

Slocan Valley Economic Development Plan



Report Two: Economic Development in Slocan Valley Structure Recommendation Report

March 2017

This report presents an overview of economic development structures and models and a recommendation for the Slocan Valley. This report has been produced as part of the development of an economic development strategy initiative for the Slocan Valley.



Table of Contents

Project Background.....	3
What is Economic Development?	4
Economic Development in British Columbia	5
Economic Development Structures	6
Economic Development Advisory Committee	6
Economic Development Department (in-house).....	6
Economic Development Corporation or Society (arm’s length).....	7
Economic Development Service Contract.....	7
Comparison of Structures	7
The Activities of Economic Development	9
Business Retention and Expansion	9
Business/Investment Attraction	10
Entrepreneurial Development	10
Collaboration with Other Groups.....	11
Workforce and Sector Development	11
Core Activities of the Economic Development Function	11
Current State of Economic Development in the Slokan Valley.....	13
Economic Development in Other Jurisdictions.....	13
Structure and Service Delivery Options.....	17
Structure and Service Delivery Evaluation.....	25
Structure Recommendation.....	31
Structure	31
Service Boundaries.....	31
Service.....	31
Economic Development Commission	32
Funding	32
Performance Measurements	32
Implementation	33
Implementation Action Plan	33
Conclusion.....	33
Appendix A – Structure Organization Chart.....	34



Introduction

Project Background

The Village of New Denver, in consultation with the Villages of Silverton, Slocan and Regional District of Central Kootenay (RDCK), contracted with EDCD Consulting to undertake a facilitated engagement process to develop a multi-year, regional economic development strategy, a project supported by the Rural Dividend Fund and the Province of BC. A key component of the strategy was to evaluate the Slocan Valley's economic development service options in terms of fit and feasibility for regional development collaboration between the Villages of Slocan, Silverton and New Denver and the unincorporated communities of Electoral Area "H".

The process began with a review of existing literature, reports and studies previously completed by the communities within the Slocan Valley or other identified stakeholders or partners. The project brought together individuals and businesses to ensure the needs and desires from the local communities are built into the final plan. Their input provided a key source from which to draw conclusions and recommendations throughout this project.

The project involves the development of three reports:

- Report One: Stakeholder Analysis Report
- Report Two: Structure Recommendation Report
- Report Three: Economic Development Plan for the Slocan Valley

A key component of the project is to provide an economic development structure recommendation for the Slocan Valley. This report provides the structure recommendation along with rationale, comparisons and an overview of economic development to provide context.





A key component of the project was to evaluate the Slokan Valley’s economic development service options in terms of fit and feasibility for regional development collaboration between the Villages of Slokan, Silvertown and New Denver and the unincorporated communities of Electoral Area “H” of the Central Kootenay Regional District (Slokan Valley). The following questions were considered during the process:

- What economic development service model or structure best meets the needs?
- What structure will make the most efficient use of resources?
- What structure will reflect the values and objectives of the communities within the Slokan Valley?
- What structure will best contribute to long-term success?

This report provides an overview of economic development along with a review of the various economic development structures presented during the project. The report will conclude with our recommended economic development structure for the Slokan Valley along with rationale.

What is Economic Development?

Economic development has been defined in various ways by different organizations and individuals. Here are examples of some current definitions:

“Economic development is a program, a group of policies, or activity that seeks to improve the economic well-being and quality of life for a community. It will create and retain jobs that facilitate growth and provide a stable tax base.” *Learning to Lead, Forman/Mooney*

“Economic Development can be described in terms of objectives. These are most commonly described as the creation of jobs and wealth, and the improvement of quality of life. Economic development can also be described as a process that influences growth and restructuring of an



economy to enhance the economic well-being of a community” *International Economic Development Council*

“...is action by people locally to create economic opportunities that improve social conditions, particularly for those who are most disadvantaged.” *Canadian Community Economic Development Network*

Although there are many varied definitions for economic development, two things are clear – one, economic development covers a wide range of activities. These activities revolve around improving the quality of life for the citizens within a community or region. Economic development leverages new growth and redevelopment to improve a community or region. And, two, economic development is what a community or region make it. Every community/region is unique and must define what economic development means for them.

Through the public consultation process it became evident that there is Valley-wide support for economic development but it must be managed and pursued collectively to reflect the values and principles of the residents.

Economic Development in British Columbia

In June 2016 economic development practitioners, elected officials and local government staff across the province were surveyed to understand how approaches to economic development work was structured across communities. The survey collected information on the level of support and resources accessible, the types of local economic development activities undertaken and ways of collaborating. The survey was completed in partnership with the British Columbia Economic Development Association (BCEDA), Union of BC Municipalities (UBCM) and the Ministry of Jobs, Tourism and Skills Training (MJTST).

Structure

Over half of the respondents indicated that their community have one or more full-time equivalent (FTE) staff dedicated to economic development while one in five respondent communities have no staff dedicated to economic development. The survey indicated the size of the community directly related to staff resources. The larger the community, the more likely they are to have economic development staff. Small communities tend to outsource or partner their economic development work, most often using other local government staff or the Chamber of Commerce.

The survey profiled a typical small community as:

- Have less than one FTE dedicated to economic development work (68% have less than 1.0 FTE)
- Are most likely to have staff assigned to local economic development work in addition to other duties (43%), or to go through their Chamber of Commerce for economic development work (30%)
- One in four (27%) have dedicated economic development staff
- Not quite half (46%) feel that this approach is somewhat or very effective



Funding

Funding for economic development work tends to come from the local government itself (55%). Smaller communities divide their funding sources between local government (42%) and economic initiative trusts (24%). The survey did not ask for funding amounts, however, a previous survey completed by the BCEDA in 2013 indicates funding levels for communities/regions of similar size to the Slocan to be in the range of \$100,000 to \$249,000 but some fall as low as \$40,000. These budgets do not include those funds dedicated for tourism which could add another \$25,000 or more.

