

Sayward Economic Development Strategy

FINAL REPORT

December 2013

Prepared by:



in association with:



Prepared for:



Village of Sayward

With funding support from:



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EXECUTIVE SUMMARY

The purpose of the Sayward Economic Development Strategy is to identify concrete steps that can be taken to improve the future economic prospects of the entire Sayward area.

The challenges facing the community include a declining population, the loss of nearly all commercial activity in the village, the deterioration of critical economic assets like the harbour, and eventual risk to the high quality of public services that remain, including health services, the recreation centre and a local police detachment, if these trends are not reversed.

Despite the challenges, Sayward retains several strategic advantages that support future economic development opportunities and offer hope for renewed investment, increased economic activity and a revived population in the coming years. The harbour remains strategically located for multiple sectors from aquaculture to tourism, the community is centrally located to support forestry activities in the surrounding region, the abundance of natural recreational opportunities will continue to attract visitors, and the small-town quality of life and high level of public amenities make it an attractive place to live.

ECONOMIC DEVELOPMENT VISION

The economic development priorities expressed by Sayward Council include:

- Family-supporting jobs
- Enhanced local commercial services
- Population growth, particularly families with children

These priorities are expressed in the following Sayward Economic Development Vision Statement:

The Sayward economy features a range of quality, family-supporting employment opportunities and excellent commercial services to meet the everyday needs of both its growing population and its many visitors.

CONTEXT

An economic development strategy is a unique undertaking in each community that must respond to its particular competitive advantages and disadvantages. Prospects for future success are affected by past events in the community, by recent and long-term trends affecting demographics and industry competitiveness, and by economic conditions in neighbouring communities and the surrounding region and province.

Some of the key conclusions from the economic analysis and community consultation that influence the economic development strategies include:

- Sayward has lost about one-third of its population over the last 30 years but the demographic changes have been even more dramatic. From 1991 to 2011, the number of Sayward residents under age 25 declined from 175 people to 60 (from 49% of the total population to 17%) while the number of age 55+ residents increased from 35 to 150 (from 13% to 55% of the population). The age profile of the Sayward Valley is similar.

- Regional employment trends over the last few decades have generally not been favourable for Sayward's main industries, with region-wide declines in resource-based employment (primarily forestry), manufacturing (most of which is also resource-reliant) and tourism. But there are signs of recovery more recently, particularly in forestry. Long-term demand for aquaculture products worldwide should remain strong, but industry growth has been constrained by regulatory and environmental factors. Tourism also remains a long-term opportunity given the many natural attractions of the Sayward area and Vancouver Island overall, but there are challenges with a sluggish economy and rising transportation costs (including ferry fares).

- Housing costs are quite affordable as the average single-family dwelling in Sayward has a lower assessed value than any other community on the east coast of Vancouver Island (only the more remote communities on the west coast have lower values).

- Consultation interviews with approximately 35 stakeholders in Sayward and the Sayward Valley supported many of the prevailing economic trends. Most tourism-related businesses report declining visitation in the last five years, but recreational visitors have been replaced by industrial workers in forestry or other major projects in the region. Their outlook is for a continuation of current conditions, with some modest growth potential in tourism. Those associated with forestry, however, are much more optimistic about future growth. And there is much conditional optimism about the harbour - it is recognized as a linchpin of Sayward's economy with a strategic location for marine tourism, commercial fishing, aquaculture and marine transportation due to its location between Campbell River and Telegraph Cove/Port McNeill. The optimism is contingent on improvements being made to the harbour that address the decaying infrastructure and related issues.

- An online and hardcopy community survey attracted only 17 responses, so may not necessarily represent the views of all Sayward residents. One notable result, however, was the overwhelming interest in having a grocery store re-established in Sayward. The survey also showed that the highest-rated factors supporting wellbeing and satisfaction with living in Sayward are safety, recreational facilities, housing affordability and "small town life." Most of the survey respondents are retirees so this strongly supports the high quality of life as an attractive feature, at least for those no longer concerned with employment.

The Village of Sayward is a small municipality with limited financial and staff resources to pursue economic development initiatives. It is therefore necessary to examine the potential opportunities facing the community from a benefit/cost perspective. The potential economic benefits of some opportunities are far greater than for others, but this needs to be balanced against the financial cost and staff (or contractor) time required to pursue the opportunity. The likelihood of the opportunity being realized also needs to be considered - it's better to focus on opportunities that are more likely to happen than to spend precious resources chasing a long shot.

The analysis of opportunities takes into consideration three main factors:

1. **Employment impact**, including the potential for new local job creation and the creation of local spinoff benefits, such as businesses providing support services to the main industry. Over time having more locally-based workers will also lead to the creation of more resident-serving businesses like retail stores and restaurants, providing additional locally-based employment.
2. **Benefits for residents**, with a particular focus on improving the range of commercial services available for residents, as well as opportunities that expand the Village's tax base to help ensure that public services like the recreation centre can be maintained.
3. **Viability as an economic development strategy**, including the likelihood that an opportunity will be successfully realized in Sayward. It is based on Sayward's competitive position relative to possible competing markets, whether external market trends are favourable, and whether there is already local momentum toward completion.

Over the next few years, the recommended priorities for Sayward are the harbour (including harbour improvements and attracting harbour support services) due to its critical importance for multiple sectors in the local economy, as well as encouraging more local forestry activity. All of these have moderate to high employment impact, are reasonably likely to be achieved given location and competitive factors, and all will directly or indirectly provide benefits to residents by improving local market conditions for local businesses like a store or restaurant and by supporting the local tax base.

Pursuing the Community Forest License and working to attract retail services are medium priorities, along with a food and beverage component of the harbour redevelopment. The Community Forest has lower employment potential, while the pursuit of a store will become more viable over time if the other high-priority opportunities are realized and the local retail market grows.

Tourism is a lower priority in the short-term because the potential economic returns are limited when there are little or no opportunities for visitors to spend money in the community, and because the high cost of promoting Sayward to the wider world is best undertaken on a regional basis. Tourism remains a key opportunity for the Village and is likely to become a higher priority in the future.

The plan is structured under two broad objectives or goals:

- **Goal #1 - Pursue economic development opportunities with greatest potential**, following from the detailed analysis of priority opportunities.
- **Goal #2 - Strengthen infrastructure for economic development**, including strategies to address a variety of competitive business factors that are not necessarily specific to any single industry or business opportunity.

Under **Goal #1**, the nine recommended strategies are shown in approximate priority order:

Strategy 1. Plan and execute a significant harbour redevelopment.

Strategy 2. Pursue investment in harbour support services.

Strategy 3. Pursue expansion of Sayward-based commercial forestry operations.

Strategy 4. Continue work toward development of Sayward Community Forest.

Strategy 5. Pursue re-establishment of a retail store in Sayward.

Strategy 6. Facilitate new residential development, including through retiree attraction.

Strategy 7. Engage with regional tourism initiatives.

Strategy 8. Explore public investment in tourism product development, including the campground.

Strategy 9. Promote Sayward through engagement with major project proponents in the surrounding region.

Under **Goal #2**, the nine recommended strategies are shown in no particular order:

Strategy 10. Improve telecommunications infrastructure.

Strategy 11. Preserve and enhance recreational facilities and other public amenities.

Strategy 12. Improve online information resources on Sayward.

Strategy 13. Establish engagement program for major economic stakeholders.

Strategy 14. Regularly engage with other communities and organizations with an interest in economic development, including First Nations.

Strategy 15. Encourage the re-establishment of a Sayward business organization.

Strategy 16. Develop resource package for small business.

Strategy 17. Improve wayfinding and community appearance.

Strategy 18. Village Council and staff to continue demonstrating openness to new investment.

IMPLEMENTATION

This strategic plan recommends a series of actions to be pursued by the Village of Sayward and its partners over the next three to five years, but there is no single strategy that will lead to renewed economic vitality. Positive momentum in each of the major areas - the harbour, the forest sector and tourism - will reinforce each other by expanding local opportunities for quality employment, increasing the number of recreational and business visitors, creating a more fertile local market for new investment in retail and food services, and making the community more attractive as a place to live.

The recommended approach to implementation is for the Village to prepare an annual **Economic Development Work Plan**, building on this document but also recognizing that priorities change over time and new opportunities will emerge that were not included in this study. The Work Plan should include a summary of priority activities for the year ahead, based on:

- Available funding (both local funding and expected grant funding)
- Amount of staff or contractor time that will be available
- Progress achieved to date in completing the strategies, including a summary of the status of the previous year's priorities that makes reference to the performance monitoring factors identified under each strategy
- Emergence of new opportunities that should be pursued
- Any other new or revised priority, as directed by Council

1. INTRODUCTION

The purpose of the Sayward Economic Development Strategy is to identify concrete steps that can be taken to improve the future economic prospects of the entire Sayward area.

The challenges facing the community are widely recognized by all community stakeholders and include a declining population, the loss of nearly all commercial activity in the village, the deterioration of critical economic assets like the harbour, and eventual risk to the high quality of public services that remain, including health services, the recreation centre and a local police detachment, if these trends are not reversed.

Despite the challenges, Sayward retains several strategic advantages that support future economic development opportunities. The comprehensive research and consultation process undertaken for this study allowed many of these potential opportunities to be identified. But the potential economic benefits of all opportunities are not the same and the Village of Sayward, along with partner organizations within and outside the community, have limited financial and human resources with which to pursue any one opportunity. The economic analysis in this study is therefore critical in providing a type of cost/benefit analysis that balances the opportunities that have the greatest potential economic benefits, are affordable in terms of the required Village investment of time and money, and have a reasonable probability of success.

The Sayward community has weathered very difficult conditions over the last several decades. But there are some encouraging signs that the next few decades will allow for sustained and even improved economic conditions. It is our hope that the recommendations provided in this report can help the Village achieve a more prosperous future.

ECONOMIC DEVELOPMENT VISION

The vision for Sayward's economic development future was discussed by Village Council in a workshop in July 2013. While each member of Council expressed their hopes in slightly different words, there was agreement on the following priorities:

- Family-supporting jobs
- Enhanced local commercial services
- Population growth, particularly families with children

These priorities are expressed in the following Sayward Economic Development Vision Statement:

The Sayward economy features a range of quality, family-supporting employment opportunities and excellent commercial services to meet the everyday needs of both its growing population and its many visitors.

STUDY PROCESS

Vann Struth Consulting Group Inc. was retained by the Village of Sayward in the spring of 2013 following approval of funding support from Island Coastal Economic Trust under its Economic Development Readiness Program. The Village had previously engaged Algis Consulting Ltd. to provide ongoing services in economic development. The two company principals, Jamie Vann Struth and Al Baronas, collaborated throughout the economic development strategy process and the preparation of this report.

The key events in the study process included:

1. Economic analysis (the context for Sayward)
2. Consultation through stakeholder interviews and a community survey
3. Initial Council workshop in July to review project scope and discuss issues
4. Competitive analysis (identifying key barriers, challenges & opportunities)
5. Opportunity analysis (assessing the benefit/cost ratio and risks of potential economic development initiatives)
6. Strategy development
7. Council workshop to discuss draft results and priorities
8. Final draft report and public presentation
9. Final report

REPORT OUTLINE

This report is structured in the following manner:

- Chapter 2 provides additional context for economic development in Sayward from several perspectives, including the history of the community, a qualitative assessment of current-day Sayward as a place to live and invest, and an economic analysis of economic trends affecting Sayward and the surrounding region and how the community's key economy and population-related characteristics compare to other places.
- Chapter 3 provides a summary of the two main consultation exercises that were undertaken, including an extensive series of stakeholder interviews as well as a community survey sent to all residents of the village.
- Chapter 4 is a distillation of all of the feedback and analysis into a competitive assessment of the Sayward economy, including economic strengths, weaknesses, opportunities and threats (SWOT).
- Chapter 5 is an analysis of the main opportunities identified in Chapter 4, taking into consideration the best fit with Sayward's assets, the potential economic benefits that would be realized for the community, the likelihood of achieving success, and the cost and time required to pursue the opportunity. The result is a set of strategic priorities with which the Village can move forward into the implementation of this strategy.

- Chapter 6 follows from the priorities established in Chapter 5 with a detailed Strategic Action Plan. It outlines the specific actions that the Village (and partners) should take in order to implement the plan, with the recommended priority level clearly identified and suggested project partners, funding sources, timing and ways to monitor progress and success also provided.
- Chapter 7 contains final conclusions and recommendations for how the Village should implement the strategy in the years to come.

2. CONTEXT FOR ECONOMIC DEVELOPMENT

An economic development strategy is a unique undertaking in each community that must respond to its particular competitive advantages and disadvantages. It is also important not to view the current situation in a vacuum. The potential success of economic development initiatives is affected by past events in the community, by recent and long-term trends affecting demographics and industry competitiveness, and by economic conditions in neighbouring communities and the surrounding region and province.

Chapter 2 explains the economic context for Sayward, starting with a review of the history of the community and followed by an economic analysis of key competitive factors and trends, comparisons to other communities, and a summary of the external economic context.

2.1. HISTORY OF SAYWARD

The Sayward settlement was established around 1890 at the mouth of the Salmon River and was initially known as Port Kusum. Prior to the arrival of settlers, a small First Nations village was located at the south side of the Salmon River. It was designated as the Salmon River Indian Reserve No. 4. This reserve is currently under the administration of the K'omoks First Nation and is not currently populated.

In 1904, Otto Sacht established a trading post in the vicinity. A post office was established in his store in 1911. The community was officially named Sayward in 1911 after William Parsons Sayward, an early pioneer lumberman on Vancouver Island.

Forestry has traditionally been the prime economic driver for the Sayward area. Railway logging was carried out throughout the area during the early part of the century. Later, the railway hauling was replaced by logging roads and trucks. Logging, hauling, sorting and booming of logs was the major economic activity and raw logs were shipped with no secondary or value-added processing done locally.

As the forest industry expanded on the coast, MacMillan Bloedel held Tree Farm License (TFL) 39 and expanded their operations by establishing log sorts and booming grounds at Kelsey Bay and Eve River. The Village of Sayward was established as a company townsite to house MacMillan Bloedel's employees, being incorporated as a municipality on June 27, 1968. Its boundaries were extended and altered in November 1976 and November 1979.

The wharf at Kelsey Bay was the southern terminus for the B.C. Ferries Inside Passage route until 1976, when Highway 19 was extended north to Port Hardy, resulting in the relocation of the ferry terminal to Port Hardy. This led to the reduction of highway traffic to Sayward and affected its economy considerably.

In the early 1980s, a major recession created a downturn in the forest industry. MacMillan Bloedel was purchased by Weyerhaeuser in 1999 and this company decided to close the Eve River and Kelsey Bay operations by concentrating their operations at Menzies Bay, north of Campbell River.

To respond to the economic problems of the time facing the Sayward area, the Sayward Futures Society was formed and incorporated in December 2000. An Industrial Adjustment Committee was formed in the fall of 2001 with funding from federal and provincial sources to develop an economic strategy for the area. Funding was also provided by Weyerhaeuser and Forest Renewal B.C.

After considerable local involvement and professional support, a major wood value-added strategy was developed and was documented in the report titled Fibre Sources and Value-Added Wood Products Study, March 2002. (A number of additional reports and consultant studies were developed at this time and are cited in the bibliography.)

Since 2002, no new significant economic activities took place. Some log sort activities have been initiated but at a reduced level and for a fixed term. Logging and hauling continues to take place.

A number of initiatives in or near Sayward received funding in recent years primarily from the Island Coastal Economic Trust (ICET). Grants were provided to the Sayward Futures Society to stabilize and upgrade the Kelsey Bay Wharf and to the Village of Sayward for the replacement of a small pedestrian bridge at Kelly's Trail. This is to encourage access for nature oriented visitors wishing to view wildlife in the river estuary.

An ICET contribution was also made for the Salmon Brewster Equine Campsite and Trail developed by the Back Country Horsemen Society of BC – North Vancouver Island Chapter, some 15 kilometres from Sayward in Area A of the Strathcona Regional District. This project will increase visitors to the Sayward Valley area, promoting outdoor tourism and attracting another visitor market to the region.

2.2. ECONOMIC ANALYSIS

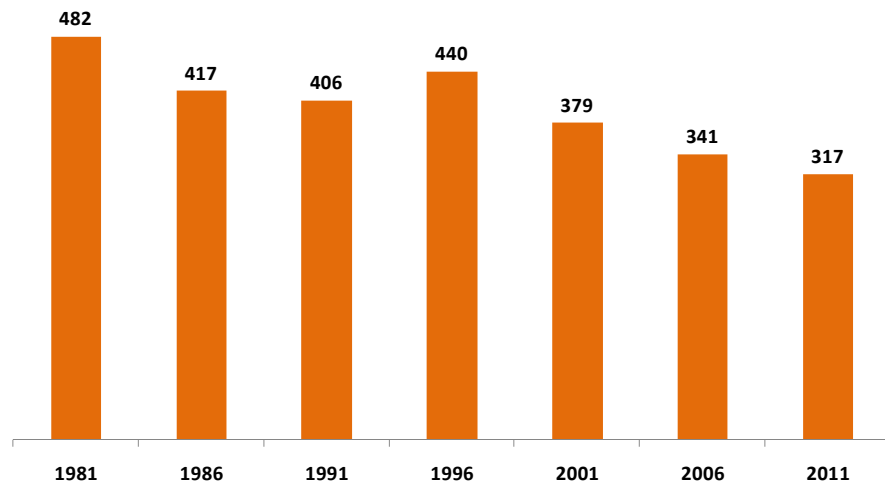
Another important element in understanding the economic context for Sayward is a review of relevant statistical trends and characteristics of both Sayward and the broader regional economy. Data is presented throughout this section from a variety of statistical sources and is shown separately for Sayward wherever possible (although due to its small size there are some data limitations).

