

2018 ECONOMIC DEVELOPMENT Year In Review





ECONOMIC DEVELOPMENT: 2018 YEAR IN REVIEW

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Community Stories: A reason to celebrate!

Peppered throughout this 2018: Year In Review, you'll find green bars like this one highlighting business success stories that reflect steps forward in Economic Development. They represent examples of some of our 'wins' as a community, and they should be celebrated!

To jump to a story, click on one of them below (if viewing electronically).

- › *Tempest Theatre & Film Society*
- › *High Speed Internet*
- › *Penticton Regional Hospital Patient Care Tower*
- › *Penticton Airport Upgrade*
- › *The Foundry/YES*
- › *Okanagan College Welding Facility Opening*
- › *XCo WINN Funding Announcement*
- › *Downtown Vibrancy*

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EXECUTIVE SUMMARY

With a population of nearly 35,000 and a projected population rate of 1.7% Penticton is in the third year of a strong development cycle and is one of the most vibrant municipalities in the Okanagan. Incoming residents are arriving from Calgary, Edmonton and the Lower Mainland in order to make the most of the work/life balance that the area naturally provides. Aside from its special Okanagan charm, Penticton offers a diverse culture rooted in agriculture and tourism. Historically seen as a desirable place for active retirees, the City is becoming a destination for those looking to build a life and a family where long commutes don't exist and a variety of outdoor adventure is only ten minutes away.

In 2017, Economic Development was shifted into the Development Services Division in order to support increased alignment and efficiencies between the departments. The Economic Development Department has a mandate to foster Economic Vitality in the community. With one full-time employee, supported by the Director of Development Services, key City Staff, and the expertise of a number of local consultants, the Department is able to operate efficiently and to leverage excellent relationships with stakeholder organizations and the business community to ensure a broad and inclusive approach to delivery of service. Economic Development activity is made up of short term initiatives and measured against a long-term plan, using international Economic Development principles to build innovative programming.

Between late 2017- early 2018, an intensive face-to-face survey process was completed with 100 businesses, followed up with a quantitative questionnaire completed by 93 respondents. This information provided rich and meaningful insights that enabled the development of a five-year Economic Development Strategic Plan. This process, held in collaboration with 25 key representatives from the community, outlined a direction for Economic Development that put a strong focus on Business Retention and Expansion as well as Skilled Labour Attraction. Strategic Communication and collaboration were also strong themes that arose and were pervasive priorities through all five of the Strategic Plan's Key Result Areas (KRA's). Most notable was the increased focus on supporting

existing businesses to start and grow as a mechanism to build a compelling business climate that will naturally attract individuals and businesses to our region. The current team is well served by robust local and regional research conducted in the past 5 years which has been of great value throughout the strategic planning process. This Strategic Plan laid out a framework of key result areas (KRA's) to be prioritized from 2018-2022 and implementation projects to meet these KRA's was started in 2018.

2018 was a year of continued growth and development in the community with increases in new businesses opening, continued business expansion, and it was the third year of a strong building and development cycle. Key themes for the year included strategic collaboration and partnerships, improved communication processes and making local data more readily available to the community. The transition of Economic Development into Development Services provided access to the expertise of the other departmental staff and enabled feedback from the business community to flow more effectively. This report highlights the year's goals, activities and some of the arising stories from our vibrant and successful businesses.

Key themes for the year included strategic collaboration and partnerships, improved communication processes and making local data more readily available to the community.

The goal of Economic Development is to create a resilient community by improving our standard of living through the creation of jobs, the support of innovation and new ideas, the creation of higher wealth, and the creation of an overall better quality of life.

It is important to note that economic development function does not directly create jobs, but facilitates the process for existing businesses and start-ups to do so.

For example: Job creation requires a workforce skill level that is aligned with local employer needs. An economic development function is working towards closing any gap between these two.

A QUICK OVERVIEW: ECONOMIC DEVELOPMENT 101

The 4 standard functions of Economic Development are:

Business Retention & Expansion (BR&E)

- › Understanding local business challenges and opportunities
- › Addressing immediate concerns
- › Collecting data to support planning
- › Establishing Strategic plan for support & growth of existing businesses
- › Includes Foreign investment

Business Attraction

- › Assessment of existing business and sector clusters
- › Identification of any gaps in supply chains
- › Preparedness for supporting inquiries
- › Zoning, Land availability & infrastructure capacity to support incoming business
- › Ongoing relationship-building with local real estate & out of community network
- › Includes Foreign investment

Workforce Development

- › Provide employers with an effective means to communicate and meet their demand for skills
- › Enable individuals to acquire knowledge, skills and attitudes for gainful employment
- › Identifying the gap between the two groups
- › Position community for increased education & training to close any gap

Resident Attraction

- › Strategic marketing of community opportunities to target demographics
- › Provision of easy to find community profile information
- › Leveraging of community groups & residents to be 'ambassadors' with accurate messaging
- › Support of sufficient housing inventory & options

When you implement these properly and with attention to community uniqueness, it generates a vibrant community that has predictable & controlled growth.



ENVIRONMENTAL SCAN: OPPORTUNITIES & CHALLENGES

The shortage of labour across Canada is an issue pervasive in all communities, putting employers in a position of needing to compete for candidates in a way that is new and challenging to traditional hiring practices. This workforce shortage will continue to grow for the next ten years as our population ages and moves out of the working phase of their lives. In order to support the Retention & Expansion goals for our business community, it will become increasingly important to apply a lens of overall community marketing to Economic Development programs. This is to ensure that Penticton is as attractive as possible to the skilled workforce, as well as supporting our employers in an increasingly competitive recruiting environment. Businesses will also be facing new challenges arising out of technological and economic shifts around the world, and developing programs that encourage global market competitiveness will be a priority.

As we look at to attract new skills and residents to Penticton, it is important to ensure that we are providing a welcoming and streamlined settlement process to ensure that people land and find their fit as quickly as possible. Retention challenges have been voiced by many employer groups in the community and finding ways to enhance retention rates is another area of priority focus.

Successes in Attraction and Retention will be reinforced by a community with a strong identity or brand and a tangible culture of collaboration among the supporting organizations. Providing value to the Penticton business community through easy access to local data, trends and insights is a positive mechanism to support them with opportunities for informed decision-making to help them stay competitive and agile in a quickly changing global market.

ADVISORY FEEDBACK, PARTNERS, AND RESEARCH

Economic Development cannot happen in a vacuum, it takes continual effort to build two-way communication and relationships. The 2017-18 Economic Development & Prosperity Taskforce, convened by Council was comprised of 11 members from the community who were instrumental in providing feedback and direction on the development of the Business Survey, the Industry Clusters research, the Strategic Plan and the 2018 Operational Plan.

The development of the Strategic Plan included the Taskforce, representatives from key stakeholder groups as well as Mayor, Council and City Staff. This built the foundation for the development of another advisory group: The Penticton Economic Development Partnership group. Agreeing to meet quarterly, this new formalized group provide another layer of depth and reach for Economic Development activity, ensuring that programs and initiatives are being developed with input from a board range of informed sources.

Various local economic analyses, projections and studies provide valuable foundations for many of the current and upcoming initiatives. If you are viewing this as an electronic document, links to these studies can be found on the left.

ACCOUNTABILITY

Clear communication and measurable work plans were requested from Council of the new Economic Development structure, under Development Services. A standardized quarterly reporting framework was developed as part of the 2018 Operational Plan, to ensure that Council would be receiving regular updates on economic indicators, insights, and key projects. The reporting framework was designed to reference the 5 Key Result Areas set out in the Strategic Plan as well as to report on the progress of the deliverables due that quarter.

Our Goal

To improve relationships with local businesses and identify key initiatives for the economic development office to focus on to best address business needs.

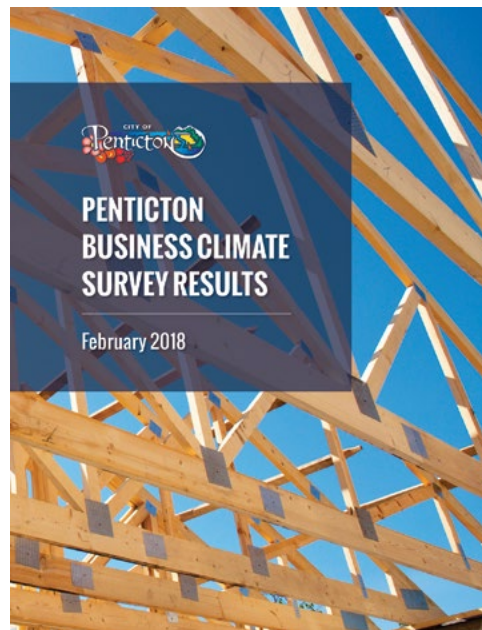
DEPARTMENTAL ACTIVITY & SUCCESS

Developing the Plan

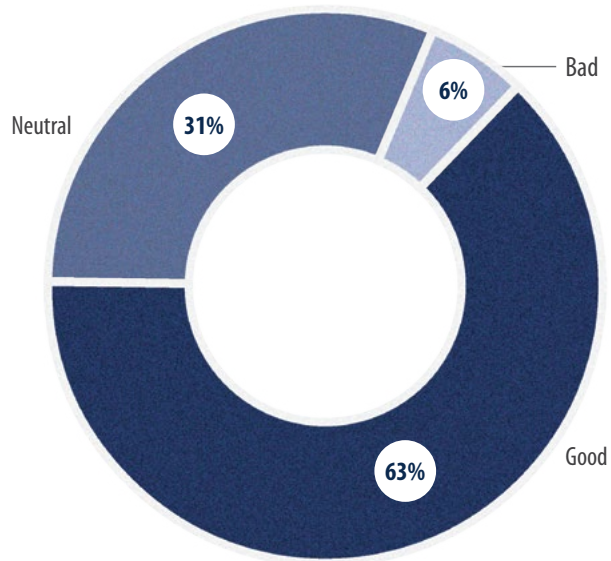
Business Climate Survey

The City of Penticton and industry groups partnered in 2017 to launch a Business Climate Survey, an impressive economic development initiative in the City of Penticton, designed to capture the feedback from a cross-section of 100 businesses representing the various economic sectors and business sizes that reflect the makeup of the city. The Business Climate Survey - commonly known as 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.

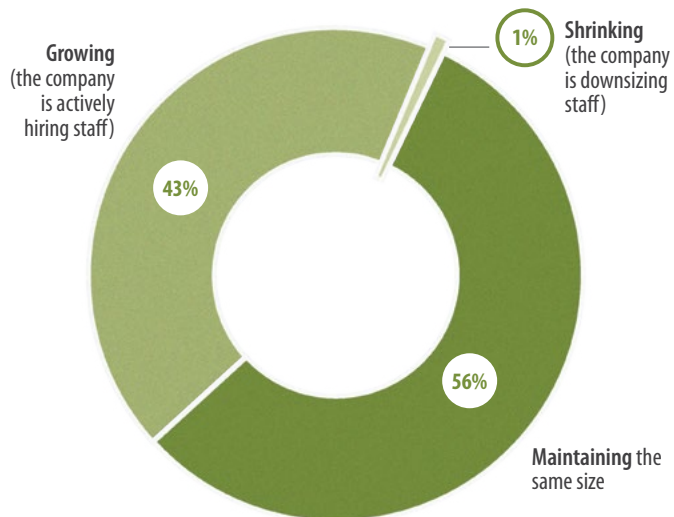
In January 2018, 93 online surveys and 100 in-person surveys were completed by local businesses and the analysis was completed. This was possible through gracious help from the project partners: The Chamber of Commerce, the Downtown Penticton Association, Travel Penticton, and the Penticton Industrial District Association (PIDA). Guidance and support was also provided via the Economic Development & Prosperity Taskforce.



How do you find doing business in Penticton?



Is the size of your workforce increasing or decreasing?

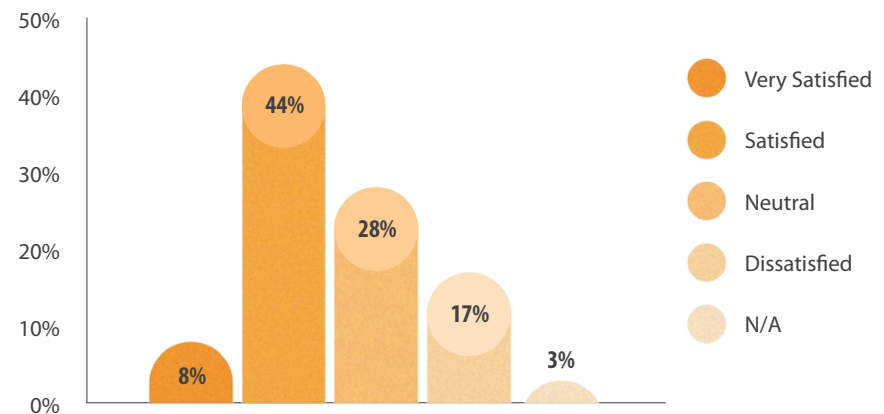


The findings arising from the Business Climate Survey were compiled into a 75-page report. Key findings were delivered to a full house of survey participants, representatives from key stakeholder groups, the Economic Development & Prosperity Taskforce, as well as Mayor and Council at an event held March 13th at Cannery Brewing. The report was made available in print format as well as online in the Business section of the City website.

