

# Competitive Assessment of the Oceanside Economy

FINAL REPORT

December 2012

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With funding assistance from:

**Invest Canada - Community Initiatives Program (IC-CIP)  
of Foreign Affairs and International Trade Canada  
and  
Regional District of Nanaimo**

Under the direction of:

**Parksville & District Chamber of Commerce**

and a Steering Committee including representation from:

**City of Parksville  
Town of Qualicum Beach  
Regional District of Nanaimo  
Vancouver Island University  
Oceanside business community**

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## EXECUTIVE SUMMARY

This Competitive Assessment of the Oceanside Economy is the first step in an emerging initiative to attract new business investment to the Oceanside region of Vancouver Island. It provides an analysis of the relative strengths and weaknesses of the region from an investment attraction perspective and matches those characteristics to potential growth industries. The project was undertaken under the direction of a new economic development partnership called Oceanside Initiatives which has the following goals:

- Attracting and retaining quality employment opportunities that will help to raise the region's currently below-average employment incomes.
- Improving the non-residential tax base for local governments (City of Parksville, Town of Qualicum Beach and Regional District of Nanaimo), helping to support important local services.
- Enhancing economic diversification and wealth creation for the benefit of the region's current and future residents.

The study process included an extensive economic analysis and benchmarking of the Oceanside region to comparable areas, a literature review of previous studies and consultation with the local business community and other stakeholders, mainly through a series of workshops held in September 2012.

### ECONOMIC ANALYSIS

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The trends and characteristics of Oceanside were compared against eight similarly-sized BC communities (including the central municipality or municipalities plus surrounding rural areas): Cranbrook, Penticton, Vernon, Salmon Arm, Campbell River, Courtenay/Comox, Port Alberni and Duncan). Highlights of the analysis include:

- Oceanside has had the fastest population growth over the last 25 years and is projected to have the 2nd fastest growth rate over the next 25 years. The projected growth includes strong growth in the prime working age group of 25 to 54-year-olds.
- The population growth has been driven by the highest rate of net migration among the group of communities. Oceanside attracts residents from elsewhere in British Columbia and Canada and around the world.
- Oceanside has the 2nd highest average income, but the lowest percentage of income from employment. The average employment income ranks 2nd lowest.

- Due to having the oldest population, Oceanside's labour force participation rate is lowest. The working-age population has among the highest rates of post-secondary education, including both university and apprenticeship/trades training. The adult population also has the highest rate of post-secondary credentials in science, math and computer science among the similar-sized communities, but a lower rate than BC overall due to the higher rates typically found in metro areas.
- Oceanside has the highest average housing prices on Vancouver Island (outside of the Victoria metro area). There is significant variability within Oceanside, however, as some areas are significantly more affordable than the overall regional average.

## SUMMARY OF COMPETITIVE POSITION

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Based on the economic analysis as well as the consultation and literature review, the most important competitive advantages and disadvantages for Oceanside include the following:

### Advantages

- The over-arching advantage of the entire central Vancouver Island region. This study is focused on Oceanside but what Oceanside has to offer is really the Vancouver Island product.
- Allstream fibre optic backbone
- Affordable industrial and commercial space and land available
- Natural features support tourism development and potentially agriculture
- Long history of attracting new residents of all ages to the area (which is projected to continue)
- School system and other very attractive lifestyle factors for raising a family
- Projected growth in the core working-age population at a rate exceeding comparable communities in BC
- Well-educated and diversified mix of skills among the working-age population

### Disadvantages

- Insufficient skilled labour in some key occupations (e.g., skilled trades & technology workers)
- Lack of post-secondary educational facility (other than small Vancouver Island University satellite campus)
- Length and complexity of development process and ambivalent/negative attitude toward growth and development from some local residents and politicians
- Limited and costly transportation linkages to mainland via BC Ferries and limited Oceanside-based air links (although much better linkages available in broader mid-Island market)
- Limited Oceanside public transit and non-vehicular transportation options to link mid-Island communities
- Retiree-dominated local consumer market limited due to low spending profile
- Limited lifestyle/entertainment/recreation amenities targeted at young adult market (also a problem for tourism market with limited nightlife)

- Perception of Oceanside as a primarily retirement location
- High housing costs (compared to some Island markets and some Canadian locations, but not compared to BC metro locations in a broader comparison)

## ANALYSIS OF INVESTMENT OPPORTUNITIES

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The evaluation of opportunities takes into consideration three types of criteria:

1. Oceanside's appeal to each industry, including how the region's assets match up with the business requirements of each opportunity.
2. Each industry's appeal to Oceanside, including the number and quality of jobs that might be created and the tax base and economic diversification impacts.
3. Possible influence by investment attraction initiatives, recognizing that some industries are more susceptible to influence from investment attraction initiatives while others have their location decisions driven mainly by factors beyond local influence.

### Opportunity Rankings

Lifestyle Entrepreneurs

Educational Facilities

Health Care

Food Processing

Other Tourism Services

Tourism Product

Technology Firms

Senior-Serving Businesses

Recreational Amenities

Aquaculture

"Lifestyle-motivated entrepreneurs" is easily the highest-rated among the alternatives that were examined. It builds on an existing strength of the region - the attraction of people - but suggests that focusing more on the promotion of entrepreneurial opportunities will yield dividends.

The fact that a general entrepreneurs category is rated highest is also an indication that no other specific industry has a compelling case to be the focus of an Oceanside investment attraction initiative. Technology firms, educational facilities and food processing all scored highly on the Economic Impact Factors, meaning they would all be very desirable industries to attract to Oceanside, but there is no compelling advantage in Oceanside that would cause investors to choose it over competing locations on a pure business case. Given the high-cost, high-risk nature of investment attraction, there needs to be a reasonable expectation of success before embarking on a major initiative, and without that compelling advantage the cost-benefit analysis is simply not favourable.

The recommended targets are to focus on migrant attraction, including international immigrants and internal Canadian migrants. There is already a well-established pattern of migration to Oceanside so the challenge is to re-orient this migration to focus more on entrepreneurs, investors and skilled workers. This includes promoting the business advantages of the area, including businesses for sale, new business opportunities and quality employment opportunities in Oceanside and the broader mid-Island market.

Post-secondary education expansion should be a secondary priority, including expanding the current Vancouver Island University satellite campus and attracting new public or private-sector post-secondary training facilities.

## 1. INTRODUCTION

This Competitive Assessment of the Oceanside Economy is the first step in an emerging initiative to attract new business investment to the Oceanside region of Vancouver Island. It provides an analysis of the relative strengths and weaknesses of the region from an investment attraction perspective and matches those characteristics to potential growth industries, identifying a "short list" of priority targets.

The project was undertaken under the direction of a new economic development partnership - Oceanside Initiatives - between the business community, local governments and the education sector. The goals of the partnership include:

- Attracting and retaining quality employment opportunities that will help to raise the region's currently below-average employment incomes.
- Improving the non-residential tax base for local governments (City of Parksville, Town of Qualicum Beach and Regional District of Nanaimo), helping to support important local services.
- Enhancing economic diversification and wealth creation for the benefit of the region's current and future residents.

Oceanside Initiatives will be using the results of this study as the foundation of future investment attraction and economic development initiatives in pursuit of the objectives listed above.

### STUDY PROCESS

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The study process included three main components:

- An extensive **Economic Analysis and Benchmarking** using statistical data on the Oceanside region and comparable areas.
- A **literature review** of previous consulting studies, local government reports and other documentation of the regional economy and key sectors (sources are listed in Appendix A).
- **Consultation** with the local business community and other stakeholders, mainly through a series of workshops held in September 2012 (the list of participants and a consultation summary are in Appendix B).

The study was overseen by the Parksville & District Chamber of Commerce, with support and feedback provided by an Oceanside Initiatives steering committee. These individuals are listed in Appendix C.

## REPORT OUTLINE

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Section 2 is a detailed Economic Analysis and Benchmarking that uses both statistical and non-statistical comparisons of Oceanside to similar regions in order to understand key trends and highlight relative strengths and weaknesses. It concludes with a summary of Oceanside's competitive position based on a combination of the statistical analysis, background research and consultation.

Section 3 builds on the results of the competitive assessment with a rigorous evaluation of potential investment attraction targets for Oceanside.

Section 4 provides overall conclusions and suggested next steps for Oceanside Initiatives.



## 2. ECONOMIC ANALYSIS AND BENCHMARKING

Oceanside is an unofficial geographic region that is defined for the purposes of this study (and commonly understood in the local area) as the municipalities of Parksville and Qualicum Beach, plus the surrounding unincorporated Electoral Areas E, F, G and H of the Regional District of Nanaimo and the Qualicum First Nations Reserve.



Map Source: BC Stats

The rest of this section contains an analysis of a series of important business location factors and Oceanside's competitiveness on each factor. Much of the analysis is statistical in nature and wherever possible benchmarks Oceanside to a group of comparable BC communities that are similar in population and other characteristics.

The exact boundaries of the comparative regions vary somewhat depending on the availability of data. Comparisons using Census data are usually made to Census Agglomerations, which have one or more central municipalities and surrounding rural areas. In other cases data is available for Local Health Areas, which are usually slightly larger than Census Agglomerations (the Qualicum Local Health Area matches the unofficial Oceanside boundaries and also includes Lasqueti Island), while in other cases data is available only for the central municipalities in each area.

The comparison group of communities is shown in Table 1. They were chosen based on having a roughly similar population as Oceanside, not being located too close to a metropolitan area, and all being either on Vancouver Island or in the southern part of the Interior and sharing a similar appeal to the retirement and recreational markets.

Table 1. Oceanside Benchmark Communities

Census Agglomerations	2011 Census Population (Statistics Canada)	Comparable Local Health Area	Estimated 2011 Population (BC Stats)
Vernon	58,584	Vernon	65,832
Courtenay	55,213	Courtenay	64,805
Duncan	43,252	Cowichan	58,014
Penticton	42,361	Penticton	41,397
Campbell River	36,096	Campbell River	41,933
Port Alberni	25,465	Alberni (includes Tofino/Ucluelet)	31,664
Cranbrook	25,037	Cranbrook	25,686
Salmon Arm	17,683	Salmon Arm	34,909
OCEANSIDE*	44,508	Qualicum (includes Lasqueti Island)	45,291

\*Oceanside is defined in this study as Parksville, Qualicum Beach, four Electoral Areas in the Regional District of Nanaimo (E, F, G and H) and the Qualicum Reserve. This is a larger area than the official Parksville Census Agglomeration, which has a population of 27,822 and includes only Parksville, Qualicum Beach and Electoral Area G.

The benchmark group does not mean that these communities are necessarily in direct competition with Oceanside on a regular basis. The purpose of the comparison group is to compare Oceanside's characteristics and trends against a group of similar communities in order to better identify relative strengths and weaknesses.

For those business location factors where statistical data is not available, the assessment is qualitative and based on previous studies of the region, consultation with the Oceanside business community, or other sources.

## 2.1. POPULATION AND DEMOGRAPHICS

The focus of the analysis in this report is on the Oceanside region as a whole and how it compares to similar regions, but it is also instructive at the outset to look at the individual communities that make up Oceanside.

Table 2. Census Population and Growth, Oceanside Communities

The region's total Census population was about 44,500 in 2011, an increase of nearly 2,300 people (5.4%) since 2006. This is slightly slower growth than the rest of the Regional District of Nanaimo (5.9%) and BC overall (7.0%).

The greatest population increase in Oceanside was in Parksville, which added nearly 1,000 residents (a 9.0% increase). In percentage terms the fastest growing part of Oceanside was Area F, including Errington, Coombs and Hilliers, which expanded by nearly 750 people (11.1%). The other sub-areas within Oceanside all grew at a more modest rate while the Qualicum Reserve had a loss of 5 people in its small population.

Oceanside Community	2006 Population	2011 Population	Growth	Growth Rate
Parksville	10,993	<b>11,977</b>	984	9.0%
Qualicum Beach	8,502	<b>8,687</b>	185	2.2%
RD of Nanaimo Area F	6,680	<b>7,422</b>	742	11.1%
....Errington		<b>2,678</b>		
....Coombs		<b>1,547</b>		
....Hilliers		<b>1,503</b>		
....Rest of Area F		<b>1,694</b>		
RD of Nanaimo Area G	7,023	<b>7,158</b>	135	1.9%
....Dashwood		<b>978</b>		
....French Creek		<b>968</b>		
....Englishman River North		<b>812</b>		
....Englishman River South		<b>691</b>		
....Rest of Area G		<b>3,709</b>		
RD of Nanaimo Area E	5,462	<b>5,674</b>	212	3.9%
....Nanoose Bay		<b>5,471</b>		
....Rest of Area E		<b>203</b>		
RD of Nanaimo Area H	3,474	<b>3,509</b>	35	1.0%
....Deep Bay/Bowser		<b>1,613</b>		
....Dunsmuir		<b>1,271</b>		
....Qualicum Bay		<b>334</b>		
....Rest of Area H		<b>291</b>		
Qualicum Reserve	86	<b>81</b>	-5	-5.8%
<b>OCEANSIDE Total</b>	<b>42,220</b>	<b>44,508</b>	<b>2,288</b>	<b>5.4%</b>
Rest of RD of Nanaimo	96,411	<b>102,066</b>	5,655	5.9%
British Columbia	4,113,487	<b>4,400,057</b>	286,570	7.0%

Source: Statistic Canada Census

One of the notable features of Oceanside is that less than half of the total population is contained in the two central municipalities of Parksville and Qualicum Beach.

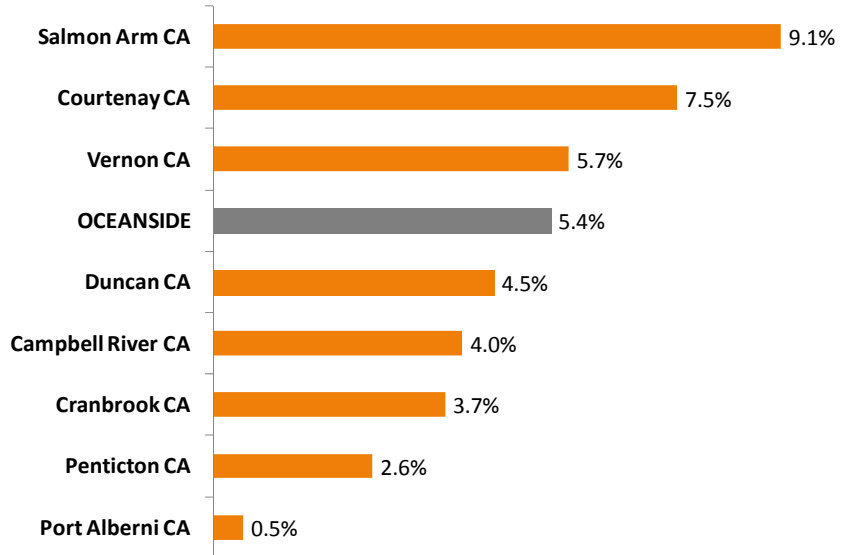
Oceanside's 5.4% population growth from 2006 to 2011 ranks 4th in the comparison group, trailing only the Courtenay Census Agglomeration on Vancouver Island.

All of the communities in the comparison group are in the Kootenays, the Okanagan/Shuswap or on Vancouver Island and therefore all are appealing for retirement and recreation, which is

helping to support sustained population growth even when traditional resource industries have been declining in many of these locations. The Port Alberni area is included in the group for its close proximity to Oceanside but is least like the other communities in the retiree/recreation market, largely explaining its virtually flat population growth in recent years.

**Population Growth Rate, 2006 - 2011**

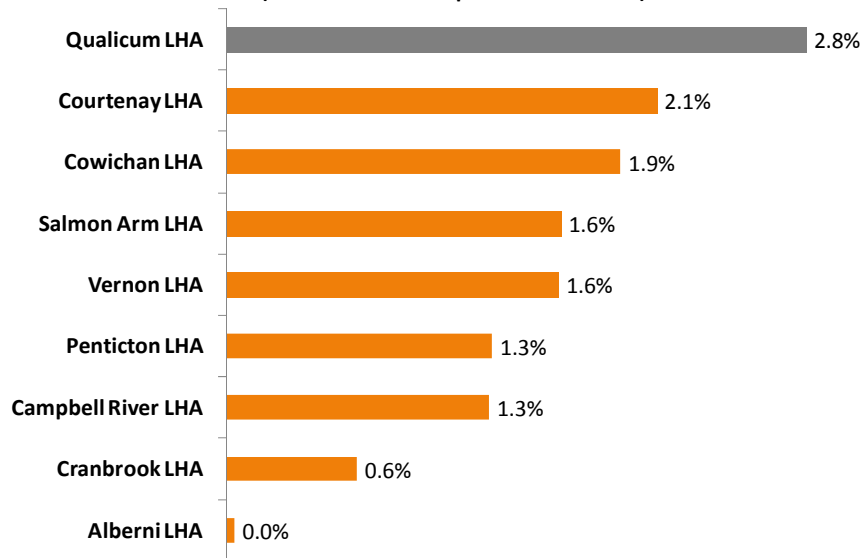
(Source: Statistics Canada Census)



Looking over a longer time horizon, Oceanside's population (as defined by the Qualicum Local Health Area, which includes less than 500 people on Lasqueti Island) has expanded by an average of 2.8% per year over the 25 years from 1986 to 2011. This is easily the fastest growth rate in the comparison group in the last quarter century.

**Average Annual Population Growth Rate, 1986 - 2011**

(Source: BC Stats Population Estimates)

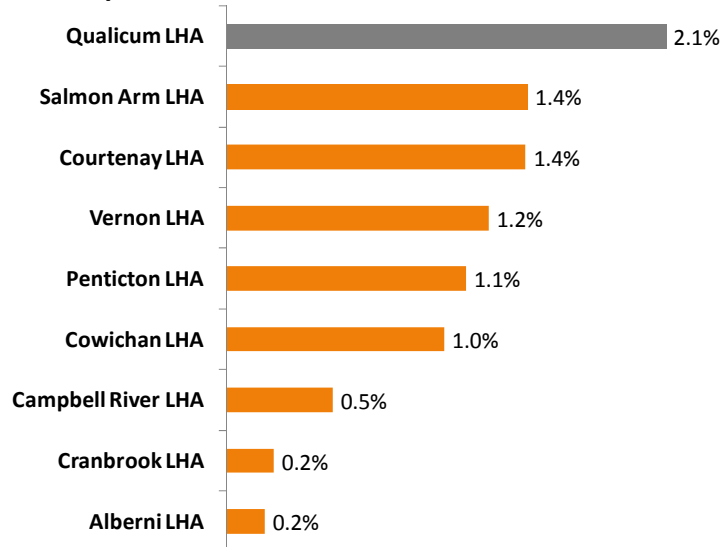


This history of strong growth is solid evidence of the Oceanside region's continuing appeal as a place to live. The steady influx of new residents adds to the dynamic regional market and deepens the area's vital human capital assets.

Birth rates in Canada and throughout most of the developed world are now significantly below the replacement level of 2.1 children per woman. This means that eventually, as populations age, the number of deaths will exceed the number of births and, in the absence of migration, populations will decline.

Fortunately for Oceanside, it has an established history of successfully attracting new residents. From 2001 to 2011, BC Stats estimates that net migration to Oceanside (including international, interprovincial and intraprovincial migration) averaged 2.1% of the area's population each year, the highest rate in the comparison group.

