CHAPTER 3

Local Economic Development

Introduction

A healthy, strong and diverse local economy is one of the cornerstones of a more liveable community. A strong economy attracts new employment, helps to retain existing jobs, and creates a solid tax base to provide and better support local service delivery. Without a strong local economy, local governments can have difficulty funding important services, residents can be forced to work further from their homes and overall community livability can suffer.

The regional economy is relatively diversified compared to other north Island communities. Retail services, government, health care and tourism are all significant local drivers, with most employment centred in and around the Courtenay-Comox hub. Forestry, agriculture and other resource industries are the key sectors in more rural areas.

As with the larger provincial and global economy, the Comox Valley experienced relatively robust growth over the past four years. This growth and development was fuelled in part by increased real estate investment and retirement migration from Alberta – which in turn was aided through new, direct flights from Calgary and Edmonton to Comox.

This growth created considerable development interest and numerous large-scale mixed-use projects have been approved, planned or proposed. While planned and proposed build-out for the five largest developments – Trilogy, Kensington, Sage Hills, Coal Valley and Bell Group – extend out to 2015 and beyond, it is worth noting that the number of housing units they propose (approximately 9,700) is roughly equal to the forecast housing demand as discussed in the Population Chapter (approximately 10,000 units by 2031). When considering the additional smaller approved, planned and proposed developments, it appears that current development (planned and proposed) could be greater than what forecast growth could support (see chapter 2).

The current and emerging recession, of course, has had considerable impacts on the region and will likely continue to have increasing impacts as it unfolds. To date, several medium-sized residential developments have been cancelled and/or scaled back.

The current economic recession and associated emerging trends are discussed in this chapter. However, it is worth noting in this introduction that the full scale of the recession has yet to be felt in the region. Construction, tourism and retirement in-migration are three of the region's key economic drivers. Each has been impacted by the current economic situation, although in two of the areas – tourism and retirement – the impacts will likely not be fully known until the end of the current calendar year. While forecasts on economic recovery vary from six-months to 10-years, and many analysts disagree on potential sector impacts, reasonable and prudent analysis demands that the current conditions should not be discounted as a short-term aberration.

Economic Profile

The following section illustrates employment, labour statistics and other socio-economic data at the region-wide scale and at the sub-regional scale of Courtenay, Comox, Cumberland and the three Electoral Areas[1].

Employment and Labour

Figure 3.1 illustrates employment by general occupation and industry classification.[2] It shows that while the local economy is relatively diversified, retail and business services are the major sectors and key local drivers.

Region-wide Employment by Occupation/Industry Sector in the Comox Valley (2006)

Occupation	No. of jobs	% of jobs
Sales and service	7,915	29%
Trades; transport and equipment operators and related	4,235	15%
Business; finance and administration	3,840	14%
Management	2,640	10%
Social science; education; and government service	2,120	8%
Occupations unique to primary industry	2,175	8%
Health	1,875	7%
Natural and applied sciences and related	1,340	5%
Art; culture; recreation and sport	775	3%
Occupations unique to processing; manufacturing and utilities	705	3%

Industry Sector	No. of jobs	% of jobs
Other services	6,600	24%
Business services	4,005	14%
Retail trade	3,960	14%
Health care and social services	3,195	12%
Agriculture and other resource-based industries	2,420	9%
Construction	2,440	9%
Educational services	1,905	7%
Finance and real estate	1,360	5%
Manufacturing	1,200	4%
Wholesale trade	520	2%

Figure 3.1

Source: Statistics Canada 2006

Figure 3.2 breaks down employment by industry classification (NAICS) on a sub-regional level. It illustrates the importance of CFB Comox to Comox (employment there is picked up in 'Other Services') and shows that agriculture and other resource-based industries are larger employers in the Electoral Areas and Cumberland. The construction sector is also larger in the Electoral Areas and Cumberland

