



VK VENTURE
KAMLOOPS
INVEST IN OUR CITY

2013

Business Retention & Expansion Report

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& Expansion, October 2013*

Table of Contents

Introduction2
 The BR&E Survey2
 The City of Kamloops.....3

Executive Summary5

Findings and Key Themes7

Results.....9
 Economic Outlook9
 Business Expansion and Attraction.....11
 Business Retention14

Kamloops Business Climate.....17

Economic Base Analysis25

Recommendations29

Methodology30

Detailed Results & Graphs31
 BR&E Survey Monkey Results 201331

Qualitative Survey Results.....48

Appendix 1: BR&E Online Survey65

Appendix 2: BR&E Qualitative Survey Questions72

Introduction

The BR&E Survey:

A Business Retention and Expansion Survey (BR&E Survey) is a fundamental tool used by economic development professionals to reach out and connect with the local business community. The overarching goal of this process is to improve the competitiveness of local businesses by evaluating and addressing their broader needs and concerns. This is crucial to the sustained viability of a city's economy, as businesses that stay competitive are more likely to remain and expand in their community.

Often, when people think of Economic Development, the first thought that comes to mind is business attraction. A little known fact, however, is that 40%-90% of new job creation stems from the expansion and retention existing local businesses¹. Hence, the value and need for regular BR&E focused programs and efforts.

This report provides the results of the Kamloops Business Retention and Expansion Survey. All of the information gathered for this report was stripped of any identifying information, so as to keep the results anonymous and protect the confidentiality of the participants. It was felt that in keeping anonymity, the most truthful and unhindered responses would be represented.

Results from the surveys are provided as aggregate data from all participating businesses. This report includes both the quantitative and qualitative data received from the survey.

The quantitative data can easily be measured and focuses on numbers and frequencies rather than on meaning and experience. Quantitative data provides information from the survey that is easy to analyze statistically and graphically.

Qualitative questions represent a way of collecting data that is not limited to set response options (i.e. option A, B or C) and tends to capture topics that are more "top of mind" for the various business participants. What qualitative data may lose in reliability it gains in terms of validity.

Acknowledgements

We would like to thank all those who gave their time to assist us in completing this report. Thank you to all the employers who took the time to be interviewed or to fill out our surveys to help us in the collection of this data.

Venture Kamloops is focused on working with the community to gain a better understanding of their needs. Our goal is to bring about the positive changes that will help ensure success and satisfaction in the business community.

¹ Birch, David G.W., The Job Generation Process (1979). MIT Program on Neighborhood and Regional Change, Vol., 302 pp 1979. Available at SSRN: <http://ssrn.com/abstract=1510007>

The City of Kamloops:

Kamloops offers a relaxed lifestyle in a spectacular, natural setting. The unique mix of desert plateaus, lush river valleys, pine forests, lakes and snow-capped mountains provide unlimited opportunities for outdoor recreation. The city is a thriving cosmopolitan centre, rich in arts and culture, shopping and lifestyle amenities. There are excellent schools and health care facilities, housing is affordable and there is no traffic congestion.

The climate is also very appealing. Kamloops has four distinct seasons, and enjoys more than 2,000 hours of sunshine annually. Summers are hot and dry, while winters offer the best of both worlds, with mild temperatures in low-lying areas and snow at higher elevations.

Kamloops is the third largest city in British Columbia outside the Lower Mainland and the transportation hub of BC's southern interior. The city and surrounding area offers an abundance of economic, social and lifestyle assets.

Some of the Business Advantages of Kamloops include:

Market Access

- One of only two cities in Canada serviced by both national railways
- Located at the intersection of Western Canada's four major highways
- Kamloops Airport (YKA) is one of the fastest growing regional airports, providing air service throughout North America with connections to virtually every part of the world
- Close to major urban centres; Port of Vancouver a short haul away
- Over 25 trucking and transport companies based in the Kamloops area
- Ideal location for warehousing, distribution, industrial and technology centres

Investment-Friendly Climate

- Selected "Best BC Interior City to Invest In" (*Real Estate Investment Network*)
- Recognized as one of five best Micro Cities (population less than 100,000) to invest in (*Foreign Direct Investment Magazine* study 2009/10)
- Proactive municipal government ensures fast processing of permits and licenses
- Competitive development and business costs
- Excellent new business start-up support and resources
- Balanced corporate/personal tax structure

Diversified Economy & Strong Infrastructure

- Site of regional and provincial head offices, manufacturers, exporters and specialty medical clinics
- Excellent professional base of nationally recognized accounting, legal and financial services
- Both residential and commercial building permits show healthy community growth
- Adequate supply of affordable commercial real estate and industrial land
- Reliable supply of affordable power and telecommunications
- City-wide wireless internet access

Skilled & Educated Labour

- Access to a well-educated and skilled labour pool of more than 54,000 workers
- Thompson Rivers University, Canada's most comprehensive university, is located in Kamloops. It has over 25,000 students (on campus and distance/online) enrolled in over 25 disciplines, and approximately 2,000 graduates every year

Quality of Life

- Hot dry summers, mild winters and more than 2,000 hours of sunshine annually
- Within a one-hour drive of 200 lakes, provincial parks, 14 golf courses and a world-class ski resort
- Thriving cosmopolitan centre, rich in arts and culture, shopping and lifestyle amenities
- Excellent health care, schools, affordable housing and safe neighbourhoods



Executive Summary

Business Retention & Expansion (BR&E) is an economic development approach that focuses on the economic importance of existing businesses in the community. Existing businesses are often overlooked when the general public thinks of economic development, yet they account for the vast majority of new job creation in a region². The goal of this program is to identify key actions and deliverables that will enable local business to prosper, thus keeping existing jobs as well as creating new ones.

The Business Retention and Expansion Survey's purpose was multifaceted:

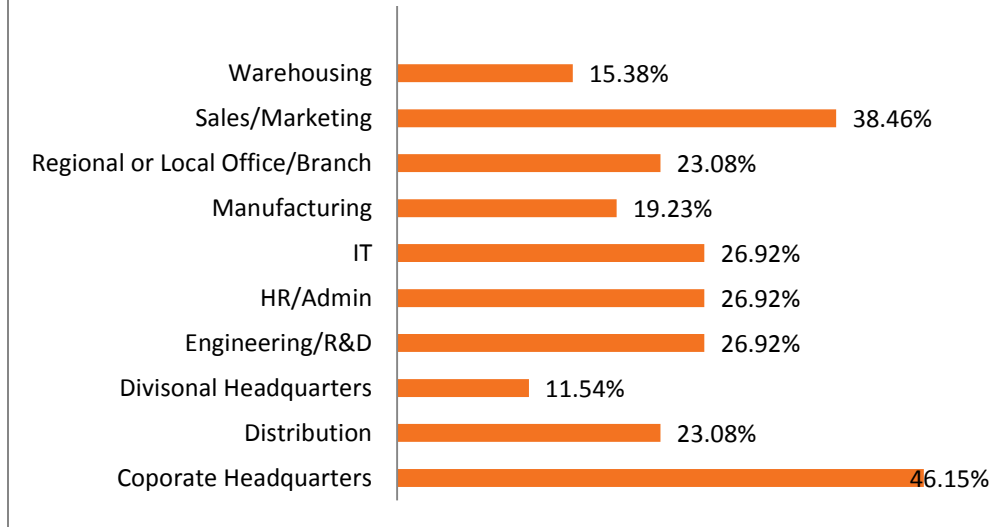
- To collect raw data on a cross section of organizations in Kamloops for Venture Kamloops's database and CRM software.
- To identify key issues and trends that will assist Venture Kamloops with programming, planning and policy development.
- To get a sense of the economic pulse of the Kamloops business marketplace and to report these results to key organizations and bodies in the community.
- To take the time to engage local business leaders in a one to one conversation to help to establish or further enhance a working relationship and make sure they are aware of the service offerings and assistance Venture Kamloops can provide to them.
- To identify key strengths associated with doing business in Kamloops so that Venture Kamloops can take this information and use it to help attract further companies and suppliers to the area.

During the period of October 2012 through to January 2013, Colin O'Leary, the Manager, Business Retention and Expansion, conducted 70 interviews with a selection of leading businesses in Kamloops. The goal in selecting these specific businesses was to get a good representational cross section of all of the sectors in Kamloops.

The following graph shows a summary of the economic activities associated with the companies that participated in the survey. The key take away of this graph is that a wide diversity of industries are represented. Although the numbers are not entirely equal, they do represent a reasonably accurate approximation of the typical business profiles of Kamloops. It should also be noted that the companies that participated in this BR&E Survey had the ability to select multiple responses, as many businesses operate multiple functions out of a single office. This accounts for select graphs having a sum greater than 100%.

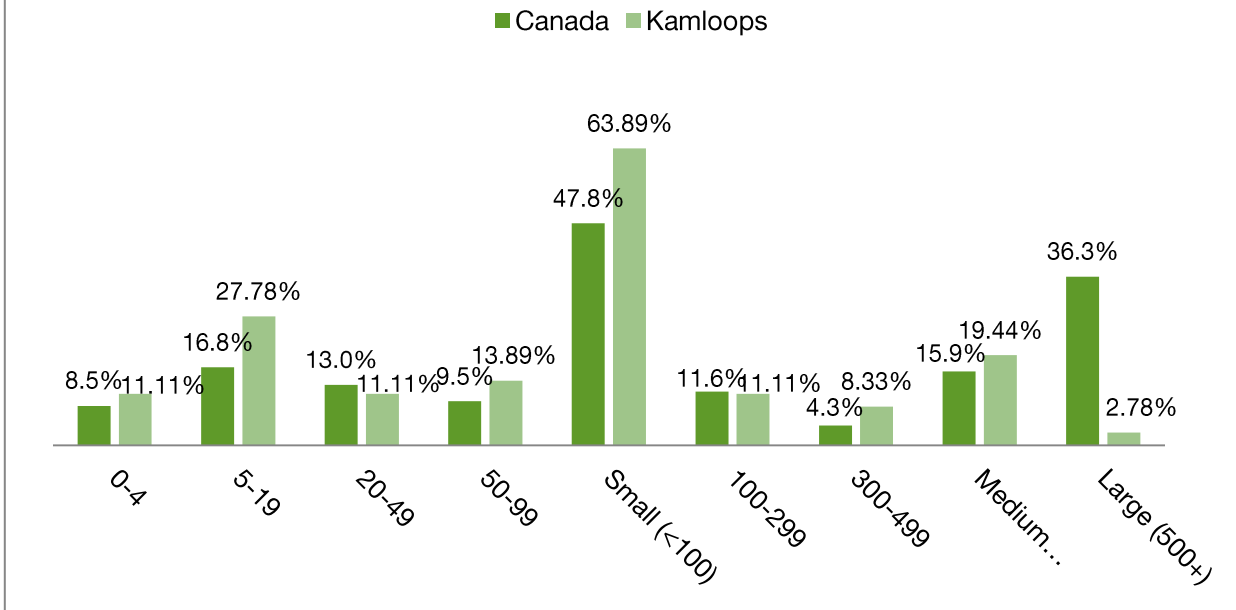
² Birch, David G.W., The Job Generation Process (1979). MIT Program on Neighborhood and Regional Change, Vol. , 302 pp 1979. Available at SSRN: <http://ssrn.com/abstract=1510007>

What are the primary functions at this local facility?



It should also be noted that the size of the various participant businesses in the BR&E Survey very closely matches a standard distribution of business size in communities across Canada (short of very large companies who, not surprisingly, are typically located in major epicenters). This is important as it graphically illustrates that this survey reflects an accurate representation of businesses in Kamloops.

Firm size distribution by number of employees in Canada vs. businesses surveyed for the BR&E survey in Kamloops



Findings & Key Themes

While analyzing the data collected during this survey, certain key trends and themes became quite apparent. These recurring responses encompassed both opportunities and challenges facing Kamloops, both in the past and into the future. These are outlined in more detail in the following section.

Overall, businesses are doing exceptionally well. Most have weathered the economic downturn and have commented on the resilience of the Kamloops economy with respect to other cities in Canada. Many companies are already getting back to pre-2008 levels or exceeding them.

This resilience was continually attributed to the diversity of the local economy. Much like an investment portfolio, a well diversified array of holdings results in less overall market exposure and risk. Similarly, Kamloops supports many different vibrant sectors, lowering the economic risk and volatility, unlike a community built around a single sector or industry.

Despite several issues facing companies, most due to the softening of the national economy, there is growth and optimism about the state of business in the region. Kamloops businesses must be applauded for their resourcefulness and innovations, which have led to their success.

Key Findings:

Businesses in Kamloops are experiencing or anticipating very strong growth over this next year. It appears as though Kamloops is moving out of the recession and into a period of very strong growth. Over half of the businesses surveyed have expansion plans in the next 12 months. Only 3% of businesses foresee any downsizing at their Kamloops facility in the next 12 months. Ninety one percent (91%) of businesses are anticipating positive to very positive projected change in sales over the next year. None of the participants expect to close their operations in Kamloops if conditions remain the same.

Skilled labour continues to be a key issue facing local business. The availability of skilled labour particularly around trades, engineers, staff with professional designations and very specific technical positions continues to be a concern for businesses. This situation is expected to only grow worse with an anticipated increase in future job opportunities as the community grows, coupled with an aging workforce.

Kamloops is a city supported by great infrastructure. A prevalent theme was the great infrastructure and layout of the city. This is further supported by the unique location of Kamloops in the Province with 5 major highways intersecting the City as well as both major railways. Many business owners attribute these factors as contributing to their success in Kamloops.

Overall the City and Development Services were regarded as being very forward thinking and helpful. This is very untypical when reviewing business feedback in other communities. Obviously there were specific examples of when a business owner's interactions with the City could have been more productive, but overall, people are relatively happy with the municipality.

Taxation is referenced by many industrial respondents as an issue. These costs increase the cost of product development and can dramatically impact the competitiveness of a business. Qualitative responses from business leaders and owners indicate that this is something that would be worthwhile investigating further to see if Venture Kamloops would be able to assist with the expansion and retention of local businesses.

Thompson Rivers University is an institution that the business community is very proud to have in our city. This was a continual theme mentioned qualitatively during the survey. The University's growth and impact on the community have been very positive. Respondents feel that the University is not only shaping the growth of Kamloops but is also proactively adapting and striving to work with the business community.

The KGHM Ajax Project is going to impact the future of Kamloops, but it is uncertain what those impacts are going to be. In almost all in-person interviews, the KGHM Project was mentioned by respondents. The business community is very polarized with regard to their thoughts on the project and its impacts on Kamloops as a community.

Kamloops is viewed by existing businesses as a great place to own and operate a business for a variety of reasons. Some of these reasons are very industry specific (for example the unique access to both major railways), but most of the reasons are applicable to any business. Highlights of these advantages include: availability of labour, affordability when compared to other cities in the Province, location of Kamloops from an infrastructure and geographic perspective, existing IT infrastructure and existence of a great community and staff culture.

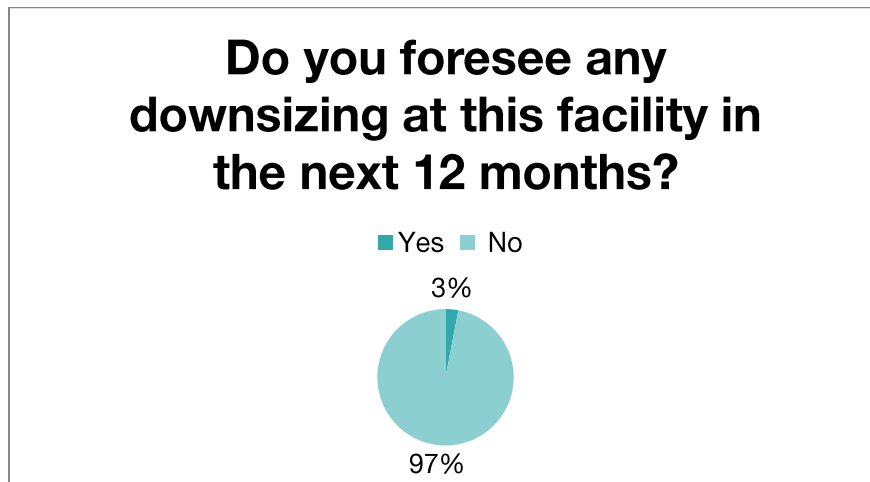
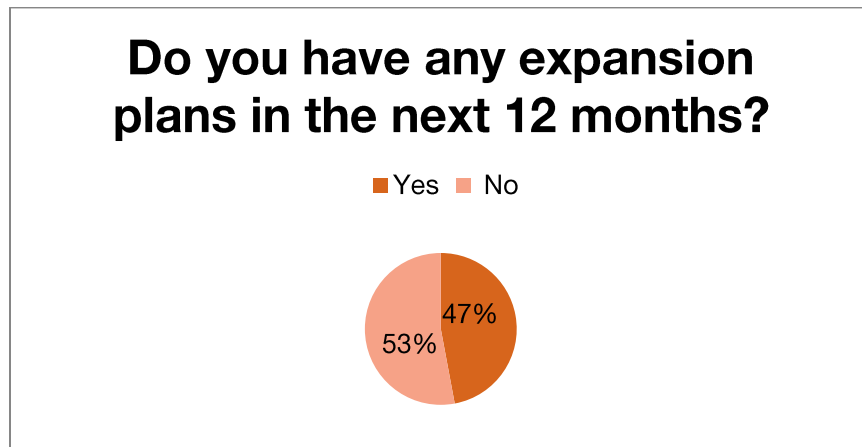
There is a need for a better understanding of what services Venture Kamloops offers. This was a constant re-occurring theme while undertaking the face to face portion of the BR&E Survey. Although this was not a direct question, it became apparent that almost every participant was unsure of the exact services that Venture Kamloops is able to offer to the business community and even that Venture Kamloops is the economic development office for the City of Kamloops.

Results

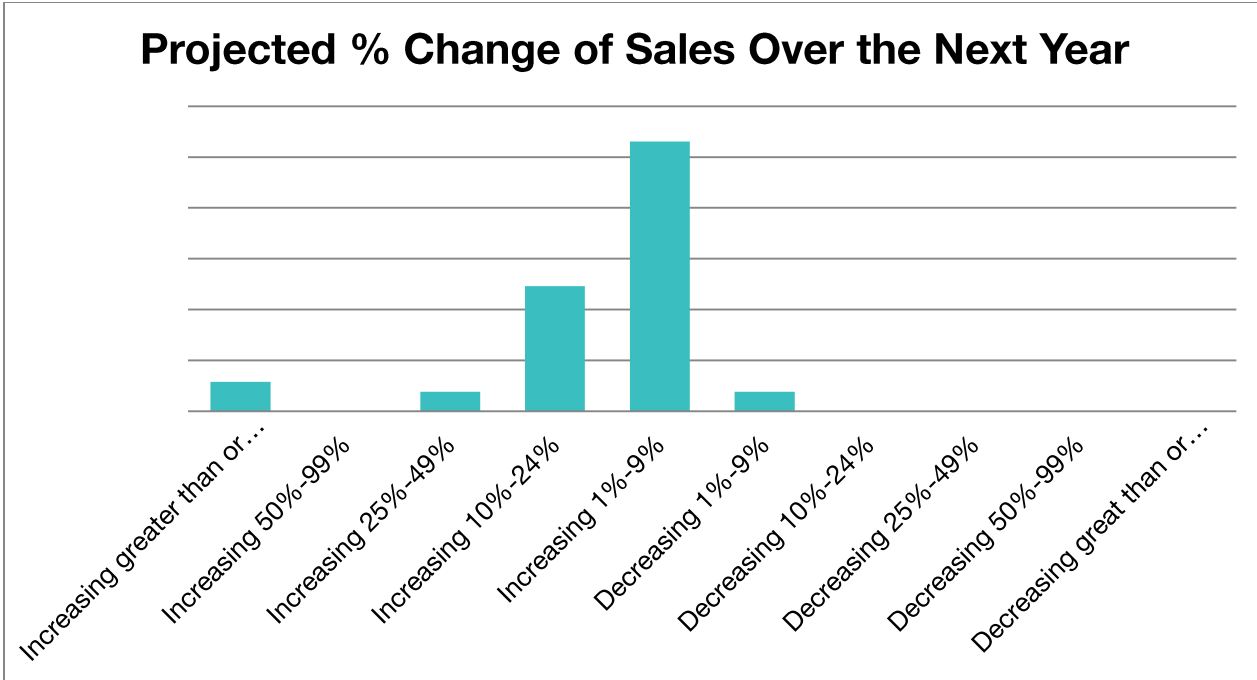
Economic Outlook:

The following charts and tables can be broadly categorized as related to the Kamloops economy. Overall, all responses in this section seem to indicate a very strong economic outlook for Kamloops in the near future. It is apparent that the surveyed businesses in Kamloops have weathered the economic downturn of 2008 and are starting to enter into an anticipated period of strong growth.