**Average Net Migration Per Year As Share of Population, 2001-2011** (Source: BC Stats estimates)

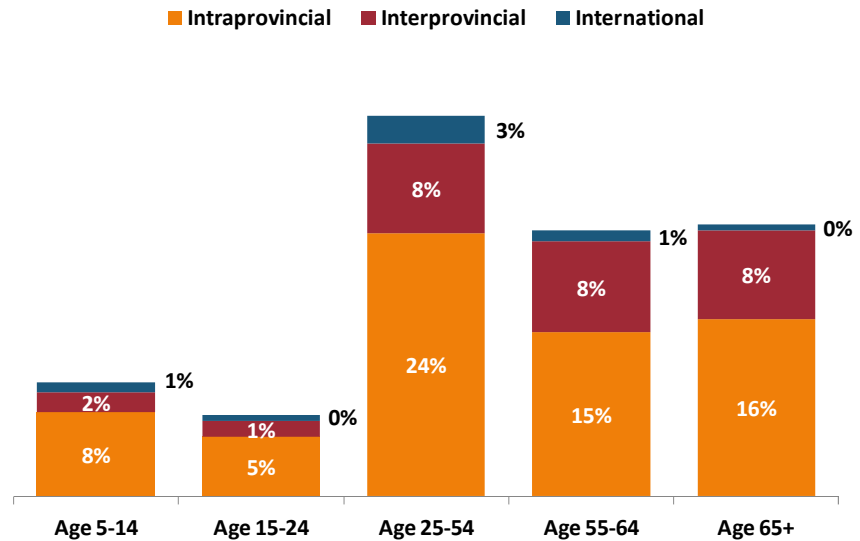


Migration data from the 2011 Census is not available as of the writing of this report, but 2006 Census results provide evidence that contrary to stereotype, Oceanside attracts more than just retirees and near-retirees.<sup>1</sup> First, the data shows that 36% of the area's residents aged 5+ had moved to Oceanside's urban core in the previous five years. Of those about two-thirds moved from within BC, 27% moved from a different Canadian province and 6% were international migrants.

<sup>1</sup> Data on migration by age for Oceanside is available only for the Parksville Census Agglomeration, which includes only the urban core of Parksville, Qualicum Beach and Area G. This means that some of the intra-provincial migrants may have moved from Area E, F or H, but the general patterns explained in this section are still representative of the entire Oceanside area.

The chart to the right breaks down Oceanside migrants by both age group and origin. The combined total of 55 to 64-year-old migrants and age 65+ plus migrants is just under half of total migrants to Oceanside's urban core, meaning that 52% of new residents were under age 55. This includes 34% of new residents in the prime working-age range of 25-54.

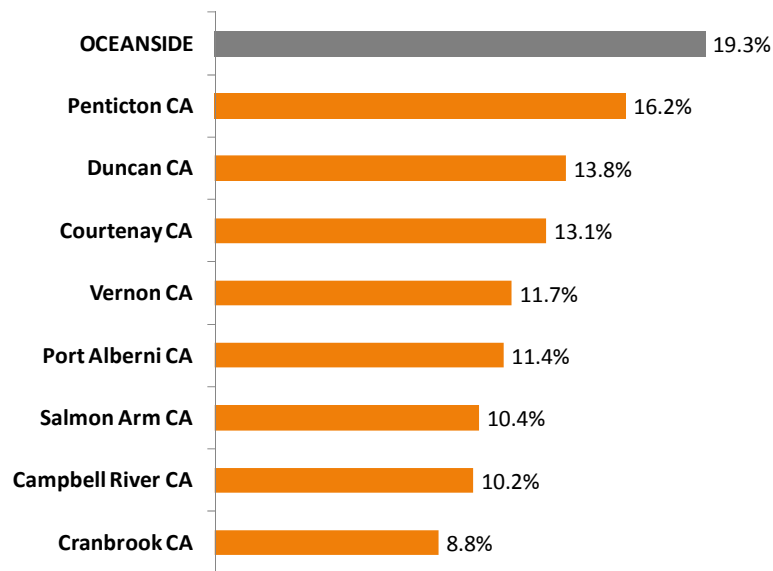
**Origin and Age of Migrants to Oceanside Urban Core in Previous Five Years, 2006** (Source: Statistics Canada Census)



In terms of origin, the majority of international migrants are of prime working age whereas the majority of migrants from elsewhere in Canada are age 55+. But an encouraging sign is that 24% of all new migrants were in the 25-54 age range and moved to the area from elsewhere in BC.

In the context of attracting external investment to a community, it is also important to demonstrate openness to outsiders. Immigration and migration data from the 2011 Census is not available during the writing of this report, but 2006 Census data shows Oceanside with easily the highest percentage of residents who are immigrants. This indicates that Oceanside has a long

**Immigrants as Share of Population, 2006**

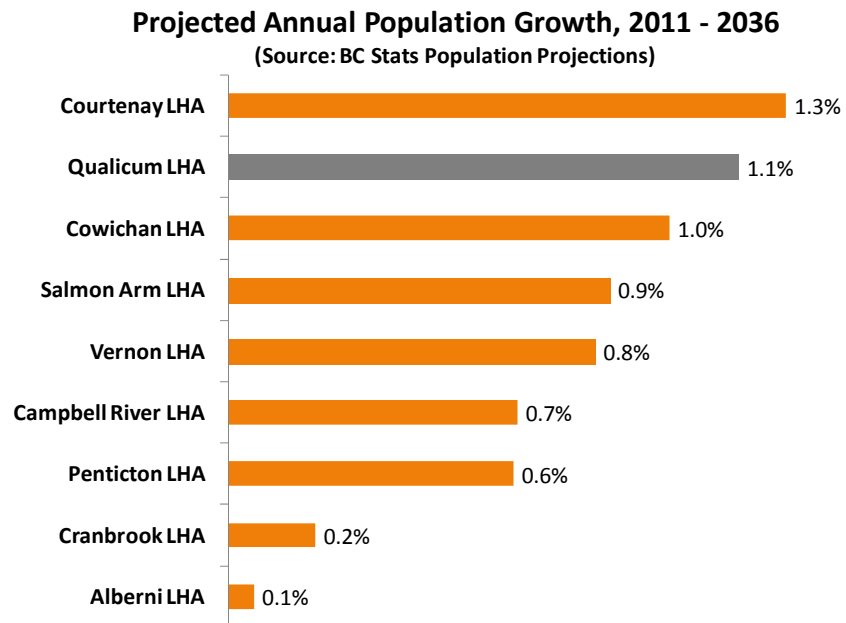


history of welcoming residents who were born elsewhere in the world (and who may not have moved directly to Oceanside but to other locations in Canada first). Large immigrant populations also create the potential for natural trade and investment relationships with countries of origin.

## POPULATION PROJECTION

In addition to being the fastest-growing region in the comparison group over the last 25 years, Oceanside is projected to have the 2nd-fastest growth rate in the next 25 years. Only the Courtenay/Comox Valley area is projected to grow at a faster rate.

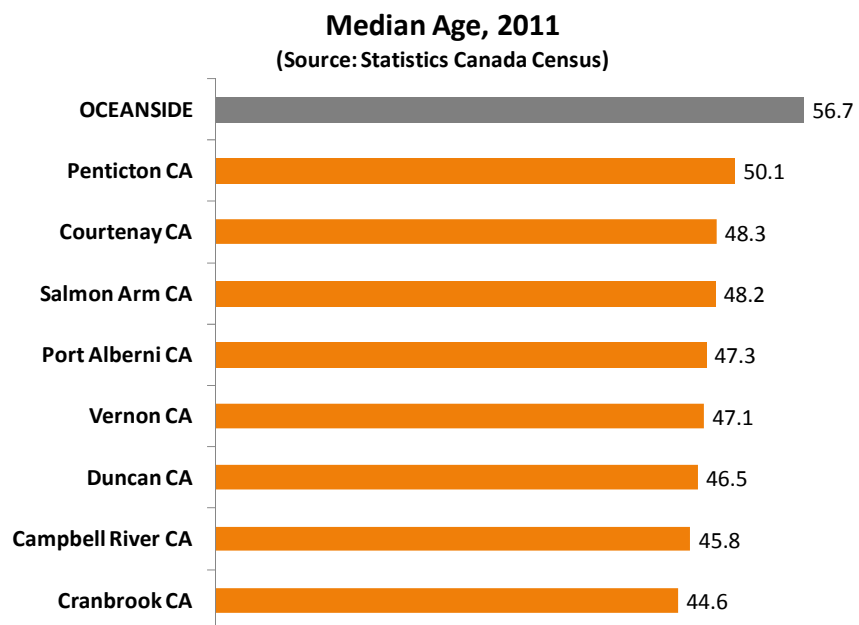
These BC Stats projections are based on current demographics and each region's projected net migration (including international, interprovincial and intraprovincial), which is largely based on past patterns. So there is no guarantee that these projections will turn out to be correct, but it is encouraging for Oceanside's economy and labour market that current population growth trends are favourable.



## AGE PROFILE

Oceanside is well known as one of the most popular retirement destinations in Canada. This is reflected in it having easily the highest median age among the comparison group of communities.

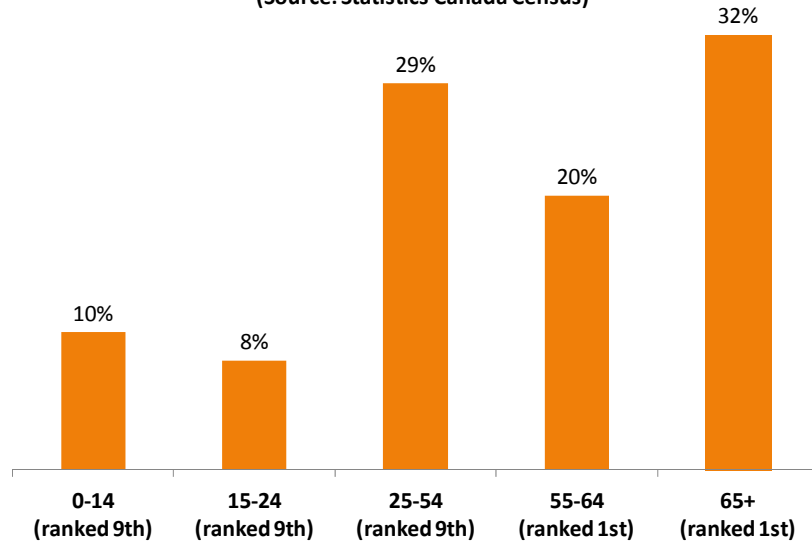
The BC median age was 41.9 years, so all of these communities have an advanced age profile (which is partly what makes them good comparables for Oceanside).



Breaking down the population by age group shows that about one-third of Oceanside residents are senior citizens and more than half are at least 55 years of age. In terms of a comparison to the other communities in the comparison group, Oceanside has the lowest percentage of residents in each age group up to age 55 and the highest percentage in the 55-64 and 65+ age groups.

### Oceanside Population by Age (with rank in comparison group), 2011

(Source: Statistics Canada Census)



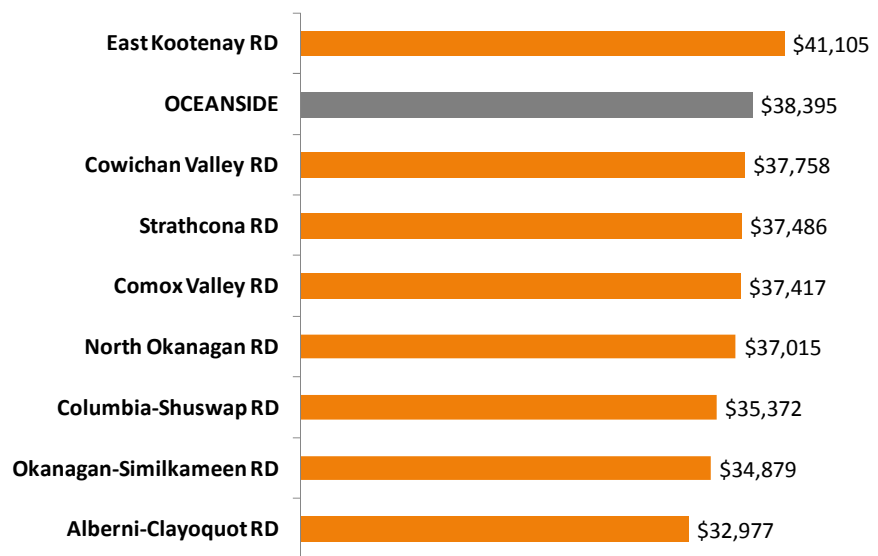
## INCOME

Oceanside is a reasonably high income region when all types of income are taken into consideration. Based on income tax filings from 2009, the average income in Oceanside, among those taxfilers who reported income, was about \$38,400. Only the East Kootenay Regional District, with its very high mining incomes, is higher.<sup>2</sup>

It should be noted that this data is for *income*, which may not reveal anything about *wealth*. Some retirees, for example, may have substantial wealth but limited income, although some of the wealth will show up in reported investment income.

### Average Total Income, 2009

(Source: Canada Revenue Agency tax filings)



<sup>2</sup> This data is not available at the same level of geography as the previous comparisons so the Regional Districts for each of the comparison group of communities is shown.



The next chart decomposes total income into its main sources - employment (including self-employment income), pensions & investments (which are closely related to retirement) and other (which includes various government transfers, insurance payments and non-taxable income).

The combined Parksville and Qualicum Beach results, as well as the RD

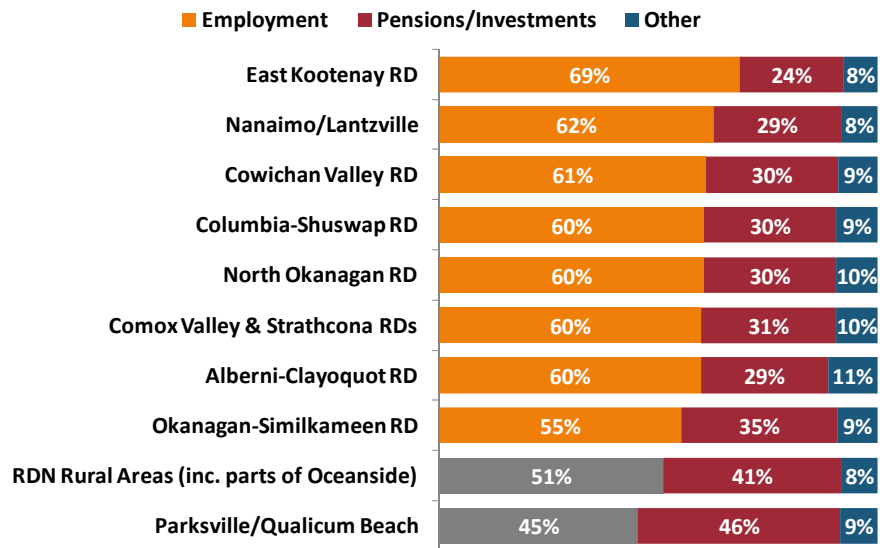
of Nanaimo rural areas, have the lowest share of income from employment and the highest share of income from pensions and investments. As with many of the other results in this study, these income shares are closely related to the Oceanside region's demographics.

Looking only at the taxfilers who reported employment income, the average in Oceanside drops to second lowest in the comparison group, only slightly higher than the Alberni-Clayoquot Regional District.

Low employment income is due partly to the predominant industries in Oceanside being lower-paying and often seasonal. Further data on those topics is provided in section 2.8.

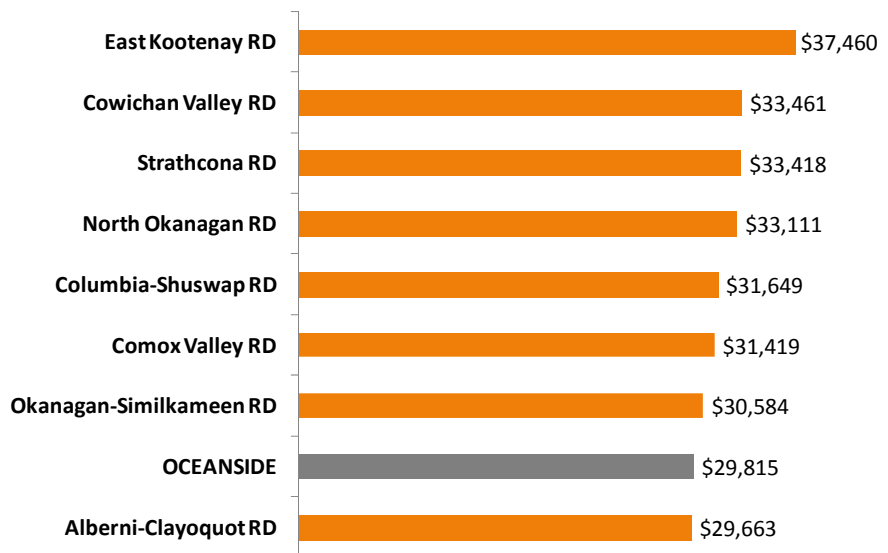
### Income by Source, 2009

(Source: Canada Revenue Agency tax filings)



### Average Employment Income, 2009

(Source: Canada Revenue Agency tax filings)



## 2.2. LABOUR FORCE

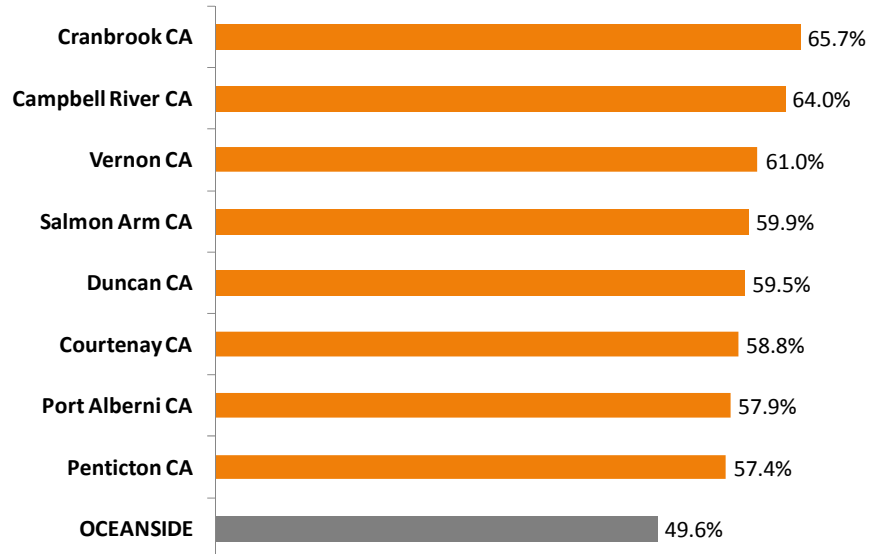
### LABOUR FORCE PARTICIPATION RATES

Labour force statistics are not yet available from the 2011 Census, but 2006 data shows labour force participation rates for Oceanside are the lowest in the comparison group. This is strictly a function of the region's older age profile as senior citizens are much less likely to be engaged in the labour force than younger adults.

This is one data set with interesting differences

within Oceanside. The participation rate in the combined Parksville/Qualicum Beach/ Area G area was only 44%, whereas the participation rate in neighbouring Area F (including Coombs, Hilliers and Errington) was 70%. Undoubtedly many of the residents in those smaller communities are working next door in Parksville or Qualicum Beach but living in the smaller communities, perhaps for affordability or lifestyle reasons.