Comox Valley Employment by Industry Sector (2006) – Sub-regional

Industry Sector	CVRD	Areas A, B, C	Cumberland	Comox	Courtenay
Total experienced labour force 15+	30,080	12,775	1,455	5,430	10,420
% Other services	24%	18%	17%	31%	26%
% Business services	14%	15%	11%	14%	13%
% Retail trade	14%	13%	18%	11%	17%
% Health care and social services	12%	10%	15%	14%	12%
% Agriculture & resource-based ind.	9%	13%	11%	5%	7%
% Construction	9%	10%	8%	4%	4%
% Educational services	7%	8%	6%	7%	6%
% Finance and real estate	5%	5%	3%	5%	5%
% Manufacturing	4%	5%	8%	4%	4%
% Wholesale trade	2%	2%	2%	1%	2%

Figure 3.2
Source: Statistics Canada 2006

Due in part to increased awareness around food security and emerging market opportunities for specialty organic and value-added products, agriculture has become a more significant and locally valued community economic driver. The Comox Valley Regional Economic Development Society has identified agriculture and related value-added industries as a key economic sector to promote and support. The area is home to numerous farming, livestock and value-added producers (e.g., wineries, cheese makers, etc.).

The following figure (Figure 3.3) provides an overview of the industry in the Comox Valley (2005) based on Ministry of Agriculture, Food and Fisheries data. As it illustrates, farming is a major economic activity that generates almost $27 million in revenues (gross farm receipts), but per-acre/per-farm revenues are relatively low ($60,000 on average).

Tourism is another major service employer in the region. The Comox Valley Economic Development Society estimates that the hospitality/tourism industry provides employment for approximately 1,800 people, or about 6% of the labour force. Based on BC Tourism data, the society estimates that visitors to the region generate $85 million in expenditures annually. This figure may need to be adjusted in the near future to reflect any changes in tourism caused by the current economic downturn (e.g. if fewer people visit the region, or visit for shorter periods).

Comox Valley Agricultural Facts

Average Farm revenue (per acre)	**$797**
Number of Farms	**445**
Average Farm Size	**76 acres**
Agricultural Land Reserve	**99,503 acres**
Total Area Farmed	**33,583**
Total Farm Capital	**$259 million**
Total Gross Farm Receipts	**$27 million**
Total Cash Wages Paid	**$6 million**
% Finance and real estate	**5%**
% Manufacturing	**4%**
% Wholesale trade	**2%**

Figure 3.3
Source: Statistics Canada 2006

Employment Estimates

Figure 3.4 illustrates estimates of past and current employment in the region by industry sector contained in the Comox Valley Labour Needs Assessment Report (February 2008)[3]. When accounting for individuals who reported working in a different census subdivision (i.e., out of Comox Valley) or out-of-province, the job totals align fairly closely with Census Canada's estimates. Labour mobility statistics also indicate a cohesive region with little commuting to jobs outside the region (i.e., the vast majority of employed people living in Comox Valley also work in Comox Valley).

Of the eight industry sectors analyzed for the Labour Market Needs Assessment, the report identified five that could experience demand/high growth through to 2011. These included: Agriculture; Transportation & Warehousing; Construction; Forestry; Tourism-Related, particularly Accommodation & Food and Beverage. Due to the recession, the sector growth forecast by the report have not transpired, particularly for Construction and Forestry sectors where the recession's impacts have been particularly profound.

Recent sales of private forest lands in the Comox Valley for conversion to non-forestry uses like agriculture and housing development raises questions about the long term future of the forestry sector. Additionally, the coal mining industry has requested permission to complete a test drilling program in search of coal deposits west of Fanny Bay. This raises the possibility of employment in that area and potential future coal mining on lands owned by Island Timberlands, Timberwest and the Province. The Mines Act supersedes the regional district's zoning bylaws.

Comox Valley Employment Projections

	2005 est.	% Growth	2007 est.	2008 est.
Retail trade	4,261	2.0%	4,431	4,687
Accommodation & food service	2,564	2.4%	2,687	2,872
Health care and social services	2,722	3.0%	2,885	3,130
Construction	2,608	10.0%	3,130	3,912
Manufacturing	1,795	-3.3%	1,677	1,499
Finance and real estate	1,468	2.0%	1,527	1,615
Educational services	1,368	0.2%	1,373	1,382
Public administration	1,306	0.4%	1,316	1,332
Information, culture and recreation	1,069	3.0%	1,133	1,229
Transportation and warehousing	1,225	1.9%	1,272	1,341
Professional scientific and technical	1,126	1.0%	1,149	1,182
Management and administration	1,097	2.8%	1,158	1,251
Other services	1,083	0.9%	1,102	1,132
Forestry, fishing and resource-based	997	-3.0%	937	847
Agriculture	513	1.2%	525	544
Totals	**25,202**		**26,303**	**27,955**