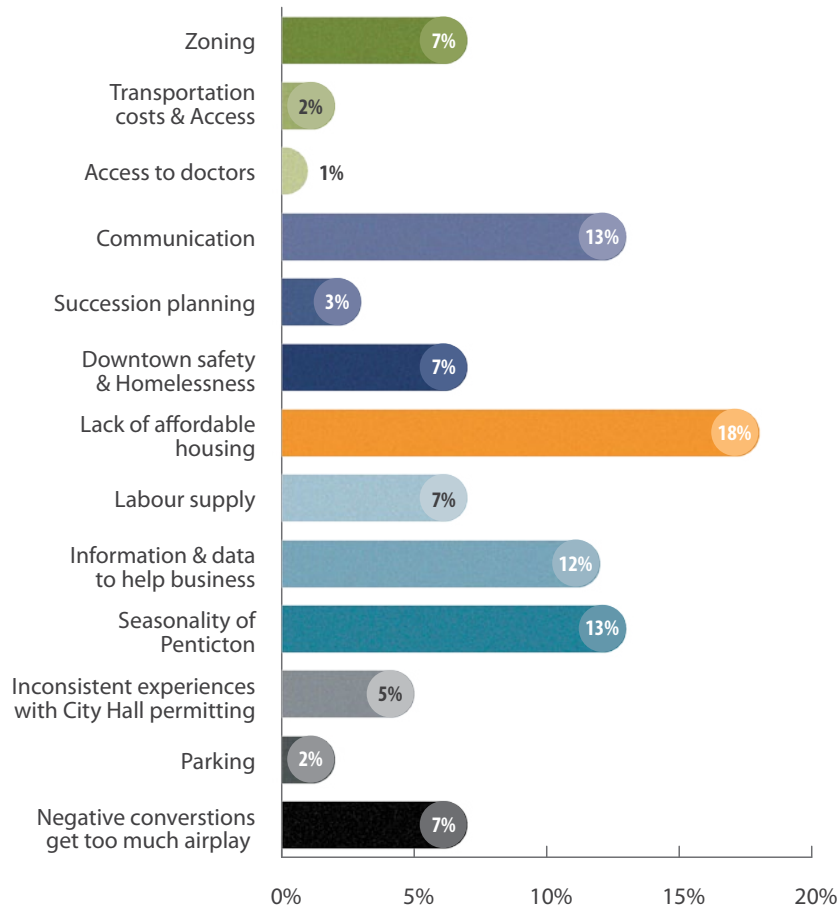
Highlights from the report's findings show that in general, the business community is thriving and are anticipating growth. Only 4% were expecting a loss in sales revenue for 2018, all other respondents felt that the year would be one of positive gains. Identified challenges to that growth were housing and hiring. It was generally felt that there could be improvement in access to local data, in communication flow between City Hall and the business community, and in overall marketing of Penticton's brand to external audiences. Respondents were generally pleased with their experience of operating a business in Penticton, while some had very specific criticism or feedback, 63% felt that the climate of business was good.

Using this survey data, key trends were identified in the report which not only presented the 'pulse' of the local economy, but also helped to assist the Economic Development Department with future operational plans and initiatives. See some of the statistical graphs on this page and the next. You can [view the full report on the City's website](#).

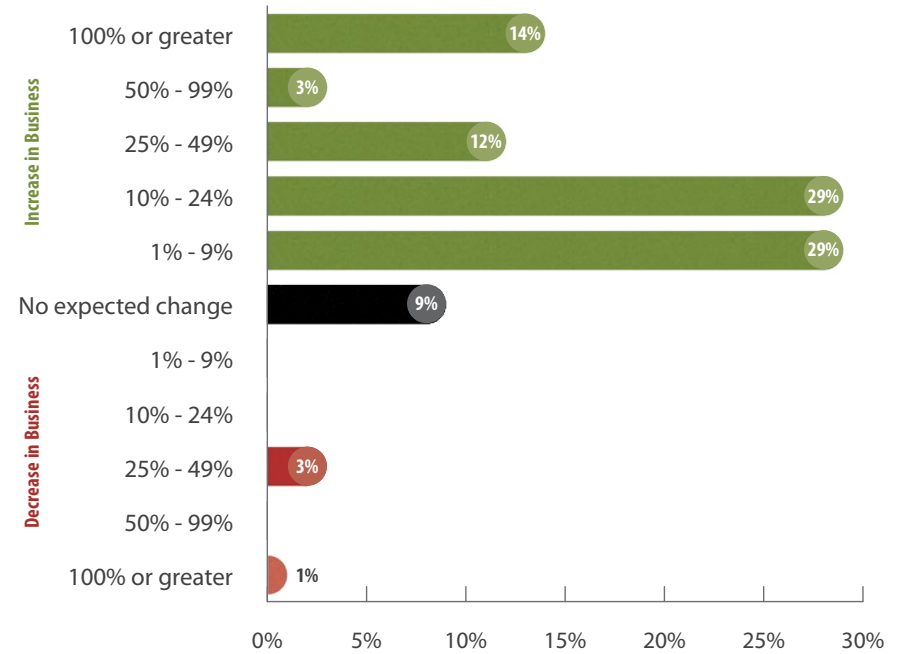
What is your overall ranking of the local business climate?



What is holding Penticton back?



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





Strategic Communication

Developing key messaging and reporting to our internal and external stakeholders



Collaboration

Identifying strategic partnerships and working towards common goals



Retention & Expansion

Focusing on businesses currently within the community



Labour & Business Attraction

Focusing on bringing businesses, investment and labour to Penticton



Organizational Excellence

Continually improving the economic development department

Strategic Plan

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

Prior to the strategic planning sessions in November 2017, group members individually submitted feedback to a survey that helped determine areas requiring some in-depth attention. Their input also identified current challenges and upcoming opportunities for the Economic Development Department. The overall process was informed by the results from the Business Climate Survey which was at 90% completion at the time of the Strategic Planning process. All this data pinpointed the Key Result Areas (KRA's) to be addressed over the next five years. In their session, the group formulated Strategic Goals that relate to each KRA. These goals give well-defined direction to staff and their staff committees.

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

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

The Key Result Areas (KRA's) identified by community leaders for January 2018 through December 2022 are listed to the left.

The *Strategic Plan* is available in print format as well as online in the Business section of the City website.



Community Story: The Foundry/YES

The YES Project (Youth Engagement Strategy) started in 2013 from a bequest to the Community Foundation of the South Okanagan | Similkameen and the United Way of the Central and South Okanagan. In the spirit of collaboration and larger community impact they pooled the funds together. The Community Foundation is the backbone organization of The YES Project, which supports youth aged 12 to 24 years old.

YES has 3 Main Goals:

- › To publicly advocate for the needs of Penticton youth
- › To create and facilitate more free and accessible youth activities and resources
- › To build a youth resource centre

Partnerships across the community came together from late 2017 through 2018 to bring the dream to life. In 2017, Council approved a \$400K grant request towards the property acquisition. Other fundraising efforts meant that the Community Foundation was able to purchase the building, with a possession date in January 2018. OneSky Community Resources hold the Foundry Contract which will be located on the main floor of the building. Foundry has over 100 partnerships in communities across B.C. that help youth access health and social services. Other community organizations that will be located in the building include YMCA Jumpstart, the Arc Program, the Ministry of Children and Family Development, and Interior Health.

2018 Operational Plan

A subsequent one-year Operational Plan was developed by staff for goal execution, commencing in January 2018. Progress reports were slated to be delivered to Mayor and Council by the Director of Development Services and Economic Development staff on a quarterly basis with an annual summary report at year end. Strategic Goals within each Key Result Area have been developed and are to be achieved by year end 2022, unless otherwise stated. Key Result Areas (KRA's) are the categories for the Strategic Goals. These goals give clear direction to staff and their committees so they can successfully accomplish the Strategic Plan within the five-year time span. The 2018 Operational Plan identified foundational work that needed to be completed to achieve these larger strategic goals by 2022.

The Economic Development Department is pleased to report a successful year in delivering the Operational Plan. The reader will note that 2 actions remain unaddressed in full, but can rest assured that they will be added to the 2019 work plan. Several unexpected projects arose over the year, as is to be expected in a Department which supports community needs and requires a proactive approach to opportunities.

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



KRA 1 - Strategic Communication

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

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

Strategic Communication goals for 2018

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



KRA 2 – Collaboration

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

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

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

Collaboration goals for 2018

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



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

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

KRA 3 – Retention & Expansion

Retention & Expansion is an important element of any City's economic vitality and fiscal sustainability in order to foster a healthy business community that includes both existing active businesses plus opportunities for new businesses to establish. Business retention and expansion focuses primarily on the existing businesses in and around the City and is concerned that those existing businesses are able to function successfully day to day, be able to seize opportunities for growth, and stay located in the City as long term economic contributors.

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

Operational Goals for 2018

In 2018, the most pressing goal is the completion of the Priority Industry Clusters Identification research. With these clusters mapped, programs can be developed to leverage the opportunities and momentum of the clusters or to address any visible pending risks to a cluster's future. Many of the other 2018 Operational goals will play into Retention & Expansion activities in the subsequent years of the Strategic Plan, once this foundational work has been completed.

It should be noted here that 2 actions were unable to be completed in 2018.* Succession Plan Development was set aside for addressing at a later time when partner organizations are able to be involved. For the time being, business sale or acquisition requests are directed to the Trade and Invest BC online platform on www.britishecolumbia.bc.ca

or to speak with Community Futures Okanagan Similkameen. The action entitled Entrepreneurial Survey was intended to be an online directory of resources and services to support entrepreneurship. A suitable tool for sharing this information was not found to reflect the complexity of this ecosystem, however resources are listed in a simple format both on the City website and on the new Local Data Portal: www.PentictonBizToolkit.com.

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



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

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

KRA 4 – Skilled Labour & Business Attraction

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

New business and investment attraction to the City is necessary because parts of the City's business community base will inevitably shrink in response to economic factors beyond the City's control and these must be replaced by new businesses and investment on an on-going basis to maintain vitality and sustainability. [PentictonWorks.ca](#) is an example of a City program that is attracting a new economic sector. [StartHereOkanagan.com](#) is an example of an initiative which has been developed from recommendations arising from specific local research to support attraction of a skilled workforce. It both supports retention and expansion of our existing businesses, while also attracting new residents and potential investment to the community.

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

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

Skilled Labour & Business Attraction goals for 2018

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



KRA 5 – Organizational Excellence

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

Organizational Excellence goals for 2018

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

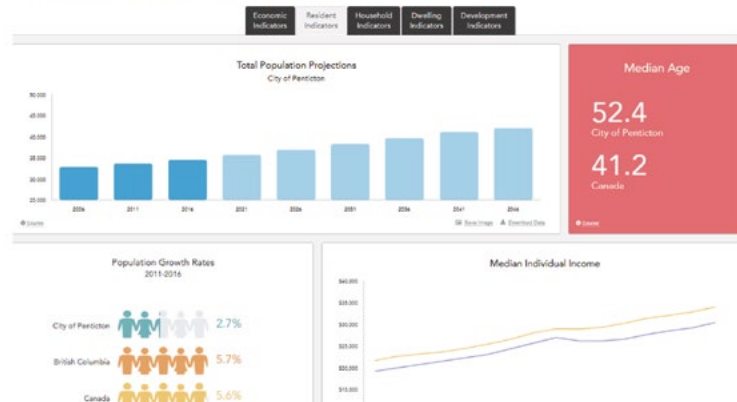


2018 Achievements: Strategic Communications Quarterly Reports

A format was developed for a quarterly report to be delivered to Council at the end of each Quarter. Designed to provide ongoing insights into economic indicators such as development statistics, real estate, and business licensing, the report also provided an opportunity to deliver updates on key deliverable for that quarter, or progress reports on key projects.