Some key interpretations and notes have been mentioned following some graphs or sets of graphs.



As demonstrated in the pie charts above, this is a very good indication of both the resilience of the Kamloops economy as well as the anticipated growth in the short term. Venture Kamloops has identified which companies are looking to expand as well as contract and is going to actively follow-up and engage them to ensure that everything possible is being done to provide any assistance they may require.



As apparent in the bar chart above, almost all (91%) of companies surveyed are expecting positive to very positive sales growth over the coming year. This is a clear indicator that demand is strong and sales are increasing, which is hopefully followed by increasing revenue, business growth and new job creation.

Business Expansion and Attraction:

This next section relates largely to Business Expansion and Attraction. Overall, all responses in this section seem to indicate, once again, a very strong economic outlook for Kamloops in the near future. It is also quite apparent, however, that skilled labour shortages are a serious obstacle to business expansion and attraction.

Skilled labour shortages are not a surprising outcome of this survey as it is one of the most common obstacles mentioned when Venture Kamloops is assisting companies looking to expand. Typically, the problem lies in either a very specific skill set required, or in a sheer lack of skilled workers in a specific field. To illustrate these two very specific issues I will relate to associated scenarios.

With regards to very specific skill sets, a company located in Kamloops was experiencing very strong growth, but was limited in their ability to take on any more customers as they could not find a suspended construction envelope estimator. This resulted in a bottleneck and limited the organization's ability to take on more sales and therefore grow.

With regards to a sheer lack of skilled workers in a specific field, we see this quite often across industries with regards to the trades. There simply are not enough tradespeople to fill all of the job postings in Kamloops and as a result, there is constant "poaching" between companies, even across different industry sectors, such as manufacturing, forestry and mining. This limits the ability of a company to take on additional capacity, despite a good demand for their products, therefore limiting their growth.

To address these scenarios, Venture Kamloops works with skilled labour attraction both provincially and federally through a number of different programs. Some examples of these programs include:

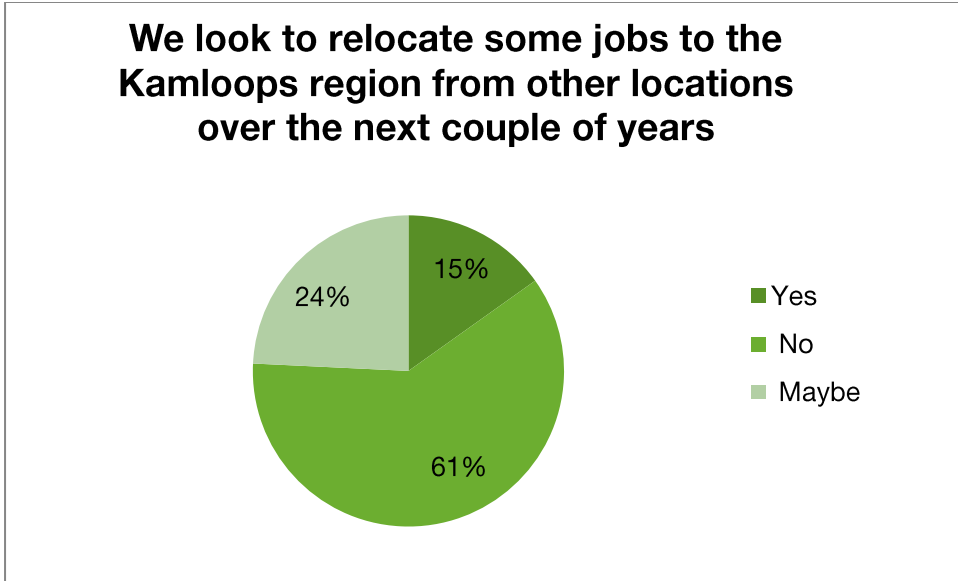
Ongoing collaboration with Thompson Rivers University and other technical schools in Kamloops with regards to student programs, employee programs and other joint initiatives.

Provincial Nominee (PNP) The PNP program accelerates the Permanent Resident application process for skilled and/or experienced workers, experienced business persons and their family members who want to settle in BC permanently.

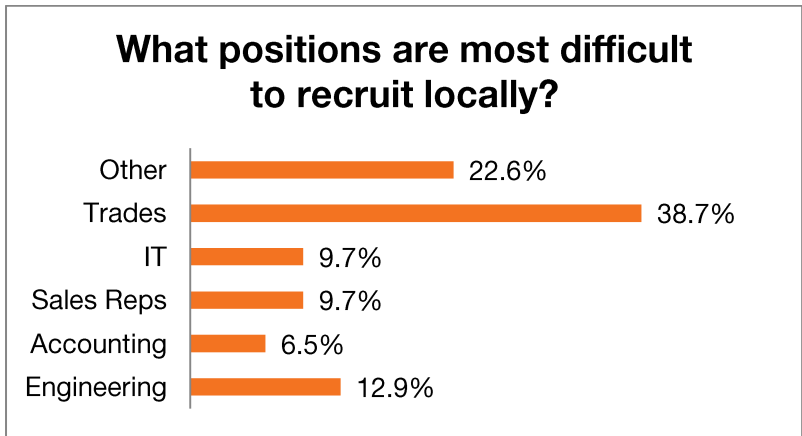
Federal Temporary Foreign Worker Program Hiring a foreign worker temporarily can relieve short-term skill and labour needs when Canadians and permanent residents are not available. Human Resources and Skills Development Canada (HRSDC)/Service Canada and Citizenship and Immigration Canada (CIC) work together to ensure that the employment of foreign workers responds to regional, occupational and sectoral skills and labour demands, while protecting employment opportunities for Canadians and permanent residents.

Labour Market Information An employer who wants to hire a foreign worker must first apply to HRSDC/Service Canada for a Labour Market Opinion (LMO). This opinion assesses what impact the worker would have on Canada's labour market or, in other words, how the offer of employment would affect Canadian jobs. Once a positive LMO is issued, the foreign worker must be assessed by CIC and a work permit must be issued before the worker is allowed to work and reside in Canada.

Key results and graphs relating to business expansion and attraction are highlighted in the following pages.



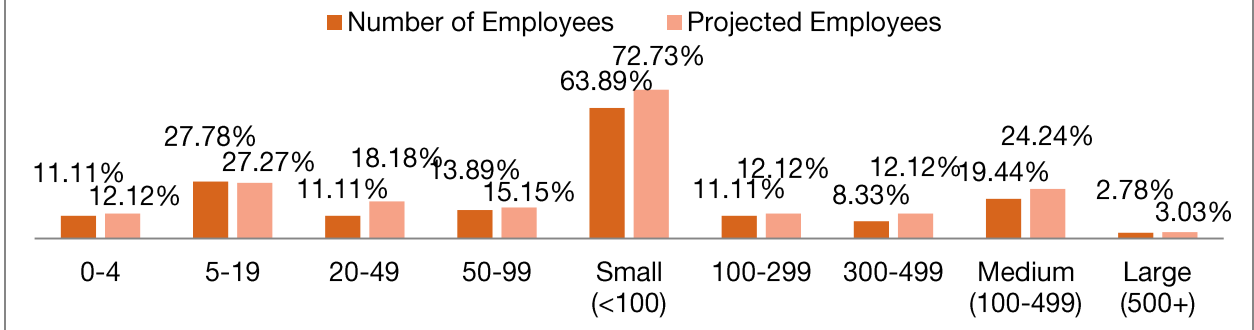
As the graph above indicates; as much as 36% of participants indicated that they are planning to expand their workforce within the next couple of years. Venture Kamloops will plan on targeting this group with an awareness campaign around the types of services and support that Venture Kamloops can offer related to expansion support.



** Other includes: Journalists, CEO, Articled Students, Kitchen Staff, Permanent Fulltime and Medical

Not surprisingly, trades make up the majority of responses to this question. The next biggest bar in the graph, “other”, is indicative of very specific skilled positions. This further supports the qualitative discussion with employers that skilled labour is currently a major issue facing local companies and is anticipated to only grow worse as time goes on.

Current employee numbers vs. Projected employee numbers within the next 12 months (Surveyed businesses only)



This graph looks at the current employee count as compared to the expected employee count and illustrates that the expected distribution of business size in Kamloops is anticipated to remain approximately the same. It is apparent however that growth is anticipated almost straight across the board for each of these business sizes. This further supports that all businesses, independent of their size, are thriving and expecting strong growth.

Business Retention:

Not surprisingly, given the strong growth and positive economic outlook outlined in the previous sections, business retention is also looking quite strong. The following graphs illustrate that the probability of losing existing business is small. This, however, does not express a general malaise regarding the loss of business in the community. As already outlined, existing business is the driving force for the majority of job creation in a community³.

Besides this obvious reason, there are other compelling reasons why communities should focus economic development activities on the retention of businesses already located in the community, as opposed to recruiting and attracting new businesses:

- Strong attraction efforts often generate resentment among owners of businesses already located in a community. This phenomenon has been noted by a number of retention experts across the nation. It is a common theme voiced by business leaders throughout the United States and Canada when evaluating the effectiveness of local economic development efforts.⁴
- Business attraction efforts are more difficult, expensive and time consuming than business retention initiatives.⁵
- Strong retention efforts complement and bolster attraction efforts. Systematic, comprehensive retention programs that focus on customer satisfaction create satisfied business owners, branch managers and CEOs who can be effective cheerleaders for a community. New studies are showing that most business leaders make informed decisions about their business practices from other business leaders in the community.⁶

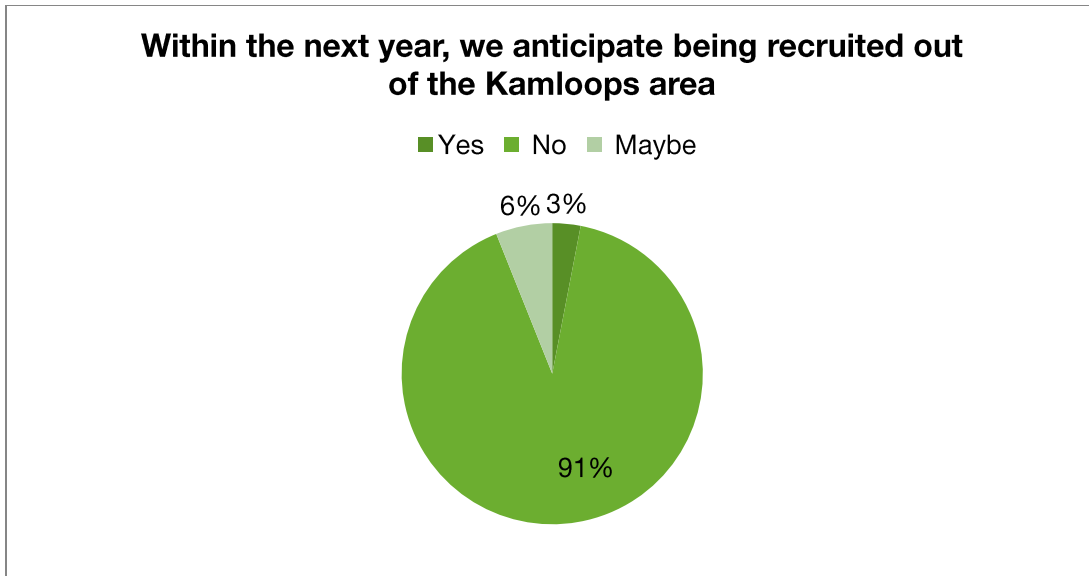
The following graphs summarize results from the Business Expansion and Retention Survey as they relate to Business Retention:

³ Birch, David G.W., *The Job Generation Process* (1979). MIT Program on Neighborhood and Regional Change, Vol. , 302 pp 1979. Available at SSRN: <http://ssrn.com/abstract=1510007>

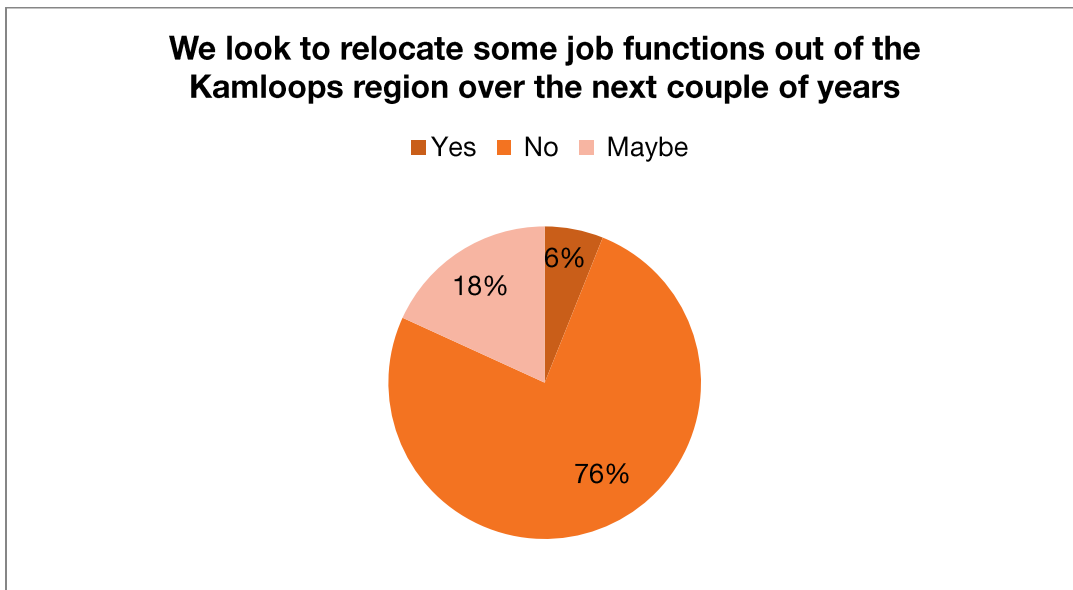
⁴ Wardi, Laith, "Why BR&E" *The Importance of Business Retention* (2008). Executive Pulse Inc.

⁵ Regional Municipality of Halton: *Economic Development Strategy 2011-2021, Discussion Paper #3, Business Growth: Investment, Attraction and Retention* (2011).

⁶ Levine, Andrew T., "Getting Inside the Site Selector's Brain," *Commentary* (1997).



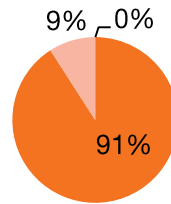
Only 3 % of the businesses surveyed are anticipating being recruited out of the Kamloops area. This represents a very small portion of the total number of responses. This is obviously a positive outcome but, “every job counts”, and therefore Venture Kamloops will focus our efforts with these specific businesses attempting to do everything possible to retain them in the community.



This graph indicates a high percentage of respondents that anticipate some job functions being relocated out of the community. Further investigation is needed to outline what these positions are and the drivers for the relocations. Obviously this is not indicative of the organization’s health as some companies may be consolidating management and administrative positions, which would only help to increase competitiveness through economies of scale. Another example could include a shift of some specific positions out of the community while at the same time a larger shift of employees into a community could also be taking place. Both of these examples outline scenarios where the relocation of jobs outside of the community is not entirely negative. Obviously it is important for Venture Kamloops to investigate these instances further to identify if there is any way Venture Kamloops can assist.

If business does not change, we will have to close the doors in Kamloops in the next year

■ Yes ■ No ■ Maybe



We spoke with local businesses that answered “Maybe” and identified very specific reasons why they would consider closing their doors if business does not change. In the interest of keeping these businesses anonymous, we will not get into the specifics. However we are following up and working with these companies closely going forward.

Kamloops Business Climate

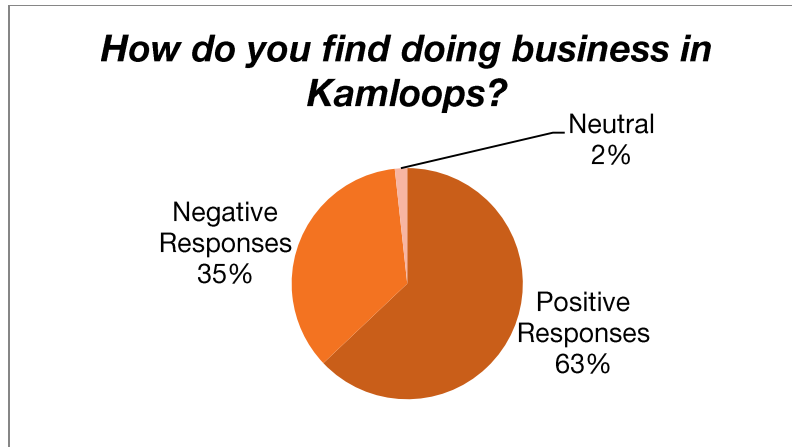
The following section of results relate more specifically to the overall business climate in Kamloops. Resoundingly, the qualitative remarks from business leaders in Kamloops are very positive. Business owners and leaders who are located in our community think that Kamloops is a great place to operate a business.

A recurrent theme related to how well the city of Kamloops is laid out regarding infrastructure. This was further supported by the unique location of Kamloops in the province with 5 major highways intersecting the city as well as both major railways. Many business owners attribute these factors as contributing to their success in Kamloops.

