



Sustainability
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Group

Village of Slocan Community Sustainability and Transition Plan



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1. Introduction

Rural British Columbia communities are experiencing major changes during the current period of economic uncertainty, demographic change and technological advancement. Employment shifts in natural resource industries, aging populations and increased urbanization are affecting the economic, social and environmental landscape of rural BC. These factors are challenging municipal, regional district and provincial governments on how best to support their populations.

Many rural BC communities are dependent on a single natural resource industry. Livelihoods in fishing, forestry, mining and agriculture are increasingly uncertain. Changes in these industries can have sudden, strong impacts, like those of the closure of a mine, or more subtle impacts, like the slow decline of family farms in North America. In the past, resource industry-dependent communities have often recovered and carried on as usual. This is less likely in the current climate of economic uncertainty, dwindling natural resources, technological efficiencies requiring fewer workers and a global trade market that has little concern for the survival of small communities.¹

Like many rural, resource-rich British Columbian and Canadian small towns, the Village of Slocan has seen periods of dramatic wealth and decline. Silver mining and forestry have been the traditional corner stones of the community's economic well-being. However, several factors are currently contributing to an uncertain outlook for Slocan's future: the local saw mill operation is sporadic, the population is aging, the future of the school is in question and local businesses have a limited local market from which to draw.

Slocan is a community in transition. It is at a turning point where the community must take its future into its own hands through careful planning and action. Residents, Council and municipal staff will have to meet the challenges facing the village with creativity and resolve to establish a sustainable future.

The following is a report on the project that developed a community economic development (CED) plan to assist Slocan through the transition process. It focuses on actions related to engaged governance, a stable economy, stable municipal finances and services provision, and societal well-being. Its delivery engages Slocan's assets, focusing on the strengths of the local community and the region to assure a stable future for the village.

2. Vision

Through extensive public consultation and work with Village staff and Council (described further below) a community vision and a municipal vision were established. They are mentioned here to set the tone of the project and as a framework for this report. The community vision is a general statement for the desired future state of the village. The municipal vision is specific to this project.

The community vision was arrived at via an iterative consultation process, depicted in Figure 1. The working group (WG) was composed of 8 volunteer community members.

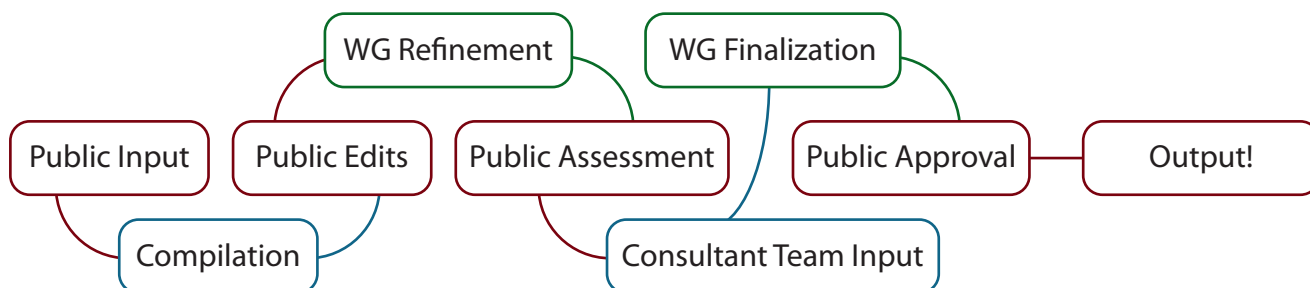


Figure 1: Community vision and goals creation process.

¹ Miller, Ann (2000). Rural Communities in Economic Transition: How CED can Help Them Learn.

Slocan Community Vision Statement

The Village of Slocan is a welcoming, strong community of diverse peoples and cultures. Our co-operative spirit sustains our pristine wilderness, our small town inclusive feel and our variety of unique local businesses. We take pride in our friendliness, the beauty of our village and surroundings, and our harmonious existence with our natural environment and our neighbours now and into the future.

Project-Specific Municipal Vision

The municipality will diversify its tax base in order to be able to maintain or increase services to residents and create a sustainable future for the Village of Slocan.

The project efforts and report outcomes work towards achieving these community and municipal visions.

3. Project Overview

3.1 Project Definition

In early 2009, the Springer Creek Sawmill went into curtailment and was unable to pay its property taxes to the municipality. The mill's property taxes constitute 16% of the Village's total municipal revenues. The closure, combined with an uncertain future for the W.E. Graham School, an aging population and limited local business opportunities prompted concern for a stable socio-economic future for the Village.

In summer 2009, the Village of Slocan Council and staff proposed a project to develop a plan for facilitating and developing a community sustainability and transition plan consisting of a community vision for the village, strategies for economic diversification and community self-sustainability. This plan would precede the Village's upcoming Official Community Plan review. The plan was financed through grant money from the British Columbia Ministry of Rural and Community Development (MRCD) and the Columbia Basin Trust. A project steering committee consisting of the Village Chief Administrative Officer (CAO), several MRCD staff and two Slocan community members was formed to guide the process. Sustainability Solutions Group (SSG) was hired through a competitive process to undertake the work.

The central project components were:

- A community-developed vision to serve as a guide to service planning, strategies and development plans;.
- A map of community and regional assets;.
- A community economic development strategy;.
- Identifying service options for the Village of Slocan based on population and tax projections; and
- A framework to guide the Official Community Plan revision.

Activities addressed within the scope of the project were:

- Establishing a working group to engage in the project development;
- Engaging with community members, stakeholders and business owners in developing a community vision and providing project input;
- Providing an overview of the community and municipal socio-economic circumstances;
- Identifying critical thresholds affecting community viability and service delivery;
- Developing municipal budget scenarios that include Springer Creek Mill operating scenarios and service provision assessment;
- Verifying Aboriginal land claims in Slocan;
- Performing a Village asset and land inventory;
- Identifying local businesses and business clusters;
- Identifying opportunities for economic, tourism and small/medium enterprise development;
- Creating an economic diversification plan;
- Assessing community service issues; and
- Providing input to the upcoming Official Community Plan review.

3.2 Project Methodology

Sustainability Solutions Group took a positive, community building approach to this project. A transparent, collaborative process rooted in appreciative inquiry (determining what is working, what is positive as opposed to what doesn't work, what is missing) engaged the community to focus on using Slocan's positive attributes and assets to foster a more

sustainable economic future. This is a different approach than the traditional strengths, weaknesses, opportunities and threats (SWOT) analysis, which is primarily designed for corporate business venture assessment. An appreciative inquiry approach looks for what is working and amplifies it, instead of looking for what is not working and emphasizing problems.