Each update was followed by a short presentation for three different Penticton businesses as a way of further showcasing the expertise, breadth and reach of the diverse business community. Businesses who presented before Council represented all sectors, ages, and stages. They are highlighted on the following page.

www.PentictonBizToolkit.com



PentictonWorks.ca Remote Worker Campaign

Total to Date (Sept 30)

23,642 Unique website visits

88 Reported new arrivals





The Anomaly House



Okanoggin Barber Shop



Pro Builders Supply (Home Hardware)



Loom Lighting



Balance Vegetarian Shop & Teahouse



Okanagan College Penticton Campus



Skaha Rock Adventures



Windward Software



The Henna Hut



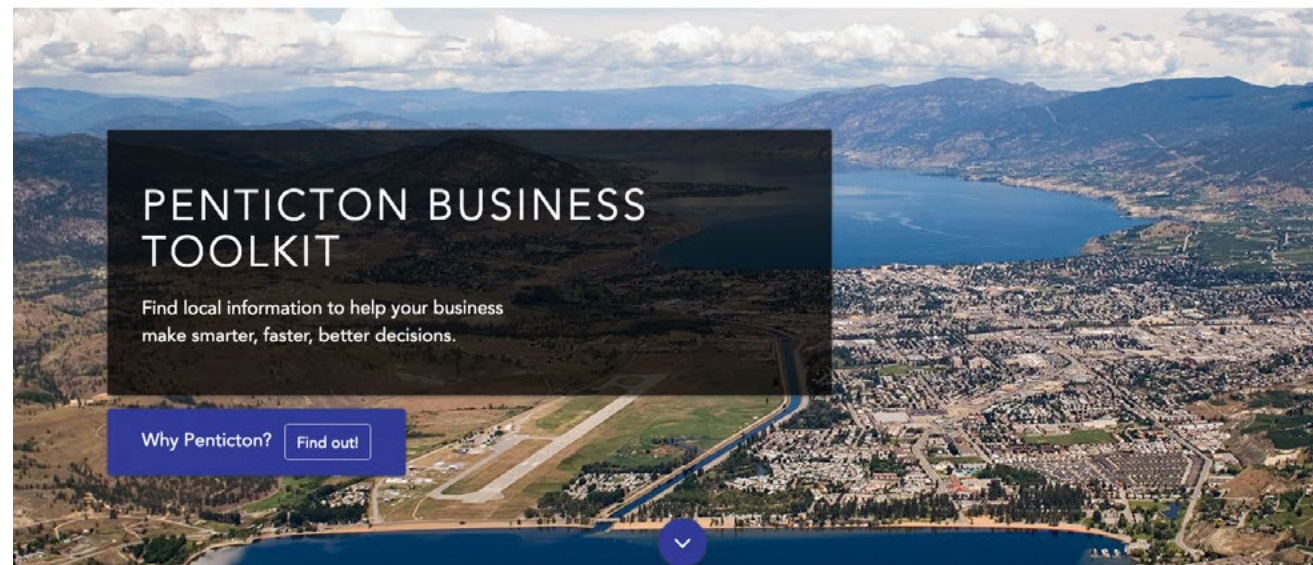
Community Story: Tempest Theatre & Film Society

In 2015, Vancouver filmmakers Kate Twa and Ronan Reinart began shooting "The Orchard", a quirky romantic comedy set in the Okanagan. It was a move which while they were filming, saw the duo also falling in love with the region, buying a cottage in Naramata, and eventually an old church in Penticton to become a black box theatre and production facility for their work. In deciding to move their business to the area, Twa and Reinart have brought their 20+ years of industry experience in writing, directing, photography, cinematography, professional acting instruction which has drawn students from all around the world. Their aim is to use their new facility to film, produce, teach, and to support the advancement of cultural opportunities through their non profit organization 'Tempest Theatre and Film Society'.

Economic Development Data Dashboard Website

Arising from feedback received in the Business Climate Survey was a general desire that the City make local data and market intelligence more readily available. It was also expressed multiple times that the current City website & representation of Economic Development was not effective nor was it positively representing the local economy. A new City website is a large and time-consuming project. While the current GIS Implementation project underway in the IT Department may one day provide an excellent backbone for publicly displaying local data and business information, it is some time before that resource will be ready to be customized for such a purpose. An interim solution needed to be found; one that was cost effective, external-hosted, and quick to launch.

In September, www.PentictonBizToolkit.com was launched, a local data portal that acts both as a research tool for learning about our community's demographics, economic drivers, zoning, and recent development as well as a market research tool that can help prospective and existing business owners research customer segments and industry information. Current research, City staff contact details, and links to other resource organizations are presented on the site, making it into a hub of information for the visitor. It is also a useful tool for anyone wanting to simply 'know more' about Penticton. Built by an award-winning Economic Development software company in Calgary, the site allows the Economic Development Department to blend data from the City's databases with greater datasets such as Stats Canada, BC Stats, and the Canadian Mortgage Housing Corporation. Updates to the data are made quarterly.





Media Results

10 Story angles pitched around the topics of:

- › Support for business & entrepreneurship
- › Virtual work
- › Viticulture
- › Craft Beer Movement
- › Innovative Food Production
- › Green and Sustainable Construction
- › Modular Construction Hub in Penticton
- › Manufacturing and Global Reach
- › Highlighting Quality of Life aspects
- › The 'Brain Gain' Penticton experiences as people choose to relocate here

16 Direct earned media pieces in Western Canadian publications

- › Western Living Magazine
- › Sustainable Architecture & Building Magazine
- › Government of BC Ideas Exchange
- › Right Sizing Magazine (distributed in the Globe and Mail)
- › Business in Vancouver Magazine
- › 604.Now Vancouver-based blog
- › Invest in BC Magazine
- › Global TV News
- › Penticton Western News
- › Castanet
- › Summerland Review

Media exposure

Business Highlights Earned Media PR Strategy

The Business Climate Survey highlighted a strong theme that the Economic Development Department direct efforts towards externally marketing Penticton as a vibrant, diverse, and healthy economy. It was generally felt that Penticton's reputation externally was that our economic drivers were limited to Tourism, but that this was not an accurate reflection of the actual mix of the business community. Furthering this theme was ongoing feedback that there are in fact many interesting and unique business stories to tell and that the City could leverage these successes to promote the attractive qualities of doing business in the community.

The Business Highlights PR Strategy was developed in response to this feedback. Working with a local PR firm, Economic Development developed a plan to identify, create and promote positive business stories to advance the Department's mandate to foster economic vitality in the City of Penticton. The goal was to generate story pitches that would be made available to local media in the form of a news release, as well as strategically pitching stories to targeted media channels in Western Canada. Understanding that not every pitch would be picked up and that the process is also one of building momentum and name recognition was a critical component of the overall strategy. Earned media was the desired outcome – which is the term for a story published by a media outlet, usually produced by one of their own journalists or content creators. Earned media typically resonates more with its audience, and is viewed as more 'genuine' than advertising. In addition, earned media is much more likely to be shared by the audience than advertising which adds another level of validation as well as reach onto the reader's networks. This campaign outreach included the local media sources as well. With every story pitch, the local media was informed and a blog post was added to a new section on the City Website, called Business News.





The launch of the campaign was timed to fall during BC Economic Development Week (May 7 - 12) and the initial press release called for local businesses to submit their own success stories as well. The Penticton & Wine Country Chamber of Commerce, the PIB Development Corporation, and Travel Penticton publicly supported the campaign as a welcomed addition to their work in promoting business growth and development in Penticton.

Campaign Objectives:

- › Showcase the opportunities in Penticton for economic investment
- › Support local businesses and entrepreneurs by celebrating home-grown success
- › Strengthen civic pride and encourage new business and entrepreneurship

Core Messaging:

- › Penticton has a vibrant business community, anchored by established manufacturing and tourism industries.
- › Penticton is growing and becoming a hub of innovation and growth.
- › Penticton is attracting new energy, entrepreneurs and economic investment.
- › Penticton offers a sought-after work-life balance.
- › In collaboration with the business community and other stakeholders, the City of Penticton is profiling and celebrating home grown business success.

The contract with the PR firm was a pilot project for 2018 only. The strategic story pitching campaign ran from May until September and then changed gears into the creation of a Communications Tool Kit that is designed to help businesses build their own press releases and tell their own success stories.

Advertising

Throughout the year opportunities arise to advertise Penticton to target audiences, who might consider moving to the city to work, live, or build a business. In 2018, advertising was placed in

- › Kettle Valley Express: Adventure Travel Guide to South Central BC (half page ad & 400-word article)
 - **Circulation:** 50,000
 - **Distribution:** Vancouver Airport, 10+ trade shows, Visitors' Centres in Thompson Okanagan, and in 200+ locations in Northern Washington, Northern Idaho, and North Western Montana
- › Penticton Western News: Small Business Week Insert (full page ad and 400-word article)
 - **Circulation:** 23,607
 - **Distribution:** Summerland to Osoyoos



LET'S RAISE A GLASS TO BC TASTING ROOMS: 5 REASONS TO DRINK UP PENTICTON

604 Now | @604now | June 29, 2018



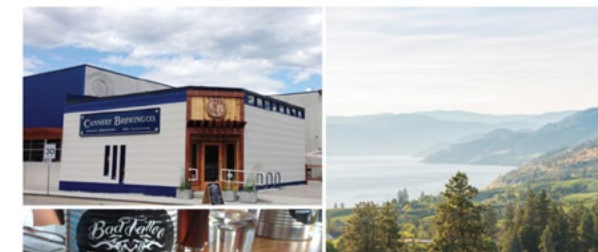
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10 BUSINESS PLANNERS | SPOTLIGHT

BIG AWARD FOR COMMUNITY-ORIENTED RESTAURANT



2. Penticton, BC





News Release

For Release: 3:30pm Pacific, Nov 13, 2018

Okanagan company secures Canadian Government funding to launch new sport performance training and precision medicine products

Nov 13, 2018: PENTICTON, B.C. - XCO Tech Inc. is developing breakthrough products for sport performance training and concussion assessment using its proprietary technology that provides meaningful digital biomarkers to better guide training, rehabilitation and treatment. The promise of XCO Tech Inc.'s innovative technology that precisely analyzes brain activity, attention, focus and cognition has been endorsed by the Federal Government's Western Innovation (WINN) initiative, a program of Western Innovation today in Vancouver and at XCO's campus in Penticton, B.C.

Community Story: XCo WINN Funding Announcement

On November 13th, Penticton company XCo Tech Inc. was announced as a recipient of \$800K in funding from the Western Innovation Initiative, a Federal Government program. In a ceremony held at Penticton's Okanagan College campus, where the company's office is located, the Honorable Harjit Singh Saijan, Minister of National Defence made the announcement on behalf of the Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development. The funding will help XCo Tech commercialize the breakthrough products for sports performance training and concussion assessment, using its proprietary technology.

- › Penticton Recreation Guide: Winter & Summer editions (full page ad)
- › Right Sizing Magazine: November-December Issue (full page ad)
 - **Circulation:** 37,850
 - **Distribution:** in Globe and Mail Newspapers distributed throughout Vancouver, Victoria, Lower Mainland, Calgary, Kelowna
- › Castanet: online advertising for the FutureBiz Penticton Economic Forum and PentictonBizToolkit.com
 - **Reach:** 478 click-throughs for FutureBiz, 158 click-throughs for PentictonBizToolkit.com

Other coverage

Penticton's stakeholder groups and vibrant business community continued to catch the eye of media around the world, independent of direct story pitching and advertising. Working together, these three PR processes build a strong foundation for an authentic marketing approach of all aspects of our city. In 2018, stories of Penticton appeared in a variety of media channels, including:

- › Cover image on the July issue of Air Canada's EnRoute magazine
- › London Telegraph (UK) newspaper "Why British Columbia is the new destination for wine lovers"
- › [Expedia.ca - Best Beer Towns in Canada, 2018](#) (Penticton is #2)
- › [AskMen.com - Best Destinations For Beer Enthusiasts](#) (Top Global Destinations)
- › Business in Vancouver magazine "Helicopter Tours Lure New BC Wine Tourists"
- › Georgia Straight newspaper "10 reasons to visit Penticton this winter"
- › And a host of news sources reported on the Family Day visit by the Prime Minister to Gyro Bandshell in Penticton

CANADIAN GREEN BUILDING AWARDS 2018 OKANAGAN COLLEGE CHILD CARE CENTRE Penticton, BC

INSTITUTIONAL (SMALL) AWARD
Jury comments: As a structure designed to fit rigorous "green" design standards, the building is notable for its beauty and simplicity of its environmental systems. The building reflects energy and material efficiency, environmental design strategies, and addresses environmental goals and creates a significant new addition to the college campus.



The site for this project is a previously developed area of the campus, which was the last to be developed. When building and construction were underway, the site was a parking lot and a water tank. The building is a prime example of a green building. The design of the building is a prime example of a green building. The design of the building is a prime example of a green building.