Figure 3.4
Source: Statistics Canada 2006

Long Range Job Forecasts

Using the Comox Valley Economic Development Society's employment categories, preliminary, long-range job forecasts were made. The estimates considered historical employment trends, current market conditions, and projected CVRD demographic trends and population forecasts[4]. Given the RGS's 20-year time horizon, emerging global economic considerations and potentials were also considered, such as the emergence of a low-carbon economy, increasing economic localization/regionalization, food security, etc. Due to the time lines involved and the current economic volatility, the estimates are conservative and provide a range for each category. As Figure 3.5 shows, the number of jobs in the region is expected to grow along with Comox Valley's overall population[5], and between 12,000 and 22,000 new jobs could be expected in the region by 2031.

Comox Valley Employment Projections

	2008 est.	Projected Average Annual Growth	2031 est. (low)	2031 est. (high)
Retail trade	4,687	1.0% to 2.0%	5,892	7,391
Accommodation & food service	2,872	0.5% to 1.5%	3,221	4,045
Health care and social services	3,130	2.0% to 4.5%	4,936	8,614
Construction	3,912	0% to 2.5%	3,912	6,903
Manufacturing	1,499	0% to 1.5%	1,499	2,184
Finance and real estate	1,615	0% to 1.0%	1,615	2,030
Educational services	1,382	0.5% to 1.0%	1,550	1,737
Public administration	1,332	0.5% to 1.5%	1,494	1,876
Information, culture and recreation	1,229	1.75% to 3.0%	6,151	2,426
Transportation and warehousing	1,341	0.75% to 1.25%	1,592	1,784
Professional scientific and technical	1,182	0.75% to 1.25%	1,404	1,573
Management and administration	1,251	0.75% to 1.25%	1,486	1,665
Other services	1,132	0.75% to 1.5%	1,344	1,594
Forestry, fishing and resource-based	847	0.75% to 2.0%	1,006	1,336
Agriculture	544	1.5% to 3.0%	766	1,074
Totals	**27,955**		**37,868**	**46,232**

Figure 3.5

Distribution of Employment

While it is difficult to determine how many jobs are supplied by each of the Comox Valley's three municipalities and the Electoral Areas, Courtenay is the region's principal employment area. While Comox is home to two of the region's largest employers, CFB Comox and St. Joseph's Hospital, Courtenay is home to the region's largest retail employers, the region's major commercial downtown and professional centre, most hotels, and large local government offices – the City of Courtenay, CVRD and School District 71.

The top four employers in the planning area include the Armed Forces Base, 19 Wing CFB Comox, with over 1,430 employees; School District 71 with over 1,400 employees; St. Joseph's Hospital with over 1,049 employees; and, Mt. Washington Ski Resort, the largest private-sector employer with over 950 employees in the winter months and 90 year round.

The top three retail employers include the Real Canadian Superstore with over 300 employees, Wal-Mart with 218 employees and Home depot with 120 employees. These top three major retail employers account for almost 650 jobs for the planning area.

While the topic is beyond the scope of this background paper, it is worth noting that the first round of RGS public engagement identified considerable debate within the community around the relatively recent arrival of large format, or big box retail in the region. While the main large-format employers do account for a significant number of jobs in the region, this kind of concentration of retail activity within a small number of large stores likely has some negative local employment impacts that could be explored further. A large amount of current research indicates that large format retail stores employ far fewer people per retail dollar spent than smaller, neighbourhood and "Main Street" retailers. Across Canada and the U.S., many cities and towns of comparable size to Comox Valley's urban centres have questioned whether local economic policy should encourage large stores owned by outside investors or promote smaller and locally based retailers.

