



**Creston Valley
Development Authority**

Strategic Economic Plan

January 2007

Executive Summary

The Creston Valley Development Authority (CVDA) was formed to deal with all issues and opportunities for the economic betterment of the Creston Valley (the Valley). A Board acts as the organization's governing body. This allows for sound economic decisions with as little political influence as possible. The organization is currently in the process of developing a strategic plan for the Valley. The sectors being examined are Forestry; Agriculture; Manufacturing/Secondary Processing; Arts and Culture; Tourism; and Services. We feel this is where there is potential for increasing the region's overall market share, by expanding existing business or by creating new investment potential. We will focus on these sectors to achieve the following objectives.

Forestry: Examine how businesses can meet market demand. Examine global opportunity, investigating markets conducive to the area's wood profile. Investigate opportunities around 2010 procurement. Identify professional trade shows/conferences or organizations that may aid in opening up new markets or investment opportunity.

Agriculture: Examine ways to utilize waste from the fruit and dairy industries (e.g., energy production, composting). Build relationships with local farm owners, other regions and government to ensure best practices and investment opportunities are maximized.

Manufacturing/Secondary Processing: Work with manufacturers/businesses to examine markets and areas of potential growth. Create an investment piece showcasing the Valley as open for business and investment. Organize trade shows/ conferences that may benefit identified growth sectors. Partner with regional, provincial, and national trade/investment entities creating visibility and economies of scale.

Tourism: Working with other organizations and a provincial consultant to develop a valley-wide tourism plan that will be incorporated into the CVDA's tourism strategy.

Arts and Culture: Work with community organizations to create an Arts Scan of the Creston Valley. From that scan, a strategic arts plan will be developed. This plan will be a key part of the CVDA's strategic plan.

Services: From an investment perspective, identify reasons we are not successful in attracting new business. We are also examining ways to retain existing businesses and professionals. Investigate ways to improve current systems (e.g., health care, communication strategies).

This is a brief synopsis of some of the future directions the Creston Valley Development Authority intends to pursue. Like any strategy, directions may shift based on economic trends, and this organization will be prepared to examine any new potential in the Valley. A more detailed look at the aforementioned sectors will follow, bringing them to task level and prioritizing those directions.

Introduction

This document was developed to be a guideline for future economic development in the Creston Valley. It is a combination of issues and projects that the Creston Valley Development Authority (CVDA) sees has key components for future development of the community and surrounding area.

Over the next few pages, you will find a more in-depth look into each identified sector of the Strategic Plan of the Creston Valley Development Authority (CVDA). This document will be accompanied by an internal operational plan that will identify specific actions, giving the organization immediate direction.

Forest Industry

The forest industry is changing. Traditional industry remains viable in certain regions, but stresses such as shortage of fibre, market demand, and international trade barriers have forced some regional producers to look at other uses for their supply.

Investment in the industry is coming from what would have been unlikely sources just a short time ago. Scandinavia, noted for its lavish and well-managed forest, is now looking at places to secure fibre to meet their demands. With the Asian market constantly growing, most companies are trying, often through collaborative/cooperative methods, to meet the demand of such a large market.

The forest industry in the Valley is well positioned for the future. Smaller manufacturers are growing, some doing business offshore, others surviving on a relatively local market. Stakeholders in the Valley's forest industry are well on their way to carving out their niche in the global market.

With some market analysis, potential investment, and increased access to fibre, the forest industry in the Valley will be well prepared to handle any change this industry may see.

Possible Directions

- Marketing of products in other non-traditional markets
- Injecting new investment potential into current industry
- Attracting new complementary industry creating better economy of scale scenarios.
- Creating alternate use for existing fibre and underutilized fibre
- Working with larger companies, government, and the Community Forests, making sure smaller manufacturers gain ample fibre supply

Benefits

- Increased market share of wood product, making it less volatile to specific global trends
- Increased secondary processing, thereby increasing value and employment
- Increased use of otherwise underutilized species
- Increased local wealth

Conclusion

We need to create alternate ways to utilize the forest resource, increasing employment, opportunity, and adding value to the resource.