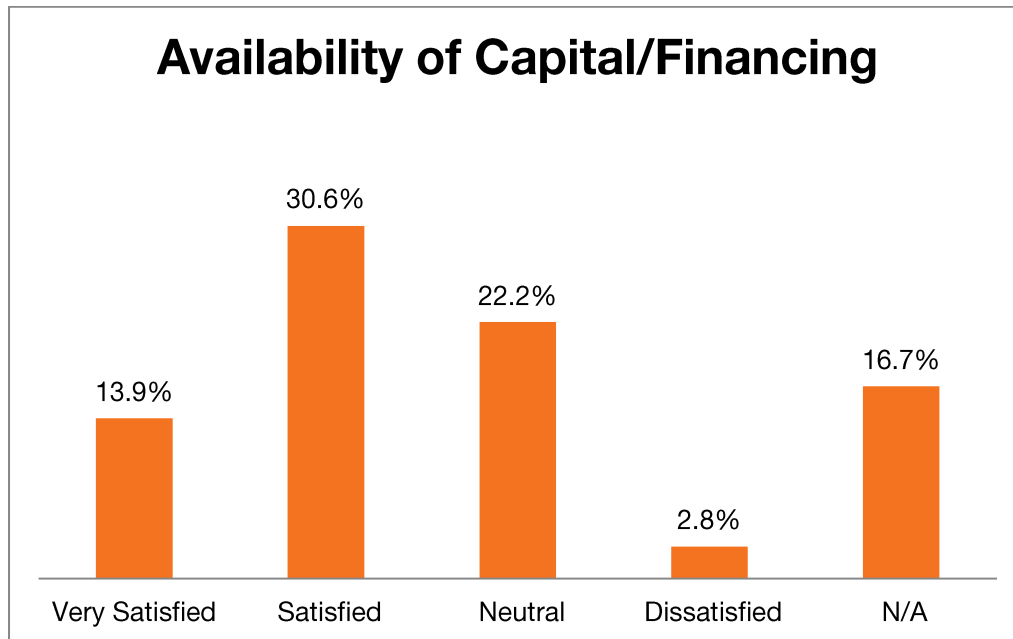
Overall, the City and Development Services were regarded as being very forward thinking and helpful, unlike the typical responses seen in most other communities. That is not to say that there were not specific examples of when a business owner felt that interactions with the city could not have been more productive, but generally overall people are happy with the municipality.

That being said however, there was certainly a strong trend regarding commercial and industrial tax rates in Kamloops. Qualitative responses from business leaders and owners indicate that this is something that would be worthwhile investigating further to see if there is something that Venture Kamloops would be able to do to help expand and retain local businesses.

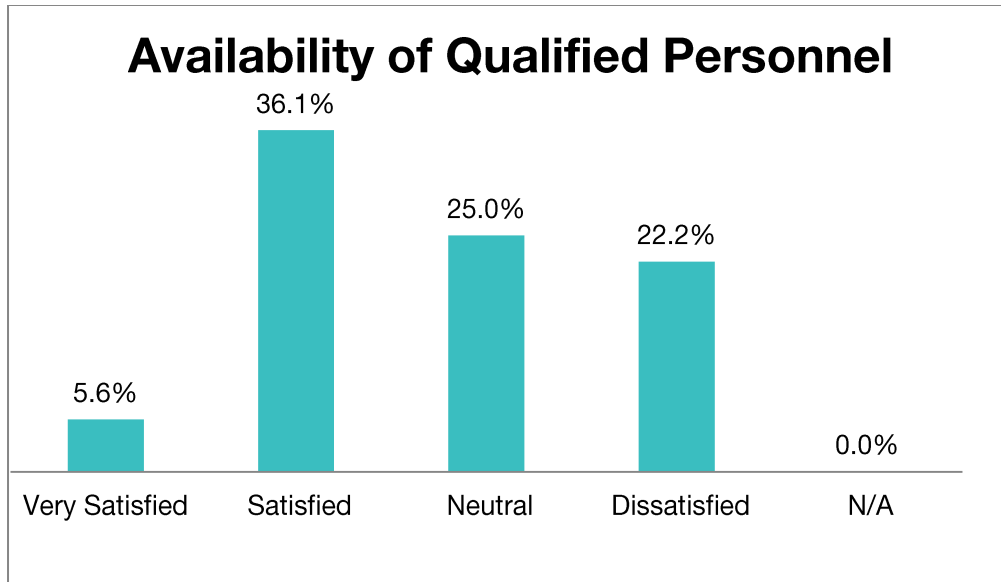
The following responses and graphs relate broadly to the business climate in Kamloops:



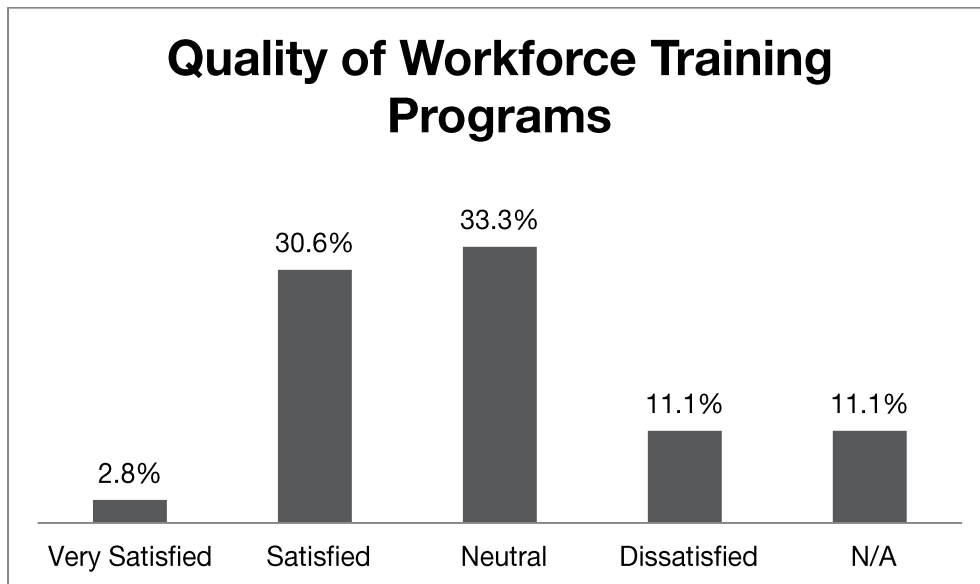
Overall, the majority of businesses that participated in the BR&E Survey that were asked “how do you find doing business in Kamloops?” answered positively. This is not to say that 35% of businesses were not positive, more that their initial tendency to comment was of a negative nature (ie. they tended to point out the downfalls rather than focus on the positives).



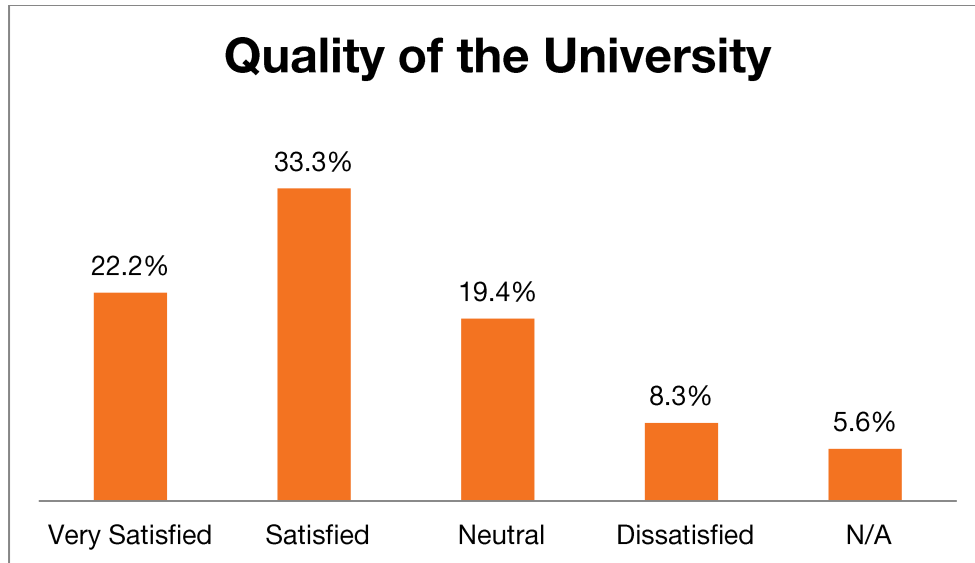
Not surprisingly, the availability of financing is not an apparent issue in Kamloops as the city is well serviced by most major financial institutions, including boutique lenders such as the Business Development Bank of Canada, Community Futures Development Corporation, The Women’s Enterprise Center and The Canadian Youth Business Foundation. One interesting fact that has become apparent through day-to-day operations at Venture Kamloops is the apparent lack of an Angel Investor community in Kamloops, unlike Kelowna. This could be something worth investigating further with regards to the new ventures created in the community.



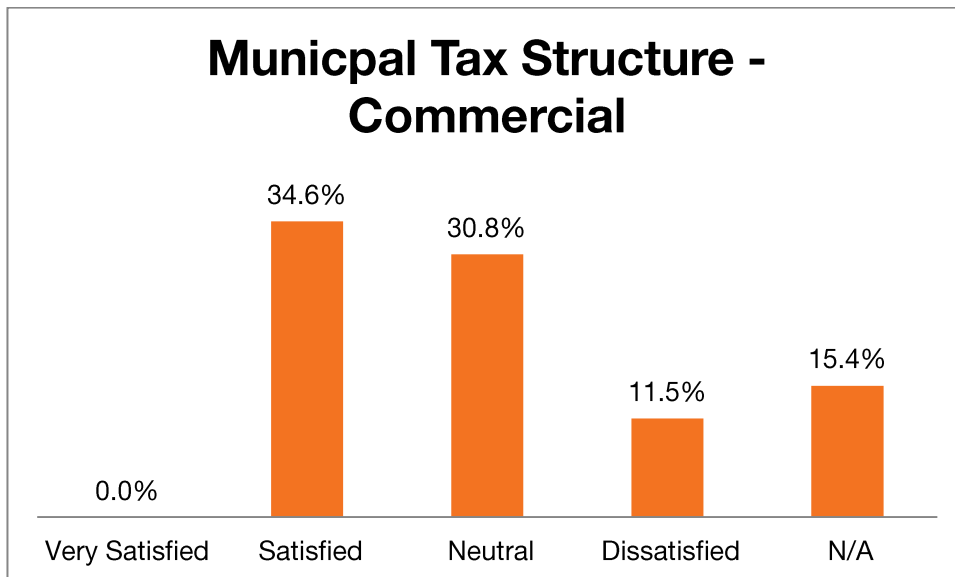
Not surprisingly, there is a moderately strong peak in the “dissatisfied” bar in this graph, which further reinforces the need for skilled labour in the community. It should be noted however that the majority of respondents are very satisfied to neutral, indicating that most businesses surveyed are happy with the ability to find qualified personnel. This would indicate that overall Kamloops is a good place for employers to relocate as there is a strong supply of workers. The issue tends to arise when there are specific skilled labour shortages that the community is unable to address.



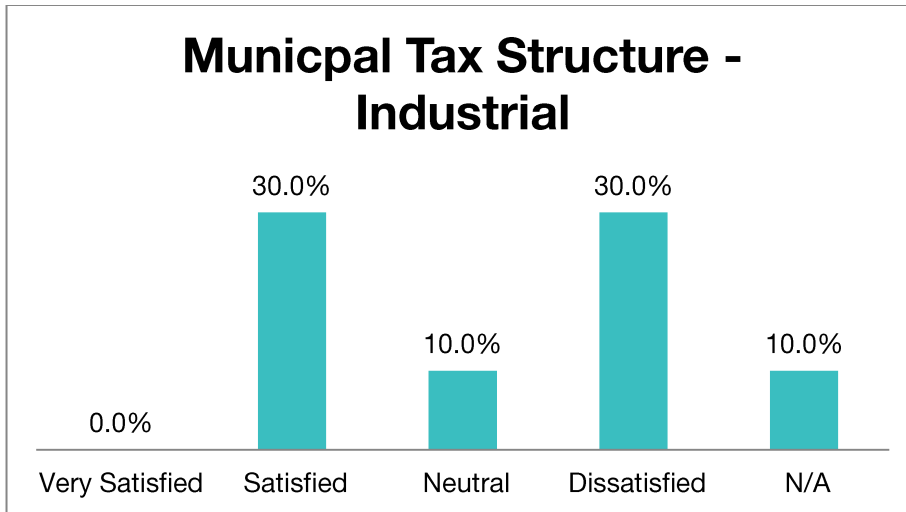
This graph indicates that overall respondents are satisfied with the quality of workforce training programs in Kamloops. There is always room for improvement however, which is indicated with the 11% dissatisfied response.



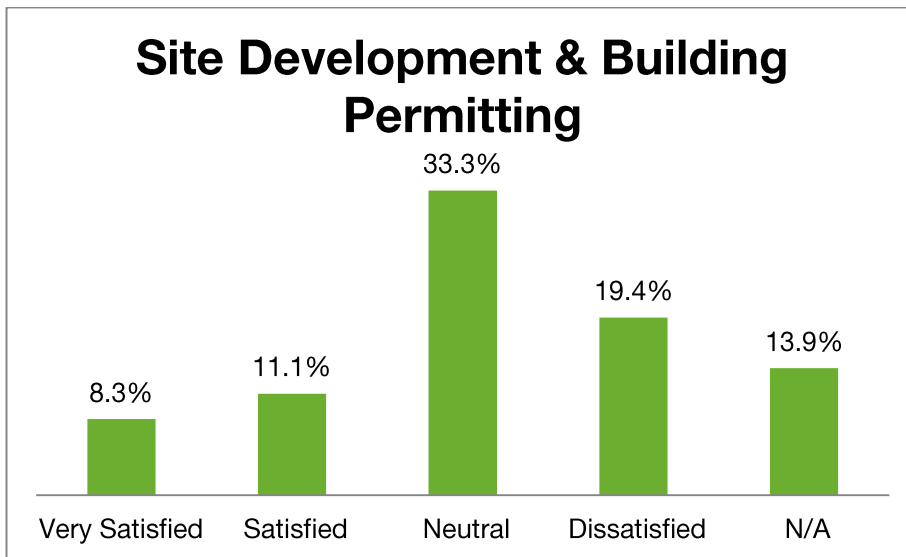
Overall, Thompson Rivers University is an institution that the business community is very proud to have in Kamloops. This was a persistent theme apparent qualitatively during the survey. The dissatisfied responses outlined above most likely relate to specific examples or a sense of bureaucracy that often is associated with large educational institutions such as universities and was echoed a small sampling of times during the interview process.



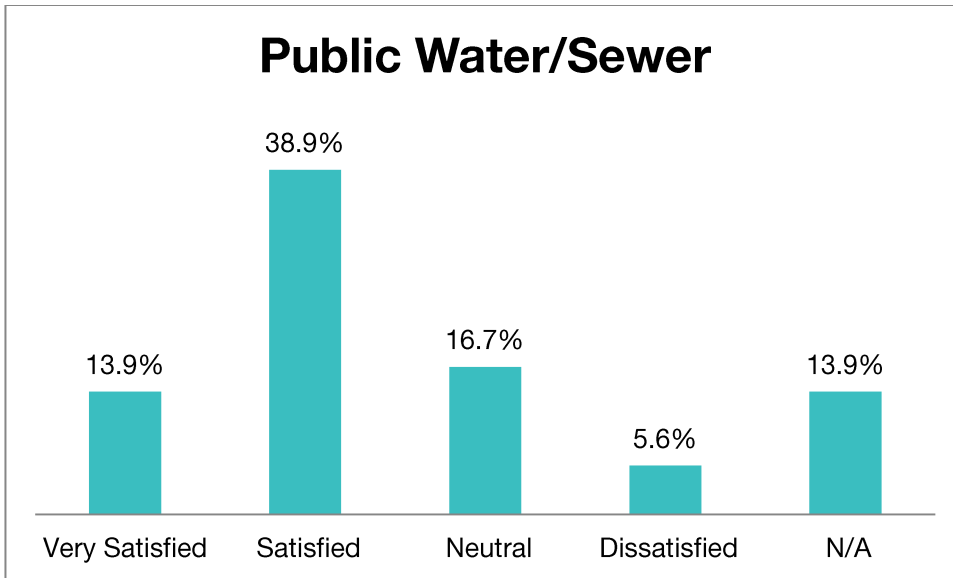
The municipal tax structure was overall regarded as acceptable, there were however a number of respondents that felt very strongly regarding the commercial tax rates in Kamloops. These respondents often owned other locations/operations outside of Kamloops and were therefore more aware of the relative differences between municipalities. Generally people are never happy with taxes, given that assumption, these results are fairly positive.



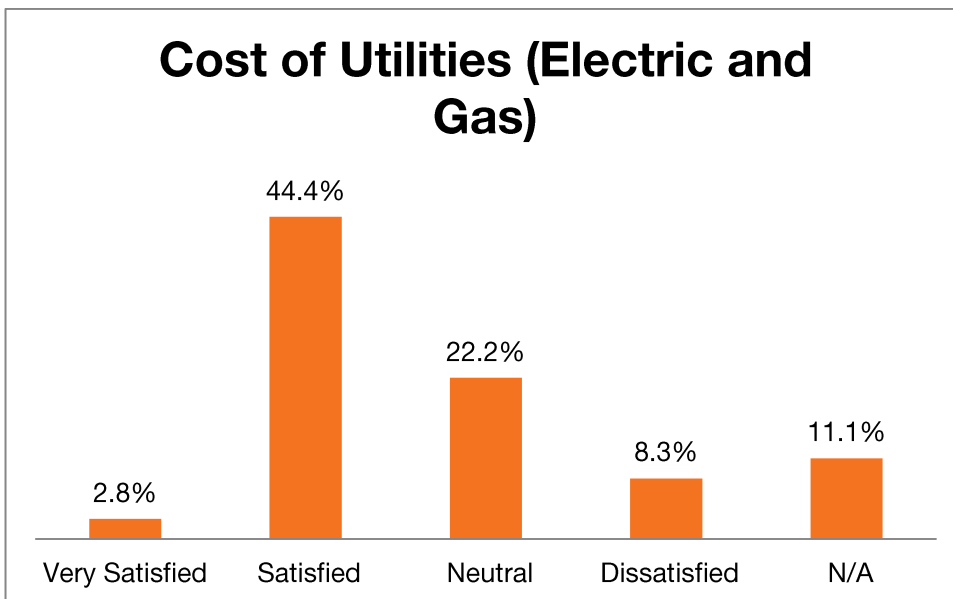
This graph very clearly indicates that industrial tax rate payers in Kamloops are generally not happy with the industrial tax rate in Kamloops. This was certainly a theme that was also captured qualitatively time and time again. The industrial tax rate is an item of interest that should be investigated further to see if Venture Kamloops can provide some level of assistance.



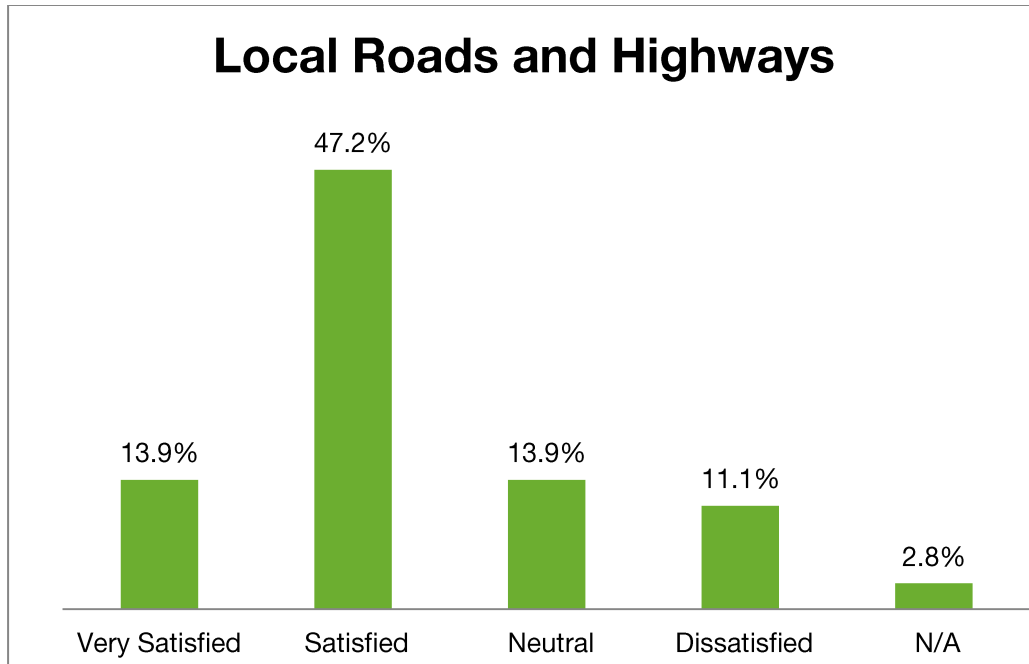
The interesting thing to note about these responses is the lack of a clearly “dissatisfied” representation. Site development and permitting, regardless of the municipality, are regularly regarded in a very negative light by the business community. It is worth noticing that the overall response from the business community is neutral to very satisfied, representing 52.7% of responses. This was further supported by qualitative comments made during the face to face interviews. A handful of respondents mentioned David Trawin as a very positive driving force during his time with Development Services.