Some of the data analysis feeds directly into the summary of Sayward's competitive position in Chapter 4 while others are less directly relevant but still provide useful background knowledge of community characteristics and economic conditions.

The Village of Sayward expanded to its current boundaries in the late 1970s and its population has been slowly declining since that time.

Over the 30 years from 1981 to 2011, Sayward's population fell by 34%. To provide some context, the Vancouver Island/Coast region, not including Greater Victoria, grew by 43% and added more than 114,000 people over those 30 years.

Census Population, Sayward
(Source: Statistics Canada)

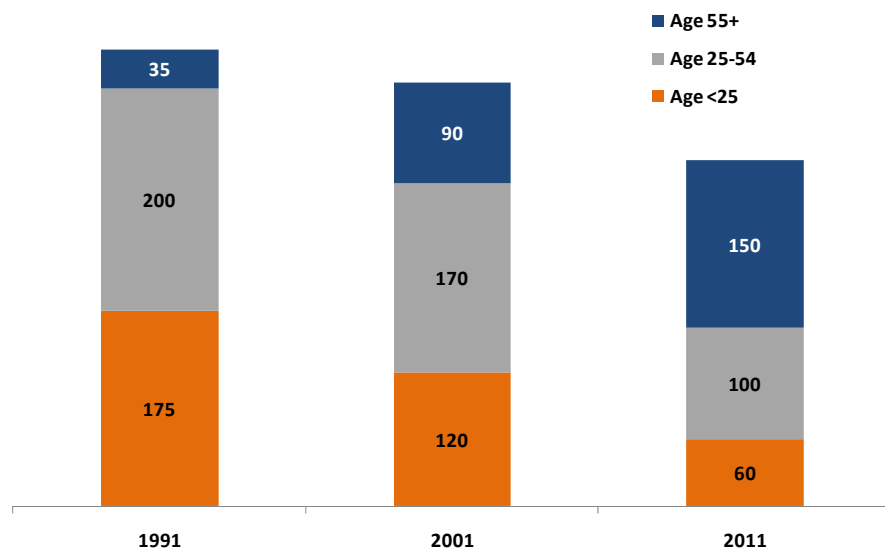


The local market area for Sayward extends beyond the village boundaries to include the unincorporated settlement in the Sayward Valley. This area is part of Strathcona Regional District Area A, which covers a huge geographic region south to Campbell River and all the way to the west coast to all of the areas surrounding Gold River, Tahsis and Zeballos. This entire rural area had a Census population of 807 in 2011, of which more than 90% was in the eastern areas near Sayward and on the outskirts of Campbell River. There is

unfortunately no more precise data available that shows exactly how many people are living in the Sayward Valley, but it is safe to assume its population is larger than that of the village itself.

The overall decline of Sayward's population masks a much more fundamental shift in the community's demographic makeup.

Census Population by Broad Age Groups, Sayward
(Source: Statistics Canada)



Compared to 1991, the community has lost two-thirds of its children and young adults under age 25 (from 175 to 60) and half of its prime working-age adults (from 200 to 100). There are now more than four times as many 55+ residents (from 35 to 150).

In percentage terms, the children/young adult segment has declined from nearly half to one-sixth of total population by the 55+ age group has increased from 13% to 55% of the total.

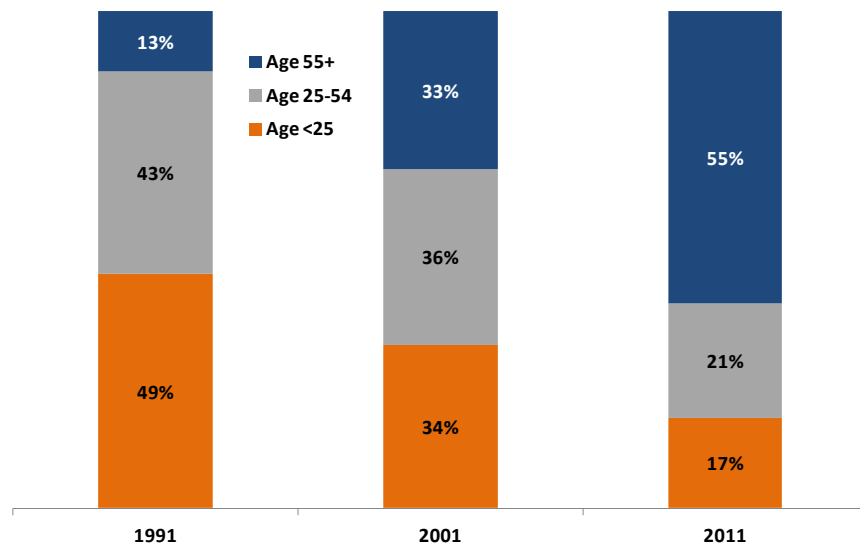
The aging of the population has been occurring throughout BC, but is much more pronounced in Sayward.

Comparing Sayward's population distribution to BC's shows fewer residents in each age group up to age 55, with the greatest percentage shortfall in the youth and young adult category from 15 to 24 and the younger half of the prime working-age population (age 25 to 39). Older senior citizens in the 80+ age category are also slightly under-represented in Sayward, perhaps out of a need to be closer to a hospital and various support services.

(Note that demographics in the Sayward Valley are very similar to the village, with a few more residents in the 40 to 54 age range and slightly fewer in the 55+ range.)

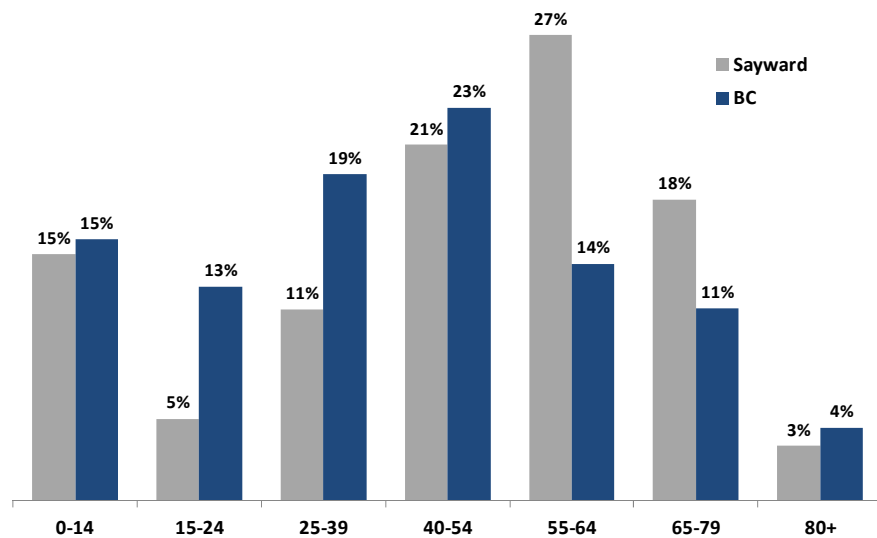
Census Population Distribution, Sayward

(Source: Statistics Canada)



Population by Age, 2011

(Source: Statistics Canada Census)

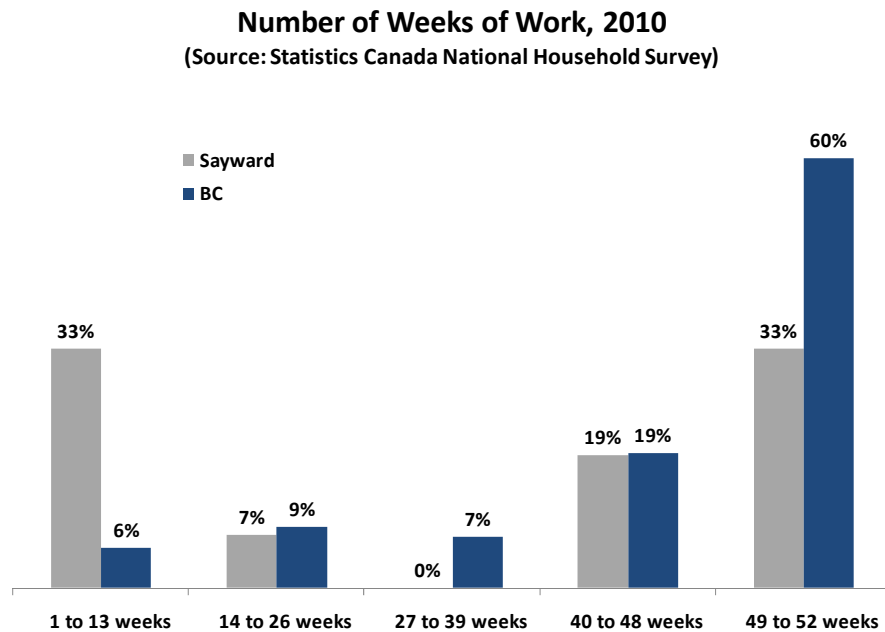


The small population in Sayward and Statistics Canada's policy of suppressing data with small sample sizes means that many of the standard labour force indicators are not available for Sayward. For instance, most industry and occupation data is simply not reliable.

There are a few indicators from the recent 2011 National Household Survey that provide some insight into employment for Sayward residents.

First is the average weeks of work for Sayward residents who reported being employed in 2010. Fully one-third of employed Sayward residents had employment for 13 or fewer weeks in the year.

The average was 33 weeks of work for Sayward residents compared to a provincial average of 44 weeks.

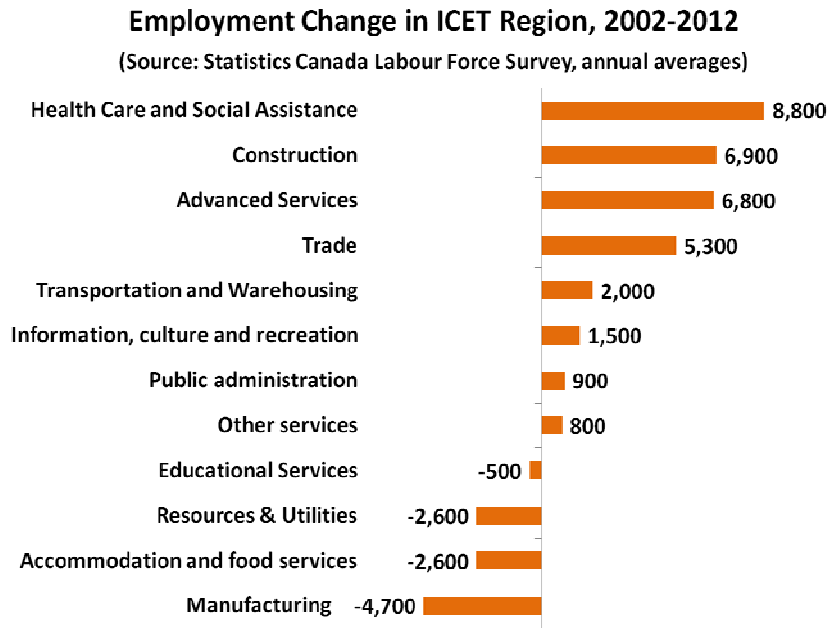


Other notable and/or interesting facts:

- The average daily commute for an employed Sayward residents was 31 minutes compared to a provincial average of 20 minutes. Clearly these long commutes are not happening within Sayward so this reflects the number of people who are commuting either to Campbell River or to resource-based jobs throughout the region.
- A minority of employed Sayward residents (44%) worked full-time in 2010 compared to 77% in BC.
- A very large share of Sayward workers (40%) in 2010 had no fixed place of work, meaning they regularly reported to a different work site. This is common in industries like construction and forestry where the work site is continually changing. Only 14% of BC workers had no fixed place of work.

In the absence of detailed labour force and employment data for Sayward, it is useful to understand the larger context for employment and key industry growth in the broader region. The region covered by Island Coastal Trust is a useful comparison as it includes the rest of Vancouver Island, with the exception of the Greater Victoria region, as well as coastal areas on the Sunshine Coast and Powell River area that are closely linked to Vancouver Island.

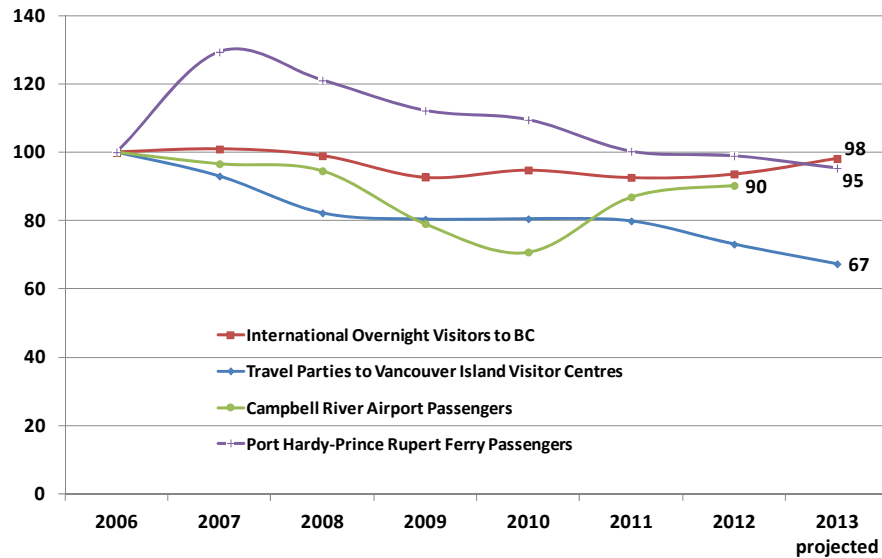
Over the decade from 2002 to 2012, the strongest growth in regional employment occurred in health care, construction, advanced services (including professional and business services) and trade (which is primarily retail). Traditional resources industries continued their long-run decline, losing 2,600 jobs, while manufacturing, much of which is also related to resource industries, declined by 4,700 jobs. Accommodation and food services, which are heavily reliant on tourism, also declined by 2,600 jobs.



Given that Sayward's economy is traditionally based on resource industries and, to a lesser extent, tourism, these are troubling trends. Fortunately there are signs of recovery, particularly in forestry, which has rebounded in the last few years due to increasing export sales to China and the gradual recovery of the US housing market.

Tourism has faced a series of challenges in recent years, including the 2008-09 recession and subsequent slow recovery that dampened travel activity, particularly by Americans. The higher Canadian dollar and tightened border security has also limited US visitation while Canada faces increased global competition for overseas travelers.

Trend in Tourism Indicators, 2006 to 2013
(2006 = 100, Source: Destination BC)



Vancouver Island has an extra challenge to get visitors off the mainland either through BC Ferries or by air. Locally-based data on tourism is difficult to obtain, but the series of tourism indicators shown in the chart above tell a similar downward-trending story since 2006. The exception in the last couple of years is air passenger numbers at the Campbell River Airport after their runway extension and other capital improvements. The number of travel parties at Visitor Information Centres on Vancouver Island is down by one-third since 2006 while total overnight international visitors to BC are down slightly.

Ferry passengers on the Port Hardy-Prince Rupert route, which is popular with international visitors on extended trips, will usually drive past Sayward. Those numbers are also down by more than 25% since 2007.

As later sections of the report will address, tourism is a key opportunity for Sayward over the long term but the recent trends demonstrate some of the challenges the industry is currently facing. Anecdotal evidence from the stakeholder interviews with tourism-related businesses also suggests that recreational visitors are down, but overnight stays from industrial workers who are in the area for forestry, mining exploration or major project construction have filled the void.

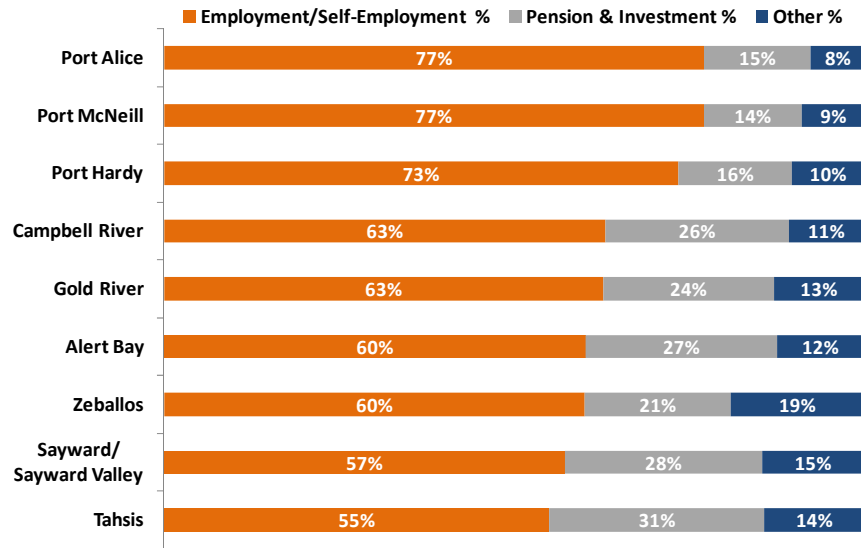
SOURCES OF INCOME

Data on income sources is based on actual tax returns filed with the Canada Revenue Agency in 2009. It covers all people with a Sayward mailing address in the community, including many who live in the Sayward Valley.

Sayward residents earned 57% of their personal income from employment or self-employment in 2009, which is lower than all other communities on northern Vancouver Island except Tahsis. This is partly due to the lack of job opportunities in Sayward but also heavily influenced by the older age profile in the community. The 28% of income from pensions and investments ranks 2nd-highest, again behind only Tahsis.

Total Community Income by Source, 2009

(Source: Canada Revenue Agency)



Port McNeill and Port Hardy both have much younger populations than Sayward, which explains why so much more of their income is from employment. Port Alice is somewhat younger, but also has a dominant industrial employer in Neucel Specialty Cellulose that employs a large share of the total population with relatively high wages.

