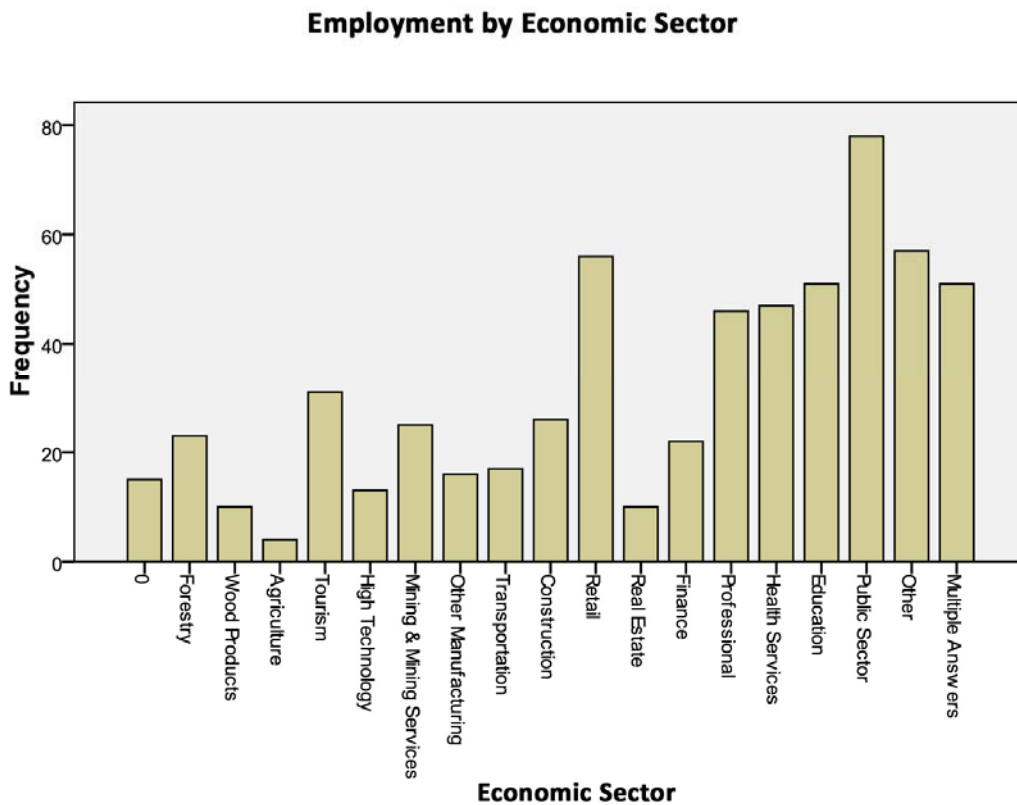


The demographics portion of the survey reveals that those who answered the questions brought many years of experience living in the region to bear on their answers. Most people who responded to the survey have lived in the region for more than 20 years (55.9%). Just over 16% of respondents have lived in the region between 11 and 20 years, while 9.5% of respondents have lived here between 6 to 10 years. Just over 18% of respondents have lived here 5 years or less, and most of these fell in the category of between 2 and 5 years.

An important demographic question posed in the survey was whether a respondent was employed, self-employed, not employed, or whether they were retired. A breakdown of the respondents shows that over half of the respondents are either employed (48.1%) or self-employed (12.2%) for a total of over 60% of respondents working. Over 35% of respondents were retired, while just 3% of respondents responded “No” to the question, “Are you currently employed?”

It was also key to understand in what sector the employed were working, and it was interesting to note that no one sector dominated the responses, The largest group of working respondents was employed in the public sector (13%), followed by retail (9.4%), education (8.5%), health services (7.9%), and professional (7.7%). Only 3.8% of respondents worked in the forest industry and 5.2% of respondents reported being employed in tourism. See Figure 5-2.

Figure 5-2: Respondent’s Employment by Sector



5.3 GENERAL FEELINGS ABOUT CRANBOOK

In general, most of the respondents seem to think very positively about Cranbrook. However, more respondents view Cranbrook as a better place to live than as a good place to do business. There are also generally positive thoughts about Cranbrook's future with the majority of respondents supporting and encouraging new growth.

When asked to respond to the question, "Over the next year, I feel Cranbrook's economy will grow and prosper," responses were positive, but also tinged with gloom. Of the five levels of agreement, from "strongly disagree" to "strongly agree," 44.6% of respondents indicated they agreed with the statement, while only 6.2% indicated they strongly agreed with the statement. Feelings of negativity were obvious among respondents, with 21.9% disagreeing with the statement, while 23.6% neither agreed nor disagreed. Only 2.8% strongly disagreed with the statement.

When asked to describe their views regarding future business growth in Cranbrook, there was strong support for increasing the amount of business growth in Cranbrook (63.8%), with another 33.3% indicating they would support the current level of business growth. Only 1.5% indicated they do not support any business growth.

The level of satisfaction with Cranbrook as a place to live also received mostly positive responses. Respondents who were "extremely satisfied" numbered 18.3%, while 42.5% said they were "very satisfied" and 24.3% said they were "satisfied." Answering "somewhat satisfied" were 12.7% of respondents, while only 1.5% indicated they were "not at all satisfied."

The final question in this section asked, "How satisfied are you with Cranbrook as a place to do business?" Here, the majority of respondents placed themselves squarely in the middle, with 42.0% choosing "satisfied" on a scale of "not at all satisfied" to "extremely satisfied." More than 24% said they were "very satisfied" while 23.5% said they were "somewhat satisfied." Only 4% indicated they were "not at all satisfied" with Cranbrook as a place to do business.

5.4 ECONOMIC ISSUES AND OPPORTUNITIES

This section of the survey posed three open-ended questions, asking respondents to identify the three most important economic opportunities, the three most important economic threats, and then asking them to pinpoint what economic sectors hold the greatest opportunities for the Cranbrook area.

5.4.1 Economic Opportunities

Open-ended answers from the question asking respondents to identify the three most important economic opportunities were categorized into 26 different responses. Of these 26 possible responses, almost 23% identified tourism and hospitality as the most important economic opportunity and was overwhelmingly the most common answer to the question. The next most popular answer was Cranbrook positioning itself as a regional service and sports centre with 11.1% of answers identifying this opportunity. Choices hovering between a 5 and 7% response rate included forestry/wood products/logging (6.7%); airport expansion/transportation/highway (6.3%); location/recreation potentials (5.9%); and attracting new businesses/small business/food services (5.6%). The next most important opportunity was natural resources/mining/primary industries at 4.6%.

Other economic opportunities identified, in order of popularity, are as follows:

1. Support services/seniors/retirement	3.8%
2. Housing (retiree/multi unit)/real estate	3.8%
3. Manufacturing	3.5%
4. Schooling/education expansion/HR skills & knowledge	3.1%
5. Mid- to high-tech devt	3.0%
6. Health care/hospital	2.7%
7. Construction	2.1%
8. Green economies/alternate energy/clean industry	1.6%
9. Revitalization/upgrade infrastructure	1.6%
10. Agriculture/agri-tourism	1.3%
11. Young families/small-town atmosphere/liveable community	0.7%
12. Amount of land available for industrial development	0.7%
13. Diversification	0.7%
14. Centralized public sector services	0.6%
15. Labour jobs/higher paying jobs	0.5%
16. East boundary expansion/growth of city boundaries	0.5%
17. There are none	0.3%
18. Second/vacation homes	0.2%
19. New city council	0.1%

5.4.2 Economic Threats

The second question asked respondents what they thought were the three most important economic threats facing Cranbrook. Responses were organized into 40 different answers. The top 27 answers have been presented in this report. More than 12% of respondents indicated that the slowdown in forestry (12.1%) is the biggest threat facing Cranbrook, followed closely by the general economic downturn (11.5%). The four next biggest threats, according to respondents, are affordable housing/high cost of living (8.2%); poor infrastructure, i.e., roads, water, and sewer (6.6%); unsustainable development/over development/second home development (5.9%); and lack of planning for growth/poor city planning/lack of services (5.3%).

Other threats included the following:

1. Taxation/DCC's rezoning/restrictive zoning/bldg stds	3.3%
2. Lack of employment opps	3.1%
3. Lack of high paying resource jobs/full time jobs	3.1%
4. Poor leadership (Municipal)/lack of municipal funding/ keeping City Hall out of financial partnerships	3.1%
5. Loss/lack of recreation (i.e. Kootenay Ice)/Recplex bad investment	2.9%
6. Cost of Fuel/Energy Prices	2.5%
7. Job Loss (people leaving the area)/mill closures	2.4%
8. Resistance to change/resistance to growth	2.4%
9. Transportation (distance to markets/airport expansion)/ CPR plans to move out	2.3%
10. Other's cities' locations provide greater services/opps	2.3%
11. Lack of diversification/lack of cultural avenues	2.2%
12. 2nd rate city, ugly, poor condition, where is the pride	2.0%
13. Lack of skilled/quality workers	1.8%

14. US/Cdn dollar	1.6%
15. Overreliance on tourism	1.4%
16. Too many big box stores/protect & promote local bus	1.4%
17. Poor branding/lack of global recognition/lack mkting	1.1%
18. Leakage to US & southern Alberta/Free Trade	1.0%
19. Lack of Medical Personal/Rising cost of health care	1.0%
20. Ignoring potential for industrial growth/employment/lack of industry	1.0%
21. Decrease in tourism/not much to do here but golf/ nothing to keep tourists here, coming back	1.0%

5.4.3 Sectors with the Greatest Opportunities

Tourism was the sector respondents overwhelmingly identified as having the most opportunity for the Cranbrook region. On a five-point scale from 1 to 5 with 1 being “no potential” and 5 being “excellent potential,” more than 85.8% said tourism had either good potential (37.9%) or excellent potential (47.9%). The industry identified as having the second-most greatest opportunities was mining with 40.5% saying it had good potential, while 19.6 % indicated mining had excellent potential, for a total of 60.1%. This sector was followed by the wood products/manufacturing/value-added sector with 53.9% of respondents choosing either “good” (35.5%) or “excellent” (18.4%) potential.

Next in the rankings is the transportation sector, with 51% of respondents selecting “good” or “excellent” potential, while the “other manufacturing” sector had 48% of respondents choosing the same top two positive responses. Resort homes were 50.5% in the affirmative, followed by the high-tech industry with 48.1% in the affirmative.

Forestry, it seems, is not seen as a sector with as great opportunities. 31.8% of respondents saw forestry as having “good” or “excellent” potential, while 22.5% indicated it had “average” potential and 29.1 % indicated it had “some” potential. Agriculture was seen in a similar light, with only 22.6% of respondents choosing “good” or “excellent.”

Employed versus Retired

In many communities, there is often a perceived difference in attitudes towards economic development between working people and those who are retired. Does this belief hold true in Cranbrook? Of those who answered the question asking respondents to identify the sector with the most opportunity for Cranbrook, 61% of the responses came from working people, while 36% of the responses were from retired people. While retired people did not respond as favourably towards the more popular sectors as did the working people, overall the two groups favoured the same top two sectors. Both retired and working people saw tourism as the sector with the most opportunity (83% of retired people chose “good” or “excellent” potential versus 87% of working), followed by mining (56% versus 63%).

At this point, however, there is a major difference. Sixty percent of working people saw resort homes as the third most popular choice while only 34% of retired people saw resort homes as having good or excellent potential, ranking it seventh out of nine possible choices. Table 5-1 shows a detailed breakdown of the differences between retired and working people when ranking sectors with the most opportunities for Cranbrook.

Table 5-1: Percentage that chose good or excellent potential by Sector by Retired or Working

Ranking*	Retired	Working
1	Tourism (83%)	Tourism (87%)
2	Mining (56%)	Mining (63%)
3	Wood product manufacturing/value-added (53%)	Resort Homes (60%)
4	Transportation (45%)	Transportation (56%)
5	High-tech (43%)	Wood product manufacturing/value-added (54%)
6	Other Manufacturing (42%)	Other Manufacturing (51%)
7	Resort Homes (34%)	High tech (51%)
8	Forestry (29%)	Forestry (32%)
9	Agriculture (19%)	Agriculture (23%)

Note: Ranked Highest to Lowest

5.5 STRATEGIES FOR ACHIEVING ECONOMIC GOALS

5.5.1 Business Development Strategies

Not only did the Economic Development Strategy survey ask respondents to pinpoint both the positive and the negative, it also asked them to identify solutions. Question 8 asked respondents to rank the importance of eight different business development strategies on a scale of 1 to 5 with 1 being “not important” and 5 being “extremely important.”

The top two strategies chosen by respondents were “attract business to Cranbrook” and “help existing businesses expand and grow” with 71.3% choosing either “very important” or “extremely important” for the first while 71.9% chose the same two rankings for the latter. The difference between the two choices comes in the following breakdown: more than 42% chose “extremely important” for attracting businesses to Cranbrook, while 34.7% chose “extremely important” for helping existing businesses grow and expand, indicating attracting new businesses is the more supported choice.

The third most positively ranked choice in this question was “assisting entrepreneurs and business start-ups” with 60.5% of respondents choosing “very” or “extremely” important. This was followed by “working collectively with all economic development organizations” (57.3%), and “assisting firms develop exports” (51%). More than 47% of respondents chose “very” or “extremely” important for “assisting businesses to be more energy efficient” while only 14.4% indicated positively for building public and private partnerships.

5.5.2 The Vision for Cranbrook

The next solution-oriented question was an open-ended one, and asked respondents to share, in a few short sentences, their vision for the future business development of Cranbrook. Answers were sorted into 22 different categories, with the most often-mentioned response (12.9%) being proper community planning, i.e., controlled development around environment riches and a balanced, sustainable community. The next most popular answer, at 7.2%, revolved around encouraging new businesses. In this response, respondents used language such as “diversified retail businesses, fill vacant stores, relax red tape for business growth, and incentives for start-ups.”