Economic Development Structures

Throughout the project process, four economic development structures were presented and discussed:

- Economic Development Advisory Committee
- Economic Development Department (in-house)
- Economic Development Corporation or Society (arm's length)
- Economic Development Service Contract

Any economic development structure will rely heavily upon answers to a number of questions including:

- How ready is the community – past attempts, current status, resources, etc.?
- What outcomes does the community want?
- How involved does the community want to be?
- What is most feasible for long-term success?

Once questions are answered, and the community is committed to long-term economic development, the structure will generally fall into one of the above mentioned categories. These four economic development models were presented during the public engagement process to generate input and support discussion. Below is the summary of each model presented:

Economic Development Advisory Committee

- The structure can be adapted to any size of municipality or regional district or a combination.
- Commissions are established by council bylaw outlining membership, purpose, responsibilities, and expectations.
- Members are usually volunteers appointed by councils/RD Boards, from the community at large. Common participation is Chambers of Commerce, Business Improvement Associations, local universities, businesses and other key stakeholders including elected officials.
- Council or advisory commissions may rely on a designated coordinator, who is often a municipal employee but in many cases have no staff support.
- Advantage of this committee is it has dedicated staff, combined with community and elected officials' input into the implementation of economic development programs and initiatives.

Economic Development Department (in-house)

- An economic development department relies on a dedicated staff person to handle all aspects of economic development implementation.
- Usually the department is supported with a board of directors.



- Common participation on the board of directors is Chambers of Commerce, Business Improvement Associations, local universities, businesses and other key stakeholders including elected officials.
- Generally smaller municipalities set up a one-person economic development department and may have some additional staff support.
- Although independent from other municipal departments, the economic development department must still communicate with all departments on a regular basis and generally are part of the management team.

Economic Development Corporation or Society (arm’s length)

- This type of economic development organization is not as common in BC as it is in Eastern Canada and the USA.
- Generally only established in larger centres and is only effective when the corporation has the power to buy and sell land.
- This type of structure is also sometimes established as a Society.
- Economic Development Corporations or Societies are traditionally owned by the city or region that they are responsible for.
- The Corporation or Society operates with a board of directors that is usually selected by the Council.
- Common participation on the board of directors is Chambers of Commerce, Business Improvement Associations, local universities, businesses and other key stakeholders including elected officials.
- It is common for the city/region to enter into a long-term operating agreement with the board that clearly defines the responsibilities.

Economic Development Service Contract

- A local or regional government may undertake a “fee for service” contract with an existing organization in the community or region that is already providing business and/or economic development services. Examples are Chamber of Commerce, Community Futures Development Corporations or other business, sector or industry groups.
- The local or regional government identifies the services it wants delivered and contracts these out, providing the appropriate financing.
- Benefits of this type of agreement include a sharing of staff and facilities, access to existing organizational structures and expertise.
- This type of structure is not common in BC and is generally only done if the existing organization has existing capacity and resources.

Comparison of Structures

Model	Funding	Advantages	Disadvantages	Board Size and Structure
Economic Development Committee	<ul style="list-style-type: none"> • no long term funding commitment as project based 	<ul style="list-style-type: none"> • specific priorities • less bureaucracy • direct access to senior city staff • small committee 	<ul style="list-style-type: none"> • short term focus • may not have community buy-in • perceived lack of accountability 	<ul style="list-style-type: none"> • tends to be small – 5 to 8 members • Council members



Model	Funding	Advantages	Disadvantages	Board Size and Structure
			<ul style="list-style-type: none"> projects may not get done due to lack of staff 	<ul style="list-style-type: none"> Community stakeholders
Economic Development Department	<ul style="list-style-type: none"> directly funded by local government additional funding opportunities – senior governments 	<ul style="list-style-type: none"> greater control can adjust priorities ensures stability better integration with other municipal functions community perceives accountability to be higher commitment to economic development is long-term 	<ul style="list-style-type: none"> EDO may get additional responsibilities not ED related bureaucratic approval limits responsiveness restrained by legislation and regulations see as part of bureaucracy 	<ul style="list-style-type: none"> tends to be moderate – up to 15 members N/A no public involvement
Economic Development Corporation or Society	<ul style="list-style-type: none"> directly funded by local government additional funding opportunities – senior governments additional funding - initiatives financing, developments, etc. 	<ul style="list-style-type: none"> may manage a variety of community operations (industrial sites, commercial buildings, services) may offer for-profit services focus on national and international business investment broader focus business Leadership confidentiality of clients EDO viewed as business advocate less bureaucratic, faster responsiveness flexible staffing in a non-union environment Co-location possibilities 	<ul style="list-style-type: none"> communication with local government can be more challenging less direct oversight can lead to disconnect and loss of political support minimizes political influence 	<ul style="list-style-type: none"> tends to be large with 10-15 members of the public plus council appointee and city CEO. Total board size could exceed 20 members



Model	Funding	Advantages	Disadvantages	Board Size and Structure
Service Contract	<ul style="list-style-type: none"> contracted “Fee for Service” limited funding opportunities limited direct day to day involvement 	<ul style="list-style-type: none"> easy to set up specific focus 	<ul style="list-style-type: none"> short term focus lack of control project based 	<ul style="list-style-type: none"> n/a

The Activities of Economic Development

There is no standard list of functions and responsibilities carried out by every economic development organization in Canada. Economic development means different things to different people and as such the approach and individual functions and activities will differ from organization to organization. The following are the major functions typically addressed by an economic development organization:

- Business Retention and Expansion
- Business/Investment Attraction
- Entrepreneurial Development
- Collaboration with other Groups
- Workforce and Sector Development

Business Retention and Expansion

Business retention and expansion (BRE) encompasses anything and everything a local economic development organization does to ensure that local businesses stay in the community (retention) and grow over time (expansion). For example, working with a local education institution to arrange training for an existing business so that it can pursue a new product line is a retention and expansion strategy.

