

SPECIAL COUNCIL MEETING

Midway Council Chambers, 661 8th Avenue
Midway, BC

We wish to acknowledge that this meeting is taking place on the non-treaty traditional lands of the Okanagan Nation and the Osoyoos Indian Band

Tuesday, March 12, 2024 13:00 hours



Lisa Teggary, Chief Administrative Officer

AGENDA

1. Call to Order 13:00 Hours, Midway Council Chambers, 661 8th Avenue., Midway BC
2. Late Items
3. Adoption of Special Meeting Agenda of March 12, 2024
4. New and Unfinished Business
 - a) Resolution request for Community Centre rental fee waived - Verbal
 - b) Boundary Diversification Plan Adoption – Village of Midway & the Boundary Region
5. In-Camera
 - Section 90(1)(e) – acquisition, disposition of land or improvements.
6. Adjournment

Boundary Diversification Plan Stronger Together!

Village of Midway &
the Boundary Region
February 2024



In collaboration with:



Prepared by:



ACKNOWLEDGEMENTS

Certainly, no significant achievement within a region that has successfully diversified has ever come about as an outcome of a solo performance – least of all the planning effort. In fact, the serious involvement of a broad spectrum of affected and interested community leaders, citizens, and stakeholders is an essential prerequisite to the success of planning.

Quite clearly, the Village of Midway and Boundary Region has been eager to actively participate through meaningful dialogue and facilitated planning sessions. It is evident that the community and its leaders (formal and informal) want to not only influence but also lead diversification efforts. To this end, we endeavored to encourage the meaningful involvement of key stakeholders and interested citizens. For those who participated, we are especially thankful. In particular, we wish to acknowledge the contributions of the Village of Midway, the Boundary Advisory Committee, and Community Futures – Boundary for their ongoing input and guidance.

Created by: Lochaven Consulting

Lead by: The Village of Midway

Supported by: British Columbia Government – Ministry of Jobs, Economic Recovery

Project Manager: Community Futures – Boundary

Special Advisory: Boundary Advisory Committee

February 2024



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1.0 Introduction

Today, it is crucial that communities and regions embrace the responsibility of shaping their own destiny, particularly when it comes to diversification efforts like those in the Village of Midway and the Boundary Region. By taking the initiative and embracing leadership roles, the Village and key stakeholders within the Boundary Region empower their communities and citizens to take charge of their future. Through the active involvement of businesses, leaders, and citizens, diversification efforts can be customized to address the unique needs and characteristics of the community. This approach fosters sustainable and inclusive growth, while also enhancing resilience against economic shocks. Moreover, local ownership facilitates the creation and retention of wealth within the community, as profits and resources are reinvested locally.

In January 2023, Vaagen Fibre made the decision to close its mill in Midway, B.C. This closure was influenced by the struggling forestry sector and the socio-economic challenges stemming from closures in the cannabis industry. It is important to note that this situation calls for the community to adapt and innovate to progress. The Village of Midway, in collaboration with Community Futures, took the lead in understanding the overall impact of the pending closures and evaluating the opportunities and challenges involved in successfully diversifying.

“

The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic.

- Peter Drucker

”



1.1 Purpose and Outcomes

1.1.1 PURPOSE

In July 2023 the Village of Midway issued an Expression of Interest (EOI) for the development of the *Boundary Economic Diversification Plan*. The key direction of the EOI identified the following need:

"To develop an economic diversification plan for the Boundary Region, with special attention paid to recommendations for Midway, as this community has been most impacted by job loss in the forest sector. While the primary focus of the plan will be to mitigate the closure of Vaagen Fibre in Midway, B.C., the economic impacts of a struggling forest industry coupled with closures in the cannabis industry necessitate the need to engage with key stakeholders in the region to identify projects and initiatives to help create new economic opportunities and position the Boundary Region for sustainability in the long term."

The Village received support from the British Columbia Government through grant funding. This effort has been designed by the community and is further broken down into the following three (3) phases that were part of the grant application. Future phases have yet to be funded.

Phase 1:

"... to complete the first phase of the project, a Boundary Region Economic Diversification Plan. Local government and community stakeholders including businesses and not for profits will be involved in the development of the plan."

Phase 2:

"...will involve the development of business cases for priority projects identified in the Economic Diversification Plan."

Phase 3:

"...will involve implementation of priority projects and activities."

1.1.2 OUTCOMES

The transition plan seeks to outline and present a realistic set of actions to guide regional economic development efforts within the Village of Midway and across the Boundary Region. In its simplest form, it seeks to articulate a path forward toward a future that is designed around fundamental community values and priorities. In doing so it meets the following desired outcomes of the project, which were identified by the Village of Midway:

1. Defining community goals
2. Identifying opportunities for diversification
3. Prioritizing diversification projects and initiatives
4. Identifying project leaders
5. Identifying opportunities for collaboration
6. Identifying priority projects
7. Engaging key stakeholders

Importantly, this plan builds on available synergies to maximize economic impact, concurrently building on the efforts proposed and implemented by individual communities, residents, service providers, and community organizations.

1.2 Planning Approach

While economic diversification planning may seem like a generic exercise to some, it is anything but. Resource communities within BC, Western Canada, and internationally have been the victims of such generic approaches. Proving that while there are various strategic planning approaches, not all of them yield substantive results or are suitable for economic transition efforts in a region.

In early October 2023 Lochaven Consulting was selected by the Village of Midway to proceed with Phase 1 – Development of the Boundary Economic Diversification Plan. The project effort extended over the period of October 2023 to February 2024. The approach to this project reflects the unique social, economic, and political evolution of the Boundary Region. It incorporates best practices and lessons learned from different development environments, and it adapts to global trends, local changes, and regional circumstances. The end result is a comprehensive road map, not just a plan, that offers realistic, objective, measurable, and focused directions for progress.

The Boundary Economic Diversification Plan, and the approach was designed to achieve the following:

1. Engage and energize the community and key stakeholders.
2. Complete an Impact Assessment to determine the full reaching and diverse impacts to the region of the closures.
3. Conduct an Opportunity Assessment to objectively consider the comparative and competitive assets that can be used to develop economic opportunities to diversify the local economy.
4. Outline Transition Efforts, namely, the tactics and activities that the region can employ to move through the impacts and realize the opportunities.
5. Provide the Village of Midway and the Boundary Region with necessary detail related to potential projects and activities that could help diversify the economies of the Boundary Region.
6. Prioritization of projects recommended for more in-depth exploration.



While the individual phases of the work are presented separately, they are interdependent. Some work undertaken and information collected/analyzed in any one phase logically feeds into later phases and/or sometimes adds to earlier results. The entire project process is illustrated in Figure 1.

Figure 1: Project Process



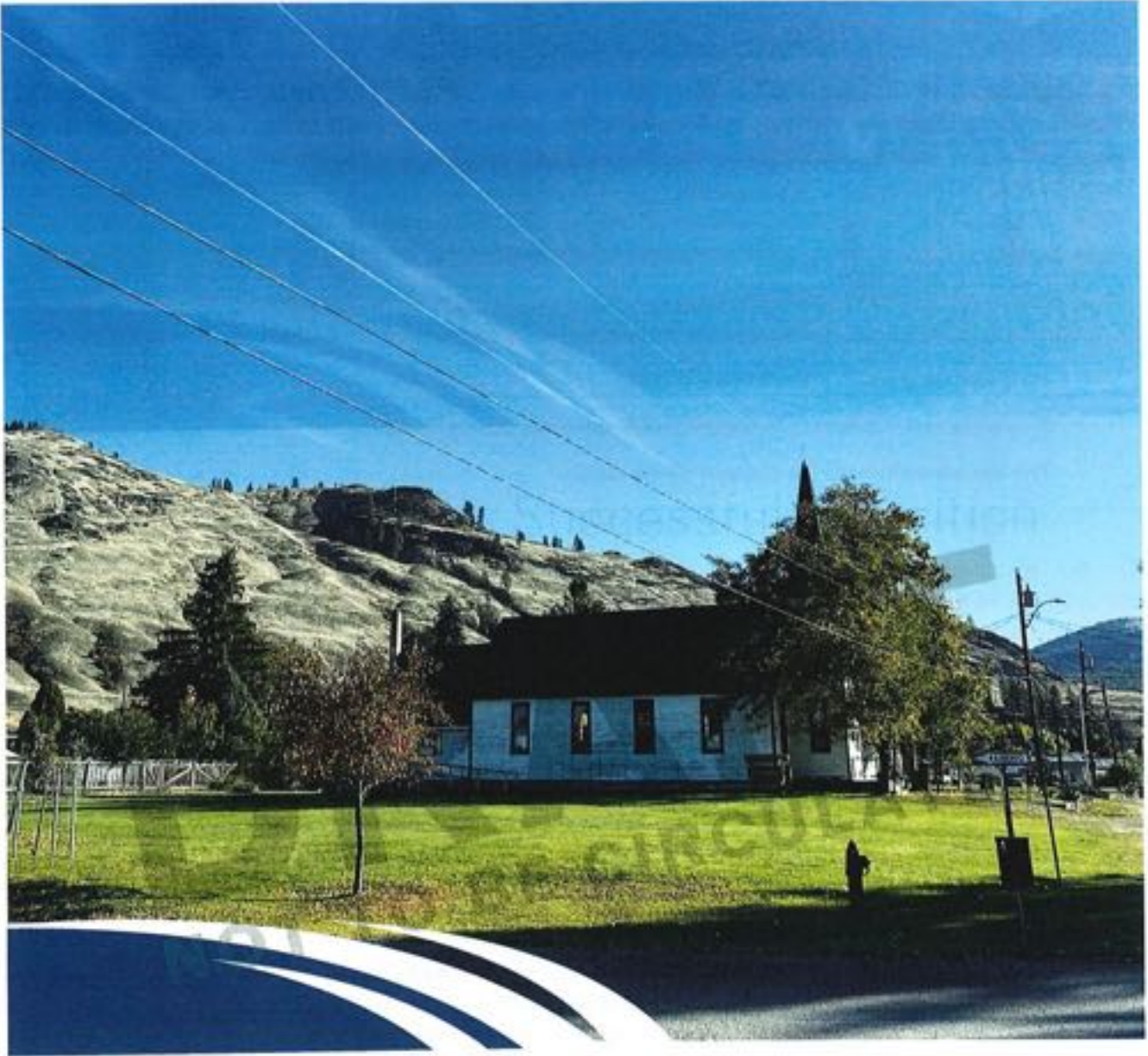
1.3 Planning Assumptions and Limitations

As with any planning effort of this nature, regardless of the care taken, certain limitations are inherent in the methodology of investigation and assumptions made. As much as possible we have worked to minimize the impact of these limitations. While we feel the analysis and the recommendations are valid and credible, we acknowledge that certain limitations exist, and have outlined them for the reader.

