

QUESNEL 2020 PROJECT Backgrounder

Quesnel Community and Economic Development Corporation (QCEDC)

May 19, 2004

Background

Quesnel has significant economic and social opportunities and challenges.¹ The Quesnel 2020 Project (Q2020) answers the challenges and opportunities with an ambitious task: envisioning a desirable economic future for Quesnel by 2020 and mapping out a clear and practical strategy to get there. A particular focus will be around the role of public and public/private investment that will attract people to invest, live and visit here.

Q2020 is based on established concepts for community economic development in rural areas, along the following lines (we invite members of the Project Team to comment on the assumptions below, and other elements of this backgrounder):

1. The resource sector is strong in much of rural BC, and there are good prospects for business growth. However, there is unlikely to be much job growth in the primary forest sector, and the mineral and oil & gas sectors are not ‘sure things.’ Therefore, it is prudent for rural communities like Quesnel to explore other opportunities for development in order to maintain or grow the population.
2. The birthrate has declined in recent decades in western industrial nations. School closures in Quesnel (and other rural areas with low or flat overall growth) are in large part due to that phenomenon. In parallel, the population is aging. Both of those trends, and related ones like the growing demand for non-urban housing by retiring or semi-retired baby-boomers, are having a significant impact on demand for goods and services, including recreational amenities and housing. Those trends present opportunities and issues for places like Quesnel.
3. QCEDC and allied organizations (like the Community Futures Development Corporation of the North Cariboo) are actively pursuing various measures to foster economic development. However, real competitive advantages for locating a business in a community like Quesnel, and most other rural communities, are more limited than in urban areas.
4. Given limited rural competitive advantages, communities increasingly compete for investment on the basis of quality of life and entrepreneurial innovation from within the community (‘investment’ includes businesses, retirees and visitors). Quality of life and entrepreneurialism are closely related, as it is more likely that entrepreneurs will be attracted to stay in or relocate to a community that is good to live in. Our greatest economic development impact may not be one business with 100 new jobs, rather one hundred businesses with one job each.
5. The federal and provincial governments make large blocks of funding available from time to time for cost sharing on major community development projects. Quesnel has

¹ Unless specifically noted, reference to “Quesnel” refers to “Quesnel and District,” not including the municipality of Wells.

taken little advantage of such funds in recent years (other than for hard infrastructure projects like water systems) because there have been no major projects with community consensus and financing partnerships. (This is not to suggest dependence on government money, but rather raises a competitive issue re communities that have been big accessing dollars to support their “quality of life” improvement work.)

6. In order for development projects of any scale to gain consensus and partnerships, they must make sense financially, economically and socially. It is easier to see if a project makes sense if it fits into a community vision. Q2020 aims to develop a community vision and put legs on projects that can realize that vision.

Purpose

By starting now, Quesnel can face challenges and take advantage of opportunities by improving its ability to attract people who can live, work and visit anywhere. A key projected outcome of Q2020, for example, is two to three compelling proposals for significant projects that will position the community for further economic development.

Q2020 activities

Formation of a broad-based community steering committee, communication to all segments of the community, identification of project options, research on various economic models, community forums, development of business cases, proposals and implementation plans.

Q2020 Project Team (advisory committee)

1. City of Quesnel (Nate Bello, Mayor)
2. Cariboo Regional District (Ronda Wilkins, Chair, Northern Directors)
3. Lhtako Dene (Chief Clifford Lebrun or alternate)
4. Community Futures Development Corporation of the North Cariboo (Karen Borsato, Chair)
5. Community Futures Development Corporation of the North Cariboo (Greg Lawrence, General Manager)
6. Baker Creek Enhancement Society (Tracy Bond, Manager)
7. Quesnel Airshed Management Project (Dora McMillan, Chair)
8. Quesnel and District Chamber of Commerce (Robert Stoldt, President)
9. West Quesnel Business Association (Sonja Hunt, President)
10. South Quesnel Business Association (Carol McGregor, President)
11. Quesnel Downtown Association (Bruce Broughton, President)
12. School District #28 (Ed Coleman, District Coordinator)
13. Quesnel and District Labour Council (Victor Johnson, President)
14. West Fraser Timber (Brian Black, General Manager, Quesnel River Pulp Co.)
15. Weldwood of Canada (Bob Simpson, Manager (Corporate) Organizational Effectiveness and Leadership Development)
16. College of New Caledonia (John Bowman, Quesnel Manager)
17. Univ. of Northern BC (Dr. Greg Halseth)
18. Northern Health Authority (John Knoch, Administrator)
19. Quesnel Secondary School Student Council (Adam Schaan, President)
20. Quesnel Youth Soccer Association (Simon Turner)