Figure 2 depicts the process used to create a CED plan for Slocan. Four major areas of input informed the community economic development plan: the public, a working group, the consultant team and previous work. Three public consultations, stakeholder interviews, business surveys and a business workshop were conducted. These yielded important background information, the community vision and goals, sustainability principles, a community assets map, a community economic flows analysis, a local business inventory and business clusters. The working group

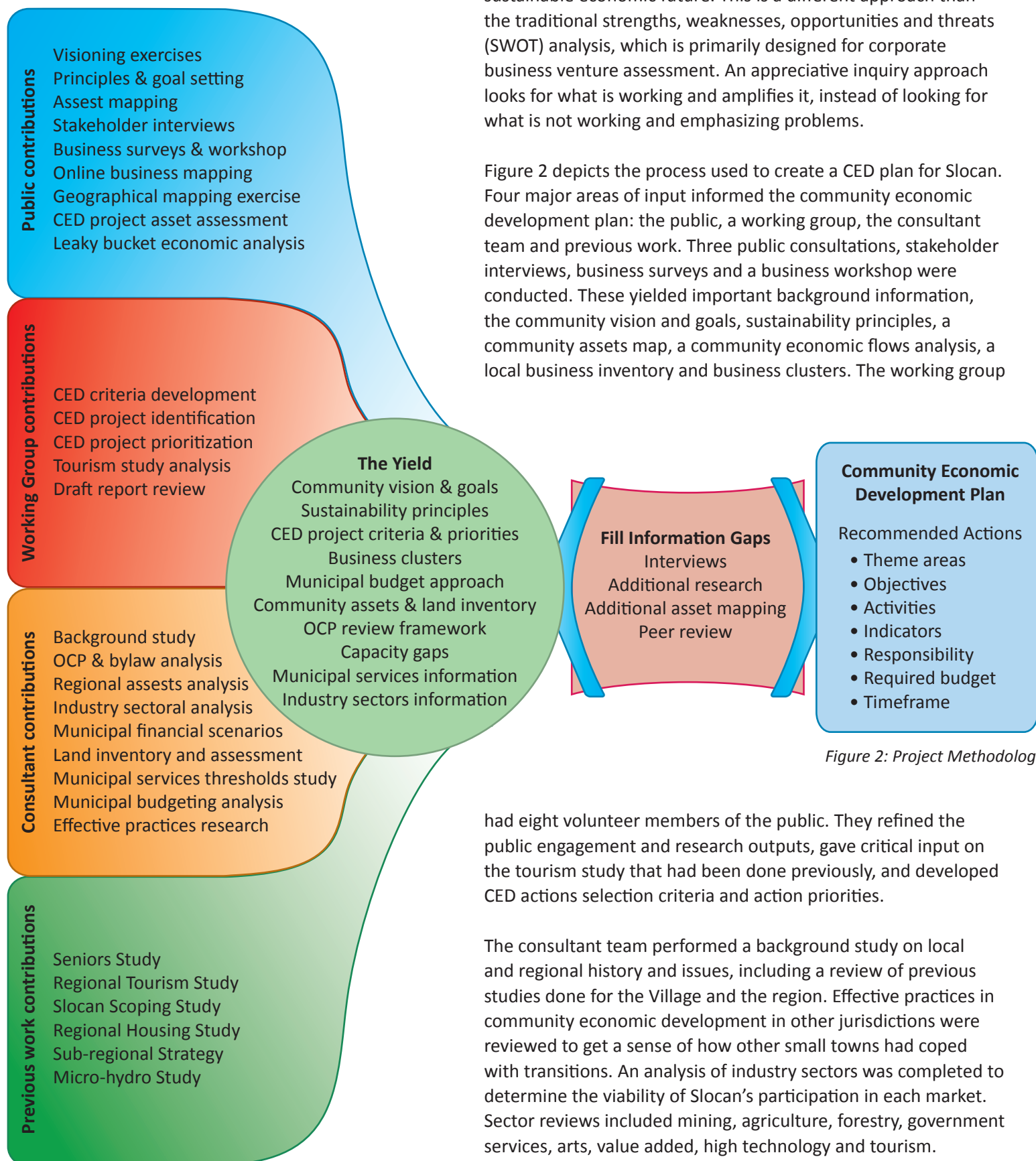


Figure 2: Project Methodology

had eight volunteer members of the public. They refined the public engagement and research outputs, gave critical input on the tourism study that had been done previously, and developed CED actions selection criteria and action priorities.

The consultant team performed a background study on local and regional history and issues, including a review of previous studies done for the Village and the region. Effective practices in community economic development in other jurisdictions were reviewed to get a sense of how other small towns had coped with transitions. An analysis of industry sectors was completed to determine the viability of Slocan's participation in each market. Sector reviews included mining, agriculture, forestry, government services, arts, value added, high technology and tourism.

Research was performed as to the population and conditions thresholds required to maintain the school operations, offer local health services, and maintain water, road and garbage pick up services. A land inventory and assessment were performed to determine the availability of land in the village and the projected tax revenues resultant from full build out. A financial scenarios exercise was performed to estimate the short (1-2 year) and medium (2-5 year) term effects of mill closure and community economic development planning on the municipal budget.

Any information gaps remaining from the public consultations, working group input and consultant team work were filled using additional interviews, research, asset mapping and peer review. Victor Cummings, a well-respected CED practitioner, was engaged to peer review SSG’s work.

Community, Village staff, Council, working group and consultant inputs informed the community economic development framework and determined the priority of actions. Four CED themes were identified, each with a major goal to work toward. Twelve objectives were developed under which forty-five actions were identified (Figure 3).

Each action was assigned an appropriate target, and primary and possible measures of success. Time lines of short term (1-2 years), mid-term (2-4 years) and long term (5+ years) were assigned to each action based on their priority, interaction with one another and time required to complete. Budgets were assigned to each item based on current knowledge and estimated costs. Required Village staff time was estimated for each action as well. The most appropriate local or regional entity was assigned to take lead responsibility for each action while others were assigned supportive roles.

The project was funded with resources from BC’s Ministry of Rural and Community Development and the Columbia Basin Trust. The project had a steering committee consisting of seven members. Four were representative of the Ministry, two members were Slocan residents and one was the Village Chief Administrative Officer.