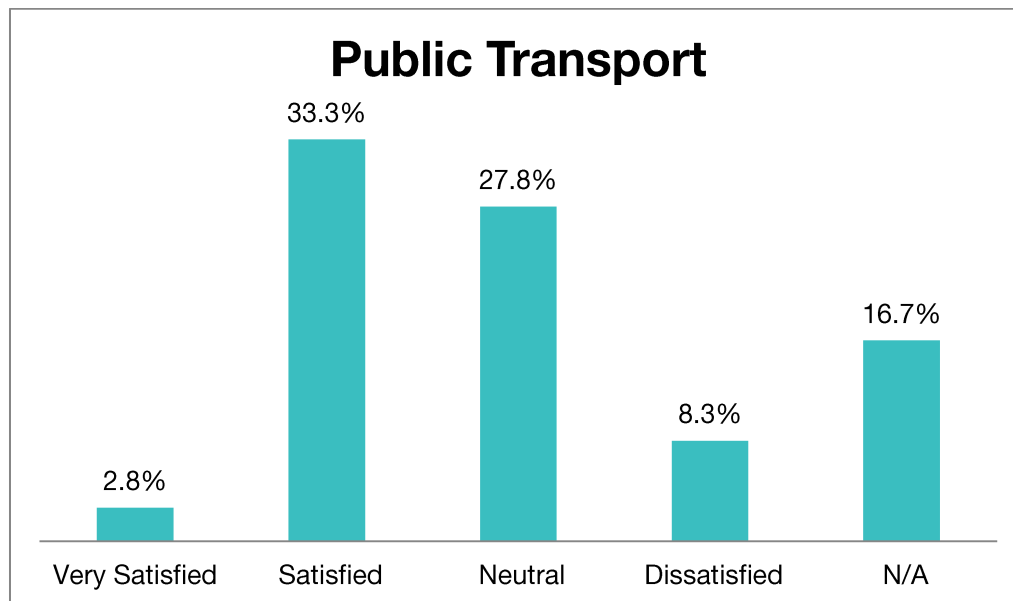
Overall infrastructure and utilities are regarded in very high esteem by the business community in Kamloops.



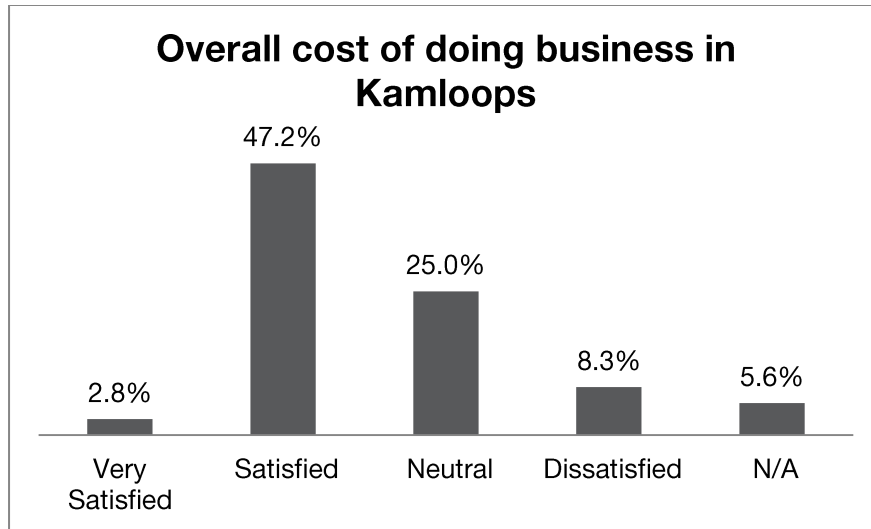
Although these costs are out of the control of the city, it should be mentioned that overall the business community are satisfied with the costs of doing business in Kamloops.



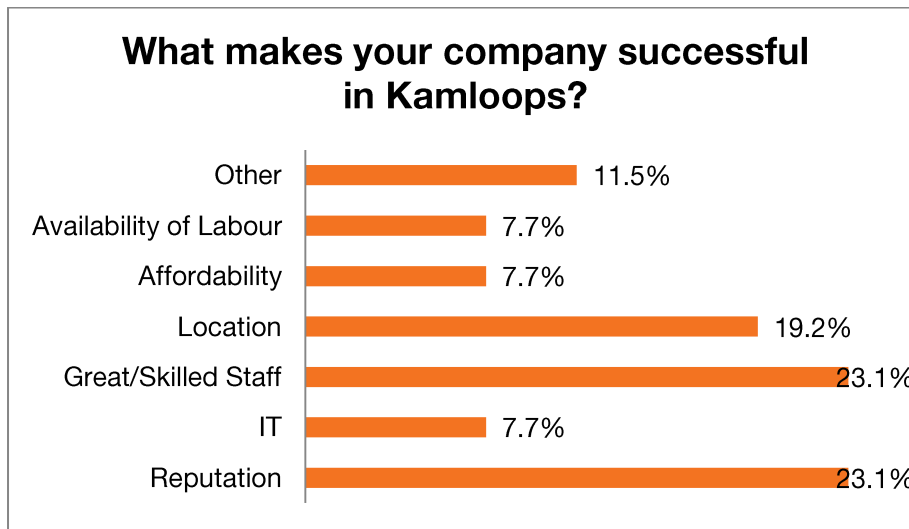
The graph above clearly indicates the satisfaction of the business community with the transportation infrastructure in and around Kamloops. Infrastructure has been identified as a key strength for our community time and time again. Externally, Kamloops is one of only two cities in Canada serviced by both national railways as well as our location at the intersection of Western Canada’s four major highways. Internally, our transportation infrastructure is set up in a very efficient manner, allowing for multiple transportation route corridors and options. This results in far less traffic and far smaller commutes in relation to other similar-sized communities.



Public transportation in Kamloops was regarded by participants as good, but it was sited that certain locations lacked sufficient service and often only offered limited service.



Most participants (75%) were neutral to very positive when asked about the overall cost of doing business in Kamloops. Many cited a variety of examples about why Kamloops is a great place to operate a business. Typically, any negative responses were in regards to commercial and industrial tax rates. Almost every other facet of operating a business was viewed positively by respondents.



“Other” includes advertising, local support and working long hours/cutting costs.

There are a variety of reasons given when asked “what makes your company successful in Kamloops?”. Generally, the availability of labour, affordability, location in the province, IT infrastructure and excellent workforce were most cited. Beyond these responses there was a wide variety of other more “industry specific” responses given that were lumped into an “other” category. Something interesting to note however, is that “reputation” represented a large number of responses. This was something that was mentioned qualitatively during a number of the interviews as both a positive and negative point.

Kamloops really is seen as a city where it matters “who you know”, but also as a community that supports and helps their neighbors. This makes for a very strong support network, but can also create barriers to entry for new players in the market.

Economic Base Analysis

Definition and Explanation:

Analyses of the local economy helps stakeholders better understand what impacts certain changes can make to the community. This is significant as there is often a limited amount of resources available in a community and it is important for stakeholders to be able to maximize these limited resources. It is also, very helpful background information for the creation of an economic development strategy. It should be mentioned however that the following calculations represent a very “high level” attempt to get a concept of the Community Economic Base Ratio and Economic Base multiplier, given the limited amount of data collected during this BR&E Survey. The following was intended to be used for discussion purposes only.

An Economic Base Analysis is a well accepted tool for measuring the contribution of various industry sectors and relates their specific impact on the economic development of the community as a whole.

One of the most commonly used economic models to describe the functioning of local markets is Economic Base Theory. In this model, all businesses in the local economy are described as either “Basic” or “Non- Basic” industries as outlined below:

“Basic” industries are exporting companies, those businesses and industries producing goods and services for sale in markets outside the local economy. For example, they include agricultural operations, resource industries, manufacturing and tourism. The sales revenue generated by these industries represents “new money” to the local economy adding to the wealth already circulating in the community. Through wages and salaries and the purchase of goods and services locally this new money is distributed throughout the community, stimulating the growth and development of other businesses in the local economy.⁷

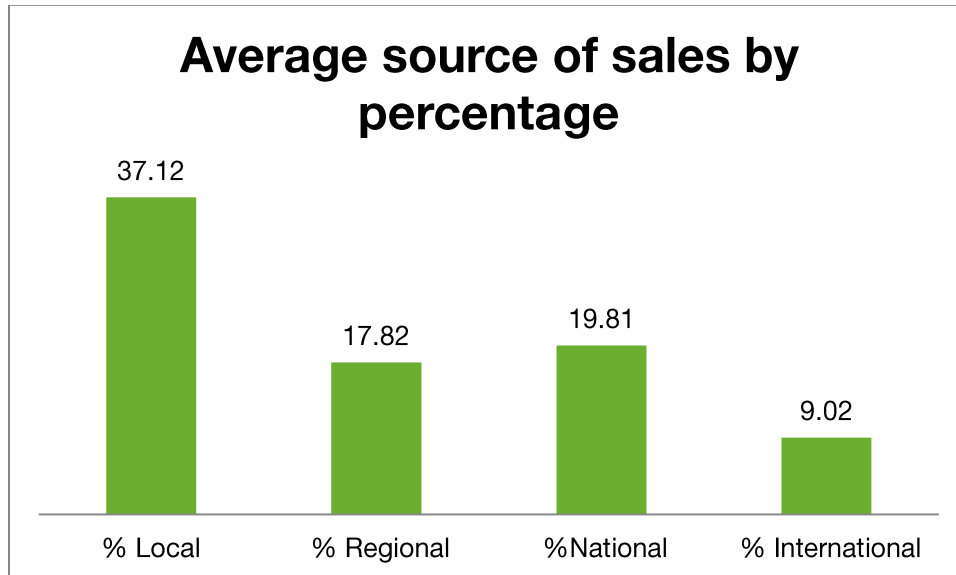
“Non-Basic” industries are those companies that serve primarily local customers. They include most retail, personal and business services as well as health care providers, elementary and secondary education, etc. They are important to the local economy because they act to redistribute wealth throughout the community. We often find “Basic” elements in “Non-Basic” industries. For example a “big box” retailer has the ability to attract customers from outside the community. In this instance, a portion of their business is “Basic”⁷.

Why is the basic/non-basic distinction important? Economic base theory asserts that the way to strengthen and grow the local economy is to develop and enhance the “basic” sector. The “basic” sector is therefore identified as the “engine” of the local economy⁷.

For simplicity’s sake, the definition and explanation of an Economic Base Analysis will be left at that. Further information is widely available on-line and in economic reference materials should the reader have any further interest.

⁷ Mathew Fischer and Associates Inc. Economic Development Solutions, April 11th, 2005

Calculations:



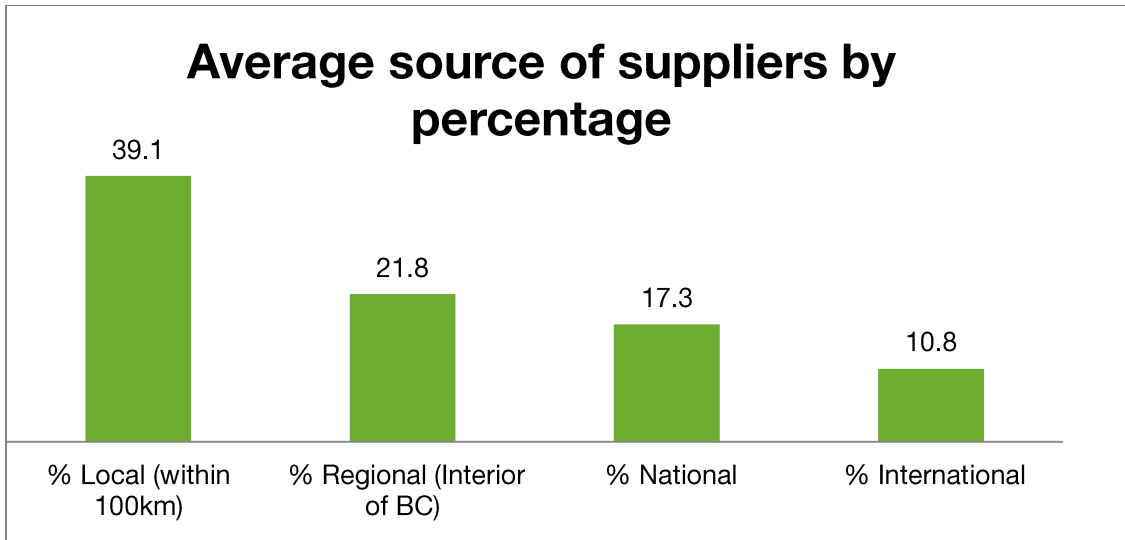
Looking at the information presented in the graph above regarding the source of sales by percentage, one could infer that all sales not accounted for in the group “local” can be classified, by the definition previously mentioned, as “Basic”.

Using the minimum Requirements approach we can use these percentages of “Basic” vs. “Non-basic” to calculate the Community Economic Base Ratio as follows:

$$R = \frac{E_{cb}}{E_{cn}} = \frac{46.65\%}{37.12\%} = 1.26$$

The Economic Base Multiplier can be calculated as follows:

$$M = \frac{1}{1 - \left(\frac{E_{cn}}{E_c}\right)} = \frac{1}{1 - \left(\frac{37.12\%}{83.77\%}\right)} = \frac{1}{0.56} = 1.79$$



The same calculations can be completed using the information presented in graph above regarding the average source of suppliers by percentage; one could infer that all suppliers not accounted for in the group “Local” can be classified, by the definition previously mentioned, as “Basic”.

Using the minimum Requirements approach we can use these percentages of “Basic” vs. “Non-basic” to calculate the Community Economic Base Ratio as follows:

$$R = \frac{E_{cb}}{E_{cn}} = \frac{49.9\%}{39.1\%} = 1.27$$

The Economic Base Multiplier can be calculated as follows:

$$M = \frac{1}{1 - \left(\frac{E_{cn}}{E_c}\right)} = \frac{1}{1 - \left(\frac{39.1\%}{89\%}\right)} = \frac{1}{0.56} = 1.79$$

Conclusions:

The first obvious and very interesting point that should be noted is that although these calculations were based on very different questions, the solutions were surprisingly similar. This would lead one to believe that these calculations are a fairly reasonable approximation of the actual Community Economic Base Ratio and Economic Base Multiplier, given the very limited data collected during this BR&E Survey.

So what do these numbers mean? The Community Economic Base Ratio is used to draw broad inferences about the relationship between basic jobs (those which draw money into the local economy) and non-basic jobs (those which circulate the money within the economy). In other words, given these results, one could infer that for every “basic” job there are 1.26 non basic positions supported. If 100 new basic positions become available in Kamloops and are filled, 126 new non-basic positions will also become available to.

The Economic Base Multiplier follows a similar principle, but looks at a total number of jobs created in a community, not just the new non-basic jobs. In this case, with both calculations, the Economic Base Multiplier was calculated to be 1.79. This would mean that for every 100 basic jobs created and filled in a community, the overall impact would be 179 new positions supported in the community.

Although the accuracy of these calculations could be questioned, given the small population sampled, one can still draw a relevant conclusion: the creation of new “basic” jobs in the Kamloops region will result in an overall increase in the economy, which is greater than the sum of those positions alone. In other words; those basic positions will support the creation of other non-basic positions in the community. This is more commonly referred to as “economic spin-off impacts and opportunities” and is strongly supported by published research.

Recommendations

Venture Kamloops will continue to focus on providing support for business expansion projects and the associated skilled labour shortages. As identified in the key findings and themes, businesses in Kamloops are experiencing or anticipating very strong growth over this next year. Over half of the businesses surveyed have expansion plans in the next 12 months. Ninety one percent (91%) of business are anticipating positive to very positive projected change in sales over the next year.

This will likely only exasperate the existing skilled labour shortages noted in the BR&E Survey by employers. This situation is expected to grow worse with an expected increase in job opportunities as the community grows, coupled with an aging workforce. These results indicate that there would be value in partnering with other local organizations to commission a labour market study of Kamloops and the region.

Further investigation into the taxation structure in Kamloops with regards to other municipalities in British Columbia might be warranted. Commercial and industrial tax rates in Kamloops were referenced by many industrial and commercial respondents as an issue. These costs are added to the cost of their product and can dramatically impact the competitiveness of the business. Qualitative responses from business leaders and owners indicate that this is something that would be worthwhile investigating further to see if there is something that Venture Kamloops would be able to do to help expand and retain local businesses.

There are a number of major projects/events that are going to impact the future of Kamloops, but it is uncertain what those impacts will be. In almost all in-person interviews, the KGHM Project was mentioned by respondents. The business community is very polarized with regards to their thoughts toward the project as well as other projects/events and their impact on Kamloops as a community. There was also a great deal of mixed thoughts on the future direction that would be best for Kamloops. There would be value in commissioning an economic impact study to look across sectors to evaluate the impact these projects/events will have on Kamloops economy.

There is a need for a better understanding of what services Venture Kamloops offers. This was very much a re-occurring theme while undertaking the one-on-one portion of the BR&E Survey. Although this was not a direct question, it became apparent that almost every participant was unsure of the exact services that Venture Kamloops is able to offer to the business community or that Venture Kamloops is the economic development office for the City of Kamloops. These results indicate that Venture Kamloops should investigate a local media campaign to increase local community awareness.

Methodology

This survey was conducted through a combination of in person interviews followed up with an online survey. In all, 70 businesses participated in the surveys (64 participated in the in person interviews with 56 respondents to the BR&E Survey online.)

The in-person interviews consisted of eight “open ended” questions that were designed to start a dialogue. The first half of these questions were based on the past or present with the remainder projecting forward into the future.

The objective of these open-ended questions was merely to start a dialogue regarding the economy in Kamloops. The respondents were encouraged to take the conversation wherever they were interested; the goal being to ensure that respondents were not limited to the “set” answers or questions provided in the online portion of the BR&E Survey. This way all valuable thoughts and input provided from the participants were captured.

The online portion of the survey consisted of much more raw quantitative data which was used to update our database and for calculations and graphs utilized to determine key trends and observations in this report.

The overall goal of the BR&E Survey was multipronged:

First of all, it was a chance to visit a large number of businesses in town to establish or strengthen a working relationship between themselves and Venture Kamloops. Part of this interaction was to instill a sense of support and commitment to their success in the community. Our goal was to ensure that local businesses realize that Venture Kamloops is a valuable support service available to them and to make sure that we are “top of mind” when they encounter any obstacles to growth or expansion.