**Labour Force Participation Rate, 2006**  
(Source: Statistics Canada Census)



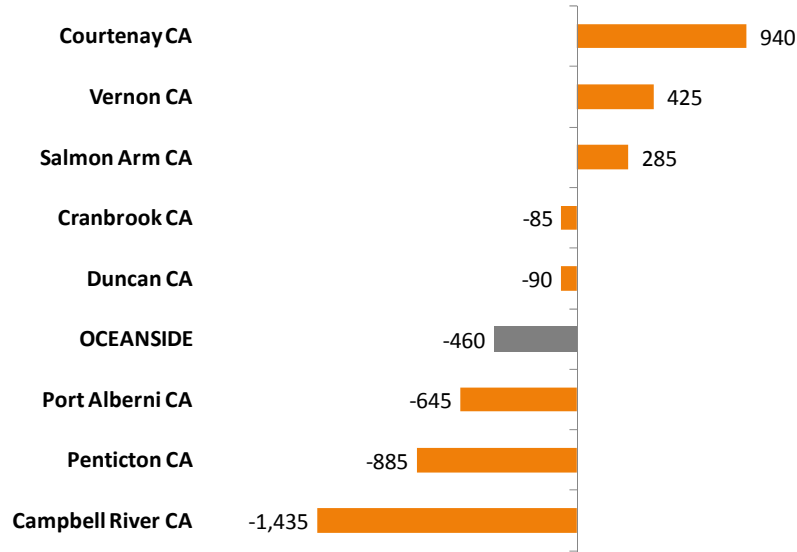
### GROWTH TRENDS IN THE CORE WORKING-AGE POPULATION

Adults age 25 to 54 have the highest participation rates (usually above 80%) and form the core of the working population in all communities. In the absence of actual labour force data, changes in this core working-age population are a reasonable proxy for changes in the labour force over time.

Recent changes in the age 25-54 population are challenging for Oceanside. From the 2006 to 2011 Census the region's core working-age population declined by 460 people, even while the total regional population continued to expand.

Looking to the future, the situation is more positive. While Oceanside will continue to be attractive to retirees, the age profile of many other communities will be "catching up" and Oceanside will actually be aging relatively more slowly.

**Change in Core Working-Age Population (25-54), 2006-2011** (Source: Statistics Canada Census)

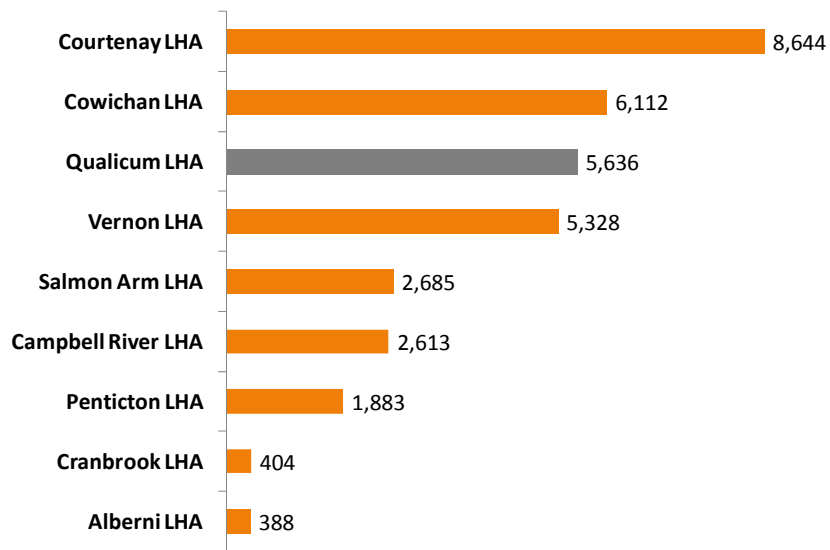


From 2011 to 2036 Oceanside is projected by BC Stats to add about 5,600 residents in the core working-age range of 25 to 54. This is an average growth rate of 1.4% per year, which is the fastest in the comparison group.

If these projections prove accurate, this is an extremely important factor in the region's ability to attract new business investment. The

overall aging of the population will increase demand for workers across most industries and in most locations, so the fact that Oceanside is projected to add so many prime working-age residents is a significant benefit. However, this degree of growth appears to be a departure from recent trends in Oceanside and should therefore not be taken for granted. Continued steps to make the area more attractive to younger adults will be important. Labour force participation rates are also expected to increase for senior citizens for a variety of social and technological reasons and this will also help mitigate labour shortages.

**Projected Growth in Core Working-Age Population (25-54), 2011-2036** (Source: BC Stats Population Projections)



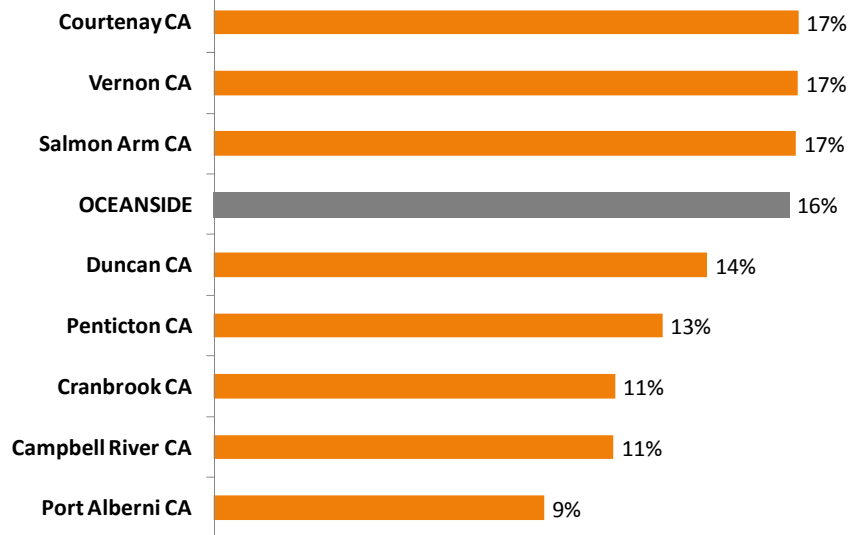
One measure of the overall skill level in the labour force is the share of the population (in this case those aged 25 to 64) who have any type of post-secondary qualifications, including university degrees, college diplomas and trades certificates. Oceanside ranks second highest on this measure at 59%.

**Population with Post-secondary Credentials (Age 25-64), 2006** (Source: Statistics Canada Census)



Oceanside ranks slightly lower in terms of university graduates, but only a single percentage point behind the Courtenay, Vernon and Salmon Arm areas. The communities that are still more oriented toward resource industries, like Campbell River and Port Alberni, have significantly fewer university graduates.

**University Graduate (Bachelor or Higher), Age 25-64, 2006** (Source: Statistics Canada Census)



Oceanside ranks third in the percentage of apprenticeship or trades graduates, trailing the more resource-reliant Port Alberni and Campbell River areas.

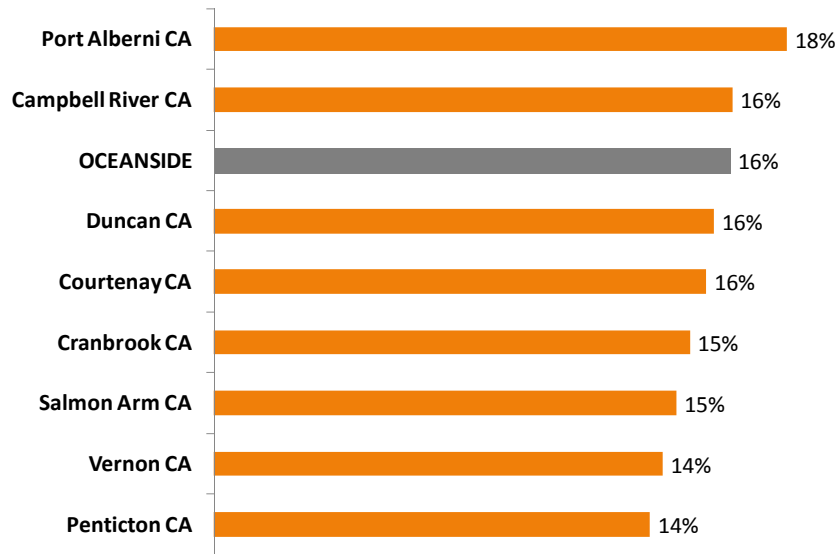
What these various educational charts are showing is that Oceanside is well diversified with a variety of skill and educational profiles in its working-age population, but without a dominant focus in any single area.

One additional comparison of interest for advanced technology businesses is the proportion of the population with post-secondary credentials in science, math or computer science. Compared to its peer group, Oceanside's 2.5% share is the highest, but still significantly below the 3.8% share in BC overall.

This suggests that Oceanside has more potential workers with advanced technical skills than other similar-sized communities, but fewer than larger metro areas of the province. Another factor that helps to inflate the Oceanside figures is that some of these technically-qualified individuals are retirees who have moved to the community but are no longer active in the labour force.

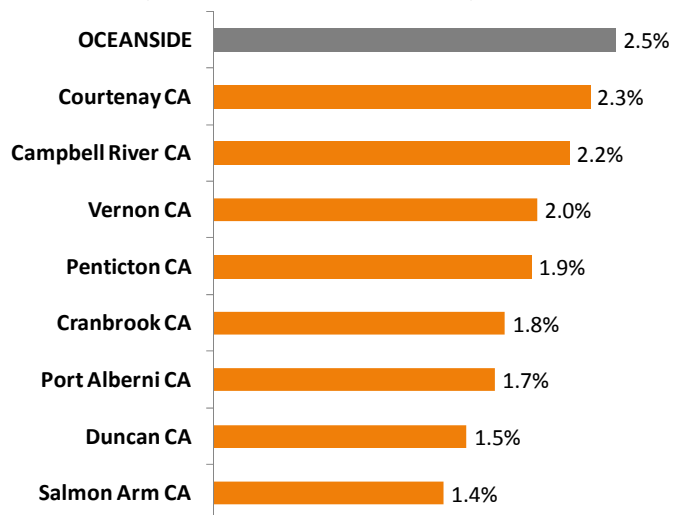
### Apprenticeship or Trades Graduate, Age 25-64, 2006

(Source: Statistics Canada Census)

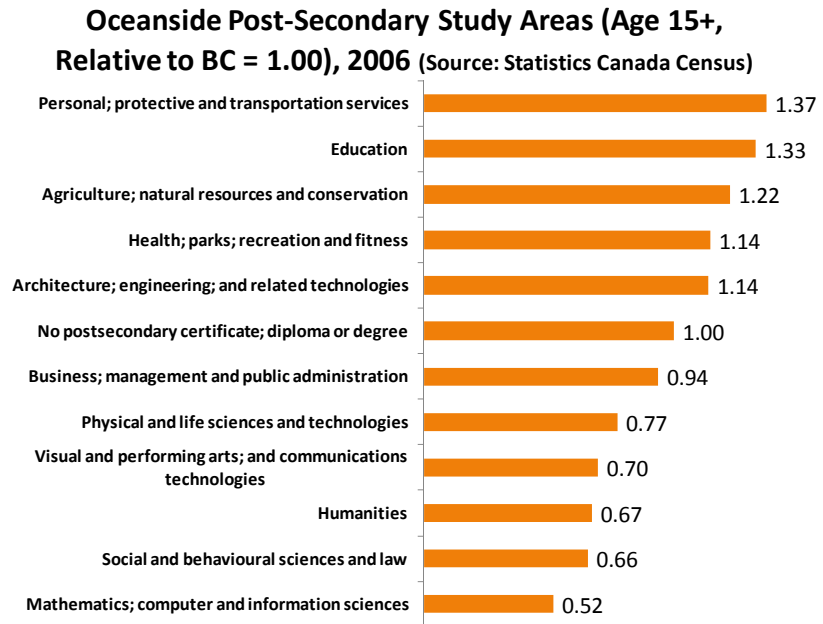


### Population Age 15+ with Post-Secondary Credentials in Science, Math, Computer Science, 2006

(Source: Statistics Canada Census)



The next chart compares the *relative* number of graduates in each major field with their distribution in BC overall. Those with a value higher than 1.00 are relatively more common in Oceanside - there are 33% more residents with post-secondary training in education, for example. The number of residents with training in mathematics, computer and information sciences is only about half the rate in BC overall.



One clear strength for Oceanside is the 14% higher rate of study in architecture, engineering and related technologies. These types of skills are commonly found among the self-employed or those working in small professional offices and they often locate in smaller centres like Oceanside, as opposed to some of the other scientific and technical disciplines that tend to cluster near universities and in larger metropolitan centres.

### 2.3. TRANSPORTATION LINKAGES

Transportation linkages cannot be assessed with statistical data in the same way as the topics above, but some comparative assessment can be provided based on consultation feedback and past research into the provincial transportation system.

- The first, and obvious, point is that Oceanside is located on an island off the west coast of North America, far from the continent's largest population centres and physically separated from the continental rail network.

The physical movement of goods on and off Vancouver Island therefore relies on air travel (limited to very high-value goods due to the cost) or marine shipping. Some industrial products move between the mainland and Vancouver Island by barge and there are significant port facilities at Victoria, Nanaimo and several private industrial ports for direct shipping between Vancouver Island and the rest of the world.

However, the majority of goods movement occurs by truck and therefore relies on BC Ferries, which adds a layer of expense and time cost that is not shared by mainland communities.

- For passengers, there is a general level of unhappiness (shared by most or all of coastal BC) with the cost of BC Ferries, the unpredictability of wait times, and service reductions. Anyone needing to travel regularly to the mainland who cannot afford air travel might be dissuaded from locating on the Island. A food passenger ferry from downtown Nanaimo to downtown Vancouver appears to be in significant demand, but a well-capitalized business has yet to emerge to provide this service on a long-term basis.
- For distribution of goods within Vancouver Island, Oceanside has a central location for goods moving through Nanaimo to and from areas to the north. However, without port or large ferry facilities right in Oceanside, it is doubtful that distribution facilities would prefer an Oceanside location relative to Nanaimo (which has a larger local population, close proximity to port and ferry, and a central location for distribution in any direction on the Island). Oceanside also has the disadvantage of limited road connections to the Inland Island Highway that provide limited alternative routes in the event of a traffic disturbance that closes one of the roads.
- With respect to air traffic, the Oceanside area has the benefit of being in relatively close proximity to the Comox Valley Airport and its direct flights to Vancouver and Alberta. No other community in the comparison group of similar BC communities has the same level of air service as the Comox Valley Airport, although several have more flights to Vancouver than are available at the Qualicum Beach Airport (e.g., Cranbrook, Penticton, Campbell River). Several of the other areas have smaller airports with limited services but all are within reasonable driving distance of larger airports (Salmon Arm and Vernon close to Kelowna and Kamloops Airports; all of the Vancouver Island communities close to Comox Valley, Nanaimo or Victoria International Airports, plus flight plane service in Nanaimo and Comox). Air connections are therefore not a particular strength for Oceanside, but not a significant weakness either.
- There are ongoing efforts to revive passenger rail and freight service on Vancouver Island between the Victoria area and the Comox Valley, but the logistical viability of this service for Oceanside businesses has not yet been established.

#### 2.4. TELECOMMUNICATIONS AND OTHER INFRASTRUCTURE

Telecommunications and other basic infrastructure like water, sewer and local streets are not usually a way for communities to distinguish themselves as a business location. They stand out only if they are deficient in some way.

Oceanside may be an exception, at least compared to some communities (e.g., Comox Valley) in having an Allstream fibre optic backbone running through the community, providing easy access to companies

requiring fibre. This is a benefit for technologies like Voice-over-Internet-Protocol (VoIP), for example, or generally any company using the internet to regularly transfer massive amounts of data.

The City of Parksville recently increased commercial water rates such that most users will see about a 50% increase in costs and rates are now higher than nearly all of the comparison communities (Duncan is the only exception). It should be noted, however, that these comparisons are not always straightforward because usage rates are often combined with fixed connection charges and some communities have different cost tiers based on usage level and/or differential rates based on location. While utility costs may be only a minor cost consideration for most businesses, there is potentially a disadvantage in Parksville for businesses with heavy water needs. Although this cost disadvantage is expected to diminish over time due to increasing concerns over sustainability and water conservation that will lead other communities to also increase water usage rates.

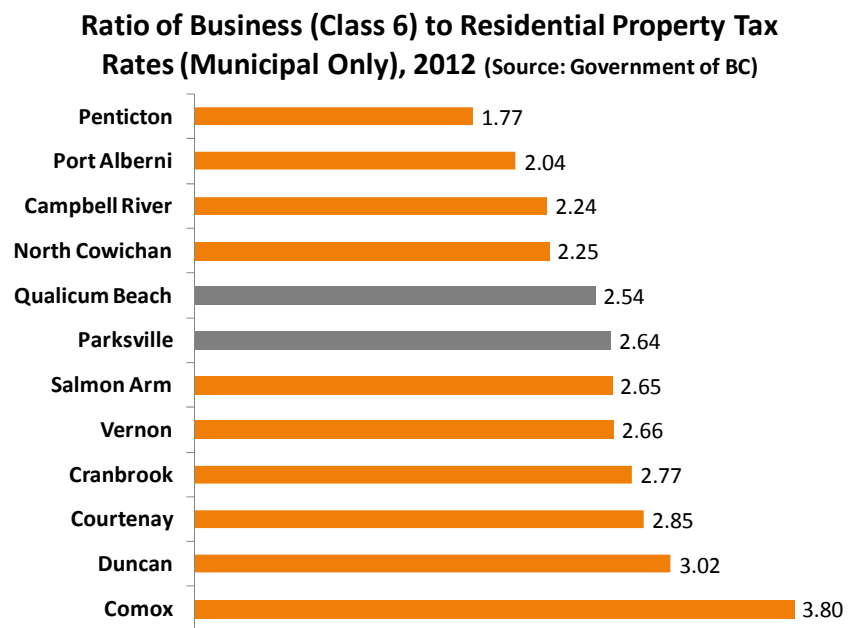
It was suggested during the consultation sessions for this study that the Oceanside region has several areas with poor cellular service, but this is not believed to be a serious challenge or a competitive disadvantage in a mountainous province like British Columbia.

## 2.5. TAXATION AND REGULATORY ENVIRONMENT

There is no way to directly compare local property tax rates across municipalities due to different local market conditions (which can make the value of an otherwise identical property vary considerably from place to place) as well as legitimate differences in municipal operating costs (some of which might be due to different geographic or climactic conditions, or could be the result of community choices made over many years about the type and level of services provided).

It is possible, however, to compare the relative tax burden that municipalities place on businesses in their communities and how that burden changes over time.

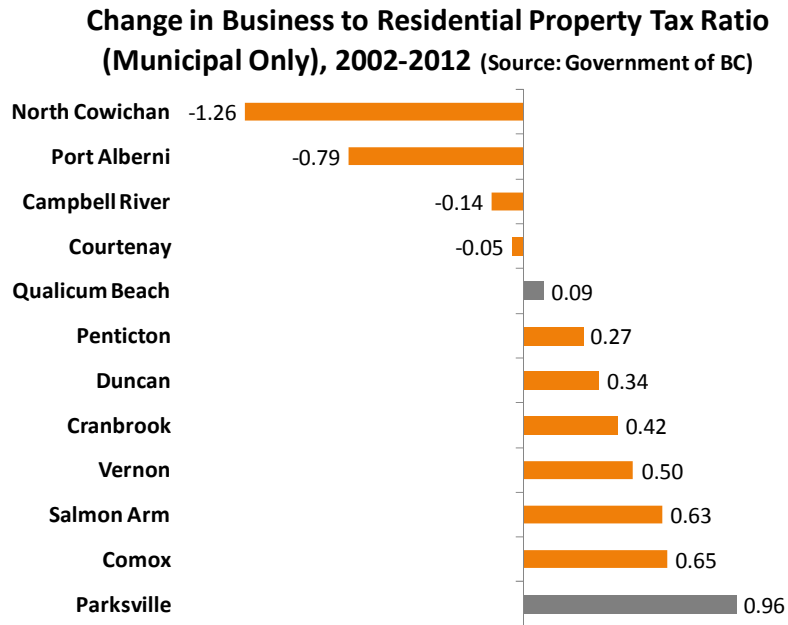
The two municipalities in the Oceanside region fare reasonably well on this comparison. Business tax rates are 2.54 times higher than residential rates in Qualicum Beach and 2.64 times higher in Parksville.