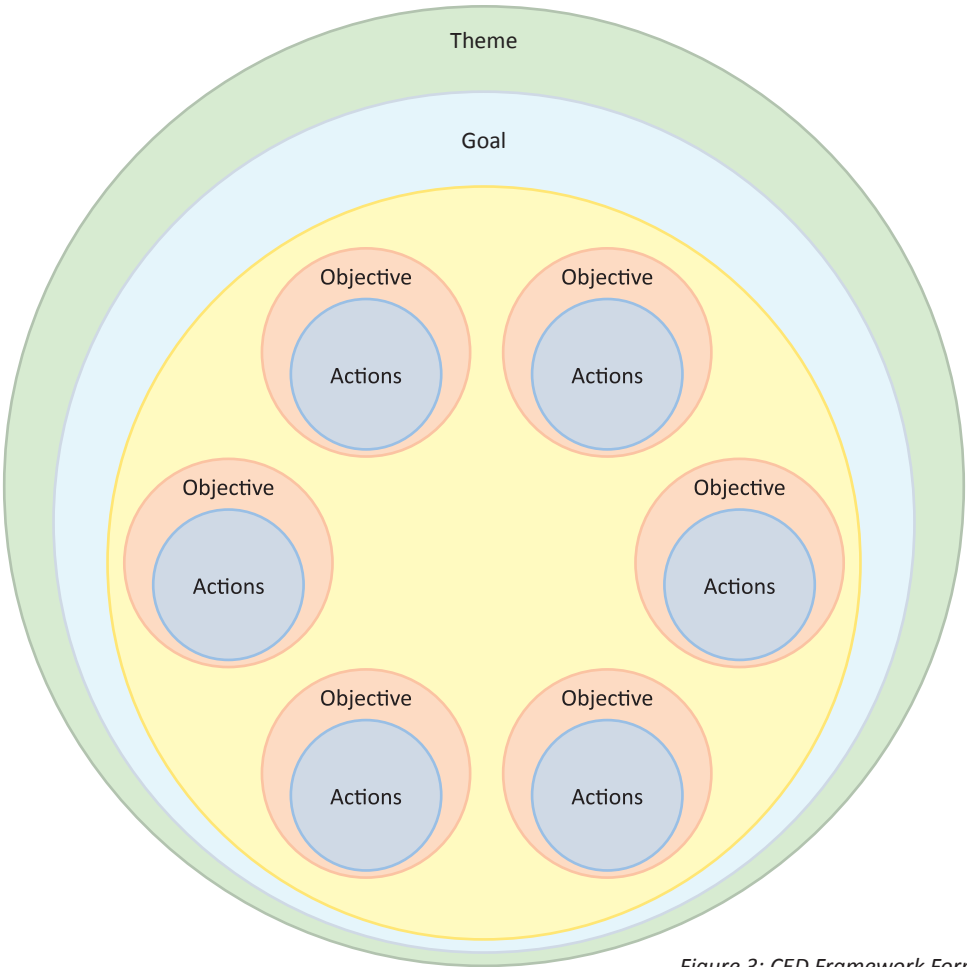


Figure 3: CED Framework Format for Each Theme

Project Assumptions and Limitations

As with any planning process, this project relies on certain assumptions and is prone to information limitations. The consultant team has made efforts to ensure the veracity of information that has been used, including background research, statistical research, interviews, reviewing past studies and anecdotal evidence. Certain limitations of which users of this report should be aware include:

1. Although there was some participant overlap between public engagement sessions, different people contributed to each event. Therefore, different information and opinions were present at each public engagement opportunity. This created some inconsistencies and differences in anecdotal evidence. Also, this pool of residents is not necessarily representative of the entire population of Slocan.
2. Statistics Canada and BC Statistics information was used in determining demographic and economic information. The most recent 2006 Statistics Canada census data is slightly outdated. Statistical information is rounded to the nearest five people, which can create a significant difference in statistical analysis in a village as small as Slocan. For example, the difference between having five accountants or zero in a village of 391 people, when there are actually 2 or 3. Demographic and economic changes during the past four years have been roughly estimated by Village staff and BC Stats.
3. Due to its small size, certain information isn't available or isn't entirely reliable for Slocan. As a result, some information applying to the Slocan Valley region or the Regional District of Central Kootenays has been assumed to apply to Slocan. These assumptions may or may not be entirely accurate. Some information that is not well documented has been estimated by Village staff.
4. The project has used information available at the time of preparation. Project work took place over the course of one year and certain changes are likely to have occurred during this time. As a result, certain assumptions, observations and conclusions may be more or less relevant than they were when presented here.

Given these limitations, the consultant team has done its best to accurately represent and use the available information in the preparation of this report.

4. Situation Analysis

4.1 Geography

The Village of Slocan is located at the south end of Slocan Lake in the Slocan Valley of British Columbia in the Central Kootenay Regional District. It is 70kms northwest (a 45 minute drive) of Nelson, the nearest medium-sized centre, and also 70kms north of Castlegar, where the nearest airport is located. The name 'Slocan' comes from the Sinixt First Nations word meaning "to strike or pierce on head," the practice of harpooning salmon. At one time, the area had an abundance of salmon. The Village is about 0.75 square kilometres and is the gateway to the Valhalla Provincial Park.²

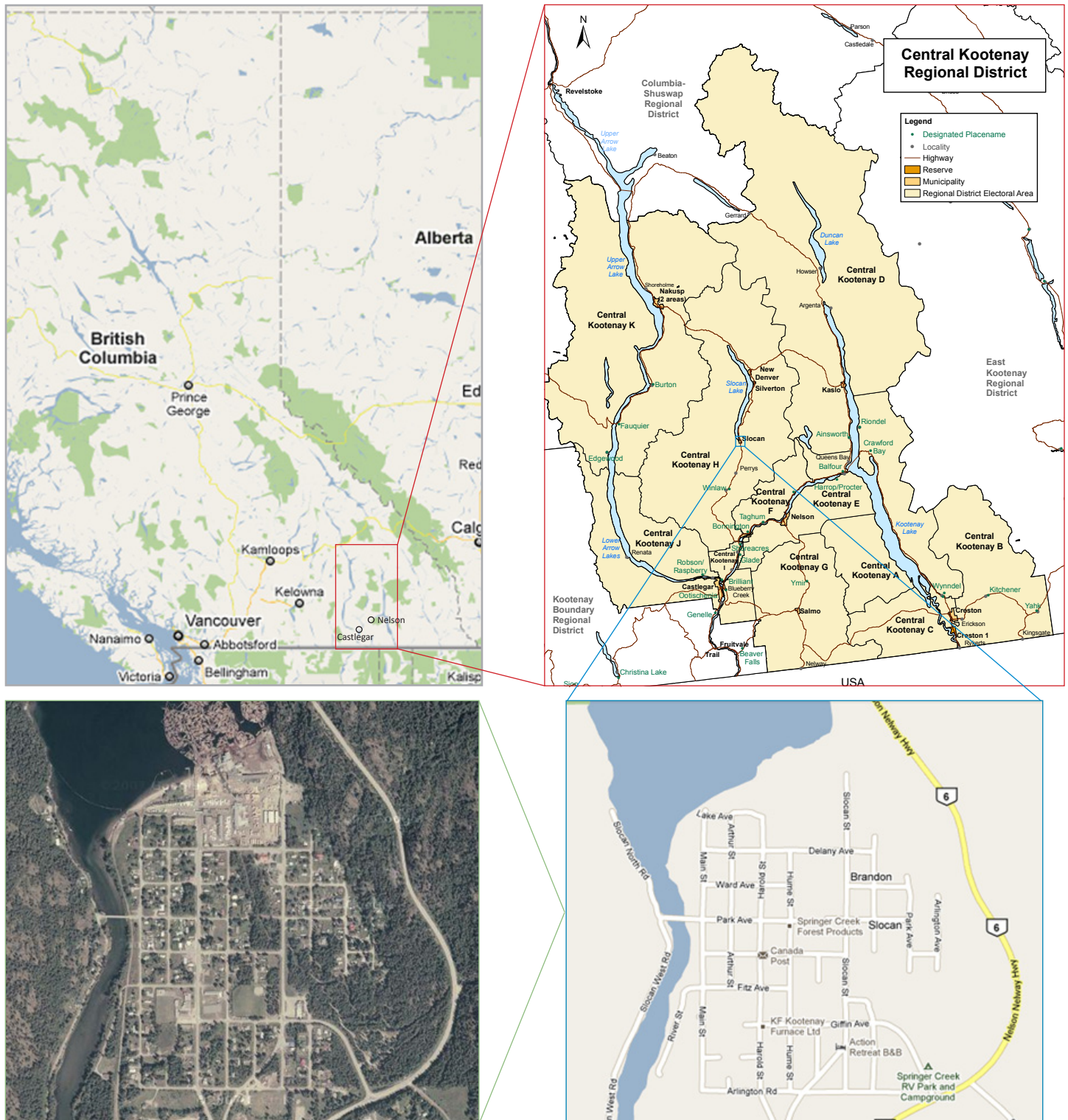


Figure 4: Provincial, Regional District, local and satellite view maps of Slocan

² Maps provided by 2010 Google Map data except top right, provided by BC Stats.

4.2 Village History³

As with many interior British Columbia small towns, Slocan City was formed in 1892 during the boom days of ore mining in the late 1800s. Silver was the initial draw for miners and their families. Logging and saw mill operations soon followed, supported by banks, numerous hotels, hospitals and various amenities. The population of the city peaked with around 1500 residents in the late 1800s to early 1900s.