The second goal was to identify major issues and trends in the local economy. This data will be used to help identify key strategic directions for Venture Kamloops to focus on and investigate further in the coming years.

The third goal was to collect valuable data that we could use to track the economy of Kamloops, both qualitatively and quantitatively. This data was also shared with partner organizations in Kamloops to help build the best support network available to local businesses.

Lastly, valuable marketing information about what makes Kamloops such a great place to start or operate a business, straight from other business owners, own experiences were collected. This information will be used to help attract other new businesses to this vibrant community.

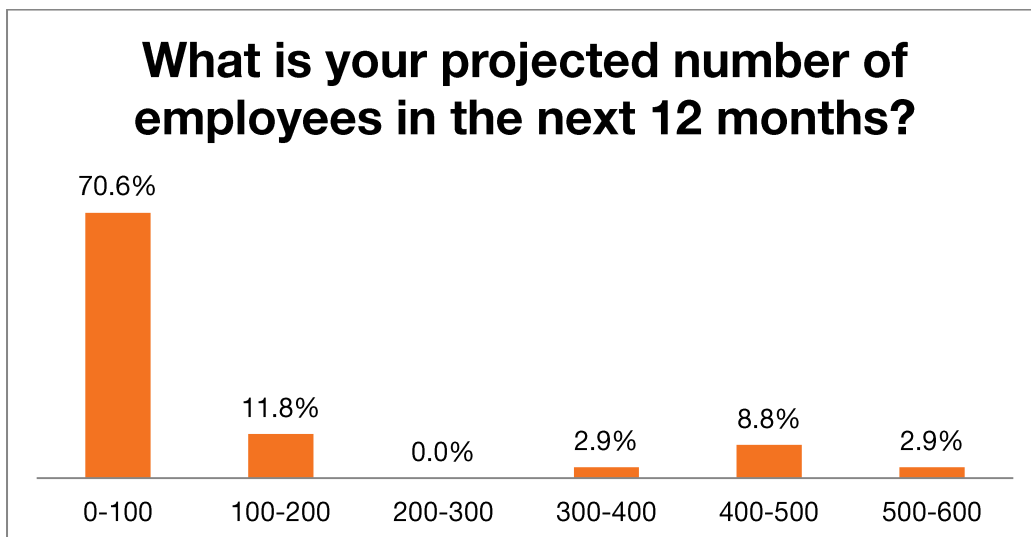
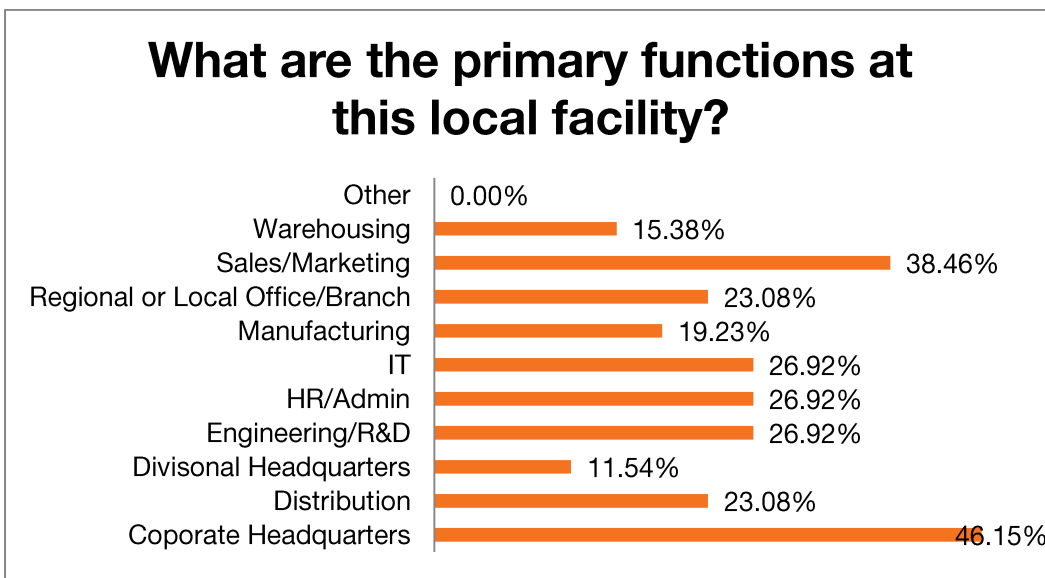
Both the online and qualitative surveys are attached in the appendix of this report.

Detailed Results & Graphs

Note: The following information represents the raw data captured during the BR&E Survey. This data has been modified; any identifying information has been removed whenever possible to protect the anonymity of the respondents. In the interest of simplifying the results, qualitative responses have been summarized into key tones/themes.

BR&E Survey Monkey Results 2013

Company Information:



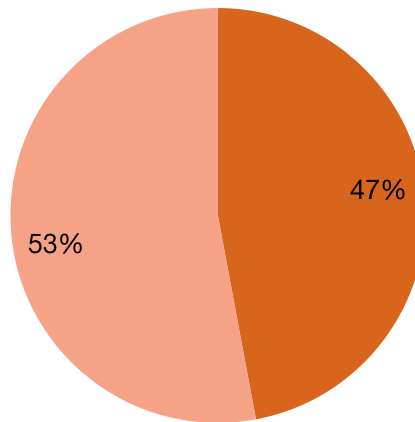
Workforce:**What positions are most difficult to recruit locally?**

- Bi-lingual CSR Positions
- IT
- Senior Technical Engineers
- Project Management
- Help Desk, Programmer
- Sales
- Announcing Staff; News Personnel; Accounting Reps
- Web developers
- Experienced Developers
- Skilled tradesmen (cabinet makers) and project managers
- RN's, Physio's, Occupational Therapists
- Kitchen staff
- Experienced accountants
- Qualified construction management, pipe layers, geotech engineers
- Engineering power engineers, maintenance supervisors
- Permanent full time
- Articled students
- Journalists
- Sales
- Metallurgical Engineers
- Part time staff with class 1 w/air and 3 years experience driving
- Engineering
- Industry related management staff, designers, curtainwall draftsmen, experienced glaziers
- Designers with modular design experience
- CEOs
- Administrative, Electronics Technician
- Logistics professionals
- Part-time industrial
- Carpenters, glass people, trades in general
- Shipping/Receiving

Facility:

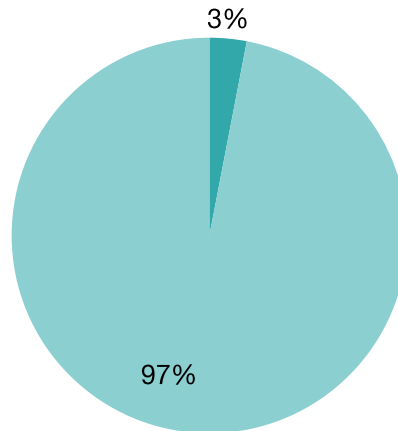
Do you have any expansion plans in the next 12 months?

■ Yes ■ No

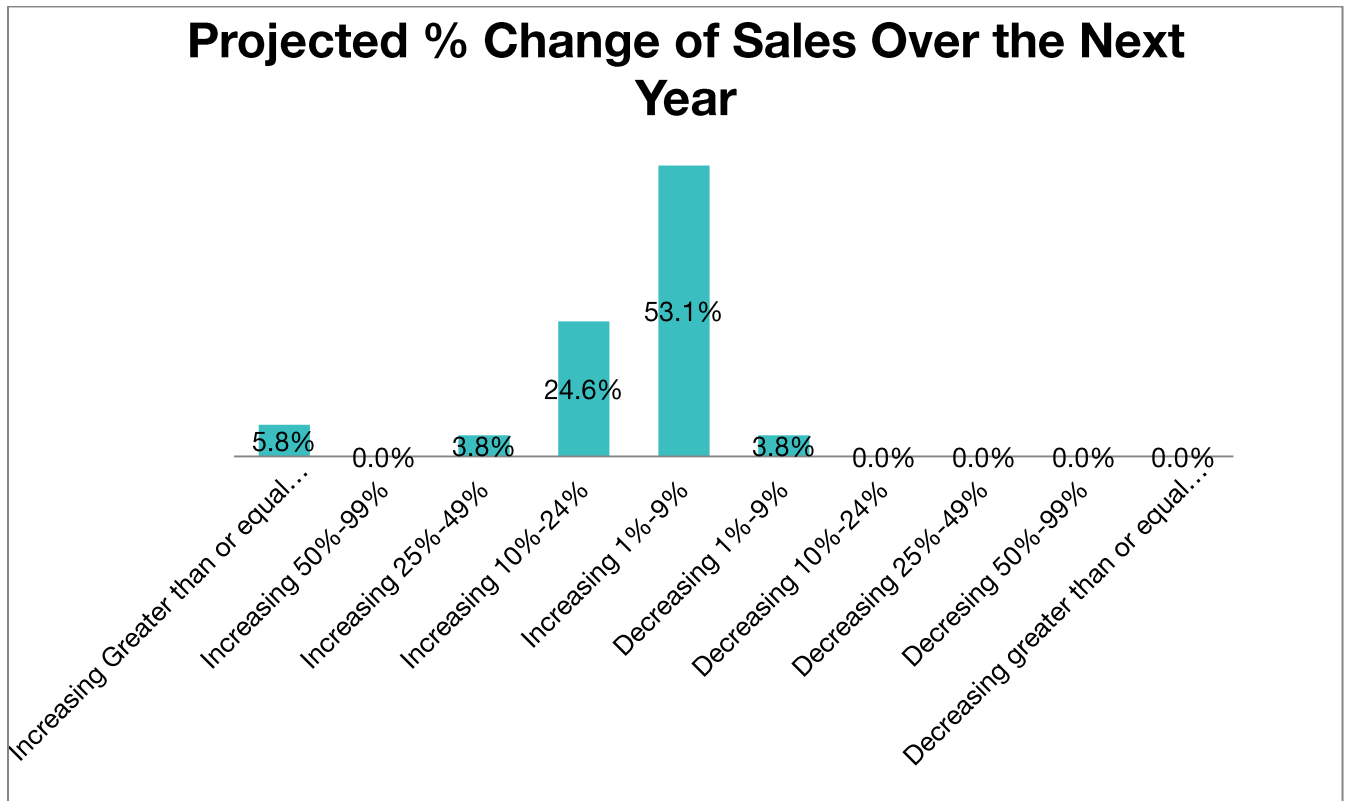
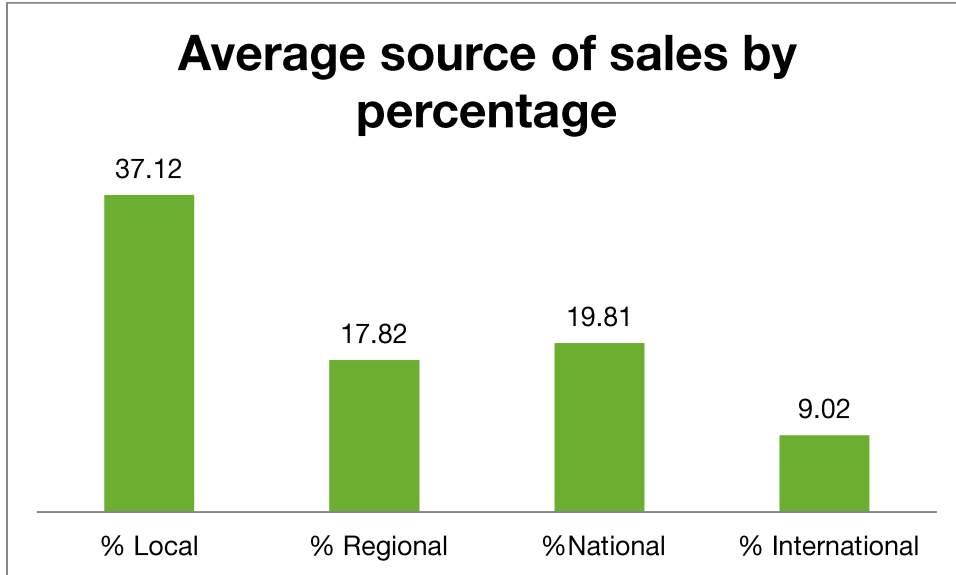


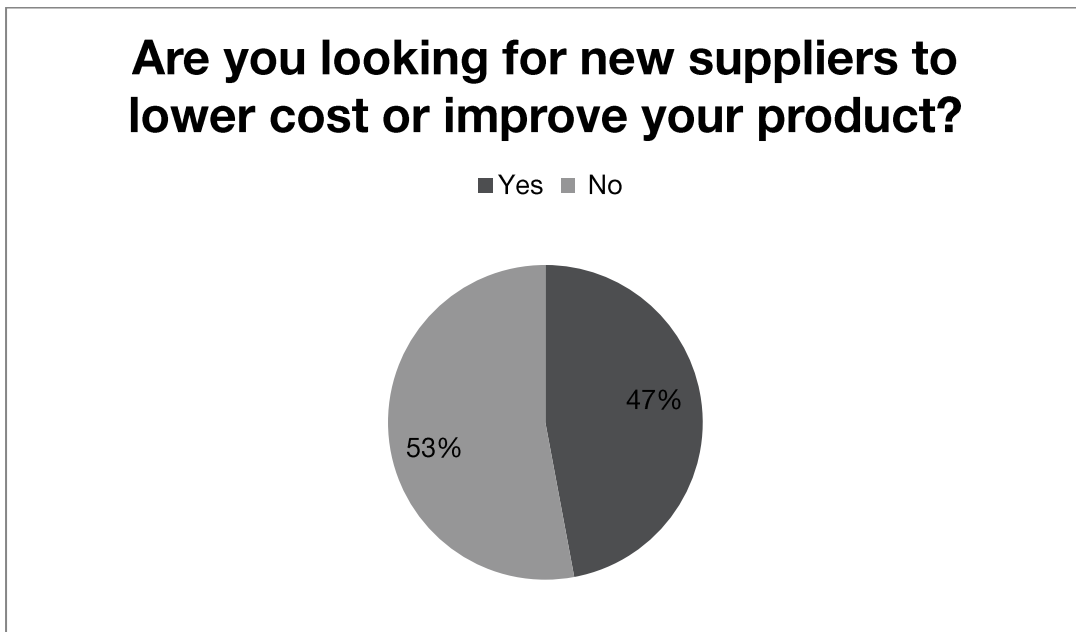
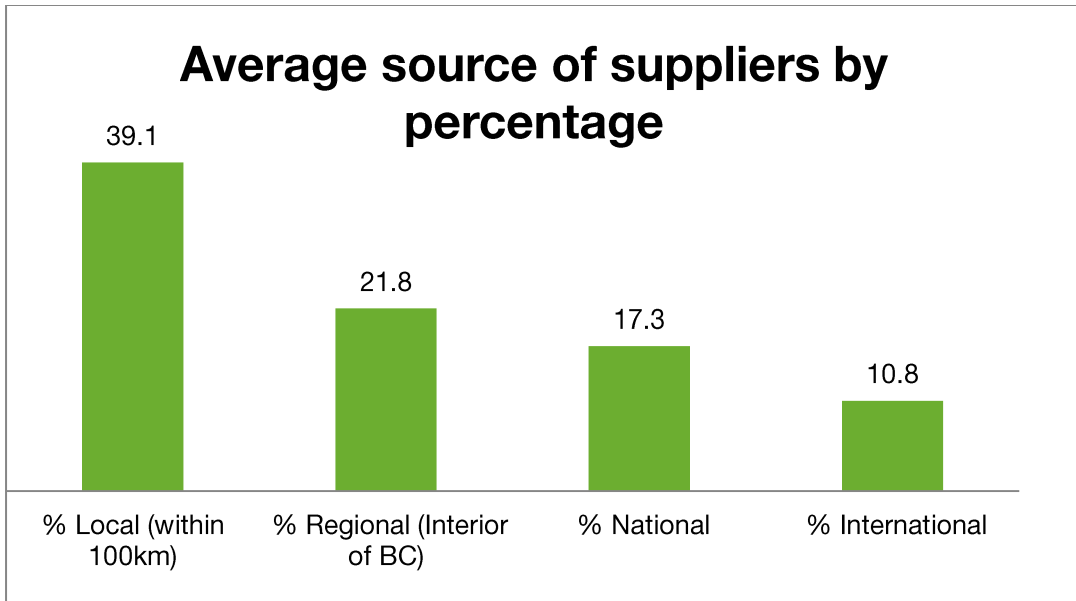
Do you foresee any downsizing at this facility in the next 12 months?

■ Yes ■ No



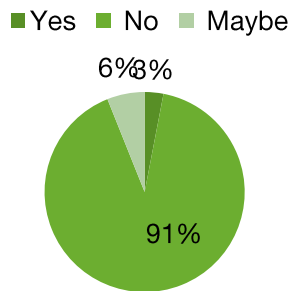
Sales and Supplies:



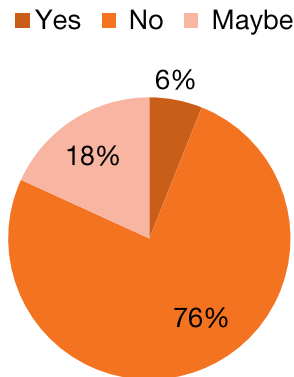


Business Retention:

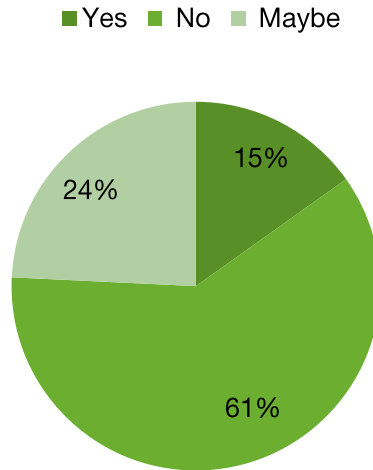
Within the next year, we anticipate being recruited out of the Kamloops area



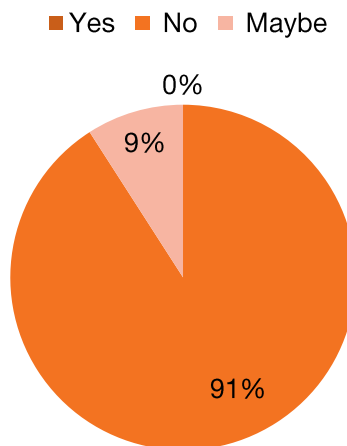
We look to relocate some job functions out of the Kamloops region over the next couple of years



