



City of Terrace Economic Development Strategy

2016-2018



Executive Summary

Economic development for Terrace is a vital suite of strategies, projects and programs that will support the quality of life and resiliency of our community. The City of Terrace Economic Development Strategy (EDS) builds upon the other planning documents and initiatives, incorporating relevant objectives and taking those one step further—to outline actionable economic development focused tasks that City staff will take leadership on and work closely in partnership with other organizations towards successful outcomes.



Economic development is focused on the foundational elements of business retention and expansion, investment attraction, sector development and related areas of workforce and community development. The City's goal is to set the tone, to be inclusive, take leadership and to be an advocate for well-informed strategies in these key areas.

The top five priority objectives for economic development are:

- 1. Work with neighboring First Nations and other communities to develop a coordinated and diversified economy.**
- 2. Support and incent a thriving downtown.**
- 3. Facilitate the development of the Skeena Industrial Development Park as an economic driver.**
- 4. Support local business growth, retention and entrepreneurial success.**
- 5. Work collaboratively with Kermodei Tourism and other organizations to support the continued growth of tourism in the City and region.**

This document builds on those themes and includes key objectives that were developed in earlier processes such as Official Community Planning and the Terrace 2050 Sustainability Strategy. Much of its content was further informed by a planning session in November, 2015 with City Council and senior staff. Stakeholder engagement occurred in early 2016, where business leaders and service organizations provided more detailed input regarding the development of specific strategies in their areas of expertise.

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Vision

“Terrace, as the heart of Northwest BC, is a vibrant, diverse community with a strong economy, and provides a high quality of life with abundant recreational activities, easy access to outdoor adventures, a rich local culture and strong First Nations relationships” (City of Terrace Strategic Plan, 2015-2019).



Key values from the Strategic Plan that guide economic development:

- ✓ Diversity
- ✓ A strong economy
- ✓ Outdoor adventure and recreation
- ✓ First Nations partnerships

Economic Development Mission

The City of Terrace will be known as a preferred location for business investment and job creation due to its strategic location, diverse opportunities, abundant resources and the strength of partnerships amongst service providers, various levels of government, the business community and First Nations.

Linkage to Other City Planning Documents

The Strategic Plan (2015-2019)

The City of Terrace Strategic Plan is a document used to guide the priorities and the work of Council. As such, it will be used to inform strategies and priority setting for activities included within the Economic Development Strategy (EDS). The focus areas within the Strategic Plan (planning, financial health, exceptional management and partnerships) will also be considered when preparing periodic reports to Council regarding economic development progress.

Terrace 2050 Sustainability Strategy (2009)

The Sustainability Strategy was drafted prior to the updated Official Community Plan (OCP) and informed the new objectives within the OCP. Focusing on the sustainability of development, the vision for economic development within the Sustainability Strategy was to:

Build a strong and stable local economy that includes entrepreneurial small business and a variety of medium sized industrial companies. Ensure all citizens have the means to be productive members of society.

Objectives of the Sustainability Strategy include a number of themes that will also be reflected in the City of Terrace Economic Development Strategy, including:

- ✓ Business attraction and investment (focusing on green and sustainable industries)
- ✓ First Nations partnerships
- ✓ Supporting and promoting entrepreneurial success
- ✓ Value added business
- ✓ Supporting workforce development initiatives

The Official Community Plan (OCP, revised 2016)

The City of Terrace OCP outlines community objectives and policies in relation to land use, social well-being and economic growth and provides a vision for the development of the community. The OCP is a long term planning document that serves as a guide for City staff and Council—bylaws and projects undertaken must be consistent with the OCP. The OCP is a living document and is amended as required to reflect changing community priorities and economic conditions.

The Economic Development Strategy will use the objectives within the *Diversified and Coordinated Economy* section of the OCP as broad objectives. More detailed strategies and actions will be outlined in the EDS under each objective category.



Economic Development Objectives and Strategies

There are a total of eight objectives for economic development, which have been classified into high, medium and lower priority. Strategies have been developed for each of the objectives, focusing the majority of resources on the top five priority objectives that are deemed to have the greatest likelihood of providing economic benefits to the community. These objectives and their associated actions are:

HIGH PRIORITY OBJECTIVES

1. **Work with neighboring First Nations and other communities to develop a coordinated and diversified economy.**

The City of Terrace elected leadership and staff are proud of the excellent relationship that the City has with its First Nations neighbors as well as other neighboring communities including Prince Rupert, the District of Port Edward, Thornhill and the District of Kitimat. With the abundance of major projects in the Northwest region, equated to approximately \$100 billion dollars of investment, it is critical that the City work collaboratively with its neighbors to leverage opportunities and advocate for resolution of issues that the cumulative impacts of significant development may create.