Over the years bridges were built across Slocan River, expanding the road network and access to land. The population declined throughout the early 1900s due to the mines and a lumber mill closing, largely as a result of worker unionization (higher wages) and weakening ore and lumber prices. By 1920 the population of the City was only 250 people and passenger trains had stopped running to Slocan. However, infrastructure for social support systems, such as the Odd Fellows hall, continued to be developed. Some of these buildings are still present and in use today.

The first high school opened in the 1920s along with a second Odd Fellows hall which is now the Silvery Slocan Legion. The Slocan Lake highway was created to allow traffic between Slocan and the north valley. The Women's Institute formed in the late 20s and is still in operation today.

The early half of the 20th century saw many businesses close and what would have been heritage buildings fall into disrepair. Despite this, the population rose slightly and the W. E. Graham School was built in 1950. The City reincorporated to Village status in 1958. In the 60s and 70s the Slocan Inn was built and a new post office was established. Triangle Pacific Forest Products mill started up in the 70s, later to become Slocan Forest Products, then Canfor (2004), and finally Springer Creek Forest Products (2005).

4.3 Springer Creek Sawmill

The Springer Creek sawmill is the only major industry in Slocan, providing two thirds of the Village's property taxes, about one-sixth (16%) of its total revenue. In full operation, the mill has 120 direct employees (105 in the mill, 15 in the office) and 120 independent loggers and truckers. Most workers live throughout the Valley with only an estimated 20 workers and 20 truckers living in the Village.

Challenging domestic and U.S. markets have forced Springer Creek to explore Asian markets. The mill has been moving toward producing specialty products, which offer better returns and match its high quality wood supply.

Springer Creek went into curtailment in April 2009 and was late paying its 2009 municipal taxes. The Village received \$230,000 in revenue anticipation borrowing from the Municipal Finance Authority to fill its temporary budget gap. The 10% late penalty on the principal tax amount was transferred to arrears taxes, which were eventually paid in 2009. A late payment penalty was waived by the Province under exceptional circumstances. The mill reopened as of fall, 2010 and is in part-time operation. The Village has agreed to decrease the mill's property taxes by 5% for each of the years 2009, 2010 and 2011.

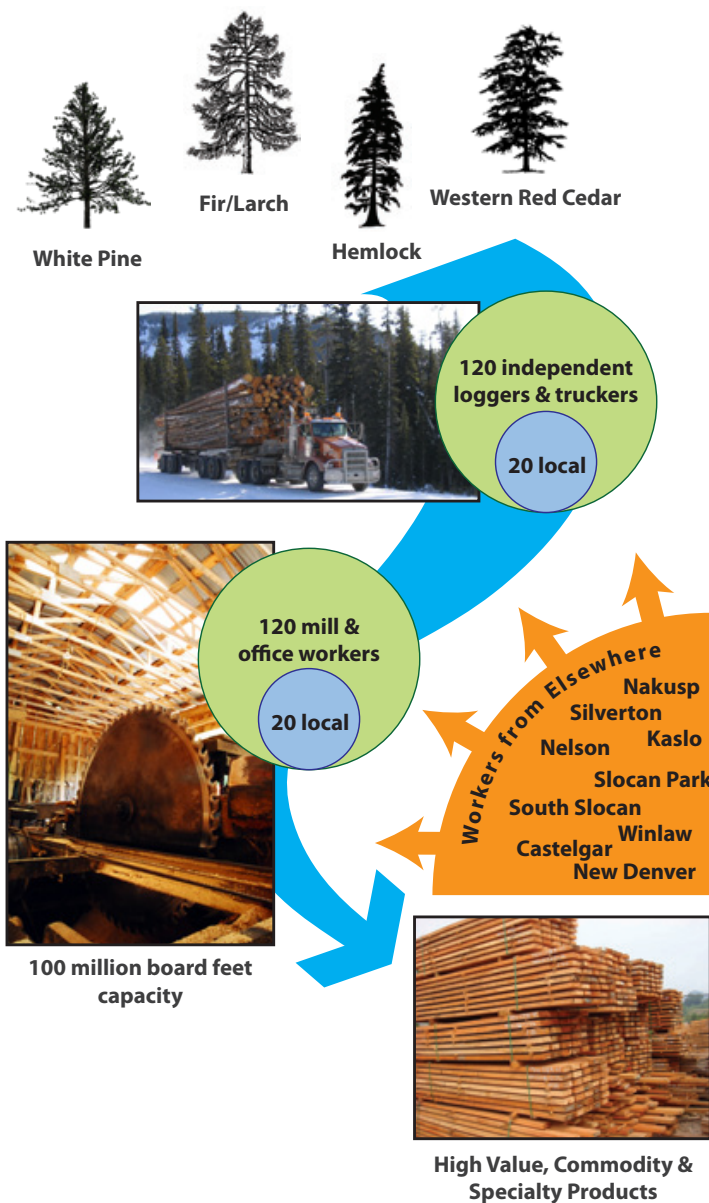


Figure 5: Product flow at Springer Creek Sawmill

³ History of Slocan information compiled from the Village website (www.slocancity.com) and the Slocan Legion Cookbook - Historical Information.

4.4 Regional Economic Situation⁴

4.4.1 Population Trends and Labour Force

The population of the Slocan Valley is approximately 4300 people. The population of Slocan and the Western Kootenay Boundary⁵ (WKB) has been declining and aging since 1996. Between 1996 and 2006, the region's population decreased by 7.4%. A 2% population increase is expected in the next 10 years; all net gains will be in people over 65 years old.

The RDCK labour force declined by 605 people (2%) from 2001 - 2006. WKB labour force age cohorts (18 – 64 years old) are projected to decline by 4.2% by 2011. Primary and secondary school student (up to 17 years) enrolment will decline by 10.4% in the WKB by 2011.⁶

Implications for the regional economy:

1. Public and private sectors will shift from providing services to school age children to providing services to seniors;
2. Income from pensions and investments will take up a larger percentage of the income generated in the region;
3. Clustering businesses, particularly knowledge-based industries, has shown to lead to innovation and increased markets. A shrinking and aging population presents a challenge to fostering innovation through clustering; and
4. Smaller populations have some competitive advantages, such as offering a sense of community to newcomers. An emphasis should be placed on attracting young people, including families and international immigrants.

4.4.2 Business

In 2008, there were a total of 3,594 businesses with employees in the WKB. Between 2001 and 2008, the number of businesses in the RDCK increased by 35, while the number of businesses in the Regional District of Kootenay Boundary (RDKB) decreased by 113.

In 2008, there were 4,691 businesses in the RDCK: 1,355 in the goods producing sector and 3,336 in the services sector. The greatest number of businesses were in construction (676) followed by retail trade (516), agriculture, forestry, fishing and hunting (444), professional and scientific services (436) and real estate (407). There was no change in the number of self-employed persons between 2001 and 2006. There are 5,210 self-employed; 1,730 of whom have paid help.

From 1999 – 2008 the number of businesses agriculture, forestry, fishing and hunting, the public sector and food and accommodation services decreased. During the same time frame, the number of businesses in construction, finance, insurance and real estate and professional, scientific, and technology increased.⁷ It is unlikely that the number of businesses related to construction and real estate is as high as it was between 2001 and 2008, however, data is unavailable beyond 2008.

55% of Nelson area business owners will retire their business in the next ten years. 85% of business owners have not identified a successor.⁸ Business owner interviews during this project indicate a similar scenario for Slocan's businesses.