21. Quesnel and District Arts Council (Bernice Heinzelman, President)
22. Quesnel Minor Hockey Association (Kit Collins)
23. E-NorthernBC (Mike Miller, owner)
24. BC Agricultural Council (Paddy Doherty, Director)
25. Alex Fraser Park Society (Glenys Rutledge, Chair)

Project team roles and responsibilities

1. Propose a “community vision” for Quesnel’s economic diversification
2. Establish “decision criteria” to determine best options for projects for proposal development
3. Receive information on project options and generate additional options
4. Dialog and apply criteria to develop subset of projects (up to 8)
5. Aid QCEDC to identify and recruit participants for larger public meetings, and assist operation of those meetings (Note: attendees for larger public meetings must represent all aspects of the community – private, public, small and large business, not for profit, geographic distribution, other community groups, etc.)
6. Recruit members and participate on business case development teams
7. Make recommendations on projects for proposal development
8. Recruit members and participate on proposal teams
9. Communicate options to community and gain and maintain commitment

In summary, the general role of the Q2020 Project Team is community integration and vision/project recommendations.

Timeline

- May 26 4pm to 8pm: Q2020 Project Team meeting
- June 9 (proposed): Q2020 Project Team meeting (time TBA)
- June 25 or 26 – 9:00-5:00: “Networking Café” (large public meeting)
- Post June 26th: Follow-up meeting and implementation work (the role of the Q2020 Project Team in implementation is to be determined)

Professional facilitators will chair all of the meetings (Marti Hamlen and Brenda Snyder of Hamlen Management Consulting). There will generally be pre-meeting reading material and Team members are asked to come prepared. As noted, additional meetings may be required beyond June 26th depending upon your role in the business case and proposal development process.

In addition to meetings, you will be asked to communicate with various segments of the community for purposes of information exchange. After the first Team meeting, you will better understand your time requirements for communication. Please keep in mind that in addition to your primary role of establishing the vision and prioritizing projects, you will have a major role in communicating and gaining buy-in from the organization(s) or “community of interest” that you represent.

Relationships with existing planning processes

Q2020 will operate at the same time, more or less, as the following efforts:

- Official Community Plan revisions (City of Quesnel)
- Official Community Plan revisions, Quesnel Fringe (Cariboo Regional District)
- Quesnel Downtown Revitalization Project (Quesnel Downtown Association and City of Quesnel)
- Sub-regional Recreation Planning Process (a joint committee of the City/CRD is considering the hiring of a consultant to examine the governance and financing structure for recreational facilities in the Quesnel area)
- 2010 Olympics: development and submission of “2010 LiveSites” proposal(s)

It is important that Q2020 be a complementary process that will provide useful information to, and gain information from, all of the above processes. The City of the Quesnel and Cariboo Regional District Joint Planning Committee recently endorsed the Q2020 Project.

What do we mean by “community vision”?

QCEDC is not proposing that Q2020 develop an all-encompassing, comprehensive plan for the future. Nor does QCEDC presume that it is feasible to “master plan” the local economy.

QCEDC proposes that a vision of a “future desired state” be established that will guide QCEDC, elected officials and others in terms of practical economic development work, public facility planning, land use planning and community marketing.

