

ECONOMIC DEVELOPMENT

Strategic Plan 2018 - 2022





CITY OF PENTICTON - ECONOMIC DEVELOPMENT STRATEGY | 2018 - 2022

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OUR MANDATE

To foster economic vitality within the City of Penticton



WHO WE ARE

The City of Penticton's Economic Development Department falls under the umbrella of Development Services, which is led by the Director of Development Services. The department currently has one full-time staff member and one regular contractor. The Director of Development Services reports to the Chief Administrative Officer (CAO) and to City Council. The Economic Development Department is guided by the Economic Development & Prosperity Task

Force which consists of voting members appointed by City Council for a one-year term. The Task Force is comprised of business members, community partners and City Councillors and their mandate is to assist Mayor and Council and the Penticton business community to create a healthy, sustainable and dynamic economy. The Task Force also provides recommendations on matters referred by Council.

EXECUTIVE SUMMARY

A group of community leaders was selected to participate in the strategic planning process for the City of Penticton's Economic Development Department. This group consisted of the city's Mayor and Council; members of the Economic Development & Prosperity Task Force; Travel Penticton; Penticton Chamber of Commerce, Penticton Industrial Development Association, Downtown Penticton Association, Community Futures and the staff of the Economic Development and Development Services Department. Together, they have created the following 2018-2022 Strategic Plan.

Prior to the strategic planning sessions in November 2017, group members individually submitted feedback to a survey that helped determine areas requiring some in-depth attention. Their input also identified current challenges and upcoming opportunities for the Economic Development Department.

All this data pinpointed the Key Result Areas (KRA's) to be addressed over the next five years.

In their session, the group formulated Strategic Goals that relate to each KRA. These goals give well-defined direction to staff and their staff committees.

The five-year Strategic Plan is to be reviewed and refreshed annually. A new five-year Strategic Plan will be developed for January 2023 through December 2027.

A subsequent one-year Operational Plan was developed by staff for goal execution, commencing in January 2018. Progress reports will be provided to Mayor and Council by the Director of Development Services on a quarterly basis with an annual summary report at year end. The Operational Plan will be renewed annually in preparation for the new fiscal year.

KEY RESULT AREAS

Key Result Areas are the categories for the Strategic Goals. These goals give clear direction to staff and their committees so they can successfully accomplish the Strategic Plan within the five-year time span.

The Key Result Areas (KRA's) identified by community leaders for January 2018 through December 2022 are:

- › Communication
- › Collaboration
- › Retention and Expansion
- › Attraction Communication
- › Organizational Excellence

KRA 1. Communication

Developing key messaging and reporting to our internal and external stakeholders.

GOALS:

- 1.1 Develop a clear communication strategy.
- 1.2 Facilitate communication between community partners and internal City departments.
- 1.3 Foster active communication between businesses and the economic development department.
- 1.4 Create, collect and disseminate simplified data and information for the business community.

KRA 2. Collaboration

Identifying strategic partnerships and working towards common goals.

GOALS:

- 2.1 Foster a collaborative working relationship with regional, provincial and federal agencies and organizations.
- 2.2 Work collaboratively with other community partners to explore Penticton's identity.
- 2.3 Collaborate with the City and stakeholders to ensure plans, processes and policies support the growth of Penticton's economy.
- 2.4 Foster a collaborative working relationship with the Penticton Indian Band for the mutual prosperity of both communities.
- 2.5 Facilitate collaboration and knowledge-sharing with both external and internal stakeholders to foster economic vitality.

STRATEGIC GOALS

Strategic Goals within each KRA have been developed and are to be achieved by year end 2022, unless otherwise stated. The Operational Plan, developed by staff, supports this Strategic Plan and identifies the detailed actions required to achieve these Strategic Goals. Quarterly updates on the Operational Plan from the Director of Development Services are required by City Council and the Economic Development & Prosperity Task Force.

KRA 3. Retention and Expansion

Focusing on businesses currently within the community.

GOALS:

- 3.1 Develop and implement a plan to foster an environment that further develops priority industry clusters.
- 3.1 Provide business succession support.
- 3.3 Foster an environment that supports innovation, entrepreneurial thinking and entrepreneurial businesses.

KRA 4. Attraction

Focusing on bringing businesses, investment and labour to Penticton.

GOALS:

- 4.1 Develop and implement a plan to foster an environment that attracts new ventures in priority industry clusters.
- 4.2 Develop and implement a plan to attract and retain skilled workers.

KRA 5. Organizational Excellence

Continually improving the economic development department.

GOALS:

- 5.1 Work to continually improve department and staff performance and report results.
- 5.2 Achieve and report key deliverables based on and informing the operational plan.

2018 OPERATIONAL PLAN SUMMARY

KRA 1. COMMUNICATION

Developing key messaging and reporting to our internal and external stakeholders.