It is generally agreed that BRE activities should be the number one priority of a local economic development organization. There are several reasons for this:

- In most communities, existing businesses account for the majority of jobs that are available
- Losing businesses to another community can make it even more difficult to attract new businesses
- It costs less time, money and energy to expand a local business than to attract a new one

It is important for local communities to maintain an environment that is conducive to the long-term success of local businesses. Specific purposes of BRE include:

- Retaining and expanding the local employment base
- Maintaining a stable local tax base
- Maintaining a stable local economy
- Continually improving the local business environment



- Contributing to the success of the business attraction program

Business/Investment Attraction

Business/investment attraction is the component in economic development that usually gets the most attention. Many people think economic development is business or investment attraction; however, it is only one of the building blocks in a comprehensive economic development program. The overall purpose of business/investment attraction involves:

- Understanding what your community has to offer prospects
- Targeting businesses or investment in selected sector
- Marketing the community or region directly to the targeted sectors
- Establishing positive working relationships with site selection consultants that specialize in the targeted sectors
- Maintaining comprehensive prospect files for on-going follow-up and relationship building
- Hosting on-site prospect visits
- Facilitating the relocation of prospects that choose your community or region

Regardless of the business sectors targeted by your community, business/investment attraction is an economic development strategy that can serve the following purposes:

- Create new high-value jobs
- Enhance the local tax base
- Diversify and help stabilize the local economy
- Enhance quality of life
- Mitigate the “brain drain” that many communities experience

Entrepreneurial Development

Local economic development organizations can play an important facilitating role in promoting entrepreneurship in their community. As with expansion and retention of existing businesses, the role of the local economic development organization is one of facilitation. The organization can facilitate entrepreneurship and the resulting business start-ups by:

- Connecting entrepreneurs with the technical assistance they need to transform an idea into a business
- Connecting entrepreneurs with lending institutions and venture capital firms that are open to providing financing for business start-ups
- Creating opportunities for entrepreneurs to interact with other entrepreneurs, professionals who provide business start-up assistance, financiers and other potential partners that can help the entrepreneur navigate

Entrepreneurship and the business start-ups that can result from it contribute to enhancing the economy of a community in a number of important ways including:



- Creating new jobs
- Helping to diversify the local economic base
- Helping to prevent the “brain drain”
- Enhancing the stability of the local economy
- Requiring less infrastructure support than larger businesses

Collaboration with Other Groups

An important part of the economic development role is to assist local groups in collaborating with each other on initiatives related to economic development. Regional governments and organizations are beginning to realize that they are limited on what they can achieve as individual organizations. This has made collaboration at a regional, or sub-regional, level attractive. In addition it is increasingly important to understand that external audiences prefer to interact with one entity at a regional level.

This can be done in a number of ways, including networking, offering physical space to work in, and creating opportunities for organizations to pool resources, including staff. Helping to facilitate initiatives amongst organizations can lead to less confusion and increased success.

Workforce and Sector Development

A community’s labour force can be its best economic development asset or, conversely, its worst liability. From an economic development perspective, there are four important factors relating to a community’s labour force:

- Availability
- Quality
- Affordability
- Union or non-union

The economic development organization needs to understand how these factors figure into the thinking of companies making location or expansion decisions. The economic development strategy should have goals and objectives designed to meet these needs. In addition to ensuring there is workforce available, an economic development organization must be clear on the specific sectors that are their target. This approach starts with the industries and assets that are already present in the region. Sector development strategies include improving the overall business environment conditions, and identifying the need to upgrade skills and infrastructure.

Core Activities of the Economic Development Function

In addition to implementing an economic development strategy, the economic development function is responsible for day to day activities and considerable time is devoted to the following core activities that take place on an ongoing and/or daily basis. Some of these activities may be built into a strategy while others involve additional time and resources:



- Respond to public inquiries daily (phone, mail and walk-in)
- Clearing house for information
- Data updates (community profiles, website, customized requests)
- Regional initiatives
- Work with companies or individuals seeking to locate in the community
- Work with groups of companies with specific industry sectors to ensure new markets developed
- Communications – community, business, government, organizations
- Events and promotional activities





Options for Change

Current State of Economic Development in the Slocan Valley

There are limited economic development services offered in the Slocan Valley. There is currently no dedicated economic development officer/staff person within any of the communities or the Regional District. Despite having no designated economic development staff resources, the Slocan Valley Economic Development Commission undertakes a variety of important economic development services for the region. The projects are stand alone and not part of any regional or strategic level economic development planning or collaboration.

The slocanvalley.com website has information on the SVEDC. According to the website the SVEDC is comprised of annually appointed representatives from the RDCK Area H, the Villages of New Denver, Silvertown and Slocan. The overall strategy of the Commission is to:

1. Promote sustainable, diversified economic growth;
2. Work with and for all economic sectors;
3. Support existing businesses;
4. Promote alliances between businesses;
5. Partner with other bodies engaged in economic development activities with similar goals;
6. Focus on specific results. The Commission will not do unneeded economic studies.

The SVEDC was established by the RDCK with a Bylaw passed in 1990 (Bylaw 833), amended in 2001 (Bylaw 1473). Section 6 states the duties and responsibilities the Commission shall include consideration of the following matters and the initiation and coordination of such programs and activities in relation to those matters as the Commission may deem necessary:



- (a) Preparation of economic data, analyses, policies and recommendations within the context of the economic growth objectives of the Villages of New Denver, Silverton and Slocan and Electoral Area H;
- (b) Identification of viable economic opportunities and existing constraints to development;
- (c) Promotion and marketing of economic opportunities;
- (d) The maximum utilization of financial and employment programs designed to facilitate economic development; and
- (e) Such other matters as the Commission considers relevant to the promotion and encouragement of economic development within the Villages of New Denver, Silverton and Slocan and Electoral Area H.