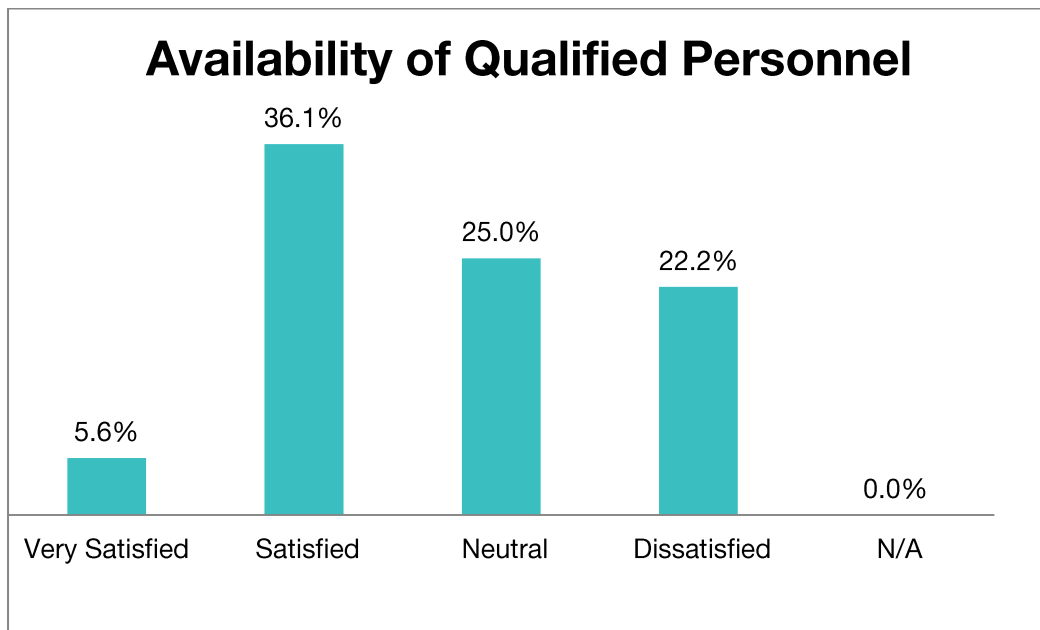
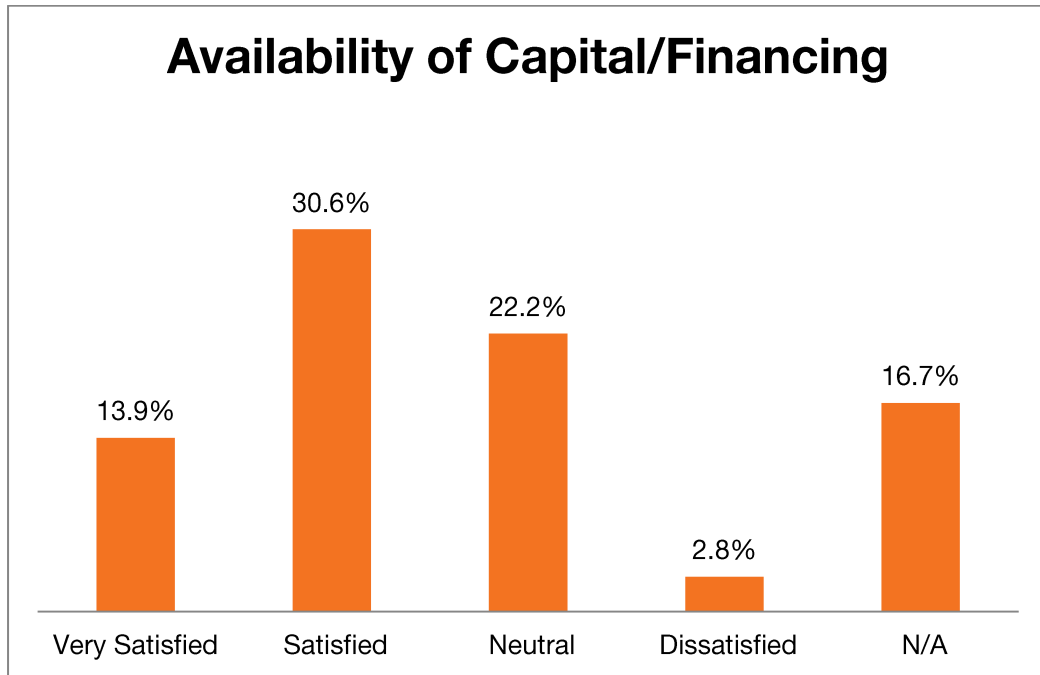
We look to relocate some jobs to the Kamloops region from other locations over the next couple of years

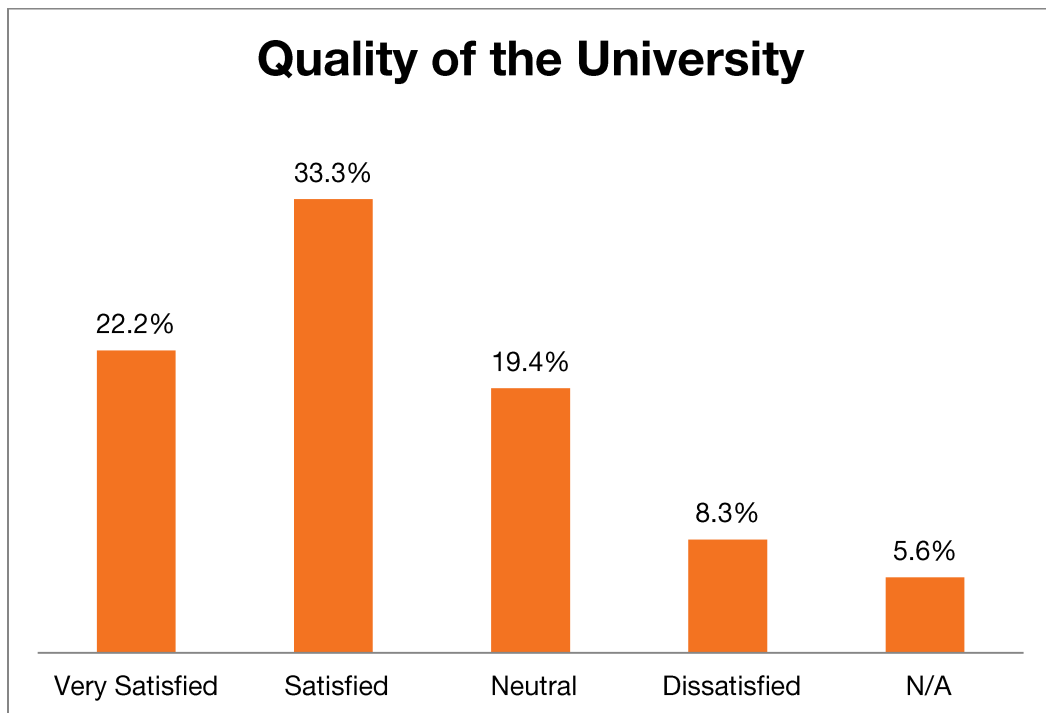
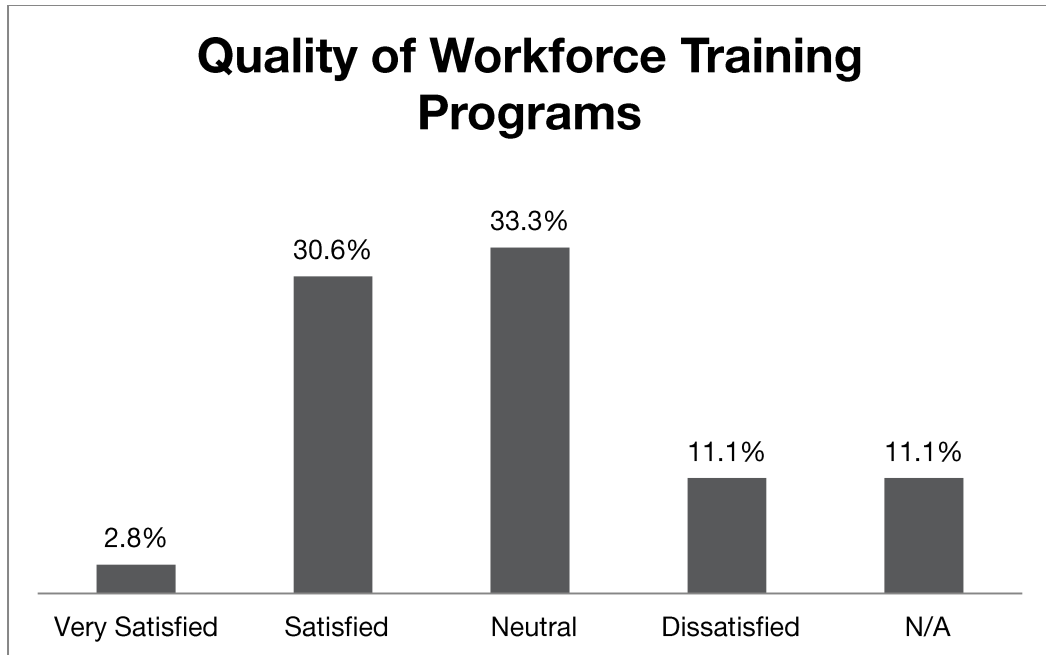


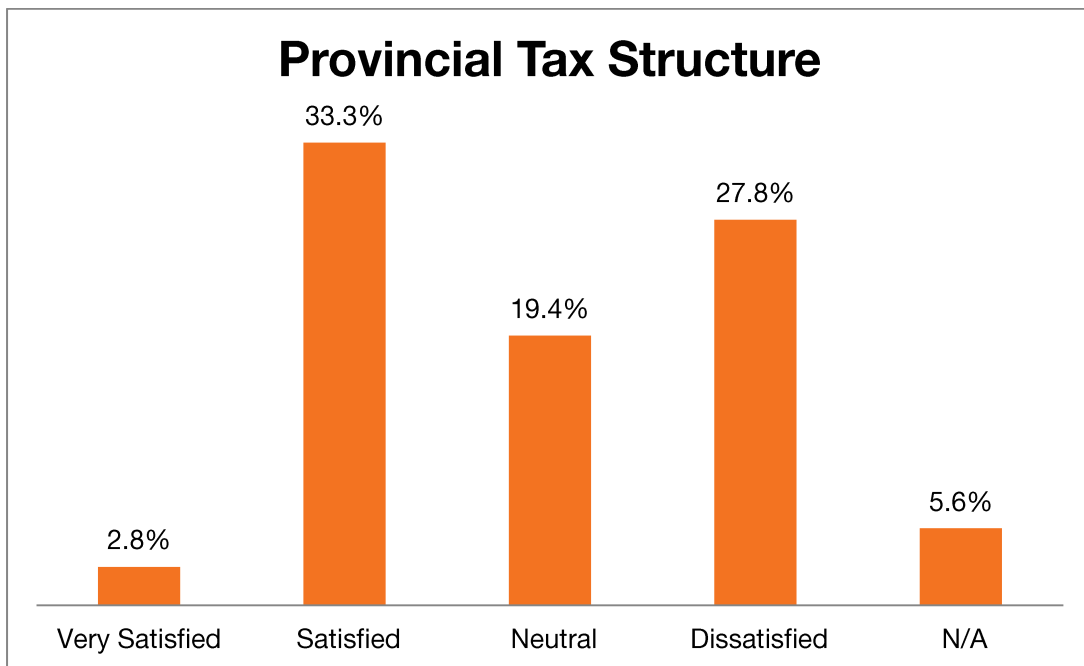
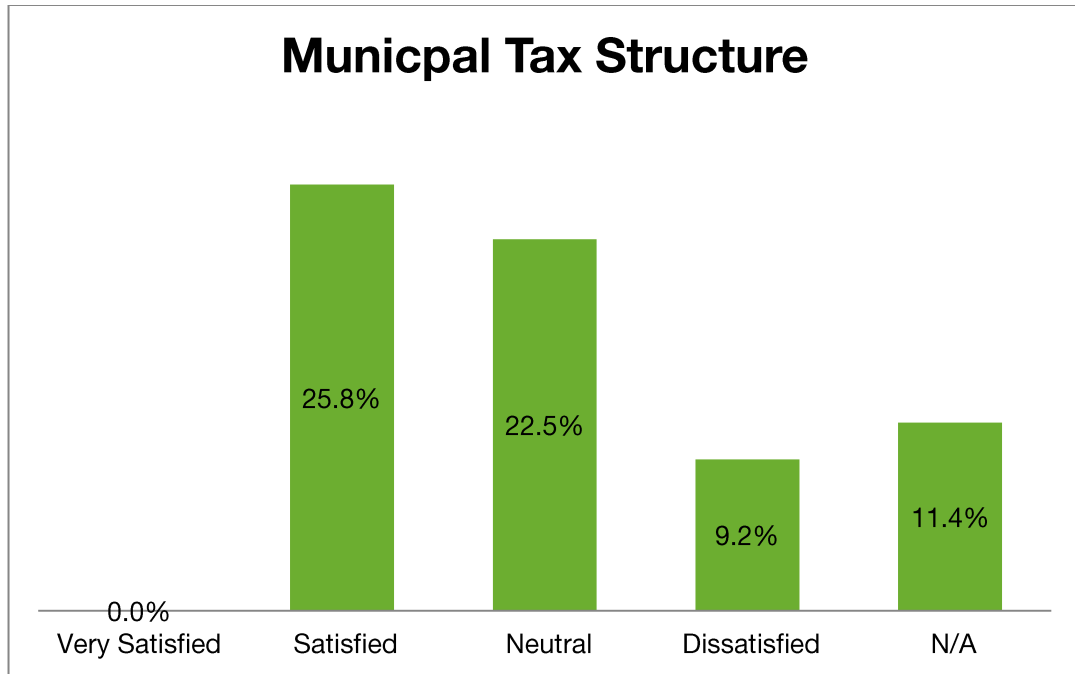
If business does not change, we will have to close the doors in Kamloops in the next year

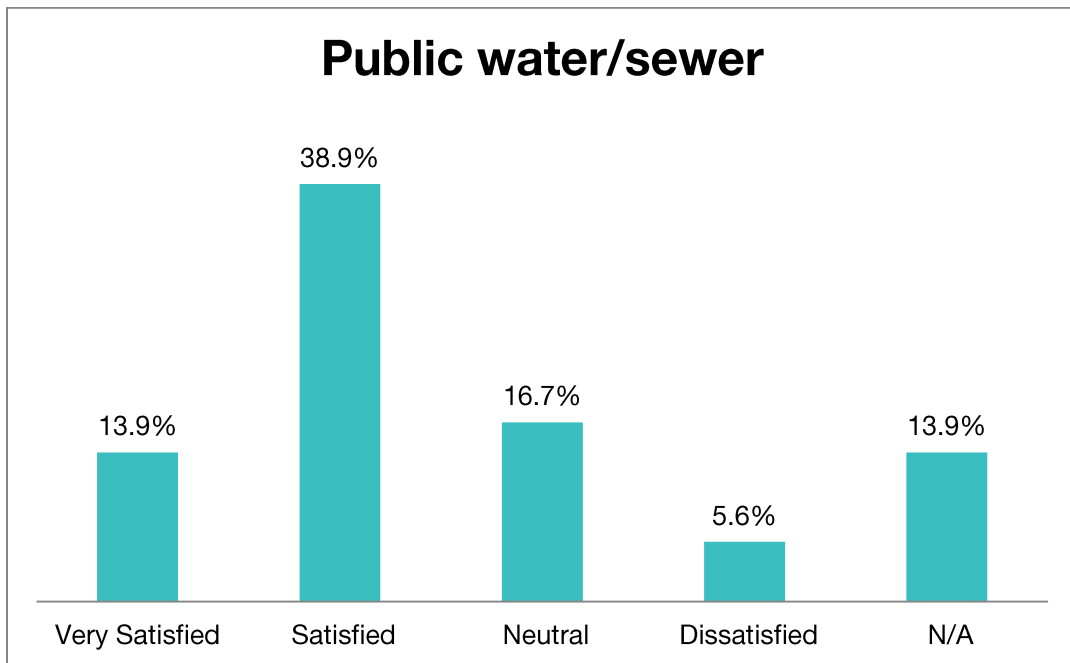
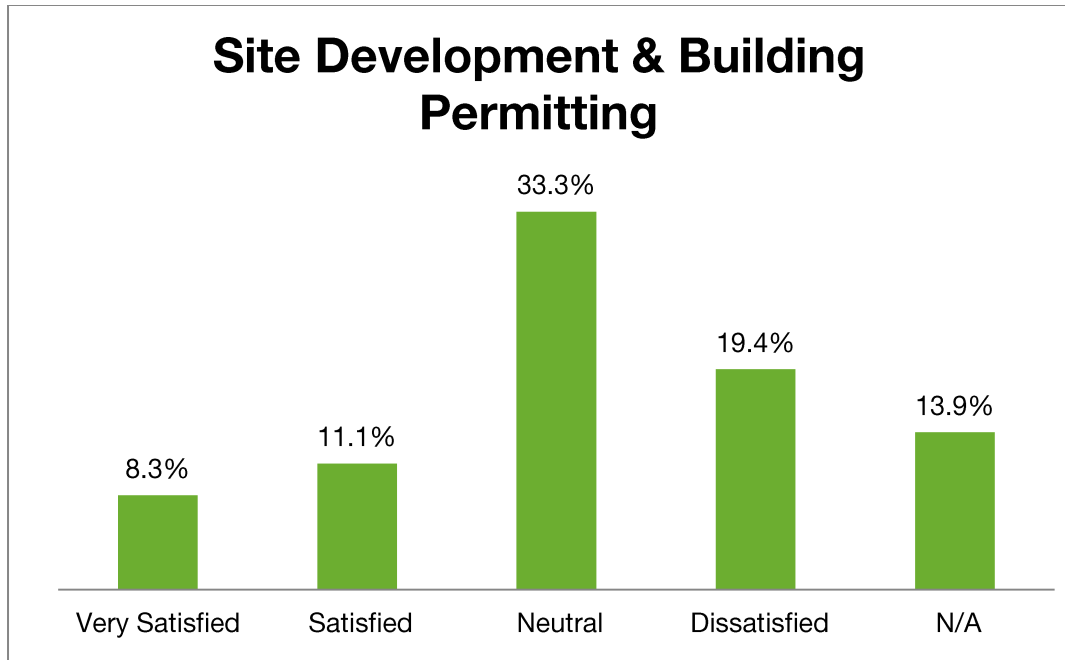