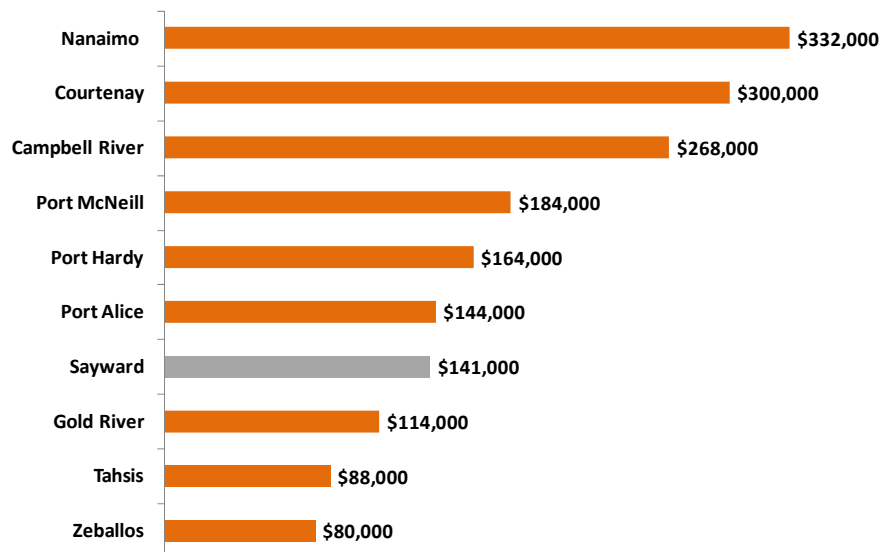
HOUSING

Average housing prices in Sayward are not reported publicly by the Vancouver Island Real Estate Board, but comparisons in relatively housing costs can be made using property assessment data.

The average single family home in Sayward has an assessed value of \$141,000, which is substantially less than larger communities to the

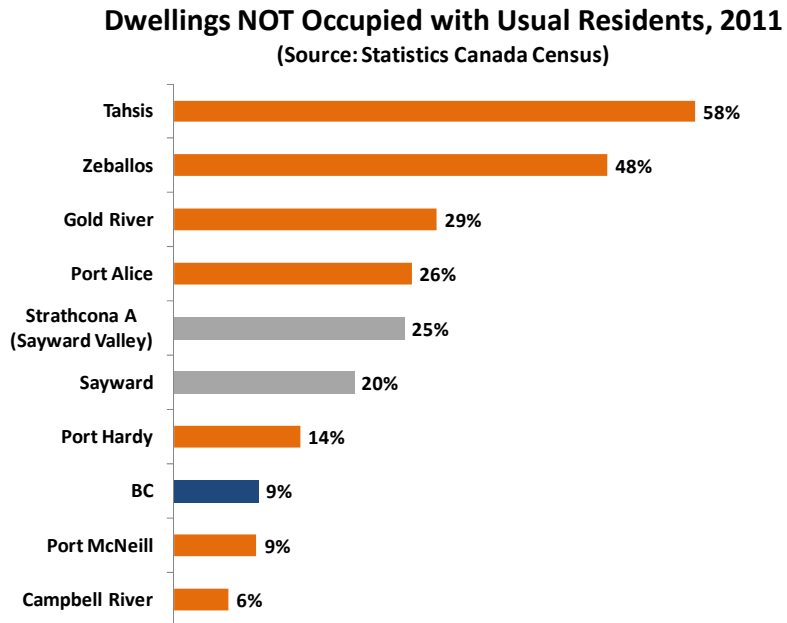
Average Assessed Value for Single Family Home, 2013

(Source: BC Assessment Authority)



south - Nanaimo, Courtenay, Campbell River - and to the north - Port McNeill and Port Hardy. The only comparable communities with more affordable housing are the similarly small and more remote west coast communities of Gold River, Zeballos and Tahsis.

There is also higher-than-average vacancy in Sayward's current housing stock. According to the last Census, 20% of the dwelling units in the village and 25% in the Sayward Valley were not occupied by usual residents, meaning they were either vacant or were occupied by temporary residents (such as workers on short-term rentals or those using the home as a recreational



home). This is considerably higher than the 9% average for all BC dwellings and is higher than the larger communities on the North Island, with only the West Coast communities that have faced even greater economic challenges and population declines having more available housing.

3. CONSULTATION AND ENGAGEMENT

3.1. STAKEHOLDER INTERVIEWS

The consulting team consulted extensively with business owners and operators, residents, political leaders and other stakeholders in Sayward and the neighbouring Sayward Valley, recognizing they function as a single local economy.

Most of the consultation occurred through in-person interviews, supplemented in some cases by telephone interviews. Approximately 35 stakeholders were interviewed and were asked a standardized set of questions, although the interviews were conversational rather than being strictly question and answer.

The responses from individual people are confidential and most of the responses are integrated into the competitive analysis (strengths, weaknesses, opportunities, threats) in Chapter 4. The stakeholders were also asked to provide some insight into recent conditions in their businesses and industries and their outlook for future economic conditions.

Looking back five years, most of the tourism-related businesses report flat or declining tourist visits, particularly from the international market, but occupancies have been sustained by forestry and other resource workers. Forestry has been a bright spot in the last couple of years with strong renewed growth, to the point where finding enough qualified workers is now a serious concern. Other stakeholders made reference to the closure of the store in Sayward and the fact that virtually no commercial activity now occurs in the village.

Business operating at or near the junction with Highway 19 have benefited from access to a steady stream of traffic, with an uptick in recent years along with higher levels of economic activity in northern Vancouver Island.

The outlook for many stakeholders is for a continuation of current conditions, with perhaps modest growth in tourism. Several expect Sayward to continue transforming into a retirement community. The exception is those associated with forestry or who provide services to forestry and major projects. There is genuine optimism about the future from many of these stakeholders.

There is also a lot of conditional optimism about the harbour - many recognize it as a linchpin of Sayward's economy with a strategic location for marine tourism, commercial fishing, aquaculture and marine transportation due to its location between Campbell River and Telegraph Cove/Port McNeill. The optimism is contingent on improvements being made to the harbour that address the decaying infrastructure and related issues (e.g., access, parking, ancillary services like a restaurant, support

services for commercial fishing such as ice and fuel, and so on). Successful resolution of these issues is generally believed to have great potential to enhance Sayward's economic future.

The other major recent development that should be helpful economically is the major construction commitments underway in nearby Campbell River, which anticipates about 5 years of sustained development including the John Hart dam redevelopment and the new hospital as well as a good number of private office and residential projects. Demand for labour and services will create opportunities for surrounding communities to take advantage of the increased demand for labour and increased demand for housing.

3.2. COMMUNITY SURVEY

All members of the community were given an opportunity to provide input to the Economic Development Strategy through a community survey. Copies of the survey were mailed to each household in Sayward and residents were invited to complete the paper survey and return it to the Village office, or to complete it online. A link to the online survey was also provided on the Village website.

A total of 17 surveys were returned, of which 14 were completed in full and 3 were partly completed. The responses include 15 from Sayward residents, which is a response rate of about 10%. A further 2 surveys were completed by Sayward Valley residents.

The small sample size means that the results are not statistically significant and are not necessarily reflective of the opinions of all Sayward residents.

RESPONDENT DEMOGRAPHICS

1. Where is your home located?

Village of Sayward	Sayward Valley
15	2
88%	12%

2. Do you own or rent your home?

Own	Rent
15	2
88%	12%

3. Are you a full-time or part-time resident of the Sayward area?

Full-time	Part-time
15	2
88%	12%

Nearly all the survey respondents (15 out of 17) are residents of the village as opposed to the Sayward Valley, are homeowners, and are full-time residents of the Sayward area. (Note the 15 respondents in each category are not the same 15 people).

4. How many years have you lived in the Sayward area?

Less than 5 years	5-9 years	10-19 years	20+ years
4	3	6	4
24%	18%	35%	24%

Average: 12 years

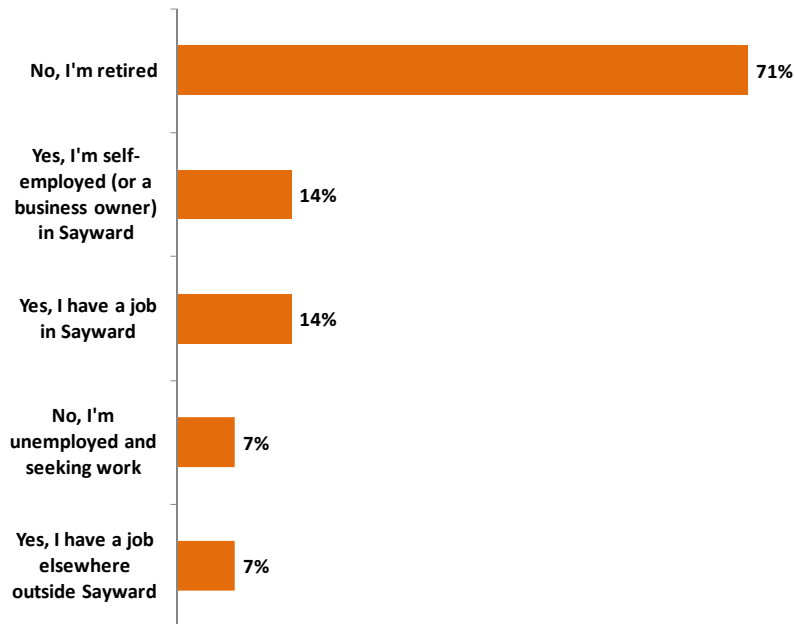
Median: 10 years

Most respondents are long-term respondents of the Sayward area, averaging 12 years in the area. The newest resident has been in Sayward for 1 year and the longest for 34 years.

5. How many other people reside in your home?

Only one of the respondents has children under the age of 18 in their household. Most appear to live in two-person households, with a handful of single-occupant households and no households of more than 3 people.¹

16. Are you currently employed?



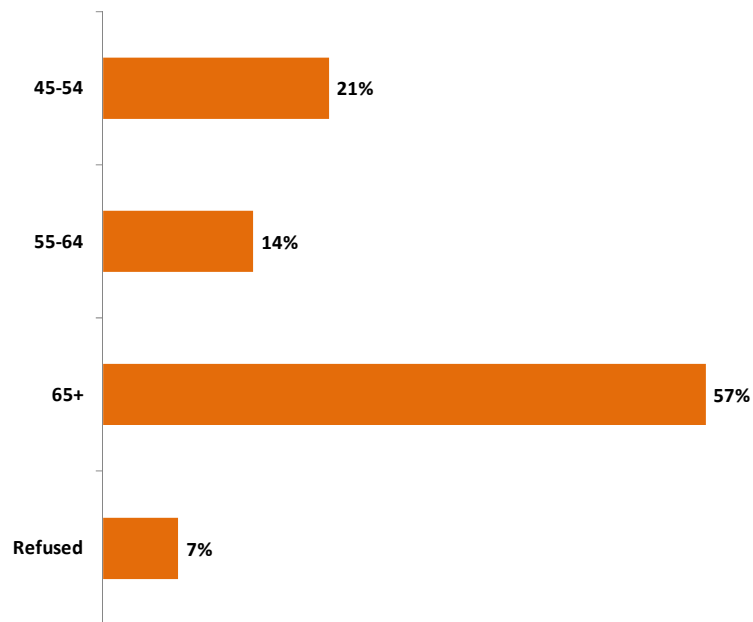
¹ There was some confusion in the responses to Question 5. Some respondents appear to have included themselves and others did not, so the results are not reliable and are not reported.

Nearly three-quarters of respondents are retired and about one-quarter are employed in Sayward. Some people fit into more than one category, which explains why the total of all responses is more than 100% (one person is both retired and looking for work, while another has a job and is a business owner).

17. What is your gender?

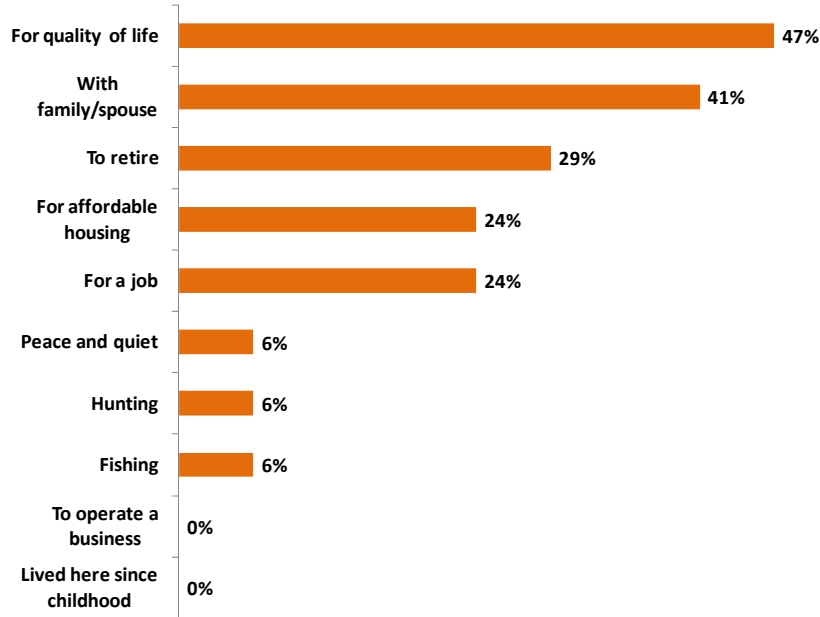
Female	Male
3	11
22%	78%

18. In which range is your current age?



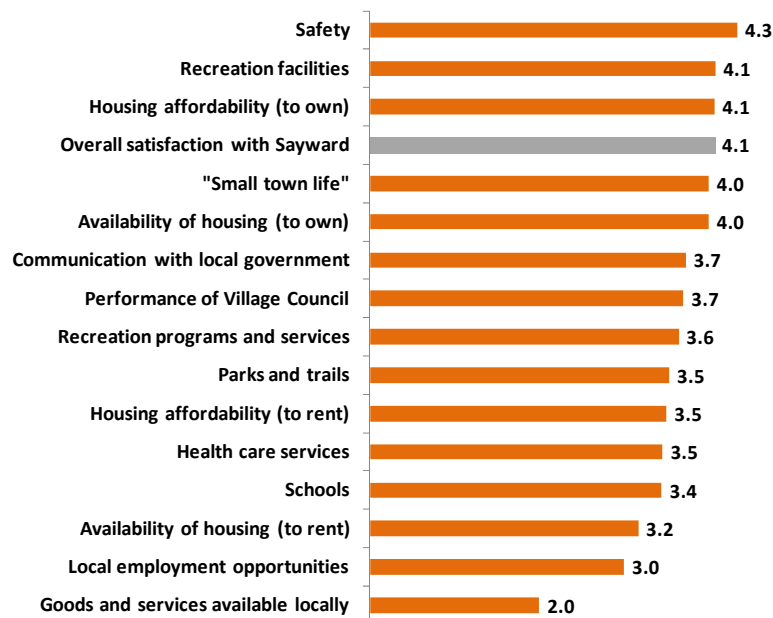
The majority of the survey respondents are male and over age 65, which matches the earlier result that most are retired. All respondents who provided an answer are at least 45 years of age.

6. Why did you initially move to Sayward?



Lifestyle is the driving factor for most people moving to Sayward as opposed to employment. Affordable housing is a factor for one-quarter of respondents and none of the respondents have been in Sayward since childhood, which is not surprising given the community is relatively young.

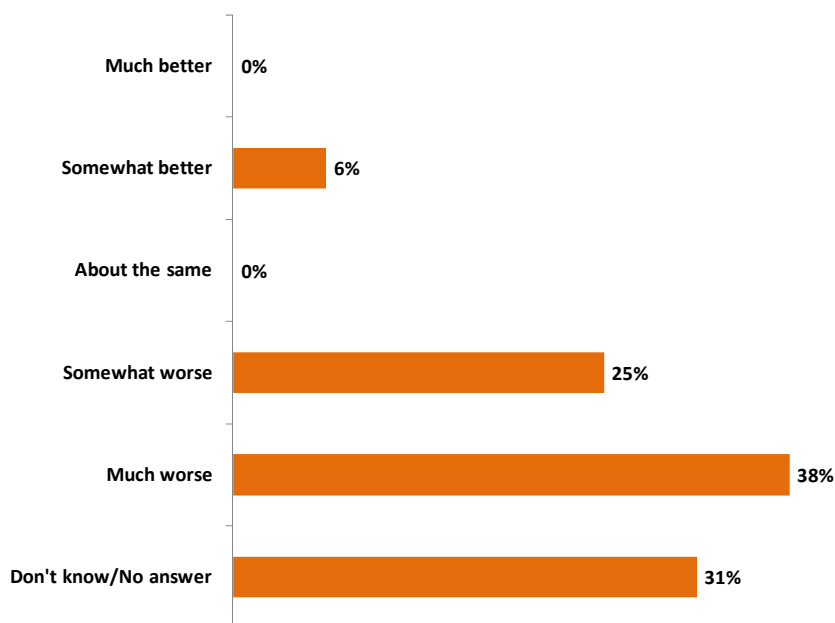
**7. Topics affecting satisfaction and wellbeing as a resident of Sayward.
(Rating scale: 5 - Very satisfied, 3 - Neutral, 1 - Very dissatisfied)**



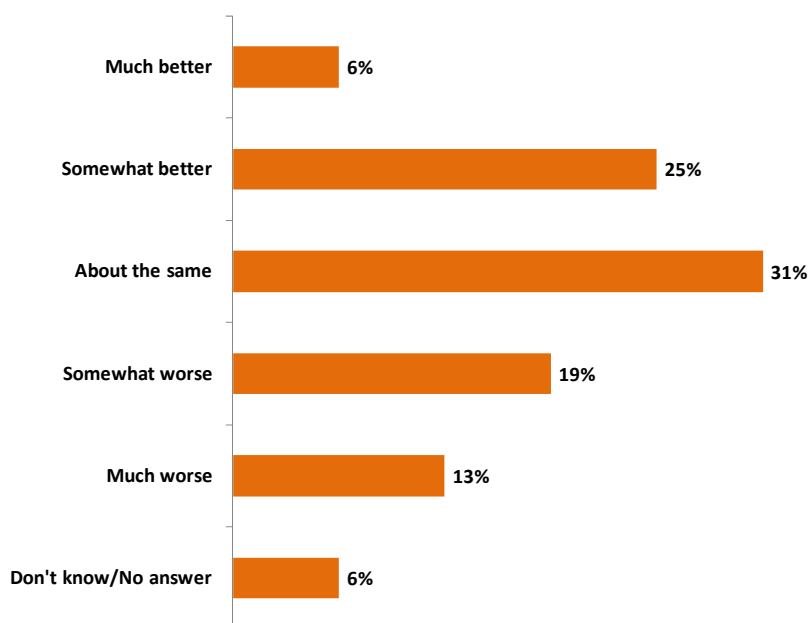
Overall satisfaction with life in Sayward is high, with a rating of 4.1 on the scale of 1 to 5. Safety is the single highest rated factor, followed by recreation facilities and housing affordability (to own). Both affordability and availability of owned housing are rated more highly than rental housing. Goods and services available locally is the only factor with an average rating in the "dissatisfied" range while local employment opportunities, the availability of rental housing and schools are rate closer to "neutral."

