



CITY OF YELLOWKNIFE

2014-2019 ECONOMIC DEVELOPMENT STRATEGY

December 2013





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STRATEGY CONTEXT

The Economic Development Strategy (the “Strategy”) for the City of Yellowknife is set in the context of the community’s vision for the future, established by Council’s Goals and Objectives, in which Yellowknife is:

“A welcoming, inclusive, vibrant and family-oriented City with a strong sense of community pride. We will strive to be self-sufficient while actively promoting economic development and tourism and protecting our unique history, culture and natural beauty.”

In working towards this vision, which has clear economic development implications, Council has established four goals and objectives for the 2013 - 2016 period. First among these goals is Building a Sustainable Future. In realizing opportunities to encourage economic growth and diversity, actions include developing an economic development strategy. With support from the Government of the Northwest Territories and based on a Terms of Reference, the City retained Millier Dickinson Blais to work in partnership in the creation of an economic development strategy. The Communications and Economic Development Department (CED Department) is responsible for implementing the Strategy.

A background report that details the literature review, statistical analysis and stakeholder consultation undertaken for this project serves as supporting documentation for the strategy. The Terms of Reference guiding the study is included in the background report. The Strategy is based on three main components:

- Review component, consisting of stakeholder engagement to build a strong understanding of the community’s goals and perceptions related to economic development;
- Integration component, consisting of a review of Yellowknife’s guiding documents to align the economic development strategy with other City goals, objectives and actions; and
- Creation component, consisting of designing goals, objectives and actions that will guide the work plan for the Communications and Economic Development Department over the next five years.

As the capital and largest city in the Northwest Territories (NWT), Yellowknife is the government and service supply centre for the NWT and much of the central Arctic. The Economic Development Strategy must consider the broader context of the Northwest Territories in setting goals and objectives for the City. The Economic Development Strategy takes a collaborative approach in suggesting activities for the City of Yellowknife. In some cases, the CED Department will carry out the action. In other cases, the CED Department will support the activities of others through participating in committee and project meetings where the CED Department will present the voice of business and goals and objectives of the City of Yellowknife.



PROJECT PROCESS

The following diagram explains the project process and how the Economic Development Strategy was created.





STRENGTHS, OPPORTUNITIES AND CHALLENGES

The Economic Development Strategy is designed to build on Yellowknife's strengths, take advantage of opportunities and overcome challenges and constraints to success. The Strengths, Opportunities and Challenges presented here are drawn from the stakeholder interviews, online survey, background review and statistical analysis.

STRENGTHS

- The population of those under 20 exceeds the population of those over the age of 45. This indicates a future potential labour force able to replace workers moving into retirement. This younger cohort is also a potential source of entrepreneurs and small business owners. However, they will need access to appropriate training and educational programming to fulfil their future potential.
- A highly educated population with particular strengths in architecture, engineering and related technologies and business, management and public administration. These educated workers could potentially start their own businesses and assist in diversifying the economy and generating new jobs in Yellowknife.
- High median household incomes, much higher than almost all communities in Canada, indicate the ability to support additional retail and commercial services.
- Employment concentrations in information and cultural industries; professional, scientific and technical services; finance and insurance; accommodation and food services, wholesale trade; mining, quarrying, oil and gas extraction; and transportation and warehousing indicate to investors they will be able to find the skilled workers they need in these industry sectors.
- Business concentrations in professional, scientific and technical services, construction, and real estate rental and leasing indicate the potential for future business development in these areas.
- Compared to Canada's other northern capitals, proximity to larger southern Canada markets and better connections to northern communities create the potential to secure additional benefit from future mining and resource projects.

OPPORTUNITIES

- Devolution will create some additional positions in Yellowknife.
- Resource and mining sector activities in the NWT generate population growth and related economic spin-offs opportunities in Yellowknife.
- Historical and logistical connections to the Kitikmeot region of Nunavut suggest economic opportunities in Yellowknife from mining projects in that region.
- Tourism is the third largest contributor to the economy of the NWT and was mentioned by the majority of stakeholders as an opportunity for business growth in Yellowknife.
- Yellowknife could join comparator communities and agencies in Canada in understanding whether environmental and alternative energy technologies offer the potential opportunity for business start-ups as well as a way to reduce the high cost of heat and electricity.