This is a greater disparity than in Penticton, Port Alberni and Campbell river, but lower than the Comox Valley (Comox and Courtenay), Cranbrook, Vernon and Salmon Arm.

Perhaps of greater interest is how these ratios evolve over time as this indicates municipal commitment to maintaining a healthy and cost-effective environment for their local businesses. By this measure Parksville has had the greatest increase in its business tax ratio since 2002 while Qualicum Beach's ratio has moved very little. The previous chart showed that



Parksville currently ranks in the mid-range among the comparison group of communities, but 10 years ago had among the lowest ratios.

With respect to local regulation and the development approval process, there was a strong sense from the business community consultation that the approval process in Oceanside is very slow (meaning very expensive) and there is general community resistance to growth and new development.

To some degree these are sentiments expressed by the development industry in many communities in BC and it is difficult to accurately measure differences in the development and regulatory environment across communities, other than through anecdotal evidence. It is reasonable to state that the potential to attract significant external investment to Oceanside becomes far more difficult without a supportive and efficient development approval process.

## 2.6. LAND AND REAL ESTATE

Feedback from multiple industries in the business consultation process suggested that Oceanside has available land and leasable building space for both commercial and industrial uses, but most of it is in relatively small footprints (mostly under 2,000 square feet of space). More professional and medical office space will become available when the new Oceanside Health Centre in Parksville opens in 2013 and current space is vacated by those taking up space in the new facility.

Lease rates are affordable - in the range of \$6-8 per square foot for industrial space and \$12 per square foot for commercial space.

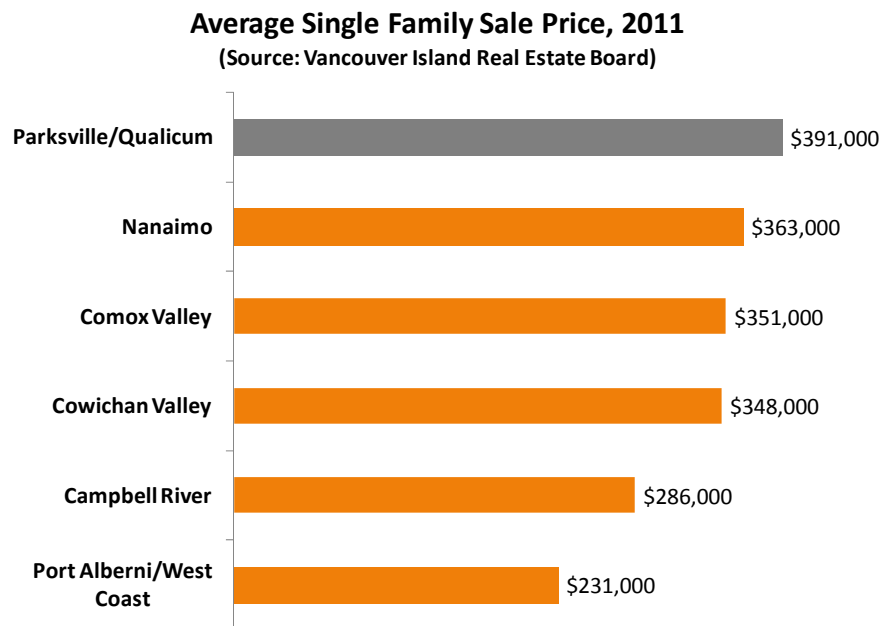
Industrial land is available at several locations, including the Parksville Industrial Park and Qualicum Beach Airport, although there are always some development restrictions associated with airport locations. Several larger parcels are available in the rural areas but are generally raw land without pre-servicing.

## 2.7. HOUSING AND OTHER QUALITY OF LIFE CONSIDERATIONS

Most of the people participating in the business community consultation have chosen to live and work in Oceanside at least in part for lifestyle reasons. Apart from the obvious recreational opportunities afforded by Vancouver Island and the mild climate compared to the rest of Canada, the Oceanside region has a very high quality school system. Health services are being improved with the opening of the Oceanside Health Centre in 2013 (and the community is relatively close to a full-service hospital in Nanaimo).

Challenges that have been identified include limited nightlife and entertainment amenities oriented toward youth and young adults. There is a sense that Oceanside is very appealing for families, but not as much for younger or single adults. High housing costs are also viewed as a deterrent for younger buyers and present a challenge for recruiting needed skilled workers if they are being recruited from elsewhere in Canada where housing costs are lower.

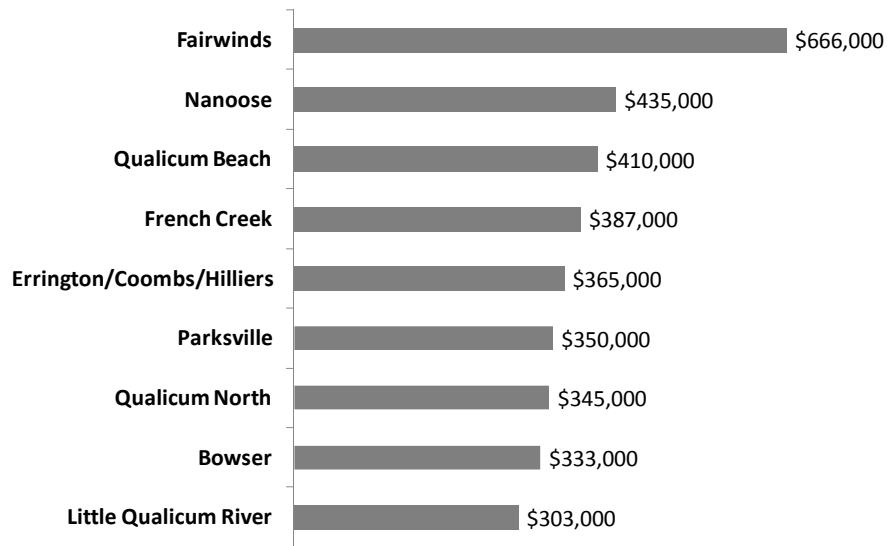
Average single family house prices in 2011 were the highest in the Parksville/Qualicum region compared to the other zones reported by the Vancouver Island Real Estate Board. This supports the notion that high housing prices can be a barrier for some people considering moving to Oceanside.



The overall average masks some significant variability in prices within Oceanside. Generally homes in the rural areas north of Qualicum Beach are more affordable. Qualicum North (which includes Qualicum Bay and other areas between Qualicum Beach and Deep Bay/Bowser) as well as Bowser and Little Qualicum River all have average prices between 12% and 23% less than the Oceanside average. Even the average sale price in Parksville is 10% lower than the regional average.

### Average Single Family Sale Prices in Oceanside, 2011

(Source: Vancouver Island Real Estate Board)



Another option is different housing forms, particularly for younger and first-time home buyers. The average sale price for an apartment condominium in 2011 was \$250,000 in Oceanside and a patio condo was \$296,000.

## 2.8. MAJOR INDUSTRIES AND EMPLOYMENT EARNINGS

Detailed data on employment by industry is only available for individual communities from the Census and 2011 Census results are not released until mid-2013. Although the situation has certainly evolved since 2006, the most prominent sectors in the region are unlikely to have changed significantly.

Table 3. Employment by Sector and Place of Work in Oceanside + Gabriola Island, <sup>3</sup> 2006

NAICS Sector*	Jobs in Oceanside + Gabriola, 2006	Share of Total Jobs	Location Quotient** (Relative to BC)
44-45 Retail trade	1,930	14.1%	1.12
72 Accommodation and food services	1,695	12.4%	1.39
62 Health care and social assistance	1,325	9.7%	0.91
23 Construction	1,070	7.8%	2.04
54 Professional, scientific and technical services	1,050	7.7%	0.97
31-33 Manufacturing	915	6.7%	0.71
81 Other services (except public administration)	870	6.4%	1.23
61 Educational services	865	6.3%	0.84
71 Arts, entertainment and recreation	655	4.8%	2.04
53 Real estate and rental and leasing	530	3.9%	1.55
91 Public administration	520	3.8%	0.69
56 Administrative and support, waste management and remediation services	460	3.4%	0.99
52 Finance and insurance	455	3.3%	0.76
11 Agriculture, forestry, fishing and hunting	395	2.9%	1.01
41 Wholesale trade	395	2.9%	0.65
48-49 Transportation and warehousing	255	1.9%	0.42
51 Information and cultural industries	220	1.6%	0.62
21 Mining and oil and gas extraction	30	0.2%	0.29
22 Utilities	25	0.2%	0.35
55 Management of companies and enterprises	10	0.1%	0.48
<b>Total</b>	<b>13,665</b>	<b>100.0%</b>	<b>1.00</b>

\*NAICS is North American Industrial Classification System. It is used by Statistics Canada and their counterparts in the United States and Mexico to classify industries.

\*\* Location Quotients measure employment *relative* to BC. Values greater than 1 indicate the sector has a higher concentration of employment locally than in BC, while values less than 1 indicate a lower local concentration of employment.

Source: Statistics Canada

The location quotients in the table above show that the construction sector and arts, entertainment and recreation are both just over twice as large in Oceanside/Gabriola as the province overall. The real estate and rental and leasing sector, as well as accommodation and food services, are also considerably larger. Retail trade is the largest employer (at least as of 2006) but is only 12% larger than the BC industry.

In theory these relative concentrations of employment are a reflection of the region's comparative advantages. The sectors that are more concentrated have achieved that status because the region

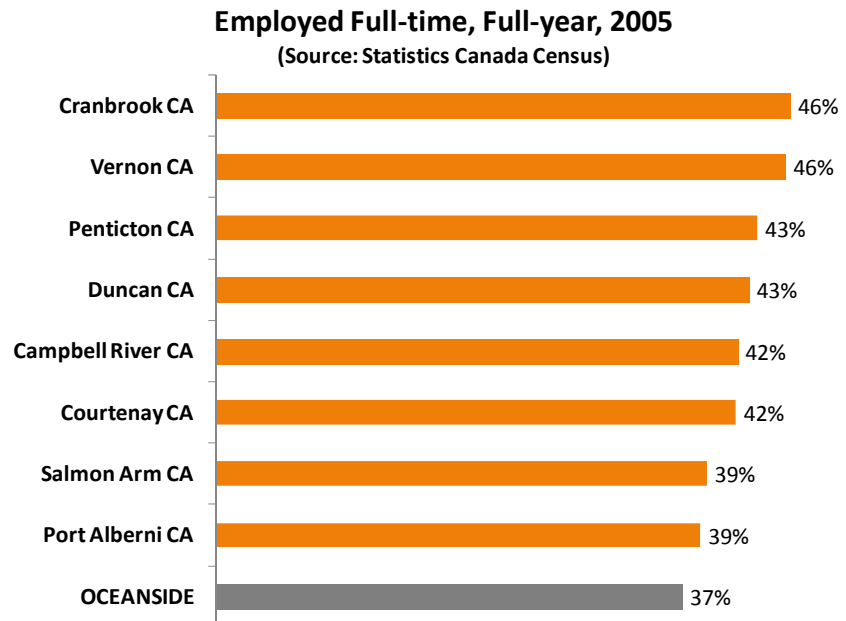
<sup>3</sup> Note this data is from a custom purchase that was not part of this project and does not include data for Oceanside's exact boundaries. Rather than expending considerable resources to acquire exact data that is more than 6 years old, the Oceanside area can be approximated by starting with Regional District of Nanaimo (RDN) and removing the Nanaimo Census Agglomeration. The remainder is equivalent to Oceanside plus RDN Area B (Gabriola Island).

provides a productive mix of natural resources, labour, access to markets and whatever other requirements it has. The sectors that are less concentrated are presumably finding a superior mix of these assets in other locations.

Some of the sectors that are significantly under-represented in Oceanside/Gabriola include manufacturing (29% less concentrated than BC), wholesale trade (35% lower), education (16% lower), transportation and warehousing (58% lower) and even public administration (31% lower). There is less government employment in Oceanside presumably due to its close proximity to Nanaimo and the fact that most senior government offices are consolidating in regional centres rather than being distributed among more, smaller communities.

## SEASONAL EMPLOYMENT

Many of the dominant industries in Oceanside are seasonal in nature (which is true of most of Vancouver Island and other high-tourist areas like the Okanagan). The most recent Census data is not yet available, but in 2005 the percentage of employed residents who worked full-time/full-year was the lowest in Oceanside among the comparison group.



## 2.9. INVESTMENT AND BUSINESS DEVELOPMENT

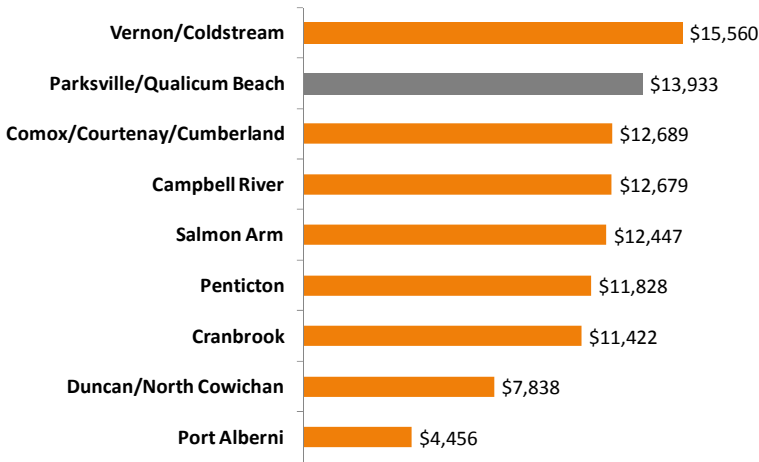
### BUILDING PERMIT VALUES

Similar to the discussion in the previous section that the most successful industries in a region are a demonstration of its comparative advantages and disadvantages, the actual amount of building activity provides a good indication of its attractiveness for new investment (or at least the types of new investment that require property development).

The two charts below compare the pre-recession building peak from 2005 to 2008 in the left hand chart with the recession/post-recession period from 2009 to 2012 (through November) in the right hand chart. Data is shown on a per capita basis in order to compare across the benchmark group and comparable data is available only for the municipalities shown, not the rural areas.

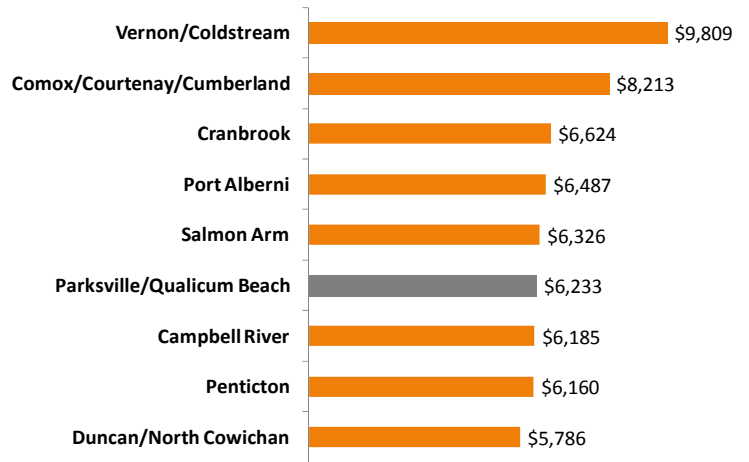
**Total Building Permit Values Per Capita, 2005-2008**

(Sources: BC Stats 2007 population estimates, Statistics Canada building permit data)



**Total Building Permit Values Per Capita, 2009-Nov/2012**

(Sources: BC Stats 2011 population estimates, Statistics Canada building permit data)

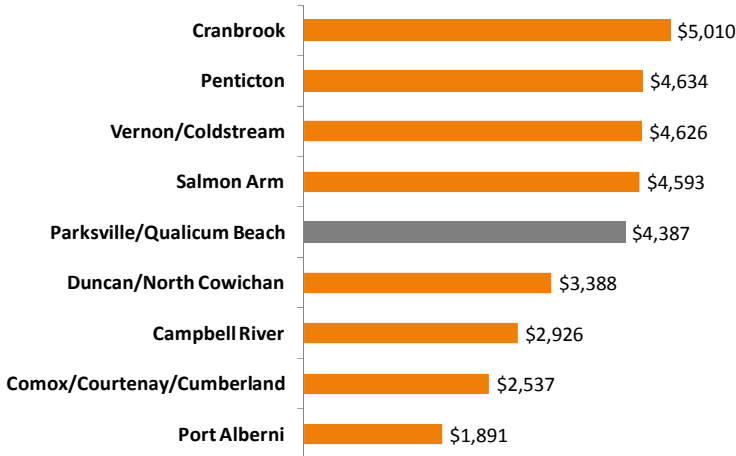


Total building permit values declined in every comparison community except Port Alberni, which had the lowest level in the initial 2005 to 2008 period. The value of development in Parksville and Qualicum Beach dropped by more than half on a per capita basis and dropped from a 2nd-place ranking in the pre-recession period to a 6th-place ranking in the recession/post-recession period, although there is very little difference between most communities in the last few years.

Like most areas of BC, the majority of building permit values in each of these areas from 2005 to 2008 were residential. Removing the residential permit values shows the planned investment in industrial, commercial and institutional development, which is a somewhat better indicator of the successful attraction of new business investment.

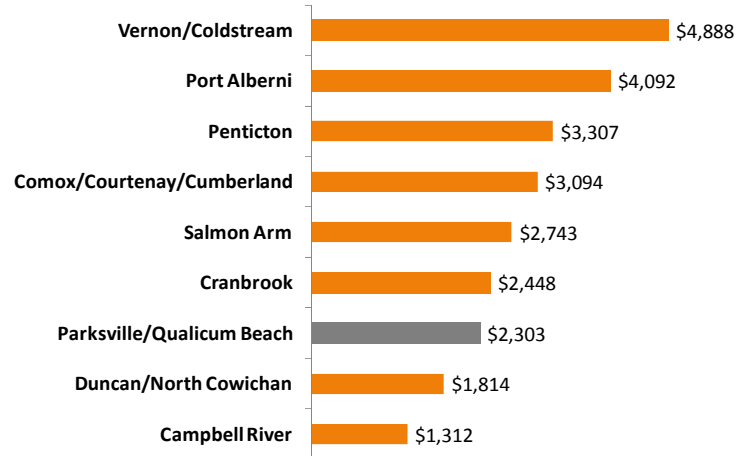
**Non-Residential Building Permit Values Per Capita, 2005-2008**

(Sources: BC Stats 2007 population estimates, Statistics Canada building permit data)



**Non-Residential Building Permit Values Per Capita, 2009-Nov/2012**

(Sources: BC Stats 2011 population estimates, Statistics Canada building permit data)

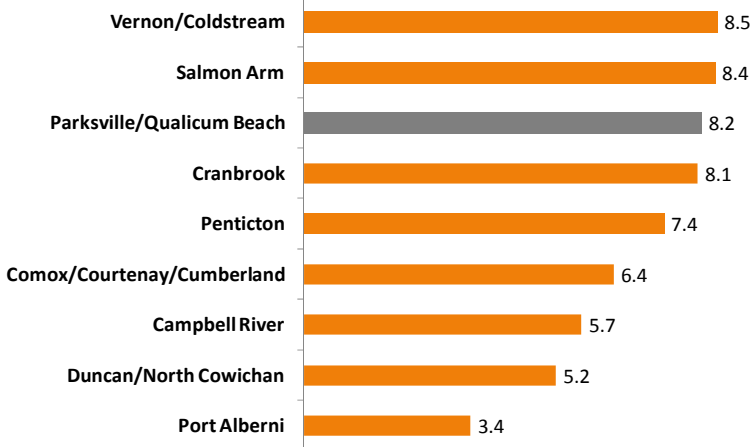


The first set of charts above show the Oceanside municipalities rank 2nd and then 6th in total building activity in the two time periods. Their ranks drop to 5th and then 7th for non-residential building. Most of the communities saw a decline in the level of non-residential building activity, but only Cranbrook declined more than Parksville/Qualicum Beach.