Other respondents (7.2%) said that their vision for business development revolved around preserving the beauty of the area and creating a marketing brand. Another popular response dealt with downtown beautification and tax incentives/accessibility grants to encourage more business in the downtown core (6.6%). Another 6.1% see developing Cranbrook as a regional hub. Other visions presented by the respondents include the following:

- | | |
|---|------|
| 1. Diversified business – industrial, manufacturing, tech, clean industry, V/A | 5.4% |
| 2. Better infrastructure (fibre optics/RCMP/transport improvements)/
get rid of organized crime | 4.4% |
| 3. More recreational opps/community activities/develop Recplex
(keep Kootenay Ice) | 2.8% |
| 4. Affordable Housing (need to attract people to stay) | 2.6% |
| 5. Tourist Hub/Missing opportunities in Tourism | 2.4% |
| 6. Too much focus on tourism/too much involvement in/
slow down golf course devt & 2nd home development | 2.1% |
| 7. Council awareness/support of the community/
working for the community/Arts&Culture increase funding | 1.6% |
| 8. Promote retirement area | 1.5% |
| 9. Education opps expanded with view to founding nat'l & inter'l centre/
high tech sports, training facility/research facilities | 1.5% |
| 10. Existing business needs to provide better customer service | 1.1% |
| 11. Access to health care | 0.9% |
| 12. Safer place to live | 0.5% |
| 13. Rezoning – housing (higher density) | 0.2% |
| 14. Develop economic ties with US/be more competitive | 0.2% |
| 15. Stability with 2-3% growth | 0.2% |
| 16. Private/public ventures | 0.2% |
| 17. Mining | 0.1% |

5.5.3 Employed versus Retired

There are small differences between the views of retired respondents and working respondents who ranked various business development strategies in order of their importance. Over three-quarters of working people indicated that helping existing businesses grow and expand was their top strategy, choosing to rank it as either “very important,” or “extremely important,” as opposed to 64% of retired people having the same views. The top-ranked business strategy for retired people was attracting business to Cranbrook at 66%, while 74% of working people saw this same strategy as “very” or “extremely” important. It is interesting to note that the top two strategies for both retired and working

people were separated by just a few percentage points. Table 5-2 shows a breakdown of views between retired and working respondents.

Table 5-2: Percentage who chose either “very important” or “extremely important” for 7 different business development strategies by Retired or Working

Ranking	Retired	Working
1	Attract businesses to Cranbrook (66%)	Help existing businesses expand and grow (77%)
2	Help existing businesses expand and grow (64%)	Attract businesses to Cranbrook (74%)
3	Assist entrepreneurs and business start-ups (53%)	Assist entrepreneurs and business start-ups (65%)
4	Assist businesses to be more energy efficient (50%)	Work collectively with all economic development organizations (63%)
5	Work collectively with all economic development organizations (48%)	Assist firms develop exports (53%)
6	Assist firms develop exports (47%)	Assist businesses to be more energy efficient (45%)
7	Build public and private partnerships (30%)	Build public and private partnerships (41%)

More important for retired people was assisting businesses to be more energy efficient, with 50% ranking it their fourth most popular choice, as opposed to working people, who ranked it sixth. However, both retired and working people saw building public and private partnerships as the lowest priority business development strategy.

5.6 CONCLUSIONS

By age group, those 45 and over completed the survey far more than their relative representation in Cranbrook and area as a whole, yet were from a wide number of economic sectors. Therefore, the overall view is swayed toward the views of those who are older which may or may not reflect the view of those who are younger. The views of those retired, in most cases, were similar to those currently employed. In general, most of the respondents seem to think very positively about Cranbrook. However, more respondents view Cranbrook as a better place to live than as a good place to do business. Respondents indicated generally positive thoughts about Cranbrook’s future with the majority of respondents supporting and encouraging new growth.

The areas seen as having the top economic opportunities were tourism and hospitality followed by regional service and sport centre. The downturn in the forest sector and global economy in general were seen as the top two economic threats to Cranbrook, followed by many others. The top three recommended strategies for economic growth were to attract businesses, help existing businesses, and assist businesses to start-up. Building public and private partnerships was the least supported strategy.

6. LABOUR FORCE ANALYSIS

6.1 INTRODUCTION

The terms of reference for this project highlighted concerns about human resource development in the Cranbrook area, specifically labour market shortages in some sectors and the need to attract more skilled workers and young families to the region. Although economic conditions have deteriorated and shortages in some occupations have all elevated in the last year, the need for proactive strategies aimed at stimulating the labour market are still apparent. This section looks at labour market conditions in Cranbrook (including trends in the general and immigrant labour forces), provides a look ahead for future occupational demand, and offers some recommendations for labour market initiatives.

6.2 LABOUR MARKET PROFILE

Most of the labour market statistics in this analysis are for the Cranbrook Census Agglomeration (CA), which includes the municipality of Cranbrook, the rural Electoral Area C of East Kootenay Regional District, and all Indian Reserves within these boundaries. In light of residency and mobility factors, the Cranbrook CA is believed to better represent labour market conditions than the City itself.

6.2.1 Labour Force by Industry

Statistics Canada publishes census labour force data by industry and by occupation. Table 6-1 shows labour force by industry for the Cranbrook CA in 2001 and 2006. Proportionately, more jobs are generated in the goods-producing (except manufacturing), transportation, retail sales, health care, and in the arts and entertainment sectors than in the rest of the province. Construction and mining were particularly strong although agriculture and forestry employment continued their long-term decline.

Industries in which Cranbrook has lower shares of employment than the province include manufacturing, wholesale trade, information and culture, real estate, education, and, notably, professional and scientific services.

The only industry that showed a marked change in position between 2001 and 2006 was arts and entertainment where the Cranbrook CA registered a 40% increase in the number of jobs.

Table 6-1: Labour Force by Industry for Cranbrook Census Agglomeration, 2001 and 2006

	2006			2001		
	Cranbrook		BC	Cranbrook		BC
Total labour force 15 years and older	12920	100.0%	100.0%	12510	100.0%	100.0%
Industry - not applicable	130	1.0%	1.5%	295	2.4%	2.2%
All industries	12785	99.0%	98.5%	12215	97.6%	97.8%
Agriculture, forestry, fishing, hunting	525	4.1%	3.4%	590	4.7%	3.8%
Mining & oil and gas extraction	335	2.6%	0.9%	280	2.2%	0.7%
Utilities	75	0.6%	0.5%	70	0.6%	0.6%
Construction	1120	8.7%	7.5%	820	6.6%	5.8%
Manufacturing	960	7.4%	8.5%	995	8.0%	9.4%
Wholesale trade	390	3.0%	4.1%	405	3.2%	4.0%
Retail trade	1975	15.3%	11.2%	1800	14.4%	11.3%
Transportation & warehousing	815	6.3%	5.2%	860	6.9%	5.5%
Information & cultural industries	210	1.6%	2.6%	215	1.7%	3.0%
Finance & insurance	410	3.2%	3.8%	480	3.8%	3.9%
Real estate & rental and leasing	155	1.2%	2.3%	225	1.8%	2.0%
Professional, scientific & tech. Services	510	3.9%	7.3%	420	3.4%	6.7%
Management of companies	10	0.1%	0.1%	10	0.1%	0.1%
Admin. & support, waste mgmt & remediation	405	3.1%	4.4%	435	3.5%	3.9%
Education services	790	6.1%	6.9%	630	5.0%	6.8%
Health care & social assistance	1420	11.0%	9.6%	1380	11.0%	9.7%
Arts, entertainment and recreation	350	2.7%	2.3%	250	2.0%	2.2%
Accommodation & food services	1040	8.0%	8.1%	1055	8.4%	8.1%
Other services	680	5.3%	4.9%	645	5.2%	4.8%
Public administration	615	4.8%	5.0%	655	5.2%	5.5%

Source: Statistics Canada, 2001 and 2006 Census.

6.2.2 Labour Force by Occupation

Labour force by occupation data (see Table 6-2) also reflects the economy's reliance on goods production as well as its role as a regional service centre. The proportion of jobs in the primary, processing, trades, health, and retail occupations exceeds the provincial average. The so-called white collar occupations in management, business and finance, natural sciences, social sciences, and art and culture are all under-represented. This profile has remained relatively unchanged over the last 20 years, although previous gaps appear to be narrowing as the regional economy matures.

Table 6-2: Labour Force by Occupation for Cranbrook Census Agglomeration, 2001 and 2006

	2006			2001		
	Cranbrook		BC	Cranbrook		BC
Total labour force 15 years and older	12920	100.0%	100.0%	12510	100.0%	100.0%
Industry - not applicable	130	1.0%	1.5%	295	2.4%	2.2%
All industries	12790	99.0%	98.5%	12215	97.6%	97.8%
Management Occupations	1220	9.4%	10.3%	1270	10.2%	10.6%
Senior management	55	0.4%	1.1%	85	0.7%	1.2%
Specialist managers	200	1.5%	2.4%	215	1.7%	2.3%
Managers in retail trade, food and accommodation services	405	3.1%	3.3%	590	4.7%	3.7%
Other	560	4.3%	3.6%	380	3.0%	3.4%
Business, finance and admin.	1890	14.6%	16.9%	1965	15.7%	17.2%
Professional occupations in business & finance	190	1.5%	2.5%	270	2.2%	2.4%
Finance & insurance administration	250	1.9%	1.5%	320	2.6%	1.4%
Secretaries	305	2.4%	1.5%	215	1.7%	2.0%
Administrative & regulatory	165	1.3%	2.2%	220	1.8%	2.2%
Clerical supervisors	60	0.5%	5.0%	35	0.3%	0.4%
Clerical	920	7.1%	8.8%	910	7.3%	8.7%
Natural & applied sciences	595	4.6%	6.2%	435	3.5%	6.0%
Professional	225	1.7%	3.3%	165	1.3%	3.1%
Technical	375	2.9%	2.9%	270	2.2%	2.9%
Health	745	5.8%	5.4%	660	5.3%	5.1%
Professional	105	0.8%	1.1%	115	0.9%	1.2%
Nurse supervisors & registered nurses	235	1.8%	1.5%	130	1.0%	1.4%
Technical & related	200	1.5%	1.3%	195	1.6%	1.3%
Assisting occupations	205	1.6%	1.5%	225	1.8%	1.3%
Social science, education, government service and religion	905	7.0%	8.0%	860	6.9%	7.8%
Judges, lawyers, psych., social work., religious ministers & policy/program	160	1.2%	2.2%	220	1.8%	2.0%
Teachers & professors	380	2.9%	3.7%	325	2.6%	3.6%
Paralegals, social service workers and other	365	2.8%	2.2%	320	2.6%	2.1%
Art, culture, recreation & sport	225	1.7%	3.4%	260	2.1%	3.3%
Art & culture professional	65	0.5%	1.5%	65	0.5%	1.4%
Technical	155	1.2%	2.0%	190	1.5%	1.9%

Table 6-2 – cont.

	2006			2001		
	Cranbrook	BC		Cranbrook	BC	
Sales & service	3490	27.0%	25.0%	3160	25.3%	25.0%
Supervisors	115	0.9%	0.8%	60	0.5%	0.7%
Wholesale, technical, insurance, real estate sales, & retail, wholesale buyers	130	1.0%	2.0%	210	1.7%	2.2%
Retail sales & clerks	780	6.0%	4.5%	500	4.0%	4.0%
Cashiers	300	2.3%	1.8%	240	1.9%	1.8%
Chefs & cooks	240	1.9%	1.7%	180	1.4%	1.6%
Food and beverage service	250	1.9%	1.8%	270	2.2%	2.0%
Protective services	120	0.9%	1.5%	165	1.3%	1.4%
Travel & accommodation, recreation & sport attendants	140	1.1%	1.2%	110	0.9%	1.3%
Child care & home support	230	1.8%	1.7%	230	1.8%	2.0%
Other sales and service	1180	9.1%	7.8%	1195	9.6%	8.0%
Trades, transport & equipment operators	2565	19.9%	15.2%	2380	19.0%	14.0%
Contractors & supervisors	95	0.7%	0.8%	105	0.8%	0.7%
Construction trades	430	3.3%	3.3%	385	3.1%	2.6%
Stationary engineers, power station operators & electrical trades and telecommunications	160	1.2%	1.0%	125	1.0%	1.0%
Machinists, metal forming, shaping and erection	100	0.8%	0.9%	145	1.2%	0.9%
Mechanics	420	3.3%	2.0%	445	3.6%	2.1%
Other trades	110	0.9%	0.8%	100	0.8%	0.8%
Heavy equipment, crane operators, drillers	230	1.8%	0.7%	185	1.5%	0.7%
Transportation equipment operators & related workers	755	5.8%	3.1%	620	5.0%	3.1%
Trades helpers, construction & transportation labourers	255	2.0%	2.6%	270	2.2%	2.0%
Occupations unique to primary industry	590	4.6%	3.9%	665	5.3%	4.1%
Agriculture	145	1.1%	1.7%	210	1.7%	1.8%
Forestry, mining, oil and gas, & fishing	230	1.8%	0.9%	235	1.9%	1.0%
Primary production	215	1.7%	1.3%	215	1.7%	1.3%
Occupations unique to processing, manufacturing & utilities	555	4.3%	4.1%	560	4.5%	4.7%
Manufacturing supervisors	15	0.1%	0.3%	75	0.6%	0.4%
Machine operators	310	2.4%	1.8%	295	2.4%	2.0%
Assemblers	45	0.3%	0.8%	25	0.2%	0.8%
Labourers in manufacturing, processing & utilities	180	1.4%	1.3%	160	1.3%	1.6%

6.2.3 Participation Rate

The participation rate is the ratio between the labour force and the overall size of the population of the same age range. Those in the labour force are defined as participating workers, either employed or actively looking for work. The participation rate is a key component to long-term economic growth as the supply of labour is an essential input for all industries and is often seen as a constraint on expansion.