Key Strategies

- 1.1** Establish regular, periodic meetings with both Kitsumkalum and Kitselas to continue to work towards full implementation of the Government to Government relationship commitments as outlined in the Cooperation Protocol Agreements.
- 1.2** Staff to identify processes or partnership projects with both First Nations related to topics committed to in the Cooperation Protocol Agreements.
- 1.3** Explore other First Nations Government to Government agreements as opportunities arise.
- 1.4** Staff to stay in regular contact with economic development staff of neighboring municipalities and First Nations to facilitate information sharing, maintain strong working relationships, identify areas for collaboration and harmonize economic development strategies where possible.
- 1.5** Continue to promote Terrace as a strategic location to do business as the service and supply center for the region. Make best efforts to coordinate messaging and marketing efforts with neighboring communities, whenever possible.



2. Support and incent a thriving downtown

Community downtowns are typically comprised of independent, small businesses—having a vibrant, safe, pedestrian friendly downtown is an important component of an economic development strategy, to support small businesses and to attract new residents and tourism. The City’s downtown is vital to the success of the local economy and enhancement of business, social, cultural, government and residential activities.

The City has a defined Business Improvement Area in the downtown core, which was created through a bylaw that specifies a levy to businesses within that area, to be used by the Terrace Downtown Improvement Area Society (TDIA) to carry out business promotion and physical improvement activities. TDIA has a critical role in achieving *Objective 2* with the support of the City and other business service organizations.

Key Strategies

- 2.1** The City to work in collaboration with the TDIA to achieve the Business Promotion Activities that are outlined in the BIA Bylaw.
- 2.2** Update the Downtown Plan.
- 2.3** Conduct an annual Business Survey that includes the downtown, in partnership with other business service organizations, building off of the first one held on February 17th, 2016.
- 2.4** Encourage downtown vibrancy and proactively respond to downtown issues. Where possible, lead or coordinate implementation of recommendations from the annual business surveys.
- 2.5** Promote the Downtown Revitalization Tax Exemption Program as a tool to stimulate economic development, redevelopment and revitalization of downtown commercial properties and to enhance opportunities for downtown living.
- 2.6** Continue to promote the Business Façade Improvement Program, funded by Northern Development Initiative Trust (and administered by the TDIA).
- 2.7** Maintain an awareness of available commercial properties to inform potential investors and to assist in making expedient referrals to land owners or realtors.
- 2.8** Work closely with developers of the former Co-op property and neighboring property owners to revitalize this area of the downtown.



3. Facilitate the development of the Skeena Industrial Development Park as an economic driver.

The Skeena Industrial Development Park (SIDP) is a 2400 acre greenfield site situated near the Northwest Regional Airport, along Highway 37. The site is alluvial gravel, with excellent drainage and seismic stability, ideal for a broad range of industrial development.

Several parcels have been sold including 1187 acres to a developer who plans to build a heavy industrial park for manufacturing facilities with serviced parcels for lease in the 20-50 acre size. In addition to lots currently available for lease by several private land owners, the City currently owns two large areas of developable land including:

- 123 acres of Commercial zoned land at the northern end of the Northwest Regional Airport, and
- 259 acres of industrial zoned land on the east side of Highway 37 at the Skeena Industrial Development Park.

Key Strategies

- 3.1** Provide periodic updates to the community regarding progress at the SIDP.
- 3.2** Continue to work closely with Taisheng International Investment Services Ltd. in support of the development and marketing of the QETDZ Industrial Park, on 1187 acres of SIDP lands.
- 3.3** Develop a short term marketing strategy for SIDP lands that will compliment and bolster activities of property owners.
- 3.4** Host investor delegations to the SIDP, in collaboration with property owners, the Province and stakeholder groups.
- 3.5** Provide expedient and thorough follow up to any investor who inquiries about the SIDP or other commercial/industrial lands in the City.
- 3.6** Develop a work plan for the subdivision of the north and east side lots, followed by a long term marketing plan when the subdivision is complete.
- 3.7** Communicate regularly with Kitselas Development Corporation and the Northwest Regional Airport to collectively market the airport lands for most suitable development.
- 3.8** Develop promotional materials and an investment and lands focused sections of the new City website, to provide easy to access information for potential investors. Ensure Council's criteria regarding land sales, job creation and land use is clearly communicated.
- 3.9** In concert with proponents, explore ways to potentially provide closer rail access to properties at the SIDP.