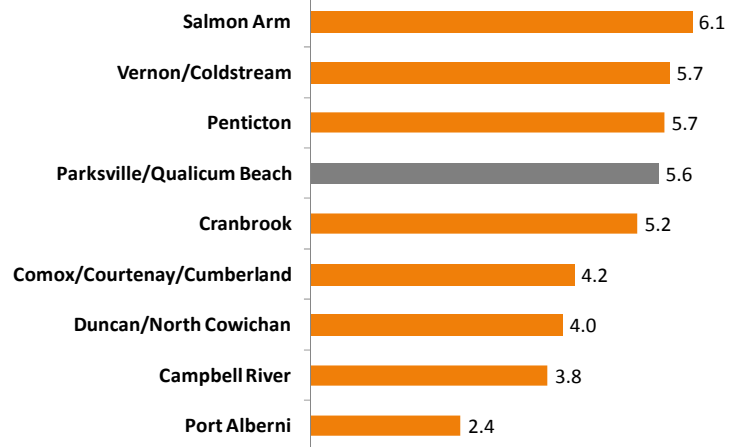
## BUSINESS INCORPORATIONS

The number of business incorporations in a community is an indicator of the vitality of the local business community, the prevalence of new business opportunities and community openness and acceptance of new ideas. As with the building permit data shown above, the number of incorporations is averaged over several years in a comparison of the pre-recession period (2006 to 2008) with the recession/post-recession period (2009 to 2011).

**Average Annual Incorporations per 1,000 Residents, 2006-2008** (Sources: BC Stats Population Estimates, Ministry of Finance Incorporations)



**Average Annual Incorporations per 1,000 Residents, 2009-2011** (Sources: BC Stats Population Estimates, Ministry of Finance Incorporations)



The average rate of business formation was higher in each community in the pre-recession period. The Parksville/Qualicum Beach area's relative position declined slightly from 3rd place to 4th. One potentially challenging sign for Vancouver Island overall is that most Island communities score quite poorly on this measurement of business formation compared to the Okanagan/Shuswap communities. Within Vancouver Island Parksville/Qualicum Beach easily ranks highest.

### 2.10. SUMMARY OF COMPETITIVE POSITION

This section summarizes the main conclusions of the economic analysis as well as the literature review of previous studies and consultation with the Oceanside business community and other local stakeholders.

Rather than creating a long list of items of varying importance, the competitive advantages and disadvantages listed below are considered the most important considerations for the attraction of international investment. They are listed in no particular order.

#### COMPETITIVE ADVANTAGES

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- The over-arching advantage of the entire central Vancouver Island region. This study is focused on Oceanside but what Oceanside has to offer is really the Vancouver Island product.
- Central position with easy vehicle access through the mid-Island market stretching from Nanaimo to Comox Valley and serving as a cross-roads for travelers both to northern Vancouver Island and the west coast (Port Alberni, Tofino, Ucluelet)
- Allstream fibre optic backbone
- Affordable industrial and commercial space and land available (although large parcels are generally available only unserviced and in the rural areas)
- Natural features support tourism development and potentially agriculture
- Long history of attracting new residents of all ages to the area (which is projected to continue)
- School system and other very attractive lifestyle factors for raising a family (e.g., weather, recreational opportunities)
- Projected growth in the core working-age population at a rate exceeding comparable communities in BC. The BC Stats projections suggest an average increase of more than 200 residents in the 25-54 age range each year for the next 25 years.
- Well-educated and diversified mix of skills among the working-age population

#### COMPETITIVE DISADVANTAGES

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- Insufficient skilled labour in some key occupations (e.g., skilled trades & technology workers)
- Lack of post-secondary educational facility (other than small Vancouver Island University satellite campus)
- Length and complexity of development process and ambivalent/negative attitude toward growth and development from some local residents and politicians
- Limited and costly transportation linkages to mainland via BC Ferries and limited Oceanside-based air links (although much better linkages available in broader mid-Island market)
- Limited Oceanside public transit and non-vehicular transportation options to link mid-Island communities
- Retiree-dominated local consumer market limited due to low spending profile
- Limited lifestyle/entertainment/recreation amenities targeted at young adult market (also a problem for tourism market with limited nightlife)
- Perception of Oceanside as a primarily retirement location
- High housing costs (compared to some Island markets and some Canadian locations, but not compared to BC metro locations in a broader comparison)



### 3. DETAILED ANALYSIS OF INVESTMENT OPPORTUNITIES

Various investment attraction opportunities for Oceanside have been identified either through past studies of the Oceanside economy or the consultation sessions for this project. The purpose of this section of the report is to evaluate these potential opportunities and identify a short list of the best possible targets for a future Oceanside investment attraction initiative.

#### 3.1. RATIONALE FOR INVESTING IN OCEANSIDE

Before explaining the detailed opportunity analysis, it is useful to consider the reasons that someone would consider investing in a new or existing business in Oceanside. There are several possibilities:

- The first is investing in Oceanside in order to serve the local market. This might appeal to businesses that provide services to senior citizens, for example, due to the predominance of seniors in the Oceanside area and the expectation that this market will continue to grow.
- The second is investing in Oceanside as a home location to serve a broader market, such as the rest of Vancouver Island or the rest of British Columbia (or beyond).
- The third is investing in Oceanside because it offers proximity to a key business input. This could be a natural resource (such as agricultural or seafood products available in the area) or proximity to a key institution or cluster of people. For example, universities or research institutes can attract companies that benefit from proximity to researchers or students.
- Finally, businesses may choose Oceanside if they are truly “footloose,” meaning that physical location is not important to the business and the owner chooses a location based largely on lifestyle reasons.

A variety of different types of opportunities are evaluated (see Section 3.2 for the list) but in general, local-serving businesses are not a high priority for targeting. Local retail and service industries are typically quite competitive and do not require further assistance from an economic development initiative. Wherever people live and shop, these local-serving businesses will follow.

It is possible that the local market is under-served in some way, but if that is true, why has an enterprising business person not come forward to fill this gap? Larger retailers in particular can be very sophisticated in their analysis of market dynamics and knowing the point at which entering new, smaller markets will be a profitable endeavour. If they aren't locating in a particular area, there is usually a valid market-based explanation. (Of course there can may also be regulatory or other restrictions, such as the prohibition in Qualicum Beach of fast food restaurants).

But another reason not to focus on local-serving industries relates to one of the underlying goals of this project, which is to attract investment that will help raise average wages in Oceanside. In a market economy, wages are ultimately tied to the value created by the worker. Workers that are more productive, meaning they create more or higher-value products, will get paid more. But many jobs in local-serving businesses like retail and restaurants and personal services are labour-intensive and therefore higher labour productivity is harder to achieve. (Whereas a worker who manufactures cabinets can use power tools and other advanced machinery to produce far more in an hour than they could without the tools, a server in a restaurant cannot significantly increase the number of tables they serve in an hour).

It is possible to raise the productivity of local-serving sectors through greater use of advanced technology or improvements in the quality of the product. Waiters can make more money serving the same number of tables if they provide superior service that customers are willing to pay for, or if the restaurant increases the quality of its meals. But a more common and easier route to value creation is for companies to expand their markets and export goods and services beyond the local area. This allows for economies of scale in production, such as enabling smaller companies to invest in more machinery and equipment that massively increases production per worker. Or companies can specialize their products to appeal to niche markets that will pay a premium. Selling locally limits specialization because there are fewer potential customers for a given product.

This project is focused on attracting new investment, so companies that will locate in Oceanside, but export beyond the local area, will be a focus. Strategies to increase the productivity of existing industries would be part of a broader Oceanside economic development strategy.

### 3.2. OPPORTUNITIES

The list of opportunities is based primarily on the community consultation phase of the project, supplemented by ideas taken from previous studies on the region. There are an infinite number of possible opportunities, but the following list is fairly representative of the types of potential targets that Oceanside could pursue. They are listed in no particular order:

1. **Technology-reliant firms** that require superior fibre optic connections. There is a huge potential range of business types that could fit in this category but they are all generally office-based and provide their goods or services electronically anywhere around the world. Some examples raised include educational technology and instructional design, or remote administrative services that require direct fibre optic connections.
2. **Lifestyle-motivated entrepreneurs.** Oceanside already attracts many people who could be called “amenity migrants”, which is a term for those who choose where to live based on quality of life and then make the best of the employment and business opportunities in that place. A related group is what economic developers call “lone wolves,” who are typically highly educated

and work independently in self-employment or as tele-commuters. Because their work and lifestyle is highly mobile, they are also attracted by unique places and experiences, provided they have basic amenities like high-quality telecommunications services and access to an airport. These entrepreneurs could theoretically work in any sector, but it is assumed in this analysis that they are primarily professionals who work in an office setting (either at home or in a commercial office). There is likely to be some overlap between this opportunity and the previous opportunity for technology-reliant firms.

Further to the lifestyle entrepreneurs opportunity, the ideal target is believed to be people who are not fresh college or university graduates but have some work experience, are a bit older (30+) and have families. They may be natives of the region or similar smaller communities and are motivated not by maximizing their salary but a more holistic view that combines work opportunities, cost of living (including housing) and quality of life.

3. **Health care facilities or services**, likely private businesses operating as a complement to public hospitals in neighbouring communities (although also some opportunities for public health care expansion). Some of the services may be privately run but still funded through the public system (e.g., rehabilitation centres or various therapy clinics).
4. **Tourism product development**, including capitalizing on the region's natural assets (e.g. Mount Arrowsmith) as well as developing new destination attractions (e.g., casino, water park). Oceanside is believed to be saturated with hotel/resort product and therefore what is needed is more reasons for visitors to come to the region.
5. **Other tourism-oriented services**, such as increased packaging and special services for Island tourism, such as having RVs on-Island that can be rented and used to tour the Island
6. **Food processing**, building on agricultural production in the surrounding areas (such as Little Qualicum Cheeseworks or wineries).
7. **Businesses serving the senior citizen population**, such as health care assistance or home management and lawn maintenance services.
8. **Recreational amenities**, such as a movie theatre, recreation facilities (including sports venues), nightlife, a pub on the waterfront, etc.
9. **Educational facilities**, including a possible expansion of the post-secondary options available locally, or private post-secondary facilities, or schools providing not just formal post-secondary courses but life-long learning (e.g., Prince George).
10. **Aquaculture expansion**, perhaps connected to research on Deep Bay Marine Field Station.

### 3.3. EVALUATION FRAMEWORK

The evaluation framework has three types of criteria:

1. **Oceanside's appeal to each industry.** In other words, if businesses in each opportunity/industry evaluated Oceanside compared to other areas, how would it compare as a potential investment location?
2. **Each industry's appeal to Oceanside.** Given the limited resources for economic development initiatives, it makes sense to focus efforts on industries/opportunities that will create the biggest benefit for Oceanside. In other words, if Oceanside could have its pick of all possible opportunities, which provide the most "bang for the buck?"
3. **Possible influence by investment attraction initiatives.** Different industries/opportunities have different probabilities for success, based on global trends, characteristics of the industry, whether it is currently active in similar BC communities, whether there are existing ties to Oceanside, and other factors. This is a somewhat subjective measure, but it is believed that the location decisions of some industries are driven by factors largely out of local control, whereas others are more likely to be influenced by a successful local initiative. Limited resources should be focused on the opportunities that are more likely to be successfully influenced.

#### LOCATION FACTORS (OCEANSIDE'S APPEAL TO EACH INDUSTRY)

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As noted above, the rating for each of the **Location Factors** is from the perspective of investors in that industry who are evaluating Oceanside as a potential investment location. If Oceanside has an attractive labour force for that industry, for example, it will score positively but might score negatively for market access. If a particularly location factor is unimportant for the industry, it receives a neutral rating.

The specific factors that are evaluated:

1. **Labour Force.** Reflects the quality and availability of a suitable labour force and the local advanced education and training possibilities (if required).
2. **Real Estate.** Reflects the availability, suitability and cost of land and leasable space.
3. **Access to Markets.** Reflects how easily an Oceanside-based business can access its target market. If the target market is the local area, the strength of the local market for this industry is evaluated.
4. **Access to Key Business Inputs.** Reflects how easily an Oceanside-based business can access the key inputs it requires, which may include natural resources or essential support services.

5. **Infrastructure.** Reflects the suitability of telecommunications and utilities infrastructure.
6. **Openness to Investment.** Certain types of investments in British Columbia have a tendency to attract public and political attention beyond the standard regulatory process (e.g., mines, run-of-river power projects). Investments requiring some level of regulatory approval, whether provincial or local, that are likely to attract some public or political opposition are rated more poorly due to the additional uncertainty created.
7. **Quality of Life.** Reflects the fit between the Oceanside lifestyle and the typical lifestyle requirements for each type of opportunity.

### Rating Scale for Location Factors

The Oceanside area is evaluated on a relative basis compared to other communities that might also attract the same type of investment. The rating scale is:

- +2 Strongly positive
- +1 Positive
- 0 Neutral (neither positive nor negative)
- 1 Negative
- 2 Strongly negative

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### ECONOMIC IMPACT FACTORS (EACH INDUSTRY'S APPEAL TO OCEANSIDE)

The next criteria are the **Economic Impact Factors**, which evaluate each potential opportunity in terms of its potential economic benefit for Oceanside. Clearly if there are limited resources for investment attraction then effort should be focused on the opportunities with the greatest payoff, all else being equal.

8. **Employment Impact.** Opportunities that would create more new jobs in Oceanside are rated higher. This includes the direct employment in that target industry plus the local "spinoff" employment. The spinoffs include indirect employment created in companies that are suppliers to the new direct industry, as well as induced employment created to supply day-to-day goods and services for the extra employees (e.g., grocery stores, hair salons, auto repair). Data on average firm size and economic impact multipliers are used in the evaluation.
9. **Job Quality.** One of the goals of Oceanside Initiatives is to increase average wages in the local economy. While there is much more to a "good job," the level of pay is an excellent proxy as it is generally associated with good benefits, quality working conditions and a high degree of personal autonomy. (Many very high-paying resource sectors jobs, like those in oil and gas or mining, that have difficult working conditions are simply not a factor in the Oceanside economy).

10. **Tax Base Impact.** Another of the objectives of Oceanside Initiatives is to increase the local non-residential property tax base. Industries that require more and/or higher-value real estate are therefore rated more highly as they will ultimately contribute more in property taxes.

11. **Economic Diversification.** Increasing the level of diversification in the Oceanside economy is another objective of Oceanside Initiatives, under the belief that a more diversified economy is more resilient to downturns in any particular sector. Diversification should not be pursued as a primary economic development goal because it tends to divert attention from a community's greatest competitive advantages, but as a secondary consideration opportunities that would enhance Oceanside's diversification are rated higher.

The number of jobs created, average wages and non-residential property tax impact of any potential investment depends on the specific details of that investment, but average information by industry can help to show which types of opportunities generally have larger impacts. Another consideration is that some investment attraction initiatives could attract multiple companies in the target sector while others might only attract one or two companies.

The first part of section 3.4 provides some of the detailed data used in the evaluation, but each rating still requires some judgment on the potential impact. The rating scales for each factor are summarized below.

#### **Rating Scale for Employment Impact**

+4	More than 50 jobs
+3	25-50 jobs
+2	10-24 jobs
+1	Less than 10 jobs
0	0 jobs

#### **Rating Scale for Job Quality**

(Average weekly wages are a proxy for Job Quality. The BC average weekly wage in 2012 was \$854.)

+3	Average weekly wage in BC above \$1,100 (significantly above provincial average)
+2	Average \$900-\$1,100 (above provincial average)
+1	Average \$700-899 (somewhat below to just above provincial average)
0	Average below \$700 (well below provincial average)

#### **Rating Scale for Tax Base Impact**

+2	Strongly positive
+1	Positive
0	Minimal

#### **Rating Scale for Economic Diversification**

+1	Increases diversification
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0 Little or no impact on diversification

Note that the maximum score varies for each of these factors based on their relative importance. In other words, the total employment impact is considered to be the single most important outcome of an investment attraction initiative, followed by average wage, then tax base impact and finally economic diversification.

## ECONOMIC DEVELOPMENT INFLUENCE

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**12. Economic Development Influence.** This final criteria factor is a type of reality check. Even if an opportunity scores favourably in most areas, how open is the target sector to being influenced by an Oceanside investment attraction initiative? If investment decisions are driven entirely by factors beyond local influence, there is little benefit to be gained from targeting the sector.

### Rating Scale for Economic Development Influence

- +2 Strong influence - economic development initiatives can make a real difference
- +1 Moderate influence - economic development initiatives likely have some influence, but may not be decisive
- 0 Little or no influence - economic development initiatives are unlikely to determine success or failure

## TOTAL RATING

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The **Total Rating** is determined by multiplying the Location Factors score, the Economic Impact Factors score and the Economic Development Influence score, as demonstrated in the table to the right. This exercise does not provide a comprehensive feasibility analysis, but a useful sorting of the potential opportunities.

Those that score well across most dimensions should be considered the top potential investment attraction targets. Those that score lower may still have growth potential, but on balance are considered a lower priority for a dedicated investment attraction initiative.

Evaluation Criteria	Maximum Rating
Labour Force	+2
Real Estate	+2
Access to Markets	+2
Access to Key Business Inputs	+2
Infrastructure	+2
Openness to Investment	+2
Quality of Life	+2
<b>(1) Total Location Factors</b>	<b>+14</b>
Employment Impact	+4
Job Quality	+3
Tax Base Impact	+2
Economic Diversification	+1
<b>(2) Total Economic Impact Factors</b>	<b>+10</b>
<b>(3) Economic Development Influence</b>	<b>+2</b>
<b>Overall Rating (1) x (2) x (3)</b>	<b>+280</b>

### 3.4. RATING THE OPPORTUNITIES

Several of the economic impact factors rely on statistical data to help determine the rating for a given opportunity. In support of the Employment Impact factor, 0 shows the estimated number of jobs in each sector in the Vancouver Island/Coast region. It is always possible that a specific opportunity pursued for Oceanside could be larger or smaller than the average for its sector, but this table provides an overall picture of the typical size of each establishment.