1. Because of uncertainty regarding the final impacts of the closure of Vaagen Fibre on the region, it is unclear at this point exactly which of the identified regional/community assets that exist today will remain to support the transition effort. As such we have made assumptions around key issues, including but not limited to the availability of a skilled labour force, strength of the local retail/service market, adequacy of local facilities and services, the entrepreneurial climate for development, etc.
2. The planning efforts were appropriately directed towards identifying community and regional opportunities that are closely linked to facilitating successful diversification. It is important to acknowledge that the private sector plays a significant role in driving economic opportunities, which may not always be immediately apparent during the initial stages of diversification. These opportunities often emerge once the community demonstrates its dedication to diversifying the region and establishes the necessary support systems.
3. The Boundary does not exist in isolation from the broader regional, provincial, national, and global environment. The transition context in which assets are identified (considering an aggregate of social, economic, technological, political, and environmental considerations) is at best highly dynamic. As such we would expect that change is not only a possibility, it is a certainty, and the identification of assets, and their potential role, within the broader transition process can also be expected to change. This plan represents a snapshot taken at a single point in time and the further out in time one goes, the less definitive the path and the less certainty around the spectrum of available assets and the role they may play in moving the community/region forward.
4. All communities within the Boundary have a different level of economic development readiness and capacity. There are noticeable challenges in areas that do not have an economic development function and/or strategy. This results in economic development being conducted sporadically and inconsistently. As with any plan of this nature, much will depend upon the capacities, capabilities, and commitment by those responsible for implementation. Wherever possible we have endeavored to provide a rational, relevant, and realistic set of recommendations.
5. The planning exercise occurred over a relatively short period (four and half months) and therefore several contextual circumstances are subject to change during the implementation phase. Notably, there are two aspects to monitor: 1) with the region's economy in question, many economic opportunities will either be presented or detracted depending on the region's ability to lead through the transition. 2) external conditions that influence the region are dynamic and will change.

Notwithstanding the collective importance of these considerations, we stand by the analysis, observations, and conclusions that follow.





2.0 Key Aspects of a Successful Transition

There are countless examples of communities across Canada, throughout North America, and globally who have faced development challenges and uncertainties. Within this array of examples and experiences there is substantive experience and numerous studies dedicated strictly to transition planning. This broad base of experience offers an opportunity to learn. That said, just because an approach has worked well in one location does not necessarily mean that it will work in another. After all, there is not only a diversity of circumstances, but also a diversity of aspirations and goals within and between municipalities and regions.

While the closure of Vaagen Fibre is a unique event to the region, the characteristics of the impact will be similar to other rural-remote, single-industry regions where transition has already occurred. The value in learning from other efforts is in seeking to understand how transition success was affected by the process rather than predetermining what the finished product needs to be.

2.1 The Nature of Transition

The simple way to reference the nature of transition is to say it is hard. The more appropriate way to define it is to state that transition is complex. The term complex has become somewhat ambiguous as it is increasingly referenced to help define issues that do not have easy answers. The world around us has evolved from much simpler times to the complex nature of what we experience today in the 21st Century. When we think about transition, we are talking about the evolution of a community, which represents human habitat. When we think of a community through this lens, it becomes easier to understand that it represents a complex adaptive system.

While people use the term complexity in ways that have meaning to them, there are core principles that help to define complex systems. Generally speaking, complex systems share the following characteristics:

- They are made up of many different parts.
- There are many different interactions between the different parts.
- The system cannot be completely understood.
- The system cannot be completely controlled.

Our human nature seeks to solve the problem in front of us, but we often don't fully understand the nature of the problem we are trying to solve. When dealing with a complex system, as in the economic transition of a rural-remote, single-industry region, there is no direct relationship between cause and effect, so our traditional way of acting may not work. There is no "silver bullet" solution and relying on best practices from a success somewhere else, ignores the context that contributes to creating the uniquely local complexity. So rather than trying to understand and control the entire system (the traditional top-down approach), it is important to look for the simplest patterns and "rules" that emerge from the system and focus efforts there. For example, many economic development strategies focus on the physical component and expend resources on the purchase of land and developing municipal infrastructure through the assumption that businesses will soon follow. This approach may work, and land and infrastructure are necessary ingredients to economic development. However, jumping to this action as the predetermined solution ignores what may be the underlying challenges to the local economy (i.e., uneducated labour force, lack of housing options, etc.).

This does not imply that everything involved in an economic transition is complex. Some challenges are simple to deal with and have a very linear process to identifying the solution. Some challenges are more complicated, but with the right level of expertise, they too have a linear path to a solution. What is important is recognizing when you are dealing with a complex system. By distinguishing the different scenarios (i.e., simple vs. complicated vs. complex), it helps leaders understand their challenges and make decisions in context to ensure that actions match the reality. Trying to find a simple solution to a complex challenge will waste time, effort, energy, and resources, generating frustration among local leaders and could foster mistrust from the broader community if positive results, no matter how small, cannot be seen.

What are the characteristics and capacities of a community that can adapt and grow in the face of challenges? What distinguishes a resilient community from one that collapses in the face of disruption and adversity? While there is no universal "list" of characteristics, what is consistent across successful communities is a willingness to think and act differently. This requires exploring the underlying causes rather than the symptoms of the community's strengths and weaknesses, examining the interdependencies, and diagnosing where to build their capacities. This requires a shift from traditional thinking to evaluating practices through a systems lens, as illustrated in Table 1.



Table 1: Shifting our Traditional Practices

TRADITIONAL LENS	SYSTEMS LENS
Plans that look at specific elements of the community and assess them independently	Consider how to mobilize and sustain proactive community responses to the most significant risks
Looks at a specific sector or single part of the system	Looks at the whole community as interacting systems
Engages citizens based on their specific interests and knowledge	Engages all citizens, as transition affects everyone
Leadership is typically expected to come solely from the local government	Leadership typically comes from multiple sectors
Identifies priorities based on what will strengthen a particular sector	Identifies priorities based on their impacts on strengthening long-term adaptive capacity

2.2 Rural Transition

"The OECD articulates clearly that within OECD countries there has been a shift in rural policy paradigms. The sectoral approach that once dominated rural policy, rooted in efforts to shore up the decline of rural areas, is being replaced by a multi-sectoral policy paradigm that seeks to identify and target local economic opportunities. This place-based approach to policy seeks to identify the varied development potential of rural areas."

Few would argue with the assertion that a successful economic diversification effort throughout British Columbia would benefit the province both socially and economically. However, few would fully understand the daunting nature of that challenge, the limited avenues for success, and the multidimensional and multi-party approach necessary to affect a positive outcome.

For the purposes of this plan, the Boundary Region, and the communities within it, are best described as rural-remote. Furthermore, while there are several communities and regions within British Columbia categorized as rural, they are not collectively homogenous. For example, it is obvious that any similar-sized communities situated within proximity to the economic hubs throughout the province (i.e., Vancouver, Victoria, Kelowna, Prince George, etc.) share very little in common with the Village of Midway and the Boundary region regardless of the fact that they all may be considered rural. The fact is, those areas, which are near larger urban areas, face different types of challenges than those that are more isolated from population centres. The importance of acknowledging these differences is essential to properly understanding the relative merits of community assets within the Boundary Region, identifying realistic opportunities for economic growth and development, and articulating a realistic diversification effort.

There has been a great deal of research around the challenges and opportunities inherent with rural development that are relevant to economic diversification and transition. For example, the ongoing process of urbanization, which typifies most rural areas of Canada, represents a shift in the concentration of political and economic power and influence, moving it further away from rural-oriented concerns to those of larger centres. This process is exacerbated by declining and aging populations in rural areas, the inability to effectively diversify small economies typically built around one or two resources tied to geography, isolation, and an

absence of access to alternative markets, services, and programs, much lower rates of entrepreneurial development and small business creation, and a lack of services and resources to stimulate and sustain economic development. The implications of this vicious cycle suggest problems won't go away soon and in the absence of some policy attention may only get worse.

Rural development challenges have always existed in some form through the lens of rural development planning and the variety of policy interventions that have been considered globally in a variety of contexts. What is increasingly unique is the new ways of addressing these challenges. For example, the following are characteristics of what is classified as the "New Rural Paradigm":

- A shift from an approach of subsidizing declining sectors to one based on strategic investments to develop an area's most productive activities.
- A focus on local context, including amenities (environmental or cultural) or local products, to generate new competitive advantages.
- More attention to quasi-public goods that support private enterprise indirectly.
- A shift from a sectoral to a territorial policy approach, including attempts to integrate the various sectoral policies at regional and local levels to improve coordination of sectoral policies at the central government level.
- Decentralisation of policy administration and, within limits, policy design to those levels.
- Increased use of partnerships in the development and implementation of local and regional policies.

While the current situation in the Boundary Region might not be characterized by all of these typical rural development challenges, enough are reasonably recognizable to suggest that development problems exist and conceivably could get worse with the closure of Vaagen Fibre. Of course, this is not to say that the foundations for some levels of sustainable community development are absent and thus there is no hope. While there are opportunities to support transition efforts, the challenges to successful transition are significant. For the most part, evidence suggests successful transition will require resources, capacities, and capabilities beyond those available within a single community. At the very least partnerships and collaborations will be necessary, and all orders of government (Provincial and National) will need to be part of the solution.

On the positive side, the changing character of the global economy has opened new economic possibilities and reformatted others that are not firmly place specific. The rapid advance and transformative power of new technologies, the rise of the knowledge economy, and the importance of human capital and resources (people, skills, and knowledge) support opportunities for economic diversification in areas traditionally



dominated by single industries. Further, there are a range of assets that are especially unique to the Boundary Region that offer a substantive platform to support transition. The history of social cohesion and resilience coupled with the region's unique agricultural and tourism assets suggest that elements of the foundations for a successful transition are present.

There has been considerable research in the United States that outlines key elements that are critical to supporting effective rural transitions, which are summarized in the following points:

- Acknowledging by the communities themselves, and at all levels of government, that a rural economic problem exists and that it will require strategic government intervention to address the systemic factors contributing to rural economic decline.
- Regional collaboration is essential to achieving sustainable rural economic recovery in the context of global economic realities and the need for critical mass.
- A recognition by senior levels of government that a "one-size-fits-all" approach to rural economic development will not work and that approaches must be tailored to be regionally and contextually appropriate.
- The population and leaders of rural regions must be directly involved in decision-making as part of economic revitalization.
- The development of mechanisms giving rural communities greater levels of local control over resources is essential to their economic development.
- The provision of appropriate rural venture capital and business development supports.





2.3 Principles of Community Transitions

The Boundary Region and its communities are rural remote and as such, are presented with development challenges based solely on this characteristic. Further, from an economic perspective, the community and region are considerably tied to a single industry, whereby the economic prosperity of the region is significantly impacted by the relative well-being of a narrow economic base, in this case represented by the presence and sustainability of the forestry sector.