Tyler Still, vice president and marketing manager of Gyro, with some of the and the raw material (left) that goes into them at the Brunswick Street production facility. The core recently won the best concept Small Business BC Award. Mark Sheff/Western News

The Okanagan shines in foodie finalist list

Western Living has released their 2018 list of finalists

SYDNEY MORTON | May 20, 2018 9:36 a.m. | ENTERTAINMENT

The Okanagan has made the list, claiming six spots on the Foodies of the shortlist

Western Living has released their 11th annual FOTY finalist list which features

BC IDEAS EXCHANGE

LOCATION
Thompson Okanagan

ECONOMIC BASE
Natural resources, tourism, service industries

POPULATION
33,761

INVESTORS
Penticton

SYNOPSIS
Penticton offers low-cost business, redevelopment of brownfields, and over 400 acres through targeted use of brownfields. The location is throughout the city. Public input and comprehensive planning have shaped the successful Economic Investment Zone program.

INTRO
Penticton city council has approved the Economic Investment Zone program, which will create 120 of the Community Choice Units over 10 years. The program is designed to create 120 of the Community Choice Units over 10 years. The program is designed to create 120 of the Community Choice Units over 10 years.

THE STRATEGY
The Economic Investment Zone (EIZ) program was created to stimulate economic development and job creation in the city of Penticton. The program is designed to create 120 of the Community Choice Units over 10 years.



2018 Achievements: Collaboration

Penticton Economic Development Partnership

The intention of creating the Penticton Economic Development Partnership is to formalize how each of the partner organizations would meet as a group three-four times a year (or as needed) to get a better understanding of each party’s initiatives, where they can help, avoid conflicting priorities, and ultimately to share the direction each organization is heading in. The opportunity to show the collaboration between our community leadership organizations is a priority for Economic Development to lead as it ultimately increases communications amongst these leadership organizations and improves opportunities for new partnerships to form.

On March 1st 2018, Economic Development led a meeting with twelve organizations in the community to discuss the potential for development of the partnership. The group identified a number of benefits coming from the partnership, to the community and to each organization. Discussion was also had around the better sharing of information between parties including the development of economic indicators to share with our community – identifying progress in a range of different areas of our economy.

On May 16th 2018, the second meeting of the partners was hosted by the Penticton Indian Band at the En’Owkin Centre and the group further flushed out each of their priorities and began to identify areas of common interest. Emerging from this meeting were many topic areas that require continual focus over the coming years. There was general agreement on the format and wording of the partnership, in its response to the ideas and issues coming out of the first meeting in March.

On July 26th 2018, the partners met to finalise the partnership document and commenced working towards initial opportunities. At this meeting, each organization confirmed agreement to move ahead with the Penticton Economic Development Partnership.

The group met one final time in 2018, where a further two organizations were invited to consider joining the partnership: Community Futures Okanagan Similkameen and the Regional District of Okanagan Similkameen.

The opportunity to realise collaboration between our community leadership organizations is a priority for Economic Development and is clearly outlined as a deliverable within the 1st year operational plan of the new Economic Development Strategic Plan. Efficiencies will be gained, relationships will be built and long term partnership opportunities that benefit our community from an economic perspective and more will ultimately deliver positive results for our region.

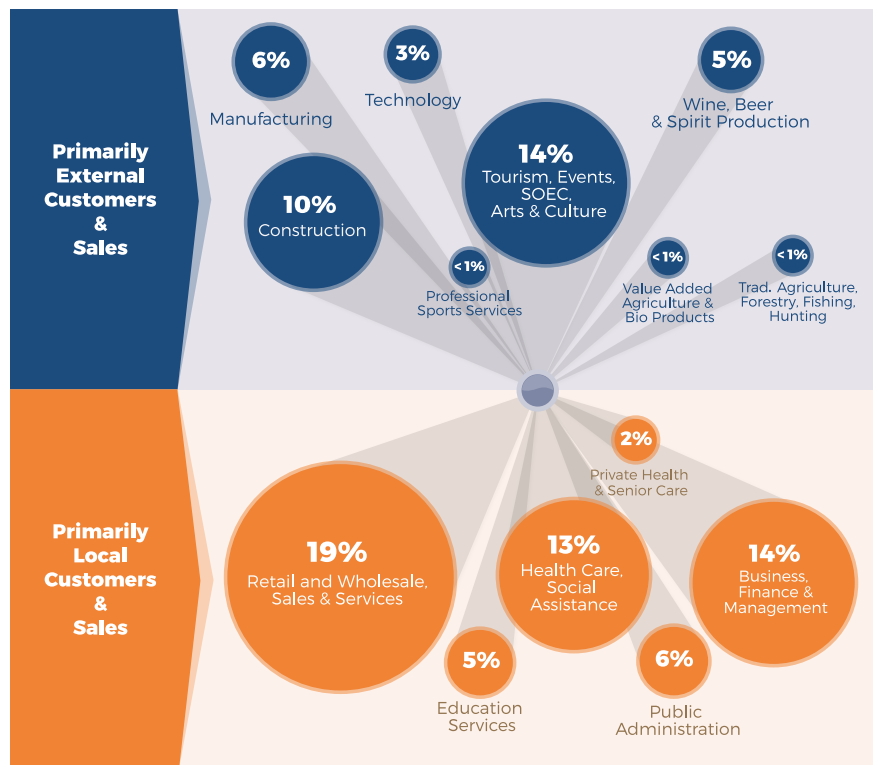
◀ The founding partners are represented on the left.



Collaborative environments drive economic success.

UBCO Capstone Project

UBCO Faculty of Management approved an application from Economic Development for a team of 4th year Management students to develop one of the projects arising from the Smart Cities Canada application, submitted in April 2018. Although the Smart Cities application was not successful in winning the funding dollars, the submitted project proposals still warrant exploration. There is no financial cost to the Department for engaging with students in this project. The UBCO Capstone project enabled Economic Development to break the larger project down into phases which the students could work on within the available time-frame for the project. Capstone offers graduating students a chance to work on real world problems, conversely, it allows clients like Economic Development to work with motivated minds. The students were asked to review best practices used by similar-sized communities in Canada to collect datasets and report them out to their communities. This is an early phase of the Smart Cities project which sought to develop a quality of life index using local economic indicators, benchmarked against a locally-developed theory of change. The students were successful in speaking with several communities and identifying some opportunities and challenges to collecting data from a variety of sources and reporting it back out. The process showed that Penticton's interest in this is both innovative and of great interest to other municipalities. Economic Development subsequently applied for a 2019 Capstone team to work on hosting a full day workshop with stakeholder partners to explore the project further.



The Economic Base Theory is an analysis tool to differentiate those businesses that inject new money into the community (Basic) from those that primarily circulate money within the community (Non-Basic).

Basic business sectors generate a positive multiplier effect on Non-Basic sectors and so it is common for Economic Development resources to concentrate on retention, expansion and attraction of Basic business sectors which will in turn benefit the whole local economy.

2018 Achievements: Retention & Expansion

Identification of Priority Industry Clusters

The 2018 - 2022 Economic Development Strategic Plan provided a strong focus on retaining and growing existing and start-up businesses in the community. Within the Strategic Plan, direction was given for the Industry Cluster Project, the first step of which would be to identify clustered industries that have the greatest existing or potential impact to the Penticton economy. The process involved review of existing studies and research, stakeholder engagement, analysis and reporting back on findings with recommendations for next steps in 2019 and beyond.

Providing input into this project, the Penticton Economic Development and Prosperity Task Force identified that, while all sectors of the Penticton economy are important, it would be valuable in deciding where and how the City's Economic Development resources should be deployed in order to have a greater positive impact. Industry Clusters can be defined as groups of companies broadly in the same type of business, with similar suppliers, labour needs, and/or related industries. The Clusters as a whole typically benefit both companies and the local economy.

Determining the makeup, size and economic status of Penticton's industry clusters provides insights into Penticton's economy that can be translated into recommendations and priorities for effective Economic Development.

Industry clusters encourage and help grow regional competitiveness:

- › by increasing business productivity
- › by boosting their innovation capacity, which underpins future productivity gains
- › by stimulating the formation of new businesses, which expand and strengthen the cluster



Lack of affordable housing for staff was a commonly reported issue for many businesses.

Innovative industrial clusters are characterized by a high level of interaction among firms, enabling them, as a group, to learn about changing economic conditions, adapt to them and benefit from them. Physical proximity and sharing of knowledge and information encourages interaction and promotes the exchange of ideas and expertise.

A theoretical Industry Clusters Model of the Penticton Economy was developed using:

- › Statistics Canada's Census 2016 employment data, recent Economic Development studies
- › 2016 South Okanagan Foreign Direct Investment Strategy Report
- › City of Penticton Business Licensing data
- › Aspects of Economic Base Theory

Insights from the process can be grouped thusly:

Emerging themes from interviews

Four themes that emerged from Stakeholder interviews across all industry clusters included:

1. Lack of accurate local economic data, as pointed out above, was consistent across industries.
2. A significant percentage of Penticton's economy is dependent on external markets.
3. The concept of permanence vs "flight risk" for industry clusters in Penticton under economic pressure to relocate elsewhere.
4. That a significant number of Penticton businesses are using state of the art technologies in order to stay competitive in the market.

Economic Development Issues

Common Economic Development issues expressed by most Stakeholders were:

1. Lack of availability and difficulty in attraction of skilled staff; plus affordable housing for staff.
2. Issues arising out of City policies or actions which Stakeholders perceived as being based on an incomplete understanding of clusters' business operations and needs.
3. Many stakeholders across clusters brought up safety and security issues related to crime as increasing their cost of doing business locally.
4. Three common issues that were not specific to Penticton were macro-economic factors affecting local business, costs and time for dealing with regulatory bureaucracies, and different levels of taxation.



Community Story: Penticton Regional Hospital Patient Care Tower

Providing healthcare to the South Okanagan, Similkameen & Boundary region, the Penticton Regional Hospital is undergoing a \$312 million upgrade. Phase 1 (due to be completed in early 2019) is the construction of a Patient Care Tower, a six-storey, 26,155 square metres (281,530 sq. ft.) providing 84 patient rooms, ample parking, a rooftop helipad and multiple new surgical rooms. Once completed, Phase Two of the renovations will begin upgrading the older part of the hospital.

Recommendations & Actions

Retention & Expansion: Considerations or prioritizing Economic Development

1. **Basic vs Non-Basic** – Basic industries that bring new income into the economy should factor as a higher priority from an economic development perspective.
2. **Permanence (Flight Risk)** – The potential for an industry's mobility should be factored in not just from the perspective of flight risk, but also from a perspective of what opportunities for expansion this may present for mobile industries relocating into Penticton.
3. **Impact** – The cluster's existing or potential size in terms of jobs and economic value should be estimated with value attached to larger potentials.
4. **Financial Health** – Evaluating if a cluster is financially vibrant, steady, or ailing will help to clarify if needed actions are to remediate issues, or support continued health and growth.
5. **Lifecycle Stage** - Evaluating if the cluster is relatively new in the economy, well established, or becoming obsolete in terms of its economic cycle will help to clarify potential long and short term benefits to the local economy of investing Economic Development efforts in the cluster.
6. **Ability to Expand** – Specifically in relation to economic expansion, clusters should be evaluated for potential limits to growth that Penticton cannot influence.

The report recommends that the clusters on the following page be considered for Economic Development Retention and Expansion priority status using the criteria listed above.



Priority Cluster

Criteria for Prioritization

Manufacturing

Stakeholder input suggests that the majority of this cluster's economic input is from outside the region defining it as strongly Basic in nature.

This cluster represents at least six percent of jobs in Penticton and Stakeholder input implies that jobs in this cluster tend to be, on average, higher paying than in many other Penticton industry clusters giving this cluster a relatively strong payroll value within the local economy.

Input suggests that this cluster is subject to flight risk as it is relatively easy to move businesses' operations and that businesses within it regularly receive economic incentive invitations to relocate to other jurisdictions.

Tourism, Events, SOEC, Arts & Culture

This cluster is by nature Basic and input suggests that there is both opportunity for growth in jobs and economic impact, and a risk of competition for that growth from competing destinations in BC.

Tourism in all its forms is a significant part of Penticton's civic identity but the full scale and impact of this cluster has proved difficult to quantify because of the industry's underlying links to many businesses and aspects of the community, and the costs associated with assessing economic impact.

Technology

With sales primarily outside the Penticton area, this is a Basic cluster that has strong payroll value providing good to high paying jobs.

The sector has good opportunity for growth in that the appetite for technology development is strong globally and Penticton has a close proximity to the strong technology sectors in Kelowna, Vancouver and Calgary.

Both the Provincial and Federal government have recently initiated new technology sector financial support initiatives and Penticton has key aspects of necessary infrastructure in place.

Beer, Wine, Spirits Manufacturing

Viticulture and wine production represent the majority of economic activity in this cluster and their primary dependence on external markets defines the overall cluster as Basic in the local economy.

Input from stakeholders suggests that viticulture and wine, as well as other businesses in the cluster, have strong opportunities for continued growth.