Figure 3.6 illustrates the number of private business establishments in Cumberland, Comox and Courtenay (data for the Electoral Areas does not exist). Based on these figures, approximate public sector employment figures, census extrapolations, and new data from the Vancouver Island Economic Alliance, preliminary employment distribution and job-to-employment ratios (the number of jobs per each person living in the sub-area) were estimated for each sub-region for 2008.

Distribution of Total Employment by Sub-Region

	Cumberland	Comox	Courtenay	Areas A, B, C
Firms with 1 to 19 employees	195	382	984	No data
Firms with 20 to 49 employees	17	13	94	No data
Firms with 50 to 199 employees	10	6	17	No data
Firms with 200+ employees	1	2	6	No data
Est. % private employment	10	20	60	10
Est. % public employment	5	55	35	5
Est. job-to-population ratio[6]	0.31	0.53	0.74	0.21
Est. number of jobs	800	6,400	16,200	5,100
Est. % of total CVRD employment	5	25	55	15
% Manufacturing	5%	8%	4%	4%
% Wholesale trade	2%	2%	1%	2%

Figure 3.6
Statistics Canada 2006, BC Stats 2008, Comox Valley Economic Development Society 2008, Vancouver Island Economic Alliance

A balance in the supply between jobs and population is an indication of a community's "completeness" and helps ensure that there are employment opportunities close to where people live. A range of 0.6 to 0.9 jobs per resident is widely considered a reasonable target of more complete communities. As the figure shows, Courtenay is region's principal employment hub – particularly for private sector employment. The Town of Comox is the second major employment centre and the region's principal public sector employment hub with CFB Comox and St. Joseph's Hospital

Socio-Economic Indicators

The next figure shows that the Comox Valley performs in the "middle of the pack" in comparison to other regions in BC in regard to key socio-economic indicators[7]. The rank column shows how the area compares to 85 other regions, or Local Health Areas in BC. The CVRD's boundaries are the same as the Courtenay Local Area Health (LHA), the smallest geographic unit for which BC Stats prepares statistical analyses.The smaller percentage of full-time, full-year workers (39.7% versus 47.4% provincially), indicates that the region's economy likely still includes a significant number of seasonal, resource-based jobs (e.g., forestry, fishing, etc.). It also may underscore the importance of tourism to the region, which also tends to be a seasonal employer.

Regional Socio-Economic Indicators

Socio-Economic Indicator	Courtenay Local Health Area	BC	Local Health Area rank (out of 85)
Average family income	$56,264	$64,821	NA
Incidence of Low Income in Economic Families	11.0%	13.9%	NA
% Employable population 19-64 receiving income assistance (Sept. 2007)	0.6%	0.7%	44th highest
Households paying 30% or more on housing costs	23.8%	28.6%	52nd highest
EI beneficiaries (Sept. 2007)[8]	2.5%	2.5%	56th highest
% Full-time, full-year workers	39.7%	47.4%	NA
% Self-employed	18.1%	14.1%	NA
25-54 Year olds without completed post-secondary schooling	45.9%	42.3%	52nd highest

Figure 3.7

Statistics Canada 2006. BC Stats 2008

The next figure breaks down some key socio-economic indicators by sub-region. Through the lower participation rates and employment rates, it indicates that Comox and Courtenay are both older communities with a larger share of retired people and seniors.

Sub-Regional Socio-Economic Indicators (2006)

Industry Sector	CVRD	Areas A, B, C	Cumberland	Comox	Courtenay
Median income '05 – All families $	60,623	63,238	53,517	65,701	52,193
Median income '05 – lone parent families	33,893	33,893	38,988	36,529	27,274
Total population 15+ with degree %	13.3	14.6	11.1	14.4	11.5
Participation rate %[9]	61.2	62.0	66.2	55.0	59.0
Employment rate %[10]	57.6	61.1	61.9	51.6	54.8
Unemployment rate %[11]	5.8	5.9	6.2	6.2	7.3
Worked at home	10.4	13.7	8.4	8.2	7.8
Government transfers-% total income	13.6	11.0	16.9	13.5	16.5
% Low income after tax – all persons	8.0	7.4	8.3	5.4	14.7
% Low income after tax – under 18	8.5	7.5	6.2	4.5	16.1

Figure 3.8
Source: Statistics Canada 2006

Building and Development

As with the province as a whole, the Comox Valley housing market is declining (number of sales and average sale price) after a period of strong growth over the past several years that peaked in spring/summer 2008 due to the recession and housing market correction. Much of the real estate market's growth was driven initially by younger buyers looking for more affordable living with urban amenities and later by out-of-province retirees attracted by the climate, relative affordability, services and daily scheduled air service to Calgary, Edmonton and Downtown Vancouver.