At roughly two-thirds of the population, the participation rates for the Cranbrook CA in 2001 and 2006 (Table 6-3) were comparable to the provincial average, as were unemployment rates. These rates are considerably higher than they were in previous generations when the proportion of women in the labour force was much lower.

Table 6-3: Labour Force Participation Rate, 2001 and 2006

	2006			2001		
	Cranbrook		BC	Cranbrook		BC
Total population 15 years and over	19,665	100.0%	100.0%	19,285	100.0%	100%
In the labour force	12,920	65.7%	65.6%	12,495	64.8%	65%
Employed	12,270	62.4%	61.6%	11,205	58.1%	60%
Unemployed	645	3.3%	3.9%	1,285	6.7%	6%
Not in the labour force	6,750	34.3%	34.4%	6,785	35.2%	35%
Participation rate (LF to Pop, %)	65.7		65.6	64.8		65.2
Employment rate (Emp to Pop, %)	62.4		61.6	58.1		59.6
Unemployment rate (U to LF, %)	5.0		6.0	10.3		8.5

Source: Statistics Canada, 2001 and 2006 Census.

6.2.4 Labour Force Residency

To gain a better understanding of worker mobility and travel patterns, the Census tracks the employed labour force by their place of work as well as their place of residence (Table 6-4). In 2006, more than half of all the employed working in the Cranbrook CA lived there, while 27.8% lived outside the city, primarily in adjoining municipalities or rural areas. The BC situation is much different in that workers in a particular community are just as likely to live outside that community as they are within it. This is due to the influence of the larger urban areas of the southwest where labour supply-and-demand conditions, housing factors, land-use factors, and transportation services will often necessitate a work-day commute from one community to another.

Transportation and transit services can play a role in overall labour availability by allowing workers convenient and cost-effective access to job opportunities away from their regular place of residence. As also seen in Table 6-4, 6.9% of all employed had their own home as their usual place of work, compared to 9% for the province. The “at home” category would capture home-based businesses, as well as telecommuting or e-commute workers who have flexible work arrangements with their employers.

Table 6-4: Cranbrook CA Labour Force Residency, 2001 and 2006

	2006			2001		
	Cranbrook		BC	Cranbrook		BC
Total employed labour force 15 & over	12,270	100.0%	100.0%	11,220	100.0%	100.0%
Usual place of work	9,850	80.3%	77.2%	8,925	79.5%	79.1%
In census subdivision of residence	6,445	52.5%	37.6%	6,005	53.5%	38.4%
In different census subdivision	3,405	27.8%	39.6%	2,915	26.0%	40.7%
In same census division	3,105	25.3%	35.7%	2,735	24.4%	36.9%
At home	850	6.9%	9.0%	880	7.8%	9.1%
Outside Canada	30	0.2%	0.7%	40	0.4%	0.6%
No fixed workplace address	1,545	12.6%	13.1%	1,375	12.3%	11.2%

Source: Statistics Canada, 2001 and 2006 Census.

6.2.5 Immigrant Labour Force

The following three tables provide a snapshot of the immigrant labour force in the City of Cranbrook with a focus on the 2006 Census.

The proportion of immigrants to total population fell steadily between 1986 and 2001, but rebounded again between 2001 and 2006, to 1,595 persons (see Table 6-5). Prior to 2001, the majority of immigrants came from Northern Europe, Western Europe, the United States, and Southern Europe. Between 2001 and 2006, Eastern Europe was by far the largest source of immigrants, followed by Australia and New Zealand, the United States, and East Asia.

Table 6-5: City of Cranbrook Immigrant Population, 1986 to 2006

Year	Total Population	Immigrants	
		Number	Percent
1986	15,890	1,915	12.1
1991	16,447	1,925	11.7
1996	18,131	1,480	8.2
2001	18,517	1,490	8.0
2006	18,267	1,595	8.7

As a group, immigrants to Cranbrook tend to be better educated, older, and have higher incomes than the rest of the population. Almost 30% are university educated, which is double the proportion of the total population. Degrees held in the medical and health fields are four times higher than average. On the other hand, the proportion holding trades certificates is lower.

The average age of immigrants is well above the total population, with a much higher percentage of adults in the above-44 age group. Almost all immigrants have a home language of English, suggesting language is not a barrier to entry into the labour force.

The labour force participation rate for immigrants is much lower than it is for the population as a whole (see Table 6-6). Less than half of immigrants are participating in the labour force, compared to almost two-thirds of the total population. Without further information, an explanation for this difference is not possible. Given that the immigrant unemployment rate was only slightly higher than the overall

unemployment rate in 2006, it would appear that immigrants are less likely to have two working-person households. Why this would be the case is again unknown, although language, education, and cultural factors may all be playing a part.

What the data does indicate, however, is that immigrants are much less likely than resident Canadians to enter and stay in the local labour force. Any labour market measures aimed at increasing the supply of labour by the immigrant community would want to recognize and account for these trends.

Table 6-6: City of Cranbrook Immigrant Labour Force Indicators, 2006

	Immigrants	Total Population
Participation rate (LF to Pop, %)	44.3	64.6
Employment rate (Emp to Pop, %)	41.2	61.2
Unemployment rate (U to LF, %)	6.1	5.3

Table 6-7 compares the proportion of the immigrant labour force in major occupations with the total labour force in 2006. Immigrants tend to be over-represented in management, health, social science's and trades/transport/equipment operator positions and under-represented in the other fields. The greatest disparity occurs in management occupations, where immigrants are much more likely to be employed, and sales and service, where immigrants are less likely to be employed.

Table 6-7: City of Cranbrook Immigrant Labour Force by Occupation, 2006

	Immigrants		Total Pop
	Number	Percent	Percent
All occupations	650	100.0	100.0
Management occupations	110	16.9	9.2
Business, finance and administration	90	13.8	15.2
Natural & applied sciences	25	3.8	4.7
Health	40	6.2	5.5
Social science, education, government service and religion	60	9.2	7.5
Art, culture, recreation & sport	10	1.5	1.8
Sales & service	155	23.8	29.5
Trades, transport & equipment operators	125	19.2	18.0
Occupations unique to primary industry	25	3.8	4.2
Occupations unique to processing, manufacturing & utilities	-	-	4.5

One of the biggest challenges in attracting future immigrants to the region is the overwhelming dominance of larger urban areas as the destination of choice. Table 6-8 shows the primary destinations for the 190,791 immigrants who came to BC between 2002 and 2006. Ninety-one percent target the Lower Mainland and another 4%, Vancouver Island. Even the relatively populous Thompson Okanagan only managed to attract 2% of all immigrants. The Kootenay Region attracted the least number of immigrants, 883, equivalent to approximately one half of one percent. This may change in the future if communities outside the Lower Mainland increase their immigrant attraction efforts. The three Interior

communities of Kelowna, Kamloops, and Prince George, and Linx BC member communities⁹ have combined their resources to attract workers from Europe.

Table 6-8: Regional Immigration to British Columbia, 2002–2006 Avg.

	(2002 to 2006)
1. Vancouver Is/Coast	<ul style="list-style-type: none"> Initial destination of 7,827 new immigrants – representing 4% of provincial total. 79% with English skills.
2. Mainland/Southwest	<ul style="list-style-type: none"> Initial destination of 175,836 new immigrants – representing 91%. 55% with English skills.
3. Thompson/Okanagan	<ul style="list-style-type: none"> Initial destination of 4,111 new immigrants – 2%. 73% with English skills.
4. Kootenay	<ul style="list-style-type: none"> Initial destination of 883 new immigrants – 1%. 89% with English skills.
5. Cariboo	<ul style="list-style-type: none"> Initial destination of 1,132 new immigrants – 1%. 71% with English skills.
6. North Coast/Nechako/Northeast	<ul style="list-style-type: none"> Initial destination of 1,002 new immigrants – 1%. Nechako – 83% English skills; North Coast 67%; Northeast 79%.

Source: Ministry of Attorney General.

6.2.6 Employment Projections

a. British Columbia

The Canadian Occupational Projection System (COPS) forecasts future anticipated occupational supply and demand to assist provinces with their labour market policy, including target immigration programs. The COPS *BC Unique Scenario* provides information on provincial employment demand projections covering macroeconomic, employment growth and replacement demand for a 10-year period. The projections do not consider aspects of future labour supply, only demand. The COPS BC Unique Scenario is released on a two-year cycle—the 2007–17 forecasts are not presently available.

As seen in Table 6-9, job creation is expected to occur within almost all of the major industry groups, although employment growth will continue to be concentrated in the service-producing sector of the economy, as it has in the recent past. Healthcare, professional, scientific and technical services, and accommodation and food services will experience the strongest annual growth in employment demand. It is important to note that industry size is a factor when considering demand. A large industry, such as trade, can have low future growth rates but its absolute demand will still exceed that of a small industry with higher future growth rates, such as management and administration.

⁹ See <http://cms.linxbc.com/>.

Table 6-9: Projected Growth in Employment Demand by Major Industrial Groups, British Columbia (2005 to 2015)

Industry Groups	Annual Growth	New Jobs
Health Care and Social Assistance	3.4%	86,760
Professional, Scientific and Technical Services	2.8%	52,840
Management, Administrative and Other Support	2.7%	27,060
Accommodation and food services	2.4%	47,140
Educational Services	2.2%	35,020
Transportation and Warehousing	2.1%	27,890
Information, culture and recreation	2.1%	26,080
Construction	1.8%	32,590
Finance, Insurance, Real Estate and Leasing	1.7%	25,030
Trade	1.7%	62,820
Other services	1.3%	12,350
Public administration	0.8%	7,890
Manufacturing	0.7%	14,040
Agriculture	0.5%	1,780
Forestry, mining, oil and gas	0.4%	1,610
Utilities	0.2%	220
Fishing, Hunting and Trapping	0.0%	10
All	2.0%	461,100

Source: BC Stats. February 2007. *Employment Outlook for British Columbia COPS BC Unique Scenario for 2005 to 2015.*

Permanent attrition is another aspect of the labour market that is expected to affect demand in the years ahead, due mainly to the ageing workforce. The retirement phenomena will not be felt equally across industry groups. Most primary industries, including Forestry and Mining, are projected to experience low employment growth, but they will still have considerable openings as older workers reach retirement age and withdraw from the labour force. Some Services sectors, including Public Administration, Finance, Insurance, Real Estate and Leasing, and Educational Services are also projected to experience significant openings due to replacement demand.

COPS also projects employment demand by skill level. As seen in Table 6-10, new job growth for occupations such as professional and managerial occupations is expected to increase at a faster rate than other occupations over the projection period. This will result in increased demand for workers with some post-secondary qualifications, particularly a university education.

Table 6-10: Projected Employment Growth Opportunities by Skill Level, British Columbia (2005 to 2015)

Skill Level	Education Requirements	%Change
A - Professional and managerial occupations	University Degree	21%
B - Technical, paraprofessional and skilled occupations	Some post-secondary	18%
C - Intermediate occupations	High School Diploma	15%
D - Labouring and elemental occupations	Less than High School	14%

Source: BC Stats. February 2007. *Employment Outlook for British Columbia COPS BC Unique Scenario for 2005 to 2015.*

Kootenay Region

The following paragraphs discuss expected employment demand in southeast BC based on the 2005–15 COPS model, but with data presented for slightly different study areas, the Kootenay Development Region (includes the Regional Districts of East Kootenay, Central Kootenay, and Kootenay Boundary plus Golden and Revelstoke and CSRD Areas A and B). The Rockies College Region includes just the East Kootenay Regional District plus Golden and Area A (CSRD), and Creston and Central Kootenay RD Areas B and C.

Table 6-11 highlights the regional distribution of forecasted employment growth between 2006 and 2011 for BC’s seven development regions. The Lower Mainland/Southwest will account for close to two-thirds of all new employment, while the Thompson Okanagan and Vancouver Island will contribute 14% and 11%, respectively. The Kootenay Region (comprising Kootenay Boundary, Central Kootenay, and East Kootenay regional districts) is forecast to expand by 7,160 positions by 2011, with the bulk of demand in the technical (“B”) and intermediate (“C”) occupations.

Table 6-11: Regional Distribution of Employment Growth between 2006 and 2011

Development Region	Mang’t	Skill A	Skill B	Skill C	Skill D	Total New
Vancouver Island	2,530	3,340	8,030	7,070	2,660	23,630
Mainland/Southwest	16,160	21,230	40,830	42,170	14,100	134,490
Thompson Okanagan	3,280	2,550	10,640	9,570	3,980	30,020
Kootenay	800	480	2,730	2,120	1,030	7,160
Cariboo	710	630	2,540	2,230	790	6,900
North Coast/Nechako	670	500	2,550	1,750	780	6,250
Northeast	510	430	1,820	1,600	640	5,000

Source: BC Stats, Regional Employment Projection Model.

Projections for the Rockies College region (East Kootenay Regional District, Creston and Central Kootenay Area B, Golden and Columbia Shuswap Area A) are presented in Table 6-12. As a much smaller geographic area, the growth in employment between 2006 and 2011 is also smaller: 3750 compared to 7160 for the Kootenay Development Region. While the growth rates vary between -0.4% to 5.0%, the occupations with the overall highest employment growth are sales and service, construction, clerical, hospitality managers, and transport equipment operators. Teachers and professors are the only occupation that is expected to decline in demand, mainly because of the shrinking school age population.