Toolkits for Business

Data Portal: Economic Development Data Dashboard Website

While the launch of www.PentictonBizToolkit.com was covered above in the Strategic Communication Key Result Area, it is also a program that responds to goals identified under Business Retention and Expansion. The Business Climate Survey identified a desire amongst business owners for more ready access to economic data which would assist them in making more informed decisions, leading to staying more competitive in their various markets.

The Economic Development and Prosperity Taskforce provided advisory input on the decision-making process to select the appropriate software tool, while key organizations providing business support were updated on the progress of the site build and expressed enthusiasm for it.

The launch of the site was promoted in a variety of ways. A press release was issued by the City and most local media sources reported on it. It was introduced to the Penticton Economic Development Partnership Group, presented at Council, and also presented at several internal City staff meetings. Links to the site are present in several locations on the City website, and there are advertising slides showing on the TV screens in City Hall and at the Rec Centre. A postcard promoting the launch was created and distributed around City Hall and a letter to business license holders was developed and mailed out. The letter invited readers to attend the FutureBiz Economic Forum event, and on the reverse side, it introduced several Economic Development initiatives such as PentictonBizToolkit.com and StartHereOkanagan.com.

Communications Tool Kit

Communications Toolkit is an initiative to support Penticton's Economic Development's objectives to promote Penticton as a thriving community and support businesses to launch, invest and grow. It is designed to complement the PentictonBizToolkit.com site, launched earlier this year.

The Communications Tool Kit will be presented in the form of a downloadable PDF from the Business Section of the City website in early 2019, as well as from PentictonBizToolkit.com website. It is designed to support local businesses in telling a credible and compelling story about their

business to key stakeholders and in so doing help promote Penticton as a thriving economy that is open for business. The step-by-step guide walks the reader through three phases: 'Identifying Your Story', 'Building Your Story', and 'Telling Your Story'. It is the final deliverable arising from the 2018 PR Strategy Pilot Project described earlier in this report, and will be launched in early 2019.





2018 Achievements: Labour & Business Attraction

Identification of Priority Industry Clusters

There were components of Business Attraction within the Industry Clusters Identification Project as well. Stakeholders' feedback provided useful input into identifying priority Attraction opportunities. The report recommends the following industry clusters be considered for priority status in relation to business attraction and that strategies be developed for them:

Agricultural Technology:

Technology and software development with an emphasis on agricultural applications. Penticton has some advantages over other centers in attracting these clusters due to an existing tech-enabled viticulture and wine industry and economic history of food production and processing.

Agricultural Production:

Value-added agriculture products derived from existing or potential local crops. This includes growing and processing medical and recreational use marijuana, which is an industry projected to have large potential in the near future.

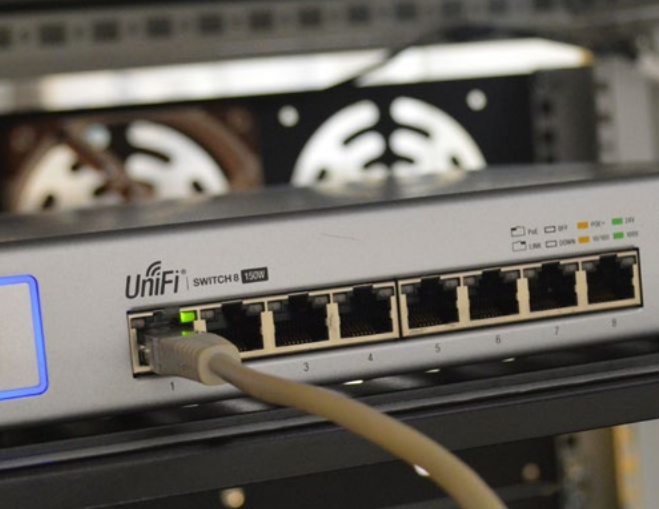
The feedback is further supported by existing research from the 2016 Foreign Direct Investment Report for the South Okanagan which pointed to these areas as strong potentials for outside investment in the area and outside market interest. Okanagan College and UBC Okanagan have related expertise and programs, and are developing additional programs in these areas. In addition, both Provincial and Federal governments are encouraging and funding tech development and tech enabling through initiatives such as the Federal Digital Technology Supercluster initiative.

Perhaps most importantly, Penticton has potential advantages over other centers in attracting these clusters due to an existing tech-enabled viticulture and wine industry, and economic history of food production and processing.

Talent Attraction Campaigns: StartHereOkanagan.com & PentictonWorks.com

Launched in 2016, the PentictonWorks web and social media marketing initiative is part of a larger on-going project to attract residents to Penticton who do not need a "job" because they bring it with them and work remotely from their clients or employers. Additionally, it is to attract small scale entrepreneurs who both function outside the traditional brick-and-mortar model.

The goal of the initiative is to bring new residents into the community who bring their jobs with them, therefore adding to both the job base and the resident base of the community. Building size of the remote-working community is in itself an attraction tool as remote workers tend to connect with others and act as a grassroots recruitment channel.



Community Story: High Speed Internet

2018 saw Telus complete the roll-out of their fibre optic network, bringing some of the fastest internet speeds in Canada to the door of every home and business in Penticton. Fast internet speeds are important for businesses such as software, gaming, animation and film companies, but also design, architecture, engineering and medical diagnostics. Telus' service currently provides 250Mb/s for upload and download, but the infrastructure has capacity for gigabit service as required. The project, which was a \$26.5 million investment by Telus, included providing service to Summerland, Naramata and the West Bench areas. Shaw also have a high speed fibre optic service, available upon request and in 2018 they began discussing upgrading their cellular data service, which is another important aspect of connectivity infrastructure.

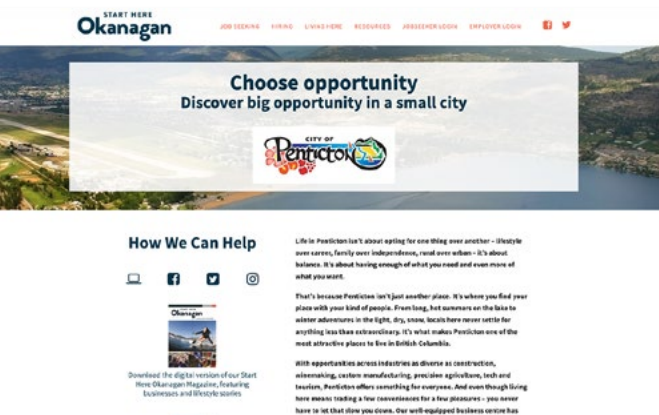
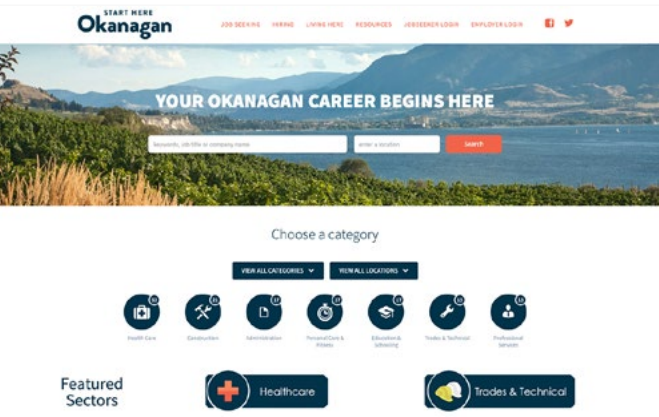
The campaign itself uses written articles on trending topics to create compelling content that is targeted to be shareable and to build a vibrant image of life in Penticton.

Basic validation for this campaign was drawn from the following simplified formula, where there is an assumed 5 new remote workers introduced to Penticton per annum:

At an average remote worker earning of \$65,000 per year this is \$325,000 per year of new earnings into the City. Retaining those 5 families for 5 years yields \$1,625,000 in earnings over the period. It is safe to assume that a good percentage of that money stays circulating locally and supports overall economic wellbeing of the community.

Regional labour market studies dating from 2014, 2015, and 2016 all point towards a widening gap between labour supply and demand, largely driven by an aging workforce starting to retire and there not being enough younger workers to fill those positions. In addition, business growth has been strong in the last few years and with that has come an increase in demand for new skilled labour. In 2016, the South Okanagan Labour Market Study on Retention and Attraction Challenges identified that employers were looking for support in recruitment, in particular outside of the area, and in promoting the region as desirable to highly skilled labour. A strongly supported recommendation was the developed of a centralized job posting service. This recommendation led to the launch of StartHereOkanagan.com in May 2017, the most comprehensive job posting service in the South Okanagan. It enables employers to post jobs for free, while also aggregating postings from other verified listing services so that a job seeker can easily see all available postings in one location. The site is advertised using online tools with a special focus on job seeking markets in Toronto, Edmonton, Calgary, the Lower Mainland and Vancouver. A local advertising campaign is also in operation, promoting the site to job seekers, and to employers.





The site acts also as a platform for partners and communities to promote themselves to an audience that may not be familiar with the South Okanagan. The District of Summerland, the Penticton Chamber of Commerce, Community Futures, the South Okanagan Immigrant & Community Services Society and WorkBC/YMCA were all foundational partners in the launch of the platform.

Of additional benefit are the insights from the analysis of the site usage. It is possible now to track the types of jobs being posted and the types of work that visitors are seeking, which gives valuable data on gaps in the labour market which could potentially be addressed by targeted marketing campaigns, or developing local training and education.

In 2018 a social media marketing plan was developed and since then the engagement has increased markedly. The Facebook page passed 1,000 followers and experiences regular interaction through direct messaging and sharing/comments. Targeted advertising on social media has been responsible for this increase, which directly translated to increased engagement on the job platform itself.

The initiative has been received well by local employers, and also has received great interest from other communities and Economic Development organizations. In early 2019 the first survey will be issued to employers using the site to collect feedback on the tool. Below are some metrics of success since launch on May 1, 2017. To view more details, [visit our statistics section](#).



How visitors are finding us:

- › 35% directly type the web address
- › 27% arrive via searches or advertising

Top 3 Searches:

- › Trades & Technical
- › Health Care
- › Administration

Merging [PentictonWorks.ca](#) and [StartHereOkanagan.com](#)

By 2019, the two independent campaigns will have merged into one backend platform, reducing administration costs and improving efficiencies in delivery of content and advertising. The PentictonWorks.ca URL will remain live and direct visitors to a filtered blog page on [StartHereOkanagan.com](#). From here, PentictonWorks visitors can also be introduced to other aspects of the community by visiting other pages within the site.

The StartHereOkanagan site has received a visual refresh, also, in order to keep the look and feel contemporary and progressive.



Start Here Okanagan Magazine

The 2018 version of the annual Start Here Okanagan print magazine was available in November. A 40-page full colour, glossy publication, the magazine represents Penticton's innovative business culture and diverse lifestyle opportunities. It is designed to act as both a resident and business relocation tool. This year's theme was 'Craft It Here', building on the long history of people building their dream life, career, business, retirement, family home, or hobby in our community.

18,000 copies of the magazine are distributed to over 30 locations locally and is used as a promotional tool at tradeshows, events and other situations where Penticton is being promoted. It can also be downloaded online from the Business section of the City website.



Community Story: Okanagan College Welding Facility

On August 20th, 2018, a new trades training facility opened in Penticton at Okanagan College campus. College officials, students, industry partners and community members gathered in front of the building to mark the opening of the College's new \$2.2-million, 465-square-metre (5,000 square ft.), welding facility. 16 students will make up the first cohort to use the facility, which will also be used by the 'Gateway to Trades' for high school students, the Women in Trades program, and HVAC Foundation students.

2018 Achievements: Organizational Excellence

Service Improvement

The Economic Development Department plays a key liaison role between the departments that oversee regulatory compliance and policy development and the business community who are continually evolving and innovating in order to stay competitive. Moving Economic Development into the Development Services Decision was a critical step in streamlining that feedback loop. Some of the benefits of this alignment have been involvement of Economic Development insights into the Official Community Plan project, meeting with applicants for potential development projects that come through the Planning Department, the Business License Modernization project, and the monthly updates delivered by each Development Services Department to the entire 40+ person staff at the Team Meetings.

Community involvement

Smart Cities Challenge

The Smart Cities Challenge (SCC) was a pan-Canadian competition, initiated through the Federal Ministry of Infrastructure and Communities and was open to communities of all sizes, including municipalities, regional governments and Indigenous communities (First Nations, Métis and Inuit) launched in December 2017 with an application deadline of April 28, 2018. The Challenge encouraged communities to adopt a smart cities approach to improve the lives of their residents through innovation, data and connected technology. Furthermore, it strongly encouraged an application built from strong community input. The plan to submit an application was put forward by members of the Community, and on January 9, 2018, Council approved the development of a submission for the Smart Cities Challenge and passed the following resolution:

08/2018 It was *MOVED* and *SECONDED*

THAT Council support the development of a submission for the Smart Cities Challenge for the \$10M prize for communities with a population under 500,000; AND THAT Council authorize up to a maximum of \$10,000 to be spent on the application submission from the City's 2018 Economic Development Budget.