Some concepts for a “future desired state” for Quesnel include the following (not in order of priority):

1. Quesnel is a western Canada magnet for sporting events and related public gatherings, building on superb existing facilities (e.g., Hallis Lake ski facilities, Cart track, Rod and Gun Club shooting range) and new facilities (e.g., a new arena, soccer complex and “riverboat port”). Quesnel is differentiated from “sports capitals” like Kamloops that can hold much larger events than currently visualized in Quesnel. The impending 2010 Olympic Games gives additional impetus to this idea.
2. Quesnel is a British Columbia cultural and educational capital (“the Nelson of the North”). Building on Quesnel’s provincial leadership in establishing an “arts management” position in the 1980s (based at the Quesnel Rec Centre), Quesnel aggressively fosters the arts through public art, arts educational programming at the North Cariboo Community Campus, Adult Education and the Rec Centre. A performing arts facility (perhaps in conjunction with the Campus) anchors a conference centre and draws many people to Quesnel.
3. Quesnel is BC’s “Green City”, and prides itself on exceptional attention to public and private green spaces and travel corridors, but also on environmental leadership on all fronts (building not only on Quesnel’s reputation for its flowers, but also on existing environmental achievements, and leading some to call Quesnel “the most beautiful community in BC”). This broad “green city” reputation has made Quesnel increasingly popular with urban refugees.

4. Quesnel has continued its “Canada’s woodsmart city” vision to attract more secondary wood manufacturing investment (from large plants to artisans). While the community still strives to improve its amenities, starting in 2004 the community focused most of its “major project fundraising” efforts on facilities like the technical and trades addition to the North Cariboo Community Campus, a wood industry applied research and development facility, and applied arts programming at the Campus for industrial design (eg. furniture design and manufacturing).
5. Quesnel is BC’s most “wired” rural community after making a major commitment to telecommunications infrastructure starting in 2004. A state of the art light industrial development offers tenants access to sophisticated broadband access. While places like Kelowna and Victoria have grown more rapidly as high tech centres, Quesnel has also developed a modest high tech “cluster”, especially in forestry-related areas, through people attracted by exceptional infrastructure, a high quality of life and lower business costs.

To effectively implement one or more of “visions” like those above, extensive and sustained investment will be required, much or most of it from public sources. That investment may be critical to the future prosperity of Quesnel, and public consensus and commitment will be required to go much further. “Visions” like those above can be complementary, but pursuing more than one or two at a time may be difficult due to competing demands on capital.

Arguably, given the significance of Quesnel’s economic challenges, no major new public investment should proceed in Quesnel unless it has been measured from an economic development impact point of view, compared to competing proposals, and put in the context of where the community wishes to “go” in terms of visions like those above. We cannot afford to not get the best bang for our buck. Hence the Q2020 project.

Priorities for public and public/private investment generated on Nov. 8/03

On November 8, 2003, a public workshop was held to generate ideas on priorities for “economic infrastructure” for Quesnel. That workshop, which about 40 people attended, endorsed the idea of the “Quesnel 2020” project.

In general and small group discussion, participants generated the following “wishlist” of ideas. These are presented as “grist for the mill” for the Q2020 project team.

First priority – the item receiving the most votes

- Convention Centre/Multiplex
 - Public Assembly facility (for culture, recreation, business)(Note: several related ideas were grouped because participants felt they are one and the same thing)

Second priority – items receiving the second most votes

- Theatre

- Riverfront – unique shops/water travel
- Soccer complex
- Pedestrian cycling path connect S. Quesnel to Rec Centre to new college campus to downtown
- Move visitors centre to BC Rail, enhance museum
- North/South connector – truck traffic
- Road along Bowron River
- Walking bridge – beautify/unique kiosks