Table 6-12: Projected Annual Growth Rates in Occupational Demand, Rockies College Region

	Estimated Employment		Avg Annual Change
	2006	2011	
All occupations	38,430	42,180	2.0
A0 Senior management occupations	330	360	1.7
A1 Specialist managers	540	590	1.9
A2 Managers in retail trade food & accomm. services	1,760	1,970	2.3
A3 Other managers n.e.c.	1,320	1,440	1.9
B0 Professional occupations in business and finance	590	640	1.6
B1 Finance and insurance administration occupations	670	740	1.9
B2 Secretaries	800	870	1.7
B3 Administrative and regulatory occupations	640	690	1.6
B4 Clerical supervisors	90	100	1.6
B5 Clerical occupations	2,590	2,810	1.7
C0 Professional occupations in natural and applied sciences	690	750	1.7
C1 Tech. occupations related to natural & applied sciences	960	1,050	1.7
D0 Professional occupations in health	360	400	2.2
D1 Nurse supervisors and registered nurses	490	550	2.3
D2 Technical and related occupations in health	500	550	2.2
D3 Assisting occupations in support of health services	530	600	2.3
E0 Judges, lawyers, psych., social workers, policy/program	590	640	1.6
E1 Teachers and professors	1,280	1,250	-0.4
E2 Paralegals, social services workers & other educ. & religion	800	880	1.8
F0 Professional occupations in art and culture	230	240	1.3
F1 Technical occupations in art, culture, recreation and sport	400	440	1.8
G0 Sales and service supervisors	300	340	2.3
G1 Wholesale, tech., insur., real estate, retail, wholesale	610	660	1.7
G2 Retail salespersons and sales clerks	1,500	1,630	1.8
G3 Cashiers	740	810	1.9
G4 Chefs and cooks	750	860	3.0
G5 Occupations in food and beverage service	970	1,120	3.1
G6 Occupations in protective services	440	460	1.0
G7 Travel & accommodation, rec. and sports attendants	370	410	2.4
G8 Childcare and home support workers	850	900	1.2
G9 Sales and service occupations n.e.c.	3,510	3,890	2.1
H0 Contractors and supervisors in trades and transportation	440	500	2.8
H1 Construction trades	1,710	1,960	2.9
H2 Stationary engineers, power stn, electrical & telecom trades	590	660	2.2
H3 Machinists, metal forming, shaping & erecting occup.	500	560	2.3
H4 Mechanics	1,370	1,480	1.6
H5 Other trades n.e.c.	330	360	2.0
H6 Heavy equipment and crane operators including drillers	890	990	2.4
H7 Transport equipment operators & related workers	1,500	1,670	2.2
H8 Trades helpers, construction and transport labourers	830	930	2.3
I0 Occupations unique to agriculture, excluding labourers	620	780	5.0

Source: BC Stats, Regional Employment Projection Model.

6.3 CONCLUSIONS

Our major conclusions regarding population, economic, and labour force trends, as well as potential skill shortages in the regional economy and the barriers to addressing them, are as follows:

- Compared to the province, the Cranbrook area has a relatively slow-growing population and an above-average population age. Future population growth is also expected to be below the provincial average. This means that the number of young people entering the labour force locally will be limited. If unemployment remains below the long-term average in the future, the likelihood of labour surpluses will also be minimized.
- The economy continues to experience considerable change both at the macroeconomic level and within specific industries. The declining goods production that has characterized western economies over the last 25 years will continue and in Cranbrook and the East Kootenay that is likely to be manifested in terms of fewer jobs in core industries such as forestry and mining. This, and the low proportions of the regional labour force in occupations that are forecasted to have high future growth rates in the province (e.g. professional and scientific services, management, information and culture), is expected to constrain future employment growth.
- At the same time, some trends and developments can be expected to drive labour demand and create new opportunities in the region. The high average age of many goods-producing occupations (forestry, agriculture, mining, and construction) and some service workers (nursing and health services) will push demand as retirement and attrition create new job openings. Cranbrook's position as a regional service centre will continue to drive health, transportation, and retail trade employment. Tourism is also expected to expand, but the seasonality of this industry in the region means would tend to discourage potential in-migrants.
- The future supply of labour will be constrained in part by the outflow of young adults who are seeking higher education, training, and workforce entry opportunities that are much more plentiful in larger urban centres like Vancouver and Calgary. This phenomenon is evident in most small and rural communities and can only be counter-acted by having employment opportunities for those same young families if and when they express a desire to return to the community.
- First Nations, with their lower participation rates and higher unemployment rates, continue to represent a critical, but so far untapped, source of future labour.
- New immigrants to this province, including economic immigrants, have very low awareness of Cranbrook and the Kootenays. The fact that the region receives far less new immigration than its share of total provincial population means that increasing the supply of new labour and population from this source will require intervention and attraction measures.
- While Cranbrook appears to not be well-positioned when it comes to its future labour supply, there are some competitive advantages that could be leveraged in recruiting new workers and their families, including low real estate and housing costs, access to recreation amenities, and quality-of-life factors.
- Recent studies have shown that skill shortages continue to be a major concern of employers in the Kootenay region. For example, a study of the West Kootenay Boundary manufacturing sector indicated that difficulties in finding or keeping qualified, capable workers was the second most important business issue, exceeded only by transportation concerns. (FERENCE Weicker and Company 2007)
- The uptake and use of existing government programs is consistently poor due to low awareness and to perceived shortcomings in the process of applying and obtaining assistance. For example,

current programs designed to increase the in-migration of workers to the province are often seen by employers as being cumbersome and costly. This includes Labour Market Opinion procedures for the temporary worker program and general dissatisfaction with the Provincial Nominee Program.

- While some sectors like agriculture, tourism, and construction have a history of cooperative action on labour market issues, many others have not. Many sectors, particularly those dominated by small- and medium-sized enterprises (SMEs), are not prepared for expected future labour shortages and have little capacity for reacting to such shortages if they occur.

6.4 RECOMMENDATIONS

The recommendations in this section consist of basic policies that Cranbrook should adopt for guiding its decisions and achieving anticipated outcomes, as well as strategic initiatives for increasing Cranbrook's capacity for recruiting and retaining young families.

6.4.1 Policies

The opportunities for labour market intervention are varied and arise from supply-and-demand issues. The following policy statements are meant to better define the scope and direct the City's actions in these matters.

1. The City does not have the resources or expertise to provide a leadership role in this program area. Apart from matters such as land use and property taxes that are under its direct responsibility, leadership should be coming from government, employers, unions, industry, and organizations that have a direct stake in improving labour market conditions.
2. In the context of this strategy, the City is only a facilitator and, therefore, must align its recruitment and retention efforts with the realities of the regional economy and the labour market place. Attraction efforts, especially, should be legitimized through partnerships with employers and industry organizations that are actually providing the employment opportunities. Employers themselves should have, or be engaged in, forward planning for their human resource needs.
3. Partnerships with industry, trade, and community development associations should be a priority so resources committed to recruitment and retention can be leveraged with existing programming. For example, the Kootenay Rockies Regional Economic Alliance has developed an East Kootenay/Columbia Work Force Council Strategic Priorities, which would be a logical base of action for Cranbrook. Most of the following partners have labour market initiatives:
 - Kootenay Rockies Regional Economic Alliance (KRREA)
 - Community Futures East Kootenay (CFEK)
 - Cranbrook and District Chambers of Commerce
 - Kootenay Rockies Innovation Council (KRIC)
 - College of the Rockies
 - Industry associations such as go2, the Association for Mineral Exploration British Columbia (AMEBC) and various construction councils have human resource strategies.
 - Services Canada
 - BC Ministry of Advanced Education and Labour Market Development.
 - BC Ministry of Small Business, Technology and Economic Development.
 - Other education, training, and Aboriginal institutions with a mandate for labour market development.

4. Cranbrook should seek opportunities, in cooperation with government, industry groups, employers and First Nations, for a one-window coordinated approach to retention and recruitment.

6.4.2 Strategies

A labour force retention and attraction program is composed of many elements, including targeting, positioning, and promotional components that tend to be characteristic of marketing initiatives, as well as others unique to the labour market context.

a) Targets

1. Labour force participants in regional markets, i.e., BC and Alberta.
2. Youth residents who have left the community in pursuit of higher education.
3. First Nations.
4. Immigrants with a home language that is already represented in the existing population. Among this group would be immigrants already living in BC and Alberta (most likely in the larger urban areas) who have achieved working status in Canada.
5. Occupational groups for which there are documented shortages (current or planned) and employers or agencies willing to take a lead role in recruitment.

b) Positioning

1. Integrate and coordinate with the City's branding and marketing program. A consistent application of position, design work, and messaging should be integrated across all marketing and communication programs.
2. Developing clear messages that clarify the benefits of working and residing in Cranbrook. The message should be managed and adopted by all partners to preserve consistency.

c) Awareness and Promotion

1. Establish a recruitment web portal. This could be coordinated with KRREA's plans for a Work Force Regional Employment Web Network.
2. Consider joining the InvestKootenay network. (<http://www.investkootenay.com>)
3. In marketing the community and job openings, it is essential to use evidence-based strategies in line with the preferred forms of communication by the different generations. This would include the use of social networking tools, based on the assumption that younger workers especially may choose where to live first before looking for a job. The youngest members of the workforce (variously referred to as "Millennials," "Generation Y" or the "Net Generation" by social researchers, are people born in the 1980s and 1990s. With the onset of the recession, what had been a very favourable job market for those old enough to have passed from school and university into work has now become much grimmer, with increasing unemployment rates.

Social networking tools, blogs, and other web-based resources have become key strategies in attracting and retaining young workers and their families. Using Facebook, MySpace, Twitter and other social network media is inexpensive and, if done properly, effective. Recommendations include the following:

- a. Establish a community presence in the network in support of outreach efforts and as a supplement to the main web portal
 - b. Encourage local employers and employees to advocate and promote Cranbrook to friends, colleagues, and peers in other communities or regions.
 - c. Promote the use of a Facebook referral program among area employers, whereby open career opportunities are posted by employees through their existing profiles.
 - d. Launch a social advertising campaign. Social networks now give you the ability to place highly targeted career advertising which can be used in a number of creative as well as potentially aggressive ways.
4. Establish a recruitment team, for example in cooperation with Services Canada, major employers and other economic development partners such as KRREA. Initiatives could include:
- a. Travelling throughout BC, Alberta, and Canada to recruit workers on behalf of local employers, especially small- and medium-sized businesses.
 - b. Foster relationships with post-secondary institutions in BC and Canada to better penetrate the post-secondary system.
 - c. Partner with the Centres for Leadership and Innovation at Lower Mainland Colleges.
 - d. Consider participation in college career fairs.
 - e. Participation in job fairs and recruitment strategies initiative by other agencies.

d) Building Foundations

1. Develop a community relocation kit with fact sheets on infrastructure, cost of living, amenity features, community/health services, and job opportunities that would be available to all potential residents and businesses.
2. Provide web-based tools for converting local pay scales to after-tax income and local costs of living for basics and extras, including housing, food, transportation, services, clothing, and entertainment. Hypothetical examples would also be helpful.
3. Investigate the feasibility of attracting university and college graduates to return to Cranbrook through a tax credit aimed at young professionals. The Province of Nova Scotia offers such a credit of up to \$2,000.
4. Expand services targeted at young families, including daycare spaces, recreational amenities, and attainable housing. Identify and promote the existing social networks that welcome newcomers

5. Improve access to housing for new labour force entrants:
 - a. Work with residential developers to encourage new home construction and mixed-use development, with an emphasis on small lot zoning and development and multi-residential units that will have below average unit costs and increase affordability.
 - b. Consider bylaws to encourage more secondary suite development, mobile home development, and other sources of temporary accommodation supply.
 - c. Further follow up to the 2008 East Kootenay Regional Housing Forum should be pursued. The City did establish a housing committee.
6. Develop an Employer of Choice tool kit and other recruitment and retention tools for smaller businesses.

e) Working with Employers

1. Promote the use of co-operative training programs and work experience programs among local area employers and educational institutions to provide out-of-region students with more opportunities for local employment and possibly entrepreneurship. Opportunities to work in Cranbrook during study breaks and part-time should be also be promoted. This could be accomplished through the promotion and adoption of best practices. Encourage more co-op placements and attract more students to work in Cranbrook during study breaks and part time.
2. Providing support for local industry and companies seeking labour market opinions for the Provincial Nominee Program.
3. Develop, in cooperation with employers and educational institutions, summer internship programs.
4. Support employer workshops. KRREA has plans for employer workshops targeted at recruiting and retaining Gen Y and foreign workers.
5. Participate in developing and implementing human resource strategies for specific areas, sectors, or segments of the industry.
6. Promote the development of human resource strategies among small businesses in the region. Resources are available from government and local service providers such as CFEK.
7. Promote profit-sharing plans and other employee inducements among employers. Programs such as the Employee Share Ownership Program benefit both employers and employees.
8. Encourage the adoption of success strategies in which retiring workers are allowed to remain gainfully employed through alternative work arrangements while serving a secondary training role for new recruits. Flexible working arrangements like part-time work, fixed-term contracting, and home working would smooth the transition between the large segment of retiring workers and new labour force entrants who will be required to take their place.
9. Expand awareness of widely available programs and services such as the Industrial Training Authority and the numerous wage subsidy programs available from the federal government (e.g., Targeted Wage Subsidy Program, Job Creation Partnerships, Apprenticeship Job Creation

Tax Credit, Young Canada Works, First Nations, and Inuit Student summer employment Program).

10. Encourage companies to provide relocation assistance for talented and specialist positions. Employers who expect all employees to cover such costs may have difficulty recruiting.

f) Other Programming

1. Promote the MentorMatch program jointly delivered by CFEK and KRIC.
2. Build on partnerships that have been established by local governments and economic development agencies (e.g., Linx BC, S.U.C.C.E.S.S.) to target immigrants and work on labour issues.
3. Work with the School District to encouraged, develop, and promote local career planning.
4. Work with educational institutions to emphasize the development of trades and technical occupations by promoting these career paths and developing flexible education and training programs to better meet employer and employee needs.
5. Establish programs to retain local college graduates who possess needed skills among local firms.
6. Document the linkage between temporary worker programs and immigration so international students are aware of opportunities.
7. Explore opportunities for increasing local use of the Provincial Nominee Program and for recruiting participating immigrant workers.
8. Extend career path assistance and development for First Nations' workers to increase their participation rate and complement of full-time, year round work.
9. Provide a facilitation service whereby foreign graduates of BC and Alberta universities and colleges are able to find a job in the region.