The Commission is funded by the RDCK Area H, the Villages of New Denver, Silverton and Slocan. Current funding levels are \$10,000 annually. In addition, funding has been received from other sources most notably the Slocan Valley Directed Fund. The Fund is a partnership between the Columbia Basin Trust and the RDCK to support delivery of some CBT funds in the Slocan Valley for the betterment of the area as a whole. The Slocan Valley received \$300,000 and the SVEDC was responsible for allocating the funds and began investing the funds in four specific projects in 2015. The four projects were:

- Seniors’ Housing Society received funds towards their long-term housing project for elders in Slocan
- W.E. Graham Community Service Society received funds to purchase a youth/community bus
- West Kootenay Permaculture Coop Association received funding for a food security/food hub in the South Valley
- Healthy Community Society received funds for a food security/food hub in the North Valley

A report will be delivered to the Commission on March 31, 2017 providing the outcomes, successes and next steps for each project.

In 2013, the Commission, along with the Slocan District Chamber of Commerce, was also actively involved in the Business Retention and Expansion initiative facilitated by the Selkirk College Rural Development Institute. The BRE initiative resulted in discussions with 79 businesses in the Slocan Valley. The report developed from the survey clearly demonstrated some significant opportunities for growth including 45% indicating a plan to expand and 11% of those needing new sites for expansion. Using the information gathered in the survey, the SVEDC and Community Futures hosted a series of Lunch and Learn events but it did not achieve the numbers they were expecting. A follow up Succession Planning workshop was well attended and a subsequent one may be planned. However no follow up was done with those businesses that had an opportunity for growth. Follow up is likely the most important step for business retention but is difficult to achieve with limited staff resources.

The following table breaks down how economic development is coordinated within the Slocan Valley

Region District of Central Kootenay (Area H)	<ul style="list-style-type: none"> • Regional strategic planning & analysis • Leveraging cross-border relationships • Government funding and service information • Market research data • Management of Slocan Valley Economic Development Commission (Bylaw
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	No. 833/Bylaw amendment 1473)
Village of New Denver	<ul style="list-style-type: none"> • Community Improvement • Infrastructure enhancement • Quality-of-life improvements • Member of Slocan Valley Economic Development Commission
Village of Silverton	<ul style="list-style-type: none"> • Community Improvement • Infrastructure enhancement • Quality-of-life improvements • Member of Slocan Valley Economic Development Commission
Village of Slocan	<ul style="list-style-type: none"> • Community Improvement • Infrastructure enhancement • Quality-of-life improvements • Member of Slocan Valley Economic Development Commission
Other Key Stakeholders	<p>There are a significant number of organizations providing various services in the region providing some form of economic development services, including:</p> <ul style="list-style-type: none"> • Columbia Basin Rural Development Institute • Columbia Basin Trust • Community Futures of Central Kootenay • Slocan Valley Chamber of Commerce • Nelson Chamber of Commerce • Recreation groups • Agriculture groups • Youth and Senior groups • Arts, Culture and Historical • Tourism groups

Economic Development in Other Jurisdictions

As part of the project various economic development organizations in BC were reviewed. From these examples, we can conclude that there is no one way to effectively deliver economic development services. While all examples offer a combination of local or regional economic development, how they deliver the service and structure the organization differ.

KOOTENAY BOUNDARY (RDKB) – LOWER COLUMBIA COMMUNITY DEVELOPMENT TEAM SOCIETY (LCCDTS)

<i>Population Served</i>	20,000
<i>Annual Budget</i>	\$15,000 per year – RDKB
<i>Operational Mandate</i>	Identifies regional priorities through strategic planning sessions and utilizes working committees to address identified needs. Owns LCIC (below) who is responsible for economic development
<i>Structure</i>	Volunteer society – made up of political and non-political professionals. Private sector chair.
<i>Accountability</i>	Board of Directors is accountable to working committee



<i>Core Services</i>	Identification of projects and priorities for the LCIC to roll out
<i>Staffing</i>	–

KOOTENAY BOUNDARY (RDKB) – LOWER COLUMBIA INITIATIVES CORPORATION (LCIC)

<i>Population Served</i>	20,000
<i>Annual Budget</i>	\$224,000 per year (3 years) – RDKB
<i>Operational Mandate</i>	Undertake programs and projects designed to diversify and grow the local economy
<i>Structure</i>	Partnership between 5 eastern municipalities and 2 electoral areas – owned subsidiary of the LCCDTS; 1 representative from each of the participating municipalities and electoral areas. No political representatives on board – all private sector
<i>Accountability</i>	Board and Executive Director are accountable to the business community across participating municipalities and electoral areas. Ultimately responsible to LCCDTS (above)
<i>Core Services</i>	Fund raising, project development and roll out, website purchase and management, development of regionally based initiatives, community profile, BRE
<i>Staffing</i>	Three

COLUMBIA SHUSWAP (CSRD) – CITY OF REVELSTOKE AND ELECTORAL AREA B

<i>Population Served</i>	7,139
<i>Annual Budget</i>	\$250,000 total paid via taxation, what is not paid for by Revelstoke is made up for by Area B, approximately \$75,000
<i>Operational Mandate</i>	Roll out community economic development initiatives as guided by the City of Revelstoke and Electoral Area B
<i>Structure</i>	CSRD has a community economic development officer (CEDO) on staff; an advisory body appointed by city council and CSRD; this advisory body guides the work that is done
<i>Accountability</i>	The CEDO is accountable to the City of Revelstoke Chief Administrative Officer
<i>Core Services</i>	The support of diverse regional economic development initiatives including the museum, community forest, increased investment and tourism via website
<i>Staffing</i>	One

BULKLEY NECHAKO (RDBN) – A DEPARTMENT WITHIN THE RDBN

<i>Population Served</i>	39,000
<i>Annual Budget</i>	\$382,000 – Full RD; funded through taxation, and additional grants where possible.
<i>Operational Mandate</i>	To develop and roll out economic development projects that benefit the region as a whole. Most local governments have a separate economic development function.