Agriculture

The agricultural industry continues to be an important part of the economic vitality and character of the Creston Valley. Forages, grains and oilseeds, and fruit and vegetable crops are grown. The valley is the home of the province's largest seed potato producer and largest asparagus producer. Timothy hay is compressed and shipped to overseas markets, and timothy and other grass seeds are also grown for export. Eight dairies are the mainstay of the livestock industry in the Valley, but beef and other livestock also play a role in the local agriculture industry. A more recent player in the industry is the field of agri-tourism. This will be dealt with in depth in the tourism sector of the plan.

Creston has long been noted for its fruit production. Apples were the mainstay for many years, but low returns have seen many apple orchards replanted to late-season cherries over the past ten years. State-of-the-art packing facilities have been constructed to pack and export high quality cherries all over the world. Approximately 2 million pounds of cherries were packed and sold in 2006.

Direct marketing of fruit has been and continues to be important to the industry and to the character of the Valley.

Recently, some orchard has been replanted to wine grapes, and one local vineyard has pressed its first grapes for its boutique winery in fall of 2006.

There are several issues facing the agricultural industry in the Valley. They are:

- Low returns in the grains and oilseeds sector due to global production and competition
- Financial stress on beef industry due to BSE
- Increases in world cherry and apple production, creating more competition and lower prices
- Increasing transportation costs – most agricultural production is transported out of the valley
- Loss of dairy production as quota is sold out of the valley
- Possible loss of direct marketing opportunities as new meat inspection regulations come into effect in September 2007

Possible Directions

- Composting of culled fruit and vegetables for use as fertilizer
- Producing juice, fruit brandy, or wine from culls
- Secondary processing of dairy and beef to increase value
- Processing livestock waste for other uses
- Investigating ways to differentiate our product through methods of branding, capitalizing on attributes such as homegrown and organic.

Benefits

- Increased value to otherwise wasted or underused products
- Increased employment
- Increased local wealth

Conclusion

Conventional agricultural production is facing the challenges of globalization and competition. There is an urgent need to use the Valley's historical and natural agricultural advantage to promote its current products as well as to investigate new and innovative ways to introduce value-added or secondary processing.

Manufacturing/Secondary Processing

With companies such as Columbia Brewery, Pine Profiles, and Kootenay Lake Log Structures, to name a few, the Creston Valley is certainly not a newcomer to value-added industry. Existing industry/business are finding new and innovative ways to add value to their product.

We need to help our existing manufacturers grow; and we also need to attract new investment opportunities that will complement our existing industry. With most regions having high-speed internet services, making global markets accessible with the click of a mouse, many small to medium manufacturers are looking at rural areas for expansion for obvious reasons – e.g., affordability, quality of life, availability of land. Creating markets, attracting new business, and adding value to a product will only make our economy more viable.

Possible Directions

- Increasing market share for current Creston Valley products
- Diversifying resource-based industry, taking on more value-added production
- Creating an investment attraction piece that will help attract investment to the Valley
- Identifying impediments to project development and working with appropriate governance to alleviate those problems
- Working with other organizations – regional, provincial or national – creating partnerships that will offer a better chance to succeed in the global market

Benefits

- More market share means more production, which means more opportunity
- Value-added creates more value/wealth
- A better overall industry awareness of global potential
- New investment means new people with new ideas

Conclusion

Increase manufacturing/processing opportunities in the Creston Valley, adding value to resource-based primary industry

Tourism

Location, location, location! With one of the biggest markets in the world just to the south, international airports all around, a beautiful lake within a short distance, orchards, and scenery second to none, the Creston Valley is naturally in the tourism game. Industry such as Columbia Brewery is not only a tourist attraction; it also puts Creston on the map with its aggressive marketing. This area is home to an internationally recognized RAMSAR site, the Creston Valley Wildlife Management Area. Festivals

celebrating our culture, artisans, gift shops, farmers' markets and the friendly atmosphere – all these attributes help to entice people to the Valley.