Table 4. Estimated Jobs per Business, by Industry for Vancouver Island/Coast region, 2011

NAICS* Sector	Estimated Jobs per Business
Public Administration	76
Educational Services	32
Mining & Oil & Gas Extraction	25
Utilities	19
Health Care & Social Assistance	12
Information & Cultural Industries	11
Accommodation & Food Services	11
Manufacturing	10
Retail Trade	9
Arts, Entertainment & Recreation	9
Transportation & Warehousing	7
<b>All Sectors</b>	<b>6</b>
Construction	4
Wholesale Trade	4
Agriculture, Forestry, Fishing & Hunting	3
Finance & Insurance	3
Professional, Scientific & Technical Services	3
Business, Building and Other Support Services	3
Other Services (excluding Public Administration)	3
Real Estate & Rental & Leasing	1

\*North American Industry Classification System

Sources: Statistics Canada Business Register (December 2011), Statistics Canada Labour Force Survey (2011 annual average).

In addition to the direct number of jobs in each target sector, sectors that are "tradable," meaning they sell to markets beyond the local area, have a local employment multiplier calculated by BC Stats and shown in Table 5. These multipliers include the indirect and induced effects (indirect is the employment impact on the industries that supply the direct industry; induced is the employment impact on household-serving industries where the additional employees spend their money).

For example, the table shows that each local job in high technology supports an additional 0.33 jobs in the local area. This is a larger impact than tourism, which supports 0.17 additional local jobs per direct job, but lower than miscellaneous manufacturing, which supports 0.45 additional local jobs. The size of the multiplier is generally based on how much each industry spends locally on supplies and services, as well as the income level of employees. Higher-paid employees spend more locally so the induced impact is greater.

Table 5. Local Employment Multipliers for Oceanside, 2006

Traded Industry	Additional Local Jobs per Direct Job
Pulp & Paper	1.06
Sawmills	0.55
Construction	0.53
Logging	0.51
Other Wood Manufacturing	0.50
Miscellaneous Manufacturing	0.45
Mineral Processing	0.41
Film Production	0.37
Public Sector	0.34
High Technology	0.33
Agriculture	0.25
Tourism	0.17
Fishing	0.99
Mining	0.70

Source: BC Stats (March 2009), *British Columbia Local Area Economic Dependencies: 2006*.

The rating for Job Quality is based on earning potential. Average weekly wages for 2012 in BC are shown in Table 6.

Table 6. Average Weekly Wages by Sector in British Columbia, 2012

Sector	Average Weekly Wages
Forestry, Fishing, Mining, Oil & Gas	\$1,326
Utilities	\$1,275
Public Administration	\$1,179
Professional, Scientific, Technical Services	\$1,117
Construction	\$1,001
Manufacturing	\$995
Educational Services	\$977
Transportation & Warehousing	\$970
Finance, Insurance, Real Estate, Leasing	\$948
<b>Overall BC Average</b>	<b>\$854</b>
Health Care & Social Assistance	\$846
Retail & Wholesale Trade	\$635
Agriculture	\$572
Accommodation & Food Services	\$444

\*The local multipliers shown in the table include both indirect and induced in a long-run scenario.

Source: Statistics Canada Labour Force Survey

## 1. TECHNOLOGY-RELIANT FIRMS

Evaluation Criteria	Rating	Notes/Comments
Labour Force	-1	Fewer potential workers with advanced technical skills compared to larger urban centres (although more than most similarly-sized communities).
Real Estate	1	Oceanside has a ready supply of small, affordable office spaces for small technology firms.
Access to Markets	0	Physical distance to customers is not usually a significant issue for technology firms and there are sufficient air travel options in the surrounding region (Comox Valley Airport, Nanaimo Harbour flights) to enable company owners or technology workers to travel when required.
Access to Key Business Inputs	0	Not a significant issue for this opportunity.
Infrastructure	1	Having a fibre optic backbone in the community is a competitive advantage, but can also be found in some other communities.
Openness to Investment	0	No challenges anticipated.
Quality of Life	-1	While the smaller community dynamics of Oceanside and the surrounding recreational amenities may appeal to some segment of technology entrepreneurs and workers, evidence suggests many people in these fields are predominantly attracted to major urban areas.
<b>(1) Location Score (sum of above)</b>	<b>0</b>	
Employment Impact	2	Successful investment attraction might be 2-3 small companies with perhaps 5 jobs each. The local employment multiplier would add about 5 more local jobs.
Job Quality	3	Highly-skilled technical jobs pay among the highest wages of any sector.
Tax Base Impact	1	Somewhat positive impact on the tax base but no significant new development.
Economic Diversification	1	Technology industries are currently underrepresented in Oceanside.
<b>(2) Economic Impact Score (sum of above)</b>	<b>7</b>	
<b>(3) Economic Development Influence</b>	<b>0.5</b>	There are many small technology firms operating in communities of all sizes throughout BC, although they are almost always located wherever the founding owners happen to live. There is overlap between this opportunity and the next one (lifestyle-motivated entrepreneurs) and Oceanside has a more compelling argument by focusing on lifestyle attributes for those entrepreneurs rather than pure business arguments to attract technology firms.
<b>Overall Rating (1) x (2) x (3)</b>	<b>0</b>	

## 2. LIFESTYLE-MOTIVATED ENTREPRENEURS

Evaluation Criteria	Rating	Notes/Comments
Labour Force	1	The targeted entrepreneurs could theoretically be in any industry so Oceanside's projected growth in working-age population and diversity of post-secondary training is an advantage.
Real Estate	1	Oceanside has a ready supply of affordable office spaces and industrial units for smaller companies requiring leased space.
Access to Markets	0	By definition lifestyle-oriented entrepreneurs are not concerned with physical distance to markets and will make whatever adaptation is required.
Access to Key Business Inputs	0	Not a significant issue for this opportunity.
Infrastructure	0	No significant issues either positively or negatively.
Openness to Investment	0	No challenges anticipated.
Quality of Life	1	Lifestyle-motivated entrepreneurs and independent professionals have a range of lifestyle interests and Oceanside will not appeal to all of them, but for those interested in what the region can offer, including everything from the natural environment to the school system, there is a competitive advantage. This factor is not rated higher because other Vancouver Island and BC communities have a similar package of assets.
<b>(1) Location Score (sum of above)</b>	<b>3</b>	
Employment Impact	4	The attraction of new migrants to Oceanside is already occurring so the purpose of a new initiative would be to refocus on migrants with entrepreneurial ambition and to promote entrepreneurial opportunities to those who might already be planning to move to Oceanside. The potential employment impacts are difficult to assess but might influence perhaps 10-15 new entrepreneurs (out of the 1,000 or so new migrants to the region each year) who would each help to generate at least 2-3 additional jobs in the region.
Job Quality	2	The wide range of possible industries covered by this opportunity means that a wide variety of possible wage rates are possible. Most independent entrepreneurs, however, have specialized skills and therefore gravitate to higher-value work that would tend to pay employees reasonably well.
Tax Base Impact	1	Somewhat positive impact on the tax base but no significant new development.
Economic Diversification	1	The wide range of potential industries covered by this opportunity would help to diversify the Oceanside economy.
<b>(2) Economic Impact Score (sum of above)</b>	<b>8</b>	
<b>(3) Economic Development Influence</b>	<b>2</b>	There is an established track record of economic development agencies attracting migrants, including international immigrants, to smaller communities as both workers and entrepreneurs.
<b>Overall Rating (1) x (2) x (3)</b>	<b>48</b>	

### 3. HEALTH CARE FACILITIES OR SERVICES

Evaluation Criteria	Rating	Notes/Comments
Labour Force	1	Current post-secondary training in health-related fields is higher than average in Oceanside. The lack of a local health care training facility prevents a higher rating.
Real Estate	2	The type of health service envisioned for this opportunity would typically locate in leased office space. Oceanside has a ready supply of small, affordable spaces for such a purpose, including space that has already been used for medical purposes but vacated by health professionals moving into the new Oceanside Health Centre.
Access to Markets	1	Access to a sizable seniors population in Oceanside and the broader mid-Island market is an advantage. The rating is not higher because there are multiple communities/regions with similar access to a concentration of retirees, including Greater Victoria and the south Okanagan.
Access to Key Business Inputs	0	Not a significant issue for this opportunity.
Infrastructure	0	No significant issues either positively or negatively.
Openness to Investment	0	No challenges anticipated.
Quality of Life	1	So long as Oceanside's quality of life continues to attract the retirees who will be the primary market for new health care services, as well as provide a desirable location for medical professionals who would staff the new facilities, the region's quality of life is a competitive asset. It is not rated higher because other BC communities share similar attributes.
<b>(1) Location Score (sum of above)</b>	<b>5</b>	
Employment Impact	2	The focus should be on new clinics or services that would attract visitors from outside Oceanside in addition to servicing the local market. Successful attraction might be 2-3 such firms with up to 15 direct employees. The local employment multiplier would add about 5 more local jobs.
Job Quality	1	Health care positions pay roughly average wages.
Tax Base Impact	1	Somewhat positive impact on the tax base but no significant new development.
Economic Diversification	0.5	Some health services are already present in Oceanside but additional services would help support a diversified economy.
<b>(2) Economic Impact Score (sum of above)</b>	<b>4.5</b>	
<b>(3) Economic Development Influence</b>	<b>0.5</b>	The growth of additional health services in Oceanside will be based to a large degree on continuing growth in the retiree population and is therefore likely to occur without an investment attraction initiative. Larger and more specialized health services, such as rehabilitation clinics, would require a more concerted community effort but may involve decision-making by public health authorities that are beyond local influence.
<b>Overall Rating (1) x (2) x (3)</b>	<b>11.25</b>	

#### 4. TOURISM PRODUCT DEVELOPMENT

Evaluation Criteria	Rating	Notes/Comments
Labour Force	1	This opportunity potentially includes a wide variety of businesses so Oceanside's projected growth in working-age population and diversity of post-secondary training is an advantage.
Real Estate	0	The real estate requirements for new destination tourism businesses vary significantly depending on the type of business. There is no obvious advantage or disadvantage for Oceanside.
Access to Markets	0	Tourists are the market in this case and trends are not favourable for significant new investment in tourism at the present time. Long-run trends in US visitation to BC are down. There is long-run potential for growth in Asian tourism but a challenge to attract tourists beyond the Victoria/Vancouver/Whistler corridor. Travel from mainland BC to Oceanside is complicated by increasing travel costs, including BC Ferries. Oceanside will remain a popular tourist destination but convincing investors of the market potential for new destination attractions is believed to be challenging in the current market environment.
Access to Key Business Inputs	0	The region's natural attributes are a key business input for some nature-based or outdoor recreation-based tourism products, but these attributes are similar to many other Vancouver Island and BC communities.
Infrastructure	0	Increased commercial water rates in Parksville are a potential deterrent to water-intensive businesses such as a water park (which was mentioned during the consultation phase as one of the possible new tourism products). There are alternative sites in the rural areas not subject to the same costs for those businesses where water rates are a concern.
Openness to Investment	-1	Some of the potential ideas raised during the consultation phase for tourism product development include new services in Mount Arrowsmith Park (e.g., gondola) or significant new destination attractions like a casino, both of which would likely encounter significant public and political opposition. The rating would be "-2" if these were the only options but other tourism product development would presumably not engender the same response.
Quality of Life	1	Having a strong tourism market that appeals to visitors often goes hand in hand with having an attractive quality of life that appeals to residents.
<b>(1) Location Score (sum of above)</b>	<b>1</b>	

Evaluation Criteria	Rating	Notes/Comments
Employment Impact	2	There is a wide range of possible employment impacts depending on the type of tourism product developed. Something like a water park or a new indoor attraction might provide a year-round average of 8-10 full-time equivalent positions, plus another 2 local jobs supported through the local multiplier. A further potential benefit would be the attraction of additional tourists to the region who would not otherwise have arrived.
Job Quality	0	Tourism-reliant industries typically pay among the lowest wages.
Tax Base Impact	1	Most likely outcome is for some modest new development that would somewhat enhance the non-residential tax base.
Economic Diversification	0	Tourism is already a significant component of the Oceanside economy.
<b>(2) Economic Impact Score (sum of above)</b>	<b>3</b>	
<b>(3) Economic Development Influence</b>	<b>1</b>	The potential for success in attracting outside investment in tourism product development naturally depends on the type of product, but there is a long history of communities in BC attracting investment in major new tourism developments, such as ski resorts. The current stagnation in the tourist market will likely depress interest in major new investments.
<b>Overall Rating (1) x (2) x (3)</b>	<b>3</b>	

## 5. OTHER TOURISM-ORIENTED SERVICES

Evaluation Criteria	Rating	Notes/Comments
Labour Force	1	This opportunity potentially includes a wide variety of businesses so Oceanside's projected growth in working-age population and diversity of post-secondary training is an advantage.
Real Estate	1	Tourism-oriented services are expected to require small office spaces, of which there are many affordable options in Oceanside.
Access to Markets	0	A detailed explanation of current tourist market dynamics is explained under the previous opportunity.
Access to Key Business Inputs	0	Not a significant issue for this opportunity.
Infrastructure	0	No significant issues either positively or negatively.
Openness to Investment	0	No challenges anticipated.
Quality of Life	1	Having a strong tourism market that appeals to visitors often goes hand in hand with having an attractive quality of life that appeals to residents.
<b>(1) Location Score (sum of above)</b>	<b>3</b>	
Employment Impact	2	Direct employment would be limited to a few jobs but additional benefits would be created if the new services successfully attracted more visitors to the region to support existing businesses (hotels, restaurants, etc.).
Job Quality	0	Tourism-reliant industries typically pay among the lowest wages.
Tax Base Impact	1	Somewhat positive impact on the tax base but no significant new development.
Economic Diversification	0	Tourism is already a significant component of the Oceanside economy.
<b>(2) Economic Impact Score (sum of above)</b>	<b>3</b>	
<b>(3) Economic Development Influence</b>	<b>0.5</b>	The type of entrepreneurial new tourism-related services, such as better packaging and enhancing on-island transportation options, are more likely to be developed by those with existing local or regional market knowledge rather than external investors. Although one of the ideas mentioned (a fleet of Island-based recreational vehicles for rent) would require a significant upfront capital investment that could come from outside the region.
<b>Overall Rating (1) x (2) x (3)</b>	<b>4.5</b>	



## 6. FOOD PROCESSING

Evaluation Criteria	Rating	Notes/Comments
Labour Force	1	There is a significant concentration of residents with relevant post-secondary training. Some food processing facilities have a large number of low-wage, low-skill positions that would be more difficult to staff in Oceanside so the better labour force match is with higher-value, artisan-style food production.
Real Estate	1	Affordable industrial space is available for lease.
Access to Markets	1	There is growing interest on Vancouver Island in Island-produced food, but transporting physical goods to markets off-Island is a cost challenge. On balance access to the Vancouver Island market is considered a strength.
Access to Key Business Inputs	0	Food processing requires raw inputs. Vancouver Island is generally not a viable location for importing raw inputs for processing so the key inputs must come from the Island's agriculture and seafood sectors. There is some agricultural production in Oceanside, but generally small-scale and not geared for industrial-level production. Area F is the largest area of agricultural production in Oceanside and accounted for less than 3% of total farm receipts in the Vancouver Island/Coast region as of the 2011 Census of Agriculture, <sup>4</sup> so competing centres of production like the Saanich Peninsula, Cowichan Valley and Comox Valley may be more inviting locations for food processing investors. Expanding aquaculture processing is possible but there are already multiple established firms on the Island that could expand production without attracting a new competitor. It is therefore difficult to identify a competitive advantage (or disadvantage) for Oceanside for this opportunity.
Infrastructure	0	Increased commercial water rates in Parksville are a potential deterrent to water-intensive businesses, which usually includes food processing. There are alternative sites in the rural areas not subject to the same costs.
Openness to Investment	0	No challenges anticipated.
Quality of Life	0	Not a significant factor.
<b>(1) Location Score (sum of above)</b>	<b>3</b>	
Employment Impact	2	The limited amount of primary food production in the region suggests that any new processing facilities would be relatively small, employing 5-10 people in 1-2 new companies. Several more jobs in supporting industries would also be created, including some employment growth in agriculture or aquaculture to help meet increased demand for local food products.
Job Quality	2	Manufacturing industries pay above-average wages.

<sup>4</sup> The Regional District of Nanaimo as a whole had 16% of the Island/Coast region's farm receipts.

Evaluation Criteria	Rating	Notes/Comments
Tax Base Impact	1	Somewhat positive impact on the tax base but no significant new development.
Economic Diversification	1	Food processing industries are currently underrepresented in Oceanside.
<b>(2) Economic Impact Score (sum of above)</b>	<b>6</b>	
<b>(3) Economic Development Influence</b>	<b>0.5</b>	Several other Vancouver Island regions - notably the Comox Valley and Cowichan Valley - are actively promoting investment in agriculture and food processing. This is also consistent with the Regional District of Nanaimo's new Agriculture Area Plan. The drawback to focusing on food processing investment is that the Oceanside area also needs significant expansion in primary food production that would feed into local processors. Note that farm business entrepreneurs can be included in the lifestyle-motivated entrepreneurs targeted under Opportunity #2.
<b>Overall Rating (1) x (2) x (3)</b>	<b>9</b>	

## 7. BUSINESSES SERVING THE SENIOR CITIZEN POPULATION

Evaluation Criteria	Rating	Notes/Comments
Labour Force	1	This opportunity potentially includes a wide variety of businesses so Oceanside's projected growth in working-age population and diversity of post-secondary training is an advantage.
Real Estate	1	Oceanside has a ready supply of small, affordable office spaces for small firms that require space.
Access to Markets	1	Access to a sizable seniors population in Oceanside and the broader mid-Island market is an advantage. The rating is not higher because there are multiple communities/regions with similar access to a concentration of retirees, including Greater Victoria and the south Okanagan.
Access to Key Business Inputs	0	Not a significant issue for this opportunity.
Infrastructure	0	No significant issues either positively or negatively.
Openness to Investment	0	No challenges anticipated.
Quality of Life	1	So long as Oceanside's quality of life continues to attract the retirees who will be the primary market for these services, it is a competitive asset.
<b>(1) Location Score (sum of above)</b>	<b>4</b>	
Employment Impact	1	The types of companies supporting senior citizens would be small with only a handful of employees. This type of opportunity is focused only on the local senior citizen market so employment multipliers are not applicable.
Job Quality	1	Most jobs will be labour-intensive service positions that will pay somewhat below average wages.
Tax Base Impact	0	Many of these businesses will not even require a permanent commercial location so the tax base impact is minimal.
Economic Diversification	0	These types of services are a reflection of Oceanside's demographics and are already well-represented.
<b>(2) Economic Impact Score (sum of above)</b>	<b>2</b>	
<b>(3) Economic Development Influence</b>	<b>0</b>	The growth of additional services to support senior citizens will be based on continuing growth in the retiree population and is therefore likely to occur through local entrepreneurial activity. There is little scope to attract external investment in these relatively small-scale activities.
<b>Overall Rating (1) x (2) x (3)</b>	<b>0</b>	

## 8. RECREATIONAL AMENITIES

Evaluation Criteria	Rating	Notes/Comments
Labour Force	1	This opportunity potentially includes a wide variety of businesses so Oceanside's projected growth in working-age population and diversity of post-secondary training is an advantage.
Real Estate	0	The real estate requirements for new recreational amenities vary significantly depending on the type of business. There is no obvious advantage or disadvantage for Oceanside.
Access to Markets	0	The rationale for this opportunity is either to enhance amenities for younger residents in Oceanside, or enhancing the area's appeal to tourists. The limitations of focusing on the tourism market are explained under Opportunity #4 while the community's demographics are heavily weighted toward the 55+ demographic so targeting younger residents is a limited market.
Access to Key Business Inputs	0	The type of recreational amenities mentioned during the consultation discussions on this opportunity focused primarily on constructed amenities (e.g., movie theatre, waterfront pub) rather than outdoor recreation. Key business inputs are therefore not a significant issue for this opportunity.
Infrastructure	0	Increased commercial water rates in Parksville are a potential deterrent to water-intensive businesses such as restaurants and pubs. There are alternative sites in Qualicum Beach and the rural areas not subject to the same costs if they are a challenge for certain business types.
Openness to Investment	-1	Many of the ideas for new recreational amenities are focused on enhancing nightlife (e.g., waterfront pub) and creating a more vibrant atmosphere for younger and single adults. Any commercial development on the waterfront and potentially new businesses elsewhere in Oceanside that requires a development approval process would likely some degree of community opposition.
Quality of Life	0	Not a significant factor. The envisioned target market for these new recreational amenities are younger adults and the region's current quality of life is not a compelling advantage for this market.
<b>(1) Location Score (sum of above)</b>	<b>0</b>	
Employment Impact	2	Successful investment attraction might involve 2-3 new businesses, such as restaurants or pubs with perhaps 15-20 full-time equivalent jobs. These amenities are targeted primarily at local residents with some tourism component so the local multiplier impacts will be modest, accounting for perhaps 2-3 additional jobs.
Job Quality	0	Food service industries typically pay among the lowest wages.
Tax Base Impact	1	Somewhat positive impact on the tax base but no significant new development.