Implications for the regional economy:

1. Businesses are shifting their base from resources to knowledge. Education investments will be a determining factor in the region's ability to meet future economic needs.
2. Many Slocan residents earn employment and business income outside the Village of Slocan. Due to the small population and market area of Slocan, they will need to continue to earn income outside the Village.
3. The Village of Slocan has a rural revitalisation leadership opportunity in matching retiring business owners with new immigrants and urban families in order to increase the Village's population and diversify the economy.

⁴ Information in this section compiled from BC Stats and 2006 Canada Census data unless otherwise indicated.

⁵ The Village of Slocan is one of nine municipalities and 11 electoral areas of the Regional District of Central Kootenay (RDCK). The RDCK, together with the District Kootenay Boundary make up the geographic area known as West Kootenay Boundary (WKB).

⁶ 2006 Statistics Canada projections.

⁷ Penfold, George (November, 2009). Community Economic Stability in the Slocan Arrow Lakes Region.

Retrieved from: <http://selkirk.ca/media/innovation/regionalinnovationchair/dataresources/Slocan-Sustainability.pdf>

⁸ Mike Stolte and Associates. (November 2008). Nelson Business Succession Survey.

4.4.3 Jobs and Incomes

In the RDCK, the highest number of jobs are in retail trade (3,355), health care and social assistance (3,105), manufacturing (2,870), construction (2,755), accommodation and food services (2,105), educational services (2,090) agriculture, forestry, fishing and hunting (2,055) and professional and scientific (1435). Table 1 and Figure 6 summarize the employment sectors for the Arrow Lakes and Nelson Local Health Areas as compared to BC overall.

Table 1: Employment by sector

Employment Sector	Arrow Lakes LHA	Nelson LHA	BC
Management	9%	9%	11%
Professional	11%	15%	14%
Trades/Technical	19%	18%	29%
Lesser Skilled	61%	58%	46%

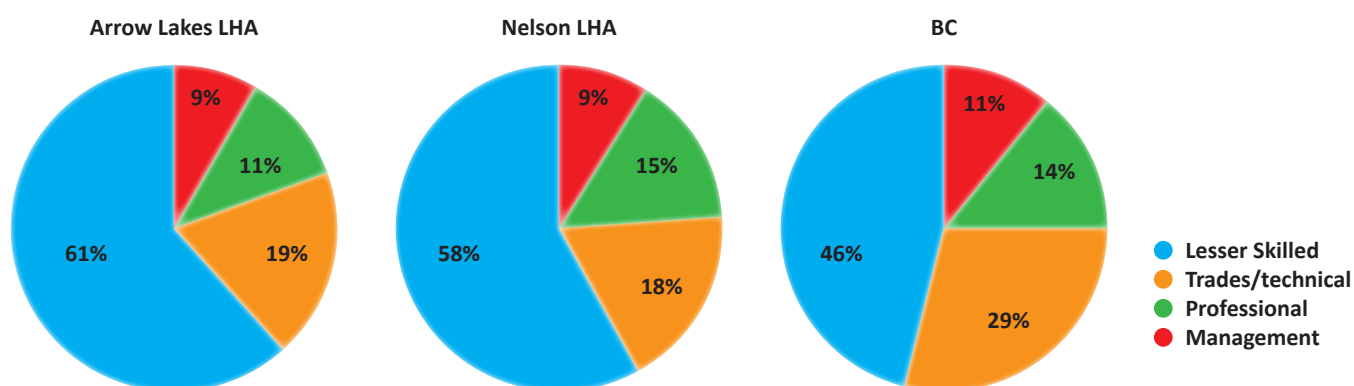


Figure 6: Comparison of employment by sector in the Arrow Lakes LHA, Nelson LHA and BC.

Income dependency provides another view into the economy: it indicates how individuals derive their income, as shown in Figure 7. Government transfer incomes are likely pensions and non-employment incomes are likely investment income.

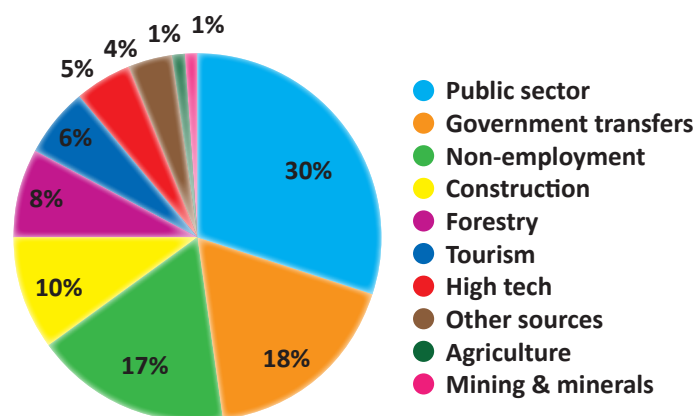


Figure 7 Nelson LHA Income Dependency

Slocan is in the Nelson Local Health Area where 10% of families have incomes less than \$20,000, while the vast majority (64%) have incomes between \$20,000 - \$79,999 and 26% have incomes greater than \$80,000. Incidence of low income is 12.6% - close to the BC average of 13.3%. A very high proportion of income is derived from non-employment income and a large proportion of jobs are in low-paying sectors such as retail trade, accommodation and food services. Resource sectors such as agriculture and forestry are declining in terms of both jobs and income.

Implications for the regional economy:

1. The structure of the regional economy relies heavily on retirees' income sources (pensions and investments) and produces an over-abundance of low-paying, low-skill jobs. The economy is slated to continue along this trend.
2. Economic development activities should include an equal focus on value-added manufacturing (to extract as much value from resources as possible) and knowledge-based sectors such as scientific, education and technology.
3. Programs that place an emphasis on increasing the population of young people should be prioritized.

4.4.4 RDCK and Nelson Census Sub-Division Business Trends

Table 2 summarizes the business trends over the last decade in the RDCK.

Table 2: Business trends in the RDCK

	Total Businesses 2008	Change 1999 - 2008	% Change 1999-2008	With Employees	Without Employees
All Industries	4,691	584	12.4%	18	566
Goods Producing	1355	98	7.2%	-23	121
Agric., Forestry, Fishing & Hunt.	444	-12	-2.7%	-75	63
Mining & Oil & Gas Extract.	27	8	29.6%	7	1
Utilities	18	8	44.4%	4	4
Construction	676	81	12.0%	37	44
Manufacturing	190	13	6.8%	4	9
Services Producing	3,336	486	14.6%	41	445
Retail Trade	516	3	0.6%	26	-23
Finance & Insurance	170	60	35.3%	22	28
Real Estate, Rental & Leasing	407	134	32.9%	0	134
Professional, Scientific & Tech.	436	122	28.0%	13	109
Mgmt. of Companies & Enterprises	120	49	40.8%	-16	65
Accom. & Food Services	287	-18	-6.3%	-14	-4
Other Services	358	44	12.3%	24	20
Public Administration	26	-19	-73.1%	-20	1

Over the past decade (as of 2008) the number of businesses in the RDCK has increased, with significant gains in the mining and oil, utilities, financial, real estate, professional and management sectors. The traditionally strong sectors of agriculture and forestry, accommodation and food services, and public administration have all declined.

The British Columbia Local Area Economic Dependencies: 2006 report produced by BC Stats (2009) provides an economic overview for 63 regions of the province. The analyses show the economic dependency, diversification and vulnerability of these areas. The information is based on census data gathered from Census Subdivision Districts (CSDs). Slocan is included in the Nelson CSD along with Salmo, Nelson, Kaslo, Silverton, New Denver and Electoral Areas D,E,F,G and H. Tables 3, 4, 5 and 6 are partial tables reproduced from this report.