ECONOMY

8. How does the state of the economy in Sayward and surrounding area compared to 5 years ago?

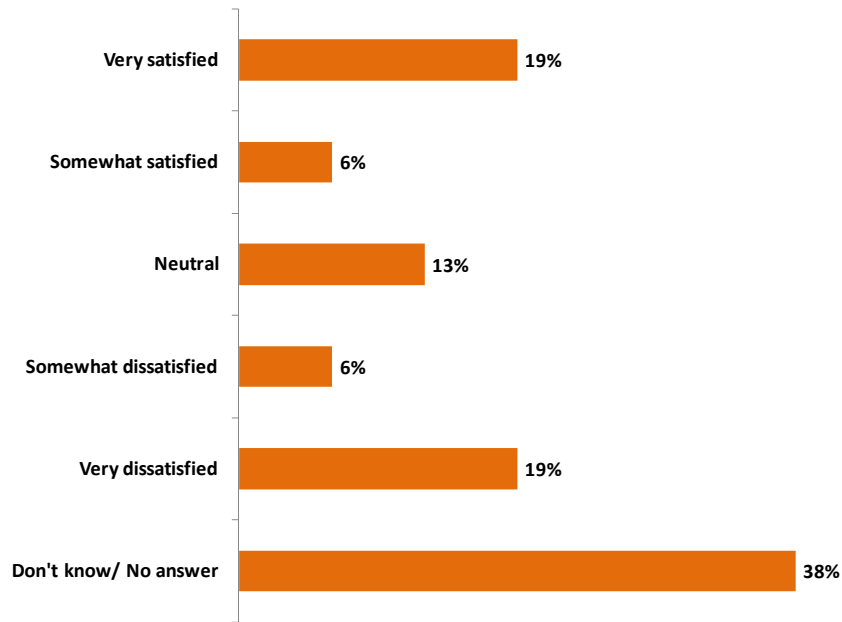


9. How do you think Sayward's economy will look in 5 years compared to today?



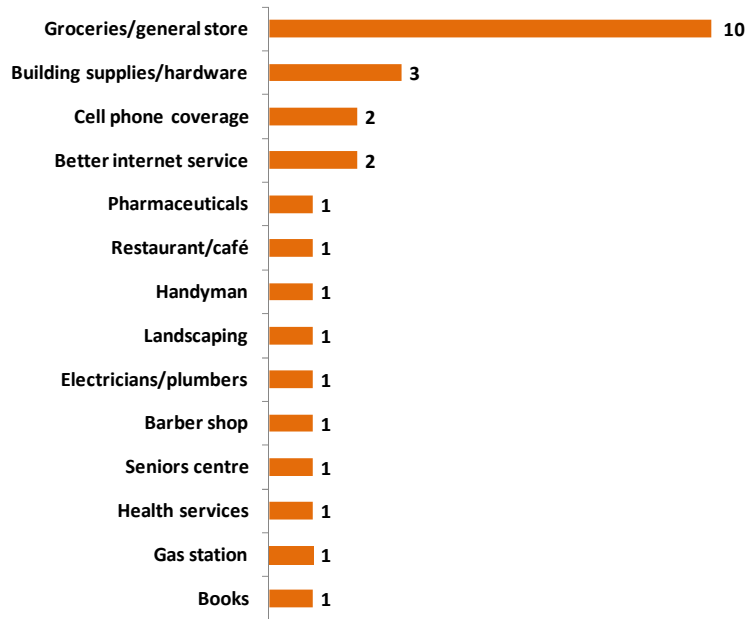
The outlook for Sayward's economy over the next five years is considerably better than views of the last five years, with about one-third of respondents expecting the local economy to improve, one-third expecting it to hold steady and one-third expecting conditions to worsen.

10. How satisfied are you with your current employment and/or business situation?



There is an even balance between respondents who are satisfied and dissatisfied with their employment or business situation, which is somewhat surprising given that most respondents are retired and retirees are typically happy with their situation. Perhaps some of them would prefer to operate small businesses and work part-time and are not finding opportunities to do so in Sayward.

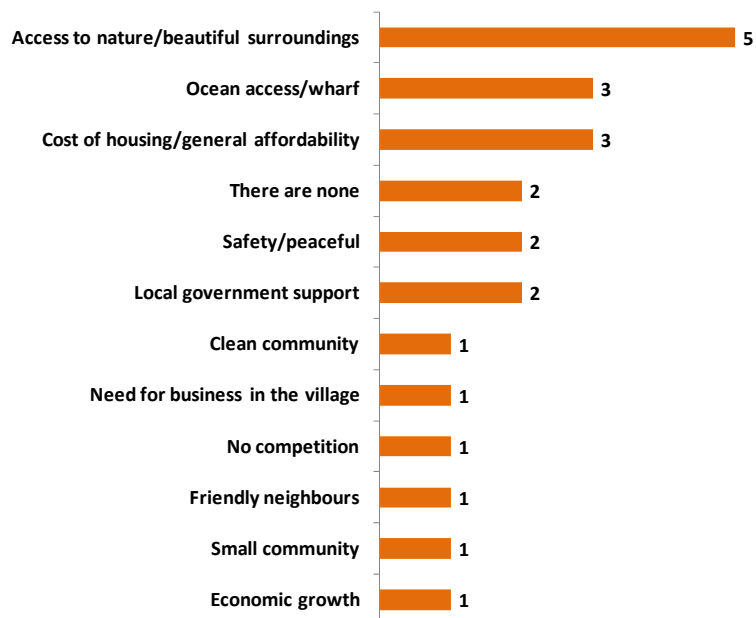
11. What items or services would you most like to have available to purchase in Sayward rather than traveling to buy elsewhere?



A variety of products and services were identified that respondents would like to have available in Sayward, but groceries is clearly the most desired category.

ECONOMIC DEVELOPMENT

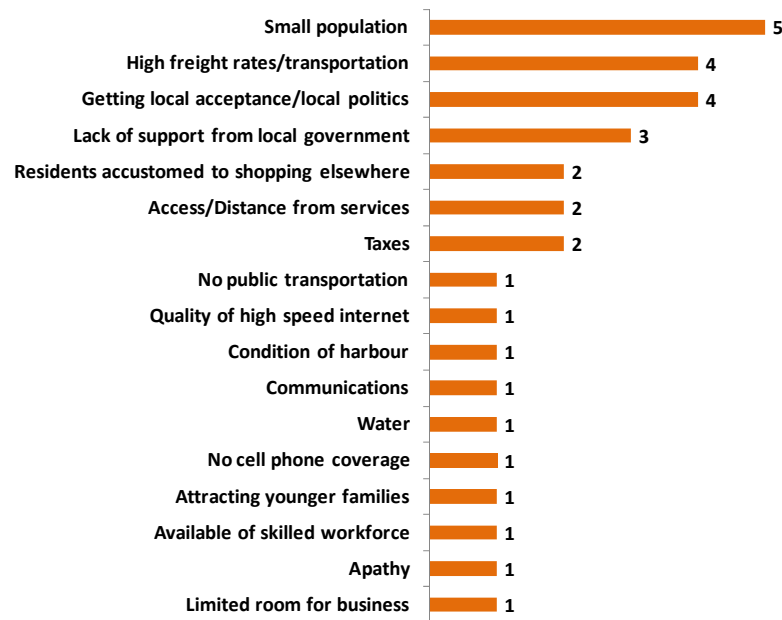
12. If you were trying to attract a business to come to Sayward, what would you say are the top three selling points for the community.



Sayward's beautiful natural surroundings and easy access to nature is the factor most often cited as a selling feature for attracting business to the community. Unless a business is involved in tourism or recreation, this factor is more important as a quality of life factor that would entice business owners or managers to operate in Sayward because they want to live in the community. The cost of housing/general affordability is also more relevant for personal relocation (although affordability can also apply to business premises).

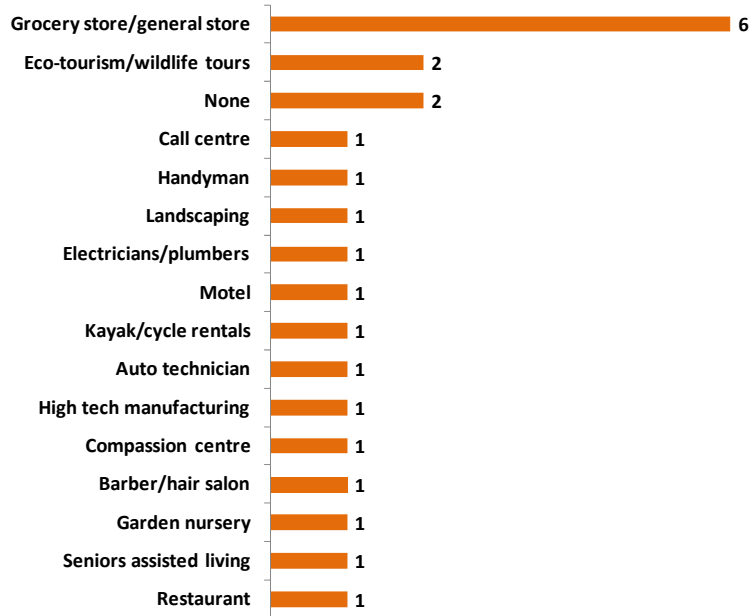
In terms of specific economic infrastructure, the waterfront access was cited most often.

13. In your opinion, what are the three biggest challenges facing businesses in Sayward?



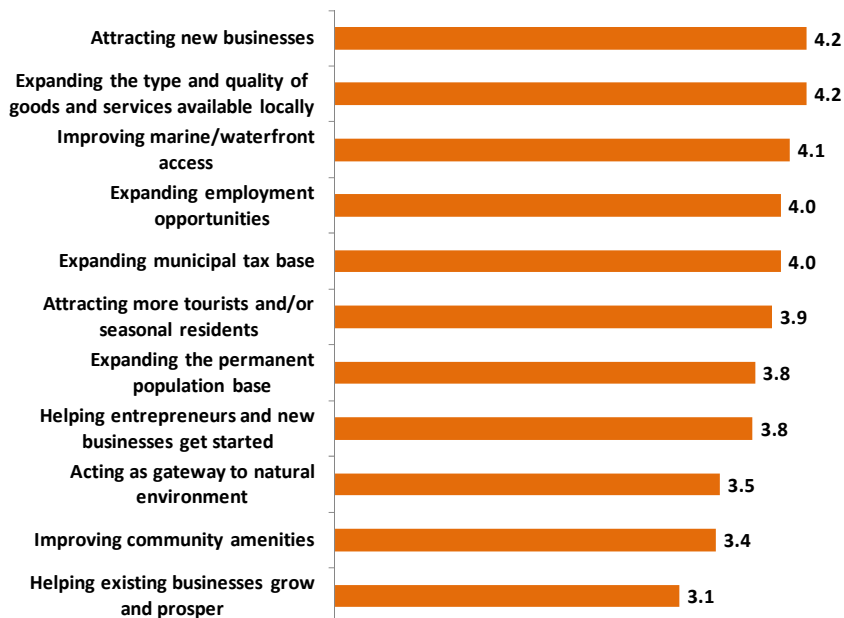
The most often cited challenge for businesses in Sayward is the small size of the local market, followed by high freight rates for bringing goods to the community (which leads to higher prices) and gaining local acceptance. Higher prices will encourage some residents to shop elsewhere, and that established pattern of shopping elsewhere is also a challenge. Several people mentioned lack of support from Village Council and/or local government staff, but no additional details were provided.

14. In your opinion, are there viable business opportunities in Sayward that are not being capitalized upon? What are they?



The business that the most respondents believe would be viable in Sayward is a grocery store, followed by a variety of businesses, some of which are reasonable and some are not viable for a community the size of Sayward.

**15. What are the most important economic development priorities for Sayward?
(Rating scale: 5 - Very high priority, 3 - Medium priority, 1 -Not a priority at all)**



Most of the possible economic development priorities for Sayward are rated as high priorities, but attracting new businesses and expanding the type and quality of goods and services locally is the top of the list. These two factors may be motivated not so much to support employment but to improve local services for residents, which makes sense when considering that most respondents are either retired or nearing retirement age and likely less concerned with employment opportunities.

Improving marine/waterfront access, expanding employment opportunities, expanding the municipal tax base, attracting more tourists and/or seasonal residents, expanding the permanent population base and helping entrepreneurs and new businesses also all rated highly. Improving community amenities may be rated lower because they are already quite good for a community of Sayward's size and there may be a recognition that more community amenities need additional residents and businesses to help pay for them.

Some of the additional priorities that were mentioned include addressing telecommunications (cell phone coverage and internet speeds), improving the water quality situation, attracting a hotel/motel, and undertaking a complete inventory of Sayward's tourist and business assets and promoting it.

4. SAYWARD'S COMPETITIVE POSITION

This chapter summarizes the competitive analysis of Sayward as an investment and business location, using a traditional SWOT (Strengths, Weaknesses, Opportunities, Threats) framework. The analysis is based on all of the background research and analysis completed to this point in the project, including consultation with dozens of community stakeholders and knowledgeable subject experts from outside the community.

The intent is not to list every possible item that could fit under each category, but to identify the most significant items that influence the strategic action plan in Chapter 6. Finally, the evaluation is primarily for the village of Sayward but includes many items that are relevant for the combined Sayward and Sayward Valley area.

4.1. STRENGTHS

- Safe, friendly, small village setting with character, charm and excellent public services (recreation centre, health clinic, post office, RCMP detachment)
- Reasonably close access (about 75 km) to the regional service centre of Campbell River, including an all-weather airport with multiple daily flights to Vancouver and points beyond
- Strategic location and gateway for access to northern Vancouver Island recreation opportunities
- Affordable and quality housing stock, much of it with great ocean views, suitable for retirees and young families
- Public harbour with gift shop and access for whale watching
- Protected harbour in Kelsey Bay, strategically located to provide service for marine recreation and tourism (notably whale watching), commercial fishing and aquaculture
- Boat launch and recreational moorage in protected harbour
- Existing community services include school, recreation facility with pool, ambulance, firefighting, RCMP station, medical clinic, library, tennis and softball venues and public boat launch.
- Strategic location to service forest tenures of Western Forest Products
- Strategic location in proximity to other resource and major project developments in the region, including proposed Nexen Mine, BC Hydro's John Hart Generation Station replacement, and new Campbell River hospital
- Spectacular natural surroundings and access to nature, including Johnstone Strait and nearby islands, Salmon River, protected estuary and Mount H'Kusam, allowing recreational opportunities such as hiking, bird watching, kayaking, camping, canoeing, fly fishing, whale watching, horseback riding, hunting and wildlife photography
- Quality agricultural land that is currently under-utilized
- Gravel deposits and potentially exploitable mineral deposits in the surrounding region

4.2. WEAKNESSES

- Limited employment opportunities to retain youth and working-age adults

- Small population with declining school enrollment and a rapidly aging demographic profile
- Limited local labour pool
- Distance to Campbell River (about 75 km) is also a weakness - it is close enough to provide competition for potential local businesses while the distance to access needed supplies and support services, such as skilled tradespeople, adds cost and inconvenience for both businesses and households
- Limited tax base
- No retail outlets in the village after closure of the strip mall - closest access is the junction with Highway 19, located 10 km away, creating a negative impression for visitors of a dying town
- No public transit or taxi service, which are increasing concerns as the population ages
- No bus service to Campbell River from the village (although there is service from the highway junction)
- Limited wayfinding signage
- Some unsightly properties at village entrance
- No fuel in harbour except by advance order
- Limited moorage and support services for transient marine vessels
- No established relationship with K'omoks First Nations
- No comprehensive tourism marketing information for the Sayward area, including a minimal Village website
- Limited lodging
- No cell phone connectivity
- Limited high speed internet access
- No active business driven organization such as a chamber of commerce
- No regular working relationship with Area A of the Strathcona Regional District, which has most of its population in the Sayward Valley
- No regional tourism marketing process
- Water quality and supply concerns with periodic boil water advisories
- Limited landbase in the Village
- Agricultural Land Reserve (ALR) constraint on development in much of the Sayward Valley
- High goods transportation costs

4.3. OPPORTUNITIES

- Community Forest License that would be owned by the Village of Sayward and generate revenue for community projects (or whatever purpose is defined in establishing the management of the license)
- Expansion of local forestry activity, building on the current log sort with additional activities such as maintenance and repair of trucks and equipment and eventually more secondary processing or niche product manufacturing
- Harbour improvements to support expanded marine tourism, commercial fishing, aquaculture, transient recreational moorage, marine transportation and all other harbour-reliant industries
- Expansion of harbour support services, such as fuel service, ice, maintenance and repair, and food services for visitors

- Development of industrial support services and extended-stay residential housing options to support major project development in the surrounding area (possible mine, hydro generation station, hospital, forestry)
- New housing development
- Retail services, particularly for groceries and possibly including hardware and "general store" items
- Resident attraction, including retirees and younger adults with families (particularly in concert with expanded local resource-related employment opportunities)
- Food and beverage services, including restaurant, cafe, pub or bakery
- Tourism product development, including accommodation properties, campground, eco-tourism businesses, wildlife tours, kayak rentals, new trail development, tours to Yorke Island, and many more.
- Expanded tourist visitation to all community attractions, tapping into Highway 19 traffic and other target markets

4.4. THREATS

- Aging population and declining school enrollment
- Proximity to Campbell River limits local ability to attract commercial services
- Cost of transportation
- International tourism trends including condition of US and European economies
- World price fluctuations for natural resources, fuel, and related commodities
- Shortage of funding programs for community economic development purposes
- Lack of local support as some residents are attracted to Sayward due to its isolation, low cost of living, and particularly in the rural area, the minimal amount of government regulation. There may not be widespread support for expanded economic activity.
- Lack of cooperation between Village of Sayward and other local governments and difficulty of small village undertaking some initiatives on its own

5. STRATEGIC PRIORITIES

The Village of Sayward is a small municipality with limited financial and staff resources to pursue economic development initiatives. Fortunately, there are multiple opportunities that have emerged in recent years with the potential to improve local economic conditions, but the Village needs to be strategic in determining where to allocate its limited resources.