CHALLENGES

- Yellowknife has low concentrations of workers in arts, entertainment and recreation and retail trade, suggesting a gap in service and employment in these areas.
- Yellowknife has high costs of electricity and fuel, making it difficult to attract new residents and businesses.
- Yellowknife lacks many basic aspects of tourism infrastructure to attract additional visitors and tourism related businesses. Tourism infrastructure challenges include a poor quality access highway and a lack of camping and RV facilities.
- Yellowknife lacks adequate convention facilities to host larger conferences and has no clear convention strategy or committee to attract conferences to the city.
- The *Cities, Towns and Villages Act* prevents the City of Yellowknife from collecting a hotel tax to fund a destination marketing organization, limiting the City's ability to sponsor a tourism marketing campaign.
- Many residents feel that the social issues in the Downtown area, including homelessness and concerns with public safety, are discouraging businesses from locating to the area.
- The possible closure of the Ekati mine in 2019 could have a significant negative impact on the Yellowknife economy.
- The resource economy is dependent on world commodity prices which have a history of price volatility and production uncertainty.
- Aurora College is limited in its ability to adapt and expand programming and services in Yellowknife to serve the current and future needs of employers, employees and entrepreneurs.
- The tourism strategy for the NWT is targeting visitors from China and other Asian nations. If an economic uncertainty or slowdown is experienced in these target markets, visitation to Yellowknife and the NWT might be put at risk.
- Unsettled land claims in the NWT might slow down or deter approvals for mining projects in the territory, causing ripple effects to other sectors in the economy.



BACKGROUND REVIEW FINDINGS AND RECOMMENDATIONS

Case Studies

The comparator communities of Whitehorse, YT; Iqaluit, NU; Juneau, Alaska; Skellefteå, Sweden; and Kalgoorlie, Australia were investigated to understand how they are building on strengths and overcoming challenges to achieve economic development success. Lessons learned from these comparator communities are:

- Other remote resource communities also struggle with relatively high costs for power and heat and are, through support from other levels of government, investigating the potential for alternative and renewable energy technologies to provide solutions to this challenge;
- Leveraging post-secondary institutions to ensure local industry has the workforce it needs increases the ability to capture benefit from local area resource projects;
- Post-secondary institutions can also assist in building entrepreneur development programs to build the local business base and diversify the economy;
- Campaigns to relocate fly-in/fly-out workers can have some success but require support from employers and other levels of government;
- Economic development is achieved through partnerships with not-for profit agencies, business and government; and
- Greater success can be achieved when taking a regional approach to economic development.

Incentives

Many communities deploy incentives to achieve specific development goals in the community. Investors evaluate the cost of living, availability and cost of land and its development, available labour force, transportation costs, and the ease of access to suppliers and/or customers in the investment process. Business incentives might cover any of these areas; however, municipalities are often restricted to financial and non-financial incentives related to site improvements and tax abatements. Yellowknife has already implemented a number of incentives to encourage development and site improvement. Comments received through interviews and online survey from Yellowknife's business and community leaders focused on improvements in the Downtown and Old Town areas and utility costs leading to the following suggestions for Yellowknife:

- Review the existing Façade and Site Improvement Program to evaluate the impact on the Downtown and Old Town areas and adjust where feasible to increase adoption of the program for retail, arts and culture and tourism facilities;
- Establish a green grant to assist businesses in incorporating technologies that would reduce their utility costs;
- Incorporate a broader set of fee exemptions or deferral of fees for building improvements in the Downtown and Old Town areas; and
- Establish a business revitalization zone for the Downtown in order to address perceptions of the Downtown through programs to beautify the area, improve parking and promote retail activities.



MANDATE FOR ECONOMIC DEVELOPMENT

An economic development strategy is a roadmap for business development in a community. Knowing where the most appropriate opportunities might lie and ensuring the right environment is in place to support businesses. The mandate for the economic development functions of the CED Department are based on economic development principles as well as feedback from stakeholder engagement and a management session with Council and Administration. Through this process, the following common themes were suggested for the economic development mandate of the City of Yellowknife:

- Ensuring that Yellowknife offers a positive customer service environment;
- Providing supports to small and emerging business;
- Establishing Yellowknife's position as a bold and innovative city;
- Marketing Yellowknife to prospective investors and residents;
- Understanding business needs and the opportunities they are seeking as they grow and develop; and
- Reporting against a clear set of performance measurement indicators.



GOALS OF THE STRATEGY

An economic development strategy should be clear and attainable. The strategy should define what the community is striving to achieve (goals), why these goals are important and how they will be achieved. Yellowknife's Economic Development Strategy sets out four goals for Yellowknife:

Goal One: Yellowknife is a city open for business

Rationale: In becoming a city that is open for business, it is important that planning documents and policies facilitate and promote business development; incentives support new business and spur business redevelopment and growth; and Yellowknife understands and addresses the needs of business. In addition, all information should be publicly available, easy to read and accessible through the internet. Investment decisions are often time sensitive, so a rapid and effective response to an investment inquiry is crucial. The ability for economic development agencies as well as municipal staff to respond promptly to requests for information, to provide consistent information, and to offer business development services demonstrates to a prospect that there is a willingness to respond to the needs of the business community.