- 3.10** Explore ways to provide improved, expedient and coordinated service that will support the Taisheng/QETDZ development.

4. Support local businesses and promote entrepreneurial success.

For every \$100 dollars spent locally, up to \$75 dollars stays in the community—keeping dollars local is essential to the economic health of Terrace. As the service and supply center for the Northwest, Terrace has a wide variety of businesses operating within the municipality.



There are also a number of business service organizations that offer programs to support entrepreneurs as they develop or plan to grow their businesses including the Terrace and District Chamber of Commerce, Terrace Business Resource Center, Community Futures 16/37 and the Terrace Downtown Improvement Area (TDIA). Ensuring the achievement of *Objective #4* will require the collaboration of these organizations so that excellent, coordinated service is offered to the business community.

Key Strategies

- 4.1** Organize annual Business Walks or business surveys in collaboration with business service organizations.
- 4.2** Track results of regular surveys and business engagement to identify trends and manage issues and incorporate into periodic reporting to Council.
- 4.3** Work in partnership with these organizations to determine actions (based on business feedback) follow up on issues and promote successes wherever possible.
- 4.4** Refer those new business owners who contact the City to the Terrace Business Resource Center for support and further information.

- 4.5** Improve communications with the business community, get more regular feedback and encourage dialogue.
- 4.6** Provide leadership, promote and encourage uptake of various programs including Business Revitalization Tax Exemption, Love Terrace, Business Facade Improvement and other programs offered by the City and organizations in the community.
- 4.7** Through the Love Terrace buy local program, promote local businesses through social media, periodic events and both community and regional marketing initiatives.
- 4.8** Where possible, promote and encourage local procurement.
- 5. Work collaboratively with Kermodei Tourism and other organizations to support the continued growth of tourism in the City and region.**

Tourism is a significant contributor to the local and regional economy. In 2008, Northern BC Tourism Association conducted a study of the value of tourism to the economy of Northern BC. The Terrace area (with the exception of fishing lodges) saw direct visitor expenditures that year total over \$38 million. NBCTA is conducting this study again in 2016, which will provide updated tourism revenue estimates.

The City of Terrace provides annual funding to Kermodei Tourism Society (KTS), to promote and develop the tourism sector for the community. KTS is the Destination Marketing Organization (DMO) for the Terrace area, including the City of Terrace, Thornhill and the surrounding region. The mission of Kermodei is,

To promote tourism growth and development of the Terrace area as the premier four-season, eco-tourism destination in North-Western BC through innovative marketing, product development and advocacy on behalf of the stakeholders of the Society.

Activities of Kermodei include assisting in product development, as well as cooperative marketing initiatives.

Destination BC, the Provincial marketing and funding organization for DMOs significantly changed its Corporate Strategy in 2015, resulting in new criteria for tourism marketing projects. This has had an impact on Kermodei tourism and requires enhanced collaboration with businesses and other organizations to ensure that Terrace continues to develop and promote this vital industry.

Key Strategies

- 5.1** Economic Development Manager to attend Kermodei Tourism Board meetings to facilitate good communication between the City and KTS.
- 5.2** Work in partnership with Kermodei Tourism to improve the media presence of the community, to market tourism opportunities as effectively as possible.



- 5.3** Facilitate collaborative planning or marketing initiatives with neighboring communities to promote the Northwest as a regional destination, and to pursue opportunities to increase our regional competitiveness.
- 5.4** Work collaboratively with Kermodei Tourism on public engagement related to a hotel levy that could help to leverage and maximize tourism promotion and development.
- 5.5** Explore how the City can support the Northwest Regional Airport to facilitate the success of its operation and promote this facility as the airport of choice.
- 5.6** Conduct a business feasibility study for a conference and convention center, which could be a component of a larger facility with accommodations and food services. This report will inform decision making, project discussions and potential negotiations.
- 5.7** Explore opportunities to market new activities and features such as mountain biking, First Nations culture tours, etc.