The CVDA and other organizations have embarked on the development of a valley-wide Tourism Plan. This Tourism Plan will identify opportunities and areas of potential growth within the industry. The foundation for the plan has been formed and it is anticipated it will be available early in the New Year.

Possible Directions

- These will be extracted from the previously mentioned Tourism Plan.
- Looking immediately at attracting name brand accommodation to the Valley

Benefits

- Increase in the number of tourists visiting the area
- Better infrastructure to accommodate tourists
- More cooperation amongst operators creating a more involved experience
- Other benefits may arise from the finished plan

Conclusions

Partnering, improving infrastructure and better marketing – making the tourism industry a more significant player in the overall economy of the Creston Valley.

Arts/Culture/Heritage

The Arts and Culture industry is a vital part of the local economy of the Valley. The Valley is home to many well-known authors and artists who are showcased regionally, provincially, nationally, and internationally.

There is a rich First Nations' heritage and arts presence in the Creston Valley. The Yaqaan Nuki Heritage Centre reflects the importance of this culture on the history of the Valley. An excellent museum and archives showcases the more recent history of the area.

Tourism and the Arts and Culture sector are linked. The information being collected, as part of a two-phase project developed by the Creston Valley Development Authority and the local Creston Community Arts Council, highlights this linkage. The Creston Valley Arts and Cultural Scan will highlight strengths, weaknesses, assets, and potential market direction. Phase II will develop an Arts and Cultural Plan, mapping the future Arts and Culture direction.

Possible Directions

- These will be extracted from the previously mentioned Arts and Culture Plan.

Benefits

- Overall increase in the economic value of the Arts and Culture sector to the Valley
- More awareness of the importance of arts and culture to the Valley
- Showcasing the Valley to more regional, provincial, national, and international markets

Conclusion

Creating a plan offering direction to the Arts and Culture sector is needed to help increase the awareness and market potential of arts and culture in the Creston Valley.

Services

The Creston Valley offers many urban amenities – hospital, recreation centre, financial institutions, college, restaurants, shopping – without the urban lifestyle. It is a place where young professionals can enjoy quality services as well as the great outdoors.

The Valley is challenged in offering all the services one would find in an urban setting. State-of-the-art recreation infrastructure needed to retain and attract young families or professionals is very expensive for a small population base. Medical professional shortages are common all over North America, both in urban and rural areas. Centralization of specific government services can make it difficult to maintain levels of service. These are all stumbling blocks we need to overcome.

This area has the advantage of geography, being that we are the central Kootenays. Locating here to service the Kootenays has certain economic benefits for any regional entity. Services and facilities are continuing to improve and expand in the region. Many organizations/businesses are working together to develop strategies which continue to grow the Creston Valley.

The Valley is not free of problems or issues regarding some of its services, but everyone is working together to ensure that this Valley remains one of the best overall places to live in Canada.

Possible Directions

- Hiring of a recruiter/researcher to deal with the recruitment and retention of medical professionals
- Developing strategies to make sure the Valley has access to current Internet technology
- Working with the municipality and other organizations to create a vision for Downtown Revitalization
- Investigating opportunities for potential investment into the accommodation sector
- Creating a transparent communications strategy where all involved entities are made aware of the pertinent issues

Benefits

- Creation of a recreation facility that can become the centerpiece of the community
- A healthier population
- A healthier population mix (young and old)
- A well staffed hospital
- Better facilities to aid in the retention and attraction of business and investment
- A collaborative approach where the entire community is on the same page

Conclusions

We need to create an environment inviting to potential investors, offering more services in the community, therefore retaining and recruiting businesses and professionals.

Other sectors that may have a potential impact on future growth in the Valley are Oil and Gas, Mining, and Seniors. Although these are not at the forefront of the strategic plan at this time, we will make sure we are aware of any developments in those sectors that may negatively or positively impact our economy. These sectors may become much more important in time.