CARRIED UNANIMOUSLY

The Finance Division co-led the submission process and Economic Development attended most of the public engagement & strategic meetings. This project provided a truly unique opportunity to collaborate with citizens. The final application was completed as a collaborative effort between City Staff & volunteers. Much of the early stage community feedback was gathered by a group of community



volunteers, committed to identifying Penticton's greatest Challenge that could be answered by innovation, data & connected technology. Building on the foundations of the ongoing Official Community Plan engagement processes, the volunteer group was able to dovetail their feedback collection with the ExpOCP event and to host surveys through the City's Community Engagement Portal,

www.shapeyourcitypenticton.ca

Two unique Smart Cities surveys assisted in collecting information and distilling key themes and performance metrics. Over 1,300 responses were collected during this process. Using a variety of engagement opportunities, the team gathered useful feedback about how to approach the challenge statement and the desired outcomes of the challenge projects. Some of the highlights of the community engagement are:

- › Hosted a booth at the ExpOCP
- › Hosted a booth at the Healthy Living Fair
- › Presented at the Penticton Rotary Lunch
- › Discussion with a retired ladies group who meet regularly

- › Discussion with students in Health, Policy & Society class at Okanagan College
- › Met with RCMP Superintendent, Ted de Jager
- › Hosted a session where Dr. Gordon Lovegrove (UBCO) & Anita Ely (Interior Health) presented to a group of 20+ community and regional stakeholders
- › Participated in the Penticton Indian Band Spring Run and spoke to participants
- › Discussion at a regional Angel Investment and Mentoring meeting
- › Presentation at the Penticton Chamber Luncheon
- › Youth voices were included; Student video submission contest open to students in SD67: ***"How can Technology Create Real Connections?"***
 - ***Winner Best Video***
 - ***Winner Best Message***





South Okanagan Local Immigration Partnership Council

Citizenship and Immigration Canada supports our Region in building a South Okanagan Local Immigration Partnership (SOSLIP) Council which encompasses the complete region including the municipalities of Summerland, Penticton, Oliver, Osoyoos, Keremeos, and Princeton. Headquartered out of the South Okanagan Immigrant and Community Services Society (SOICS), SOSLIP is made up of representatives from community organizations drawn from all levels of government, immigrant serving agencies, public institutions, regional employment networks, employers, local associations and key community stakeholders.

The Council and its three working groups meet at least four times a year to develop a coordinated, comprehensive and strategic approach to immigration and integration for the South Okanagan & Similkameen. Objectives support community-level research and strategic planning; and the coordination of effective services that facilitate immigrant settlement and integration.

Many of the goals of the LIP Council are aligned with retention and expansion and labour attraction goals for Economic Development. A representative from Economic Development has been a member of 'Working Group One' since inception. The Group's focus is to "Attract and sustain newcomers that meet the workforce and business opportunities of the region."

In 2018, Economic Development attended an annual Career and Settlement Fair in Vancouver for Newcomers, with the intention to promote Penticton as a viable and attractive solution for relocation. The Fair attracts thousands of visitors each year, many of whom have never considered looking outside of the major urban centre in Canada. Economic Development and the SOSLIP partnered to create a regional welcome booth and invited Employers from key industries to join the booth, such as Interior Health, Go2HR, and Greyback Construction. This was the second year that a collaborative approach was taken to marketing the region and it was well-received by the attendees and the booth representatives. Stats on the job platform www.starthereokanagan.com showed a marked increase in job seeker registrations in the fortnight after attending the trade show.

Connect 2018 marks the third annual SOSLIP networking event, held at Okanagan College. This year featured a focus on Red Seal trades & apprenticeships, an area where employers have indicated distinct struggles with filling open job postings. Local employers were invited to work closely alongside South Okanagan newcomers to provide better insight into career path opportunities through small conversation groups, hands on activities and keynote presentations. Economic Development supported the event as a sponsor as well as attending portions of the day.



ExpOCP – ‘Economy’ Activity

In early 2018, an innovative public engagement process for the Official Community Plan (OCP) was devised, called ExpOCP. It was developed to give residents a chance to review the previous OCP, learn what topics are covered by the plan, and start to think about what should be included or changed for this review process. A series of information boards on each OCP section were mounted around the walls and the centre of the room was set up with tables of hands on activities to encourage knowledge-sharing around the topics of Housing, Transportation and the Economy. Economic Development was asked to create an activity for the Economy. Working with the Community Engagement Officer, a Snakes & Ladders-styled gameboard was devised that would take players through the ups and downs of operating a business. Players start out by drawing a card from a deck which provides them with their business type and number of employees. The gameplay involves moving through the traditional snakes and ladders board, but with a twist. Players might land on any number of squares that require them to draw cards. Cards could offer opportunities or barriers to their business growth. The aim of the game is for a player to consider each decision and how it would affect their businesses’ growth.

For those who had never operated a business in real life, the game provided insight into the pressures and economic forces that affect one’s business journey. While it was over-dramatized to enhance gameplay, the experience did generate much conversation amongst the tables of players about what was and wasn’t the right decision to make. There were no right answers - the game was designed to act as a conversation tool to help people think about broader aspects of the economy.

Okanagan School of the Arts Strategic Planning & Re-visioning Process

Economic Development was invited to participate in the conversations and strategic thinking as the organization undergoes a transition that was precipitated by the decision of its long-time Executive Director to step down.

On July 25th, the Okanagan School of the Arts (OSA) hosted a community discussion with a diverse group of people representing the City of Penticton, School District 67, the Penticton Indian Band, and the arts and business communities provided feedback that will guide OSA as it:

1. Explores how a strategic alliance of arts and business organizations can be an effective driver for economic and social well-being of the community and region.
2. Builds an improved business model for operating the Shatford Centre as a social enterprise
3. Revitalizes the OSA Board of Directors and creates a new staffing model, including exploring the concept of shared Boards, staff and other resources with partners.

A community event and AGM was subsequently held on November 26th to share how the previous discussion was used to develop future options for OSA, programming, and the Shatford Centre facility. Key projects moving forward in 2019 are a Community Makerspace called the ‘Idea Forge’.



Community Story: Penticton Airport Upgrade

In 2018 - 2019, the Penticton Airport is undergoing a \$6.4 million upgrade to the Terminal building which will result in the north end of the terminal is being increased to accommodate a new visitors' viewing area, a larger baggage area and carousel and washrooms, expansion of the security area, ticketing area, post-security departure gate, and new restaurant.

Federal Infrastructure Minister Amarjeet Sohi visited the facility in July, which is owned by Transport Canada. The federal government spent \$7.5 million repaving the runways in 2014, doubled the area of the boarding lounge for about \$1 million in 2016, and is now investing in this 6-phase project to accommodate growth in the region.

Passenger volume at YYF increased by 64 per cent between 2014 and 2016, while aircraft movements were up 18 per cent over that same period, which coincided with WestJet beginning service to Calgary.

Presentations & Speaking Engagements

The Economic Development team is asked to speak to a variety of audiences and events. These engagements are opportunities to build relationships as well as to provide insights on the Penticton economy or more detailed information on specific topics.

- › 2018 Economic Summit (BC Economic Development Association): Overview of Start Here Okanagan Job platform
- › ReMax annual meeting presentation (with Ben & OCP): Overview of Penticton and Economic Development Initiatives
- › City of Penticton: Affordable Housing Forum (Planning Department): Master of Ceremonies
- › YMCA/WorkBC Presentation at Penticton Staff meeting: Overview of Penticton and Economic Development Initiatives
- › Accelerate Okanagan Startup Basics Route 97 Series 'Lived & Learned' Entrepreneur Panel: Facilitating the Panel
- › FutureBiz Penticton: Overview of Penticton and Economic Development Initiatives
- › Fortify - Distilled & Fermented Beverage conference: Introduction of "What I wish I knew When I Started" Panel

Attended Conferences, Tradeshows & Events

BC Economic Development Association: Annual Economic Summit

An annual gathering of Economic Development professionals and related specialties, this event provides an invaluable opportunity to network, hear expert speakers and share best practices. In 2018, City of Penticton was nominated for an award and the winners were announced at the Conference Gala Dinner. The StartHereOkanagan.com relocation platform was nominated for Marketing Innovation and while the accolade was awarded to another community, the Economic Development team was invited to give a presentation on the initiative to the conference as a way of exchanging ideas with attendees.

Local Immigration Partnership Canada Conference in Calgary

This conference, funded by Immigration Canada, brought together the 66 Local Immigration Partnership communities and their civic partners for a 2 day forum to review the success of the Local Immigration Partnership (LIP) program which celebrated its 10th year of operation. It was also an opportunity to gather feedback from the communities to assist with looking at the next ten years. These Partnership contracts exist in communities all across Canada and the funding for the Coordinator role allows for customization of the role to suit the capacity-building requirements of each location. In Penticton the



Coordinator is contracted by the South Okanagan Immigration and Community Services organization. Economic Development was invited to attend to better understand the nature of the Federal LIP program and its various formats in other communities.

Aboriginal Business Match

This Indigenous-led structured networking event takes place annually at the Penticton Trade and Convention Centre. It attracts over 400 attendees from across Western Canada, many of who represent various bands and nations. The event is unique in that attendees fill their days' calendar with 20 minute meetings with other attendees. For months in advance, registrants can review the profiles of other attendees and fill out their schedules. It provides a concise and highly valuable environment to conduct networking with companies, individuals, and first nations groups.

Newcomers Career Fair in Vancouver

Immigration is an important pipeline for skilled labour for Canada, and for Penticton. The Newcomers Career Fair is held twice a year in Vancouver. In 2018, the South Okanagan Immigrant and Community Services Society invited Economic Development to join a regional booth to represent the South Okanagan as a place to live and work. It is the second year that this conjoined effort has been made to represent the region. Over 1000 people attended the trade show. The South Okanagan booth was the only destination booth and it presented well in the overall event. Many highly skilled people spoke with the booth hosts and while most had not heard of the Okanagan Valley at all, those that did know of our region were unaware there were jobs available. Attending this event directly responds to requests from employers to assist with recruiting more skilled labour to our area.





Cascadia Innovation Corridor Conference

The Cascadia Innovation Corridor Conference brings together business, academic, and government leaders from both sides of the border to explore new strategies for the region to come together, maximize our shared competitive advantages, and elevate our global economic position. The conference, which was first held in 2016, has already produced cross-border benefits such as the newly launched commuter air service which provides a one hour travel time between Seattle and Vancouver Harbours. This is becoming increasingly important for companies such as Amazon, Boeing, and Microsoft, all of whom have hub in each city.

While most of the conversation surrounds issues directly relevant to the large urban centres in this mega-region, this results of any collaboration will be felt in the regional centres as well. It was considered to be strategic and forward thinking to attend in order to meet and learn from those working on these initiatives and other innovative partnerships who are committed to continuing to share best practices; enhance the region's physical and intellectual infrastructure; create exciting new opportunities for young people in both countries; and bring the benefits of technology developments to underserved populations. Prioritized topics included academic collaboration, transportation, economic opportunity, education, health, climate change, and housing.



Community Futures Open House

On November 20, Community Futures Okanagan Similkameen invited current and past client entrepreneurs, mentors, board members and community representatives to come together for a mix and mingle at Craft Corner Kitchen to further deepen community connections. In the fiscal period of 2017 - 2018, the organization worked with 480 individuals in their training programs, disbursed nearly \$1.3M to loan clients and re-advanced funds to existing clients to help with business expansions.

Thompson Okanagan Business Excellence Awards Ceremony in Kelowna

18 Penticton businesses were nominated in the first ever Thompson-Okanagan region Business Excellence Awards. As a way of celebrating business successes, Economic Development sponsored a bus to transport the nominees and City Officials to the Awards event in Kelowna. Seven businesses received awards that night.



Other Conferences & Events

Economic Development also attended:

- › SILGA Awards - a PentictonWorks Campaign
- › Penticton & Wine Country Chamber of Commerce Business Awards
- › SOSLIP 'Connect 2018' conference at Okanagan College



Hosted Events - At A Glance-

- › Business Climate Survey findings - launch event (March)
- › TechDev 101 (May)
- › Canada's Digital Technology Supercluster Outreach Discussions (July)
- › SoFun: Social Enterprise Fundamentals Workshop (Sept)
- › Introduction to B Corporations (Nov)
- › FutureBiz Penticton (Nov)

Hosted events

Business Climate Survey findings - launch event

On March 13, 2018 nearly 90 filled the brewing hall at Cannery Brewing to hear the results of the Business Climate Survey process. Attendees included survey participants, key stakeholder groups representatives, members of the Economic Development & Prosperity Taskforce, City staff, as well as Mayor and Council.