The purpose of this chapter of the report is to examine the list of potential opportunities from a benefit/cost perspective. The potential economic benefits of some opportunities are far greater than for others, but this needs to be balanced against the financial cost and staff (or contractor) time required to pursue the opportunity. The likelihood of the opportunity being realized also needs to be considered - it's better to focus on opportunities that are more likely to happen than to spend precious resources chasing a long shot.

The results of the analysis will establish Sayward's top economic development priorities for the next couple of years. These priorities will be reflected in the Strategic Action Plan in Chapter 6 of the report.

It must be noted that opportunities that are rated as lower priorities in the short term will not necessarily retain that status in the future. Many of the opportunities are inter-related and the potential benefits of one opportunity may be much larger in the future if another opportunity is developed first. For example, the economic impact of tourism will be greater if and when there are more local opportunities for tourists to spend money while in Sayward.

5.1. EVALUATION FRAMEWORK

The analysis of opportunities takes into consideration three main factors:

4. **Employment impact.** This includes the potential for new local job creation, even if many of the jobs are not initially held by Sayward residents. Over time, it is expected that the availability of well-paying jobs in Sayward that are full-time and full-year (not seasonal) would provide the incentive needed for workers to choose to live in the community rather than commute from elsewhere.

Some opportunities also have greater potential to generate local spinoff benefits, such as businesses providing support services to the main industry. Over time having more locally-based workers would also lead to the creation of more resident-serving businesses like retail stores, restaurants and barber shops, all of which would provide additional locally-based employment.

5. **Benefits for residents.** Improving the range of commercial services available for residents is one of the main objectives of this strategy so opportunities that directly provide these services,

apart from any other economic benefits they provide, will be prioritized. Another aspect that is considered is the municipal tax base. Opportunities that expand the Village's tax base will help to ensure that public services, such as the recreation centre, can be maintained and the financial burden on individual homeowners will be lessened.

6. **Viability as an economic development strategy.** This factor takes into consideration the likelihood that an opportunity will be successfully realized and whether it requires economic development assistance. It is based on Sayward's competitive position relative to possible competing markets and whether external market trends are favourable. It also takes into consideration if there is already any local momentum toward successful realization of an opportunity. Opportunities that have already received local attention and may have an existing roadmap for completion are more likely to be successful than opportunities where a local initiative would need to be created from scratch.

The 11 opportunities identified in section 4.3 are analyzed below according to a consistent set of criteria. The assessment is not as detailed as a full feasibility analysis or economic impact analysis, but provides enough insight for priorities to be established, at least from the perspective of the external consultant.

Final decisions on which opportunities should be pursued will require local commitment of resources, either financial or through staff time, and will be made by Village Council.

5.2. ANALYSIS OF EMPLOYMENT IMPACT

Employment analysis is based on the "direct impact," which is simply the number of jobs that will be directly created by each opportunity, as well as the spinoff employment created in supplier businesses and in businesses that serve the local population.

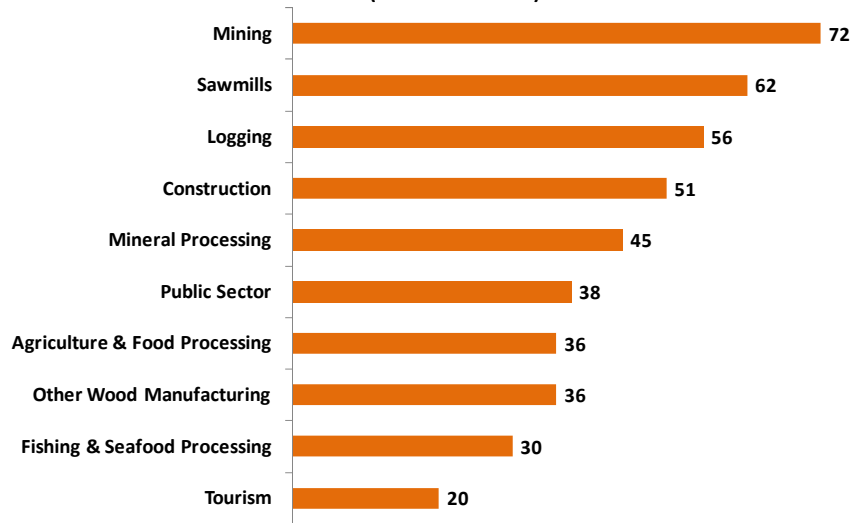
It is recognized that Sayward currently has a very limited labour pool so many new jobs that might be created might not be filled by current Sayward residents. This is acknowledged but is not a detriment in the analysis. In fact, the creation of new jobs that are filled by outsiders helps to create the conditions for those workers to eventually decide to live in Sayward, helping to boost the declining population and expanding the local market for retail and services. Many workers in the prime working-age years of 25 to 54 are also likely to bring families with them, helping to sustain the local school and counter the rapid aging of the Sayward population over the last 20 years.

The approximate number of spinoff jobs that would be created for a given number of direct jobs can be estimated using multipliers from the BC Input-Output Model.

The chart shows the average number of spinoff jobs in the Strathcona Regional District per 100 direct jobs in each of the industries listed. The traditional resource industries of mining and forestry have the largest multipliers, based in part on the generally high wages paid in those sectors. The fishing and seafood processing multiplier is lower because employment typically

Employment Multipliers, Strathcona RD (Spinoff Jobs per 100 Direct Jobs), 2006

(Source: BC Stats)



occurs for only part of the year and because seafood processing is usually lower-skill and lower-pay than mining or sawmill employment. Tourism multipliers are also low due to the part-time and seasonal nature of many jobs and their predominantly low-skill, low-wage profile.

These multipliers are calculated for the Strathcona RD as a whole, not just for Sayward. It is quite likely that, at least initially, new direct jobs in Sayward would create spinoff benefits mostly in Campbell River because that is where most support services are likely to be located and where most employees would live. But just like with the direct jobs, if the new opportunities are high quality and are believed to be sustainable over the long term, some of those businesses and workers will move to Sayward.

The multipliers also provide an indication of job quality. Industries that pay higher wages and purchase more supplies and support services from the local area will have higher multipliers. This is important for Sayward because most workers will not move to the community for a low-wage or seasonal job (unless they want part-time work to supplement retirement income). Full-time jobs with family-supporting wages are needed in order to attract new residents.

The potential employment impact of each of Sayward's current opportunities can be assessed based on a general sense of the direct employment potential (the exact number of direct jobs cannot be determined in advance), combined with the potential spinoff employment and expected job quality.

Opportunity	Notes	Potential Employment Impact
1. Community Forest License	A license in the range of 2,500 m ³ would support the equivalent of less than 1 full-time job in harvesting and silviculture (based on typical employment coefficients of 0.2 to 0.3 jobs per 1,000 m ³ for most timber supply areas in BC). The potential also exists to support some local wood manufacturing with Community Forest wood, but direct employment potential similarly is small.	Low
2. Local forestry activity	Western Forest Products currently employs more than 30 people at its dryland sort in Sayward (currently leased from Island Timberlands) and there is potential to significantly expand, including through moving other operational functions like a maintenance shop from Menzies Bay. Opportunities for development of support businesses, such as debris hauling, are also present.	High
3. Harbour improvements & 4. Harbour support services	<p><i>NOTE: Improvements to the physical infrastructure of the harbour (wharf, floats, breakwaters, etc.) is a pre-requisite to the development of the harbour support services identified as opportunity 4. For purposes of this analysis, they are assumed to occur simultaneously and the employment impacts are assessed on that basis.</i></p> <p>Improvements would have direct positive impact on the level of commercial fishing and transient recreational vessel moorage, potentially creating a handful of jobs in harbour-related services and/or new tourism-oriented businesses (tour guides, outdoor recreation services, visitor accommodations).</p> <p>The addition of food and beverage services at the harbour (through a cafe or restaurant), combined with an improvement in the physical appearance of the area and introduction of some visitor-friendly changes like parking improvements, would lead to an immediate increase in tourist visits for whale watching, private boat launches and related activities. This could also create a few new jobs in tourist-related businesses.</p> <p>The potential for growth in aquaculture-related employment is limited without growth in the number of fish farms in the area or increased production at the two hatcheries in the Sayward Valley, but over the longer term an improved wharf is essential to ensure those aquaculture jobs are retained. It is also keeps open the long-term possibility of locating new fish processing jobs in Kelsey Bay.</p>	<p>Moderate (Short-term) / Moderate to High (Long-term)</p>

<p>5. Industrial support services (inc. residential)</p>	<p>Sayward's advantages as a location for industrial support services and housing for major project development are its location in closer proximity to some developments (such as the potential Nexen Mine and logging in the surrounding Tree Farm License 39), or its available supply of affordable housing.</p> <p>There is limited land available within the village so industrial support services, which might typically need a workshop and a yard for machinery storage, are more likely to locate in the Sayward Valley. If Sayward were used as a temporary or extended-stay housing location, there would be increased demand for local shopping and services.</p> <p>The local employment benefits of this opportunity are likely to be modest and may not be permanent once project development cycles are complete. The supply of labour in Sayward that could capitalize on new job opportunities is also limited in the short-term.</p>	<p>Low to Moderate</p>
<p>6. Retail services</p>	<p>Focusing on the attraction of retail services to Sayward, particularly a grocery store, is not motivated primarily for local employment reasons. Only a small number of jobs are likely to be created, mostly at low wages.</p>	<p>Low</p>
<p>7. Resident attraction</p>	<p>Resident attraction may be focused on the retiree market or on accommodating younger families that are attracted to Sayward for employment or other purposes. Having more residents will boost the local market for shopping and services and possibly create new employment, but it will be modest.</p>	<p>Low</p>
<p>8. New housing development</p>	<p>Potentially significant employment opportunities could be created during project construction, but would be temporary and likely to employ primarily work crews from outside Sayward. Long-term employment impacts are the same as the increase in residents discussed above.</p>	<p>Low (Long-term) / Moderate (Short-term)</p>
<p>9. Food and beverage services</p>	<p>Restaurants, cafes and pubs typically provide services to both local residents and tourists. Any new establishments in Sayward would likely rely to a significant degree on tourist spending, particularly if they are located on or near the waterfront and can easily service visitors arriving by water and land. Direct employment prospects are modest but there are some higher-skill positions (cooks) and earning potential is higher with tips than strictly hourly retail wages. Employment would likely fluctuate with the seasons to match the heaviest tourism periods of the year. Local spinoff benefits are minimal as most supplies will need to be sources from outside the local area.</p>	<p>Low</p>

<p>10. Tourism product development</p>	<p>Most new tourism businesses will start as seasonal, part-time operations that build over time through marketing and positive word of mouth and ideally in concert with overall growth in visitation to Sayward.</p> <p>There is potential for larger-scale investments in new tourism product, such as a hotel or resort, due to the quality of the natural environment and the recreational opportunities it provides. But there are no imminent plans for such an investment and it would be more likely in the future after the harbour is redeveloped, cell phone and internet service is improved, and the vacant mall is addressed (either by re-opening it or otherwise making the entrance to the village more inviting for visitors). The number of visitors to the province and region would ideally be greater in the future as well.</p> <p>New tourism product can also be created by the Village itself, usually on a smaller scale, such as through an upgraded municipal campground.</p> <p>Yet another option is for tourism companies that are already active in another community (such as Campbell River) to expand operations into Sayward. This is the model used by some of the whale watching firms that operate shuttles to Sayward to more easily access a different area of Johnstone Strait as a complement to their tours in Campbell River. Their impact is currently low because visitors have little or no opportunity to spend money in Sayward, but could also have greater impact in the future with a redeveloped harbour and the creation of new commercial operations.</p>	<p>Low (Short-term) / Moderate (Long-term)</p>
<p>11. Expanded tourist visitation</p>	<p>This opportunity implies that the Village would actively support marketing efforts to lure more visitors to the village. Similar to the comments for #10 above, the potential employment impact is very limited right now due to the lack of local spending opportunities for tourists, but potentially greater in the future after some other community improvements have been made.</p>	<p>Low (Short-term) / Moderate (Long-term)</p>

5.3. ANALYSIS OF BENEFITS FOR RESIDENTS

One of the desired outcomes of this strategy is the development of new commercial services, most notably a grocery store, to serve Sayward residents. The development of more local services makes the community more attractive to new residents, who further increase the demand for local services, leading to more and better services and more local jobs, which attracts more new residents, and so on.

Opportunity	Notes	Potential Benefits for Residents
1. Community Forest License	<p>If successful, a Sayward Community Forest would generate annual revenues that can be used for various community projects or to supplement general municipal revenues. This directly supports the provision of local public services for residents.</p> <p>If annual net revenue to the Village is in the range of \$50,000, that is equivalent to 18% of the municipal property taxes collected by the Village in 2013. It would allow services to be maintained without increasing the burden on homeowners or allow for improved public services or funding of special projects without the need to increase taxes.</p>	<p>Moderate</p>
2. Local forestry activity	<p>An increased level of forestry activity based in Sayward will expand local demand for a restaurant, pub, hotel and store, serving workers and the company itself even without any residential impacts. But the expansion of good-quality local employment opportunities in forestry has the potential to attract new residents to Sayward that would further support the local commercial market and help expand services available to residents.</p> <p>Possible expansion of operations in Sayward may also have a positive impact on the industrial tax base.</p>	<p>Moderate</p>
3. Harbour improvements	<p>Similar to the forestry opportunity above, expanded commercial activity at the harbour would increase the amount of regular traffic through the community and support increased demand for food services, a store and similar businesses. The harbour has somewhat lower potential for new every-day employment based in Sayward, so the local demand from employees will be somewhat lower as well. However, there is potential for harbour improvements to enhance resident access to the marine environment through improved moorage, a better boat launch, the development of new marine-related recreational services, etc. There is also the potential benefit to community pride of cleaning up the visual appeal of the waterfront area.</p>	<p>Moderate</p>
4. Harbour support services	<p>Most harbour support services will be designed to support marine activity (e.g., fuel, maintenance and repair) but may also include a restaurant, cafe or pub that would also serve local residents.</p>	<p>Moderate</p>

<p>5. Industrial support services (inc. residential)</p>	<p>Little direct impact on local commercial services. Tax base benefits may also be limited if industrial support businesses locate outside municipal boundaries.</p> <p>If Sayward housing is used for temporary or extended-stay accommodations for resource workers or major project workers, there may be indirect benefits by expanding the local market for shopping and services.</p>	<p>Low</p>
<p>6. Retail services</p>	<p>Improving commercial services for local residents is a prime objective of this strategic plan, with a retail store being most highly desired. Successfully realizing this opportunity would address this community need.</p>	<p>High</p>
<p>7. Resident attraction</p>	<p>Increasing the local population will make local retail and services more economically viable, but otherwise there is no direct impact on local commercial services.</p>	<p>Moderate</p>
<p>8. New housing development</p>	<p>New housing would expand the Village's tax base by adding new tax-paying households that can help pay for Village services like the recreation centre. However, the net impact on municipal finances is unknown without understanding the costs to service new development, particularly the costs to maintain and eventually replace any new infrastructure.</p>	<p>Low to Moderate</p>
<p>9. Food and beverage services</p>	<p>Food and beverage services would be patronized by local residents as well as tourists. Although consultation with community stakeholders and the community survey placed lower importance on a restaurant or cafe as opposed to retail services like a grocery store.</p>	<p>Moderate</p>
<p>10. Tourism product development</p>	<p>Potentially some positive impact on local residents by expanding the range of local recreational options, as well as by indirectly expanding the market for local retail and food service establishments.</p>	<p>Low to Moderate</p>
<p>11. Expanded tourist visitation</p>	<p>Increasing the number of tourists in Sayward would expand the market for local retail and food services that would otherwise be selling primarily to the small local market. While tourism in Sayward is mostly seasonal and therefore not suited to support a store or restaurant/cafe on a year-round basis, any expansion in local visitation that supports these services is a potential benefit to residents.</p>	<p>Moderate</p>

5.4. ANALYSIS OF VIABILITY

Opportunity	Notes	Viability as Ec. Dev. Strategy
1. Community Forest License	The Village has already explored the creation of a Community Forest with the Province and the BC Community Forest Association. Potential land that would be included in the license has been identified. Much work remains to be done in terms of establishing a governance model and determining how to administer the license over time, but there is already a clear direction established and the steps toward implementation are clear.	High

2. Local forestry activity

In the big picture, the viability of expanded forestry activity in Sayward is affected by global market trends and national and provincial policies on international trade and access to the Crown timber land base. At a local level, it is largely determined by the business decisions of Western Forest Products (WFP) and to a lesser extent Island Timberlands.