Table 3: Percent Income Dependencies (After-Tax Incomes, 2006)

	Forest	Mining & Min Proc	Fish- ing	Agric. & Food	Tourism	High Tech	Public Sector	Const	Film Prod	Other	Trans. Pay- ments	Other non-emp inc
KOOTENAY												
40 Fernie	6	44	0	0	8	0	13	6	0	2	11	9
41 Cranbrook-Kimberley	12	6	0	1	7	0	26	9	0	7	17	16
42 Invermere	13	12	0	2	16	0	16	13	0	3	11	13
43 Castlegar-Arrow Lakes	23	4	0	1	5	1	22	9	0	4	17	14
44 Nelson	9	2	0	1	7	4	28	10	0	5	18	17
45 Creston	8	5	0	7	4	0	19	6	0	1	26	24
46 Grand Forks-Greenwood	23	2	0	4	3	0	17	7	0	4	24	18
47 Trail-Rossland	4	19	0	0	4	1	24	6	0	6	17	18

The Nelson CSD is most dependent on the public sector, provincial transfer payments and other non-employment income. The neighbouring Castlegar-Arrow Lakes is most dependent on forestry and the public sector, and then on transfer payments.

The economic diversity of the Nelson CSD has increased (Table 4) over the past 15 years while its forest vulnerability index has decreased (Table 6). At the time of the study, the highest diversity index in the province was 79 while the lowest

was 51. The highest forest vulnerability index was 100 and the lowest was 0. The Nelson CSD is doing comparatively well by this measures. The Castlegar-Arrow Lakes forest vulnerability index is very high compared to the Nelson CSD, indicating that the region is greatly dependent on forestry revenues, as also indicated in Table 3, and will suffer if the forestry industry declines.

Table 4: Diversity Indices 2006-2001-1996

KOOTENAY	2006	2001	1996
40 Fernie	59	61	57
41 Cranbrook-Kimberley	73	74	73
42 Invermere	79	74	73
43 Castlegar-Arrow Lakes	72	69	67
44 Nelson	71	69	68
45 Creston	69	68	70
46 Grand Forks-Greenwood	69	69	70
47 Trail-Rossland	71	66	67

Table 5: Forest Vulnerability Indices 2006-2001-1996

	2006	2001	1996
40 Fernie	12	15	16
41 Cranbrook-Kimberley	15	17	21
42 Invermere	13	22	28
43 Castlegar-Arrow Lakes	31	37	49
44 Nelson	12	19	19
45 Creston	11	14	15
46 Grand Forks-Greenwood	34	38	36
47 Trail-Rossland	4	4	8

The location quotient (Table 6) estimates the level of industrial specialization within local areas or regions. It measures the concentration of certain industry sectors in the area relative to the provincial economy. A low location quotient value indicates that the local area is not very active in a particular industry. A high value indicates that the industry is very active in this area relative to the rest of the province. At the time of the study, the Nelson CSD high tech sector location quotient was the highest in the province.

Table 6: Location Quotients (based on Employment)

	Forestry	Mining & Min Proc	Fish- ing	Agric. & Food	Tourism	High Tech	Public Sector	Const	Film Prod
KOOTENAY									
40 Fernie	0.58	8.93	0.00	0.22	1.26	0.10	0.47	0.67	0.00
41 Cranbrook-Kimberley	1.12	1.67	0.11	0.42	1.36	0.03	0.92	1.02	0.70
42 Invermere	1.14	1.49	0.27	0.47	2.15	0.04	0.49	1.40	0.00
43 Castlegar-Arrow Lakes	2.12	0.92	0.00	0.26	1.01	0.87	0.79	1.02	0.00
44 Nelson	1.05	0.59	0.00	0.38	1.22	2.64	0.93	1.12	1.42
45 Creston	0.96	1.65	0.02	3.11	0.94	0.12	0.80	0.80	0.00
46 Grand Forks-Greenwood	2.21	0.77	0.00	2.06	0.75	0.00	0.71	0.82	0.97
47 Trail-Rossland	0.49	5.06	0.00	0.12	0.94	0.81	0.98	0.82	0.40

These three tables indicate the following economic characteristics for the Nelson CSD and Slocan:

1. The public sector and provincial transfer payments are the greatest income dependencies;
2. The regional economy is relatively diverse compared to neighbouring regions and the rest of the province;
3. Residents in this area are not as dependent on the forestry sector as residents of neighbouring areas;
4. The area has become less vulnerable to changes in the forestry industry over the past two decades; and
5. The high tech industry is comparatively active in the region. This is good, but it also means that the area is susceptible to declines in the provincial, national and global high tech industry.

4.5 Economic Sector Analyses

4.5.1 Forestry

Provincial Situation

Forest products are BC's most important export commodity, historically accounting for more than half the province's total international goods exports value. Forest product export revenue has declined in recent years as the cost of exported energy and industrial goods has risen while forest product prices have fallen. BC's 2009 Allowable Annual Cut (AAC) was 69,645,028 m³/year. 76% of BC's wood products are sold to the U.S., 12% are sold to Japan and 5% to China.⁹

Almost all of the wood produced in BC is softwood, used to make lumber, plywood, shakes, shingles, newsprint, and pulp and paper products. About half of the softwood lumber produced in Canada comes from BC. Since 95% of BC's land base is publicly owned,¹⁰ the management of the forest resource rests largely with the provincial government, which allocates the right to log crown land through the sale of stumpage fees and a regulated annual allowable cut.

The forest sector has faced many challenges in recent years. The recent downturn in the U.S. housing market due to the sub-prime mortgage crisis, limited credit availability, and a surge in unemployment resulted in demand for lumber plummeting 33% in 2008 to levels not seen since the 1930's economic depression. This drop is expected to level off in the next two years, but a significant lumber market recovery is at least four years away.¹¹

Lower prices for forestry products, a long dispute over softwood lumber exports to the US and a mountain pine beetle epidemic, which has devastated forests in interior BC, added challenges to BC's forestry industry. These challenges have created a shift in the BC forest sector. Large scale, single product operations, while downsizing, are exploring the potential of value added products, stewardship certification and community owned operations.

Regional Situation

Of BC's AAC, 28,494,041 m³/year (41%) is in the Southern Interior Region. Of the 34 interior provincial local economic areas defined by BC Stats, 24 rely on the forest industry for the dominant share of employment income (exclusive of the public sector) making a healthy forest sector critical to their future. The forest sector in the Kootenay region has seen a number of mill closures in recent years. International Forest Products Ltd. (Interfor) closed their Castlegar mill in 2008 and it has only recently reopened. The mill was unable to pay its municipal taxes and the municipality of Castlegar has offered a tax reduction to make the operation more viable. Similar scenarios have played out all over the province in various municipalities in recent years.

Sub-regional Situation

Tree Farm Licence (TFL) 3 is located in the West Kootenay region of the south central interior of BC. The TFL is a single continuous unit which borders on Valhalla Provincial Park near the Village of Slocan. It is held by the Springer Creek Mill and is administered by the Arrow Forest District, which is part of the Nelson Forest Region. The Allowable Annual Cut (AAC) for Springer Creek Mill out of TFL 3 is 80,000 m³/year effective March 30, 2010.¹² Springer Creek Mill also operates a forest licence that provides an additional 100,000 m³/year. This volume is comparatively small as other mills often average more than 500,000 m³/year. Very large mills can average 3-5 million m³/year.

The total land base used in the analysis for TFL 3 is 79,796 hectares of which 50,817 hectares (64%) are considered productive forest. The licence area consists of a variety of commercial tree species including spruce, balsam (true firs), Douglas fir, hemlock, and larch, as well as minor components of lodge pole pine and western red cedar.