Evaluation Criteria	Rating	Notes/Comments
Economic Diversification	0.5	Food services is already a strong industry in Oceanside due to its role in tourism but the development of new food and beverage services and other recreational amenities aimed at a younger adult market would help to diversify the local economy within those dominant sectors.
<b>(2) Economic Impact Score (sum of above)</b>	<b>3.5</b>	
<b>(3) Economic Development Influence</b>	<b>0.5</b>	It is certainly possible for communities to proactively attract investment in restaurants and pubs, although established franchise operators typically have access to advanced market analysis that would indicate if Oceanside is a good investment location without any promotional push from the local community. It is also likely that as the young adult population expands, normal entrepreneurial opportunities for new amenities to serve this demographic would be recognized by local residents and businesses.
<b>Overall Rating (1) x (2) x (3)</b>	<b>0</b>	

## 9. EDUCATIONAL FACILITIES

Evaluation Criteria	Rating	Notes/Comments
Labour Force	1	Oceanside has a relatively well-educated population overall, including a specific concentration of residents with post-secondary training in education (although that training is more relevant for primary and secondary school than post-secondary, which is the focus of this opportunity). Some post-secondary instructors would need to be attracted to the area, but there is local depth to cover administrative and operational staff requirements.
Real Estate	1	New educational institutions - whether public or private - are likely to locate in leased office space, at least initially and Oceanside has a ready supply of small, affordable office spaces.
Access to Markets	0	New educational facilities could target local residents or visiting students (including international students) who are attracted to Oceanside's amenities while studying. Similar amenities are shared with multiple other BC communities so there is no particular advantage for Oceanside.
Access to Key Business Inputs	0	Not a significant issue for this opportunity.
Infrastructure	1	Having a fibre optic backbone in the community is a potential competitive advantage for educational facilities who could have advanced distance learning facilities, for example.
Openness to Investment	0	No challenges anticipated.
Quality of Life	0	Many Vancouver Island communities have an attractive quality of life for visiting students, including international students, but there is no particular advantage for Oceanside, particularly given the lack of amenities for younger adults.
<b>(1) Location Score (sum of above)</b>	<b>3</b>	
Employment Impact	2	Attracting a single new educational facility to Oceanside would be a successful initiative and total employment would be unlikely to exceed 10 jobs, with an additional 3 jobs in local spinoffs.
Job Quality	2	Educational services pay somewhat above-average wages.
Tax Base Impact	1	Somewhat positive impact on the tax base but no significant new development.
Economic Diversification	1	Post-secondary education is significantly underrepresented in Oceanside.
<b>(2) Economic Impact Score (sum of above)</b>	<b>6</b>	
<b>(3) Economic Development Influence</b>	<b>1</b>	Significant growth has occurred in the last decade in British Columbia's sales of educational products around the world and the sector remains a key economic development priority at the provincial level. Oceanside is restricted by not having an existing post-secondary institution based in the region, but opportunities remain to attract private post-secondary institutions.
<b>Overall Rating (1) x (2) x (3)</b>	<b>18</b>	

## 10. AQUACULTURE EXPANSION

Evaluation Criteria	Rating	Notes/Comments
Labour Force	0	Aquaculture operations require a mix of workers, some with specific technical skills and others relatively unskilled. Training programs are available through Vancouver Island University in Nanaimo but there is no particular labour-related advanced for Oceanside.
Real Estate	0	The land requirements of an expanded aquaculture sector may include onshore industrial land for operations and processing, as well as foreshore tenures for expanded operations (although increased production could also be achieved by more intensive use of existing tenures). Oceanside has some of the natural attributed required, but there is a question of access to additional land for production and whether or not a suitable onshore site could be located in reasonable proximity to the shellfish farms.
Access to Markets	0	Access to markets is not a significant issue for expanded aquaculture production. There are already well-established supply linkages between the industry and off-Island buyers, as well as the on-Island food market.
Access to Key Business Inputs	1	The natural attributes required for expanded production are present, but access is not assured as there are many competing demands and public involvement in the use of waterfront lands. The Deep Bay Marine Field Station and the applied shellfish aquaculture research it undertakes are also potentially a key input into expansion of this sector.
Infrastructure	0	No significant issues either positively or negatively.
Openness to Investment	-1	Shellfish aquaculture does not face nearly the same level of public opposition s finfish aquaculture but any attempt to expand production beyond current areas would likely to opposed.
Quality of Life	0	Not a significant factor.
<b>(1) Location Score (sum of above)</b>	<b>0</b>	
Employment Impact	2	Direct employment in increased aquaculture production is not significant, but more jobs are created for short periods of time for shellfish processing. The year-round average employment impact of a modest industry expansion, including both production and secondary processing, might be 10-15 jobs. A further 3-5 jobs would be supported through spinoff activity.
Job Quality	1	Unskilled aquaculture and shellfish processing jobs pay below-average wages but there are some skilled technical positions required that raise the average wage above the lowest rating.
Tax Base Impact	0	Increased aquaculture production would not affect the local government tax base and there is no guarantee that increased shellfish processing would even require new development (it might be absorbed within existing processing facilities).

Economic Diversification	1	Aquaculture and other local food production is underrepresented in Oceanside.
<b>(2) Economic Impact Score (sum of above)</b>	<b>4</b>	
<b>(3) Economic Development Influence</b>	<b>0</b>	Global trends of rising seafood consumption and continued declines in wild fish stocks are favourable for growth opportunities in aquaculture. But the most likely source of new investment to capitalize on these opportunities is the existing sector in BC, which is well-established and poised for expansion if they could access more foreshore tenures and expand their farm footprints. There is little need for an investment attraction initiative when the main constraint to aquaculture growth is regulatory as opposed to a lack of investment capital.
<b>Overall Rating (1) x (2) x (3)</b>	<b>0</b>	



## SUMMARY OF EVALUATION RESULTS

Table 7. Summary of Opportunity Ratings

Opportunity	Location Factors								Economic Impact Factors					Economic Development Influence (3)	OVERALL RATING (1 x 2 x 3)
	Labour Force	Real Estate	Access to Markets	Access to Resources	Infrastr-ucture	Openness to Investment	Quality of Life	Total (1)	Employ-ment Impact	Job Qua-ality	Tax Base Impact	Economic Divers-ification	Total (2)		
2. Lifestyle Entrepreneurs	1	1	0	0	0	0	1	3	4	2	1	1	8	2	48
9. Educational Facilities	1	1	0	0	1	0	0	3	2	2	1	1	6	1	18
3. Health Care	1	2	1	0	0	0	1	5	2	1	1	0.5	4.5	0.5	11.25
6. Food Processing	1	1	1	0	0	0	0	3	2	2	1	1	6	0.5	9
5. Other Tourism Services	1	1	0	0	0	0	1	3	2	0	1	0	3	0.5	4.5
4. Tourism Product	1	0	0	0	0	-1	1	1	2	0	1	0	3	1	3
1. Technology Firms	-1	1	0	0	1	0	-1	0	2	3	1	1	7	0.5	0
7. Senior-Serving Businesses	1	1	1	0	0	0	1	4	1	1	0	0	2	0	0
8. Recreational Amenities	1	0	0	0	0	-1	0	0	2	0	1	0.5	3.5	0.5	0
10. Aquaculture	0	0	0	1	0	-1	0	0	2	1	0	1	4	0	0

"Lifestyle-motivated entrepreneurs" is easily the highest-rated among the alternatives that were examined. It builds on an existing strength of the region - the attraction of people - but suggests that focusing more on the promotion of entrepreneurial opportunities will yield dividends.

The fact that a general entrepreneurs category is rated highest is also an indication that no other specific industry has a compelling case to be the focus of an Oceanside investment attraction initiative. Technology firms, educational facilities and food processing all scored highly on the Economic Impact Factors, meaning they would all be very desirable industries to attract to Oceanside, but there is no compelling advantage in Oceanside that would cause investors to choose it over competing locations on a pure business case. Given the high-cost, high-risk nature of investment attraction, there needs to be a reasonable expectation of success before embarking on a major initiative, and without that compelling advantage the cost-benefit analysis is simply not favourable.

### 3.5. PROFILE OF THE LIFESTYLE-MOTIVATED ENTREPRENEUR OPPORTUNITY

"Lifestyle-motivated entrepreneurs" is the top-ranked opportunity for Oceanside to pursue for investment attraction. But as noted in the description in section 3.2, it is a very broad category that potentially includes many industries and business opportunities. The key insight from its high ranking is that Oceanside's investment attraction focus should not be on narrowly-defined industries or types of

business, but primarily on the personal dimension of Oceanside as a place to live. Information on the business environment is complementary. For example, the attraction of skilled entrepreneurs with advanced technical training is more likely by focusing on the personal dimension rather than a pure business case for Oceanside as a location for technology businesses.

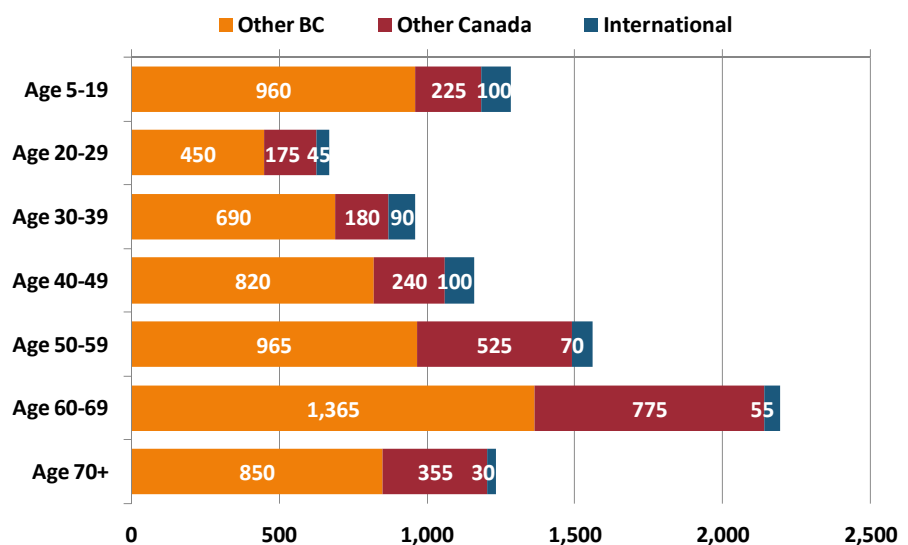
It should also be noted that this category may also include people who don't necessarily fit the "entrepreneur" label, including skilled workers and passive investors who have significant financial resources that could be invested locally but are unlikely to be actively involved in running a company as an entrepreneur. All of these types of people would make a significant and positive contribution to the Oceanside economy and there should be a particular focus on people in their 30s and 40s, with some professional experience (i.e., they are not fresh graduates) and likely with families (because Oceanside is more likely to appeal to people with families rather than single adults or childless couples).

#### DESCRIPTION OF CURRENT TRENDS

Before attempting to influence the mix of people moving to Oceanside toward more entrepreneurial, more highly skilled and ideally younger, it is important to understand who has been moving to Oceanside. Unfortunately migration data from the 2011 Census is not yet available, but 2006 data provides a useful profile of past migration trends. This information should be updated upon release of the 2011 Census results and some further analysis might be considered that shows migration not just by age and previous location but also industry, occupation, education, income profiles, etc.

The chart to the right shows the number of people residing in the Oceanside urban core (Parksville, Qualicum Beach, Area G) as of the 2006 Census who had moved into the area in the preceding five years, broken down by age and their place of residence in 2001.

**Origin and Age of Migrants to Oceanside Urban Core in Previous Five Years, 2006** (Source: Statistics Canada Census)



Starting with adults in their 20s, the number of new residents increased with each older decade until peaking with new residents in their 60s. There were also a large number of new children and youth under age 20, which suggests that many of the adults moving to the Oceanside

area were bringing children with them. This seems to support the idea that Oceanside's attractiveness for family life is a key attraction.

In total 67% of new residents came from elsewhere in BC (which could also mean one of the rural parts of Oceanside just outside the urban core), 27% came from elsewhere in Canada and 5% came from international locations. The age pattern of BC and Canadian migrants was generally the same, but international migrants were different as they were more likely to be in their 30s and 40s. Further information and more current data on each of these groups of migrants is limited for Oceanside, but some insight can be drawn from regional and provincial trends.

### **Migration within BC**

According to BC Stats, the number of people moving from one regional district to another in BC has been in the range of 80,000 to 90,000 people per year in the last decade. From 2005 to 2010 (the last year for which data is available), the largest net out-migration was from Metro Vancouver. On average more than 4,000 people per year moved from Metro Vancouver to another regional district in BC. Considering that many young people move to Metro Vancouver for post-secondary education, the migration out of Metro Vancouver is believed to be primarily older residents, especially retirees.

The four regional districts that have been the biggest recipients of intraprovincial migrants, averaging a net increase in the range of 800 to 1,300 new residents per year, are the Fraser Valley, Capital, Central Okanagan and Nanaimo Regional Districts. This is consistent with the high percentage of new residents in Oceanside that moved from elsewhere in BC, although these statistics also include migrants moving to the city of Nanaimo and the southern part of the RDN. Unfortunately these statistics are not available by age or any other demographic breakdowns.

These intraprovincial migration trends suggest that Metro Vancouver is one potential target for attracting more lifestyle-motivated entrepreneurs to Oceanside. The patterns of migration are already in place and there is close proximity to family and friends that might be left behind (not to mention professional connections that are a short ferry ride or floatplane trip away). Metro Vancouver is also more likely than any other part of the province to have highly-educated residents with professional or entrepreneurial experience who might be interested in moving to a smaller community with more affordable housing once they start having families.

### **Migration within Canada**

From 2007 to 2011 an average of about 53,000 people per year moved from another Canadian province to BC and there was very little variation from year to year (roughly 48,000 to 57,000 people every year).

Table 8. Migration to BC from Elsewhere in Canada, 2007 to 2011

Province/Territory	2007	2008	2009	2010	2011	Average	Share of Total
Alberta	27,807	23,942	22,228	24,185	24,738	<b>24,580</b>	46%
Ontario	16,131	16,154	14,678	15,334	14,444	<b>15,348</b>	29%
Manitoba	3,218	3,318	2,599	3,562	4,028	<b>3,345</b>	6%
Saskatchewan	2,933	2,928	2,841	3,284	3,481	<b>3,093</b>	6%
Quebec	3,101	3,111	2,562	2,901	2,813	<b>2,898</b>	5%
Nova Scotia	1,393	1,674	1,312	1,651	1,514	<b>1,509</b>	3%
New Brunswick	755	734	550	697	828	<b>713</b>	1%
Yukon	432	509	501	622	439	<b>501</b>	1%
Newfoundland and Labrador	561	492	364	536	478	<b>486</b>	1%
Northwest Territories	401	457	249	455	438	<b>400</b>	1%
Prince Edward Island	187	296	181	370	517	<b>310</b>	1%
Nunavut	113	48	44	81	48	<b>67</b>	0%
<b>Total</b>	<b>57,032</b>	<b>53,663</b>	<b>48,109</b>	<b>53,678</b>	<b>53,766</b>	<b>53,250</b>	<b>100%</b>

Source: BC Stats, based on Statistics Canada data

As shown in 0, nearly 25,000 people per year moved from Alberta to BC, accounting for nearly half of the total migration to the province. Alberta and Ontario combined make up three-quarters of interprovincial migrants to BC. As with intraprovincial migrants, there is no additional information readily available on the age or other demographic characteristics of these interprovincial migrants.

Net migration between BC and Alberta has tipped increasingly in Alberta's favour in the last few years as the number of BC residents moving to Alberta increased from 18,000 in 2007 to 28,000 in 2011, causing net interprovincial migration to turn negative in 2011 after nearly a decade in positive territory. This highlights the challenge for Oceanside in competing with the economic opportunities currently available in Alberta for younger adults. The key will be to highlight the Island lifestyle and climate (which are completely unavailable in Alberta).

Data for the Regional District of Nanaimo shows that net interprovincial migration remained positive through mid-2011, but at a lower level than the 2006 to 2008 period when there was a net increase of more than 1,000 people per year from other provinces. The RDN has consistently attracted a higher-than-average share of new interprovincial migrants. From 2006 to 2011 it attracted 4.4% of all interprovincial migrants to BC, which is higher than its 3.3% share of provincial population in 2011.

If Alberta is the primary market for targeting interprovincial migrants, Ontario is a secondary market due to its larger size and the difficulty targeting a more widely-dispersed pool of potential migrants. Promotional efforts in Alberta can be more focused in Calgary, Edmonton and possibly other locations like Fort McMurray. Manitoba and Saskatchewan are also secondary markets but are further away from

BC, have a smaller population base to target, and may find Island real estate prices more of a deterrent than Alberta residents.

### **International Migration**

International migrants are a minor contributor to the Oceanside population so existing provincial trends are less relevant in identifying future target markets. BC Stats data shows that the Regional District of Nanaimo attracted only 0.8% of all international immigrants to the province from 2006 to 2011, much lower than its 3.3% share of population and 4.4% share of interprovincial migrants.

The RDN fared better on several other measures of international migration, attracting 2.4% of all returning emigrants (these are people who had previously emigrated from Canada to another country but returned with the intention of again living permanently in Canada) and 1.7% of the net increase in non-permanent residents (these are people living temporarily in Canada, such as those with a student or work permit). Oceanside likely attracts a minority of the non-permanent residents moving to the RDN as Vancouver Island University is based in Nanaimo and many international immigrants tend to first settle in larger communities.

### SELLING FEATURES

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Oceanside's quality of life is the hook to first attract all potential migrants to the area. The targeting of lifestyle-motivated entrepreneurs will then require a demonstration of the potential for business success in the region, including the possibility not only of starting a new business from scratch but also purchasing an existing businesses or bringing a new franchise location to the Oceanside area. It will be more important to emphasize the overall market environment in Oceanside and the strong fundamentals for business success rather than specific industries, although highlighting specific businesses for sale can be part of an overall information package.