Perhaps the greatest initial challenge to successful transition lies in overcoming the false perception that regardless of the new economic realities of the 21st century, being rural remote and single industry implies limited opportunity for sustainability. This perception is false and based on a stereotypical assumption that there is a lack of resourcefulness, a lack of alternative economic opportunities, and an overly high degree of vulnerability. It overlooks the transformational possibilities of local resources, and it disregards the fact that most single industry

communities exist within the context of a considerably different development context than they did in the years past. This is not to say that there is not the possibility that transition will not succeed. However, seldom is community demise solely preordained based on being rural-remote or single industry alone and seldom is there an absence of opportunities for renewal and revitalization.

The process of transition is complicated and exceedingly difficult at best. Fortunately, there is no shortage of transition experiences, including case studies, key lessons learned, and best practices, to better understand the process and build from it. While the exact replication of specific “successful” experiences is seldom a useful exercise, the experience elsewhere does provide valuable insights. The following represent a summary of key principles that support successful transitions:

- Through successful restructuring or transitioning single industry focused municipalities, communities can reinvent themselves and this reinvention can take a variety of forms ranging from a more diversified economic base to another single industry focus but in a different industry niche (e.g., from forestry to tourism).
- There are typical transitional challenges that generally accrue regardless of location and context. While they may be present in varying degrees in many rural communities, they are almost exclusively present in those regarded as being single industry focused. For example, there is usually a limited supply of entrepreneurs who are firmly attached to the community, the education and skills of the local labour force are significantly tied to one industry, wages within the local workforce tend to be relatively high and not necessarily indicative of the community or regional norm, the middle class is relatively weak and usually includes only a small group of managers, merchants, and professionals. Further, these communities often lack an effective local economic development effort and/or plan. The degree of seriousness of each of these problems varies by community.



- In terms of the transition process itself and their associated best practices, the most important include:
 - » Starting early in defining and implementing strategic initiatives.
 - » Building the foundations of local leadership.
 - » Ensuring local government has access to the appropriate mix of skills and expertise to introduce and support a transition strategy.
 - » Developing a shared vision for the future.
 - » Promoting community ownership and citizen empowerment.
 - » Ensuring private sector involvement and commitment to the process of transition and change.
- During a period of "crisis and decline" the transition effort needs to be well focused and proactive. It should confirm that the municipality is taking responsibility, that efforts are underway to organize and engage key stakeholders, and that mechanisms are in place to meet the community's transition needs.
- Operationally it is important to consider the following:
 - » Ensure collaboration with other levels of government and organizations, to put appropriate supports in place and leverage resources.
 - » Utilize proper methodologies such as asset mapping to define and confirm the municipality's competitive and comparative advantage.
 - » Work at improving the business and investment climate by removing disincentives and deterrents.
 - » Introducing or enhancing business retention efforts that target support to local enterprises and the local business community.
 - » Support a remote and entrepreneurial culture and environment that acknowledges the importance of entrepreneurs.
 - » Support an emphasis on education, skills, and innovation in the transition effort.



The transition process and its management depend on many complex and interrelated factors as well as the combination of strengths and contributions from all actors, recognizing the importance of strong leadership and a reliance on collaborative partnerships. For the Village of Midway and the Boundary Region, transition is a realistic and achievable goal if they can sustain a proactive and committed approach to the transition. All of that said, transition efforts consistently require adaptability, a willingness to take managed risks, acceptance of change, consistent attention to the importance of planning and implementation, and an emphasis on broad community engagement throughout the process.

3.0 Contextual Analysis

While extensive research, as well as the sharing of best practices and lessons learned, have been conducted to assist the Village of Midway and the Boundary Region with their transition efforts, it is crucial to have a deep and comprehensive understanding of the community context when it comes to economic diversification planning. The context provides valuable insights and information about the specific needs, challenges, and opportunities of the local community. By understanding the context in which economic diversification is taking place, decision makers and implementers can ensure that their efforts are not only focused on what needs to be done but also on how to effectively achieve it. This allows for informed choices and the development of strategies that are tailored to the unique characteristics of the community.

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True success does not only rely on doing the right things...but doing those things exceedingly well.

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The purpose of the situational analysis is to describe and assess the current socio-economic situation or environment and future trends of the Boundary Region. It is based on an examination of external and internal factors. External determinants, commonly known as the macro-environment, encompass opportunities and threats, while internal factors, also known as the micro-environment, encompass strengths and weaknesses. These insights provide guidance on how to apply best practices and develop a realistic and pragmatic economic development vision. Additionally, a proper situational analysis suggests development objectives and provides a framework for identifying and evaluating key economic opportunities, as well as determining the appropriate tactics to employ.

3.1 External Influencers

To make progress in the Village of Midway and the Boundary Region, it is crucial to fully understand the competitive context and address challenges in a complex and competitive marketplace. The purpose of conducting an external influence analysis is to examine and evaluate the factors that are significant in the current situation of the Boundary Region and understand their implications for future planning. These insights then guide the development of a realistic, practical, and effective economic diversification strategy. Additionally, they help define development goals and establish a framework for identifying and assessing important economic opportunities. The external influences were considered through a PEST analysis, illustrated in Figure 2.

Figure 2: PEST Analysis





3.1.1 POLITICAL TRENDS

Federal Trends

1. **Strength of global trade partners** are expected to shift in the near future, with Europe and US contributing less to global GDP growth while China and South America take a more prominent global role.
2. **The war in the Ukraine** continues to affect global supply chains, immigration trends, and governmental policy and budget decisions.
3. **Climate change and climate change awareness** is putting pressure on government policy and action.
4. **The US 2024 election cycle** is expected to disrupt global economic activity in the short term.
5. The Government of Canada is expected to accept a **record number of immigrants** into the country in 2024.
6. **Monetary policy continues to be aggressive** to curb inflation by decreasing consumer and business spending.

Provincial Trends

1. There are **increasing pressures on provincial and local government** from constituents to deal with housing, health care, and inflation.
2. Majority of BC Citizens are **unsatisfied with the performance** of the current government to date.
3. **The voice/impact of rural communities** continues to diminish at the provincial level, leading to decreased representation and specific action for these communities.
4. As of late 2023 and early 2024 **opposition parties** are failing to pick up momentum behind the NDP, meaning that while there is low approval, this government may have staying power.

Implications for the Boundary Region

Being aware of the political environment at the federal and provincial level is paramount for the Village of Midways and the Boundary Region to succeed in its diversification journey. This awareness may highlight how the Boundary and its key stakeholders can best align their efforts with the priorities and activities of different levels of government to best capitalize on local opportunities. It can also alert them of emerging issues, to adjust and change practices, thereby mitigating risks.

For example, at both the federal and provincial level, clean and green business solutions are being heavily invested in to tackle climate change issues and create a more sustainable future for Canada. This may present opportunities for innovations in clean technology and agriculture in the region.

3.1.2 ECONOMIC TRENDS

Federal Trends

1. **Global economic cooldown** will occur in 2024, but the US is likely to secure a soft landing.
2. **Highly stringent** business lending and investment environments expected in the short-medium term.
3. Canadian businesses are known to **lack aggressiveness in seeking growth**. In a time of economic cooldown, this trend is expected to be magnified.
4. **The structure of employment is shifting** to adapt to our tech-centric future meaning new skills are being valued more than others, such as computer programming and software development. Meanwhile, unskilled labour is becoming decreasingly valuable or needed.
5. There is a continued and sustained **push to return to inflation targets** across the globe, maintaining high interest rates and costs of borrowing.

Provincial Trends

1. **Significant push for "Clean and Green"** entrepreneurship and business growth is being reflected in provincial and federal investments.
2. **High interest rates** continue to affect provincial economic activity resulting in decreased housing sales and decreased business lending.
3. **Consumer and business spending** expected to decrease in 2024 after 2023 showed high spending despite significant interest rates.
4. **BC export revenue is down** due to low prices, weaker global demand, and port strikes.

Implications for the Boundary Region

As global, federal, and provincial economic conditions are pointing towards an economic slowdown, it is more important than ever that the Village of Midway and the Boundary Region and its key stakeholders take their time creating a foundation for an environment conducive to business investment, entrepreneurship, and business retention and expansion, to capture and foster key opportunities as they arise.





3.1.3 SOCIETAL TRENDS

Federal Trends

1. **The senior population (64+)** is at historically high levels in Canada putting pressure on housing infrastructure and an underprepared healthcare system.
2. **Awareness of environmental sustainability and climate change** is increasingly prevalent causing changes in consumption, business action, government action, and investment patterns.
3. COVID saw many **individuals leave urban centres** to seek more rural settings for lifestyle and affordability.
4. **Working from home has stuck** as the commercial office space of large centres continues to have low occupancy rates.

Provincial Trends

1. **BC has an increasing aging demographic**, but like any challenge it also presents opportunities such as service-based businesses and openings in the workforce.
2. **Regional affordability gap in BC has grown**, affecting investment decisions and the attraction of citizens.
3. BC is one of the most outspoken provinces in Canada in **pushing for "clean and green"** sector development and business development.
4. Post-COVID, **older generations in BC are moving to more isolated, rural regions** for lifestyle and affordability.
5. **Economic opportunities are more commonly being pursued remotely** as one no longer needs to be in an urban centre to be connected.

Implication for the Boundary Region

As rural communities across Canada continue to decline in population while attracting more seniors, it is key for the Village of Midway and the Boundary Region to establish a collective identity that will allow them to strategically pursue and attract a target market that will sustain their community in the future.

3.1.4 TECHNOLOGICAL TRENDS

Federal Trends

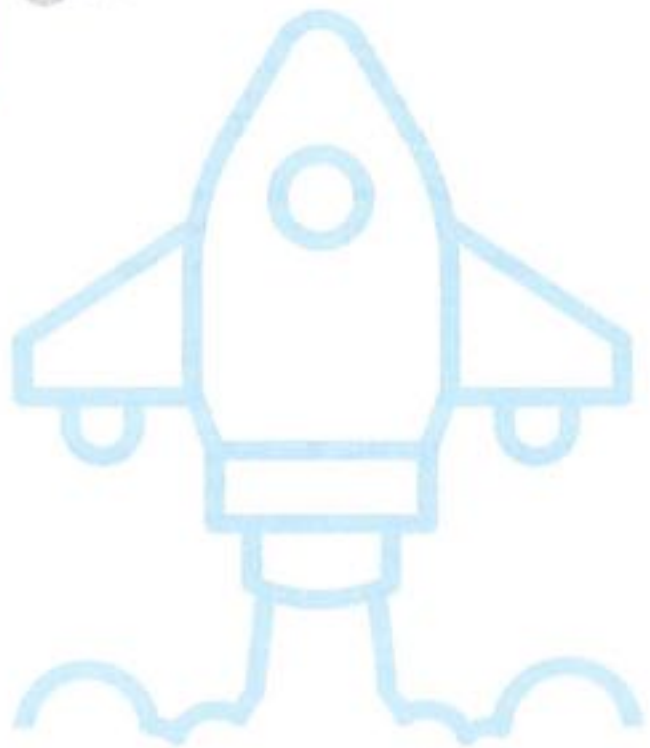
1. **Process automation and virtualization** will decrease reliance on the workforce while increasing process efficiency.
2. **Applied artificial intelligence** will continue to drive technological growth and progress at significant rates. It is already being applied across sectors.
3. **Connectivity** is increasing globally due to advancement in 5G technology and universally available Wi-Fi.
4. **Clean technology and innovation** will be the driver of climate change solutions.
5. **Cyber security and trust architecture** will increase in importance as more and more information is stored as data.