<i>Structure</i>	15 mayors and directors make up the group and provide funding. Municipalities have EDO. First Nations and broader business community are invited to meetings.
<i>Accountability</i>	Accountable to the RDBN
<i>Core Services</i>	Communication service, eg. mining website with all of the community profiles attached
<i>Staffing</i>	Two

The structure of economic development services is unique based on local objectives. Despite structure and program differences success for economic development rely on a number of basic ingredients including:

- Obtain stable long-term funding
- Have broad representation from all jurisdictions and local business on boards/committees
- Communication between board/committee members
- Outline clear and concise terms of reference, memorandum of understanding or similar guiding document
- Share resources with similar groups wherever possible
- Have a staff person or third party staff person consistently moving forward on objectives and respective action items.

Structure and Service Delivery Options

During the public consultation, it was clear there is broad support for a regional approach to economic development. There was considerable interest in building upon the current function and attributing additional resources towards a new function. Public consultation included an online survey asking respondents how they would prefer to see economic development services delivered. Report One: Stakeholder Engagement Analysis provides details of the full survey. When asked what structure residents think would be best for the Slocan Valley the results ranked in order were:

1. Advisory Commission
2. Local/Regional (in-house) department
3. Economic Development Corporation (Arm’s length)
4. Service Contract with Existing Organization

Regardless of the structure chosen, respondents felt that there would be challenges in establishing a long-term economic development program. The top five challenges (ranked in order) identified were:

- Balancing relationships between villages, local business and communities
- Stable and sufficient funding
- Buy-in participation from the communities
- Balancing areas of focus
- Local capacity and knowledge for making informed decisions

Taking into consideration the public input, review of previous literature, the past and current economic development status in the Slocan Valley along with a review of economic development in other jurisdictions, four options for improving the delivery of economic development services have been



considered for the Slocan Valley. In addition to the four options keeping the current structure (status quo) was also considered.

These options could address the concerns to a varying degree and would incrementally improve the Slocan Valley's economic development delivery structure.

The options for a Slocan Valley economic development structure are as follows:

- Status quo
- Advisory Committee with expanded staff resources
- In House with an inter-municipal agreement
- Form a new Slocan Valley Economic Development Society/Corporation with dedicated staff
- Partnership with Community Futures



Option 1: Status Quo

The Slokan Valley Economic Development Commission has done a good job of putting in place a strong foundation for economic development. It is well respected amongst various agencies that can provide funding and has recently completed a comprehensive BRE initiative, have managed the distribution of the CBT Community Directed Funds and have developed the slokanvalley.com website. All these initiatives can be built upon. For example, the website can be expanded at a minimal cost to include additional economic development information.

However, effective sustainable economic development is difficult to achieve as a volunteer based organization with minimal staff resources. With this new increased focus on economic development, it may be time to enhance what has been done by making small but tangible improvements to the existing structure.

<i>Location</i>	No location
<i>Board Structure</i>	No change
<i>Staff</i>	No staff except part-time secretarial (as currently exists)
<i>Accountability</i>	RDCK
<i>Advantages</i>	<ul style="list-style-type: none"> • no set up cost • known entity • dedicated board
<i>Disadvantages</i>	<ul style="list-style-type: none"> • economic development remains project based • no long term funding commitment • limited private sector involvement • likely perceived by community as less accountable • no dedicated economic development focused staff



Option 2: Advisory Committee with expanded staff resources

Building on the success of the current structure of SVEDC, this option is to increase capacity by adding some additional responsibilities to staff resources. New expectations would be established to enhance the existing activities including the implementation of the strategic plan, increased communications amongst stakeholders and some key performance indicators. It is not expected that this position would be able to implement typical day-to-day economic development activities.

Based on the consultation and input received, this option would address some of the lack of knowledge of some of the great work that the commission does. While not a full functioning economic development program, it would still help to increase capacity. Ideally we see the need in year two to increase the size of the board to enhance the level of private sector involvement.

<i>Location</i>	To be determined – potential New Denver or Slocan
<i>Board Structure</i>	No change to board in year one – year two board expanded
<i>Staff</i>	Part-time staff – project based and secretarial support
<i>Accountability</i>	RDCK
<i>Advantages</i>	<ul style="list-style-type: none"> • no set up cost • known entity • expanded economic development activity • increased stakeholder communications • could be used as a “pilot” project before fully committing
<i>Disadvantages</i>	<ul style="list-style-type: none"> • economic development remains project based • economic development may be overlooked in favour of other priorities • increased cost for staff • desired skill set may not be available • increased expectations (with limited staff) • no long term commitment • limited private sector involvement (year one) • does not allow for increased focus on business retention and expansion or other traditional economic development activities



Option 3: In House with Inter-municipal Agreement

This option builds on the success and initial work completed by SVEDC and would greatly enhance the level of economic development services in the region. A new office space would be created in a location agreed upon by the partners (local governments and regional district). In building the initial new structure a part time staff member would be engaged either using current facilitator or a new employee with some economic development experience. The employee would be expected to travel to each area of the region one day per week (or other agreed upon schedule) to ensure broad coverage and to reduce concerns regarding levels of service. This position would change to full time in year two once some of the foundational pieces have been developed. These will be outlined in the final economic development strategy.

The Slocan Valley would benefit from having its own in-house resources for local economic development activity and would be consistent with desired outcomes and the approach taken by other communities successfully managing economic development (i.e. LCIC, Revelstoke). Staff would be fully involved in managing an expanded SVEDC and be responsible for the implementation of the strategic plan, reporting, day-to-day economic development and communication with stakeholders.

The SVEDC would change to a more sector based organization with increased involvement from the private sector and other community organizations with the chair of the board being one of the non-government members. Board membership would increase from the current eleven to fifteen. While larger is not always better it is important to expand SVEDC to engage more in the region. A local government representative from each municipality along with the Regional Director would also be on the commission but not in the leadership role.