The number of residential home sales fell 74% from February 2008 to February 2009, by far the largest drop of any community on the Island. The low turnover of properties in the Comox Valley is a major concern of realtors. In fact, the figure of only 20 sales in February 2009 is the lowest recorded since the local real estate board first started issuing statistics in 1996. While a statistical anomaly caused by the low number of properties sold resulted in what appeared to be an uptick in home prices of 7% in February 2009 (i.e., the 20 houses that sold were on the higher end of the market), average home prices have declined across the entire north Island region by an average of 13% over February 2008. Demand for housing has also resulted in the conversion of campgrounds and marinas in rural areas for residential condo development.

The value of residential, industrial, institutional/government and commercial building permits in Comox Valley grew almost 300% between 2001 and 2007, totalling $143 million in 2007. However, since the economic downturn, total building permits have declined 18% between 2007 and 2008. During that period, residential permits declined 13%, while industrial permits declined 30%. The value of commercial permits was stable.

Three large-scale real estate development proposals in various stages of progress are worth noting.

Trilogy at Cumberland: A $25 million, multi-use development located at the junction of the Inland Island Highway and the Comox Valley Parkway. The 308 hectare site is proposed to include up to 2,400 housing units (single family, multi-family, townhouses and apartments), small- and large scale retail (potentially some big box), office space, a golf course, and a casino/hotel/conference Centre. Necessary amendments to Cumberland's OCP were approved in February 2007 and the rezoning is at third reading. Prior to current market conditions, the first two phases were projected to be completed in 2011, with a 10-15 year time horizon for the whole project.

Kensington Island Developments: A 405 hectare mixed-use, golf-course development located in Electoral Area A in Union Bay on either side of Highway 19A. As proposed, the development would include approximately 1,685 residential units (single-family and multi-family), 260 vacation units, a 27-hole golf course, hotel and commercial retail space. Site clearing for the 27 hole golf course was initiated in 2008.

Sage Hills: A conceptual development to create a "state-of-the-art, sustainable community" on 815 hectares adjoining the Highway 19 near Cumberland. While no formal development application has yet been made, the anticipated proposal includes 3,500 units of housing, a private K-12 boarding school, and a large, private sports academy that will integrate junior, collegiate, adult/corporate and professional athletic and leadership. Sports under consideration include hockey, skating, golf, soccer, baseball, basketball, mountain sports and performance training.

OCP Policies

This sub-section provides a summary of local and regional economic development policies and plans. All of the local OCPs contain some economic development policy or strategy directions although for the most part they are not particularly extensive.

Rural Comox Valley OCP

The Rural Comox Valley OCP identifies the following general land use and economy goals, objectives and policies:

Land Use and Economy Goals

- To encourage economic activities that utilize the resources of the area and which complement the environmental characteristics and natural qualities, culture, and geographic setting of the Comox Valley.
- To encourage the stewardship of the land, forest, agriculture, fisheries, mineral, and aquatic resource bases.

Land Use and Economy: Objectives and Policies

- To encourage economic development which is consistent and compatible with the environmental and settlement policies of this plan.
- To promote a match between job creation and the employment needs of Comox Valley residents.
- To support the expansion and diversification of the local economic base.
- To encourage and facilitate the development of home-based and small businesses.

City of Courtenay

The City of Courtenay's OCP includes as part of its vision to be "the centre of commerce for the Comox Valley." While the document contains no specific economic development chapter, the Industrial Development section does recognize the importance of working "toward a more diversified economy" and "continuing existing economic activities." The strategies identified under the Industrial Development section include the following:

- Identify nodes of commercial activity and adhere to those as the only places for commercial development.
- Identify lands that could be zoned for light industry, and put out the message that Courtenay welcomes clean industry
- Encourage the development of value-added industry in forestry and aquaculture.
- Support community economic development strategies that focus on locally owned and operated businesses and recognize educational and cultural/arts initiatives as having significant growth potential.