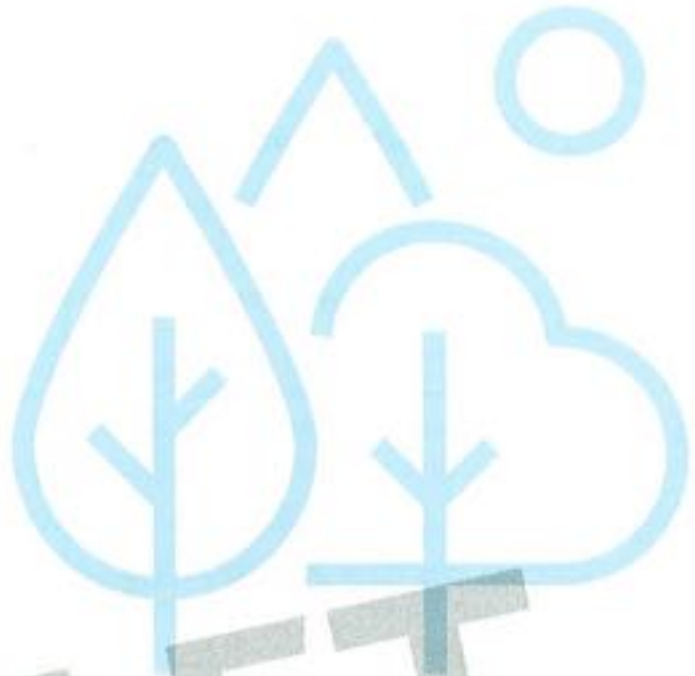
Implications for the Boundary Region

Today's communities, citizens, and governing bodies must be ready to adapt and evolve. Technological innovation, introduction, and adoption is an important activity that will impact the structure of all sectors in the coming years at an increasing pace.

Provincial Trends

1. BC has a **thriving technological agglomeration** creating massive employment and business opportunity throughout the province.
2. **Clean and green initiatives** are expected to be driven by tech industry through innovative solutions.
3. **Innovative technology** is being applied across sectors to increase efficiencies, decrease labour, and advance industries.





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NOT TO BE CIRCULATED

3.1.5 LAND AND INFRASTRUCTURE TRENDS

Federal Trends

1. **Regional competition** is increasing from availability of high-quality industrial lands in concentrated areas and along high-volume traffic corridors.
2. **Aging infrastructure** in communities across the country are approaching the end of their useful life and requiring replacement.
3. **Asset management** is increasingly tied to government funding availability and requires strong planning and prioritization of capital projects.

Provincial Trends

1. **Lack of government** owned employment ready lands in rural communities.
2. **Aging infrastructure** in rural communities is becoming increasingly expensive to repair, maintain, and replace.
3. **Infrastructure BC** will continue to support stimulus programs for economic recovery and increase resources in coming years (as of 2023).

Implications for the Boundary Region

Land availability and servicing needs to be addressed within the Village of Midway and the Boundary Region in a strategic way to be able to attract investment and encourage growth of existing businesses. Furthermore, comparative advantage needs to be secured to establish an environment for healthy businesses.



3.1.6 LEGAL/REGULATORY TRENDS

Federal Trends

1. **Environment, Social, and Corporate Governance (ESG)** is more than just optional in today's environment. It is now essential for a region's success and has a significant impact on citizen attraction, business retention, and attracting investment.
2. **Privacy** will be paramount in a hyper-connected world and managing privacy risks has been downloaded onto the private sector.
3. **Data Protection** is modernizing as the Government of Canada and several provincial governments overhaul their legislation to keep up with a rapidly changing world.

Provincial Trends

1. **Rural communities** across the province have been seen to not be flexible in accommodating the needs of interested businesses.
2. **Focus on reconciliation** at all levels of government has increased legal and regulatory action in BC to uphold Indigenous rights, through initiatives such as the B.C. Declaration Act.
3. **Increased access to social support services** has been reinforced by Government of BC regulations including reduced childcare fees, expanded small business tax rate, and protection from high-cost lenders.

Implication for the Boundary Region

In an increasingly competitive and regulated business environment, the Village of Midway and the Boundary Region and their many governing bodies have an advantage in their ability to be flexible to accommodate the regulatory and legal requirements of businesses. For example, rural communities have been known to accommodate requests such as the acceleration of land rezoning and permitting to ease the investment decisions of certain businesses.



3.2 Internal Analysis

A full situational analysis involves a review of both external and internal factors as they relate to economic development. Therefore, a comprehensive and objective review of the internal environment within the Village of Midway and the Boundary Region was completed to identify apparent strengths and challenges within the region. Our investigations involved interviews with key stakeholders, a review of key publications and reports, and a review/investigation of efforts already undertaken. This internal analysis is critical as it builds the foundation of what strategies and activities the community can expect to implement in its efforts to successfully move forward.

3.2.1 IMPACTS OF MINE CLOSURE

Employment

- 74 FTE lost – 64 FTE in the Boundary
- Wages Unknown

Local Expenditures

- \$21,600,000 lost in annual local log sales – most likely picked up by local competitors
- \$120,000 in local annual supply purchases

Social

- Family challenges due to affordability, lost wages, and access to nourishment
- Concentrated impacts in Midway and Greenwood
- Level of Optimism Low
- Regional Reputation
- Low cost / Affordability – Attracting a certain group



3.2.2 DEMOGRAPHICS

Strengths

- Increasing population – Skewed due to COVID, but shows that people went back to where they were comfortable
- Lower than average unemployment rate
- Higher than average High School Diplomas
- Higher than average apprenticeships
- Influx of individuals from the lower mainland, buying homes and businesses

Weaknesses

- Higher than average Median Age
- Much lower than average % of population below 54 compared to BC and Canada
- Lower than average Median Household Income
- Lower than average Workforce Participation Rate
- Lower than average College and University Graduates



3.2.3 LEADERSHIP/GOVERNANCE

Governance is broadly defined as the process of exercising authority to provide direction and to undertake, coordinate, and regulate activities in support of achieving a specific direction and desired outcomes. Good governance combines participatory action-oriented learning, capacity-building tools, and the power of data. Leadership is defined in several different ways, but generally speaking it refers to the act of leading or, in the case of economic development, is more the act of taking a community where it needs to go.



Clearly the presence both of strong local leadership and a system of good governance are critical prerequisites to the Village of Midway and the Boundary Region's efforts to achieve sustainable economic development success.

Strengths

- High level of local pride from elected officials and councils
- Regional leaders step up in times of need
- Strong desire to succeed and grow the region
- Impactful MLA in the region with influence at local and provincial level
- Community is engaged and excited about the planning initiative
- Key Stakeholders have a willingness to participate in Collective Impact Model

Weaknesses

- Many economic development functions acting independently across the region
- Limited engagement of major employers in economic development initiatives
- High ratio of political groups to citizens

3.2.4 HUMAN CAPACITIES/CAPABILITIES

A region's human capacities/capabilities will certainly impact available options and opportunities for future growth and development. Success is highly correlated with a capable workforce, talented individuals in key areas, cutting-edge knowledge, educational facilities/infrastructure embedded in the community, and proven economic development know how.



Strengths

- Strong volunteerism
- Resilient individuals and community – Came together to ensure Pope and Talbot ownership transitioned
- Individuals conduct many activities to make a living (resourceful and creative)
- Access to talented/skilled retirees

Weaknesses

- Low levels of capacity and resources to implement economic development initiatives
- Mono-industry workforce indicates limited diversity in skills
- Limited access to post-secondary education/training
- Youth drain/leak is eroding the talent base
- Extraction based resource communities typically have a sense of entitlement



3.2.5 BUSINESS CLIMATE

As the saying goes, attitude determines altitude. A positive business climate allows businesses to conduct their affairs openly and freely. While no business climate is perfect for every kind of company, certain attributes of the regional or local economy allow investors to find fewer risks and higher returns when compared to other places.



Strengths

- Strong Community Futures organization driving business supports and economic development in the region
- Small business owners in the region driven to create and contribute to change
- Plenty of assets to utilize in BRE and Inbound Investment (natural amenities, rural living, low crime, outdoor recreation)

Weaknesses

- Local governments have created some roadblocks for private sector development
- Limited traditional lending institutions in the region
- Limited private sector involvement in solving social issues – non-profit focused
- Lack of local business ownership in some communities
- Limited entrepreneurship in immediately impacted areas

3.2.6 SOCIAL CAPITAL AND INFRASTRUCTURE

Social infrastructure refers generally to those agencies, authorities and services that broadly contribute to or enhance social well-being including hospitals and medical care, schools, social housing and the like while social capital refers to connections among individuals and is an indication of community cohesiveness.



Strengths

- Robust and engaged community groups/ non-profits
- The community comes together in difficult times (i.e. Flood mitigation, Mill closure)
- Strong Volunteerism in the Region
- Strong Schooling System
- Safe and Trusting Community

Weaknesses

- Limited access to healthcare and complementary healthcare supports
- Limited indoor recreational assets
- Limited childcare and programs for youth
- Homogeneous population, limited cultural and religious diversity
- Large region with pockets of population
- Communities are siloed within the region



3.2.7 REGULATORY ENVIRONMENT

The type, level, and effectiveness of regulatory controls places limits and/or dimensions on what might be pursued in the broader task of economic development.

Strengths

- Up to date OCPs in Greenwood, Midway, and Christina Lake
- Ability to be flexible in accommodating business needs

Weaknesses

- Planning efforts appear to occur in isolation between communities and between functions



3.2.8 ECONOMIC CIRCUMSTANCES AND INFRASTRUCTURE

While seemingly obvious, it should be reiterated that economic development builds directly from existing economic circumstances.

Strengths

- Service and retail trade is existing, growing, and presenting opportunities for new and existing business owners
- Major highway access
- Emerging sector – Cannabis
- Close proximity to US, Okanagan, and Lower Mainland markets

Weaknesses

- Consumer and business spending leakage outside of the region is prevalent
- Small local marketplace with limited diversity, need for export
- Limited telecommunications service in space between communities
- Limited industrial/commercial employment ready lands that are local government controlled
 - » Lack of shared office and office space throughout the region.



3.3 Business Needs

To accurately assess and represent the needs of the businesses within the region, the business cycle was segmented into four distinct sections: Pre-Launch, Launch, Growth/Maturity, and Business Exit. It should be respected that each of these sections have unique needs within each business functionality and should be treated as such. Therefore, they were assessed under the following functionalities: Operations, Marketing, Financials, Human Resources, Market Research, Legal, and General Strategy. This information was collected directly from business interviews, discussions, and surveys and is summarized in Table 2.