Communication is critical to the long term success of Economic Development in the community. Increased awareness of economic development initiatives and enhancements to the communications coming out of the department will contribute towards long term improvements. A major priority focus in 2018 for economic development will be investing in enhancing communication within the community and increasing awareness of the key drivers of our local economy, including business success stories. In addition, it will be a key goal to ensure that useful and current local data, studies, reports, and business resources are readily available to our business community, site selectors, and potential relocating businesses through a

new economic development website.

The community have asked for greater accountability and improved information with regards to economic development initiatives and the first year's Communications operational plan will deliver greater clarity around the role of economic development and the importance it plays in community development.

Operational Goals for 2018

The activities and inputs into the Communication aspects of Economic Development in Penticton described here contribute to the following Operational Goals within the Economic Development Operational Plan for 2018. See **Table 1** below.

| Goal | Action | Result | Timeline |
|---|--|--|-------------------|
| 1.1 Develop a clear communications strategy | Communication Strategy Development | Creation of Communication Strategy | Q1 2018 |
| | Website Creation | Creation of Economic Development Website | Q3 2018 |
| | Business Highlights | Quarterly Highlights Package | Ongoing 2018 |
| 1.2 Facilitate communication between community partners and internal City departments | Internal Communications | Twice monthly team meetings | Ongoing 2018 |
| | External communication | Number of stakeholders contacted | Ongoing 2018 |
| 1.3 Foster active communication between business and the economic development department | Business Climate survey | Completion of Business Climate Survey | Q2 2018 |
| | Communications / Exposure | 5-10 Existing Industry Events | Ongoing 2018 |
| 1.4 Create, collect and disseminate simplified data and information for the business community | Business Climate Survey completion and data output | Completion of Business Climate Survey | Q2 2018 & ongoing |

Table 1 | Communication - Operations Goals for 2018

KRA 2. COLLABORATION

Identifying strategic partnerships and working towards common goals.

The first year's operation plan will focus on bringing together community organizations and partners to improve the exchange of information and awareness of each other's priorities. It will be important to ensure that there is no unnecessary duplication or conflicts existing within each organizations area of focus so that priorities can be supported and strengthened.

Development of existing relationships will focus on enhancing partnerships in the community, and with strategic organizations at regional, provincial, and federal levels. The creation of new partnerships will provide focus in joint areas of interest that will contribute to moving the community towards a common goal. Communicating in advance of decisions being

made that may impact other parties will be a focus of these collaborative efforts.

The development and enhancement of relationships in 2018 is important to set the scene for long term collaboration and success in all areas of our community and is critical to building trust in the economic development team.

Operational Goals for 2018

The activities and inputs into the Collaboration aspects of Economic Development in Penticton described here contribute to the following Operational Goals within the Economic Development Operational Plan for 2018. See **Table 2** below.

| Goal | Action | Result | Timeline |
|--|---------------------------------------|---|--------------|
| 2.1 Foster a collaborative working relationship with regional, provincial and federal agencies and organizations | Governmental Relationships | Creation of public sector stakeholder map | Q1 2018 |
| 2.2 Work collaboratively with other community partners to explore Penticton's identify | Stakeholder Engagement | Partnership Agreement | Q2 2018 |
| 2.3 Collaborate with City and stakeholders to ensure plans, processes and policies support the growth of Penticton's economy. | Process Improvement | Number of Recommendations | Ongoing 2018 |
| | Economic Investment Zone Bylaw Review | Adoption of new bylaw | Q2 2018 |
| 2.4 Foster a collaborative working relationship with the Penticton Indian Band for the mutual prosperity of both communities | PIB Economic Development Relationship | Report on meetings | Q2 2018 |
| 2.5 Facilitate collaboration and knowledge-sharing with both external and internal stakeholder to foster economic vitality | Operational Partnership Agreement | Completion of Agreement | Q2 2018 |
| | Welcoming Community | Number of activity | Ongoing 2018 |

Table 2 | Collaboration - Operations Goals for 2018

KRA 3. RETENTION AND EXPANSION

Focusing on businesses currently within the community.

An important element of any City's economic vitality and fiscal sustainability is a healthy business community that includes both existing active businesses plus opportunities for new businesses to establish. Business retention and expansion focuses primarily on the existing businesses in and around the City and is concerned that those existing businesses are able to function successfully day to day, be able to

seize opportunities for growth, and stay located in the City as long term economic contributors.

Research has shown that when the existing business community functions effectively in this way it can be responsible for between 60% and 80% of new employment in the community and contribute significantly to the stability and growth in economic activity on an on-going basis.