Perhaps Courtenay's most significant economic development policies are found in the OCP's Growth Management section where it states:

- [Courtenay] will position itself as the regional commerce centre of the Comox Valley promoting new and existing industries to expand economic opportunities for growth and development within the municipal boundaries. As such, the City will oppose commercial or industrial developments on its fringes, along the Comox Valley Parkway, the Inland Island Highway or the Island Highway where it may lead to urban sprawl and undermine the existing tax base.

Town of Comox

In the Town of Comox, economic development policy in the OCP is limited to the following strategy statement:

- The Town currently contributes towards the operation of the Comox Valley Economic Development Society. Council may consider and act on recommendations from that Society (or its equivalent) if it feels such action is in the interest of the Town. It may encourage the connection to the sea, local shopping opportunities of a diverse nature and development of tourist potential.

Village of Cumberland

Cumberland's OCP contains an entire chapter dedicated to economic development. Recognizing that their local economy requires "considerable attention," Cumberland's overarching economic development goal is to "develop a robust local economy by capitalizing upon our natural environment and promoting a greater commercial diversification within the local economy." This is to be achieved through the following objectives:

- Create a welcoming and supportive business environment within the Village;
- Build upon both the arts and the natural environment as major sources of new economic opportunities for the Village;
- Preserve the Village's working forest lands as an integral component of our economy;
- Encourage new commercial activities and industrial activities; and
- Accommodate new industrial activities in Comprehensive Planning Areas outside the Historic Village.

Economic Planning and Development Agencies

There are three economic and business development and support organizations in Comox Valley: the Cumberland Chamber of Commerce, Comox Valley Chamber of Commerce and the Comox Valley Economic Development Society.

The Cumberland Chamber of Commerce is an 85-member organization that is closely aligned with the Comox Valley Chamber of Commerce. The organization provides a variety of member support services, including area marketing and small business retention support. They also operate a tourist information centre.

The Comox Valley Chamber of Commerce is BC's second largest with 758 member businesses. The organization provides a variety of member services and benefits and community services. Guided by a "living" Strategic Plan, the organization seeks to create and sustain programs designed to help member businesses build relationships and create strategic alliances that will promote economic growth. They also operate a tourist information centre.

The Comox Valley Economic Development Society helps supports economic development in the Comox Valley focusing on business and investment attraction. The non-profit society was formed in 1988 and receives annual funding from the Regional District and municipalities. In 2006, the society released its own Economic Development Strategy and Implementation Plan with the following objectives:

- Establish a strong food and beverage processing cluster;
- Encourage development of an air transportation cluster;
- Facilitate development of knowledge-based and environmental technology businesses;
- Undertake strategic tourism destination and product development initiatives;
- Capitalize upon opportunities associated with the 2010 Olympic Winter Games; and,
- Stimulate further development of value-added wood products.

A fourth organization, the Vancouver Island Economic Alliance (VIEA), is a new collaborative partnership intended to spearhead regional economic development for Vancouver Island and "provide a platform for Island communities, First Nations, businesses, and other key stakeholders to collaborate on a broad-based economic development programs." The group is one of three prototype economic development partnerships being developed with support from the Province's Ministry of Economic Development.

Trends and Issues

This section summarizes major economic development trends and issues identified through chapter research. Of course, with the current and growing recession, there are considerable and emerging economic challenges facing Comox Valley and the province as a whole. Given the speed and scope of the market changes, forecasting their potential impacts is challenging. Although the full scale, scope and length of the recession is not known at this time, potential impacts and the implications for regional growth and growth management can not be underestimated.

The Comox Valley, along with other Island communities, has weathered previous recessions and the challenges associated with the movement from a more traditional, resource-based economy (i.e., forestry and fishing) to a more diversified, service-based economy (i.e., retail, tourism, health care, government services, etc.). Discussions with regional economic development stakeholders and the community-at-large has also revealed a strong commitment to local, regional-based economic development that seeks to minimize economic leakages (i.e., money that ‘leaks’ out of the local economy to pay for goods and services that are produced outside the region), while developing a more diversified economy that retains, supports and adds value to existing industries and businesses.