Global trends seem to suggest there is a real opportunity for Sayward to increase the local level of forestry employment in the next few years and the company with the potential to do this is already active in the community. The steps required to achieve these increased employment levels involve working with WFP to resolve issues and provide assistance where required and feasible for the municipality.

The other potential forest-related opportunity that has been raised by some stakeholders is development of wood processing and/or value-added manufacturing in the Sayward area. There is little history of wood products manufacturing in Sayward and the topic was extensively studied in 2002,² with little subsequent activity. The Village may wish to support this sector by making some portion of the timber harvested under a future Community Forest (see Strategy 4) available for local processing, but the opportunity is believed to be marginal at the current time. Communities throughout British Columbia have struggled over the last several decades to expand their local value-added wood product manufacturing industries, with very limited success, and Sayward is less well-positioned than many other communities that have similar proximity to fibre (due to Sayward's small size and limited local labour pool, distance from potential markets, additional cost of shipping bulky wood products off Vancouver Island, etc.).

Moderate

² John Caswell (March 2002), *Fibre Sources & Value-Added Wood Products Study as part of a Forest Sector Profile for Sayward*, prepared for Sayward Futures Society.

<p>3. Harbour improvements</p>	<p>The Village has been exploring the possibility of improving the harbour through discussions with the federal Fisheries and Oceans Canada - Small Craft Harbours and has identified the necessary steps and possible funding sources. Until agreements are finalized there is no guarantee that approvals and funding will be secured or the issue of public access to the site will be resolved. But there is recognition on multiple fronts that the project is valuable and should be pursued. Kelsey Bay is recognized by the federal authorities as a strategic asset for the west coast commercial fishery, it is a critical link for Marine Harvest between their hatcheries and fish farms in Johnstone Strait, and it has great value as an access point for whale watching and other marine tourism uses.</p>	<p>Moderate to High</p>
<p>4. Harbour support services</p>	<p>The development of complementary harbour support services is required to fully reap the economic benefits of the harbour improvements. Many of these services need to be provided by the private sector so there is some uncertainty as to whether they will recognize a large enough business opportunity in order to justify investing.</p> <p>Preliminary conversations with potential private service providers in the area suggest there is at least strong interest in further exploring business opportunities. The Village will need to work with these proponents and provide assistance where possible in order to secure the needed investment, but the fact that interest already exists is a positive sign for eventually realizing the opportunity.</p>	<p>Moderate</p>

<p>5. Industrial support services (inc. residential)</p>	<p>To some extent the use of Sayward as a temporary base for industrial activity in the broader region is already happening. Accommodation properties in the Sayward Valley report a strong customer base among resource companies operating in the region.</p>	<p>Low to Moderate</p>
<p>The major projects that are already assured of going ahead are in or close to Campbell River (including BC Hydro's John Hart Generating Station upgrades, North Island Hospitals Project and others). A website called Major Projects: Campbell River has been developed by the Chamber of Commerce and partners in order to link project proponents with service providers. Sayward businesses can join this initiative by registering as a supplier at www.majorprojects.ca. Otherwise the Village can stay in touch with major project proponents in order to monitor accommodation and other needs and identify opportunities for Sayward on an ongoing basis, although the extent of those opportunities is not yet clear. It is also important to note that this opportunity is already being realized to a certain extent without a dedicated economic development initiative and will likely continue to do so.</p>		

6. Retail services

The type of retail store that might locate in Sayward would be limited in the range of goods it can offer, simply based on the size of the community. The average BC household spends about \$8,600 per year³ on the following items that might be found in a Sayward store:

- store-bought food and pet food
- household cleaning supplies and equipment
- paper, plastic and foil supplies and
- other household supplies
- personal care products
- tobacco products and alcoholic beverages
- government-run lotteries

Sayward's older population likely has lower-than-average retail spending, so assuming \$7,500 per household for the approximately 140 households in Sayward yields total spending on these items of \$1.05 million. The Canadian average for retail sales per square foot is about \$580⁴, but with lower overhead costs a retail business in Sayward could be viable at a much lower sales level, such as \$400. At that level spending by Sayward residents would support a retail store of about 2,600 square feet.

Moderate

Of course many residents will continue to prefer shopping in Campbell River or elsewhere for some or all of their day-to-day needs, but with the addition of spending by Sayward Valley residents and visitors (including not just recreational tourists but forestry or harbour-related workers in the community during the day), the viability of a Sayward retail outlet seems reasonable. Even 1,000 square feet of retail space is a reasonable size for a small grocer. The key is to provide residents a reasonable combination of convenience, selection and value, which, judging from the responses to the community survey, may have been a challenge in the past. The high cost of transporting goods to Sayward is also a challenge to be overcome.

As of the writing of this report, there have been some expressions of interest in new retail operations in Sayward, suggesting that a potential business opportunity is being recognized. As with other possible new business operations, the Village should engage with potential investors and provide assistance where possible in order to secure a new retail store for the community.

³ From Statistics Canada's Survey of Household Spending. Total household spending averages nearly \$50,000 in BC, of which \$23,800 is for items commonly found in retail stores.

⁴ Deloitte (2012), *The world is coming: The global challenge of retailing in Canada*. Retail sales per square foot are much lower in the US at \$309.

<p>7. Resident attraction</p>	<p>The rapid increase in the percentage of 55+ residents in Sayward has occurred partly because retirees or near-retirees have been attracted to Sayward for its quality of life and affordable housing. The recent attraction of 2 nurse practitioners, plus expected cell phone coverage and improved internet service, add to the excellent service base that is already in place for those seeking an affordable, small town environment in retirement.</p> <p>There is potential for more retiree attraction, but the community's demographics are already quite heavily weighted toward an older population. Ensuring the long-term viability of the community and school requires an additional focus on attracting younger residents, including families with children.</p> <p>This task will be very difficult in the absence of an economic incentive for people to move to Sayward. In other words, if Sayward is successful in realizing some of the other economic development opportunities discussed in this report, the incentive to attract these younger families will be created. Without those opportunities, the potential for success is very limited.</p> <p>For retirees, there are private realtors who already have an interest in attracting this demographic (see the next opportunity below for more).</p>	<p>Low (for working Families) / Moderate (for retirees)</p>
<p>8. New housing development</p>	<p>New housing development in Sayward will occur through investment by the private sector and only if it is expected to be a profitable venture. Developers have a clear financial incentive to market their property and the Sayward community to whatever target market they have identified.</p> <p>Consultation suggests that growth in the retiree market remains viable but as noted above, attracting younger families with children will require quality local employment opportunities. The Village is better served in supporting the conditions that will create housing demand rather than focusing on expanding the housing supply, which will not occur without the demand to justify it.</p> <p>There is no immediate pressure to develop more housing in Sayward but if population growth can be restored and needed housing supply is not being provided by the market, the Village can re-examine whether it needs to focus on attracting investment in this sector.</p>	<p>Low</p>

9. Food and beverage services

The analysis shown above on the amount of retail floorspace that would be supported by Sayward households can be repeated for the restaurant sector. According to Statistics Canada's Survey of Household Spending, the average BC household spends about \$2,400 per year in restaurants. The 150 households in Sayward would therefore spend \$360,000 per year, but a significant share of this would occur while people are on vacation or otherwise traveling away from home.

According to standards published in the U.S., the bare minimum sales per square foot for a restaurant to break even is \$150.⁵ At that level the maximum restaurant floorspace that Sayward residents could support would be 2,400 square feet. Visitors to Sayward will support some additional space but spending by local residents outside the community would significantly shrink that number.

This analysis is very preliminary, but it does appear that the financial viability of a restaurant in Sayward is not nearly as favourable as a retail store. There may be creative ways to successfully run a food service business in the short run, such as operating a cafe rather than a full-service restaurant or pub, and operating only when warranted by visitor traffic.

It is also noteworthy that the results of the community survey showed much less desire for a local restaurant in Sayward compared to a local store.

Marine tourism businesses expressed the need during consultation for visitors on the waterfront to have the opportunity to purchase a coffee or other beverage, at minimum. Sayward Futures Society is now providing coffee and light snacks on their dock, but only for limited periods of time. Perhaps the eventual solution is for a coffee kiosk to be added as part of other new developments in the refurbished harbour, helping to minimize overhead costs but still providing a service that is desired by users. Given the Village's central role in the redevelopment of the harbour, further investigating the potential for a food service option should be part of the project scope.

Low to Moderate

(Note the moderate rating is based on the perceived importance of this sector in supporting tourism, particularly marine tourism).

⁵ Baker Tilly, *Restaurant Benchmarks: How does your restaurant compare to the industry standard?*

<p>10. Tourism product development</p>	<p>There is no denying that tourism is one of the fundamental pillars of the Vancouver Island economy and Sayward possesses many assets with which to attract more visitors. The present challenge is that visitors to Sayward have virtually no outlets for spending money, which is what generates tourism economic impacts.</p> <p>There is always potential for small new tourism-focused businesses to be created and the Village should provide assistance to new businesses wherever possible, such as , but as argued in section 5.2, the potential for significant new tourist-focused businesses is greater <i>after</i> some other developments occur first (redeveloped harbour, improved telecom infrastructure, revived mall) and when overall conditions in the regional tourism sector are improved.</p> <p>With respect to public investments, there are a variety of concrete steps that the Village can take to support continued improvement to the community's attractiveness for tourists. These range from improving the municipal campground, improving wayfinding signage, taking steps to enhance community appearance, etc. Any of these actions are viable as long as the Village has sufficient resources to implement them, either from its own revenues or with the support of outside funding or partnerships.</p>	<p>Low to Moderate (Short-term) / Moderate to High (Long-term)</p>
<p>11. Expanded tourist visitation</p>	<p>Sayward is a small community that is part of a lightly-populated region located some distance from BC's major tourist corridor of Victoria-Vancouver-Whistler. It is difficult for any individual tourist market to catch the attention of potential visitors amid the clutter of marketing messages that every consumer faces today.</p> <p>Combined with the current very limited potential for Sayward to convert tourist visits into tourist spending, launching expensive new marketing efforts is unlikely to yield satisfactory results. An alternative approach, at least in the short term, is for Sayward to capitalize on several regional tourism initiatives that are presently underway - one for the Strathcona RD and one for Tourism Vancouver Island. Collaboration on a regional scale will be a more effective approach until more tourism-supporting infrastructure and business development can take place.</p>	<p>Low (Short-term) / Moderate (Long-term)</p>

5.5. SUMMARY

Each of the 11 opportunities identified in the competitive analysis in Chapter 4 has been analyzed according to the same three factors - employment impact, benefits for residents, and viability. The results are summarized in the table below, together with a determination of the priority that should be placed on each opportunity in the strategic action plan in Chapter 6.

The priority rating is only for the next few years and is based on an overall balance of the three factors, taking into consideration the importance of sequencing some of the initiatives (notably deferring a major focus on tourism until some of the other significant initiatives have been completed).

Opportunity	Potential Employment Impact	Potential Benefits for Residents	Viability as Ec. Dev. Strategy	Priority
1. Community Forest License	Low	Moderate	High	Medium
2. Local forestry activity	High	Moderate	Moderate	High
3. Harbour improvements	Moderate (Short-term)/ Moderate to High (Long-term)	Moderate	Moderate to High	High
4. Harbour support services	Moderate (Short-term)/ Moderate to High (Long-term)	Moderate	Moderate	High
5. Industrial support services (inc. residential)	Low to Moderate	Low	Low to Moderate	Lower
6. Retail services	Low	High	Moderate	Medium
7. Resident attraction	Low	Moderate	Low (for working Families)/ Moderate (for retirees)	Lower
8. New housing development	Low (Long-term)/ Moderate (Short-term)	Low to Moderate	Low	Lower
9. Food and beverage services	Low	Moderate	Low to Moderate	Medium (only as part of harbour project)
10. Tourism product development	Low (Short-term)/ Moderate (Long-term)	Low to Moderate	Low to Moderate (Short-term)/ Moderate to High (Long-term)	Lower
11. Expanded tourist visitation	Low (Short-term)/ Moderate (Long-term)	Moderate	Low (Short-term)/ Moderate (Long-term)	Lower

The "high" priorities are addressing the harbour, as it is a linchpin for multiple sectors in the local economy, and encouraging more local forestry activity, which will primarily occur through Western Forest Products.

Pursuing the Community Forest License and working to attract retail services are medium priorities, along with a food and beverage component of the harbour redevelopment.

The remaining opportunities are lower priority, meaning either the potential economic and community benefits are more limited, or the opportunity can be realized without significant assistance from the Village, or the timing for pursuing the opportunity will be better in a few years (as with tourism).

6. STRATEGIC ACTION PLAN

The strategic action plan is intended to serve as a practical guide for the Village of Sayward's economic development activities over the next 3-5 years. The exact timeframe will depend on how long it takes for key projects to be completed and the availability of resources (financial and staff time) in order to implement strategies more quickly.

The plan is structured under two broad objectives or goals:

- **Goal #1 - Pursue economic development opportunities with greatest potential.** This goal follows directly from the detailed analysis of opportunities in chapter 5.
- **Goal #2 - Strengthen infrastructure for economic development.** This goal includes strategies to address a variety of competitive business factors that are not necessarily specific to any single industry or business opportunity.

One way to look at the distinction between the two goals is that Goal #1 has Sayward engaging with investors and government agencies outside the community in order to create specific new businesses or investments. Goal #2 is more inward-focused and has Sayward making improvements to its overall business environment that will make the community more attractive for a variety of future opportunities.

There are a series of strategies under each goal and a brief rationale is provided. For the strategies under Goal #1 is a summary of the more detailed discussion and analysis found in chapter 5. The key actions required to implement each strategy are also provided, together with suggested partners (which may including funding partners) and a comment on priority and timing.

Unless otherwise noted, it is assumed that the Village of Sayward, either through staff or an economic development contractor, will be the lead agency responsible for implementing each strategy.

Performance monitoring is always a challenge in economic development, mainly due to the difficulty in linking changes in the economy to a specific economic development initiative. Usually there are many other factors that could also have influenced the outcome. For Sayward, it is a bit more straightforward because several of the recommended strategies are for specific projects that either get completed or they don't. How the completed projects influence the overall economy in terms of employment created, tax revenue raised or other effects is more difficult to know for sure, but suggestions are provided for how to monitor these changes over time.

GOAL #1: PURSUE ECONOMIC DEVELOPMENT OPPORTUNITIES WITH GREATEST POTENTIAL

Strategy 1. Plan and execute a significant harbour redevelopment.

Kelsey Bay Harbour in Sayward is strategically located for multiple industries on Vancouver Island, including commercial fishing, aquaculture, marine tourism (including whale watching) and marine transportation. The facilities at the Harbour includes the federally owned but locally managed Kelsey Bay Small Craft Harbour (KBSCH).

The federal government's Fisheries and Oceans Canada (DFO) considers this a strategically located harbour for the commercial fishery, roughly midpoint between Campbell River and Telegraph Cove. Currently it is managed by a local group under a management agreement to DFO-SCH. Existing facilities accommodate approximately 30 to 35 fishing vessels which can increase during the summer months or during storms. The fact that so many commercial fishing vessels continue to use Kelsey Bay as their home base, even in its current state of repair, demonstrates the strategic value of the harbour's location on Vancouver Island.

There is also a dock owned and operated by the non-profit Sayward Futures Society. It is used by some whale watching operators and Marine Harvest, which loads smolts from its hatcheries in the Sayward Valley for delivery to fish farms in the outlying area. Whale watching is a growing segment of the tourism market that benefits from close access to killer whale and humpback whale pods. The protected area of Robson Bight, which is famous for its killer whale habitat, is located between Sayward and Telegraph Cove. There is currently a regular whale watching service in Sayward that originates in Campbell River, bringing whale watchers by bus to Sayward and loading them on a watercraft for the whale watching adventure.

In addition to the support for the commercial fishery, the harbour offers limited moorage for transient recreational vessels, which travel from Campbell River to Port McNeill, Port Hardy and points beyond. This is a potentially lucrative tourism market that has not been capitalized on by Sayward, mainly due to limited moorage and the absence of support services that are desired by recreational boaters (including local stores, restaurants and recreational activities that provide the opportunity for visitors to support the local economy). Furthermore fuel is only available by advance order and is brought to the harbour via tanker truck, usually to commercial fishing vessels and other working boats. There is the possibility for private investment in key support services, including fuel and ice for commercial fishing, in tandem with improvements to harbour infrastructure.

There is currently limited offloading of fish, either from the commercial fishery or aquaculture, as fish processing plants are located elsewhere in the region (including Port Hardy and Nanaimo). In the longer term there is potential for more offloading in Sayward, either for shipping to processing plants elsewhere or to supply a new processing plant in Sayward if it is deemed an optimal location by the major processors in the region.