Table 2: Business Needs in the Boundary Region at Different Lifecycle Stages Within Distinct Functions

OPERATIONS	
PRE-LAUNCH	<ul style="list-style-type: none"> • Knowledge of Industry Specific Government Regulation (Provincial and Federal) • Identifying key equipment needs • Choosing suppliers and understanding supplier relationships
LAUNCH	<ul style="list-style-type: none"> • Product manufacturing and service process mapping for efficiency and effectiveness • Knowledge of complete business cycle • Objective/outside evaluation of product offering
GROWTH/MATURITY	<ul style="list-style-type: none"> • Industrial/Commercial lands and facilities to grow into • Optimizing process scaling • How to optimize expansion while respecting demand • Purchasing key equipment • Reassessment of government regulation amidst scaling
BUSINESS EXIT	<ul style="list-style-type: none"> • Selling of key equipment • Scaling down operations for business closure • Preparation of all assets for sale



MARKETING

PRE-LAUNCH

- Identification of viable markets and offerings within those markets
- Creation of effective market entrance strategy
- Logo and branding creation and set-up
- Website and landing page design and set-up
- Ecommerce set-up
- Social media launch and growth strategy
- Target market segmentation
- Access to channels of distribution
- Creation of effective value proposition

LAUNCH

- Implementation of effective market entrance strategy
- Social media management and strategy
- Website and landing page implementation and management
- New channels of distribution
- How to access new markets
- Communication of product offering
- Pricing strategies
- Establish business brand
- Communication of effective value proposition

GROWTH/MATURITY

- Accessing new markets for expansion (export of products/services)
- Enhancing previous marketing strategies
- Implementation of new strategies within all marketing tactics
- Social media management and strategy
- Reassess pricing strategies
- How to involve the community in your success
- How do businesses give back and communicate their contributions
- Reassessing distribution channels

BUSINESS EXIT

- Properly communicating business closure/sale
- Scaling up marketing for succession/sale
- Reassess brand under new ownership
- Reassess pricing, product placement, and product offering under new ownership
- How to properly hand-off all marketing accounts to new ownership



FINANCIAL

PRE-LAUNCH

- Accessing funds within a strict lending environment
- Understanding the process of start-up financing (loan and investment)
- Accounting services
- Understanding of business tax responsibilities
- Creation of pro forma financial statements
- Setting up payment systems, i.e., A/R, A/P
- Knowledge of investment structure
- Beginning of long-term financial plans in place
- Grant writing skills
- Business planning skills for loan requests
- Banking for business

LAUNCH

- Accessing funds within a strict lending environment
- How to begin peer-to-peer lending/investment process
- Assistance with the financing/investment process
- Systems related to inventory tracking, POS system, payroll, AP/AR, and the knowledge to use them effectively
- Funds for employee attraction and retention (wage, bonuses, training grants)
- Understanding of break-even and burn rate
- Grant writing skills
- Business planning skills for loan requests and investment opportunities

GROWTH/MATURITY

- Understanding of operating within new financial realities with limited access to funds
- How to seek, conduct, and finalize peer-to-peer investment
- Gaining funds for expansion
- Reassessment of financial goals
- Ensuring financial health before growth
- Systems related to inventory tracking, POS system, payroll, AP/AR, and the knowledge to use them effectively
- Awareness of overall financial situation
- Asset purchases/investment advice/planning
- Grant writing skills

BUSINESS EXIT

- Business valuation strategy
- Understanding of depreciated assets
- Increasing net income
- Reassessment of financial goals
- Owner payment format and structure (continuous salary, straight up sale, owner's equity draw etc.)
- Financial risk mitigation
- Business sale financial readiness assessment
- Alternatives to business transfer i.e., lifetime gifts/transfers at death
- Creation of business deal



HUMAN RESOURCES

PRE-LAUNCH

- Understanding of available talent given recent realities
- How to hire remote for specific skills (i.e., graphic design)
- Leadership and management training
- Mentorship network
- Partnership network
- How to attract, hire, and retain top talent in rural remote regions.

LAUNCH

- How to attract, hire, and retain start-up employees as a new company
- Leadership and management training
- Should I hire? Understanding of capacity needs
- Employment documents i.e., Policy, agreements, contracts
- Strategy for student, intern, and temporary employees
- Hiring in line with desired culture
- Customer service training

GROWTH/MATURITY

- How to attract, hire, and retain start-up employees as a new company
- Hiring in line with growth needs
- Capacity of business owner, specific training needed?
- Mentorship network
- Understanding of HR needs to create a well-rounded comprehensive team
- Create an attractive culture through growth
- Customer service training
- Internal HR Strategy

BUSINESS EXIT

- Employee engagement in closure/ sale/ succession process
- Mentorship network for businesses in sale process
- Mediation between family members
- Increase capacities of employees if necessary for succession
- Succession matching
- Recruiting suitable accounting/legal/ consulting services



MARKET RESEARCH

PRE-LAUNCH

- Competitor analysis
- Industry analysis
- Unique selling proposition
- Access to data/databases
- What data do I collect?
- Application of research/data
- Market test strategy
- Database of effective sources to get market research information

LAUNCH

- Staying in tune with industry changes
- Understanding of target market segments
- Consumer expectations of a business in the industry (i.e., price, service offering)
- Initial market assessment at business launch
- Tying target market into marketing strategy

GROWTH/MATURITY

- Updated understanding of target markets
- Economic indicators at Global, National, Provincial, and Regional levels
- Refreshed product offering strategy
- Market assessment pre-growth
- Market assessment post-growth

BUSINESS EXIT

- When is a good time to sell?
- Industry Trends
- Current market prices of comparable business
- Economic indicators at Global, National, Provincial, and Regional Levels

LEGAL

PRE-LAUNCH

- Legal considerations of all business structures
- Assistance with Incorporation
- Partnership agreements
- Insurance needs
- Rental/mortgage/outright purchase of business premises
- Family business structuring

LAUNCH

- How to decrease liability in customer's use of product
- Insurance needs updated
- Government regulation followed
- Proper licences obtained
- Business registration

GROWTH/MATURITY

- Insurance needs updated
- Investment and asset purchases
- Legal aspects of property purchase advice
- Employee liability coverage

BUSINESS EXIT

- Proper legal sale/hand-off of business
- Insurance needs updating
- Mediation between family members/ shareholders/key members
- Sale of property and buildings

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GENERAL STRATEGY

PRE-LAUNCH	<ul style="list-style-type: none"> • Setting up proper business structure and governance • Entrepreneurial self-assessment and goal setting • Business leadership self-assessment and goal setting 	<ul style="list-style-type: none"> • Creation of strategic plan • Creation of non-profit, society, charity etc. • Risk mitigation
LAUNCH	<ul style="list-style-type: none"> • How to launch a business • Business development strategy • Update strategic plan 	<ul style="list-style-type: none"> • Risk mitigation • Future goal setting • Accurate problem identification
GROWTH/MATURITY	<ul style="list-style-type: none"> • Sustainable growth • Update strategic plan • Risk mitigation 	<ul style="list-style-type: none"> • Creation of a growth strategy • Future goal setting • Accurate problem identification
BUSINESS EXIT	<ul style="list-style-type: none"> • Update a strategic plan for business sale • Risk mitigation • How to approach a business sale 	<ul style="list-style-type: none"> • Business sale readiness assessment • Succession in agriculture • Accurate problem identification

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3.4 Rural and Small-Town Trends

In the broader task of identifying and assessing community assets, understanding community fit, and delineating development opportunities, it is especially important to consider the trends that will impact the economic development of rural communities.

Rural remote and small towns across Canada are critical to the country's growth, providing essential resources to both urban and rural regions, playing a key role in our nation's identity and preserving our environmental resources. Yet across the country, many of our communities are struggling to survive, facing issues such as skills shortages and declining populations. Rural economic development and business trends have always been significantly different from general economic development and small business trends.

The following represent key trends within small towns that will impact transitional efforts for the Boundary Region:

Self-Investing Communities

Instead of waiting for inbound investment to act as an economic stimulus, smart rural communities are acting entrepreneurially and seizing economic opportunities. By doing so they are demonstrating the commercial attractiveness of their community.

Independent Workforce

Contingent workers, independent professionals, and freelancers are all converging as more people make their own way while staying rural, rather than moving to the city for jobs. Because rural independent workers have a lower cost of living than their urban counterparts, they are better able to compete in digital talent marketplaces.

Self-Employment Rise Continues

There is more reason than ever to expect a continued increase in self-employment and business start-ups in small towns. This is largely due to limited employment opportunities, desire for flexible working conditions, major employers moving towards contract workers, and a highly entrepreneurial millennial generation.

Crowdfunding Validates New Investment

Often crowdfunding is associated with social causes or social entrepreneurship with many surprised to learn that globally, crowdfunding has surpassed traditional venture capital. In 2010, there was a relatively small market of early adopters crowdfunding online to the tune of a reported \$880 million, this grew to \$34 billion in 2015. It is now larger than the Venture Capital industry which raises an estimate of \$30 billion per year.



Innovative Rural Business Models

Small town businesses have moved beyond that of traditional business models such as mom-and-pop retail stores located in the heart of downtowns. The trend leans towards smaller business experiments, replacing a high-risk full-size business and often filling only a couple of hundred square feet instead of 5,000 square feet. For example, temporary businesses 'pop-up' for a day, a week, or a season to test the waters or shared spaces bring together co-working, artist's studios and galleries, maker spaces, and stores inside of other stores. Mobile businesses can gather up market share by moving from small town to small town.





Travel Motivations Favour Rural

Small towns excel at offering authentic experiences. Visitors can easily connect with culture, history, and a sense of place all in a walkable package in a small town. International travellers are starting to make rural regions like the Deep South their first destination in the US, skipping traditional big city visits. Instead of checking famous sights off a list in a guidebook, they are seeking out local artists, authentic foods, and hidden gems recommended by friends and fellow travellers.

Small Town Realities are Urban Development Trends

Placemaking, walkability, strong sense of community, and public spaces are all considered to be “urban” planning and development trends, with the intent of making urban places feel more like small towns. While small towns already have the advantages of compact, walkable cores in their downtowns. They have walkable distances in their historic development pattern, and they already have built public spaces waiting for revitalizing activity. In small towns, it’s easier to get involved and make a difference, and small projects have greater impacts.

Small Towns Participate

Many rural communities were built through the efforts of few people who were considered the town’s leaders. Often, they could gather and decide the town’s future. Today, a small-town’s sustainability depends on engaging the majority. It is crucial to ensure that all residents have the opportunity to be engaged and in fact they are demanding it. Without widespread participation in small towns, the skill, network, and resource pool become too small to successfully design and deliver creative projects that will end up shaping a better future.