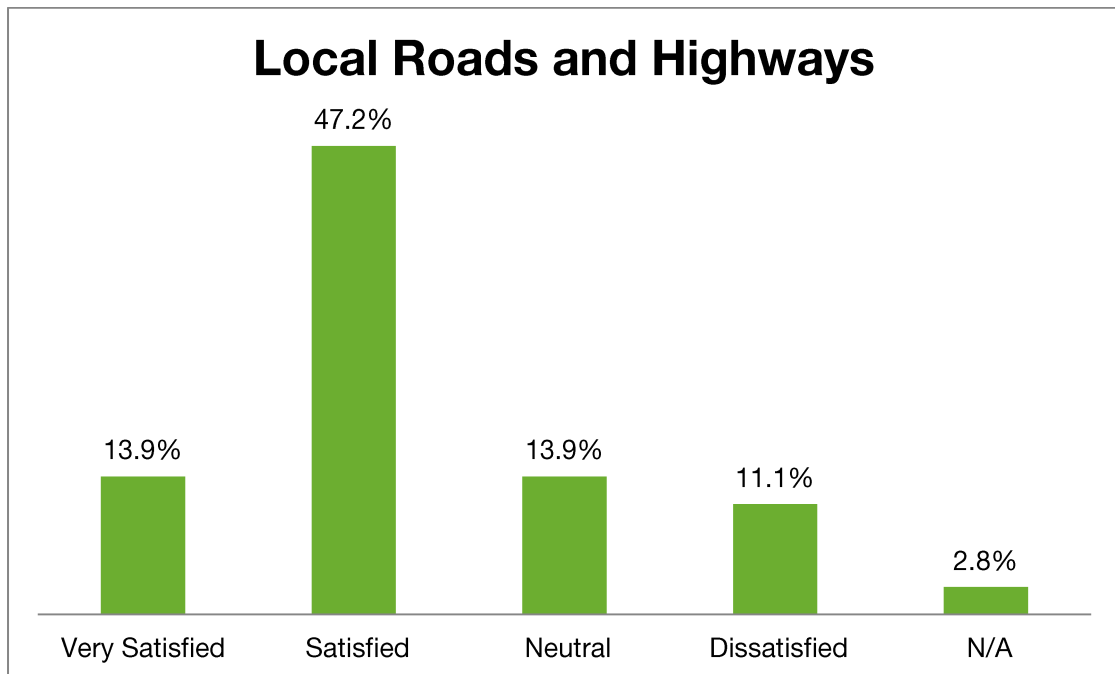
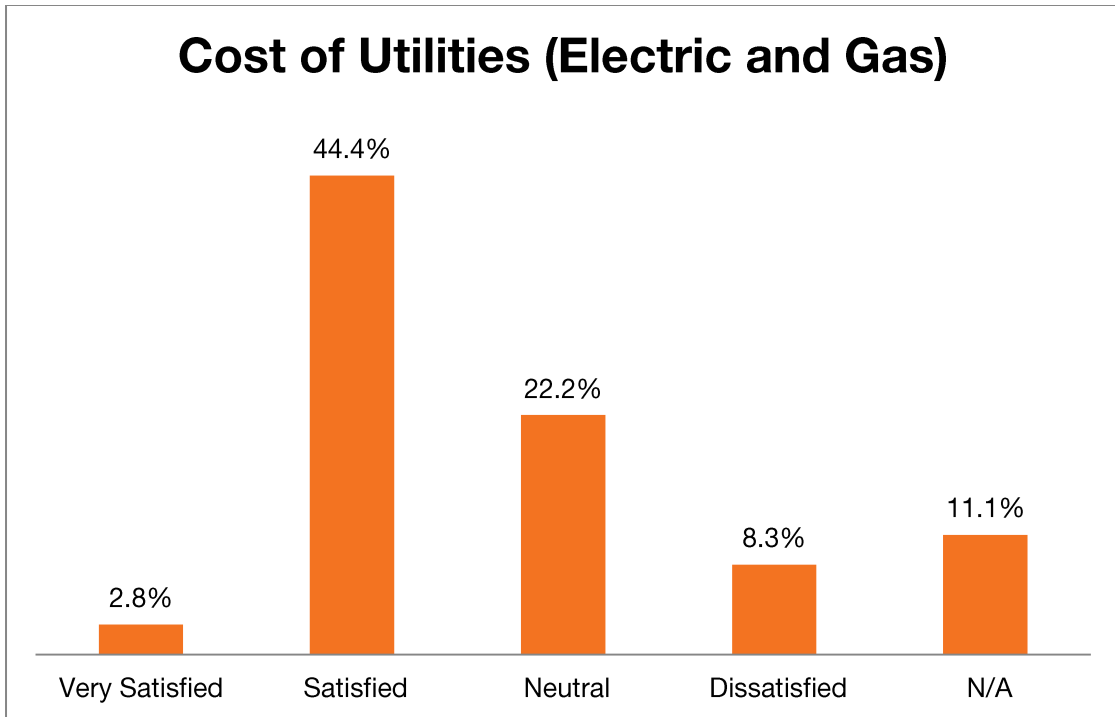
Kamloops Business Climate:

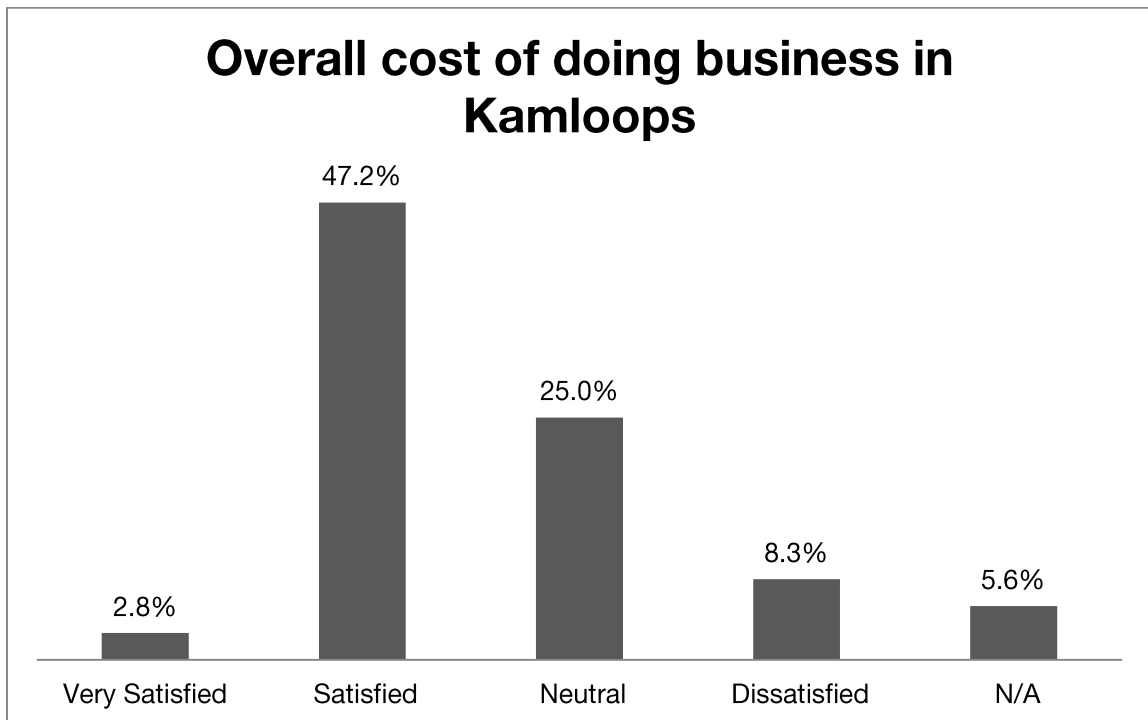
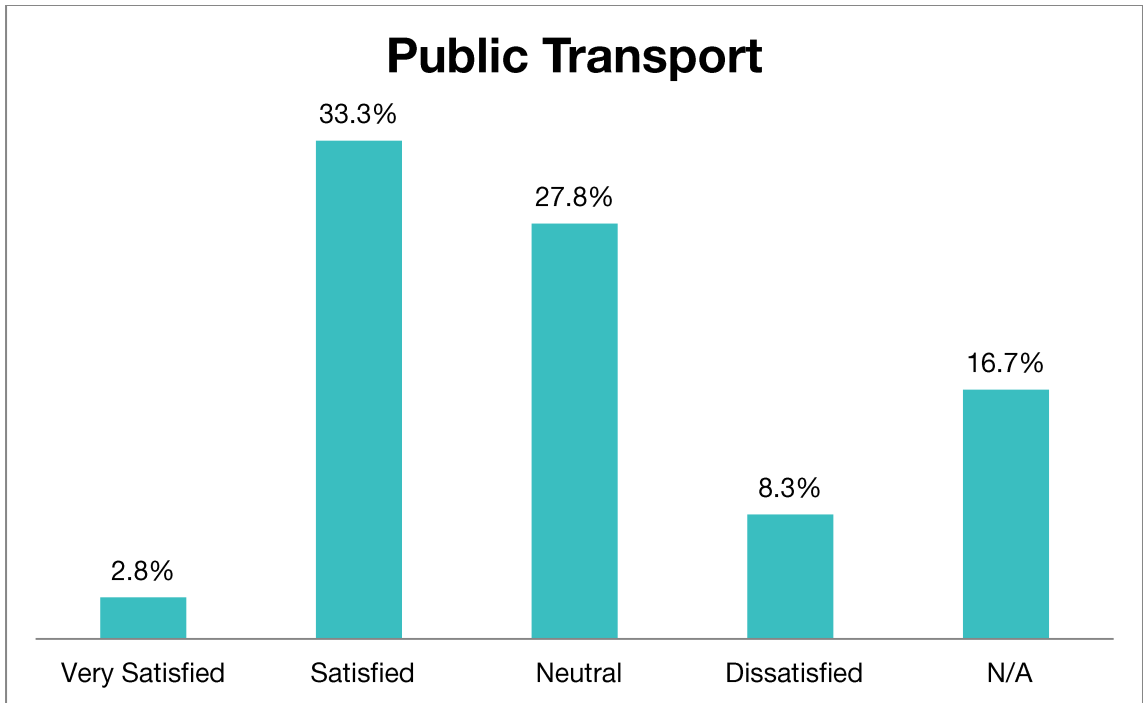


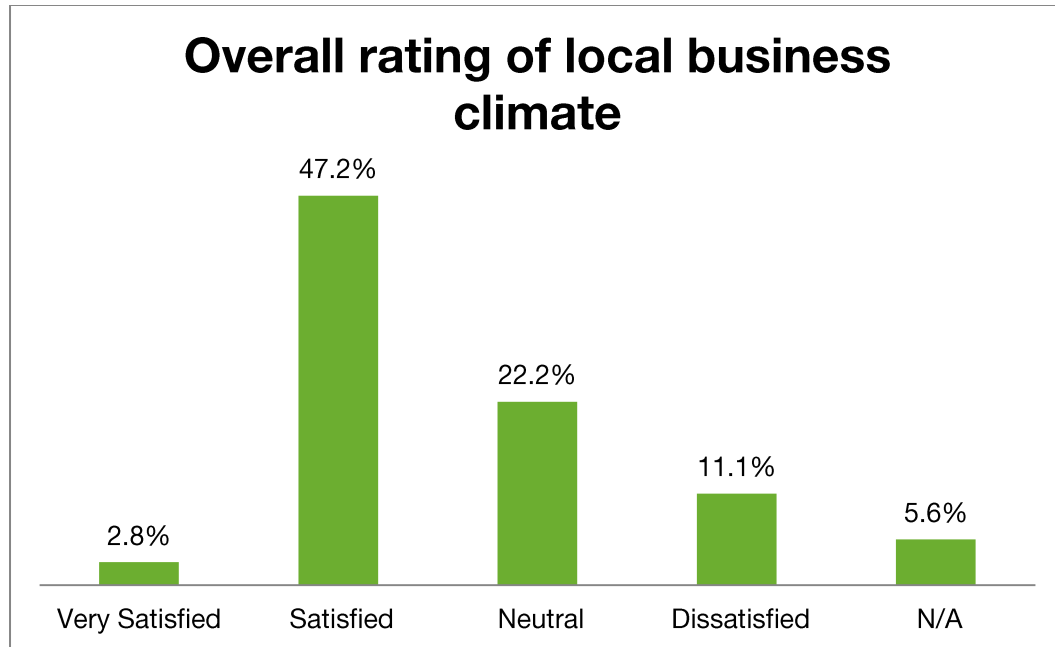












What factors make your company successful in Kamloops?

- Local support
- Highest level of IT services available in the interior of BC
- Understanding the value of your peers and customers
- We are successful due to our work ethic and the quality of our work. We think we provide great value, an excellent product and our clients seem to agree with us.
- Qualified staff
- Local technology community - small but growing
- Niche Market Historically - availability of qualified (reasonably priced) labour, due to lower cost of living in Kamloops.
- Access to local training programs, robust economy to help encourage new staff and their families to locate in Kamloops.
- Working long hours and cutting costs.
- Talented staff, reputation in market
- Limited land for expansion. In recent years people have wanted to move to Kamloops for the lower priced housing and the lifestyle. Both of the factors are in jeopardy.
- This region is well supplied with raw material for our operations.
- Efficient manufacturing and distribution, product quality, supportive company sales and service force.
- Quality of work product and service to clients
- The average person in the community and the amenities and lifestyle makes this a great place to raise a family, live and work, but I currently find our community leaders to be stagnant, adverse to risk, and lacking drive to make Kamloops a leader in anything. I believe the climate is too political and lacking entrepreneurial commitment and support (not for lack of trying).
- Availability of technical workforce from the university, lower cost to start business in Kamloops

- Competent trades people in many different occupations (engineering and development related.)
Skilled electrical trades people.
- Server co-location
- Other than programming sources, or on-air software, everything we need is available locally
- Web hosting
- Data Centres, Computer Hardware manufacture
- There aren't any wholesalers in Kamloops, and very limited steel fabricators, none that do Stainless Steel.
- Specialized medical supplies
- Main Stream Grocery Suppliers
- Engineering consulting firms that specialize in our industry
- Automated Equipment, parts for equipment, Rubber
- Certain laboratory supplies and equipment
- Specialized equipment, engineering due to provincial procurement processes.
- 95% of the product required for our manufacturing is not available in Kamloops
- Packaging, bags, boxes, packaging equipment
- CNC machine work, industrial fasteners, packaging supplies
- SPEC Warehouse space
- Wholesale glass manufacturers (international)
- Parts from national
- Kamloops is the right size City to live in. Our employees have an easy commute, enjoy a healthy lifestyle and take pride in working for a growth based company.
- Ability to attract and maintain quality management and skilled labour.
- central location and availability of necessary amenities
- location of raw materials
- Relatively low costs (i.e. lease, etc.) reasonable access to suppliers. We are not very location dependant, as long as we have access to couriers.
- Quality of people with respect to attitude and loyalty.
- Staff (the good ones). People want to live in Kamloops, Very good city design (roadways/zoning/etc.) Reputation as the business has been in Kamloops for a long time
- Quality of service, long standing relationship with the community, well balanced staff with good exposure

Are there any issues/needs you'd like the City of Kamloops or Venture Kamloops to address?

- Closer ties between university and industry, zoning issue specific to technology companies, better access to infrastructure (CFN)
- We're hoping that the City Of Kamloops can help make the downtown core more user friendly. Ease parking problems, fix the aggressive panhandler problem - overall, just improve the quality of the shopping experience for the use in the downtown core.
- Zoning for high tech companies... we had issues that are now worked out, but it was scary for a moment where we thought we'd have to move or be forced out of our location.
- Promoting Kamloops as a technology center, working with the Okanagan to create Kamloops as a technology region.
- Better consultation with affected parties before selling public property to private parties. More clear description of all costs associated with doing business in Kamloops when that is requested.
- Sustainability. Not enough condensed housing in the downtown and North Shore cores.
- Continue to work on revitalization of older areas of town
- Industrial tax rates are killing our business
- The general perception of negativity towards big business.
- The attitude of "no" is always the safest and best answer at Site development & Building permitting. The continued year-after-year appeasement of people trying to herald and facilitate change with studies and surveys but with no real visible and measurable plan nor commitment to change.
- Site development and building permitting
- The industrial land tax base.
- Not at this time.
- Need intermodal location here
- Not a whole lot of light industrial land available, sometimes some parking (staff) issues with what is available.
- City population needs to grow
- Camosun rd, have to retain young generation. Really define what "open for business" means? (Industrial, retail). Look at the lifetime of mines --> diversity, what will we have in 30 years?

What supplies or resources can you NOT find in the Kamloops region?

- Server co-location
 - Other than programming sources, or on-air software, everything we need is available locally
 - Web hosting
 - Data Centres, Computer Hardware manufacture
 - Specialized medical supplies
 - Main Stream Grocery Suppliers
 - Engineering consulting firms that specialize
 - Automated Equipment, parts for equipment
 - Certain laboratory supplies and equipment
 - Specialized equipment, engineering due to provincial procurement processes.
 - 95% of the product required for our manufacturing is not available in Kamloops
 - Packaging, bags, boxes, packaging equipment
 - CNC machine work, industrial fasteners, packaging supplies
 - SPEC Warehouse space
 - Wholesale glass manufacturers (international)
-

Qualitative Survey Results

How do you find doing business in Kamloops?

	Ok
*	Good
	Great
*	Very positive
	Fairly easy
*	Value work/life balance
	Friendly people
*	Stable
	Good, but most suppliers are outside of Kamloops
	Good services
	Good relationships
	Good location for IT
	Great collaboration in IT
	Good for suppliers, locally
	Good connection to service providers
	Good size for this industry
*	Good sized city, easy to get to know people, no traffic
	Great amenities
	Good office supplies, printing, media
	Great suppliers for electrical and lumber
	Good lease rate, water, sewer, internet
	Good lease
	Cheaper to operate
	Affordable
	Lower tax base
	Readily available blue collar work force
	Sports and Recreation are awesome
*	Very diversified economy
	Lots of support for tourism and retail
	City bureaucracy is much better (development services)
	Large client base and market share
	Big enough, but small
	No Issues

Lifestyle amenities are great
Well situated for regional service, key for agriculture supply
Two business expansions with no issues at all
Not so much boom & bust
Cost of doing business = include flights
Excellent location
Attractive place, experienced people, more competent
Retail advertising is a good reflection of economic times
No real issues with regulation and bureaucracy
Interaction with the city is good
Professional city employees
Very fast response from city employees
RhiCom internet provider
Fair compared to Kelowna
Close to everything, yet east to get away
HST - GST change
Increasing competition as city grows
Frustrating
Problems with Agriculture Planning Department
National business, not local
Almost no interaction with local companies
Not filled with early adapters, better to launch externally
Most clients are outside of the area
Unpredictable
Retail is more volatile
Need more awareness about the \$/value
Difficult for young entrepreneurs
IT is highly undervalued, possibly related to market size
Tough price expectations (an adjustment for Kamloops) are driving business outside of Kamloops
A lot of solo work -- not a lot of sharing
Feels like a smaller town than it should be
Everything is a competitive bid process
Low wage for tourism and retail
Bureaucracy is difficult in Hospitality
More consolidation, more businesses owned outside of Kamloops
Hard to attract management staff, matching employment for spouse
Helpful 50% of the time
Long time to get a response

Development is slow and seems to change with lots of costs
Work on front desk
Challenging because of small market
Advertising/marketing is expensive
Have a solid number for amount of tax from industry
Business is down, no large influx of people moving to Kamloops
Open learning drove some house sales down
Prices are still high even though business is low
Try to focus on local even though moving would increase income
Small vocal minority against industry
Building & planning run city, not city run development services
Hard for agriculture, planning department: wait time seems very high, front line people not so great
Kamloops is not agriculture sector friendly – mainly regarding the Planning and development services department: large wait times, front line people not very helpful
Randy Lambright and/or David Trawin have been doing a fantastic job at development services – there has been a noticeable difference over the years since they started
Kamloops is not filled with “early adapters” regarding new products/technologies. It is not a good place to launch these items.

Note: Asterisks indicate many repeat responses

What is your sense of the Business Climate in Kamloops?