The structure would be managed by a management committee made up of the CAOs from the partner communities signed off on an inter-municipal agreement.

<i>Location</i>	To be determined – ideally Slocan
<i>Board Structure</i>	Expansion of SVEDC with additional members and change to a private sector chair
<i>Staff</i>	Part time staff moving to full time – project based and day-to-day economic development. Staff reports to management committee
<i>Accountability</i>	RDCK and individual communities
<i>Advantages</i>	<ul style="list-style-type: none"> • one contact point for economic development • economic development expands from project base • dedicated staff to focus on economic development • likely perceived by community as more accountable • long-term commitment • municipal control over day-to-day operations • increased liaison with external audiences • allows for increased focus on business retention & expansion • wider community involvement through advisory commission



- encourages linkages and connections between municipal departments and economic development
- ability to share municipal resources and support staff if required
- allows for tailoring of economic development position to meet needs

Disadvantages

- expanded commission will need to prove itself quickly
- increased cost for staff and programs
- managing expectations between local and regional governments



Option 4: Form a new Slocan Valley Economic Development Society/Corporation with dedicated staff

Option 4 builds on Option 3 by separating the economic development function from municipal offices and providing a standalone function. The society or not-for-profit corporation would be 100% owned by the participating local governments with a private sector board of directors along with a representative from each local government and the regional district.

Economic Development Corporations can be an effective way to run economic development but only if local and regional governments are willing to give up control and to assign power to the corporation. Buying land, selling land, entering into leases, loan agreements can all be seen to be high risk initiatives with the ultimate risk being carried by the owners. The articles of incorporation will usually assign funding for a period of five years with renewals.

Both Corporations and Societies have increased administrative responsibilities that can take significant staff time to accomplish. Reporting levels to federal and provincial agencies is high and needed in order to maintain status. Many communities that have established these types of functions feel that it is too removed and independent from local government.

<i>Location</i>	To be determined – ideally Slocan. But not as part of municipal office – leased office space
<i>Board Structure</i>	Replacement of SCEDC with a full private sector board with limited government involvement.
<i>Staff</i>	Full time – project based and more day-to-day economic development
<i>Accountability</i>	RDCK and individual communities
<i>Advantages</i>	<ul style="list-style-type: none"> • dedicated economic development staff • allows for tailoring of economic development position to meet needs • can engage in a wider range of business opportunities than traditional economic development • increased liaison with private businesses and external audiences • wider private sector involvement
<i>Disadvantages</i>	<ul style="list-style-type: none"> • increased costs for staff, administration, office, etc. • lack of municipal control over day-to-day operations • limited linkages or connections between municipal departments and economic development • likely perceived by community as less accountable • limited ability to share municipal resources or support staff • Society board is a new concept and will need to prove itself quickly



Option 5: Partnership with Community Futures

This option is to sign a partnership agreement with Community Futures to carry out various economic development initiatives in the Slocan Valley. Community Futures Central Kootenay has economic development expertise and knowledge of the Slocan Valley making it an easy fit. They also are well known and respected by business and residents in the region. Community Futures can bring together major players in the region to work towards common goals and specific projects. A partnership would be established to pursue, jointly, efficiently and effectively, local and community economic development initiatives in the Slocan Valley based on the economic development strategy and other identified priorities.

The municipalities and Regional District would be responsible for core funding, communicating and coordinating complimentary initiatives, and communicating community needs to Community Futures as identified through the economic development strategic plan or other processes for consideration. SVEDC would act as the intermediary in this relationship with the RDCK being responsible for the formal contract.

Community Futures would provide administration of contract(s) with all partner organizations, external funders, provide financial management and coordinate internal and external communications. They will also provide staff resources on a project to project basis.

This option does limit the implementation of day-to-day activities and the level of public involvement in the economic development programs delivered.

<i>Location</i>	Nelson
<i>Board Structure</i>	SVEDC to remain to provide oversight and guidance
<i>Staff</i>	Per contract
<i>Accountability</i>	SVEDC and CF Board of Directors
<i>Advantages</i>	<ul style="list-style-type: none"> • no set up cost • Community Futures is a known entity with proven track record • no increase to staffing costs • flexible and cost effective (pay only for services contracted)
<i>Disadvantages</i>	<ul style="list-style-type: none"> • no dedicated economic development staff to focus on Slocan Valley • limited linkages or connections between municipal departments and economic development • likely perceived by community as less accountable • no ability to share municipal resources or support staff • limited community involvement



Structure and Service Delivery Evaluation

Each of the options were evaluated to determine which would be the most successful structure for delivering economic development within the Slocan Valley. Appropriate criteria for assessment and associated measures was developed and each model was evaluated based on a weighted scale. Rationale for each criteria has been provided for each option.

OPTION 1: SLOCAN VALLEY ECONOMIC DEVELOPMENT COMMISSION – STATUS QUO

Criteria	Score	Rationale
Potential solution to accountability and reputational issues		No change in accountability would be seen with status quo. This is an issue as the public consultation process indicated that many individuals do not know what the Commission is doing or how well they are performing
Maintains/ increases regional cooperation and awareness		This option does not provide additional capacity to increase regional cooperation and awareness
Maintains local/regional ownership		The regional district maintains ownership
Will create a structure for ongoing planning, implementation and performance measurement		This option does not provide an increase in capacity for ongoing planning, implementation and performance measurement
Improved capacity for regional relationship development and facilitation		This option does not provide an increase in capacity to build and facilitate regional relationships
Improved capacity for economic development day-to-day activities		This option does not provide an increase in capacity to look after day-to-day activities
Increased capacity to support existing businesses		This option does not provide an increase in capacity to support existing business
Increased knowledge of economic development		This option does not provide an avenue to increase economic development knowledge
Increased ability to implement strategic priorities		This option does not provide an increased ability to implement strategic priorities
Ease of establishing		There would be no additional efforts required
Start up cost		No start up costs associated
Overall Ranking	Low	