Rural Broadband Drives Business Development

With a great deal of rural populations still lacking access to better service, much more needs to be done. Those who can access broadband are using it to build businesses and conduct commerce at a record pace. Expect more public and private projects to develop more business use of broadband.

Rural Sourcing Brings More High-Tech to Rural Areas

Rural sourcing is competing with global outsourcing, and as a result provides communities with the opportunity to successfully bring manufacturing and IT service jobs into rural areas. With global supply chains threatened by higher shipping costs and rising manufacturing costs in China, regions are witnessing more projects returning manufacturing to home shores.

Online Does Not Mean in Front of a Computer

Mobile Internet access just keeps growing. Tablets and smartphones are changing the way potential customers look for businesses everywhere, including in small towns. The strength of cell signals and Wi-Fi availability are important for tourism, and for small businesses capturing mobile customers. Rural communities and businesses need to get mobile-friendly.

While these trends are either now emerging, or are already here, the Village of Midway and the Boundary Region needs to stay aware of these trends to help position the community and deploy tactics to benefit from the changing environment.





4.0 A Framework for Moving Forward

While the recommendations in this report are aggressive, it is felt that only through employing aggressive strategies will the Village of Midway and the Boundary Region realize their desire to diversify the economy and successfully transition. Successful communities build from who they are and what they want to be. They understand that success is about being proactive, developing an effective "game plan," and making things happen. What follows is intended to reflect that theme. For the Village of Midway and the Boundary Region, this means a strategy that not only addresses its specific needs and concerns but more importantly provides a more focused, realistic, and inclusive approach to moving the region forward as one community.

There are numerous frameworks and formats to guide a strategic plan. The most appropriate in this case embraces incremental change and interdependence as critical cornerstones, logically building connections between aspirations and realization.

“

Economic development cannot take a community forward on its own. We need society, environment, and economy, which complement each other; and through this process, we need to make sure rural communities are not only sustainable but have the potential to thrive.”

”



4.1 Regional Fit - Vision & Principles

For a community to pursue economic opportunities, it is important to go beyond just having a viable market opportunity and a willing investor. Community leaders must also consider the residents and obtain their "social license" for the venture. In today's world, community leaders need to increasingly consider what the community wants to achieve through their economic development efforts.

To address this, the process included significant efforts to engage the community and have them express their desired outcomes for the transition efforts. In fact, over the four (4) months of the project, there were over 500 touchpoints within the region (interviews, pop-up booth conversations, survey responses, and planning sessions) that provided local citizens, businesses, and leaders with the opportunity to direct their future.



4.1.1 DESIRED OUTCOMES / VISION

Appreciating the region's desired outcomes of the economic diversification efforts is a critical first step in the larger task of creating positive economic growth and development within the Village of Midway and the Boundary Region. Below are the top five outcomes that the community has identified as important to consider in the development of the plan:

1
**MORE STABLE
JOBS IN THE
BOUNDARY
REGION**



2
**EXISTING
BUSINESSES THAT
ARE STABLE AND
EXPANDING**



3
**NEW
COMPANIES IN
THE REGION**



4
**OPPORTUNITIES
FOR YOUTH**



5
**ATTRACTING
MORE FAMILIES**



4.1.2 GUIDING PRINCIPLES

The region's citizens and leaders were very clear that achieving the five (5) outcomes cannot be accomplished at any cost. Very much the opposite. Once a shared understanding of what the region wishes to accomplish has been achieved, the following guiding principles will support effective decision-making as the region acts and implements.

- 1. Environmental sustainability:** The region has prioritized sustainable development practices and requires economic initiatives to adhere to environmental regulations and minimize negative impacts on the ecosystem.
- 2. Social equity:** Communities emphasized the importance of ensuring that economic development benefits all members of society, considering impacts on fair wages, equal opportunities, and inclusive growth.
- 3. Cultural preservation:** Preserving local cultural heritage and identity was emphasized, including protecting cultural sites, traditions, and local industries.
- 4. Infrastructure development:** Local governments have noted infrastructure requirements for economic development, which focuses on improved transportation networks, utilities, and public facilities.
- 5. Quality of life:** Community characteristics that contribute to overall quality of life must be consistently considered with new development, including factors such as access to healthcare, education, recreational facilities, and a clean environment.

4.1.3 STRATEGIC PRIORITIES AND GOALS

It is best to think of priorities and goals as outcome statements that flow logically from the community's desired outcomes. The Village of Midway and the Boundary Region have identified the following three (3) goals. These goals, and their corresponding objectives and actions, were derived from a consensus of expressed ideas, opinions, and inputs from key stakeholders. Collectively, they are logical and supportable. They clearly set out broad themes for the next 3 years (up to the year 2027). They were formed by considering "what is possible?", "what is desirable?", and "what can realistically be achieved?" within the region's diversification efforts.



1
**ENSURE WE
HAVE THE
CAPACITY TO
SUCCEED**

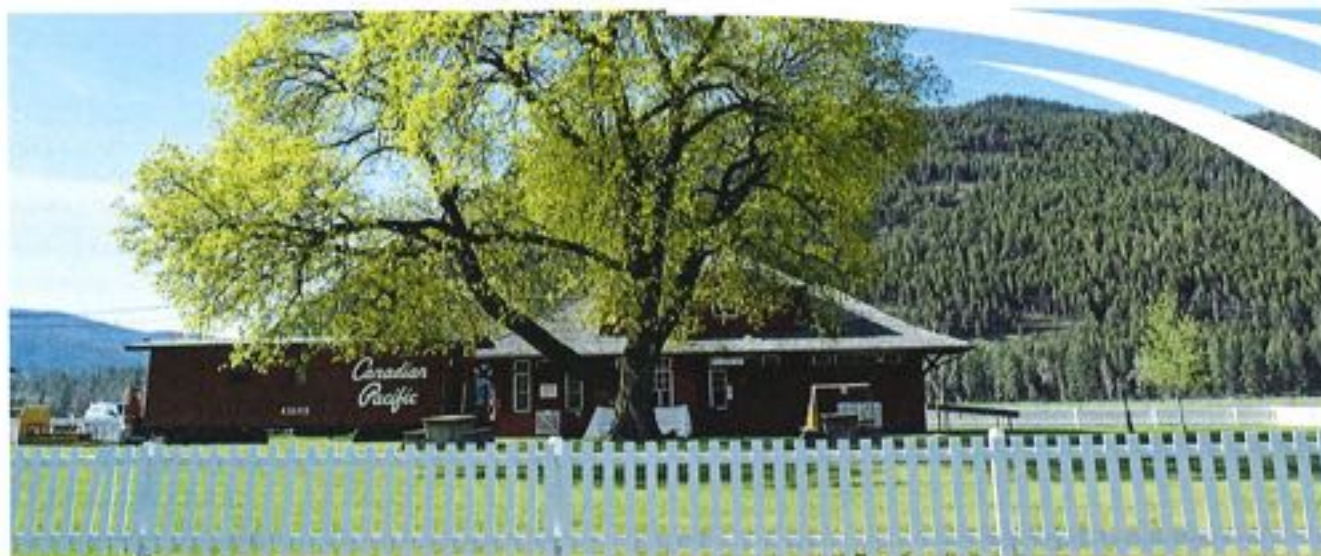


2
**FOCUSED
EFFORTS ON THE
MITIGATION OF
IMPACTS**



3
**CAPTURING
OPPORTUNITIES
AS THEY
EMERGE**





4.2 Focusing on Preconditions

All too often, communities tend to prioritize attracting and capturing the next economic opportunity without fully considering the necessary characteristics and elements required for that opportunity to be successful. This can lead to missed opportunities and potential challenges in the long run. Considering this, the plan strongly suggests that regional leaders acknowledge the critical importance of having the appropriate human and social infrastructure in place to support various initiatives related to attracting investment, nurturing businesses, attracting, and retaining talent, and fostering overall prosperity. By focusing on these preconditions, the region can ensure a solid foundation for successful economic diversification and sustainable growth.

With that in mind, the plan makes an effort to address the following preconditions for the region to successfully diversify its economy.

- 1. Availability of skilled labor:** A region needs to have a pool of skilled workers who can adapt to new industries and technologies.
- 2. Infrastructure:** Adequate employment lands, and infrastructure, such as transportation networks, utilities, and communication systems, are essential for attracting businesses and supporting economic diversification.
- 3. Access to capital:** Regions need access to financial resources, such as loans, grants, and investment, to support the growth of new industries and businesses.
- 4. Supportive government policies:** Government policies that encourage entrepreneurship, innovation, and investment in new industries can create a favorable environment for economic diversification.
- 5. Education and research institutions:** Having universities, colleges, and research institutions in the region can foster innovation, provide a skilled workforce, and support the development of new industries.
- 6. Market opportunities:** Regions need to identify and capitalize on market opportunities that align with their strengths and resources.
- 7. Collaboration and partnerships:** Building strong partnerships among businesses, government, educational institutions, and community organizations can facilitate knowledge sharing, resource pooling, and collaborative efforts for economic diversification.
- 8. Community engagement:** Involving the community in the economic diversification process and considering their aspirations and needs can help ensure the sustainability and inclusivity of the development efforts.

4.3 Strategic Priorities

4.3.1 ENSURE WE HAVE THE CAPACITY TO SUCCEED

Description: While it is critical that regions who wish to successfully diversify their local economies have a bias for action and actively work towards success, it is important to prioritize setting up the diversification effort in a way that ensures there are local capacities to not only implement the plan but also adapt to the dynamic conditions the region will face in coming years. To achieve this, the Village of Midway and the Boundary Region propose positioning themselves properly by building strong foundations that will support the longer-term diversification process. This initial effort will need to happen quickly, within the first six months, and will involve capacity-building, communication, and partnership and alliance building activities that will start early and continue throughout.

Proposed Tactics:

1. Adopt the Diversification Plan - Stronger Together (Across the entire Region)
2. Establish an organizing group to lead the efforts - Boundary Action Team
 - » Sustainably fund a Backbone Organization
 - » Define local resources (i.e., financial and human)
 - » Track, measure, and celebrate community successes
3. Support training on transitional elements (i.e., economic development, change management, etc.).
4. Implement shared client relationship management tool.
5. Commitment to wrap around services.
6. Implement communication and change management plan.

4.3.2 FOCUSED EFFORTS ON THE MITIGATION OF IMPACTS

Description: The closure of Vaagen Fibre will have broad and deep socio-economic impacts, including direct, indirect, induced, and tertiary impacts. These impacts encompass financial, economic, and employment effects directly associated with the company, as well as those within its sphere of influence, such as job creation and maintenance in the supply chain. There will also be shifts in aggregate and local spending on various goods and services due to changes in workers and payroll. Additionally, socio-economic impacts are expected across multiple dimensions, including the local business community, real estate availability, health and wellness, community organizations and their programs, the demographic makeup of the region, education and educational services, and other socio-economic aspects of community well-being.