Several other mills hold tree licenses in the Slocan Valley and surrounding region. Although competition is inevitable, there is some specialization in wood types used and products between mills so that each mill has a chance to operate with some economic sustainability.¹³

⁹ Logging and Sawmilling Journal (L&S J) and TimberWest Journal. January/December 2009

¹⁰ COFI Forest Education Program website: www.forest-education.info/forest-facts/index.html

¹¹ British Columbia Forest Products – 2009 Trend Analysis in Export Markets

¹² KPMG Forest Certification Report 2010

¹³ Ralph Tomlin, Springer Creek Mill manager, personal communication.

Forestry and Slocan

Slocan's Springer Creek Mill closed April 2009 due to market conditions and reopened in the spring of 2010, operating under capacity. The financial stability of Springer Creek Mill is uncertain as it is largely dependent on U.S. and Japanese market demand. The majority of Springer Creek Mill's clients are in Japan; they prefer a high quality product from a supplier they know and trust. If the US markets remain in decline, the low volume and higher value export forest products are critical to small business viability. Springer Creek Forest Products currently employs 65 people in one shift in the mill. For every processing job in the mill there is one job in layout work, harvesting, road building, tree planting or deactivation created in the forest operation.

Slocan Integral Forestry Cooperative (SIFCo) is a community-based forestry company that uses ecosystem-based management. SIFCo is creating a socially responsible mechanism for including valley residents in planning for forest uses. Keeping jobs and profits local, and supporting local entrepreneurs with opportunities and a variety of forest-based raw materials, are integral components of SIFCo's management plan. SIFCo supplies wood to a number of local entrepreneurs including Ecozy Micro Homes Ltd., TRC Timberworks and Kootenay Spoons. To successfully operate a fully commercial community forest, the allowable annual cut needs to be in the 50,000 m³ to 100,000 m³ range, depending on species mix, difficulty of terrain and regional demand for special log sorts.

There is a small demand for local wood supply to support Slocan-based business and businesses in neighbouring communities. A number of local businesses have expressed interest in obtaining a local lumber supply for local construction as well as for a few operations that require particular species and sized wood for specialty products (e.g.: local cabinet and furniture making). There is an opportunity to connect these potential local buyers with SIFCo or other local forest contractors to meet these needs. Residents of Slocan have also expressed interest in procuring local firewood. Community-based forestry business may be more successful if marketing and brokering is approached as a regional initiative.

4.5.2 Government Service Sector

Schools, health services and government services traditionally provide relatively well-paying jobs in rural areas of BC. However, the province of BC is facing a reduction in regional staff which will impact the Slocan Valley, though it is anticipated that BC Parks staff will remain in the region. Most parks staff are based in Nelson; none are stationed in Slocan. The Federal government has limited staff in the region outside of the RCMP and the Department of Fisheries and Oceans, which are both based in Nelson. Slocan currently has no local health services and is facing the closure of the W.E. Graham School. There is some opportunity to develop the unique programming at the school into a charter school-type program, which may encourage higher enrolment and staffing positions.

The Slocan workforce has become more flexible, with self-employment, part-time, seasonal, casual, and home-based employment made possible by telecommuting. Much of this flexible work is derived from government service contracts. Knowledge-based work of this sort presents the potential for young families to locate in Slocan as opposed to larger centres. For this to occur, Slocan has to be appealing to workers for reasons other than the employment offered in the area. The Wellness Centre represents an opportunity to make a business hub that could support small business, home-based business owners and telecommuters.

4.5.3 Agriculture

Agriculture has historically played a significant role in the Slocan Valley economy. Extensive fruit orchards, root crops and dairy farms existed in the past. After boundary adjustments removed one-third of the area in 1994, there are now 4,800 hectares within the Agriculture Land Reserve in the valley. Approximately 18% of these lands are now being farmed, leaving ample opportunity for farming activity expansion. Flooding of the valley bottoms throughout the rest of the Kootenay region has left the Slocan Valley with an important segment of the limited farmlands that remain in the region.

Commercial agriculture has grown rapidly in recent years. Local commercial products include vegetables, fruits and

berries, primarily for local distribution. Organic farming has especially blossomed as a viable enterprise. Organic growers have initiated a local growers' regulatory body - the Kootenay Organic Growers - that has 40 members and 18 certified farms. This specialty production has a strong local market; Nelson is the number one consumer of organic produce per capita in North America. Most local commercial farms are family operations focused on seasonal production, with limited labour requirements during the summer months. Some enterprises have added greenhouses to allow production throughout the year. 75 people are employed in the agriculture sector in the Slocan Valley, all with mid-range incomes.¹⁴

Local producers currently supply only 5% of the organic produce market.¹⁵ The inability of existing Slocan Valley growers to provide a continuous supply to local markets is an impediment that could be alleviated with over-winter storage facilities and increased use of available farmland. While the local organic markets present large, real opportunities, a collective marketing approach is needed to avoid unproductive competition in the sector. As with other small businesses in Slocan, the lack of access to business support and financing, and the need for specialized equipment and distribution mechanisms are obstacles to better business performance in this sector.

There is substantial opportunity for high quality, niche-based micro farms in the Slocan Valley. Residents and farmers in the area have expressed interest in establishing community supported agriculture, where food consumers finance producers directly. There is also an opportunity for these farms to contribute to tourism activities in the valley.¹⁶ Many area residents support the existing New Denver market, and local opinion suggests that there may be enough product and consumers to open an additional market on a different day in the Village of Slocan. Slocan area farmers may also be interested in processing local produce to create higher value products. Although cooperative processing facilities are needed to support this initiative, the existing community kitchens (Appledale, Vallican Whole, Slocan School, etc.) are seen by some to provide adequate facilities.

The lack of skilled farm workers limits some operations and most operators can only provide part-time work. The absence of an organic horticulture-training program in the province is also seen as an obstacle to further developing substantial additional agriculture in the valley. However, the presence of land suitable to agriculture, hobby farms and ranches presents opportunities for Slocan to attract residents to live in the village and farm nearby.

4.5.4 Arts

The beauty of the Slocan Valley and the reasonable cost of living has attracted many artists to Slocan. It is estimated that 8-10% of the total valley population could be described as artists.¹⁷ The Slocan Valley arts community includes writers, publishers, furniture makers, weavers, fabric dyers, musicians, graphic designers, commercial artists, book designers, illustrators, dancers, choreographers, actors, sewers, jewelry makers, potters, sculptors and photographers.

Most artists in Slocan and neighbouring communities produce a mix of one-of-a-kind, high-end art pieces and production work as well as cheaper per unit costs at higher volumes. Production artists may hire people prior to big shows. Most of the art produced in the valley is sold through wholesalers, mail order businesses and craft sales/shows. Consequently, most sales are in markets outside the valley (Calgary, the BC lower Mainland, and Toronto). Local sales are limited, but there is a desire to develop the local market. Recently, an art gallery/theatre has opened in the Village of Slocan, which should draw new talent and interested Valley residents to the community.

The Slocan Valley Arts Council has increased opportunities for existing artists to initiate seasonal, regional cooperative marketing efforts to expose more local people to the local art community, and to make local art more accessible to tourists. A brochure highlighting the unique arts identity of the Slocan Valley, with a map showing the location of art studios and sales sites would be helpful. Marketing high profile one-of-a-kind pieces is also seen to be effective in raising the profile of valley art. As with most small businesses, the small artistic enterprises in the valley may benefit from business support, combined marketing and selling, and financing.