Actions

- Transfer responsibility for the SCH to the Village to strengthen its management capability.
- Undertake planning to see the expansion potential of the Kelsey Harbour infrastructure including coordination with potential private investors.
- Clean up legal access to the SCH.
- Submit funding applications to capital expansion to funding organizations.

Partners and/or Funding Sources

- Current board members of the KBSCH
- Canada Department of Fisheries and Oceans – Small Craft Harbours
- Private fish processing company
- Island Coastal Economic Trust
- Canada Western Economic Diversification
- Canada Department of Fisheries and Oceans – Small Craft Harbours

Priority and Timing

- **High priority**
- Implementation to continue immediately
- Overall project timing heavily dependent on permits and approvals from DFO
- Planning process could take 6 months to complete
- Funding applications could take a further 6 months
- Actual length of construction anticipated at less than one year depending on fisheries windows and the required extent of subsurface works like piers, breakwaters and dredging

Performance Monitoring

- Moorage capacity for both commercial fishing and recreational vessels (additional lineal feet of floats)
- Actual, monitored vessel moorage for the fishery
- Recreational vessel moorage
- Total moorage revenue for the harbour
- Number of days or total launches by whale watching firms (and other commercial users, if relevant)
- Increased fishery offloading for transshipment to processing plants

This strategy is closely linked to Strategy 1 above and should be pursued as part of the same process. The reason it is considered a separate strategy is that Strategy 1 is largely a planning and then government permitting and funding exercise, whereas Strategy 2 requires more direct involvement of the private sector in furnishing some of the key support services that will enable the potential economic benefits of the improved harbour to be fully realized.

Those support services include fuel, ice, maintenance and repair, sales of marine and other supplies, and mainly for tourists, some type of food and beverage service. The viability of each of these business types has not been proven and it may take some time for them to be added as use of the harbour ideally increases over time, but securing these types of services is the goal.

There are two possible routes to achieving the desired outcome. The first is to negotiate with current landowners, and/or potential landowners and investors who have expressed interest in the site, and seek their input in the planning process for the harbour. There may be aspects of site design that make the area more appealing for commercial development, such as the treatment of parking or enhancement of public infrastructure. There can be no direct public support or subsidy of private interests at the harbour, but collaboration in planning can lead to a win-win outcome for business interests and the harbour.

If this direct approach is not fruitful, the Village can assist in the marketing of the site, working with property owners and realtors. This can be done through a sales approach targeting operators of similar services at other coastal harbours who may be interested in expanding to a new location in Sayward, or through farther-reaching marketing avenues like Opportunities BC, which is a provincial government program that highlights investment properties in the province and is aimed largely at an international audience. The Province is continually promoting investment opportunities to foreign investors who can qualify to enter Canada through the Provincial Nominee Program if they make a significant business investment (at least \$200,000, not including land) outside of the major metro regions.

Actions

- Seek input of private landowners, potential investors, and other commercial stakeholders (e.g., Marine Harvest, whale watching companies, Sayward Futures Society, other fish processors) in the planning process for the harbour.
- Negotiate with landowners/investors to determine ways to support the viability of commercial services on the waterfront without directly subsidizing operations.
- If necessary, prepare a marketing profile of the site, including description of users and public improvements, to aid in sales and marketing effort to attract commercial investment.
- Promote the site through a variety of channels, including the Village's website, the real estate community, through existing network of harbour operators and service providers in coastal BC, and through more outward-focused investment attraction programs such as Opportunities BC.

- Meet with Provincial and, if relevant, federal trade officers to ensure they are aware of the investment opportunity in Sayward (these are the government staff working in provincial trade offices or federal consulates worldwide and they visit BC periodically throughout the year to meet with community representative to learn about investment opportunities).

Partners and/or Funding Sources	Priority and Timing
<ul style="list-style-type: none"> ▪ Private landowners ▪ Potential investors who have expressed interest. ▪ Real estate community ▪ BC Ministry of Jobs (regional economic development for North Island, as well as those focused on international investment) ▪ BC trade officers (and federal equivalent, if relevant) 	<ul style="list-style-type: none"> ▪ High priority ▪ Consideration for how to add commercial services to the harbour should be a consideration throughout the planning process ▪ Timing is therefore concurrent with harbour development (Strategy 1) and may extend beyond depending on length of time required to secure investment

Performance Monitoring

- Establishment of new commercial businesses at the harbour
- Commercial assessment value at the harbour
- Volume of transient moorage before and addition of services

Forestry remains the sector with the greatest employment-generating potential for Sayward. The addition of well-paying jobs in Sayward will also encourage the relocation of families to the community, helping to reinvigorate the population with an influx of younger residents and sustain the school and other valued public services.

There are several smaller firms doing contract logging and other forestry services from the Sayward area, but Western Forest Products (WFP) holds the tenure for the surrounding tree farm license and ultimately determines the level of activity in the region, in response to global market trends that no one controls. Those global trends are currently moving in a positive direction with BC successfully accessing new and growing markets in Asia (notably China) as well as Japan, South Korea and even India. The US housing market is slowly recovering from its post-2008 crash as well.

WFP is currently leasing the dryland log sort in Sayward from Island Timberlands, which is a significant owner of private forest lands in the area but is likely to harvest at a very modest level, if at all, in the next few years. The potential exists for WFP to increase their use of Sayward as a base of forestry operations as it is now a more logical location in the centre of their harvesting area than Menzies Bay north of Campbell River. If WFP elects to reinvest Sayward, they might move operations like a maintenance shop to Sayward and the associated jobs that come with it.

Increasing local operations by WFP also increases the local demand for various supporting services and the forestry workforce is quite advanced in age, so there will be significant turnover occurring over the next decade. It will likely be easier for Sayward to attract new WFP employees to settle in the community rather than older employees who are already established in Campbell River or other locations closer to Menzies Bay. Maximizing the number of these new jobs that are captured in Sayward will be a tremendous step toward the revitalization of the local economy and population.

For an issue with such potential importance to the local economy, the Village has limited control. Its role is to engage with WFP and work through any issues or challenges they may be having regarding the expansion of operations in Sayward. These may include challenges relating to traffic, noise, water use, tax rates and others.

Actions

- Engage with Western Forest Products and Island Timberlands on a regular basis to stay abreast of changing plans with regards to Sayward operations and to identify issues and challenges.
- Collaborate with the companies in developing solutions that are effective and cost-efficient with the ultimate goal of expanding local forestry operations in Sayward.
- Discuss with the companies ways to encourage more employees to live in Sayward.

Partners and/or Funding Sources

- Western Forest Products
- Island Timberlands
- Small forestry contractors in the area
- Ministry of Forests

Priority and Timing

- **High Priority**
- Should occur on an ongoing basis with particular emphasis on WFP in the short-term, given the apparent confluence of trends that seem to suggest Sayward as a logical location for expanded operations

Performance Monitoring

- Change in operational functions of the forest companies located in Sayward
- Industrial tax revenue
- Number of forest company employees living in Sayward (determined by asking the companies on an annual basis)

Strategy 4. Continue work toward development of Sayward Community Forest.

A community forest can be described as any forestry operation managed by a local government, community group, First Nation or community-held corporation for the benefit of the entire community. It is an area-based forest tenure issued by the Ministry of Forests, Lands and Natural Resource Operations, which allows the harvest of timber on provincial forest land.

At its core, the Community Forest provides local control over, and enjoyment of, the benefits offered by local forest resources. Community forests support local livelihoods, promote community participation and foster long term environmental stewardship.

Acquiring a Community Forest license from the Province would give the Village of Sayward exclusive rights to harvest Crown timber on a specific land base (area-based). Agreements are granted for a period of 25 years, replaceable every 10 years. Initial discussions with the Province have identified a potential area supporting 2,500 cubic metres of harvesting per year.

The community forest can generate revenues for the Village without incurring any significant costs. Local logging contractors would undertake the actual work under contract, which is a well-established process used in many other Community Forest communities around the province. For example, the Powell River Community Forest has been generating approximately \$500,000 per annum since 2006 on approximately 25,000 m³ annual cut. These revenues are contributed to the City of Powell River which has received approximately \$2.6 million since inception in 2007. For Sayward, it would provide a source of funds for economic development purposes such as matching grants for local economic development projects.

Actions

- Continue series of meetings with the Ministry of Forests regarding the identification of suitable lands that could be accessed for Sayward.
- Initiate the establishment of a governing body for the license upon invitation from the Minister, which is required to activate the application process. Following previous discussions, this letter of invitation to submit a proposal is anticipated.
- Initiate discussions with other Community Forests in BC in order to learn best practices, particularly in how to establish the governing body in a timely fashion so that community benefits can be realized as quickly as possible.

Partners and/or Funding Sources

- Ministry of Forests
- BC Community Forest Association
- Local logging contractors

Priority and Timing

- **Medium Priority**
- The process is already underway and should be maintained and followed through to completion.

Performance Monitoring

- Establishment of Community Forest
- Annual revenues generated

The desire for a retail store to be re-established in Sayward was a clear message from the community consultation and from the community survey. Of particular importance in the survey results (which admittedly is a small sample and may not represent everyone) is the desire to have groceries available locally.

Having local shopping is a quality of life issue for Sayward residents, but also a part of the potential economic benefits of tourism. Tourists are great to have for any community, but they have no local outlet to spend money than their potential economic impact is limited.

The Village of Sayward can encourage the re-establishment of a retail store through direct engagement with interested investors who would own and/or operate a store. There is known interest as of the writing of this report in several locations in the village, including the now-closed strip mall. This engagement takes the form of providing information on the community and any bylaws, regulations, tax requirements, licensing, etc. that would be involved with a new investment. For example, the very preliminary market analysis of the potential for Sayward households to support a retail store that was shown in section 5.4 of this report could be expanded upon as part of selling the community's potential.

The other way to encourage a retail store is to help engender the overall economic conditions in the community that will make a store more viable. Businesses that provide services to people, such as grocery stores and barber shops and cafes, will tend to locate where the people are. This can be where people live, or where people regularly spend time, such as near a busy work area or tourist spot. Having more overall economic activity in Sayward, whether driven by an expanded harbour or increased level of forestry operations, will draw more people to Sayward as residents, workers and tourists. All of these are positive for the viability of a retail store (and other population-serving businesses).

If it turns out the current mall site is the preferred location for a new store in Sayward, there is the added benefit of removing the negative impression that the shuttered mall gives to visitors as they enter the village.

Actions

- Continue to engage with interested investors in retail outlets.
- If current investment leads are not fruitful, engage with owners of the potential retail sites (especially the mall) and determine if assistance can be provided in marketing the property.
- Prepare a marketing profile of the site and the retail potential of the community, including information on the population, local employment and visitor traffic.
- Promote the site through a variety of channels, including the Village's website, the real estate community, and through more outward-focused investment attraction programs such as Opportunities BC.

Partners and/or Funding Sources

- Owners of potential retail sites
- Real estate community

Priority and Timing

- **Medium priority**
- Engagement with currently interested investors should continue
- If unsuccessful, subsequent marketing and sales efforts initiated until success is achieved

Performance Monitoring

- Establishment of retail store in the community
- Commercial tax revenue

Many of the economic challenges facing Sayward, including declining commercial activity, have been the result of a loss of population over time. The community has maintained an admirable range of public services, but those too will be in danger if population decline continues.

While there is no immediate pressure for new housing development (roughly 20% of the housing stock in the village is not currently occupied by permanent residents), if other initiatives in this strategy are successful and the population starts growing again, it will be desirable to increase residential development.

Current housing is very affordable and is attracting new residents, primarily retirees. New housing would similarly attract new residents, both retirees and hopefully working families, as any new housing development is typically accompanied by a major real estate marketing effort. Over the next few years the Village should maintain an open posture to new residential development, working with potential developers if and when they approach the Village. They should be encouraged to design new housing to be oriented toward permanent residents and to be suitable for families with children as opposed to only selling Sayward as a place for recreational homes and part-time residences.

The Village can take a more supportive role in promoting Sayward as a place to live, working in partnership with the real estate sector and potentially other communities in the region that are targeting a similar demographic or geographic market. The Village role is to provide information, such as community profiles, as well as promotional support through the Village website and targeted advertisements in retiree-oriented media (online or hardcopy). The Village should explore regional and private-sector partnerships in any sort of broadly-based marketing or promotion effort in order to share costs, but the development of information resources and an enhanced website oriented toward resident/retiree attraction is part of Strategy 12.

Similar promotional initiatives aimed at attracting younger residents are not currently recommended as they require more local employment opportunities to be developed first. In most cases where younger workers and families are attracted to Sayward, the employment opportunity will come first and then if requested, the Village can provide supporting information to companies as part of a "re-location package" for employees.

Finally, it needs to be acknowledge that many Sayward residents value the peaceful, small-town atmosphere of the village and a large influx of new residents could jeopardize those feelings. What is likely to happen is modest growth and gradual over time that initially stops the decline in population and then increases it over time.

Actions

- Provide assistance to developers who express interest in new residential development in Sayward.
- Encourage new housing to be family-oriented (or at least have that option) and to be suitable for permanent occupation (not just seasonal or part-time).
- As part of the development of improvement information resources and online packaging (see Strategy 12) ensure that information of interest to new residents, including retirees, is collected and made available to support marketing by real estate companies.
- Monitor the potential for joint marketing efforts to the retiree market by other communities or regional organizations in order to share costs.

Partners and/or Funding Sources

- Real estate and development communities
- Major employers
- Other communities

Priority and Timing

- **Lower priority**
- Ongoing basis

Performance Monitoring

- Construction of new housing units
- Change in residential assessment base
- Number of employees living in Sayward, as reported by major employers

Strategy 7. Engage with regional tourism initiatives.

This strategy relates to the marketing of Sayward to potential visitors. As noted in chapter 4, any type of marketing to individual consumers is high-cost and comes with no guarantee of success. For that reason, the recommended approach for Sayward is to link with other communities, the Strathcona Regional District, and potential a broader region through Tourism Vancouver Island in order to share marketing expenses.

The reality is that most tourists traveling from any significant distance will not be traveling with Sayward as their primary or only destination. They will be traveling to the "north Island" or the Campbell River area or Vancouver Island in general and it therefore makes sense for the region to be jointly promoted in that fashion.

The other aspect is that Sayward currently has very few commercial services that allow visitors to spend money in the community. The potential economic impact of tourism is therefore quite limited at the present time.

It is expected in future years, hopefully after the harbour has been improved and marine tourism traffic has increased, more industrial activity is happening with fisheries, aquaculture, forestry and others, and one or more retail or food services businesses have been established, that the priority on tourism marketing can be increased.

Actions

- Engage with regional initiatives currently underway through Strathcona Regional District and Tourism Vancouver Island.
- Participate in those initiatives at a cost-effective level, recognizing the economic return to tourism may be limited in the short term.
- Any tourism marketing or promotion opportunities offered through regional partnerships should be shared with accommodation properties and recreational tourism operations in the area, including the Sayward Valley, in order to share costs and encourage the development of a cohesive Sayward tourism identity.

Partners and/or Funding Sources

- Strathcona Regional District and neighbouring municipalities
- Tourism Vancouver Island
- Accommodation properties and other tourism-reliant businesses in the area

Priority and Timing

- **Lower priority** (likely to be increased in priority in the future)
- Should be conducted on an ongoing basis and activity levels increased as potential economic benefits grow over time

Performance Monitoring

- Tracking metrics offered through regional partnerships

Strategy 8. Explore public investment in tourism product development, including the campground.

Tourism product is defined as facilities or places or activities that cause people to visit a community. Sayward is already blessed with many natural tourism products and has invested in some additional infrastructure to help access those products, such as the Kelly's Bridge project. There are also commercial tourism products, such as whale watching tours.

New tourism products should be encouraged from the private sector in response to business opportunities, but similar to the logic for Strategy 6, the limited economic return to tourism in Sayward at the present time should also limit additional public investment in tourism products.

The project consultation identified many possible products, including trails along the Salmon River and around the estuary, development of a wildlife rehabilitation centre, offering tours to abandoned military installations at Yorke Island, creating new outdoor recreational opportunities like rafting, to a large-scale tourist resort.

Any of these opportunities that are spearheaded by private interests should be encouraged, but it is recommended that the Village make significant public investments a lower priority until there is further commercial development that gives visitors an outlet for spending money and generating a more significant economic benefit to the community. Note this does not mean only retail or restaurants - any commercial tourist operation itself, by earning revenue, will have a positive economic impact on the community.

While significant public investments are not recommended until commercial services are more developed, there is a short-term opportunity for the Village to upgrade its municipal campground for a modest cost. Adding electrical hookups and showers are among the improvements under discussion, helping to expand visitation to Sayward in the short term and give visitors during major events (such as the Kusam Klimb) a further opportunity to stay in Sayward.

As noted under Strategy 7, the Village should engage with regional tourism initiatives through the Strathcona RD and the Tourism Vancouver Island and monitor any opportunities for funding or other support available for additional tourism product development through those programs.

Actions

- Support and encourage private sector tourism product development.
- Commit only modest resources to public tourism product development in the short term, such as undertaking upgrades to the municipal campground.
- Monitor the availability of funding support but defer major public investments by the Village until local commercial tourist sector is more developed.

Partners and/or Funding Sources

- Strathcona RD
- Tourism Vancouver Island
- Private proponents for tourism businesses
- Other regional funding sources (e.g., Island Coastal Economic Trust)

Priority and Timing

- **Lower priority** (may become higher priority in the future)
- Ongoing

Performance Monitoring

- New tourism-oriented businesses
- Leverage funding from other sources to support tourism product development

Strategy 9. Promote Sayward through engagement with major project proponents in the surrounding region.