The mitigation priority has been categorized further into three (3) separate focal points, considering specific actions for impacted workers, impacted businesses, and the social resilience of the region.



1. Impacted Worker

A central piece of any transition effort is a focus on displaced workers; supporting them to transition to new jobs and careers. Central to the effort is typically the appointment of case managers to work one-on-one with affected workers, tailoring solutions based on individual skills and needs including, but not limited to, job search support, training, and income stabilization. Partnerships with all three levels of government can often leverage sufficient resources to measurably support the effort.

Proposed Tactics:

1. Create workforce task force consisting of representation from BC Government, local governments, employment service providers, and employers.
2. Map out employment opportunities throughout the Region:
 - » Reattachment to labour
 - Employment counselling
 - Retooling
 - » Self-Employment
 - » Retirement planning
3. Develop programs and services needed.

2. Impacted Business

Often, the unique needs of existing businesses affected by the closure of a key business are overlooked. In a region focused on attracting new opportunities, the existing businesses are often forgotten, despite their importance to ensuring the region remains healthy and attractive to both local and external entrepreneurs. It is crucial to incorporate specific Business Retention and Expansion (BRE) efforts into the plan to address this issue.

Proposed Tactics:

1. Provide a concierge program for all impacted businesses to get them the support they need.
2. Establish a business triage program (one-on-one support).
3. Create a "transitioning your business" seminar series:
 - » Refinancing debt
 - » Diversifying incomes
 - » Cashflow Management
4. Create a peer-to-peer support program for businesses.

3. Social Resiliency

A notable concern associated with closure and a significant deterrent to transition success arises pursuant to adverse impacts on social wellbeing. Many of these impacts can be quite visible and dramatic (i.e. closure or reduced operating hours of recreational facilities because of losses in municipal tax revenues and/or user fees) others are less tangible (i.e. increases in mental health issues as a consequence of displacement). Arguably many of these challenges have broader impacts on regional economic viability by unduly eroding quality of life. As such it is important for the region to follow through on the creation and pursuit of a plan of support to enhance resilience.

Proposed Tactics:

1. Organize a social services provider task force.
2. Develop social program response plan and programs
 - » Map out the availability of social service offerings.
 - » Identify gaps, issues, and concerns in respect to service offerings with current programs and their evolution beyond the mill closure.
 - » Prioritize service recovery and mitigation strategies.

4.3.3 CAPTURING OPPORTUNITIES AS THEY EMERGE

Description: Given the unique site location characteristics of the Village of Midway and the Boundary Region, including its competitive and comparative advantages, there are various development possibilities. These opportunities stem from advancements in technology, changes in workforce culture, revised business models, and other dynamic shifts. Some potential areas for development already have sectoral roots present within the region, such as education, agriculture, tourism, and services for seniors, which may have been overlooked. While the private sector primarily holds the responsibility for opportunity development, the region plays a role in promoting, supporting, facilitating, and influencing the process positively. To effectively diversify the local economy, the region must employ a multi-pronged approach, which considers opportunities through the following lenses:



1. Entrepreneurial Development

Includes an emphasis on supporting those who want to explore the world of entrepreneurship no matter their passion, interest, or previous entrepreneurial experiences. Includes specialized experiential learning opportunities to stimulate new ways of thinking and support such activities as interactive workshops, networking and social events, educational and inspirational programs, and start-up competitions all focused on helping develop, grow, and test business ideas or processes.

Proposed Tactics:

1. Explore local peer-to-peer investing and financing.
2. Regional-wide entrepreneurship workshops:
 - » Transitioning from employment to self-employment
 - » Sustainable business modelling
 - » Business planning
 - » Side gigs are big gigs
 - » Transition workers, women and youth
3. Offer continual group-based entrepreneurship supports.
4. Enhance youth entrepreneurship via seminars in schools
5. Create a concierge of available programming.
6. Celebrate the success of local MSME's, establishing communication around they benefit the community.

2. Business Retention and Expansion (BRE)

BRE efforts build from an understanding of context, needs, and gaps in existing services as they pertain to business survival, sustainability, and growth. They build from a recognition that while in some cases there may be commonality of certain needs, in other instances, there is not a one size fits all. This is confirmed by considerations like the varying importance of selected firm level influencers.

Proposed Tactics:

1. Establish various business support programming (one-on-one support):
 - » For profit businesses
 - » Social enterprises
2. Create a platform for peer-to-peer mentorship.
3. Conduct annual business walks.
4. Host a business seminar series for existing businesses.
5. Facilitate procurement for local businesses.
6. Create a platform to promote succession readiness (i.e., support, promotion, matching, etc.).
7. Create a culture that celebrates businesses.

3. Investment Attraction

Investment attraction requires a systematic approach to analyzing and articulating a location's strengths, evaluating, finding, and attracting investors, and monitoring progress against quantitative goals. It also demands the creativity and imagination to assemble an operation, communicate a compelling promotional message, adapt to market dynamics, manage within limited budgets, engage support among multiple constituencies, and deliver a development outcome.

Proposed Tactics:

1. Establish an inbound promotional office:
 - » In-market representation and support.
 - » Boundary wide inbound investment profile promotional efforts (e.g., SEO, increase online content, direct targeting, etc.).
 - » Create regional partnership citizen/investment promotional materials.
 - » Create sector profiles for investment and promotional purposes.
2. Develop an employment land and building inventory.
3. Prepare shovel-ready business plans.
4. Establish an investment opportunity cooperative.
5. Support tourism development and promotions.

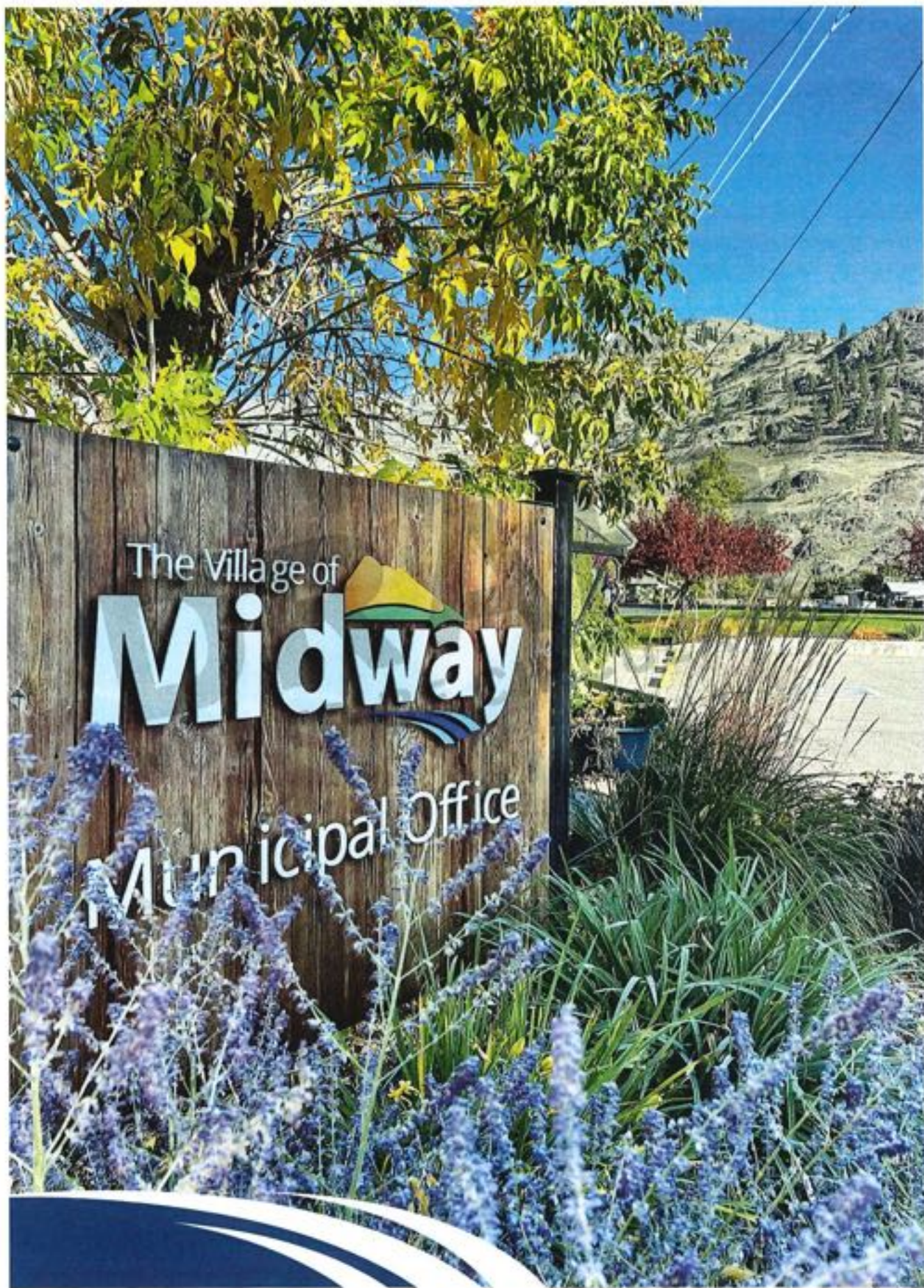
4. Citizen Attraction

Citizen or resident attraction is most commonly discussed in terms of the attraction, retention, and development of "talent". Talent is largely characterized as a skilled workforce. Of course, seeking and retaining a talented workforce is important, but citizen attraction encompasses more than an individual's skill set and their potential contributions to a business. Citizen attraction and retention consider the entire spectrum of the qualitative and quantitative contributions that people can make to a community.

Proposed Tactics:

1. Work collaboratively to promote the region as a place for sound investment by newcomers
2. Ensure newcomers are integrated into the local business community
3. Promote ongoing business support for the retention of newcomers (investors/entrepreneurs)
4. Ensure Appropriate Housing Inventory in the region





5.0 Implementation

5.1 Getting Organized – Structure

5.1.1 BOUNDARY DIVERSIFICATION TEAM

The recommended governance and organizational structure of the Village of Midway and Boundary Region diversification efforts in moving to implementation, is one in which the existing Boundary Advisory Committee evolves and creates a subcommittee that allows members to move from an advisory role to an operating and organizing committee, through a Collective Impact Model. For the purposes of this plan, this subcommittee will be called the Boundary Diversification Team (BDT). This team is responsible for collectively identifying and prioritizing opportunities and challenges that need to be addressed. Ensuring opportunities and challenges align with strategic priorities is critical as is support for the creation, recruitment, and activities of individual Action Teams who will carry out identified tactics. It is important that these Action Teams make their own decisions around how best to address the various opportunities and challenges identified by the organizing committee. The general structure of Collective Impact is presented below in Figure 3.

“
We believe that there is no other way society will achieve large-scale progress against the urgent and complex problems of our time unless a collective impact approach becomes the accepted way of doing business.
— John Kenia & Mark Kramer
”



Figure 3: General Collective Impact Model Structure



While each Collective Impact Model process is unique based on the challenge it is trying to solve, the scale of the community and level of participation, and available resources, each successful effort shares the following five (5) organizing characteristics that define the process, outlined in Figure 4 below.