MEDIUM PRIORITY OBJECTIVES

6. Facilitate the renewal and redevelopment of brownfield sites.

Brownfield sites are abandoned or vacant, underutilized commercial or industrial properties that are (or are perceived to be) contaminated. Terrace has a number of these sites in the downtown core and along the Highway 16/Keith Avenue corridor which present both challenges and opportunities for redevelopment. Many of these sites are prime locations for commercial development and it is important that these lots are returned to productive use. The Official Community Plan outlines policy actions to achieve this objective—several economic development strategies are also highlighted below.



Key Strategies

- 6.1** Develop an inventory of brownfield sites based on the Provincial Site Profiles and obtain information from land owners regarding the status of remediation or development.
- 6.2** Maintain communications with key staff at both the Provincial and Federal levels of government, to convey funding requirements and encourage continued or new programming for brownfield remediation or redevelopment.
- 6.3** Develop working relationships with land owners for information sharing and to assist in identification of funding opportunities for remediation, or Risk Based site uses where possible.
- 6.4** Coordinate environmental study and possible remediation of the City owned lands at the intersection of Keith Avenue and Kenney Street and proceed with a subdivision and sale.
- 6.5** Complete the environmental investigation at the former Co-op property and proceed with property subdivision and sale.
- 6.6** Develop a project plan for remediation or Risk Based use of the eastern portion of the former Co-op property, in concert with the developer of the western portion of the site.

7. Attract new businesses and investment, with a focus on sustainable industry.

Investment attraction is a component of economic development that focuses on promoting the competitive advantages of a community, to proponents or businesses. A community needs to be selective about what sectors or types of businesses are attracted, based on a good analysis of businesses or industries that have had success or that have good potential to thrive.

Key Strategies

- 7.1** Identify target sectors to pursue, attract and develop focusing on sustainable business opportunities.
- 7.2** Strengthen business attraction efforts by identifying managers in key sectors, consulting companies and other contacts to share information and network.
- 7.3** Have a strong presence at events and industry trade shows to promote Terrace investment opportunities and City economic development services. Also, partner with the Terrace-Kitimat Airport Society on select industry events and tradeshow to better promote Terrace as a preferred investment location to industry.
- 7.4** Work collaboratively with the Invest in Northwest committee to maintain the website and enhance marketing tools.

- 7.5** Work collaboratively with organizations in the community to coordinate marketing and engagement efforts.
- 7.6** Regularly issue articles, columns and advertisements in select publications, to promote Terrace as a preferred investment location.
- 7.7** Engage with sector development experts in other levels of government (e.g. Major Investments Office or Ministry of International Trade) to stay informed of policy and program developments that may assist in implementing the City's investment attraction objectives.

LOWER (LONGTERM) PRIORITY OBJECTIVE

8. Create a recognizable and lasting brand for Terrace.

Branding is a comprehensive effort, to promote and build upon the products and features that make a community strong and unique. For economic development, an effective brand will make the market and investors take notice of our community. A good brand will be applicable to many different audiences including tourists, new residents, businesses and governments. It requires implementation by a network of dedicated organizations, who all have a vested interest in seeing the community prosper.

Our location is the fundamental message that resonates across sectors, with new investors, residents and businesses. A branding strategy would clarify our unique identity and complimentary communication tools, to aide us in conveying a unified message to the world.

Currently, the City of Terrace has the Kermodei bear as a logo and uses several slogans informally, including:

- The service and supply center of the Northwest BC
- The hub of Northwest BC
- The Heart of Northwest BC
- Gateway to the Northwest

Key Strategies:

- 8.1** Confirm whether there is a group of interested stakeholders (representing various sectors) who want to work with the City to develop a comprehensive brand for Terrace.
- 8.2** Explore options for how to develop the brand, internally and/or with a hired consultant.
- 8.3** Explore the possibility of developing a formal brand for Terrace to be used for investment, workforce and tourism attraction purposes.

Performance Measurement and Reporting

Performance measurement in economic development is important to monitor changes in the community as well as the performance of the Economic Development Organization (EDO). Performance measures provide timely information that can be used to inform responses to issues. Performance reports are useful tools for informing staff, Council, businesses and stakeholders, who all have a unique role to play in the economic development of our community.