7. AIRPORT INDUSTRIAL LAND ASSESSMENT

7.1 INTRODUCTION

A key component for industrial development is having the serviced (or easily serviced) land for development when those who want to expand, start-up, or relocate, actually need it. During the city tour early in the research process, the consulting team casually observed a substantial number of vacant or underutilized land parcels that appeared to be zoned industrial, yet were consistently told that there was shortage of available industrial land. The gap between what was casually observed and information gathered in early conversations, instigated the preparation of this formal inventory consisting of a photo taken at each site combined with site specific information obtained from the City’s tax rolls on all underutilized land zoned industrial within the City.

The inventory consists of 52 parcels that range in size from 22.939 acres to 0.146 acres. Most of the parcels are in the 1.5 to 5.0 acre size with a total available area of more than 150 acres. These parcels are almost all privately owned. In addition to these parcels, Tembec has a large industrial site in the centre of the community that has parts that are now underutilized plus more than 50 acres is planned to be made available at the Airport. Clearly, there ample unused or underutilized industrial lots available for businesses that want to expand, start-up, or relocate to the City of Cranbrook.

7.2 INDUSTRIAL LAND AVAILABILITY IN CRANBROOK—INVENTORY

Parcel 1:

Legal Description: Plan 16676 (4142)

Lot size (acres): 15.52

Description: Business

Assessed Value Land: \$321,000

Assessed Value Improvements: \$91,700

Owner: Havaday Developments Inc.



Parcel 2:

Legal Description: Plan R/W 19-11
(2124&2224) (15188)

Lot size (acres): 6.76

Description: Business

Assessed Value Land: \$152,000

Assessed Value Improvements: \$

Owner: Southeast contracting Ltd.

For Sale



Parcel 3:

Legal Description: NEP 22960 A (203)
Lot size (acres): 2.112
Description: Business
Assessed Value Land: \$109,000
Assessed Value Improvements: \$
Owner: Palliser Developments Inc.



Parcel 4:

Legal Description: NEP 22960 B (241)
Lot size (acres): 4.497
Description: Business
Assessed Value Land: \$249,000
Assessed Value Improvements: \$
Owner: Jasper Mining Corporation



Parcel 5:

Legal Description: Plan NEP 81551 #10 (265)
Lot size (acres): 1.51
Description: Business
Assessed Value Land: \$84,600
Assessed Value Improvements: \$
Owner: Roux, Sylvan J
For Sale



Parcel 6: Plan

Legal Description: Plan NEP 81551 #9 (305)
Lot size (acres): 1.5
Description: Business
Assessed Value Land: \$84,100
Assessed Value Improvements: \$
Owner: 527190 BC LTD



Parcel 7:

Legal Description: Plan NEP 81551 #8 (315)
Lot size (acres): 1.5
Description: Business
Assessed Value Land: \$84,100
Assessed Value Improvements: \$
Owner: Georgeson, Colin J



Parcel 8:

Legal Description: Plan NEP 81551 #7 (325)
Lot size (acres): 1.5
Description: Business
Assessed Value Land: \$84,100
Assessed Value Improvements: \$
Owner: Allsopp, Ross E



Parcel 9:

Legal Description: Plan NEP21274 #3 (1524/324)
Lot size (acres): 1
Description: Business
Assessed Value Land: \$58,000
Assessed Value Improvements: \$
Owner: Hockley, Isaac J



Parcel 10:

Legal Description: NEP 68546 #D (405, 417, 429)
Lot size (acres): 3.805
Description: Business
Assessed Value Land: \$189,000
Assessed Value Improvements: \$
Owner: 648462 BC LTD



Parcel 11:
Legal Description: Plan 81551 #6 (412, 424, 1525)
Lot size (acres): 2.79
Description: Business
Assessed Value Land: \$146,000
Assessed Value Improvements: \$
Owner: T J F Investments Ltd



Parcel 12:
Legal Description: NEP 68546 #C (441, 443, 465, 1500, 1424)
Lot size (acres): 4.62
Description: Business
Assessed Value Land: \$266,000
Assessed Value Improvements: \$
Owner: Martech Industries



Parcel 13:
Legal Description: Plan A 9005 (1525)
Lot size (acres): 2.6
Description: Business
Assessed Value Land: \$138,000
Assessed Value Improvements: \$
Owner: Crown Provincial



Parcel 14:
Legal Description: Plan 2 15188 (1645, 1745)
Lot size (acres): 2.94
Description: Business
Assessed Value Land: \$153,000
Assessed Value Improvements: \$
Owner: Tracksall Industry Ltd.



Parcel 15:
Legal Description: Plan 81551 #3 (1724)
Lot size (acres): .996
Description: Business
Assessed Value Land: \$57,900
Assessed Value Improvements: \$
Owner: Dyrland, Jody M
For Sale



Parcel 16:
Legal Description: NEP 22619 #A (416, 1924)
Lot size (acres): 1.886
Description: Business
Assessed Value Land: \$85,400
Assessed Value Improvements: \$
Owner: Sun Peaks Homes Ltd.



Parcel 17: subdivided into three separate lots
Legal Description: NEP87304 #A
Lot size (acres): 1.307
Description: Business
Assessed Value Land: \$74,000
Assessed Value Improvements: \$0
Owner: Aldie's Land Company Ltd.

Legal Description: NEP87304 #B
Lot size (acres): 1.307
Description: Business
Assessed Value Land: \$74,000
Assessed Value Improvements: \$0
Owner: Aldie's Land Company Ltd.

Legal Description: NEP87304 #C
Lot size (acres): 2.384
Description: Business
Assessed Value Land: \$128,000
Assessed Value Improvements: \$0
Owner: Aldie's Land Company Ltd.



Parcel 18:

Legal Description: REM Plan NEP 21481 #3 (1624, 1724, 1824, 241, 229)

Lot size (acres): 5.98

Description: Business

Assessed Value Land: \$ 305,000

Assessed Value Improvements: \$

Owner: Kootenay Properties Inc.



Parcel 19:

Legal Description: NEP 79601 #4 (416, 404)

Lot size (acres): 4.4571

Description: Business

Assessed Value Land: \$220,000

Assessed Value Improvements: \$

Owner: Timarook Holdings (1985) Ltd



Parcel 20:

Legal Description: NEP 79601 #5

Lot size (acres): 1.779

Description: Business

Assessed Value Land: \$98,600

Assessed Value Improvements: \$

Owner: Timarook Holdings (1985) Ltd



Parcel 21:

Legal Description: NEP 79601 #6

Lot size (acres): 1.648

Description: Business

Assessed Value Land: \$91,800

Assessed Value Improvements: \$

Owner: Timarook Holdings (1985) Ltd



Parcel 22:
Legal Description: NEP 84408 #3
Lot size (acres): 6.893
Description: Business
Assessed Value Land: \$309,000
Assessed Value Improvements: \$
Owner: 0791359 BC Ltd.



Parcel 23:
Legal Description: NEP 68546 #B
Lot size (acres): 2.433
Description: Business
Assessed Value Land: \$130,000
Assessed Value Improvements: \$
Owner: Brent Horton Enterprises Inc.



Parcel 24:
Legal Description: REM 1 Plan 8133
Lot size (acres): 22.939
Description: Business
Assessed Value Land: \$450,000
Assessed Value Improvements: \$
Owner: 530799 BC Ltd.
For Sale/will build to suit



Parcel 25:
Legal Description: Plan 15296 #6 (553)
Lot size (acres): .74
Description: Business
Assessed Value Land: \$53,900
Assessed Value Improvements: \$
Owner: Ravbar, Miiko E



Parcel 26:
Legal Description: Plan 1 9105
Lot size (acres): 1
Description: Business
Assessed Value Land: \$43,500
Assessed Value Improvements: \$431,000
Owner: Colco Enterprises Limited



Parcel 27:
Legal Description: Plan 12227 #4 (1124)
Lot size (acres): 2.43
Description: Business
Assessed Value Land: \$130,000
Assessed Value Improvements: \$
Owner: Skyway Holdings Ltd.



Parcel 28:
Legal Description: Plan 18279 #3 (1017)
Lot size (acres): 1.006
Description: Business
Assessed Value Land: \$58,300
Assessed Value Improvements: \$
Owner: Reid, Donald J



Parcel 29:
Legal Description: Plan 12325 #1 (800)
Lot size (acres): 1.105
Description: Business
Assessed Value Land: \$59,500
Assessed Value Improvements: \$
Owner: 379715 BC Ltd.



Parcel 30:
Legal Description: Plan 8952 (906)
Lot size (acres): .25
Description: Business
Assessed Value Land: \$11,400
Assessed Value Improvements: \$
Owner: Fernie Cartage Ltd.



Parcel 31:
Legal Description: Plan NEP 21409 #B (905)
Lot size (acres): .462
Description: Business
Assessed Value Land: \$54,800
Assessed Value Improvements: \$510,000
Owner: Russo, Toni
For Sale



Parcel 32:
Legal Description: NEP 84573 #B
Lot size (acres): .902
Description: Business
Assessed Value Land: \$56,400
Assessed Value Improvements: \$272,000
Owner: Nuspl Holdings Ltd.



Parcel 33:
Legal Description: Plan 9513 #1 (415)
Lot size (acres): 1.35
Description: Business
Assessed Value Land: \$75,700
Assessed Value Improvements: \$10,400
Owner: Kootenay Collections Ltd.



Parcel 34:
Legal Description: Plan 7247 (917)
Lot size (acres): 1
Description: Business
Assessed Value Land: \$64,000
Assessed Value Improvements: \$312,000
Owner: Saputo Foods Ltd.



Parcel 35:
Legal Description: Plan 17621 (30)
Lot size (acres): .146
Description: Business
Assessed Value Land: \$14,700
Assessed Value Improvements: \$
Owner: Shannon, James D



Parcel 36:
Legal Description: Plan 16178 #23 (604)
Lot size (acres): .26
Description: Business
Assessed Value Land: \$23,100
Assessed Value Improvements: \$69,900
Owner: 0825540 BC Ltd.



Parcel 37:
Legal Description: Plan 15384 #3 (601)
Lot size (acres): 2
Description: Industrial Light
Assessed Value Land: \$68,400
Assessed Value Improvements: \$599,000
Owner: Tri-Kon Precast Products Ltd.



Parcel 38:
Legal Description: Plan 887-BLK 94 (501)
Lot size (acres): 5
Description: Business
Assessed Value Land: \$102,000
Assessed Value Improvements: \$
Owner: Bower Doyle



Parcel 39:
Legal Description: Plan 1094 #7 (1200)
Lot size (acres): .948
Description: Business
Assessed Value Land: \$39,400
Assessed Value Improvements: \$279,000
Owner: Ostash Aluminum Building Products



Parcel 40:
Legal Description: Plan 887-BLK 92 (400 & 1301)
Lot size (acres): 4.679
Description: Business
Assessed Value Land: \$96,800
Assessed Value Improvements: \$
Owner: Home Hardware Stores Limited



Parcel 41:
Legal Description: Plan 10904 #4 (1314)
Lot size (acres): .96
Description: Business
Assessed Value Land: \$24,700
Assessed Value Improvements: \$
Owner: Gendron Oliver



Parcel 42:
Legal Description: Plan 10904 #3 (1400)
Lot size (acres): .811
Description: Business
Assessed Value Land: \$23,700
Assessed Value Improvements: \$
Owner: Petro Canada



Parcel 43:
Legal Description: Plan 887 #82 (1507)
Lot size (acres): 2
Description: Residential
Assessed Value Land: \$121,000
Assessed Value Improvements: \$116,000
Owner: Arland, David W



Parcel 44/51:
Legal Description: Plan NEP 66248 Lot 5
Lot size (acres): 2.693
Description: Business
Assessed Value Land: \$320,000
Assessed Value Improvements: \$0
Owner: City of Cranbrook



Parcel 45/52:
Legal Description: Plan NEP 66248 Lot 4
Lot size (acres): 11.626
Description: Business
Assessed Value Land: \$1,075,000
Assessed Value Improvements: \$0
Owner: City of Cranbrook



Parcel 46:
Legal Description: NEP 76943-1 (1550)
Lot size (acres): 4.546
Description: Business
Assessed Value Land: \$1,195,000
Assessed Value Improvements: \$
Owner: Tru-Roc Gypsum Distributor



Parcel 47:
Legal Description: NEP 66726- A (1600)
Lot size (acres): 2.891
Description: Business
Assessed Value Land: \$316,000
Assessed Value Improvements: \$
Owner: Kutzner Holdings Ltd.



Parcel 48:
Legal Description: Plan 1638 (1391, 11435, 1455)
Lot size (acres): 4.44
Description: Business
Assessed Value Land: \$310,000
Assessed Value Improvements: \$
Owner: Canadian Pacific Railway Co



Parcel 49:
Legal Description: Plan 15378-1 (1335)
Lot size (acres): 1.09
Description: Business
Assessed Value Land: \$243,000
Assessed Value Improvements: \$69,400
Owner: Cinco Construction Service Ltd.