- 1. Common Agenda:** There is a shared vision for change that includes a common understanding of the problem and a joint approach to solving the problem through agreed upon actions.
- 2. Shared Measurement System:** There is an agreement on the ways success will be measured and reported with a short list of key indicators across all participating organizations.
- 3. Mutually Reinforcing Activities:** There is typically the engagement of a diverse set of stakeholders, across sectors, coordinating a set of differentiated activities through a mutually reinforcing plan of action.
- 4. Continuous Communication:** Frequent communications over a long period of time among key players within and across organizations is the norm, to build trust and inform ongoing learning and adaptation of strategy.
- 5. Backbone Organization:** There is ongoing support provided by an independent staff dedicated to the initiative.

Figure 4: The Characteristics of the Collective Impact Model



5.1.2 BACKBONE ORGANIZATION

For those who are considering how to undertake or support a collective impact initiative, one fundamental truth about backbone effectiveness is that its leader can make or break the organization's success. Applying a Collective Impact Model requires the commitment of a secure and competent "backbone organization". The backbone organization is critical to implementation success. The six (6) essential functions proposed for the backbone agency include the following:

1. Facilitating the creation of an overall strategic direction.
2. Facilitating dialogue between partners.
3. Managing data collection and analysis.
4. Handling communications.
5. Coordinating community outreach.
6. Assist with mobilizing funding.

Given the critical importance of this role, it is being advised that the region explore funding for a partially paid position to act as a coordinator within the backbone organization.

5.1.3 HOW DOES THE COMMITTEE GET TO ACTION TEAMS?

The key principle behind getting from strategic priorities to implementation of action items is that members must self-identify the action they feel will address prioritized challenges and opportunities in the community. It is one thing to add an action in a calendar, it is quite another to find champions that will take the lead and inspire others to rally behind an initiative. Therefore, what is required is a structure that promotes and allows for this to occur. The process is presented in Figure 5.

As is evident within the diagram to the right, this process allows Boundary Diversification Team members to identify and take ownership of implementation while providing action teams with the required autonomy and freedom to assemble and recruit members and design action plans that will best provide the desired outcomes.



Figure 5: Process for completing actions within Collective Impact Model





5.2 Guiding Principles of Diversification

The success of any transition effort is never assured regardless of how well structured, how well planned, or how well operationalized the effort may be. That said, within the research there are several guiding principles applied to the process of transition that have served to enhance the probability of success regardless of circumstance or location. These guiding principles represent the broader philosophy (beliefs and values) that should guide the transition approach throughout, regardless of circumstances and irrespective of changes in those circumstances, strategies, prospects, or actions. Guiding principles are essential to defining a culture where everyone understands what's important in the process of transition. As outlined in various discussions to-date the following guiding principles are key:

1. **Start early:** The most successful communities began the process of diversification before there were any economic effects from closure. They recognized that the community was vulnerable and initiated the process of change. While closure is already underway in one form or other it is essential for the region to move quickly.
2. **Plan properly and appropriately:** The region needs to "know where it wants to go" and determine how it might best get there. Transition planning is not a typical economic development planning effort. It is multidisciplinary and multidimensional. It is about results, while other efforts are often about process.
3. **Be realistic about plans and expectations:** Being objective is difficult. Diversification needs to be premised on an objective assessment of realistic opportunities and very real challenges.

4. **Expect some decline and other changes:** Part of being realistic is recognizing that there will be changes brought on by closure. Acceptance of change is important. High wage primary industry jobs cannot be replaced easily or quickly, and local businesses, services, and programs cannot all be sustained at previous levels. Some expectation of necessary adjustments needs to be anticipated.
5. **Take ownership:** At the end of the day the region needs to accept the responsibility for making things happen. This is not to say the region shouldn't seek out external sources of support or assistance where available. Rather the key is not to "bet the bank" on others coming to the rescue.
6. **Do not look for a panacea:** It is important to pursue a multi-target strategy for development. The probability of a single company that would move in and solve all problems is far-fetched and a serious, costly distraction. As well, moving from a heavy reliance on one business or one sector to dependence on another single business or sector is not a desirable long-term solution.
7. **Be inclusive and engaged:** Diversification is a community and regional endeavor requiring the committed actions of a broad spectrum of local residents and enterprises. Develop partnerships, networks, and effective coordination strategies. A broad and connected network of public, private, and non-profit entities is essential to transition.
8. **Enhance MSME Ecosystem:** Individual programs and services are impactful, but private sector development relies heavily on a region's healthy Micro Medium Small Enterprise (MSME) Ecosystem. The Boundary Region must focus on ensuring this ecosystem is robust. Efforts should be made to strengthen the business ecosystem by partnering, inviting, coordinating, or implementing specific interventions targeted at the eight key elements illustrated in Figure 6. Analyzing current circumstances, identifying policy responses, prioritizing actions, and designing appropriate services and programs are crucial steps. This can range from organizing workshops, to promoting entrepreneurship, to establishing a Community Futures Business Development Center in the Region.



Figure 6: The nine (9) elements of the MSME ecosystem





5.3 Leading through Change

5.3.1 CHANGE MANAGEMENT

While a community having a plan on how to diversify the local economy is critical, it does not guarantee implementation. This is especially so for a community that is in transition and wants to diversify. While the focus is on capturing opportunities it needs to be respected that there is often a gap between wanting the outcomes of diversification but not wanting change to occur either in what the community represents or in their behaviour. A change management plan needs to be put in place early to ensure there is movement forward as plans become goals, objectives, and actions. Planning is just one part of the exercise; implementation is the essential other.

Diversification is fundamentally about change. A change management process is essential to ensure that community leaders, municipal officials, staff, and the community itself accept and embrace the transition process. That process of change management proposed encompasses the following seven (7) essential steps:

Step 1: Establish a Sense of Urgency

Change does not occur without the sense of a need to change. The Village of Midway and the Boundary Region has varying degrees of urgency. In order to create an appropriate sense of urgency, transition leaders need to motivate stakeholders and citizens to become part of something significant, something different, something desirable, and reasonable. This process can be accomplished by educating and communicating with stakeholders on the broad array of socio-economic reasons and forces that are driving the need for change, informing individual citizens and stakeholders that planning for successful change has taken place or is underway, and confirming how that success is defined.

Step 2: Form a Powerful Guiding Coalition

It is critical to the success of the diversification effort that the Village of Midway and the Boundary Region builds a strong and powerful coalition of leaders, stakeholders, and other interested and affected individuals and enterprises. It is important that this group or transition team include leaders and key stakeholders sufficient to provide enough power (by position, connections, expertise, and/or financial clout) to lead the effort and leverage resources, energy, and commitments. To be effective, the team needs to work as a team.

Step 3: Reinforce the Vision of Change

Change is a function of the ability to reinforce and foster a broader community awareness of the municipality's vision of itself in the future. This vision helps clarify the direction in which the municipality needs to move. Greater awareness of the vision sparks motivation, helps ensure all projects and changes are aligned, provides a filter to evaluate how the municipality is doing, and offers a rationale for the changes the community must weather together.

Step 4: Empower Others to Act on the Vision

1. The empowerment process the Village of Midway and the Boundary Region should adhere to is threefold;
2. Remove as many objections as possible that stand in the way of change (i.e., politics, rules and regulations, policy hurdles, lack of adequate resources or skills, lack of broad-based commitment or buy-in, etc.).
3. Redesign processes and structures to support the change initiative.
4. Encourage stakeholders and members of the transition team to take risks and become innovators. Transition leaders need to recognize that the community may buy in and get motivated but without top level support, the required resources, adequate tools, and encouragement for thinking outside the box, the effort to change will not succeed.

Step 5: Plan For and Create Short-Term Wins

Diversification requires an extended period (often 7-10 years), which makes it critical that transition leaders implement strategies to ensure momentum is maintained. Planning and ensuring that the diversification produces short-term wins helps maintain the sense of urgency. Short-term successes need to be visible and celebrated.

Step 6: Consolidate Improvements and Maintain Momentum

Transition accomplishments and gains need to be consolidated to ensure the individuals remain committed and motivated and there is a clear sense of winning the battle.

Step 7: Institutionalize the Diversification Effort

It is important to ensure that strategies exist to institutionalize the diversification effort and create a new local economic development paradigm to make the change sustainable. This can be done by:

1. Articulating the connection between the new strategies, actions, activities, and diversification success.
2. Developing the means to ensure there is a process of ongoing leadership development and succession.





5.3.2 LESSONS LEARNED

While the seven steps are logical there is often a lot of learning for a community along the journey. With this in mind, the team who worked with the Village of Midway and the Boundary Region to develop the diversification plan has considerable experience with transitioning resource communities in British Columbia, Western Canada, and Internationally. Some of the key learnings have been:

1. Economic transition is change at a large scale and is a process that occurs incrementally over time rather than being something that occurs as part of a singular event, or series of activities.
2. Critical mistakes in the creation of effective change management can be devastating, slowing momentum, and negating any previously hard-won gains.
3. Relationships and collaboration are essential to moving forward with the transition and it is critically important to maintain a shared understanding of the path forward, particularly as the individuals change.
4. Transitioning communities through change is not a linear process and it needs to be respected that due to the complexity and the significant length of time required for economic transition (7-10 years), leaders' energy levels and community acceptance will ebb and flow.
5. Each community cohort or segment will move through the milestones of change at a different pace and will require different supports.



6.0 Conclusion

As with any plan of this nature, the success will rely heavily on the capacities, capabilities, and commitment of those responsible for implementation. We have strived to offer a rational, relevant, and realistic set of suggestions and recommendations. The main goal of the diversification plan is to establish a framework for the Village of Midway and the Boundary Region to strategically implement tactics for the region's prosperity. It is understood that the strategic priorities and tactics outlined will challenge the region and its resources. Therefore, it is crucial to form partnerships based on shared agendas and purposes.

These partnerships should extend beyond traditional government services, with the private sector playing a key role in economic development efforts. It is important to recognize that diversification is an ongoing process, not a one-time event. The economy is constantly evolving, and the plan and its tactics should be regularly reviewed and updated to adapt to changing economic opportunities. This iterative approach will ensure that the region remains responsive to the dynamic economic environment.

Economic diversification is not a final, identifiable state at a fixed point in time. It is an ongoing process that represents the consequence of decisions made over time and continues to evolve going forward. This is achieved most readily when communities are free to respond to their specific circumstances in a manner that is premised on their own unique realities and priorities. The approach to transition needs to be strategic and strong local leadership is critical. Moreover, it needs to be realistic, considering the capacities of the location in which efforts are focused, and holistic, taking care not only to emphasize economic renewal but also to facilitate positive social change and adjustment. At its best, transition is transparent and inclusive, driven and guided by local stakeholders with a long-term focus and commitment.