Economic Development's role in business retention and expansion is:

- › To understand what the businesses and business clusters in the City are; what their economic contribution to the City is; and what are their issues and needs in order to continue to be viable economic contributors.
- › To be connected to the business community such that arising challenges and opportunities can be addressed quickly in such capacity as the City is able to offer.
- › To inform City Council and other policy makers, as well as businesses and the community, of businesses' contributions to, and needs from, the community so that the community and policy makers can make informed decisions about policy and matters that will affect existing businesses.
- › To prioritize and undertake support programs and policy reviews that will support the operations and growth of the City's existing businesses to the over-all benefit of the community.

To understand the City's business mix, contributions and needs, the Economic Development Department uses a number of tools and resources. These include:

- › A current Business Climate Survey involving in person interviews and on-line questionnaires concerning business matters from approximately one hundred Penticton businesses from all different sectors.
- › The annual Business Walk program of meeting with selected businesses in the City annually to get input on business and economic issues.
- › Relationships with business organizations and industry groups.
- › Consultation with the City Economic Development & Prosperity Task Force.
- › Census and other third party economic data available for the City and region.
- › Specific research and programs providing insight into Penticton's economic mix.
- › A current and ongoing attention to provincial, national, and international economic development trends and projections.

An example of research being utilized is the South Okanagan Foreign Direct Investment Strategy report completed in 2016:

- › This research and report was commissioned by Penticton Economic Development working in conjunction with other communities and government agencies in the South Okanagan.
- › This report looked at what businesses and industry sectors were significant enough in the local economy to be attractive to outside investment both currently, and in the short term future, with the understanding that being attractive to investment also indicated these being current strong business sectors.

- › This study identified the viticulture and wine industry as of immediate interest to investment and agriculture related technology, manufacturing, secondary food processing and the

development and production of bio products as being of interest to investment in the near future.

Penticton Works is an example of a program that has provided insight into a growing economic sector.

- › The Penticton Works program is online communications and marketing supported by the City to encourage online workers and companies to locate in Penticton. In its first years of operation this program has not only increased Penticton’s profile for in-flow of online workers and businesses, but has also helped to initially identify the significant extent of the existing online worker community in Penticton and has started to establish its economic impact and needs for sustainable growth.
- › The information provided through Penticton Works is also showing potential benefits for assisting in retaining residents who lose traditional jobs but wish to stay in the community to look at online working options, and for providing information about on-line opportunities for employment-seeking spouses of traditional workers in Penticton.

Operational Goals for 2018

The activities and inputs into the Retention and Expansion aspects of Economic Development in Penticton described here contribute to the following Operational Goals within the Economic Development Operational Plan for 2018. See **Table 3** below.

| Goal | Action | Result | Timeline |
|--|---|---------------------------------------|--------------|
| 3.1 Develop and implement a plan to foster an environment that further develops priority industry clusters | Priority Clusters – Retention & Expansion | Report to Council | Q3/Q4 2018 |
| | Penticton Works Platform | Report to Council | Ongoing 2018 |
| 3.2 Provide business succession support | Succession Planning | Online Resources & Plan Development | Q3 2018 |
| 3.3 Foster an environment that supports innovation, entrepreneurial thinking and entrepreneurial businesses | Business Climate Survey | Completion of Business Climate Survey | Q2 2018 |
| | Entrepreneurial Survey | Online directory completed | Q3 2018 |

Table 3 | Retention and Expansion - Operations Goals for 2018

KRA 4. ATTRACTION

Focusing on bringing businesses, investment and labour to Penticton.

Attraction of new businesses and investment, as well as necessary skilled workers, is significant to all City's economic vitality and fiscal sustainability. Skilled workers are necessary both for existing City businesses and their continued economic health and growth, as well as to provide staff for new business ventures and business investment in the area.

New business and investment attraction to the City is necessary because parts of the City's business community base will inevitably shrink in response to economic factors beyond the City's control and these must be replaced by new businesses and investment on an on-going basis to maintain vitality and sustainability.

The Economic Development Department's role in attraction of businesses, investment and labour is to:

- › Gather input from stakeholders, third party sources and research as to new or existing businesses that would fit economically in the City's business climate and provide economic benefits to the City and region.
- › Identify what the needs of those businesses and industries are to locate in the City and match those with existing or potential resources in the City.
- › Prioritize and engage in attraction efforts targeted to businesses and industry sectors with the most potential to locate in and benefit the City and area.

Economic development attraction efforts for business and investment are connected to the knowledge, policies and programs of the business retention and expansion programs of the City in that these provide insight into:

- › What business clusters in the City need, or could incorporate, new businesses within them.
- › What new businesses and industries are being created by economic or technology changes that would be an attractive fit with the particular characteristics of the City.
- › What businesses and clusters might be "sunset" industries within the City that economic or technological change is making redundant, and will need to be replaced or more valuably re-purposed.