Low to High



OPTION 2: ADVISORY COMMITTEE WITH EXPANDED STAFF RESOURCES

Criteria	Score	Rationale
Potential solution to accountability and reputational issues		The addition of staff resources will work towards increasing accountability and can expand reputation of what economic development does
Maintains/ increases regional cooperation and awareness		It is likely the staff person will have limited time to increase regional cooperation and awareness as efforts will be placed on implementing strategic plan
Maintains local/regional ownership		The regional district maintains ownership
Will create a structure for ongoing planning, implementation and performance measurement		The addition of staff resources will be able to providing support to ongoing planning. There will be a focus on implementation which will have a direct impact on performance measurement
Improved capacity for regional relationship development and facilitation		The addition of staff will improve the capacity, however, focus will be primarily on implementation
Improved capacity for economic development day-to-day activities		The addition of staff will improve the capacity for day-to-day activities and provide a point of contact
Increased capacity to support existing businesses		Limited increase in capacity to support existing business as position will be project based
Increased knowledge of economic development		This criteria is dependent on the individual who fills the staff position. As the position is part-time it is likely that little or no economic development knowledge will be added
Increased ability to implement strategic priorities		The addition of staff will increase strategic priorities implementation, however, it will be limited due to part-time status
Ease of establishing		Very little change required other than hiring part-time staff
Start up costs		Minimal start up costs associated
Overall Ranking	Low-Medium	

Low to High



OPTION 3: IN HOUSE (INTER-MUNICIPAL AGREEMENT)

Criteria	Score	Rationale
Potential solution to accountability and reputational issues		The addition of staff resources will work towards increasing accountability and can expand reputation of what economic development does
Maintains/ increases regional cooperation and awareness		The staff person will have time to dedicate to increase regional cooperation and awareness as efforts
Maintains local/regional ownership		The regional district maintains ownership
Will create a structure for ongoing planning, implementation and performance measurement		The addition of staff resources will be able to providing support to ongoing planning. There will be a focus on implementation which will have a direct impact on performance measurement
Improved capacity for regional relationship development and facilitation		The addition of staff will improve the capacity and specific time can be dedicated
Improved capacity for economic development day-to-day activities		The addition of staff will improve the capacity for day-to-day activities and provide a point of contact
Increased capacity to support existing businesses		The addition of staff will increase the capacity for supporting existing business including addressing issues, challenges and opportunities as they arise
Increased knowledge of economic development		This criteria is dependent on the individual who fills the staff position. Without long-term commitment to economic development the position is likely to be filled with someone with little or no economic development knowledge
Increased ability to implement strategic priorities		The addition of staff will increase strategic priorities implementation
Ease of establishing		Very little change required other than hiring part-time staff and an enhancement to the SVEDC board make up
Start up cost		Some costs involved for start up
Overall Ranking	High	

Low to High



OPTION 4: A NEW SLOCAN VALLEY ECONOMIC DEVELOPMENT SOCIETY/CORPORATION WITH DEDICATED STAFF

Criteria	Score	Rationale
Potential solution to accountability and reputational issues		The addition of staff resources will work towards increasing accountability and can expand reputation of what economic development does
Maintains/ increases regional cooperation and awareness		The staff person will have time to dedicate to increase regional cooperation and awareness as efforts
Maintains local/regional ownership		The regional district maintains ownership
Will create a structure for ongoing planning, implementation and performance measurement		The addition of staff resources will be able to providing support to ongoing planning. There will be a focus on implementation which will have a direct impact on performance measurement
Improved capacity for regional relationship development and facilitation		The addition of staff will improve the capacity and specific time can be dedicated
Improved capacity for economic development day-to-day activities		The addition of staff will improve the capacity for day-to-day activities and provide a point of contact
Increased capacity to support existing businesses		The addition of staff will increase the capacity for supporting existing business including addressing issues, challenges and opportunities as they arise
Increased knowledge of economic development		This criteria is dependent on the individual who fills the staff position. Without long-term commitment to economic development the position is likely to be filled with someone with little or no economic development knowledge
Increased ability to implement strategic priorities		The addition of staff will increase strategic priorities implementation
Ease of establishing		No articles of incorporation of society constitution will need to be developed. Office infrastructure will need to be established
Start up cost		High start up costs – independent office, society registration, etc.
Overall Ranking	Medium-High	

Low to High



OPTION 5: PARTNERSHIP WITH COMMUNITY FUTURES

Criteria	Score	Rationale
Potential solution to accountability and reputational issues		Local control is somewhat lost as it will be dependent on Community Futures to provide accountability and build the reputation
Maintains/ increases regional cooperation and awareness		Local control is somewhat lost as it will be dependent on Community Futures to increase cooperation and awareness
Maintains local/regional ownership		Local ownership is lost
Will create a structure for ongoing planning, implementation and performance measurement		This will be primarily a project based function
Improved capacity for regional relationship development and facilitation		Community Futures already has established relationships that can be of advantage
Improved capacity for economic development day-to-day activities		This will be primarily a project based function – no day to day activities
Increased capacity to support existing businesses		Ability to deal with individual businesses will be challenging. Issues and opportunities would be restricted due to their focus on assisting businesses as a whole versus individually
Increased knowledge of economic development		Community Futures has economic development knowledge that would be an advantage
Increased ability to implement strategic priorities		This will be primarily a project based function and as such those projects that are priorities can be focused on
Ease of establishing		Negotiating agreements with Community Futures
Start up cost		No start up costs associated
Overall Ranking	Medium	

Low to High



The table on the following page provides a side by side comparison of the options.