Third priority – items receiving lesser votes

- Keep downtown as "heart" – cultural development projects there
- East/West connector
- Beautiful community square with food, fountain, entertainment facilities
- Capitalize on Farmer's Market - also – expand to year round and/or 7 days/week during summer, build permanent structures
- Historical Park (lobby for access/marketing)
- Airshed Management plan
- Riverfront redevelopment
- Technology – videoconference, high speed, wireless
- Barlow pedestrian walk
- Front Street doors to alley
- Domed "mall"
- Downtown central parking or public transit to West Quesnel
- Move road farther south to extend downtown barrier (city has/is developing a plan)
- Capitalize on college – housing, shopping, furniture, bars, etc. (1 vote)
- Stern wheeler
- Baker Creek Enhancement Society – Nature Education and Resource Centre Street mall – covered
- Reorient Safeway
- Put attractive "hooks" on Front Street
- Buy whole residential lots in downtown core and put in, e.g. multiplex
- Concentrate on vacant (soon vacant) properties downtown
- Whistler-type village – trendy cafes, to lounge, outdoor sidewalk
- Library move
- Covered pedestrian walks, move some businesses to larger building, e.g. Rigsby, use smaller buildings/shops as boutiques (no votes)
- A fine museum (ours has much potential)
- 2010 Olympics
- 2008 Simon Fraser
- Public Art

Quesnel economic development backgrounder

The Business Resource Team (BRT)

QCEDC, Community Futures, the Quesnel Chamber, the College of New Caledonia, the City of Quesnel, School District #28, and the Quesnel RCMP meet together every month or so to share information on activities relevant to economic development. The South Quesnel, West Quesnel and Downtown Business Associations have recently been invited to join the BRT.

The Quesnel 2020 Project emerged partly from discussions among the BRT. At the first meeting of the Q2020 Project Team, on May 26, participants will be invited to share information relating to their economic development activities. All participants are encouraged to share their profile prior to the May 26 meeting.

Ideas about Quesnel's key economic strengths, challenges, opportunities and threats (Not necessarily in order of priority)

Strengths

1. Existing forest industry (e.g., very large investment, unusual diversity of primary products, major corporate players)
2. Competitive advantages for certain value-added wood products (regarding manufacturing of components using locally produced inputs)
3. Good transportation links
4. Global, national and provincial-class tourism assets (e.g., Bowron Lakes Park, Barkerville Historic Town, Grease/McKenzie Trail, Telegraph Trail, Blackwater River fishing)
5. National and provincial-class sports facilities (Hallis Lake Ski facility, Quesnel Rod & Gun Club, Cart track)
6. Strong flow of seasonal tourism traffic on Highway 97
7. Good investment in tourism accommodation infrastructure in recent years (almost doubled since 1991)
8. Good telecommunications infrastructure compared to many rural competitors
9. Good availability of labour
10. Multi-cultural strengths
11. Emerging reputation as a community that pays attention to environmental values
12. Active local arts and music scene, and good local recreational amenities
13. Inexpensive real estate and, in general, low cost of living
14. Low crime rate compared to urban competitors
15. High level of social participation
16. In recent years, good high school student achievement and participation
17. Cool climate has demonstrated appeal in summer months for "sunbirds"

Challenges (chronic issues)

1. Relatively long distances from markets for all products
2. Limited competitive advantages other than in wood products and tourism
3. Relatively low educational achievement and health in the adult population

4. Relatively poor air quality – major disincentive for people to relocate here
5. Relatively high unemployment weakens the service sector and stresses social fabric
6. Static or declining beef cattle industry
7. Limited cultural and advanced recreational amenities and cool climate
8. Some areas are not well-served by advanced telecom yet, and less services than cities
9. Lower per capita health and social services expenditure compared to urban areas
10. Geographic position makes it easy for governments to cut local public sector services
11. Deteriorating housing stock, especially in West Quesnel
12. Municipal infrastructure requires significant new investment, competing with amenity developments that Quesnel may require to remain competitive
13. Competitiveness of the Canadian pulp sector vs. cheaper suppliers of quality pulp from semi-tropical and tropical areas