An example of research being utilized is the South Okanagan Foreign Direct Investment Strategy report completed in 2016:

- › This research and report was commissioned by Penticton Economic Development working in conjunction with other communities and government agencies in the South Okanagan.
- › This study identified the viticulture and wine industry as of immediate interest to investment and agriculture related technology, manufacturing, secondary food processing and the development and production of bio products as being of interest to investment in the near future.
- › This report looked at what businesses and industry sectors were significant enough in the local economy to be attractive to outside investment both currently, and in the short term future, with the understanding that being attractive to investment also indicated these being current strong business sectors.



Remote working is a rapidly growing segment of the economy, representing a significant opportunity for Penticton.

Penticton Works is an example of a City program that is attracting a new economic sector.

- › The Penticton Works program is online communications and marketing supported by the City to encourage online workers and companies to locate in Penticton.
- › Online working (also known as remote working or formerly telecommuting) and online businesses are a rapidly growing segment of the North American economy.
- › In its first years of operation this program has increased Penticton's profile and attraction for in-flow of online workers and businesses.

StartHereOkanagan.com is an example of a program which has been developed from recommendations arising from specific local research to support attraction of a skilled workforce:

- › Recommendations from the 2016 Labour Market Study confirmed there were issues with filling skilled positions and indicated that employers wished there was better support for recruitment. It was clearly heard that local talent was not filling all of the available positions, and searching for personnel further afield was required. Action items identified included a regional centralized job board that promotes the benefits of living & working in the region as well as addressing spousal employment challenges. Employers stated that lack of access to skilled labour is seriously affecting growth options.
- › The StartHereOkanagan.com platform was built to address these recommendations. The platform enables employers to post jobs and create company profiles to showcase workplace culture to job seeking talent. In order to ensure the job board is robust, the software pulls all jobs in the South Okanagan from other verified listing services. The design of the platform was built around creating a modern and compelling interface for job seekers and those considering relocating. Partnerships with regional organizations, broadens the scope of the platform, bringing in information on entrepreneurship, skills training, immigrant support, and other neighbouring communities.
- › The platform provides an opportunity to gain detailed data and insights on trends in the labour market and is being marketed in Canadian locations which have historically shown strong interest in the South Okanagan: Toronto, London, Edmonton, Calgary, Lower Mainland, Vancouver & Victoria.
- › More than just a job board, the platform provides job seekers with a view to showcase the lifestyle and opportunities of the area. The platform takes a regional approach with the understanding that relocation for a family may result in residing in one community and working in another – that working collaboratively as a region can benefit all.
- › Targeted marketing considers age segmentation, interests, jobs skills, and web usage habits (such as whether they have already been looking at websites or events in our area, or recreational activities that have a strong following here).

Operational Goals for 2018

The activities and inputs into the Attraction aspects of Economic Development in Penticton described here contribute to the following Operational Goals within the Economic Development Operational Plan for 2018. See **Table 4** below.

| Goal | Action | Result | Timeline |
|---|--|--------------------------------|--------------|
| 4.1 Develop and implement a plan to foster an environment that attracts new ventures in priority industry clusters | Priority Clusters Attraction | Report to Council | Q3/Q4 2018 |
| | Penticton Works Platform | Report to Council | Ongoing 2018 |
| | Start Here Okanagan Magazine | Distribution of Magazine | Q4 2018 |
| 4.2 Develop and implement a plan to attract and retain skilled workers | Start Here Okanagan Platform | Quarterly reporting of results | Ongoing 2018 |
| | Penticton Works and Start Here Okanagan amalgamation | Website amalgamation | Q4 2018 |
| | Trade shows | Exhibitor checklist | Q2 2018 |

Table 4 | Attraction - Operations Goals for 2018



KRA 5. ORGANIZATIONAL EXCELLENCE

Continually improving the economic development department.

The Economic Development team is committed to producing results for the community. The Strategic Planning sessions identified the need for greater accountability and the development of metrics in the workplan for the economic development team. They also identified the need for continual innovation and improvement in the work coming out of the department and ongoing investment in improving the department’s performance and knowledge.

Through increased accountability and result oriented actions, the team will provide regular updates to the community through the Economic Development & Prosperity Task Force and Council.

Operational Goals for 2018

The activities and inputs into the Organizational Excellence aspects of Economic Development in Penticton described here contribute to the following Operational Goals within the Economic Development Operational Plan for 2018. See **Table 5** below.

| Goal | Action | Result | Timeline |
|--|--|-----------------------------------|--------------|
| 5.1 Work to continually improve department and staff performance and report results | Process improvement | Implementation of recommendations | Ongoing 2018 |
| | Professional Development & Conferences | Reporting of results | Q4 2018 |
| 5.2 Achieve and report key deliverables based on and information the operational plan | Performance Management | Report to Council | Q4 2018 |
| | Quarterly and Annual Reporting | Report to Council | Ongoing 2018 |

Table 5 | Organizational Excellence - Operations Goals for 2018



Fostering economic vitality in our city

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