*	Stable
*	Optimistic/positive
*	Good
	Starting to get better
	Better restaurants and shopping compared to Kelowna
	Lots of contractors and subs available locally
	Good to hone customers
	Very good infrastructure
	Surrounded by government union paying jobs
	Steady work
	Everything is good, not as affected by economic downpour
	Leveled off, but steady growth, residential
	Excellent growth compared to the rest of BC
	Kevin Kruger, Government side is generally very good
	All major players
	Reasonably priced
	Lots of "non flashy" money in Kamloops
	Reasonable
	Hard, which is good (undercutting)
	Increasing economy
	Almost dodged recession, resilient business
	Trying to build the community you want to live in
	Not too much overlap with businesses
	Anti industrial sentiment: can transform into IT/white collar without losing the industry
	TRU is now a major employer
	Reality check for most businesses
	Agriculture committees: lots of movement and wasting of time and money
	Big difference between commercial/hobby agriculture committees
	Political instability, lots of shifting around, lost time and money
	People find Kamloops to be a "small town" and want to move to major centers
	Lacking a professional side, have to go to Vancouver
	Seems like a lot of complaining
	Domtar will stir up thoughts about the mine
	Kamloops seems to lack a trend
	Developers are seen as the enemy, hard to get things done
	Citizens of Kamloops are not well informed about business success in Kamloops
	Not informed about IT

	Nothing located in Kamloops (GFS in Vancouver, SYSCO in Kelowna)
	Same industries suffering, yet some are doing fantastic
*	Kamloops insulated in economy
	Less successful local businesses due to competition
	Succession (away from locals, more money)
	Development is challenged (losing staff to New Gold and other big guys)
	Industry town
	Bulk of work outside of Kamloops, international
	Doesn't have good restaurants (dinner meetings)
	Things are easier in Alberta
	Regulation around Kamloops is hard
	If you are coming from outside of Kamloops, it is easier
	Pessimistic about economy
	A lot of things on hold, mainly for the economy
	Lots of people with money buy commercial
	Kamloops should be better at servicing business needs
	Have to go to Kelowna/out of state to meet odd-ball requests because Kamloops doesn't seem to want to deal with it
	Leasing prices gone up
	Currently a trend in Kamloops is that a lot of wealthy individuals are deciding to take their money out of the stock market and invest it into commercial property which is artificially driving down the cap rate on commercial property in Kamloops
	Development services seems to require more paperwork, licensing and cost than other cities in BC

Note: Asterisks indicate many repeat responses

What are your major frustrations?

*	High taxes for commercial/businesses
	When investing, property tax is high
	Tough with building permits
	Carbon tax
	Increased tax base
	Very high property tax
	Lot of commercial tax compared to Calgary
*	Downtown parking
	Sign only on front of business
	Pressure to move downtown, but it is more expensive for exit and parking, as well as no parking for clients
	Venues need to be central
	Hard to attract people to Kamloops because it is seen as not a very attractive town (either Vancouver or Prince George)
	Stipulations downtown to limit height of buildings
	Downtown is too expensive
	Becoming an industrial town
	Camosun street from Dalhousie down: increased traffic flow and construction, parking on one side
	City did work and took down the internet connection and gave no notice to businesses
	City is "mostly supportive", willing to overlook minor details, issues with landscaping requirements
	High rise condos needed downtown
	No cabs in Kamloops, .05 legal blood/alcohol limit --> need more cabs
	Lack of investment in community
	Need new fencing rules (not repairing when taken down)
	Excavators operating right at the river
	Road erosion
	Juniper hill: neglect on road, no bike lane
	Laval and McGill need to be expanded
	Fragmentation in the community
	No development permits in Barnhartvale, not allowed to drill a well
	Finding good staff; TRU does a good job, but PNP takes too long and doesn't pay enough
	*
Attract and find good people for senior level positions	
Skilled labour issues, database administrators	
Finding/attracting physicians/Sports medicine	
	Hard to work with the university

	Big nay sayer group in Kamloops
*	Ajax mine
	What does Kamloops want to be before AJAX?
	Lose a lot of doctors if AJAX happens
	What will we lose if AJAX comes?
	Federal Government
	Zoning: no zone for web design, no flexibility for new business type
	Zoning issues with IT; how to deal with it and what IT even does
	Not supportive of agriculture in zoning
	No venue for agriculture, used to have KXA, city doesn't understand the value in it
	Development beside crops (spray issues)
	ALR generally not working (should create multiple levels)
	Lack of understanding of agriculture
	Lots of money put in to sports, but not agriculture
	Mandate against chemical herbicide control
	BC Hydro poles (need to be replaced)
	Had to spend \$60,000 to bring fiber to a building
	Community fiber network is expanded and underutilized, need ways to make money off of it
	People don't want to pay for services because they don't see the value in the dark fiber network
	Lots of government support for IT
	Being able to show and understand product differentiation
	Pushing price by individual business, not group leverage
	Unpredictability -- no one has answers
	How to manage public debate and conflict
	Need to engage the International Organization of Public organization to realize new opportunities
	Prime property is only 3 levels and residential
	Lack of sustainability
	Need to help bring in new clients
	Concerned about economic outlook
	Transition/succession is an issue for small businesses
	True impact of operations are under recognized in community
	Feels like a no-win in PR/medicine
	Constant worry about negative publicity
	Regulations are very nit picky instead of trying to find ways to make it happen
	Development services
	Inspections = more nit pick
	Lots of new faces in Development Services

Approvals show more back to back
Airport competition (schedules are not great, need more connections to Calgary, more direct flights, cheaper)
Limited flights in and out (particularly from Europe)
KIB land system
Big businesses with an unlimited supply of money
Very little federal data
Lots of people not engaged in the community
5yr lease in Surrey vs. 15yr lease in Kamloops
Local companies don't want to deal
Box company in Kelowna
Declined ideas, not returning phone calls
Building plans have multiple application fees, more inclined to say no to everything (more job security)
Bridge going to the North Shore
Building permits
Water abuse in Barnhartvale
The parking situation seems to be a "piece-meal" situation with local businesses – there doesn't seem to be a larger group collective organized to leverage the situation
There is a lot of "poaching" of skilled and unskilled labour between different industries and even with-in industries in Kamloops
The new 0.05 drinking and drive law that has been passed – very much hurting hospitality
Parking issues
A general feeling that people in Kamloops expect businesses to have the answers to everything
There is very little factual data available to businesses in Kamloops
CN rail does not seem to want to deal with local Kamloops businesses
Local Kamloops businesses seem to not have any drive to support local companies. Instead they will buy where-ever the lowest price is offered (often outside of Kamloops).
Development services regarding building permits – I2 special – no business licence

Note: Asterisks indicate many repeat responses

What do you think is holding Kamloops back?

	Mine has too much attention
*	AJAX mine big divide
	AJAX needs to be built, sustainable
	AJAX mine, need to find a way to move forward and make everyone happy
	Not putting faith in the fact that the mine will be environmentally sound
	Pulp mill and mine make Kamloops look like an industrial town, it doesn't mesh with the "Tournament Capital", doesn't attract people; eyesore
	Opportunity for growth in the Tech Center
*	Need to figure out an identity: Tournament Capital vs. Industrial town
	Identity crisis, come to grips with gateway for resources (mining, logging), logistics/transportation hub
	Needs to figure out long term goals. No clear direction. What is Kamloops?
	Kamloops tends to think "rural", not "urban"
	Blue collar reputation
	Reputation of not being very clean (pulp mill smell, mine)
	Old school mindset
	Kamloops needs to get out of their mindset and compete with Kelowna
	Don't compete with Kelowna
	Small vocally negative group, get more press than they deserve, stops visionaries
	Citizens view on mine and other large projects
*	Vocal minority against industry
*	Negativity with the population, they don't want change or growth, deters possible companies
	Taxes for agriculture much higher than the rest of BC
	Tax is deterring investment in city (industrial)
*	Taxes for industrial/commercial businesses
	Tax disadvantage to other communities
	HST confusion, still not clear
	Forgetting industrial roots
	Misinformation about the industry
	Public perception of what industry does
	Perception, doesn't matter who
	Limited industrial land (Flat, accessible, developable land)
	Running out of land for industrial/commercial
	Need more 5-10 industrial size, to bring money into the community
	Too focused on the heavy industry, lack of fit for this type of business
	Finding a 5,000-8,000 sq ft size light industrial
	Access to immediate growth (available commercial space)
	Holes in light manufacturing suppliers

	Tech industry needs/wants a lifestyle
	Nobody wants to live in a mill town, mine is better
	Not broad minded towards other industries, not just mining/forestry
*	Too much emphasis on tourism
	Qualifications for city council
	Options on council
	Very few early adapters which is holding back TRU grads
	It is tough to get things off the ground in Kamloops
	Everything happens later in Kamloops than in Vancouver
	Bad business moves in Kamloops (location)
	Pan handlers in the streets downtown
	Central location should move up hill
	No awareness for the tech industry
	Retail is over-represented
	It is hard to find work in Kamloops with good pay
	Very divided community; retirement and older and working class
	Sprawling layout
	Lost hospital specialist to Kelowna
	No diversification/appointments are downtown
	Have to drive traffic to locations
	What is the economic base?
	City looks weathered on drive from airport
	Need to grow a little more (100 000 people) to reach critical mass
	Parking
	External people not understanding Kamloops' growth away from industrial
	Environmental awareness is tighter in BC than the rest of Canada
	Media does a horrible job of "balanced reporting"
	General uncertainty in economy
	Economy
	Airport/Connect-ability to the rest of the country/world
	Travel
	Job market is referral oriented, you have to know someone
	No more walk-ins
	Long term staff
	Environmental concerns
	Why turn down businesses that Kelowna accepts?
	Nothing changed in Aberdeen mall since it opened
	Need new businesses in Kamloops (GAP, American Eagle, Old Navy)
	No IRAP presence in Kamloops

	Harder to develop here than in Kelowna (development services)
	Leadership is resistant to risk, change, innovation. Answer is always no. (Collective political will of business environment)
	Leaders are followers, not risk takers
	Geography -- Where can city grow?
*	Promote "Open for business", but not really
	Need to raise the bar for start-ups
	Lots of people wanting to living in Vancouver, as well as external people
	Finding a particular type of person where spouse jobs aren't an issue
	We need a change in council

Note: Asterisks indicate many repeat responses

Where do you see opportunities in Kamloops?

	TRU is good, but needs more programs specific to mining
*	TRU
	Could leverage TRU better
	Portals for fiber optic access, TRU
	IT potential not known to the rest of Canada
	Leverage IT sector
	Not taking advantage of dock fiber
	IT
	Lifestyle will lump IT in town
	Cheaper rent
	Doing business is cheaper
*	Affordability
	Good promotion of the city
*	AJAX and other mines
	Mines expanding life (technology to mitigate dust, noise, etc.)
	Able to walk to work
*	Great lifestyle
*	Quality of life
	Leveraging the lifestyle
	Fantastic place to raise a family
	Lots of young families, kids under 5
	Not very much tourism, just attracting old golfers
	No family based tourism --> little \$\$ left in Kamloops
	Tourism
	Wineries
	Improving what we already have
	Good Facilities
	Secondary processing in Agriculture to keep it local
	Agriculture taxes look like they may improve
	Educating kids early about agriculture in Kamloops
	Kamloops can have what a big city has
	Tech industry can support everything
*	Logistics/location
	Pulp mill not going to be around in 10-15 years, opportunity for new industries
	Motivation needed to relocate IT to Kamloops, lots of existing infrastructure and opportunity
	Work with Kelowna and Vernon to collaborate as an area
	Growth in Tech despite the city not helping
	Stronger downtown core, but unaffordable

Diversity of the economy
Pay is equivalent across Canada in Health Care
Attractive downtown core
Good mix of residential and commercial
Diversity existing locations
Average person is amazing/friendly
Good community
Need to drive traffic into central downtown, then people will stay a night and spend money
Safe place for businesses to come
Desirable place to live, not so busy, short commutes
Attract people from the north and higher priced locations
Trendy areas (gas town etc)
Play in recreational paradise
Not a "second home" community, like Kelowna
Home to lots of local and earned wealth
Look at Red Deer as a model
Not afraid to get involved
Need a large multiuse facility for agriculture
Access to the labour force
Harder to find employees in Alberta (lose & gain)
Forestry industry has potential
Industry is the back bone
Build in arts, culture and entertainment --> doctors/dentists
Marketing the university/law school
Recreational aspects
Not very much turn over/training issues
Lots of great industrial support service sector
Shortage of industrial land
Almost all energy requirements met by Biogen at plant
* Inland port
* infrastructure is good compared to other cities
Fantastic transit system
Good for politicians, exposure
Technology upgrade
Lots of space
No batting cage, yet we are the tournament capital?
Best sporting facilities
Need new incentives and a better reputation
Quality and connection to the work force

	Cardboard box company
	Very good computer staff
	Distribution center for interior of BC, shipping and logistics
	Utilizing land base for small scale opportunities for relocated and incubated businesses
	KIB land needs to be utilized more effectively (money still spent in Kamloops)
	KIB is excellent
	Leveraging the land for increased diversity and higher paying jobs
*	Gateway to the North
*	Transportation hub, huge potential
	Why are "chains" jumping Kamloops for Vernon?
	Open doors to big box stores
	City plan/layout and parks
	Great Schools
	Need technologist training, people have to go to Vancouver or Calgary
	Marketing component to Europe for programmers (Ireland & England)
	Kamloops seems to be positioned in a way that allows it to weather tough economic times very well – these ups and downs help to flush out weaker companies, leaving the remaining ones even stronger.
	Kamloops is still not fully taking advantage of the dark fiber network that is available to them
	There is a huge potential to create a fantastic culture in Kamloops given our resources and lifestyle.

Note: Asterisks indicate many repeat responses

Are there any improvements with infrastructure or city that you require?

*	No
	Cold Storage facility
*	Revitalize/redevelop downtown core
	Seating for the general public right next to the shore
	Market the transit system better (solution to parking)
	Sidewalks (Laval Crescent)
	IT zoned area in the city
	Merging of arts and technology, plan going forward, new media
	Sustainability centrally located
	Sidewalks (expand downtown)
	Parking
	Expand city fiber network to uphill for more utilization (down McGill into Laval)
	Fiber optics line is very expensive to access
	Implement a fiber plan
	More modern office spaces (like Fulton or Urban Systems), people might move if something was available
	Redevelop North Shore, really think about traffic
	Get rid of lights on Trans Canada
	KIB
	Lacking facilities (Ag, etc)
	Office space downtown
	Tax
	Airport
	Bigger airport (means full flights all the time)
	Parking limited to street (not enough)
	Source of backup power supply
	Secondary manufacturing products
	The hub "effect" of industry
	If AJAX goes in, a large part of Aberdeen residential will not be developed. Where will residential expand? At what cost?
	More railroad tracks
	Water sits on roads, drainage coming into area
	Buildings need to exist before the investors come
	Above ground line can get knocked down
	More options for getting across the river
	Work closer with KIB
	Get master lease and rent of property

Mail access
No sewer, Need \$ for sewer
Why put industrial up in Aberdeen?
Not a lot of big buildings around, commercial warehouse
Would be nice to get more support from the city on an “engagement and effort front”. There is still a sense of dealings being based largely around fees and money
Sewage at maximum in West and North Kamloops

Note: Asterisks indicate many repeat responses



Is there anything Venture Kamloops can do to help?

Marketing Kamloops supplement
Market Venture Kamloops better
More focus on attracting people to Kamloops
Marketing/medical tourism (Contact person at Tourism Kamloops)
Staff meet & greet of commercial groups/small businesses for economic data
Annual meeting for local demand
Spouse jobs
Bilingual staff (hard to find)
PNP French Connection
Industry technology show
Promote the city in the right way
Only TELUS for internet provider --> other provider?
Industry specific draftsmen
A quarterly visit (transition)
Message about industrial economic benefits
Educate about tax manipulating industrial investment
Finding space
Canadian manufacturers & exporters chapter, transport Canada has \$\$ for inland port
Containers -- if they are sitting longer than 3 months they need to have a building permit
Garbage containers: fixed location
Keeping Hydro up to date with local growth forecasts, need actual commitment or probability
* Skilled labour
* Make sure people know VK exists

Note: Asterisks indicate many repeat responses

Appendix 1: BR&E Online Survey

DISCLAIMER

Participation in the Venture Kamloops BR&E survey is voluntary. All data collected through this survey is kept strictly confidential and stored on a secure server by Venture Kamloops. Respondent identities are never revealed in any report or presentation of survey results. We use this information to help track our performance as an economic development agency, to stay informed of trends in the business community, to identify any concerns or issues the business community may be experiencing in regards to business expansion and retention and lastly to help identify areas to shift our strategic focus going forward.

Company Profile

***1. Company name:**

2. Address:

3. Company Phone:

4. Company Fax:

5. Is this a foreign owned/invested company?

Yes

No

Survey Information

***6. Your name:**

***7. Your title:**

8. Your phone number:

9. Your e-mail address:

Company Information

***10. Please list your organization's products/services**

11. Where is the location of your company's headquarters? (Choose 1)

Canada

U.S.

Europe

Asia

Australia

Africa

Other (please specify)

12. Name of parent company if different

13. What are the primary functions at this local facility? (Choose all that apply)

Corporate Headquarters

Distribution

Divisional Headquarters

Engineering/R&D

HR/Admin

IT

Manufacturing

Regional or Local Office/Branch

Sales/Marketing

Warehousing

Other (please specify)

Workforce Questions

14. Is the size of your workforce

- Growing (The company is actively hiring staff)
- Maintaining the same size
- Shrinking (The company is downsizing staff)

***15. How many employees do you have in Kamloops?**

16. What is your projected number of employees in the next 12 months?

17. What positions are most difficult to recruit locally?

18. Would you be interested in participating in the Work BC Bi-annual Labour Market Survey?

- Yes
- No

If you answered yes, what is the best e-mail address to send the survey?

Facility Information

19. Do you have any expansion plans in the next 12 months?

- Yes
- No

20. Do you foresee any downsizing at this facility in the next 12 months?

- Yes
- No

Sales and Supplies

21. Source of your sales by percentage (please make the percentages total 100%)

% Local (within 100 km)

% Regional (interior of B.C.)

% National

% International

22. What is your projected percentage change of sales over the next year?

- Increasing greater than or equal to 100%
- Increasing: 50% - 99%
- Increasing: 25% - 49%
- Increasing: 10% - 24%
- Increasing: 1% - 9%
- Decreasing: 1% - 9%
- Decreasing: 10% - 24%
- Decreasing: 25% - 49%
- Decreasing: 50% - 99%
- Decreasing greater than or equal to 100%

23. Source of Suppliers by percentage (please make the percentages total 100%)

% Local (within 100 km)

% Regional (interior of B.C.)

% National

% International

24. Are you looking for new suppliers to lower cost or improve your product?

- Yes
- No

If so, can you list them?

25. What supplies or resources can you NOT find in the Kamloops region?

26. Who can we recruit to lower your operating cost (Nationally or internationally)? Please list the companies:

	5
	6

Business Retention

27. Within the next year, we anticipate being recruited (convinced to move) OUT OF the Kamloops area:

- Yes
- No
- Maybe

28. We look to relocate some job functions OUT OF the Kamloops region over the next couple of years:

- Yes
- No
- Maybe

29. We look to relocate some job functions TO the Kamloops region from other locations over the next couple of years:

- Yes
- No
- Maybe

30. If business does not change, we will have to close the doors in Kamloops in the next 12 months:

- Yes
- No
- Maybe

If you answered Yes or Maybe above, please elaborate why:

	5
	6

Kamloops Business Climate

***31. Please rate the following:**

	Very satisfied	Satisfied	Neutral	Dissatisfied	N/A
Availability of capital/financing					
Availability of qualified personal					
Quality of workforce training programs					
Quality of University					
Municipal tax structure					
Provincial tax structure					
Site development & Building permitting					
Public water/sewer					
Cost of utilities (electric and gas)					
Local roads and highways					
Public transport					
Overall Cost of doing business in Kamloops					
Overall rating of local business climate					

32. What factors make your company successful in Kamloops?

33. Are there any issues/needs you'd like the City of Kamloops or Venture Kamloops to address?

Appendix 2:

Qualitative BR&E Survey Questions:

- How do you find doing business in Kamloops?

- What is your sense of the Business Climate in Kamloops?

- What are your major frustrations?

- Economic Outlook:
 - What do you think is holding Kamloops back?

 - Where do you see opportunities in Kamloops?

- Are there any improvements with infrastructure or city you require?

- Are there any companies you know of in Kamloops that we should talk to?

- Is there anything we can do to help?