Parcel 50:
 Legal Description: Plan NEP 82114-B (120)
 Lot size (acres): .934
 Description: Business
 Assessed Value Land: \$39,200
 Assessed Value Improvements: \$
 Owner: Bradley, Maurice E



7.3 AIRPORT INDUSTRIAL LAND—SUGGESTED STRATEGIES

7.3.1 Canadian Rockies International Airport Overview

a) Background and Location

Cranbrook airport is also known as the Canadian Rockies International Airport and is a regional airport located 15 kilometres north of the City of Cranbrook and 20 kilometres southeast of the Town of Kimberley. The Airport is owned by the City of Cranbrook and is operated by Vancouver Airport Services Ltd. Although not an obvious employment generator, the Airport is emerging as a transportation growth engine for the region’s burgeoning tourism industry and is classified as an airport of entry by NAV Canada. It is also staffed by Canadian Border Services.

The Airport has undergone several upgrades in recent years. The City of Cranbrook, in partnership with both senior levels of government, has extended the run way to 8,000 feet and completed navigational aid upgrades. In addition, major expansions have been completed to the terminal building. As part of a three-phase plan that included the runway expansion, the terminal was expanded from 9,400 square feet to a facility of 33,000 square feet. The expansion of the airport terminal has allowed for international arrival and departure areas, and the addition of the Canada Border Services facility. The Airport has a Category 1 Instrument Landing System and can accommodate Boeing 767 and Airbus A321 aircraft.

b) Schedule

Currently, the Airport has regular scheduled daily flights to and from Vancouver and Calgary provided by Air Canada and Pacific Coastal Airlines. Service (as of March 31, 2009) also includes five daily flights to Vancouver and three flights to Calgary. August 2008 saw Delta Airline’s first international flight to Cranbrook from Salt Lake City (Canadian Rockies Airport webpage). There is currently one flight a week between Salt Lake City and Cranbrook. Further expansions are anticipated so that direct flights from Europe will be possible. The charter-flight tourist market, particularly the ski market, is believed to be ripe for harvesting.

c) Aircraft Movements and Passenger Volumes

Table 7-1 highlights the aircraft movements at the Cranbrook airport between 2003 and 2007. The number of movements has remained constant over the period and Cranbrook has maintained its ranking among Canadian airports over the period.

Table 7-1: Total Aircraft Movements by Class of Operation, 2003 to 2007

	2003	2004	2005	2006	2007
Local					
Rank	38	32	26	36	29
Movements	1,223	1,823	3,054	1,210	1,855
Itinerant					
Rank	43	39	39	42	40
Movements	10,441	11,334	11,342	10,408	10,963
Total Movements					
Rank	43	40	39	43	41
Movements	11,664	13,157	14,396	11,618	12,818

Source: Statistics Canada – Catalogue No. 5151-209-X

The majority of the aircraft movements have been itinerant movements, which refers to flights that arrive from or depart to a point other than the reporting airport or a movement that leaves the close proximity of the airport and returns without landing at another airport. Local movements refer to flights that remain close to the airport. Table 7-2 highlights the type of aircraft arriving by how they are powered. As illustrated, the majority are turboprop aircraft. Jet aircraft make up a small number of the movements but has generally been trending upwards since 2005.

Table 7-2: Itinerant Movements by Type of Power Plant, 2003 to 2007

	2003	2004	2005	2006	2007
Jet	466	338	430	489	519
Turboprop	6,289	7,178	6,293	6,741	6,577
Piston	3,125	3,468	4,130	2,679	3,455
Helicopter	503	272	455	477	401
Gliders	58	78	34	22	11
Total	10,441	11,334	11,342	10,408	10,963

Source: Statistics Canada – Catalogue No. 5151-209-X

Table 7-3 highlights the movement from domestic, transborder, and international flights in 2007. As illustrated, most traffic is from Canada. Most of the flights from the United States are from private aircraft with a small number of commercial flights. However, it is anticipated that the commercial flights from the United States will grow in 2008 and beyond as Delta Airlines develops their Salt Lake service.

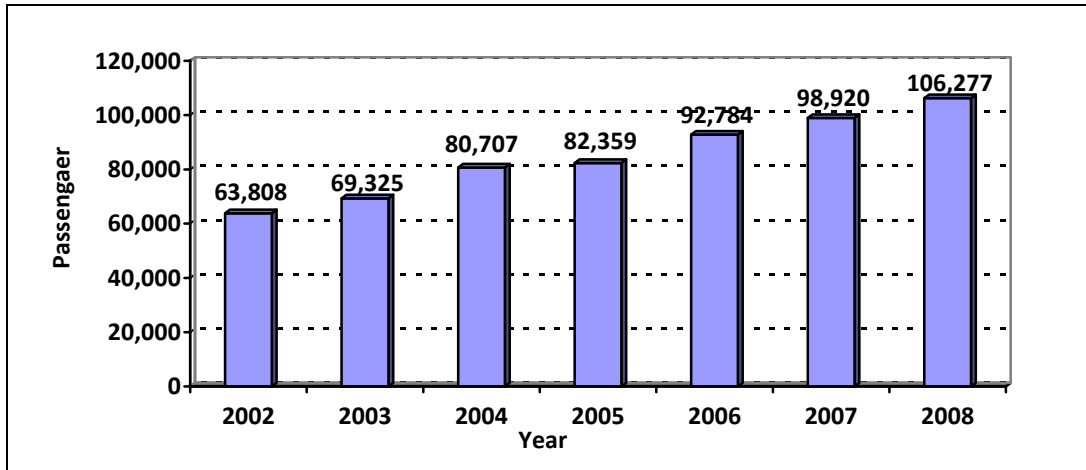
Table 7-3: Itinerant Movements, Domestic, Transborder and International, 2007

	Domestic	Transborder	Other Inter'l	Total
Air Craft Movements				
Level I-III & Foreign	6,613	45	0	6,658
Level IV-VI	920	13	0	933
Other Commercial	1,053	5	0	1,058
Private	1,702	233	0	1,935
Government Movements				
Civil	102	0	0	102
Military	274	3	0	277
Total	10,664	299	0	10,963

Source: Statistics Canada – Catalogue No. 5151-209-X

The Canadian Rockies International Airport has seen strong passenger growth over the past six years, as shown in Figure 7-1. Total passengers have increased steadily from 63,808 passengers in 2002 to 106,277 passengers in 2008. Each year shows another incremental increase in passenger numbers with a 66 percent overall increase during the six-year period.

Figure 7-1: Passenger Numbers for Canadian Rockies Airport, 2002 to 2008



Source: Canadian Rockies Airport.

Table 7-4 highlights the change in air passengers on a monthly basis for the past three years. As illustrated, overall growth has been 14.5% in annual passenger numbers between 2006 and 2008. Meanwhile, in the past two years, the months of February and April have had the strongest increase in passenger numbers, while November and December have had the smallest increase in passenger numbers. Also of note is in 2006 only three months had passenger numbers of 8,000 or more; however, by 2008 this had risen to eleven months, with only November being below 8,000.

Table 7-4: Airport Passenger Volumes, Monthly Statistics, 2006 to 2008

Month	2006	2007	2008	Change
January	7,627	8,140	8,673	13.7%
February	7,545	8,247	10,201	35.2%
March	8,308	8,647	9,533	14.7%
April	6,856	7,578	8,497	23.9%
May	8,088	8,151	9,314	15.2%
June	7,662	7,879	8,931	16.6%
July	7,413	7,465	8,618	16.3%
August	7,766	8,655	8,899	14.6%
September	7,630	7,998	8,095	6.1%
October	7,775	8,353	8,785	13.0%
November	7,632	8,233	7,557	-1.0%
December	8,582	9,534	9,174	6.9%
Total	92,784	98,920	106,277	14.5%

Source: Canadian Rockies Airport.

7.3.2 Airport Businesses and Land

a) Businesses

The Cranbrook airport has approximately 50 acres of unserviced land that could be developed for the aviation industry. It is anticipated that all of this land could have access to the runway if required. The Airport is at a very early stage in its development, and there are four hangers and an air tanker base that currently reside at the Airport.

Air Tanker Base

The Cranbrook airport is home to a provincial air tanker sub-centre and is one of six such regional sub-centres. BC has the only centralized air tanker fleet in the province and is located out of the Provincial Air tanker Centre in Kamloops. The Centre manages 20 aircraft that are deployed to fire areas as required. Cranbrook's air tanker base is managed out of Castlegar's Southeast Fire Centre. The base is staffed by a two-person crew from May 1 to September 30 to load retardant from four storage silos. Enough retardant is stockpiled at all times to load 80 to 90 aircraft (Cranbrook Airport Service Ltd. Summer 2002). The Cranbrook air tanker base recently spent \$1 million in revamping ramps and upgrading pavement to standard. This should meet the service needs of the air tanker base for the foreseeable future (Coutanche. 2009. Pers comm.).

S & S Aviation

S & S Aviation occupies a hanger of approximately 3,000 square feet. S & S Aviation primarily provides mechanical and maintenance services to the aircraft in the Cranbrook area or to those flying into the Cranbrook airport. S & S Aviation also has some customers who bring their aircraft in from other locations to be serviced at the Cranbrook airport. S & S Aviation employs between one and three people depending on the workload. There is also an aircraft builder who leases space of the S & S Aviation hanger. (Stotts. 2009. pers comm.)

Stream Line Aviation

Stream Line Aviation owns a hanger located in close proximity to the Airport maintenance building. Stream Line Aviation has an office building at the site and leases some space at the building to JR Drilling. Stream Line Aviation leases hanger space and their hanger can accommodate approximately 10 planes. Besides hanger leasing, the principal of Stream Line Aviation also provides general airplane flight training (Bombardier. 2009. pers comm.).

Hans Pechinger's Hanger

Hans Pechinger owns a hanger at the airport that has Pacific Coastal as a regular customer. His hanger also caters to small private operators that fly into the Airport. South East Heli-Service is also located at Mr. Pechinger's hanger (Pechinger. 2009. pers comm.).

Esso Aviation

Esso Aviation provides aviation fuel services to the aircraft at the airport.

South East Heli-Service

South East Heli-Service provides helicopter maintenance services out of Han Pechinger's hanger site.

7.3.3 Airport SWOT Assessment

This section outlines the strengths, weaknesses, opportunities, and threats associated with developing new business opportunities and expanding existing business activities at the Airport.

a) Strengths

The Airport has numerous strengths that can be used to foster new business development in the Cranbrook area including:

- A supply of greenfield industrial land located at the Airport.
- The area has a desirable quality of life that has already fostered the relocation of many professionals to the area in other sectors.
- The population of the Cranbrook and Kimberley area is over 25,000 and supports many of the amenities of a regional service centre.
- Housing is affordable when compared to larger communities in BC and Alberta.
- The Airport has a long runway in a wide valley with upgraded navigational aids.
- The Airport also has a modern terminal.
- Canada customs is present at the Airport.

b) Weakness

The Airport has several weaknesses that could impair business development at the Airport including:

- A small number of aerospace businesses that limits synergies between existing businesses that often lead to growth and diversification.
- No available hanger facilities to readily accommodate expansion.
- No serviced industrial lands at the airport ready for sale.
- Minimal market recognition of the airport as a place to do business.
- High speed Internet service is not available at hangers or proposed development site.

c) Opportunities

The Airport has several opportunities that could enhance business and industrial growth at the Airport including:

- Available industrial land at the Airport (Greenfield).
- Existing manufacturing industries in the area and the presence of commercial airlines could facilitate growth.
- Growing demand for aerospace services to service the growing tourism market.

d) Threats

The Airport has several threats that could impede business and industrial growth at the Airport including:

- The Airport has a high tax rate, currently estimated at three times the cost of services required.
- Land is not subdivided and readily available for sale.
- Rivals/competitors will try to downplay area because of minimal activity at the airport.
- Land zoned as strictly aviation-related eliminates the opportunity to attract professional businesses outside aerospace sector.

7.3.4 Airport Industrial Land Strategy

The Airport industrial land strategy recommends focusing on two key approaches that include growing from within the local business community and establishing an attraction program that will target desirable new businesses at the Airport industrial lands.

a) Guidance

Establish Steering Committee

It is proposed that a steering committee of Airport business owners, Airport staff, and City of Cranbrook staff be formed to provide guidance and insight to the Airport industrial land strategy.

Rationale: By establishing the Steering Committee, it is anticipated that the various viewpoints and goals for the Airport can be communicated and many of the issues and opportunities be developed with the expertise of all of the current Airport interests.

b) Business Retention and Expansion

Work with Local Businesses

Effort should be made to foster and support the existing businesses in growing and expanding. To do this it is suggested that a BRE program similar to that proposed as one of the key guideposts outlined in the Rockies Regional Economic Alliance report be undertaken with the aerospace businesses (Norm Carruthers Consulting, 2008). The focus at the Airport would be to explore ways to support the existing business activities and to look towards new ways of engaging and supporting the Airport businesses.

Rationale: The local business community likely represents the best opportunity to grow employment and activity at the Airport in the short term. In addition, their opinions on services and costs at the Airport are very important when trying to attract new tenants. Potential investors will be interested in the views expressed by current tenants, and presently, there appears to be some concerns and issues that may deter new arrivals.

Small Business Attraction

Discussions with aerospace businesses have identified several growth areas for the Airport that would be complementary to the existing business activities. For example, the Airport may be able to support new businesses involved in aircraft painting, navigational equipment repair, and charter flights. Work should be done to try to identify and attract these businesses.