TechDev 101

The City of Penticton hosted a Ministry of Jobs, Trade and Technology TechDev101 Workshop on May 30, 2018. The intention of the workshop was to support participants' understanding of the tech sector, their communities' related assets and opportunities, and efforts to position themselves to use technology and innovation as a foundational driver for economic development.

The day was built around the concept of an Innovation Ecosystem – discussing what makes up each layer or biome, and what is needed in the ecosystem in order for it to work effectively. Communities that map their ecosystem are able to identify both gaps and opportunities, positioning themselves to be better equipped to attract talent and investment and plan for their future.

Canada's Digital Technology Supercluster Outreach Discussions

On July 18, Economic Development hosted local stakeholder group representatives and individuals from Canada's Digital Technology Supercluster to learn about this superclusters status and objectives. The Digital Technology Supercluster is an industry-led innovation consortium centered in Vancouver, British Columbia. The Supercluster aims to position Canada as a global leader in digital technologies by bringing together small, medium-sized and large companies, post-secondary institutions, research organizations and not-for-profits. The Supercluster co-invests in ambitious technology development projects and new solutions to improve the sustainability and competitiveness of natural resources, healthcare and industrial sectors and energize the economy. Canada's Digital Technology Supercluster manages the investments provided by the Government of Canada and the public and private organizations which constitute its membership. www.digitalsupercluster.ca. The Supercluster is comprised of 29 members representing 33 organizations, which represent a broad spectrum of organizations across sectors including 14 SMEs, 13 large companies and six post-secondary institutions.



SoFun: Social Enterprise Fundamentals Workshop

On September 12th, Economic Development and Purppl hosted SoFun, a full-day social enterprise fundamentals workshop developed for those who want to learn more about the lean startup principles for social enterprise. Social enterprises are a structure which enable not-for-profit organizations to operate for profit businesses that support their own organizational sustainability. Successful Social Enterprises can not only stop the dependency on grant cycles, but also build more impactful community results through a mixed model of for profit operation and meaningful goals.

The workshop provided in-person education, contextual examples, exercises, and tools to help attendees build and grow a social enterprise. 23 people attended the event from 16 organizations in Penticton and Summerland.

Introduction to B Corporations

On November 29th, Economic Development hosted “B Corp 101: Learning to Measure What Matters”. B Corp is a certification, but more so than that, it is a movement of entrepreneurs who use their business as a force for good. The Business Development Bank of Canada presented this 3-hour workshop.

They measure success differently – an organization’s aim should be to earn profit in addition to creating broader benefit for society. Companies like Nature’s Fare, GreenStep Solutions, and Do Some Good, are all examples of local B Corps, dedicated to making a positive impact in the Okanagan. 15 attendees from Penticton businesses learned about four core impact areas of business that affect communities:

- › governance
- › employee engagement
- › social responsibility
- › environmental footprint

Attendees then had a chance to measure their business’s current impact by completing a short assessment. Upon completion, they received a report that will help them identify the areas of impact they excel in, as well as areas for improvement.



Survey respondents indicated the day provided extreme value and that they hope it will be held again in 2019.

FutureBiz Penticton

The inaugural FutureBiz Penticton Economic Outlook Forum was held on November 8. A tight agenda kept 175 attendees in their seats as they heard about the local economy, future technologies, disruptive ideas, US tariffs, economic forecasts, and demographic insights. The combination of experts painted a clear picture of some of the challenges and opportunities facing Penticton in the next year – right up to 30 years from now.

While most attendees were representing local organizations, there were guests from as far as Edmonton, Nanaimo, and Vancouver as well as from up and down the Okanagan Valley.

The day started with a lunch and headed straight into the presentations. It wrapped up with a workshop to assist in developing action steps coming out of the day, followed by a networking social, sponsored by Business Development Bank of Canada. Registration prices were extremely low for the event, with Business Licence-holders being able to access \$25 Early Bird tickets (the regular price was \$35) and those without Business Licences were asked to pay \$50.

The Economic Development Department hosted this event as part of the Business Retention & Expansion initiatives, with the intention that a comprehensive learning day, paired with some networking, would provide a springboard for creative strategic thinking for local businesses. Post-event survey respondents indicated the day provided extreme value and that they hope it will be held again in 2019. Suggestions for improvement included adding a marketplace component and increased networking time.

The key presentations and workshops are highlighted on the following page, and links to the presentations are available on the [City website under Business News](#).

Economic Development Department hosted this event... with the intention that a comprehensive learning day, paired with some networking, would provide a springboard for creative strategic thinking for local businesses.



2018 - 2030: The Evolution of Penticton

~ with **Nikolas Badminton** (Futurist Keynote Speaker)

Exponential technologies that enable big data analytics, automation through artificial intelligence, better citizen engagement, smarter city management, the sharing economy, and self-driving transportation are changing the world. Cities are at an inflection point, and with these innovations comes both challenges and opportunities for the industries that are the heart and soul of these communities.

Nikolas will look at the potential of these technologies, signals of change, and show the opportunities that Penticton has on offer to evolve with the times.

Economic Outlook: Challenges and Opportunities Ahead for Canadian Businesses

~ with **Pierre Cl  roux** (Chief Economist & VP of Research, Business Development Bank of Canada)

Should Canadian businesses be optimistic or pessimistic regarding the current economic situation? Join Pierre Cl  roux, Vice President, Research and Chief Economist of BDC, as he presents the most up-to-date information on the performance of national and global economies. From challenges related to labour shortage to trade relationship with the United States, discover how Canadian businesses should navigate the economy to position themselves for growth.

Changing People, Changing Places: Looking at Penticton & the South Okanagan

~ with **Andrew Ramlo** (VP Market Intelligence, Rennie Group)

Join Andrew Ramlo, Vice President of Market Intelligence at Rennie Group, and President of the Planning Institute of BC, as he shares his data and knowledge on the landscape of economic and demographic factors that have shaped the City of Penticton and its region, and what they mean for the future of the City.

Planning for Change Workshop

~ with **Crystal Henrikson** (Leadership Coach, Talent Collective).

Put some of the day's learnings into action statements with this hands-on coaching session.

Introduction to 'Thinking Like a Film Director'

~ with **Nikos Theodosakis** (Founder, Mind Festival Learning)

Nikos takes the audience through the principles of using the Director's Lens in looking at business visioning with this summary of the Strategic Workshop to be hosted on March 6, 2019

Local Development & Business Highlights Panel

Jonathan Baynes (CEO, Penticton Indian Band Development Corp),
Anthony Haddad (Director of Development Services, City of Penticton),
Jennifer Vincent (Economic Development Specialist, City of Penticton)

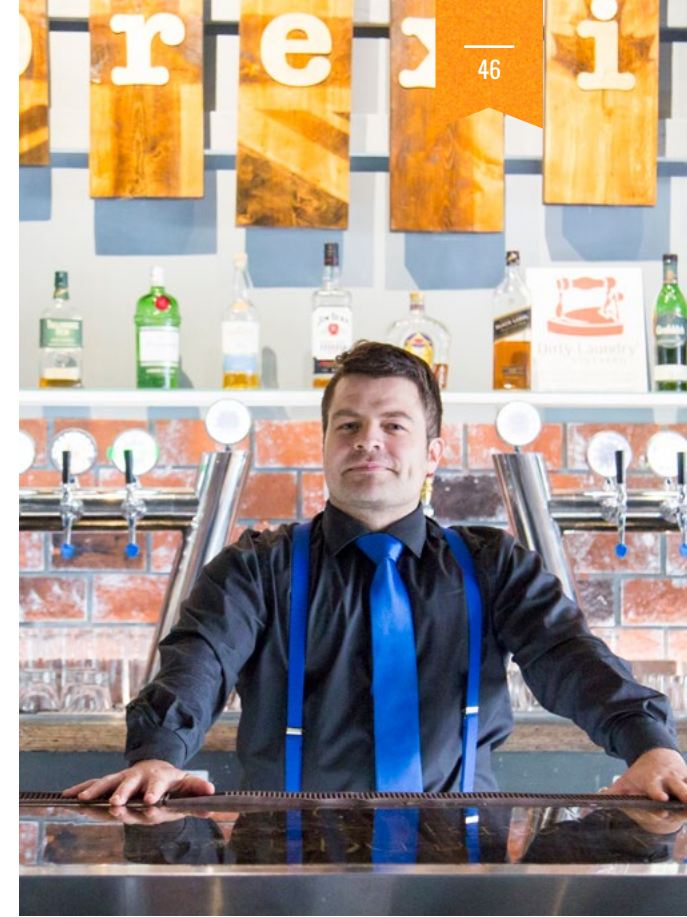


Community Story: Downtown Vibrancy

In 2018, construction activity continued a three-year high from the perspective of construction values as well as permits issued. While there was robust development across the community, Downtown Penticton saw some key projects start to take shape:

- › Two BC Housing affordable housing projects, which will provide a total of 92 residential units when they are completed in 2019. These apartments are aimed at supporting low-income families in the community.
- › The Ellis One mixed-use development broke ground and will add new high-end commercial and residential units to the north end of Ellis St.
- › Schoenne Homes' Front St Development was completed for occupancy in 2018, bringing some life back to a portion of the street which has been empty since the previous building burned down in 2012
- › Continued infill projects in the Downtown periphery are bringing more people to the area. The type of housing contracted in 2018 ranges from apartments, condominiums, mixed use developments, duplexes, townhouses and secondary suites providing for a variety of differently priced housing options for buyers and renters.

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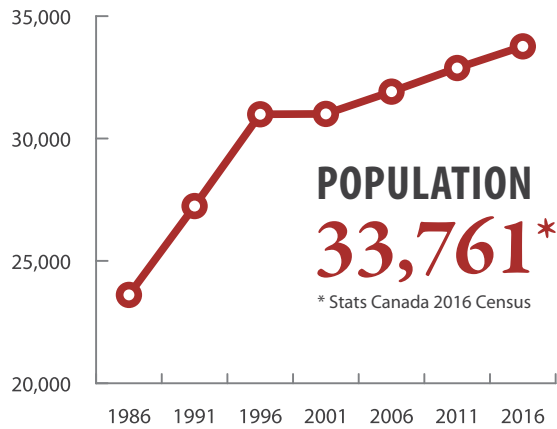


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- › Several new food service establishments opened in the Downtown, enhancing the culinary and cultural offerings: Brexit Pub, Polish Bistro, TIME Winery, Great Estate Wine Experience Centre, Hideaway Bakery, Sushi Heaven, Annapurna Restaurant, Balance Vegetarian Shop and Cafe, and Petrasek Bakery, to name a few.
- › The Penticton Creek Restoration project continued to move towards Okanagan Lake, completing the naturalization of another segment between Nanaimo Ave and Ellis St

Penticton's title as a Craft Beer hotspot was given a boost when it was added to **BC Ale Trails** routes in 2017, and again in 2018 with **Expedia.ca** calling out our city as the #2 beer destination in Canada. Proposals from two brand new breweries to be built in downtown Penticton were received in the summer of 2018, ensuring that craft beer is still a growing industry. The Hatchery Brewery is under renovation now, in the building which once housed The Mule Nightclub. Nearby, on the corner of Winnipeg and Westminster, Neighbourhood Brewing will be under construction in 2019, and the new owners will be instilling their many years of craft brew experience into this new facility. They started Yellow Dog Brewing in Port Moody in 2014, shortly after 3 more breweries popped up on the same street, which has now been dubbed 'Brewers Row'. Once these two open their doors, Penticton will be home to 7 micro-breweries.





We're Growing!

In the last 30 years, Penticton has shown slow but steady growth of a bit under 1% per year.

STATISTICS & INSIGHTS

General Community Profile

Penticton is forecasted to experience modest growth of 1.7% - 2% in the next few years according to a Population Projection study commissioned at the start of 2018 by the City as part of the Official Community Plan review. The 2016 Census shows a population of 33,761 in Penticton and a demographic that leans slightly more to the older age brackets than is seen in other communities across Canada. This is significant when considering future plans for aging residents, but also for ensuring the city stays attractive and open to younger demographics that will work and establish families here. While it is easy to focus on the larger bulge of the aging demographic, it is important to note that 54% of the population could be considered to be in the working age and growing family brackets. In conversations with employers, attraction of skilled workers continues to be a high priority. Currently the City appears to be attractive to working age individuals and families exiting the more expensive urban centres and this bodes well for adding a new pool of skilled labour to the region.