Key regional economic trends and issues are summarized below

Well-defined region: As a region, Comox Valley is a very well defined place with a clear regional identity and regional economy. This is a major advantage over other places where boundaries overlap or are not so clearly articulated, or within more bedroom communities where residents commute in and out of the region for work (and often services).

Economic development capacity: With multiple, community-based organizations and business groups, the region boasts growing local economic development capacity and expertise. While some of the groups do not traditionally work together, or could work together more collaboratively in the future, collectively the groups represent considerable social capacity that could be better harnessed for regional economic development planning and implementation activities.

Growing value-added agriculture: While agriculture remains a relatively minor economic engine, over the longer-term it is expected to increase as the demand for locally produced foods and value-added foods grows. Growing food security concerns will also help drive the growth of this sector. The Comox Valley Economic Development Society has identified agriculture as a strategic business cluster and numerous community and business groups have reported an increase in younger people getting involved in the industry. To continue supporting this sector, the issue of minimum ALR parcels and ALR land tenures (i.e. housing on ALR lands) needs to be addressed. Currently, younger farmers or those with less capital find it extremely difficult to purchase land.

Comox Airport: Although the airport experienced a decline of 2% of passengers in 2008 and numbers are expected to decline a further 10% in 2009, the airport has dramatically improved transportation options for the region and is a considerable economic development opportunity. The Comox Valley Economic

Development Society has identified airport-related businesses as a strategic cluster to foster and the Town of Comox has created an industrial area adjoining the airport for air services-related businesses. The airport and the new air services industrial land base could help attract new businesses to the region.

CFB Comox: The air base has long been an employment anchor for the larger region and will likely remain so for the future. Currently, the base is the largest public sector employer in the region. It is likely that both military and civilian employment will be relatively stable over the medium-term and, potentially could grow should the base add a long discussed marine commando unit to the base.

Employment losses: Recession-related job losses have already been felt and will likely be increasingly common across all sectors of the local economy. The hardest hit will likely include construction and tourism-related industries (e.g., food service, hotels, tour companies, etc.). Local job losses will generate negative multiplier effects through the local economy as local spending decreases.

Decreasing construction: With the decrease in regional housing starts and the likelihood of delays to major projects construction job losses could be significant, up to 20% from 2008 peaks. Such significant job losses would be consistent with provincial construction job trends.

Declining tourism: Tourism is a major employer in the region. Due to current economic conditions, signs of slowing and declining growth are evident, including a decline of passengers through Comox Airport (down 2% 2008 over 2007 and forecast to fall 10% this year), the withdrawal of service to Comox by AC Jazz in September 2008, and a downturn in room revenue over 5% over the year previous despite the addition of new hotels in Courtenay. The US travel market – a major component of the local tourism market – has also declined regionally (down about 12%). Other transportation indicators were down according BC Tourism's most recent statistics, including Island ferry passenger (down 2.6%) and vehicle traffic (down 2.0%). The current recession will likely further compound tourism declines. While it is not known whether these declines are temporary or structural – at least until new data emerges following the 2009 high season – the warning signs identified by Tourism BC should not be discounted.

Reduced retirement immigration: Recent in-migration has been driven by retirees (see the Population chapter), with a large segment of this group coming from outside BC. Market declines have seriously impacted "non-defined", market-linked pension fund holders, with the value of both employer-sponsored and RRSP funds dropping on average between 12% and 30% across Canada[12]. The implications of these declines are considerable and could reduce, slow and delay retiree in-migration. Currently, only 38% of employed Canadians are covered by workplace pensions – plans established by either employers or unions to pay retirement income. In the private sector, only 27 per cent of workers enjoy such plans, according to a recent Statistics Canada study of workers aged 45 to 59. In other words, a large majority of working Canadians rely on mutual fund RRSPs and/or the sale of a home, farm or small business to support their retirement. According to Statistics Canada, many individuals may delay retirement to offset recent losses. While some of the likely in-migration slowdown will be offset by the growth of retirees in general due to an aging population, the potential of slowed retiree in-migration can not be discounted.