Opportunities

1. The new community campus and its “second phase” (technical/trades training)
2. Quesnel’s unusual combination of primary wood products – opportunity for component manufacturing
18. Skilled and flexible fabrication firms may be capable of producing more export products
3. “Catch-and-release” on Quesnel’s annual “salmon run.” Hwy 97 travelers
4. Prince Rupert deep sea port development – may reduce transportation costs for local products to Asia
5. A paper-making plant, particularly newsprint, may be feasible
6. Expanded use of birch and other deciduous tree species for flooring, furniture, etc.
7. Expanded use of non-timber forest species for specialty products (e.g., birch syrup)
8. Specialty and value-added agricultural products (e.g., Farmers’ Market)
9. Import replacement of food products (12,000 households x \$100/week = total market of \$62 million per year), which has been barely tapped by the Farmers’ Market and others.
10. Biomass energy utilization using wood waste (e.g., the “chip dump”) and waste heat
11. Increased outreach to immigrant investors, particularly to India, China and the USA
12. Improved local cultural and other amenities, and improved air quality
13. Opening and expansion of the Chinese wood frame housing market
14. “denim pine” wood – niche markets
15. Oil and gas development in the Nechako Basin
16. Mining opportunities
17. Energy efficiency improvements to reduce “leakage” of cash (e.g., \$30 million per year for households -- \$3.1 million free to circulate in the local economy with 10% energy savings)

Threats (immediate)

1. Pine beetle attack is projected to cut the AAC in half from current levels in 10-15 years

2. City has possibility of losing \$500,000+ per year in revenue if the Billy Barker Casino closes or moves
3. Continuing technological change – gradually reducing jobs across the economy
4. Changing demographics will put downward pressure on the population even with a good economy
5. Stability of small retailers as larger enterprises continue to move here
6. Continuing reduction in government services

All of the threats above put more pressure on local taxpayers

QCEDC and its current economic development strategy

QCEDC is one of several organizations in the Quesnel area that conduct work relating to economic development. QCEDC's core funding comes almost entirely from the City of Quesnel. The annual budget has been about \$166,000, with access to up to \$50,000 per year from the City for special projects. Through leverage, QCEDC's total budget has varied from about \$275,000 to \$500,000 per year.

QCEDC has three basic streams of activity (all of the elements below have measurable objectives, but most have been removed for brevity). The strategy is currently under revision, and may be heavily influenced by the outcome of the Q2020 project.

1. Strategic Planning and Financing

- Various measures to position the community for major project development by developing consensus on priority projects (i.e., Q2020 project)

2. Business Retention

- a) Strengthen one-on-one small business coaching program, to directly help retain 75 jobs and create 50 jobs in each year of operation
- b) Tourism marketing and development, to help maintain 1,000 existing direct and indirect jobs, and position the community for business and job growth (co-op marketing program, hotel tax, events development and management)
- c) Business Improvement Area (BIA) development, to create long term organizational structures that will support existing businesses and jobs
- d) Community forest proposal, to create new forest industry jobs over and above what would be created if that cut was processed by mainstream industry
- e) 2010 Olympics - Assist the business community to engage with 2010 "regional" economic strategies

3. Investment Recruitment

- a) Recruit investment in value-added wood products plants sufficient to create 100 new jobs by 2005/06
- b) Develop a district energy system (Northstar project), to create a direct or indirect cashflow for QCEDC (total investment: \$1.3 million)

- c) Recruit investment in an “energy from woodwaste” project, to create up to 25 direct jobs (total investment: up to \$70 million) and support development of businesses using excess waste heat from the facility
- d) Support development of the second phase of the North Cariboo campus, to provide local technical training for existing and new wood product industries
- e) Develop a public assembly facility proposal or proposals
- f) Develop a value-added wood products research and development facility, to provide local technical extension services for existing and new wood product industries
- g) Develop a small scale call centre, to provide up to 100 jobs in the service sector
- h) Facilitate Chinese investment levered via education programs (delivered by SD#28), to support existing businesses across the community, and develop a source of financing for new ventures.

In addition, QCEDC created and maintains community economic information. Please see www.quesnelinfo.com, www.northcariboo.com and www.quesnelcorp.com for more information.