Goal Two: Yellowknife has a Diverse Business Community

Rationale: The public sector and mining activities in the NWT provide Yellowknife with a strong business base. However, mining and resource development can be uncertain, and Yellowknife should seek ways to diversify the economy. In addition, business owners in Yellowknife struggle with the costs of heat and power for their businesses and their homes. Finally, residents desire increased retail options and cultural experiences in Yellowknife to make it a truly great place to live. Community stakeholders suggested that business diversity and quality of life could be enhanced through a focus on tourism, alternative and renewable energy, enhanced retail experiences and positioning Yellowknife as the North's arts and cultural capital.

Goal Three: Yellowknife is a dynamic, growing community

Rationale: While Yellowknife has a strong employment base in the public sector and resource and mining, the city has not experienced the population growth of other localities across Canada. In partnership with employers and the Government of the Northwest Territories (GNWT), Yellowknife can make greater efforts to attract workers to live in Yellowknife. Yellowknife needs to be seen as a great place to live for residents of all ages. This includes creating a downtown neighbourhood of retail, educational and cultural activity.

Goal Four: Yellowknife is a talented and educated community

Post-secondary institutions can be a key driver for developing entrepreneurs, attracting new residents, retaining youth and downtown redevelopment. Several stakeholders believe a new downtown post-secondary campus could be a hub of educational, social and cultural activity in Downtown Yellowknife, spurring other development and leading to downtown revitalization.



ACTIONS

Five year action items and the role of the CED Development Department are suggested below. While economic development performance measures are understood to be difficult to gauge, this Strategy was tasked with developing actions that measure the contribution of the CED Department and could be used to allocate resources and assign priority. The table below identifies the specific action as well as the priority for implementation. The priorities and actions in this table should be reviewed annually to ensure alignment with Council Goals and Objectives, measure progress and reassign priority ranking, if necessary.

#	Action and Role of Communications and Economic Development	Priority
1.	To support business and employment growth, implement an annual business visitation program consisting of one-on-one interviews with business owners to gain information regarding growth plans, succession plans and requirements from the City to assist in meeting growth plans.	Annually
2.	Work with the Northern Frontier Visitors Association to promote tourism and customer service training for front line tourism workers.	Annually
3.	To enhance the vibrancy of the Downtown and promote art and culture initiatives in Yellowknife, collaborate with property owners to promote vacant property as an arts and culture venue to temporarily transform properties into arts and culture programming space.	On-going
4.	To enhance the City's Downtown revitalization programs, participate (where requested) on committees and action groups dealing with Downtown homelessness and social issues.	On-going
5.	Work with/support Aurora College, GNWT and colleges in southern regions of Canada and overseas to develop exchange programs, encouraging youth to experience and form a bond with Canada's North.	On-going
6.	Open discussions with Aurora College on the opportunities to expand their program delivery in areas such as engineering and mining; arts, culture and entertainment; and environmental and green industries to meet Yellowknife's business diversification goals.	On-going
7.	To increase business growth and development, promote land sales to prospective developers in partnership with Planning and Development and market these initiatives through CED Department publications and advertising.	On-going
8.	Participate in the review of the Business License By-law by engaging with business during the By-law review to help address issues impacting business development.	2014
9.	Meet with the Business Development Investment Corporation, Chamber of Commerce (Yellowknife and NWT) and the Conseil de développement économique de Territoires du Nord-Ouest (CDÉTNO) every quarter to extend and enhance support services to businesses in Yellowknife (one-on-one business training in market research, customer service, business planning, etc.).	2014