From resource industries to real estate: Once the mainstay of the Island economy, the forestry industry is a shell of its former self. TimberWest, the Island's largest forestry company and the largest private landholder in the planning area is continuing a "deferred harvest strategy" (i.e., greatly reducing or, in some cases, putting off area forestry operations). The company also reduced its local salaried work force by 10%. TimberWest recently launched a wholly owned subsidiary real estate development company, Couverdon, that is seeking to develop its privately owned forest lands in and around the region – an approach with certain implications for the RGS process.

Points for Discussion

The creation of a more diverse, greener local economy will depend on all local governments working together to harmonize and coordinate economic development policies and programs. The RGS can play an important role by helping to create a clear direction on coordinating land use-related economic development policies (e.g., development cost charges, determining where new employment development should occur, and ensuring that job and employment centres are easily accessible to all residents.)

When considering the economic development trends and issues identified in the previous section, the points below could be considered while formulating the RGS.

Promote the development of a diverse regional economy where employment is close to where people live. Diverse employment centres that can support a variety of businesses and are easily accessible to a wide range of residents tend to be more successful and healthier than single use downtowns or office parks. They are more vibrant, safer and help both attract and retain businesses. Creating such employment centres could be addressed through such strategies as:

- Coordinating regional servicing to support existing employment centres.
- Developing clear and coordinated policies to support the intensification of commercial activities in existing town centres (Cumberland, Courtenay and Comox).
- Working cooperatively to develop a hierarchy of employment centres for existing town centres with specific business cluster goals and employment targets for them.
- Collaborating with BC Transit, the Province and the federal government to ensure transportation infrastructure supports the economic functions of the region.
- Developing clear and coordinated policies on service commercial development along the Island Highway (19 and 19A) to limit auto-focused development in the region.

Collaborate and cooperate on local and regional economic development research, planning and programming. Creating an attractive business-enabling environment to both attract new businesses and retain existing ones is of critical importance. Internal competition, intentional and non-intentional, between local governments or business agencies may weaken the region's collective economic attractiveness and performance. Creating a positive business-enabling environment could be addressed through such strategies as:

- Creating regionally consistent development cost charges and business permitting standards.
- Creating regionally consistent and supportive polices for the large number of home-based businesses located in the region.

- Supporting the development of a Regional Economic Development Strategy through a multi-party process involving all local governments and economic development stakeholders, including the K'omoks First Nation.
- Promoting and enhancing ongoing regional economic cooperation, collaboration and networking through the creation of a Local Economic Development Working Group made up of representatives from local governments, business organizations, K'omoks First Nation and community groups.
- Developing a supporting Economic Investment Action Plan for regional employment centres with coordinated and harmonized tax and development incentives.
- Considering whether there is a need for new business parks.

Protect and ensure an adequate supply of industrial land.

Accessible and affordable space for manufacturing and industrial operations is an important part of overall economic well-being. This can be addressed through such strategies as:

- Monitoring the supply of industrial land in the region with the objective of maintaining sufficient capacity to meet the needs of the regional economy.
- Utilizing an eco-industrial networking approach for industrial land development (i.e., work to co-locate businesses that can create collaborative networks to more efficiently and effectively use resources, such as materials and energy).

Support and foster continued rural and resource-based employment opportunities.

Forestry, fishing and agriculture are all important regional economic activities. Value can be added to each sector through such strategies as:

- Working with the Province and the Agricultural Land Commission to develop strategies and actions to increase the amount of actively farmed agricultural lands, and reduce barriers to agricultural viability.
- Undertaking public education activities that raise awareness of Comox Valley's agricultural and local food/value-added processing sector.
- Recognizing the long-term economic development potential represented in forest lands and limit rural encroachment onto them through regionally coordinated rural subdivision development principles and standards.
- Supporting value-added, community-based forest use applications, including, but not limited to, community-owned woodlots, eco-forestry enterprises and home-based value-added forest product manufacturing.
- Supporting the region's important mari-culture industries through supportive policies and awareness building activities.
- Considering the creation of a local agricultural research centre or program through North Island College or through an independent agency, perhaps similarly to the formally operating Oyster River Research Farm.