Age Profile of Penticton's Population



Children & Youth
Age 0 - 19

17%



Early Working Age
Age 20 - 44

24%



Mature Working Age
Age 45 - 65

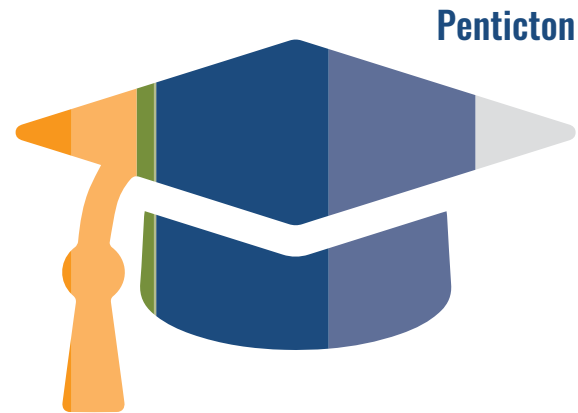
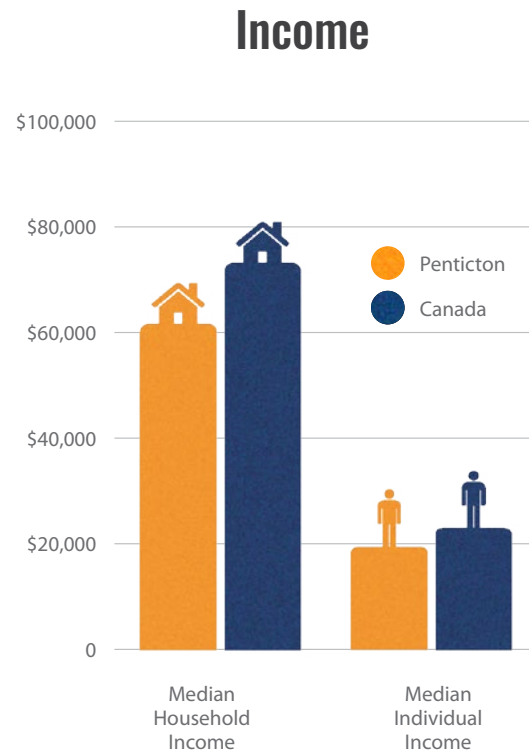
30%



Seniors
Age 65+

29%

Education Attainment



- Bachelor's Degree
- Apprenticeship or Trade Diploma
- Master's Degree
- Earned Doctorate
- High School Diploma or equivalent
- Other Degrees



15%
Percentage of people who immigrated to Canada



11%
Percentage of people who's mother tongue is not English

Residential Construction Starts - Units Created -	2018	Change from 2017
<i>Single Family Dwelling</i>	98	▲ 5%
<i>Multi-Family</i>	254	▲ 2%
<i>Duplex</i>	62	▼ -3%
<i>Carriage House</i>	26	▲ 136%
<i>Secondary Suite</i>	51	▲ 21%
<i>Commercial/Residential Mixed Use</i>	22	▲ 46%

Commercial Construction Starts - Units Created -	2018	Change from 2017
<i>Demolition</i>	53	0%
<i>Industrial</i>	9	▲ 50%
<i>Institutional</i>	6	▼ -25%
<i>Tenant Improvement</i>	39	▲ 26%

Planning Applications	2018	Change from 2017
<i>Development Permits</i>	61	▼ -31%
<i>Subdivisions (includes parent lot)</i>	33	▲ 6%
<i>New Residential Units Proposed</i>	605	n/a
<i>New Lots Proposed</i>	140	n/a

Development & Growth

2018 was another strong year of growth for construction and development in our city with year end construction value of over \$145m. Construction values are used as a way of viewing investment into a community. While there is a bottom line decrease in values from 2017, this is due to the large values of the Penticton Regional Hospital Patient Care Tower project, which inflated the previous years' values. Looking at the values from the past 5 years it is possible to see that new construction has been increasing substantially. In 2018 we saw new residential and commercial projects in and around the downtown core. 98 new single family dwellings were created, which is an all time high. 254 multi-family units created and 28 duplex permits approved. \$15m worth of commercial construction was approved in 2018, down from \$20m in 2017 when the new West Wing at the Penticton Lakeside Resort was constructed. In terms of institutional projects, the Okanagan College's new Welding facility was officially opened, the airport was undergoing a \$6.5m upgrade, and the \$312m Hospital Patient Care Tower was brought to near completion. The multi-phase Penticton Creek Restoration project was continued, returning the waterway between Wade and Ellis St to a naturalized state that will support more fish spawning and also a healthier riparian environment.

A keen focus on streamlining permitting processes has seen the average wait time for a single family residential building permit reduced from the 2017 average of 8 weeks down to 3.5 weeks in 2018. As a comparison, wait times in other communities range from 6 weeks to 6 months.

Planning applications are a way of looking at upcoming development for the coming year. In 2018 there was a decrease in overall development applications, but an increase in new subdivide lots. Several larger residential projects in The Ridge, Skaha Bluffs, and Skaha Breezes were featured, as well as commercial developments downtown. such as 2018's submissions indicate that development will continue in 2019, although possibly at a slightly reduced level.

**Construction Values
2018 Total**

\$145,111,923

▼ 27%
from 2017

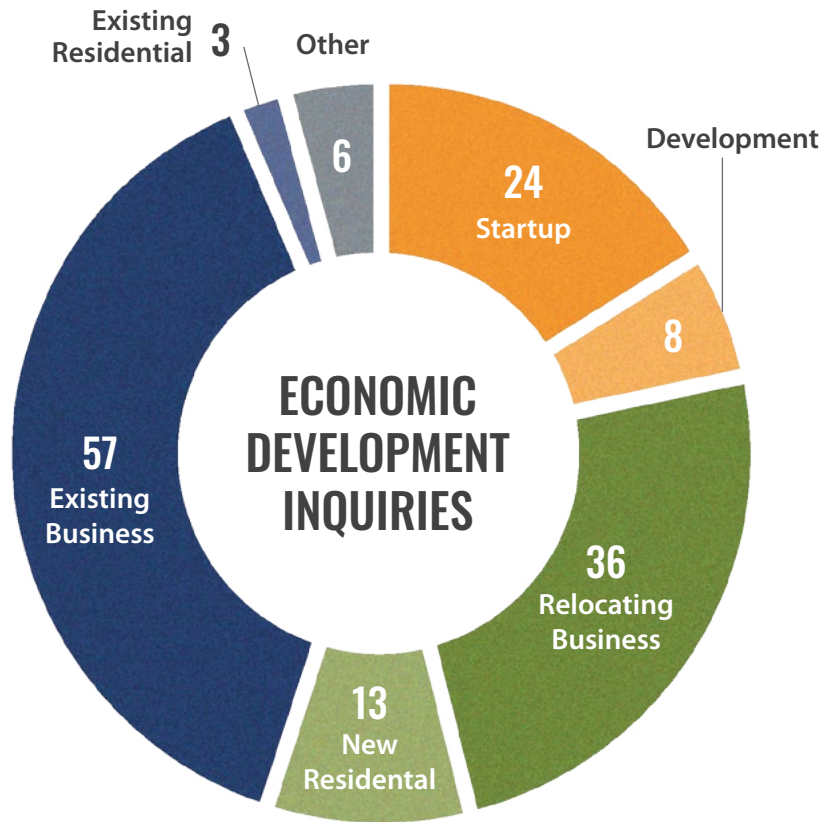
Key Observation

While the actual number of sales were down from the previous year, what's interesting is that the property values increased in most areas.

Real Estate Snapshot

Compared to 2017, the number of overall real estate transactions are down in 2018. Industrial Commercial and Institutional properties experienced an increase in both number and value of sales. In residential, the overall value of sales has generally increased. In 2018, residential properties were staying on the market a bit longer before selling, the exception being in the Duplex category, where the time on market decreased by 11.5%. This 26% decrease in sales is matched almost exactly at the provincial level, according to the BC Real Estate Association's 2018 Q4 Housing Forecast. The BREAs make an important point in this Forecast that is worth keeping in mind in strategic planning for the coming years "Demographics remain a significant factor in BC housing markets. Millennials' demand for urban rental and condominium homes is expected to remain strong over the next several years, while retirement-friendly markets are expected to be pressured by boomers with cashed-out equity to spend."

	2018 Sales Values	Avg. 2018 Sale Price	Change in Avg. Price \$ (from 2017)	# of Sales (Units)	Change in # of sales (from 2017)
Single Family	\$207,300,321	\$575,834	▲ 5%	360	▼ -24%
Duplex	\$26,346,749	\$424,948	▲ 5%	62	▼ -25%
Apartments	\$64,789,002	\$312,990	▲ 11%	207	▼ -26%
Townhouses	\$49,398,963	\$333,349	▼ -4%	146	▼ -35%
Total Residential	\$377,395,508	\$429,835	▲ 5%	878	▼ -26%
Non-Residential	\$67,354,648	n/a	n/a	74	▼ -15%
Industrial, Commercial & Institutional	\$40,472,148	\$899,381	▼ -3%	45	▲ 16%
Grand Total	\$444,750,156	n/a	n/a	952	-26%



Business Activity Insights

Business activity remained strong with an overall 7% growth in licenses over 2017. Approximately 590 businesses are categorized as home-based and they vary in industries from healthcare, to personal services, to technical consulting and daycares. Downtown saw an increase in commercial tenancy over 2018 with new retail and professional services businesses opening their doors. A number of business inquiries were received by the Economic Development Department to assist new and relocating businesses with finding suitable office, commercial, and restaurant spaces. Business license holders were invited to attend the first annual FutureBiz Penticton Economic Outlook Forum at a discounted rate, and were also among the first to learn about the new Local Data Portal PentictonBizToolkit.com.



3,052
Total Business Licences

↑7%
from 2017



468
New Business Licences



152
Active Vacation Rentals

Resident & Skilled Labour Attraction Campaigns

PentictonWorks.ca is the City's virtual worker attraction campaign, enacted through monthly blog posts which promote live and activity in the area with a keen focus on building reputation through sharing and engagement on social media. Remote working offers opportunities to people to move wherever they wish, irrespective of their employment. Penticton can gain much from this workforce, adding highly educated and expert minds to our community and often, higher than average incomes as well. At the end of 2018, the Penticton Works Facebook page had more than 8000 followers and from that data it is possible to understand some of the audience demographics:

- › Slightly more than half female
- › Range in age between 28 and 65, with 50% in the 35 – 54 age range.
- › The majority of followers are located (in order of highest to lowest concentrations) in the Toronto to Ottawa corridor, Calgary/Edmonton, and Vancouver/Lower Mainland.

StartHereOkanagan.com is the job listing platform launched in 2017 which provides employers with access to free job postings which are then promoted across Canada to strategically targeted market. The platform has recruiting tools and advice for employers as well as community information for job seekers considering relocating to the South Okanagan. In 2018 a concerted effort was made to increase social media interaction on Facebook for the StartHereOkanagan.com campaign. This was determined as traffic coming from Facebook have provided the largest volume of visitation traffic to the job platform and also the Start Here Okanagan Facebook page offered an opportunity for people to ask questions and share posts. As the likes on Facebook steadily increased, there was a correlating increase in activity on StartHereOkanagan.com. In December, the likes on the page hit 1000, an increase of more than 300% since the start of 2018. The Start Here Okanagan facebook audience is similar to the Penticton Works demographics:

- › 60% female
- › 17% are aged 25 - 34 and 26% are aged 35 - 44
- › Majority of followers are in the South Okanagan, followed by Edmonton/Calgary, Central and North Okanagan, Vancouver/Lower Mainland, and the greater Toronto area

PentictonWorks.ca Stats & Indicators



395,040
Social Media Impressions

↑ **88%**
from 2017



24,151
Website Visits

↑ **11%**
from 2017



9,029
Social Media Followers

↑ **9%**
from 2017

StartHereOkanagan.com Stats & Indicators

*Since launch



18,619
Unique Visits*

↑ 64%
from 2017



130
Employers Posting*

↑ 53%
from 2017



404
Job Seeker Profiles*

↑ 76%
from 2017

442
Jobs Posted
(by local employers)



190
Live Postings (avg)
(on any given day)

↑ 21%
from 2017

As affordability challenges in the larger urban centres continue to challenge their residents, an opportunity is present to attract the 35-50 year-old market who are in the peak of their careers and looking to develop families or settle into more permanent property arrangements. Both Start Here Okanagan and Penticton Works campaigns are designed to leverage this market movement.

At the end of 2018, the Penticton Works project was merged into the Start Here Okanagan platform. This provides cost-saving opportunities for the future and allows the content to be shared more readily between both campaigns. Penticton Works retains its separate identity as PentictonWorks.ca which now redirects traffic to the blog posts hosted now on StartHereOkanagan.com.



1,001
Facebook Page Likes

↑ 317%
from 2017

CONCLUSION

2018 was a strong foundational year for the Economic Development Department and a great year for community growth. Guided by the Strategic and Operational plans, the department was able to execute some large projects that will provide value for the next four years. Big topics such as access to data and insights, identifying industry clusters for prioritization, and formalizing strategic partnerships were the theme of the year and will continue into 2019. Insights from leading experts about the opportunities and challenges our community is likely to face in a time of accelerated change are key to keeping future planning aligned with macro economic forces.