Rationale: This would be an affordable initiative that could be built on relationships and contacts of existing aerospace businesses and provide incremental and complementary services.

c) Local Government Planning and Policy

Aerospace Visioning Exercise

It is suggested that a visioning exercise be undertaken with the City of Cranbrook, aerospace businesses located at the airport, and Cranbrook airport Services to determine what the goals and objectives should be for industrial land development at the Airport. From this exercise it is proposed that further consideration be given to key elements such as taxation, zonation, and industrial land subdivision in the context of the building blocks that are determined to be important (See Appendix 2). Specifically:

- **Review Taxation** – There is concern that the tax rates at the Airport are on the high side. It may be appropriate to review tax rates at the Airport to determine if lowering them will mitigate a potential impediment to development.
- **Review Zonation** – Land at the Airport is currently linked to aerospace activities. While this is an appropriate zone for the Airport, for the purpose of establishing an industrial cluster at the Airport, it might be appropriate to review these criteria. It is proposed an assessment be undertaken to look at land that would not be directly accessible to the runway; that it might be made available to other types of industrial and commercial activities such as warehousing and logistics, personal services, or businesses that might benefit from the establishment of a trade zone for manufacturing. The objective would be to foster greater flexibility in attracting businesses to the Airport.
- **Industrial Land Subdivision** – A key to the overall Airport industrial land strategy will be to have land that is subdivided and ready for development. Typically, lots of between one and five acres are most desirable. It is suggested that work begin on planning and laying out the industrial area for the 50 acres at the southwest end of the Airport. This will be a critical development step as many businesses will often only have a limited time to commit to finding a location. In addition, it will demonstrate the serious intentions of Airport and City of seeing the lands developed.
- **Fixed-based Operations (FBO)** – Explore fixed-based operation services for private business aircraft. Currently, services are not present at the Airport for private aircraft. The Airport could benefit from better services for businesses and customers arriving on private aircraft with services such as washrooms, luggage service, and flight planning area as are done at other regional airports. Currently, guests arriving on private aircraft have minimal services.

Rationale: The City of Cranbrook and its partners need to decide the priorities for the Airport’s industrial lands, and if there will be a committed focus on developing these lands or if the airport lands will be developed on a more passive basis.

d) Research Materials and Marketing

Data Presentation

It is proposed that an investor section be added to the Airport and City of Cranbrook website highlighting key information that may be of interest to potential investors. The additional website information should highlight:

- Real estate that is available at the airport
- A map with the airport’s specific location
- Taxation levels
- Utilities and services that are available

Rationale: This would be an efficient way to get out information concerning the availability of industrial land at the Airport.

Economic Impact Study

It is suggested that the City undertake an economic impact study of the contribution the Airport makes to the local economy. Examples of formal economic impact studies for Airports have been done by Comox and Lethbridge as part of their economic development work. However, it is suggest that a simple study be undertaken to provide a baseline of economic activity and employment at the Airport.

Rationale: The economic study would provide a baseline of the economic importance of the airport and begin to track the incremental change the airport will have on the local and regional economy moving forward.

Local Aerospace Marketing Plan

It is suggested that a marketing plan be developed for the aerospace industrial land development. This marketing plan will build off the vision work that is suggested above. The marketing plan will likely follow a couple of key themes including:

- attracting new businesses that could share synergies (i.e., avionic navigation equipment repair and maintenance) with existing businesses, or offer services that may be emerging (i.e., charter air services); and
- aerospace service providers that are currently located at other regional airports that may be looking to relocate or expand their activities.

Rationale: The marketing plan will link the vision for the airport industrial lands to the task of looking for the appropriate clients. This activity will require a committed budget and will be a key action item if it is deemed a priority to actively look for new tenants.

Partnering with a Developer

As mentioned in Appendix 2, the Castlegar and Kelowna airports are working with developers who have bought parcels of land close to the airport and are developing them with the goal to complement the activities at the airport. It may be worth exploring attracting a developer that has the appropriate expertise to consider developing a portion of the Airport land.

Rationale: Attracting a developer to work on marketing the industrial lands will allow expertise to be leveraged on to the project. However, this approach needs to be determined within the visioning process before consideration should be given.

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APPENDIX 2: AIRPORT RESEARCH REPORT

Airport Drivers

The four key drivers for the future growth of airports determine the business model that an individual airport seeks to design itself within. These drivers are:

- Network Intercontinental
- Network Feeder
- Low Cost
- Leisure Travel

The sustainable business designs are:

- Primary Hub Airport
- Secondary Hub Airport
- Major O&D Airport
- Low Cost Base
- Leisure Destination Airport
- Express/Cargo Hub

In the British Columbia and Alberta context, *international airports* outside of Vancouver and Calgary (perhaps Edmonton) are mostly small *network feeders*, each of these airports also designate themselves as a *low-cost base* and a *leisure destination airport*.

Building Blocks for an Airport Business Attraction Strategy

The following may be appropriate for Cranbrook:

- **International Airport** – Allows an airport to attract ancillary business services or industries that require or would benefit from regular flights, international charters, and a longer runway with its required landing and tower support. Also, with larger aircraft landing on a regular basis, a larger fuel service is required and perhaps additional fuel and service providers.
- **Low-cost Base Airport** – For regional airports, low cost is the only significant growth opportunity. They attract low-cost carriers and offer lower fees in every possible operations area.
- **Leisure Destination Airport** – Attracts large and small scheduled carriers and charters; it's important to have intermodal integration so that visitors may move to leisure destinations in the region easily.
- **Express/Cargo Hub** – Building on intermodal opportunities and low cost with regionally important border and customs services as well as warehousing and storage.

Trends

- **Fractional Ownership or Fractional Jets** - The first such program was launched in 1986 by NetJets, which continues to dominate the industry. Other providers include business jet operators CitationShares, Flexjet, Flight Options. Fractional aviation is also available in non-jet aircraft, such as Avantair's fleet of Piaggio P180 Avanti aircraft, PlaneSense's Pilatus PC-12 fleet, or AirSprint's combined fleet of jets Citation XLs and prop Pilatus PC12's.

With fractional jets, customers (referred to as "owners") buy a "share" of a plane, rather than an entire plane. The price is pro-rated from the market price of a full aircraft. Owners then have guaranteed access (50–400 hours annually, depending on share size) to that plane with as little as four hours' notice. Fractional owners pay a monthly maintenance fee and an "occupied" hourly operating fee. The latter is charged only when an owner or guest is on board, not when the plane is flying to a pick-up point, or returning to base after completing a mission.

Attracting a Fractional Jet company to locate in Cranbrook would be beneficial or perhaps encourage the development of a localized fractional ownership program. Appendix 3 contains an example of a small regional airport promoting fractional ownership.

- **Warehousing and Storage** – Clustering warehousing and storage areas on or next to airport lands creates the infrastructure for cargo handling, particularly if it were linked to intermodal services and logistics.
- **Accommodation** – There are emerging trends by which accommodation is built at the airport or within an attached business park. This serves as an anchor for a business park that is linked to business air travel. This scenario could set the stage for large companies to locate research and development department at a place like Cranbrook that can offer "quality-of-life" enhancements for employees and cheaper services, real estate, etc. Such accommodation also serves as the staging point for air travellers to jump to the ski slopes, lodge, etc. the next morning and return to the airport hotel several days later when they depart the next morning.
- **Export Distribution Centre (US -Foreign Trade Zone)** – These EDCs are surfacing as an anchor service for international trade businesses. While the US version (FTZ) is common within regional airports in that country, they are new to Canada. Spokane has such a service and Cranbrook could enhance border features, including warehousing and cargo services,, if it were applied to that part of BC.

Firms operating within an EDC can purchase Canadian goods on a tax-free basis and import foreign goods on a tax and duty-free basis if the goods are primarily intended for export/re-export. Value-added opportunities are provided for, as long as the goods are not manufactured or substantially changed in the EDC environment.

Cranbrook could develop cluster services and a strategy to attract EDC tenants to an Airport Business Park that would focus on the US inland region linked to western Canada. Appendix 4 contains further information about export distribution centres

Key Components within an Attraction Strategy

The following represents observations from examining attraction strategies from various successful airports with active Airport Business Parks.

- **Image** – including web and marketing tools. The image of Spokane, Kelowna, and Prince George could serve as models for Cranbrook.
- **Low Cost Fees** – including leases and other services seem to attract a large mix of tenants and seem to spin-off additional development next to the airport.
- **Fractional Ownership Effort (Services and Convenience)** – creates a niche opportunity linked to a demographic interested in resort home fractional ownership etc.

- Hanger Services – the City owning a hanger, which then leases space, could serve as an anchor for growing hanger services that then spreads to the private sector.
- Warehouse and Storage – by clustering such facilities and offering EDC services, opportunities would rise to develop certain niche import/export tenants.
- Aero-cluster – as in the Spokane example, participation and input from airport users developed an enhanced approach to attract diverse tenants and realize trend opportunities.

Approach: Comparing Airport Business Parks

The following represents some interesting cases for airport development.

Spokane International Airport - *The Perfect Location to Land*

While the Spokane airport is much larger than any BC Interior airport, it represents an excellent model by which to design an attraction strategy for an Airport Business Park. The attached promotional samples from Spokane highlight key profile and benefit information that attracts tenants. Spokane has an advanced air culture as it has been home to a major US Airforce Base for many years. With the establishment of an aero-cluster, niche opportunities are realized.

Spokane invites businesses to relocate or establish a corporate office, warehouse, data processing, freight distribution, or other business interest in one of Spokane International Airport's nine development areas that includes:

- Air Cargo
- Commercial Aviation
- Aircraft Maintenance
- Corporate & General
- Airport Business Park
- Aviation Hanger Development
- Airport Business Park-Industrial
- Large Parcels
- Airport Drive
- Tech Park

Undeveloped property and building sites are available for lease throughout designated commercial real estate areas. Build-to-suit can improve work site design and functionality. Third-party developments are welcome. The Airport, a company, or a third party developer can build and manage new construction.

Kelowna International Airport

Kelowna represents another example of an airport influenced by an Aero-cluster. It also represents a sample of an Interior airport that has a major industrial park anchor tenant leasing on airport lands. Kelowna Flightcraft (KF) is an award winning Aircraft Maintenance Operation - Approved Maintenance Organization (AMO) and operates two, full service maintenance, repair and overhaul (MRO) facilities in Kelowna, BC and Hamilton, ON Canada. These facilities are powered by 900 skilled and experienced staff that fly, maintain, modify, engineer, and paint aircraft. KF is a one stop-shop servicing the Aviation Industry worldwide.

Kelowna Flightcraft Air Charter Ltd. is the exclusive air cargo carrier for Purolator Courier Ltd. It ships up to 600,000 lbs. of freight nightly on their fleet of B727s and CV580 with a staff of over 130 dedicated to flight operations. Its subsidiary, Allied Wings, operates the Canadian Forces Contracted Flying Training and Support program. This 20-year contract with the Government of Canada is located near Winnipeg, MB, Canada. In general terms, there is very limited land base remaining on airport lands, lands are not sold, only leased. Kelowna represents an example of having an adjacent Airport Business Park development developed by the private sector.

Pier Mac Development has nearly sold out Phase 1 which included 18 lots from 1 acre to 4 acres in size, today three lots are remaining at a cost from \$1.2 million (1.22 acres) - \$2.1 million (2.55 acres). Pier Mac describes its attraction features as follows:

- 125 acres and 1,500,000 square feet of building on completion, in campus style setting.
- Surrounded by an International Airport, UBC Okanagan's new University Campus, and the Okanagan Golf Club.
- On-site Hotel and 30,000 square foot commercial retail shopping development planned.
- Unique CD15 Airport Business Park – Industrial zone allows wide range of clean business, office, technology, manufacturing, sales and service, fleet, distribution, industrial, warehouse sales uses.
- High development standards through architectural design guidelines.
- Latest fibre optic telecommunications and high-capacity electrical services.
- Level, highly buildable development sites.
- Flexible zoning in place; quick permit approvals allows building to start in mere weeks.

Phase 1 Information

- 16 Airport Business Park – Industrial Lots. Parcels are from 1.0 to 2.5 acres and can be consolidated if a larger lot is required.
- 1 Commercial Retail Development Parcel of 1.63 acres. Parties interested in lease opportunities can Contact Us for more information.
- 1 Hotel Development Parcel of 4.16 acres. Hotel Developers / Operators can Contact Us for more information

Castlegar Regional Airport

The Castlegar Airport is owned and operated by the City of Castlegar and offers regular service to both Vancouver and Calgary. It is 250 km by road to the nearest alternate airport with scheduled passenger air carrier service.

As a smaller airport, Castlegar represents an example of a private developer being attracted to develop airport industrial lands. The Castlegar Airport Lands consist of 32 acres between the airport and has highway frontage. The Vancouver-based Staburn Property Group has acquired an option to purchase this strategically positioned site. Preliminary site investigation work has commenced whilst Staburn reviews a variety of development alternatives for this property. The Staburn Property Group is a premier commercial developer with expertise in the acquisition, development, and management of high-profile retail properties in British Columbia and Alberta. Staburn's projects are presently focused on premium-grade lifestyle and retail projects with Triple A covenant anchor tenants that include Home Depot, Wal-Mart, Canadian Tire, Staples, Michaels, Hudson's Bay, Winners, Sears, Zellers, Best Buy, and London Drugs.

APPENDIX 3: EXAMPLE OF A SMALL REGIONAL AIRPORT PROMOTING FRACTIONAL OWNERSHIP

Aircraft Fractional Ownership

Are you interested in flying for business or pleasure? Do you need an aircraft to fly yourself? Do you need to be flown by a certified pilot? An aircraft fractional ownership or partnership could be the answer!

Aircraft are available at the DuBois Regional Airport that can get you started in an aircraft fractional ownership or partnership with a Beechcraft Baron 58P.

The Beechcraft Baron 58P is a light-medium, twin-engine pressurized aircraft manufactured by the Beechcraft division of Raytheon Aircraft. The Baron 58P has club seating, double aft doors, and is fitted with a Continental IO-550C engine with a cruising speed of 200 knots at 8,000 ft. At a cruising speed of 200 knots, flight times with a passenger load of (5) are as follows:

DUJ-Chicago	400 NM	2 hr. flight time
DUJ-Baltimore	200 NM	1 hr. flight time
DUJ-Boston	350 NM	1.45 hr. flight time
DUJ-Detroit	200 NM	1 hr. flight time

Benefits of fractional ownership or partnership in an aircraft include:

1. shared/reduced cost basis with ownership
2. use of professional pilot services as needed
3. flexibility for business/leisure travel needs
4. same-day travel for meetings/customer visits

A new group of owners/partners is forming now. For additional information about how you or your company can benefit from a joint aircraft ownership contact:

Robert Shaffer, Airport Manager
 Clearfield-Jefferson Counties Regional Airport Authority
 P.O. Box 299
 Falls Creek, PA 15840
 Phone: (814) 328-5311
 Email: bob@dujairport.com

APPENDIX 4: ABOUT EXPORT DISTRIBUTION CENTRES

From the Vancouver International Airport Authority

Why are Export Distribution Centres important for Global Logistics?