#	Action and Role of Communications and Economic Development	Priority
10.	Research municipal business incubation programs to determine if one such program would provide value to businesses in Yellowknife and assist the City in developing new businesses and diversifying the economy. Provide a recommendation to Council and Administration regarding the provision of incubation services based on this research.	2014
11.	Update the 'business' and 'visitor' sections of the City of Yellowknife's website to improve access to information for existing businesses, business start-ups and potential investors. Information provided might include information on development incentives, prioritized business opportunities and tools for small business as well as information for visitors and people moving to Yellowknife.	2014
12.	Research business incentives and how these incentives could be implemented in conjunction with the City's Development Incentive Program By-law to increase adoption of the incentives program and meet business development targets.	2014
13.	Ensure the community profile is updated every two years and that it reflects the current marketing and branding efforts of the City to maximize Yellowknife's business attraction potential.	2014
14.	Undertake a tourism strategy that addresses the relationship between the City of Yellowknife, NWT Tourism and the Northern Frontier Visitors Association and positions the city to attract tourists and sustain tourism investment (e.g. cultural tourism, sports tourism, lake-based tourism).	2014
15.	Work with partners and existing convention feasibility studies in order to identify and address infrastructure gaps and target conventions that represent a good 'match' for Yellowknife including northern mining and resource extraction, climate change and Circumpolar conferences.	2014
16.	Work with the Yellowknife Chamber of Commerce to develop and promote 'shop local' initiatives through programs such as local currency projects, coordinated, seasonal sales across all merchants in Yellowknife and retail coupons included with tour packages.	2014
17.	Extend the 'Our Yellowknife' campaign to include local businesses and business operators to raise local awareness of the businesses in Yellowknife.	2014
18.	Expand and coordinate activities with GNWT to leverage the City's 'Our Yellowknife' and the GNWT's 'Come Make your Mark' programs to become a national storytelling and marketing exercise to assist in the attraction of new residents to Yellowknife.	2014
19.	Annually meet with mining companies to gain an understanding of the needs of mining sector workers to increase the number of workers living in Yellowknife.	2014
20.	Launch a residency advertising campaign targeted at mining sector workers (in flight magazines and corporate communications).	2014
21.	Communicate with the GNWT and relevant federal departments to clarify recruitment plans and new job openings in Yellowknife, especially through devolution, to increase Yellowknife's population.	2014



#	Action and Role of Communications and Economic Development	Priority
22.	Include questions related to retirement plans in the next Citizen Survey to understand the intentions and needs of those in and approaching retirement.	2014
23.	Promote services and programs for the City's retired population through the City's communications tactics to increase awareness of programs and services and increase the number of retirees choosing to remain in Yellowknife.	2014
24.	To support the Council approved 50th Street revitalization goals and spur business development in the Downtown area, partner with the Planning and Development Department to engage in the 50th Street Revitalization project.	2014
25.	Participate in the Community Energy Plan renewal process for the purpose of aligning Economic Development Goals and Community Energy Goals, identifying funding opportunities and targeting renewable energy companies in investment attraction efforts.	2014-2015
26.	Participate in the review of the Zoning By-law pertaining to home-based business to help promote business diversification opportunities for small businesses start-ups.	2015
27.	Undertake a comprehensive mining sector supply chain analysis to identify short and long term business development and attraction opportunities for Yellowknife. Create a promotional brochure to market Yellowknife's business opportunities in the mining sector.	2015
28.	Together with CDÉTNO and others, launch an ambassador program for Yellowknife-based executives to promote Yellowknife while on business travel to increase the awareness of the business opportunities in Yellowknife.	2015
29.	Support CDÉTNO and other partner agencies in their overseas trade missions and investment attraction efforts through the provision of promotional materials and information about investing in Yellowknife.	2015
30.	Continue working with Northwest Territories Tourism (NWTT) to promote Yellowknife in key domestic and international markets to increase visitation from these key markets.	2015
31.	Conduct a retail leakage study that informs the gaps in the current retail environment and identifies the range of investment opportunities for Yellowknife. Create a promotional brochure to market Yellowknife's business opportunities in the retail sector.	2015
32.	To increase residency and the potential for new business start-ups, launch a 'move home' program targeting those that left Yellowknife for education and employment in southern Canada.	2015
33.	With the GNWT and the NWT/NU Chamber of Mines, expand marketing efforts to include programs that provide online living and family support services to fly-in/fly-out workers with the goal of increasing the number of workers living in Yellowknife.	2015



#	Action and Role of Communications and Economic Development	Priority
34.	To meet Downtown revitalization goals and objectives, work with the GNWT and Aurora College to discuss opportunities for an expanded presence in Downtown Yellowknife.	2015
35.	Research best practices in sister city programs for economic development to determine if a sister city program would be valuable to Yellowknife.	2016
36.	In conjunction with CDÉTNO and the Tourism Strategy, create a way-finding initiative with internal City Departments, the Yellowknife Chamber of Commerce and other partners to direct visitors to shopping and dining experiences in Yellowknife.	2016
37.	In line with Council Goals and Objectives, support other City Departments with the completion of a master plan for heritage, arts and culture to identify business opportunities in the sector and improve Yellowknife's ability to attract new residents.	2016
38.	Open discussions with other post-secondary institutions to consider opening a campus in Yellowknife to provide increased post-secondary training programs for youth and prepare them for future work opportunities,.	2016