There are a variety of active and potential major developments occurring in the region surrounding Sayward, including the Hart Generating Station near Campbell River, the new hospital in Campbell River, other large construction projects, an expansion of forestry, an expected increase in mining exploration, the potential development of the Nexen Mine (likely at least a few years away, if approved) and other less well-established ideas like wind power.

Some opportunities are being created for Sayward residents to gain employment in these projects and for Sayward companies to provide support services, but on a larger scale, the potential for Sayward to serve as a base of operations should be promoted. This may include the use of industrial land (for equipment storage and/or repair) or for housing workers. Note this land is likely to be found in the Sayward Valley rather than the village, which also makes sense for the project proponents to be located closer to Highway 19. Sayward and the Sayward Valley are likely closer to many of the opportunities than Campbell River or other communities on the north Island or West Coast.

One of the challenges with very large construction projects is having a place to put all of the workers that need to be brought into the area. If they cannot be accommodated in Campbell River, there could be a cooperative effort developed to use Sayward's under-utilized housing stock for temporary accommodation (which would last for multiple years depending on the construction timetables for major projects).

Actions

- Add Sayward opportunities to the Major Projects website operated by the Campbell River Chamber of Commerce (and partners).
- Engage with major project proponents on a semi-regular basis to ensure they are aware of opportunities to use Sayward as a base of operations, including for short-term accommodations or longer-term housing.

Partners and/or Funding Sources

- Campbell River Chamber of Commerce
- Accommodation properties in Sayward area
- Industrial land owners and residential owners or property managers

Priority and Timing

- **Lower priority** (could become higher priority if specific opportunities are identified)
- Ongoing basis while regional industrial activity is heightened

Performance Monitoring

- Supply agreements between Sayward businesses and project proponents
- Increased occupancy of housing stock

GOAL #2: STRENGTHEN INFRASTRUCTURE FOR ECONOMIC DEVELOPMENT

Unlike the strategies above under Goal #1 that are specific to particular industries or opportunities, the strategies outlined below are more general and applicable to a wide variety of economic and community activities. Their priority level is determined based on an overall sense of their importance and the degree to which they were mentioned in the project consultation. They are listed in no particular order.

Strategy 10. Improve telecommunications infrastructure.

The consultation program for this study occurred during the summer and fall months of 2013, at which time cellular telephone coverage in the Sayward area did not exist. Many of the stakeholders that were consulted also expressed dissatisfaction with the speed of the available internet service.

As of the writing of this report, there are proposed improvements to both services on the horizon. Telus has announced plans to install a cell phone tower in the Sayward Valley that will provide cellular coverage throughout the surrounding area. Sayward Valley Communications has also purchased capacity from Telus that will increase internet speeds by a reported four times.

There is a non-compete clause expiring in July 2014 that currently prohibits Telus from directly competing in the provision of internet service in the Sayward area. Upon the expiration of the clause, an application can be made to Telus that makes the business case for them to begin offering direct fibre optic connections to individual homes and businesses.

Given their importance to most business and tourist activities in the region, the Village should monitor and encourage the timely and successful completion of the critical infrastructure improvements over the next few months and should continue to support improved service in the future, including through applying to Telus to provide direct fibre optic connections.

Actions

- Monitor the success implementation of the short-term infrastructure upgrades (cell tower and expanded internet capacity offered through Sayward Valley Communications).
- As of July 2014, examine the feasibility of applying to Telus to have them provide direct fibre optic connections. Note that Island Coastal Economic Trust (ICET) has previously funded the improvement of internet connectivity in several small and remote communities in the region.

Partners and/or Funding Sources

- Telus
- Sayward Valley Communications
- Island Coastal Economic Trust

Priority and Timing

- **High priority**
- Completion of initial upgrades by early 2014
- Timing of subsequent changes to be determined

Performance Monitoring

- Installation of upgraded services

Strategy 11. Preserve and enhance recreational facilities and other public amenities.

The long-term sustainability of the Village of Sayward requires the attraction and retention of people as much as businesses. Many of the specific opportunities discussed in Strategy 1 through 9 should have the added benefit of encouraging a population increase in addition to an increase in economic activity. But part of the reason that people will choose Sayward as a place to live is the very high quality of recreational and other public amenities that it offers.

It is unusual for a community the size of Sayward to support a public swimming pool while the community also has playing fields, a school, a health clinic, an RCMP detachment, and more. Maintaining these amenities is critical to retaining and attracting population, but fortunately should become easier in the event the population grows. Any new businesses will further provide assistance through increasing the non-residential tax base.

Actions

- Practice prudent management of Village-operated public facilities and amenities.
- Seek outside funding for enhancements and one-time costs (such as major repairs or infrastructure replacement).
- Engage with operators of other public amenities to support and encourage their continued operation in Sayward.

Partners and/or Funding Sources

- Vancouver Island Health Authority
- RCMP
- Canada Post

Priority and Timing

- **High priority**
- Ongoing

Performance Monitoring

- Maintain or improve number and range of public services and amenities

Strategy 12. Improve online information resources on Sayward.

The most important aspect of a community's marketing in the present day is its website. Nearly every type of investor or tourist will first investigate a community online before any other source of information.

The current Village of Sayward website is more visually appealing and functional than that of many small communities, but the information content relating to economic development and tourism can be increased.

The recommended approach is a dedicated research project, ideally with funding support from tourism agencies or through economic development funding like ICET or Industry Canada, to undertake a comprehensive inventory of community assets and data. It should have three focus areas: business investment, resident attraction and tourism.

The project could be undertaken by a co-op placement or summer student or through a contracted professional researcher, depending on funding availability. There are many models of the type of profile information that should be collected.

Following acquisition of the necessary information, it needs to be placed online in an accessible fashion. This could be done through the current Village website or a new website. Rather than posting a lot of static data in tables, the best current approach is to post information sources as a PDF document that can be more regularly and affordably updated offline.

In addition, extensive use of photographs and a visually appealing design is important for tourism in particular, although significant investment in marketing activities is not recommended at this time (see Strategy 6).

Actions

- Undertake a dedicated research project to collect information in three areas - business investment, resident attraction and tourism.

Partners and/or Funding Sources

- Tourism partners
- Other economic development funders, including ICCI program through Industry Canada, or ICET

Priority and Timing

- **Medium priority**
- 2014

Performance Monitoring

- Completion of research project and updated website
- Website visits, including hits on specific information pages

Strategy 13. Establish engagement program for major economic stakeholders.

The recommended engagement program for Sayward is like a miniature version of a business retention and expansion program. These are programs that involves regular engagement with local businesses in order to discuss, in some detail, how the business is performing, any issues or challenges they are facing in the local community, and their outlook for the future.

A smaller version of the program is suggested for Sayward that would involve at least annual meetings with the major economic stakeholders in the community. The list will be determined by the Village could is likely to include Western Forest Products, Island Timberlands, Marine Harvest, large tour companies using the harbour, any major new businesses on the waterfront or in the accommodations, retail or food service sectors, and possibly others. It should also include Sayward Futures Society as the operators of a major piece of economic infrastructure.

The interviews should be organized and structured as a regular occurrence that is meant to identify challenges and develop solutions in a collaborative fashion on an ongoing basis. They can be conducted by a contracted economic development officer, or the Village CAO, or another appointed person. The program is not intended to be onerous and will average perhaps one meeting per month over the course of the year. Notes on the interviews should be maintained at the Village as a record of issues and possible solutions and for future use in economic development.

Actions

- Develop a standard set of interview questions or topics to cover in interviews.
- Develop a schedule of interviews and complete them on a regular and ongoing basis.

Partners and/or Funding Sources

- Economic Development Association of BC (for assistance in establishing questions)

Priority and Timing

- **Medium priority**
- 2014 and beyond

Performance Monitoring

- Number of interviews completed
- Resolution of issues that are raised

Strategy 14. Regularly engage with other communities and organizations with an interest in economic development, including First Nations.

As a small community, Sayward is limited in some of the ways it may wish to influence senior government policy or market itself to the wider world. These are just two examples of the ways in which Sayward would be well-positioned to partner with neighbouring municipalities in the Strathcona RD or the RD of Mount Waddington, or with the regional districts or other regional organizations, on a regular basis. This can be done through formal committees or informal interactions between senior administrative staff and politicians.

One of the challenges reported through consultation is the lack of a regular working relationship between the Village and the unincorporated Area A of the Strathcona RD, which includes the Sayward Valley. Efforts should be made to maintain and improve this relationship over time as there are many issues of common interest between the village and valley.

The Village of Sayward should also engage with the K'omoks First Nation (KFN) on a regular basis as the community resides in their traditional territory. Many current and future economic development opportunities could be done in partnership with the KFN, which has developed a number of successful businesses in the Comox Valley.

Actions

- Initiate contact with the K'omoks First Nation and initiate a regular sharing of information and plans for activities in the Sayward area that may be of interest to the KFN.
- Participate in regional forums and committees as opportunities present themselves.
- Engage in regular information-sharing meetings between both administrative staff and politicians with other local governments in the area.

Partners and/or Funding Sources

- K'omoks First Nation
- Local governments in the surrounding region

Priority and Timing

- **High priority**
- Ongoing

Performance Monitoring

- Initiation of contact with other governments.
- Maintaining regular schedule of meetings.

Strategy 15. Encourage the re-establishment of a Sayward business organization.

A Sayward Chamber of Commerce (also known as Sayward Business and Tourism Association) previously existed and operated a sayward.com website as recently as 2012. A new or reconstituted version of this business organization that would cover businesses in both the village as well as the regional district should be encouraged. The value of having a business organization is it creates an entity with many shared interests in promoting and expanding economic activity in the community and can serve as a partner on various initiatives. As a voice for business, it also enhances communication and understanding of business perspectives.

For the businesses, there should be value in networking, particularly on topics such as capitalizing on the increasing level of economic activity in the region. They should also welcome the opportunity to ensure that business perspectives are communicated to the Village and SRD.

Actions

- Engage with business leaders in Sayward and the Sayward Valley in order to encourage the formation of re-formation of a business organization.

Partners and/or Funding Sources

- Business leaders

Priority and Timing

- **Lower priority**
- 2014 or beyond as time allows

Performance Monitoring

- Creation or re-creation of organization
- Successful partnership with new organization on future initiatives

Strategy 16. Develop resource package for small business.

Entrepreneurs and small businesses starting up or considering moving into Sayward are naturally going to turn to the Village for assistance. Providing one-on-one entrepreneurial counseling is not possible due to time and resource constraints, but in addition to providing guidance with any land development or local regulatory issue, the Village should have a resource package that refers the entrepreneur to other sources of information and assistance.

The resource package can be created primarily online and included as a page within the economic development section of the Village website. Developing the package is a small project that should be revisited on an annual basis to ensure it remains up to date. It is an ideal project for a summer or co-op student.

There is no need to start with a blank slate as many economic development organizations in larger communities have already prepared similar guides and have references to the same provincial and regional information sources that are relevant for Sayward. Examples include Venture Kamloops, the City of Richmond and Comox Valley Economic Development. Topics that should be covered include regulatory requirements, access to financing, business planning guidance, market research services, training programs, succession planning, and others.

Actions

- Develop research outline for development of the resource guide (likely to be done in conjunction with the background information sources recommended under Strategy 12).
- Secure funding assistance to hire a researcher and oversee successful completion of the program.

Partners and/or Funding Sources

- Government funding sources (which will vary depending on type of researcher desired - student, currently unemployed worker who may create a funding opportunity with HRSDC, professional researcher or consultant)

Priority and Timing

- **Medium priority**
- 2014

Performance Monitoring

- Completion of guide

Strategy 17. Improve wayfinding and community appearance.

The visual impressions that a community makes on a first-time visitor and the ease with which they can navigate throughout the surrounding area influences their enjoyment of the place. This in turn affects the all-important word-of-mouth marketing and their own propensity to return for another visit.

Visitors who view Sayward as an attractive community that is comfortable and easy to navigate will have a more favourable impression than visitors who are put off by unsightly buildings or obvious signs of abandonment and disrepair, or who might be frustrated by taking a wrong turn or not finding their intended destination.

In order for Sayward to be more open, inviting and appealing to visitors, some of whom have traveled from around the world to visit Vancouver Island, there is room for improvement in the community's physical appearance and wayfinding signage.

Actions

- Upgrade and improve key signage in village and key destinations in surrounding area (with the cooperation of the relevant authorities in areas outside the Village's jurisdiction).
- Use municipal bylaw enforcement provisions to address unsightly structures at key points of the village.

Partners and/or Funding Sources

- Strathcona RD
- Ministry of Transportation and Highways (for highway signage)
- Tourism Vancouver Island (for signage assistance)

Priority and Timing

- **Medium priority**
- 2014

Performance Monitoring

- New signage installed
- Noticeable improvement in Village appearance (ideally measured by an outside source at different points in time)

Strategy 18. Village Council and staff to continue demonstrating openness to new investment.

Apart from all of the technical analysis that will be done to evaluate the feasibility of various business opportunities in Sayward, there is a human element to every decision. Business investors need to have confidence that despite Sayward trending down in population and business activity in recent years, there is reason for optimism about the future of the community. The same is true for people who are considering making a personal investment in Sayward by making it their new home.

This feeling of optimism and positive direction for the community is communicated in part by community leaders, including the Mayor, other members of Council, and Village staff. These key community leaders need to be aware of the influence of their public statements and actions and should be encouraged to speak positive of Sayward and its future economic prospects, even while recognizing challenges that may need to be overcome.

Actions

- Sayward Council and senior staff to recognize their influence as community representatives in giving the outside world an impression of Sayward, and to attempt to emphasize the positive aspects of the community and its opportunities whenever possible.

Partners and/or Funding Sources

- Mayor and Council

Priority and Timing

- **High priority**
- Ongoing

Performance Monitoring

- Future consultation programs with the Sayward business community identify the positivity of the Village government as a force for progress

7. CONCLUSIONS AND IMPLEMENTATION

The Village of Sayward has faced very challenging economic conditions and downward trends in population and economic activity over the last few decades. But several of the fundamental strengths of the community remain intact and offer hope for renewed investment, increased economic activity and a revived population in the coming years. The harbour remains strategically located for multiple sectors from aquaculture to tourism, the community is centrally located to support forestry activities in the surrounding region, the abundance of natural recreational opportunities will continue to attract visitors, and the small-town quality of life and high level of public amenities make it an attractive place to live.

This strategic plan recommends a series of actions to be pursued by the Village of Sayward and its partners over the next three to five years, but there is no single strategy that will lead to renewed economic vitality. Positive momentum in each of the major areas - the harbour, the forest sector and tourism - will reinforce each other by expanding local opportunities for quality employment, increasing the number of recreational and business visitors, creating a more fertile local market for new investment in retail and food services, and making the community more attractive as a place to live.

IMPLEMENTATION

Each of the 19 strategies in Chapter 6 have been given a priority ranking, but all are important (or else they would not have been included!). Part of the priority ranking is based on sequencing, under the theory that the economic benefits of some activities, notably tourism, will be greater once some new commercial development has occurred. But it is also recognized that priorities change over time and new opportunities will emerge that were not included in this study.

The recommended approach to implementation is for the Village to prepare an annual **Economic Development Work Plan**. It should include a summary of priority activities for the year ahead, based on:

- Available funding (both local funding and expected grant funding)
- Amount of staff or contractor time that will be available
- Progress achieved to date in completing the strategies, including a summary of the status of the previous year's priorities that makes reference to the performance monitoring factors identified under each strategy
- Emergence of new opportunities that should be pursued
- Any other new or revised priority, as directed by Council

APPENDIX A: CONSULTED INDIVIDUALS

The following list of individuals were interviewed on the basis as being identified as stakeholders in the Sayward economy, either as business owners, involved members of the community, or representatives of external agencies that are active in the Sayward area.

- Mike Adama, M.R. Adama Enterprises Ltd.
- Ted Arkell, Dyer Logging Co.
- Clare Backman, Marine Harvest Canada
- Erick Borgjford, Hardwicke Transportation
- Terry Burnett, Sayward Valley Resort
- Ian Clark, Sayward Valley Communications
- Charlie Cornfield, retired BC Recreation Officer and former Mayor of Campbell River
- Geord Dunston, Discovery Marine Safaris
- Dan Fear, Kelsey Bay RV Campground
- Linda Fear, Royal LePage
- Sarah Fraser, BC Ministry of Jobs, Tourism and Skills Training
- Nygil Goggins, BC Ministry of Jobs, Tourism and Skills Training
- OJ Gorringer, OJ Realty and Property Management
- Janet Hoare, Canada Post
- Morgan Kennah, Island Timberlands LP
- Tony Leggat, Attention to Detail
- Leigh Nelson, Adventure Quest Tours
- Michelle Nielsen, Nielsen's Garden Bed & Breakfast
- Roger Paquette, Hub City Ice
- Dave Petryk, Tourism Vancouver Island
- Karen Pollock, Sayward Junction Gas and Convenience Ltd.
- Janet Rainbow, Rainbow's End Golf Course
- Lee Roberts, Aqua Sea Industries
- Greg Sidoruk
- Glenn Sloat, Sayward Junction Gas and Convenience Ltd.
- Jeff Ternan, Western Forest Products
- Steve Thackeray, Royal Canadian Mounted Police
- Jill Tyndale, Mount H'Kusam View Lodge
- Heather Campbell Wachs, Sayward Futures Society
- Chris Watkiss, Mount H'Kusam View Lodge
- Gerald Whalley, Strathcona Regional District "H" Area Director
- Mike Zapp, Delivery Mills
- Khri Singh, Ministry of Jobs, Tourism and Skills Training, former regional manager for northern Vancouver Island

APPENDIX B: BIBLIOGRAPHY

The following list of reports and studies were reviewed by the consulting team as background information and helped to inform some of the competitive analysis and particularly the history of economic development in Sayward.

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