Further research is required that will focus specifically on the most important elements of a marketing or sales program, but some of the key features to emphasize will likely include the following:

1. Quality of life features, including the school system and the various recreational opportunities that are not readily available elsewhere.
2. Airport connectivity in the mid-Island region, including Comox and Nanaimo Airports and floatplane service from Nanaimo to downtown Vancouver.
3. Superior telecommunications connections.
4. Availability of affordability leasable space, particularly small office space.

5. The scale of the mid-Island market stretching (at least) from Nanaimo to Comox. This can be emphasized in terms of the size of the customer base, the size of the labour pool, the availability of amenities in those neighbouring communities, and the complementary employment or business opportunities for spouses.
6. The strong track record of growth in the region and projected future growth, including growth of the working-age population.

## PARTNERSHIPS

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An increasing number of BC communities are identifying migrant attraction as a key economic development strategy. In some cases it is oriented toward attracting people with skills in particular industries (e.g., agriculture, skilled trades) while others are focused on attracting more retirees or international students. While Oceanside may be in competition with some of these areas to attract new residents, there is also potential for partnerships that can enable smaller communities or regions to extend their sales reach far beyond what would be possible individually.

Partnerships within Vancouver Island are possible as there are very active economic development organizations from the Cowichan Valley through Nanaimo to the Comox Valley, Campbell River and Port Alberni. Several of these organizations and others from Okanagan communities have attended job fairs in Europe to attract people interested in emigrating to Canada to consider their areas. These initiatives can be done in partnership with local companies as the skilled workers usually need a job offer to help expedite the immigration process, something that may be more of a challenge in Oceanside with fewer major employers compared to some other BC regions.

The provincial government is heavily focused on attracting migrants through their WelcomeBC initiative. It includes a variety of resources aimed at attracting temporary migrants, including international students, as well as permanent immigrants and ensuring they are integrated as successfully as possible into the workforce and social life of the province. The Provincial Nominee Program provides an accelerated application process for immigrating skilled workers and investors. Eligible investments include succession plan buy-outs of retiring business owners, which may be a factor for some Oceanside businesses over the next decade.

The federal government is instituting several significant changes to the immigration process to re-orient the qualification system toward immigrants with needed skills, better English or French language skills, and who are younger. They have also created a new Start-up Visa where immigrant entrepreneurs are supported by venture capital or angel investor organizations in Canada with the intent of supporting new start-up business investments.

## 4. CONCLUSIONS AND NEXT STEPS

Investment attraction is a common and potentially very effective strategy for a community to pursue. It accelerates all aspects of local economic growth, including job creation, expansion of the tax base, encouragement of spinoff companies, and improvement in community morale and reputation (which in turn can lead to further investment attraction).

But these benefits are not assured. Investment attraction is extremely competitive - there are literally thousands of economic development agencies in North America competing to attract investment, often in the same trendy industries. Investment attraction is therefore the highest-risk economic development strategy and has the lowest chance of success. That is why the detailed assessment of the local economy and analysis of potential investment attraction opportunities contained in this report is such a vital first step.

In order to have a reasonable chance of success, an Oceanside investment attraction program must be focused on targets that maximize the cost-benefit upside of the program. Based on the analysis in this report, the recommended targets include the following:

- Focusing on migrant attraction, including international immigrants and internal Canadian migrants. There is already a well-established pattern of migration to Oceanside so the challenge is to re-orient this migration to focus more on entrepreneurs, investors and skilled workers. This includes promoting the business advantages of the area, including businesses for sale, new business opportunities and quality employment opportunities in Oceanside and the broader mid-Island market.

Some of the specific business opportunities to be promoted include some of the higher-ranking industries in the opportunity analysis, including health-related services (including private sector rehabilitative or therapeutic services), food production and value-added processing and advanced technology.

- Post-secondary education expansion as a secondary priority, including expanding the current Vancouver Island University satellite campus and attracting new public or private-sector post-secondary training facilities.

The next step for Oceanside Initiatives is to develop a focused strategy for identifying and targeting investment in these areas. This will include some further research into current migration patterns, partly based on available statistics (2011 Census results will be released in June 2013) as well as qualitative research with realtors, large employers that may have recruited new staff from outside the region, Provincial staff involved in the Provincial Nominee Program, and other involved with intraprovincial, interprovincial and international migration.

## APPENDIX A: RESEARCH SOURCES

City of Parksville (2007), *2007 Community Profile*.

CitySpaces (January 2009), *Housing Needs Overview*, prepared for Regional District of Nanaimo, City of Nanaimo, City of Parksville and Town of Qualicum Beach.

Harris Consulting Inc., Eric Vance & Associates and Vann Struth Consulting Group Inc. (December 2003), *City of Parksville Economic Development Strategy Update*.

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Human Capital Strategies (June 2008), *Solving the Oceanside Labour Crisis: A Workforce Development Strategy*, prepared for City of Parksville.

InterVISTAS Consulting Inc. (June 2008), *Vancouver Island and Sunshine Coast Regional Air Transportation Outlook*, prepared for Vancouver Island Economic Developers Association.

ND Lea (June 2012), *Regional District of Nanaimo Transportation and Mobility Study*.

The Sheltair Group (October 2007), *Regional Growth Strategy Review Background Report: Land Inventory & Residential Capacity Analysis*, prepared for Regional District of Nanaimo.

Upland Consulting (January 2012), *Regional District of Nanaimo Agricultural Area Plan: Public Consultation Summary Report*, prepared for Regional District of Nanaimo.

Upland Consulting (February 2012), *Regional District of Nanaimo Agricultural Area Plan - Phase I: Background Report*, prepared for Regional District of Nanaimo.

Upland Consulting (May 2012), *Regional District of Nanaimo Agricultural Area Plan: Draft*, prepared for Regional District of Nanaimo.

Urban Futures (October 2007), *Population and Housing Change in the Nanaimo Region, 2006 to 2036*, prepared for Regional District of Nanaimo.

Vann Struth Consulting Group Inc. (February 2009), *Regional Economic Analysis - Vancouver Island and Central/Sunshine Coast: Final Report*, prepared for Vancouver Island Economic Alliance.

Watson, Vanessa (Spring 2006), *Retail Market Analysis: Parksville & the Oceanside Area*, prepared for City of Parksville.



Westland Resource Group (September 2001), *Land Inventory Analysis for the Regional District of Nanaimo*.

Winchester, Ben (December 2010), *Regional Recruitment: Strategies to Attract and Retain Newcomers*, published by The EDA Center, University of Minnesota, Crookston.

## APPENDIX B: BUSINESS COMMUNITY CONSULTATION

A series of consultation workshops were held with sector groups in Parksville on September 19 and 20, 2012. The groups included:

- Project Steering Committee, which has representatives of the Parksville & District Chamber of Commerce, Regional District of Nanaimo, City of Parksville, Town of Qualicum Beach, Qualicum Beach Chamber of Commerce, School District 69, Vancouver Island University and Oceanside Tourism Association (not all of whom were available for the meeting).
- Sector Group #1 - Tourism-related (Accommodation, Restaurant & Attractions)
- Sector Group #2 - Real Estate & Construction
- Sector Group #3 - Technology, Health Care & Professionals
- Sector Group #4 - Retail, General Service, Automotive & Manufacturing

The following individuals participated in the workshops:

- Larry Adams, Big Tent Campground
- Bruce Alexander, Parksville Chrysler
- Jim Ansel, School District 69
- Shawn Bennett, Surfside RV
- Shawna Broekhuizen, The Beach Club
- Councillor Mary Brouillette, Town of Qualicum Beach
- Kim Burden, Parksville & District Chamber of Commerce
- Gary Child, The Pacific Brimm
- Bruce Cownden, Oceanside Site Services
- Peter Doukakis, Qualicum Beach Chamber of Commerce
- Ken Droog, Re/Max 1st Realty
- Paul Drummond, Tigh Na Mara Resort
- Jason Granger, Encompass Computer Services
- Sandra Herle, Close to You
- Rob Hill, Triple H Construction
- Michelle Jones, Timberlake Jones Engineering
- Dan Laroque, Up Your Media
- Allan Larsen, USNR
- Rick Lawrence, Hosting Nation
- Lisa Leger, Parksville Pharmasave
- Fred Manson, City of Parksville
- Cheryl McLay, BC Ministry of Rural and Community Development
- Russell McShane, Boston Pizza
- Brian Milward, Hosting Nation
- John Rockley, Coastal Colour Printing

- Paul Thompson, Regional District of Nanaimo
- Blain Sepos, Parksville Qualicum Beach Tourism
- Robynne Shaw, Sunrise Ridge Resort
- Hugh Sinnott, Suds & Duds Laundry
- Rudi Widdershoven, Re/Max 1st Realty
- Dave Willie, Black & White Party Rentals

The following is a summary of the key points raised in the workshops. Please note these are the opinions of the workshop participants and have not necessarily been verified for accuracy.

## LABOUR FORCE

Competitive Advantages	Competitive Disadvantages
<ul style="list-style-type: none"> <li>▪ Proximity to Nanaimo and Comox Valley and the combined size of the mid-Island market is an advantage because they provide additional employment and business opportunities for individuals (and spouses) attracted to Oceanside</li> <li>▪ Growing mentality of people creating their own jobs is an advantage</li> <li>▪ International migrants (e.g., South Africa, England) are attracted to the region (but not people from elsewhere in BC)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Difficulty attracting professionals if spouse is also a professional due to limited professional employment opportunities ("easier to get a job than a career"). An example is an executive chef.</li> <li>▪ Wages lower and insufficient to attract people to the region, while cost of living isn't that much lower than metro areas</li> <li>▪ Limited supply of entry-level workers living in Parksville/Qualicum Beach, due in part to older demographic profile</li> <li>▪ Seasonality of the tourism market negatively affects retention and depresses incomes</li> <li>▪ Some sense that there is "fun police" approach to regulation of new activities that offend a small minority but hurt the region's attractiveness to needed skilled, younger labour</li> <li>▪ Significant competition for skilled workers, particularly tradespeople, from northern BC and Alberta - larger problem is students are not finding these careers attractive and instead preferring a university education - problem is going to get much worse with looming retirements</li> <li>▪ Education system is not matching technology and business requirements (an issue not unique to Oceanside)</li> <li>▪ Insufficient qualified workers for expansion of tech sector - have difficulty getting university-trained people to move to the region (similar problem in Nanaimo)</li> <li>▪ Some skilled workers considering moving to the region perceive it as being isolated</li> <li>▪ VIU tech programs not meeting the needs of local tech sector - students take first couple years there before finishing programs elsewhere</li> </ul>

Competitive Advantages	Competitive Disadvantages
<ul style="list-style-type: none"> <li>▪ A lot of leasable space is available, including industrial space.</li> <li>▪ Industrial lease rates are low (estimated \$6-8/sf).</li> <li>▪ Commercial lease rates also low in part due to glut of available space (\$12/sf), but generally only smaller spaces available</li> <li>▪ More professional/medical office space will become available once the Oceanside Health Centre opens.</li> <li>▪ Industrial land available at Parksville Industrial Park and Qualicum Beach Airport</li> <li>▪ Overall there is land and space available - this should not be a constraint</li> </ul>	<ul style="list-style-type: none"> <li>▪ The available space is typically in small footprints only (mostly 1,000-2,000 sf)</li> <li>▪ Residential opposition to development at Qualicum Beach Airport</li> <li>▪ No large development sites in the region, such as a 10-acre site</li> <li>▪ Agricultural land in Parksville/Qualicum Beach requires supportive OCP policies in order to utilized</li> <li>▪ Length and complexity of land use regulatory process adds significant time and cost to projects (requires more and more consultants) - example of Langford as community that committed to 24-hour building permit - comment that waiting times are twice as long as Comox Valley</li> <li>▪ NIMBYism regarding new development</li> </ul>

Competitive Advantages	Competitive Disadvantages
<ul style="list-style-type: none"> <li>Fibre optic line a significant advantage in downtown Parksville (on Allstream backbone)</li> </ul>	<p><b>Transportation linkages to mainland</b></p> <ul style="list-style-type: none"> <li>BC Ferries cost and scheduling, unpredictability of wait times, service reductions</li> <li>Limited local airport capacity (KD Air has limited service at Qualicum Beach Airport)</li> <li>No direct flights from international tourist markets to the region</li> <li>Other possible solutions either lost (foot passenger ferry from downtown Nanaimo to downtown Vancouver) or not yet developed (bridge to mainland)</li> </ul> <p><b>Transportation linkages on Vancouver Island</b></p> <ul style="list-style-type: none"> <li>Unpredictability of single road into and out of community</li> <li>Lack of public transit options a problem for businesses with low-wage workers</li> <li>Poor transportation linkages to other Island communities, other than private autos (e.g. links to Comox Airport)</li> <li>No car rental at Qualicum Airport</li> <li>No passenger rail service up and down the Island</li> </ul> <p><b>Telecommunications</b></p> <ul style="list-style-type: none"> <li>A few grey areas with cellular service (but not significant challenge)</li> <li>Comment that telecom rates are higher in Oceanside?</li> </ul> <p><b>Utilities</b></p> <ul style="list-style-type: none"> <li>Possible significant increase in commercial water rates in Parksville coming (although issue not yet settled)</li> </ul>

LOCATION AND MARKETS

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Several examples were provided of Oceanside companies that are successfully exporting beyond the region from an Oceanside base. They include:

- Lightspeed Kayaks
- TradeTec Computer Systems
- School District 69 (selling services to international students)

Competitive Advantages	Competitive Disadvantages
<ul style="list-style-type: none"> <li>▪ Lack of ethnic diversity an advantage for selling international education services</li> <li>▪ Mid-Island market is large enough to support a sophisticated market</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local consumer market negatively impacted to low spending profile of most senior citizens</li> <li>▪ Regarding Oceanside's appeal to retirement/recreation market, are in competition with Okanagan and US, which is much cheaper right now</li> </ul>

## NATURAL RESOURCES

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Competitive Advantages	Competitive Disadvantages
<ul style="list-style-type: none"> <li>▪ Natural beauty and geographic features support eco-tourism (e.g., Mount Arrowsmith Biosphere Reserve)</li> <li>▪ Coal mine opportunities in the area</li> <li>▪ Weather</li> <li>▪ There is agricultural land in the area, but mostly used for small hobby farms - requires consolidation to enable higher-volume production and enable value-added opportunities</li> </ul>	

## LIFESTYLE

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Competitive Advantages	Competitive Disadvantages
<ul style="list-style-type: none"> <li>▪ New Oceanside Health Centre expanding local availability of health services (open extended hours 7 days per week)</li> <li>▪ Very attractive lifestyle for raising children</li> <li>▪ Programs offered through school system are a major attraction (and can't be found elsewhere)</li> <li>▪ Accessibility is high for leisure travelers with multiple airport options on the Island</li> <li>▪ Can sell rural experience</li> </ul>	<ul style="list-style-type: none"> <li>▪ Region's reputation as good place to live for retirees, but not necessarily younger workers and families</li> <li>▪ Few rental housing and low-income housing options (at least in the municipalities)...frontline workers want to pay \$600-700 in rent and that's not possible</li> <li>▪ Resident opposition a major obstacle to many developments</li> <li>▪ High housing costs - recruited executives want to pay \$250,000-\$300,000 for a home, but not available in the market - high prices also a deterrent for young people entering the market</li> <li>▪ Limited nightlife and entertainment amenities oriented toward youth and young adults, e.g. no waterfront pub</li> </ul>

## OTHER COSTS, REGULATIONS, ETC.

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Competitive Advantages	Competitive Disadvantages
<ul style="list-style-type: none"><li>▪ Oceanside has a very supportive business community and Council that cooperates with Chamber and OTA (Parksville Council)</li></ul>	<ul style="list-style-type: none"><li>▪ Minimum wage hike significantly hurts businesses employing a lot of entry-level workers, such as much of the tourism sector</li><li>▪ Inflation in other operating costs (e.g. fuel) also hurts tourism businesses as there is no corresponding rise in room rates and customers are increasingly seeking a deal, including through online services like Expedia (having rate integrity is increasingly challenging)</li><li>▪ Some problematic local regulations, such as those concerning patios</li><li>▪ Public apathy in Oceanside toward tourism</li><li>▪ Federal/provincial funding for tourism funding has declined significantly</li></ul>

## INVESTMENT OPPORTUNITIES

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The following are investment opportunities raised by participants in the workshop.

- Small technology-reliant firms that can capitalize on strong fibre-optics (e.g., make Parksville a centre for education technology/instructional design; another example is remote admin services capitalizing on fibre backbone)
- People willing to be entrepreneurs and create their own job, including knowledge-based jobs
- Regarding potential tourism product development opportunities, room inventory has already increase 32% since the recession with more coming so feeling is the market is currently saturated; also comment that group meeting market is down 40% in last few years and government groups are non-existent; hotel rates are among the highest on the Island in Oceanside; volunteers for festivals suffering burnout; on positive side, great cooperation among resort properties in the market (e.g. Wine Festival, Party on the Drive); Vancouver Island has weak branding, other than strong brand position of Victoria
- Casino / water park / Mount Arrowsmith gondola / some major attraction to draw more visitors to the region
- Increased packaging and special services for Island tourism, such as having RVs on-Island that can be rented and used to tour the Island
- Businesses serving the senior citizen population - example of a small business opportunity is home management/lawn maintenance services - or health care assistance,
- Public and private community amenities, such as movie theatre, recreation facilities (e.g., sports venues), nightlife
- Education, including not just formal post-secondary but life-long learning (e.g., Prince George)

- Value-added opportunities in agriculture - low volume and high value - e.g., Little Qualicum Cheeseworks
- Rehab centre or similar specialized health care facility
- Public health facility (semi-hospital)
- Attracting young people
- Aquaculture
- Wineries
- Leveraging Deep Bay Field Station

#### OTHER COMMENTS OF INTEREST

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- SD69 is not engaged with the business community with mentorship programs to the extent of some other School Districts and there is potential to expand such programming
- Vancouver Island is the strength of Oceanside and Vancouver Island is what needs to be sold
- Need to capitalize on oil sands as generator of Canadian prosperity



## APPENDIX C: PROJECT STEERING COMMITTEE

The project was guided by a steering committee of the following individuals:

- Jim Ansel, Superintendent, School District 69
- Pamela Bottomley, Parksville Downtown Business Association
- Mary Brouillette, Councillor, Town of Qualicum Beach
- Mark Brown, Town of Qualicum Beach
- Kim Burden, Executive Director, Parksville & District Chamber of Commerce
- Chris Burger, Mayor, City of Parksville
- Evelyn Clark, President/Chief Executive Officer, Qualicum Beach Chamber of Commerce
- Peter Doukakis, former President/Chief Executive Officer, Qualicum Beach Chamber of Commerce
- Eve Flynn, Trustee, School District 69
- Jason Granger, Co-Chair, Parksville & District Chamber of Commerce
- Moira Hauk, Chair, Qualicum Beach Chamber of Commerce
- Terry Kerr, Co-Chair, Parksville & District Chamber of Commerce
- Fred Manson, Chief Administrative Officer, City of Parksville
- Blain Sepos, Executive Director, Parksville Qualicum Beach Tourism Association
- Joe Stanhope, Chair, Regional District of Nanaimo
- Paul Thompson, Manager, Long Range Planning, Regional District of Nanaimo
- Paul Thorkelson, Chief Administrative Officer, Regional District of Nanaimo
- Neil Watson, Board Member, Parksville Downtown Business Association
- Rudi Widdershoven, President, Parksville & District Chamber of Commerce
- David Witty, Vice President, Vancouver Island University