Priority Area 1: Regional collaboration

Performance Measure	Data Source	Outcomes
Number of meetings with regional economic development staff	City of Terrace	Improved communication Enhanced working relationships
Number of partnership projects or marketing activities with neighboring communities	City of Terrace	Leveraged resources Enhanced working relationships Improved promotional activities that better cater to industry audience

Priority Area 2: the Downtown.

Performance Measure	Data Source	Outcomes
Increase in the number of new businesses opened in the downtown	City of Terrace	Desirability of the downtown as a place to shop and do business
Uptake of Business Facade Improvement Grants	City of Terrace/TDIA	Improved attractiveness of downtown
Dollar value of Downtown Revitalization Tax Program	City of Terrace	Increased investment in downtown
% of Downtown businesses reporting growth as compared to last year	City of Terrace, annual Business Survey	Retention and expansion of existing businesses
Hotel occupancy rate in the downtown	Kermodei Tourism Society	Retention and expansion of jobs in the downtown

Priority Area 3: Skeena Industrial Development Park

Performance Measure	Data Source	Outcomes
Value of development	City of Terrace/property owners	Job creation, increased revenue to City to support services and programs
Number of jobs created	Property owners/developers	Diversification of local economy, population growth
Development timelines met	City of Terrace/property owners	Economic growth, increased certainty for investors



Priority Area 4: Local business and entrepreneurs.

Performance Measure	Data Source	Outcomes
Completion of annual Business Surveys	City of Terrace	Improved communication and responsiveness to issues
Changes to data tracked through business surveys	City of Terrace	Business growth and success improved, challenges decreased
Total number of businesses as well as new business start ups	City of Terrace	Business retention and economic growth
Number of incorporations	BC Stats	Economic growth and job creation
Number of City meetings with business service organizations	City of Terrace	Improved communications and enhanced working relationships
Number of businesses signed up for Love Terrace	City of Terrace	Increased awareness of local businesses and services

Priority Area 5: Tourism

Performance Measure	Data Source	Outcomes
Passenger numbers at Terrace-Kitimat Airport	Terrace-Kitimat Airport Society	Retention of business /growth of local and regional economy
Visitor numbers	Kermodei Tourism and Northern BC Tourism Association	Business retention and expansion in tourism sector
Value of tourism to local economy	Northern BC Tourism Association, Value of Tourism Studies	Job creation, economic growth
Number of partnership initiatives or activities between the City and Kermodei Tourism	City of Terrace, Kermodei Tourism Society	Enhanced communication and leveraged resources to support growth in the tourism sector.
Hotel occupancy rate	Kermodei Tourism Society	Retention and expansion of jobs in Terrace

Priority Area 6: Brownfields

Performance Measure	Data Source	Outcomes
City property remediation or redevelopment project timelines are met	City of Terrace	Business development or expansion, increased revenue to City to support services and programs. Job creation.
Number of inquiries regarding sites undergoing redevelopment	City of Terrace	Investor attraction. Improved communication and marketing to investors,

		increased certainty for investors.
Revenue generated by City through land sales.	City of Terrace	Business development or expansion, increased revenue to City to support services and programs. Job creation.

Priority Area 7: New business and investment

Performance Measure	Data Source	Outcomes
Value of development/construction	City of Terrace	Business expansion and development, increased revenue to City to support services and programs. Resident and workforce attraction.
Number of homes sales and average sale price	Northern BC Real Estate Board	Increase in value of real estate over time indicating strength in the local market
Number of home sales and average price compared to neighboring communities	Northern BC Real Estate Board	Increase in value of real estate over time indicating strength in the local market
Inquiries received by City from investors or new businesses	City of Terrace	Investment attraction and business development. Economic growth and job creation.
Number of visits to economic development pages on website	City of Terrace	Improved marketing and communications with investors and business.
Jobs created by new business startups or major expansions	City of Terrace and businesses/developers	Job creation. Resident and workforce attraction.

Priority Area 8: Branding

Performance Measure	Data Source	Outcomes
TBD – currently project is in exploratory phase	---	A brand and clear promotion strategy for Terrace

The City will produce quarterly economic indicator updates that will be released publically and via our website. In addition, annual reports will be prepared for City Council, based on the performance measures above.