ALL OPTIONS COMPARISON

Criteria	Option 1 Slocan Valley Economic Development Commission – Status Quo	Option 2 Advisory Committee with expanded staff resources	Option 3 In House (Inter-municipal agreement)	Option 4 Form a new Slocan Valley Economic Development Society / Corporation with dedicated staff	Option 5 Partnership with Community Futures
Potential solution to accountability and reputational issues					
Maintains/ increases regional cooperation and awareness					
Maintains local/regional ownership					
Will create a structure for ongoing planning, implementation and performance measurement					
Improved capacity for regional relationship development and facilitation					
Improved capacity for economic development day-to-day activities					
Increased capacity to support existing businesses					
Increased knowledge of economic development					
Increased ability to implement strategic priorities					
Ease of establishing					
Cost					
Overall Ranking	Low	Low/Medium	High	Medium/High	Medium

Low to High



Structure Recommendation

The current economic development approach has some strong elements. The Slokan Valley Economic Development Commission has seen success and received broad support. It is now important for the Valley to build upon that base and take on expanded and traditional economic development activities. Specifically, there is a need to increase capacity, improve accountability including better performance measures, strengthen and build collaborative relationships and to foster broader engagement, particularly with the private sector.

After the assessment of the structure options for economic development, it is recommended the Slokan Valley adopt Option 3 – In-house with inter-municipal agreements. Based on the assessment, along with public input, and review of established programs in other jurisdictions we believe this structure would provide long-term success and receive community support. The Slokan Valley Economic Development partnership would give the Slokan Valley a function that would expand economic development capacity allowing significant improvement to put in place many of the foundational elements critical to economic development success. The option will allow the level of business participation to be substantially increased and expand Valley and provincial relations and partnerships.

Structure

In-house with inter-municipal agreements.

- Regional District Central Kootenay (Area H)
- Village of New Denver
- Village of Silverton
- Village of Slokan

The structure would be managed by a management committee made up of the CAOs from the partner communities signed off on the inter-municipal agreements. It will be important to have the inter-municipal agreements to be a minimum of three years but preferably five years allowing for the time needed to implement a successful and viable economic development function. The agreements would be reviewed annually with suggestions for improvements and to address any concerns that may arise.

Appendix A provides a flow chart of the structure's organizational reporting.

Service Boundaries

The boundaries for shared services will include the Northern Slokan Valley sub-region (Electoral Area H) including all of the incorporated municipalities.

Service

For the first year a part-time staff person will be hired to carry out the economic development work. After year one the staff position will become full-time. An expanded and revised economic development commission



will help guide the work. The focus for years one and two will be the implementation of the economic development strategic plan and to build community support.

Economic Development Commission

The current commission will remain for the first year and in year two will be expanded to include additional private sector involvement. The commission will be made up of representatives from local governments, business organizations, sector representation including an expansion from the private sector and geographic representation. The Commission will be chaired by one of the non-government representatives. Members of the Commission will be:

- Local Government:
 - Representative from the Regional District
 - Representative from the Village of New Denver
 - Representative from the Village of Silverton
 - Representative from the Village of Slocan
- Business Organizations:
 - Representative from the Slocan Valley Chamber of Commerce
 - Representative from Community Futures Central Kootenay
- Sector representation (Private Industry):
 - Tourism
 - Agriculture
 - Small Business
 - Home Based Business
 - Art/Culture/Heritage
- Geographic representation:
 - One member at large from each community

The commission will meet on a quarterly basis and it is suggested the meetings rotate throughout the Slocan Valley. Objectives of the commission will be:

- Determine and maintain committee membership
- Building relationships between community members
- Share economic development information and opportunities
- Hold quarterly meetings
- Advise economic development staff related to the work plan priorities, goals and objectives

Funding

It is expected current funding levels from local government will not change in year one. Additional funding for year one will come from the Province of BC's Rural Dividend program. In year two, local government will need to increase funding and pursue additional funding from the Rural Dividend program, CBT and other agencies depending on the programs to be implemented.

Performance Measurements

Performance measurement is a vital component to any economic development effort. Solid metrics not only ensure better management of programming but the presence of solid metrics also make it easier for



economic development staff to communicate the value of economic development to elected representatives and the community.

There is no single best way to measure economic development performance. Instead, communities must decide how they want to measure themselves based on the purpose of their economic development agenda. For example, during the public input process participants appeared to be most concerned with adding new small businesses and job creation. While overall job creation numbers are important, these measures should take a secondary importance behind the number of new businesses retained and expanded, new programs implemented and small wins achieved. The economic development strategic plan will outline specific performance measures that will be aligned with the broader strategic objectives.

Implementation

Implementation of the new structure for economic development in the Slocan Valley will begin in fall 2017 (pending funding approval). Year one will be a developmental year where the existing economic development commission will continue to provide support and guidance as required but groundwork will begin to restructure the commission. Year one will have a dedicated economic development staff person hired on a part-time basis to be increased to full-time in year two.

Year two will be structured to consolidate existing economic development initiatives and create a new Office for Economic Development within one of the municipalities reporting to the management committee. It is recommended the physical location of the new Office for Economic Development be in the Village of Slocan due to its centralized location within the Slocan Valley. Though the position will be based out of Slocan, the economic development position will schedule specific day(s) within all parts of the Slocan Valley.

A detailed job description will need to be developed, however, the position would:

- Monitor and manage the relationship with SVEDC
- Support the SVEDC and its members in updating funders on the various activities
- Implement the economic development strategic plan
- Support each municipality and the Regional Director on economic development matters
- Be available as the point of contact for economic development within Slocan Valley

Implementation Action Plan

Once a structure is approved, a detailed matrix showing implementation steps to implement will be included in the Economic Development Strategic Plan for the Slocan Valley.

Conclusion

The Slocan Valley is in a position to advance economic development in the region by restructuring its economic development structure. The recommended structure reflects a change in the Slocan Valley's efforts to move forward by taking charge of its future and not just "letting it happen". However, it is important to note this will be accomplished over a period of years and not months. It will include ensuring the communities are made aware of the changes and be kept abreast of implementation along the way. It will include communicating out the small wins that will occur over time and help to build the support and buy-in necessary for long-term economic development success.



Appendix A – Structure Organization Chart