Until now, Canada was the only G-8 nation without effective provisions for free trade zone (FTZ) capabilities. The inability to bring goods into Canada, and add value to them in a tax- and duty-free environment, meant that Canada generally was not viewed as an attractive location for modern North American distribution centres, despite its geographic and operating cost advantages.

With the recent changes to Canada's tax laws, firms now have the opportunity to operate EDC's in Canada and to be a part of the world-wide growth in such activities. This new opportunity allows Canada to provide a flexible tax and duty free environment for serving as a distribution centre to the US and world markets.

Firms operating within an Export Distribution Centre (EDC) can purchase Canadian goods on a tax-free basis and import foreign goods on a tax and duty-free basis if the goods are primarily intended for export/re-export. Value-added opportunities are provided for, as long as the goods are not manufactured or substantially changed in the EDC environment.

Canada's new program eliminates the key limitations with past regulatory provisions. EDCs now provide the same relief from duties and taxes that US FTZs provide, but in a much more flexible format. In Canada, you can choose where you wish to locate your EDC operations—you are not confined behind barbed wire fences on a pre-defined and limited piece of land that cannot grow or move with your business as your needs change.

Lowered bonding requirements (from 100% of duties and taxes payable to 0% for low-risk goods and 60% for high-risk goods) as well as the tax and duty-free status eliminates up-front financing requirements.

The administrative element is also being simplified by the introduction of a "single window" approach. Verification of compliance is being harmonized, so that instead of potentially facing separate audits related to each Canada Customs and Revenue Agency program participated in, audits will be co-ordinated.

Canada's new environment allows:

- Duties/ tax relief.
- A single application for eligibility to the whole array of Canada Customs and Revenue Agency programs (including EDC, duty relief, warehouse, bonded warehouse, exporters of processing services, warranty and repair, drop shipment, and export trading house programs) .
- Firms can take advantage of Vancouver's geographic location to access the US, Mexican and world markets. Vancouver is the closest NAFTA port to Asia.
- Firms can take advantage of Canada's low business operating costs.
- EDCs allow exporters to avoid the US inverted tariff and enjoy the benefits of US FTZs without having to enter the high-cost US environment.

- Firms can take advantage of Vancouver International Airport Authority support (including having available land at reasonable lease rates, and assistance with government dealings).
- There are a number of other financial and non-financial support programs related to export activities, investment and employment, that are available from the federal, provincial, and local governments.

Who should be looking at establishing operations within an EDC?

There are a large number of potential clients of an EDC, this including:

- Canadian distributors primarily exporting to the US and other foreign markets (firms must derive 90% or more of their revenues from exports).
- Foreign manufacturing firms that are looking for cost-effective gateways into the US/Mexican marketplace.
- Firms that transport goods in bulk and then undertake repackaging, labelling, product customization pick-and-pack operations, or other value-added activities that fall short of manufacturing, just prior to delivery to the customer.
- Order fulfilment centres.
- Firms engaged in warranty repair activities.

Essentially, any firm that is primarily involved in export distribution of goods would benefit from EDC operations and is a potential client for an EDC.

Why are EDCs important to global distributors?

In modern supply-chain management, producers can achieve cost savings by transporting standard unfinished products close to the market, and postponing customization of the final product until the point of sale. This allows a high level of customer service at a cost-competitive price. Such activity can be done very effectively in the EDC environment, particularly if the product faces an inverted tariff in the US.

Is this restricted to Canadian operators?

No, the programs are open to Canadians and to foreign operators wishing to establish an EDC in Canada. The same rules apply to each.

What paperwork is required to operate in an EDC environment?

As long as the EDC certificate remains valid, all that is required is to show the certificate number on the importation documents. This is sufficient to enable goods to enter tax-free—no additional forms are required. For domestic purchases, suppliers need to be shown the EDC certificate, and they can then provide the goods on a tax-free basis.

Furthermore, no additional paperwork is required for any goods imported tax free into an EDC that are not re-exported but are instead sold in the Canadian domestic market. Of course, to remain eligible for the EDC program, less than 10% of revenues can be derived from the domestic market.

For goods imported into an EDC environment for repair work, GST exemption code 66 must be indicated in field 35 of the B3 Canada Customs Coding Form at the time the goods are accounted for at Customs.

How do Canadian EDCs compare to US FTZs?

- EDCs enjoy the same duty/tax advantages as US FTZs.
- EDCs also allow exporters to the US to minimize US duties on goods subjected to the US inverted tariff.
- EDCs do not require operators to incur the high US costs of providing secure areas - EDC security is provided through modern accounting/audit systems (electronically).
- EDCs are not confined to specific areas that are difficult to expand or move.
- Goods in EDCs may be moved to other locations, unlike US FTZs.
- EDCs enjoy Canada's geographic advantages as gateways to the US market.
- EDCs enjoy Canada's lower business costs of operation.

Why should exporters be interested in EDC's?

US FTZs handle some \$170 billion worth of merchandise annually and employ 340,000. Canadian EDCs offer the same benefits as US FTZs, and have a greater degree of flexibility. Moreover, Canada has a number of business locational advantages that complement EDC activity. This should prove to make EDCs a winning combination.

For further information concerning EDC at YVR please contact:

Raymond J. Segat
Director, Cargo and Business Development
Vancouver International Airport Authority
Phone: 1-(604) 276-6310
Fax: 1-(604) 232-6171
E-mail: Raymond_Segat@yvr.ca

APPENDIX 5: AIRPORT SUMMARY TABLES

The following diagrams highlight a variety of information including:

- Land costs
- Land availability
- Tax rates
- Building space for lease or sale
- Hanger availability
- Hanger lease rates

Diagram 1: Airport Land Availability and Cost Information, 2009

Location	State of Availability	Land for Sale And Price	Land for Lease And Rate	Mill Rate	Building Space for Sale or Lease - Rate	# of Tenants
Kelowna	Virtually no airport industrial land is available. Pier Mac a private development adjacent to the airport has land available.	No airport land for sale can only be leased. Pier Mac a private development has land for sale adjacent to the airport. \$1.2 million (1.22 acres) to \$2.1 million (2.55 acres)	<ul style="list-style-type: none"> Airport Land \$0.145 per sq. ft. per annum to \$0.565 per sq. ft. (bulk fuel storage). Land lease rates increase 2% per annum 		Terminal Building \$140.15 (common use) to \$379.06 (exclusive use) per sq. ft. per annum. Combined Operations Building \$277.53 per sq. ft. per annum.	34
Prince George	Yes land for sale and lease.	There is off-airport land for sale	<ul style="list-style-type: none"> Airport Land \$2.50 per square metre per annum 		No buildings for sale on airport land. There is lease space available in airport buildings at rates based on usage.	33
Vernon	Nothing available presently. Phase I of a three phase aviation industrial park including 80,000 square feet of fully serviced airside land has been sold-out.	There is no airport land presently for sale.	<ul style="list-style-type: none"> Airport Land leases are approximately \$0.35 per sq. ft. per annum Land lease rates are negotiable and base on current market conditions. 10 year leases are offered with a renewal option for 10 years with the first 5 years at a fixed rate. Tie Down space is leased at \$452 - \$540 per year. 		The only building space available would be from existing private properties being re-sold or leased.	16
Castlegar	Yes, there is lease land available.	No	<ul style="list-style-type: none"> Yes, a 10 ha parcel has been leased to Staburn Property Group (Vancouver) for redevelopment. 	\$24.0049 in 2008 per \$1,000 of assessment value.	The only building space available would be from existing private properties being leased.	
Salmon Arm	Yes there is land for lease and sale.	Yes, but a price is not available because the land requires an appraisal and the City have had little interest in the available parcel.	<ul style="list-style-type: none"> Yes, \$2.00 per square meter per annum plus municipal taxes. 	Properties are assessed as Class 6 – Business. 2008 rate was \$20.1791 per \$1,000 of assessment value.	Shuswap Air hangar for sale at \$400,000 (with 100' x 60' building)	

Diagram 1 – cont.

Location	State of Availability	Land for Sale And Price	Land for Lease And Rate	Mill Rate	Building Space for Sale or Lease - Rate	# of Tenants
Kamloops	Yes there is land for lease. Lots are available in the 22 acres Airside Business Park and lots are available in the 6.5 acre Fulton industrial Park which has railway access as well. There is room for expansion.	Land for sale details n/a from contact	Leases are available for a \$60 – 70,000 annual lease and are based on an appraised value. Land is appraised every 5 years Prorated at Consumer Price Index (CPI) for year each leading up to the 5 year anniversary date Lease Terms range from 5 to 40 years Managed by Kamloops Airport Ltd Commission structure in place for brokers.	Fulton industrial Park has I1-S Zoning Airside Business Park has T-2 Zoning.	Building space details n/a from contact	39
Penticton	No land is available.	No land is available for sale. Land that has been sold has a variable rate depending on the size and location of lot.	No land is available for lease. Land that has been leased has a variable rate depending on the size and location of lot.	N/A from contact	Any building for sale or lease would be available from existing airport businesses directly. The airport does not market any facility sales or leases.	30

Diagram 2: Airport Land Landing Fees and Hanger Availability, 2009

Location	State of Landing Fees Commercial/Rec	Fee Rate	Hanger Availability	Hanger Rental or Lease Rates	Parking Rates
Kelowna	Landing Fees for jet, turbine and fixed and rotary aircraft. No fees on piston aircraft. Parking fees on all aircraft.	Jet or Turbine \$5.30 per 1000 kg's Rotary and Fixed \$13.00 per landing Touch and Go landing fee is 50% of prevailing rates No fees on piston aircraft. Terminal Fees applicable for all aircraft using the terminal building/apron. \$10.04 - \$785.84 Per aircraft (based on number of seats)	Only private hanger space is available	n/a	Daily Rate \$11 - \$33 per night. Annual Parking \$275 unserviced \$500 with taxiway access \$1475 oversized aircraft (unserviced)
Prince George	Landing Fees for jet/turboprop, helicopters and piston over 4000kg Parking on all aircraft. Also terminal fees charged	Minimum Landing Fee – \$25.00 Landing Fees (jet/turbo) \$20.98 - \$1377.00 International \$48.69 - \$3187.52 Piston Under 400kg – free 4000-21000kg \$8.00 Over 21,00kg \$10.13	Only private hanger space is available	Hanger space is available for lease through private sector tenants on airport lands.	By weight Minimum Daily 10.00 To \$303.43 per day. Monthly \$100 - \$6,081.40 Annual \$500 - \$750
Vernon	Landing fees on all turbine and jet powered planes only	\$20 per plane			\$6.00 overnight fee per plane
Castlegar	Landing fees on all turbine powered planes only. Parking fees on all planes.	Approx. \$7/1000kg of landed weight - \$25 per landing minimum	Only private hanger space is available	Hanger leases are not available from the city	\$6.00-\$50.00/day, depending on the size of aircraft.
Salmon Arm	Landing Fees for aircraft over 2000 kg Parking fees for all aircraft.	\$35 - \$125 per aircraft based on weight over 200kg	No hanger space for "lease".	Hanger "Fees" Regular Non-commercial \$0.424 per sq.ft per year Minimum \$575/year Commercial/Industrial/Non-Airport \$0.714 per sq.ft per year Minimum \$1437.50/year City of Salmon Arm Hanger \$168.75 per month	Parking Fees 0-5700kg Per Day - \$10 Per Month - \$100 Per Year - \$625 5700kg and more Per Day - \$20 Per Month - \$150 Per Year - \$1500

Diagram 2 – cont.

Location	State of Landing Fees Commercial/Rec	Fee Rate	Hanger Availability	Hanger Rental or Lease Rates	Parking Rates
Kamloops	Landing fees apply to all aircraft including jet, turboprop and piston engines except scheduled carriers below 78 seats.	Min Domestic Charge for Jet/Turbo Prop - \$14.20 Min International Charge for Jet/Turbo Prop - \$14.60 General Terminal Fees Fees begin at 0-09 passengers Domestic - \$10.35 International - \$24.00	Not reported	Not Reported	Parking fees begin with all aircraft to 2,000kg. Daily (After 6 hours) \$7.10 per day Monthly - \$ 57.15 Annual \$350.00 Grass \$465.00 Apron
Penticton	Yes, landing rates are variable depending on Aircraft weight.	Minimum charge for Jet/Turbo Prop "Domestic" \$16.25 Additional charges begin on weights above 21,000kg Minimum charge for Jet/Turbo Prop "International" \$16.25 Additional charges begin on weights above 21,000kg General Terminal Charges Based on the number of seats in the aircraft 0-9 Seats Domestic \$14.83 0-9 Seats International \$34.28 Terminal charges range from 14.83 to 2251.57 per aircraft depending on seats and whether it's a domestic or international flight.	Only private hanger space is available	Aircraft hanger space is sold or leased by airport businesses directly. At present, Kittyhawk Air Services have hanger space for lease.	Aircraft to 2000kg Daily – \$6.11 Monthly - \$49.06 Annual - \$310.24 Aircraft 2000kg – 5000kg Daily – \$6.11 Monthly - \$49.06 Annual - \$372.27 Parking rates increase according to weight for a maximum of \$141.05 Daily Rate and \$2826.92 Monthly Rate There is no Annual Rate available for aircraft over 500kg.