¹⁴ www.agf.gov.bc.ca/resmgmt/sf/Publications.htm#agbriefs

¹⁵ www.slocanvalley.com/browse_directory.php?cat_id=2

¹⁶ *Niche Market Agriculture Production Opportunities for the Kootenays*, Clint Ellison & Andrea Gunner, 2005.

¹⁷ *Social and Economic Trends In The Slocan Valley*, Gary Holman, 2004.

4.5.5 Mining

In the last decade, the finite nature of mining resources, coupled with limited international markets and increased government regulation, have limited new exploration and mine development in the Slocan Valley. The only operating mine in the Slocan Valley vicinity is the Trout Lake molybdenum mine to the north. There have been four recent exploration developments:

- Silvana Mine in Sandon;
- Willa Mine outside Silverton;
- Black Crystal Graphite Mine in the Koch Creek area; and
- Canadian Sapphire gemstone and crystal mining in the Little Slocan/Vallican area.

Prospecting and mine claim maintenance continues to be active, generating minor expenditures, totaling about \$500,000 in 2006.¹⁸ This constitutes a historical, near record low for the area. Total employment generated by the mining sector is estimated at 15 jobs.¹⁹ The average income associated with active mining jobs is relatively high. Prospecting and mine development income is usually lower and highly variable.

There are large deposits of sand and gravel near the valley bottom and lower hillsides along the Slocan River where two active gravel pits are currently operated. These resources show great immediate potential for development should further construction or expanded maintenance of road infrastructure occur in the area. There are rich pockets of minerals in the area, but as they are relatively expensive to extract, few immediate opportunities exist.

Slocan Valley' residents' values and anti-development attitudes are not in alignment with mining as an economic opportunity and this is viewed as an obstacle to this industry. Overall, mining offers very few benefits to economic development in Slocan and very little prospect to aiding Municipal revenues.

4.5.6 Tourism

Provincial Situation

Approximately one in every 14 jobs in British Columbia is a result of tourist activity, making the tourism sector one of the largest employers in the province. Job growth in some tourism-related industries slowed in 2009 as many businesses struggled with the economic downturn, expanding a marginal 0.8%, a quarter of the 3.2% growth experienced in 2008.²⁰ Hardest hit was the accommodation industry, dropping 7.3% of employees.²¹ Earnings at BC's accommodation industry dipped slightly (-0.1%) in 2009 and for the first time in 6 years, annual room revenues fell by 11.5%.²² In 2006, British Columbia had 22.5 million tourists: half from BC, 4.8 million from other areas of Canada and 5 million from the US. Tourism in the Kootenay region accounted for \$104 million in 2006, which was up 7.1% from 2005. In 2009, there were 117,900 people working in British Columbia's tourism sector.²³ About half (56,800) had jobs in accommodation & food services, while 29,000 worked in the transportation industry. Another 20,700 people working in retail trade had jobs related to tourist activity, while the remaining 11,400 were working in other industries.²⁴

Regional Situation

3.3% of provincial custom entries into BC in 2009 came through the Kootenay Rockies region.²⁵ Room revenue in this region was down 1.2% in 2008 from \$134,879,000 in 2007.²⁶ The Central Kootenay Regional District has experienced an increase in room revenues so far in 2010, up 15.7% from 2009.²⁷ The month of May has the highest room revenue on average and the month of January the least. 90% of tourism industry businesses in the Kootenays are small businesses. 83% of tourism spending is by visitors with annual household incomes of \$70,000 and over.

18 <http://www.slocanlake.com/business/actionplan/novdraftrep.html>

19 www.valleyvoice.ca/pdf/060927.pdf

20 BC Ministry of Tourism, Culture and the Arts website (August 1, 2010). Retrieved from www.tca.gov.bc.ca/research.

21 BC Ministry of Tourism, Culture and the Arts website (August 1, 2010). Retrieved from www.gov.bc.ca/tca.

22 BC Ministry of Tourism, Culture and the Arts website (August 1, 2010). Retrieved from www.tca.gov.bc.ca/research/IndustryPerformance/pdfs/year_review/Year-In-Review_2008.sflb.pdf.

23 BC Stats website (August 1, 2010). Retrieved from www.bcstats.gov.bc.ca/pubs/pr_tour.asp.

24 Ibid.

25 Ibid. 20.

26 Ibid. 22.

27 Ibid. 20.

The Castlegar Airport is the closest airport to Slocan, which experienced an increase in passenger volume of 7.5% in 2008 to 86,061 passengers from 80,085 in 2007.²⁸ An average of 8,250 vehicles travelled up and down Route 6 past the Village of Slocan in July 2007. While much of this traffic is not tourism related, it is an indicator of overall highway use.²⁹

There are 19 visitor centres in the Kootenay Rockies region, including Nelson, Cranbrook, New Denver, Nakusp and Slocan. These visitor centres provide information to tourists and direct visitors to local businesses in the region. 184,085 tourists visited these centres in 2007. This number decreased to 153,791 in 2008, a drop of 16.5%.³⁰ The centres are more highly frequented in July and August with an average of 37,000 visitors. January and December are the least visited months averaging 3,500 tourists.³¹

Sub-Regional Situation

The communities of the Slocan Valley are home to three provincial Class “A” parks, with a total area of approximately 80,000 hectares. These areas provide a protected land base from which wilderness-based recreation activities take place. These parks include:

- The Valhalla Park on the Western Shore of Slocan Lake;
- Kokanee Provincial Park which encompasses the Eastern mountains between Enterprise Creek and Lemon Creek; and
- Goat Range Park in the north east corner of the Slocan Valley.

The Ministry of Forests manages a number of remote campsites and hiking trails on Crown land in the valley. Of particular note is the Idaho Peak Lookout site near the community of New Denver, which is one of the busiest Ministry of Forests recreation facilities in the region. There are also a number of privately owned and operated campgrounds and RV parks in the Valley. Commercial back-country recreation activities in the Slocan Valley include ski touring, hiking, mountain biking and horseback riding. However, most of the existing operators are not licensed commercial backcountry tenure holders. Currently there are only two tenured licensees operating in the Slocan valley. Both offer winter backcountry ski touring with some summer hiking opportunities. One operation is on the southern border of Valhalla Park (Valhalla Lodge) and the other is on the northern border (Valhalla Mountain Touring). There are a number of tenure proposals for new operations in the Slocan Valley area under the Commercial Back-country Recreation Program indicating potential expansion for this type of economic activity in the valley.

New Denver and Silverton both have local cultural identities that differ from Slocan. Slocan has access to exceptional climbing bluffs and a unique skateboard park. Both attract different visitors than neighbouring communities in the Valley. Slocan is also the only municipality in the Slocan Valley with road access to the Valhalla Provincial Park; the park is accessible by water from New Denver and Silverton. An estimated 40% of users of Valhalla Park are from the West Kootenay region, 25% from other parts of BC, 30% from Canada/USA and 5% from Europe.³² The largest user group of the Valhalla Park is visitors who access the park from Slocan Lake by boat. The second largest user group is back-country hikers.

The communities of New Denver, Silverton and Slocan have established the beginnings of a sub-regional strategy. The municipalities are working with Columbia Basin Trust and the Rural BC Secretariat on two priority projects: a sub-regional branding strategy and building a Viking longboat to use as a tourist attraction; it would ferry rail trail users between the communities across Slocan Lake. This project is still in its initial phases.

There are approximately nine accommodation enterprises in the Slocan Valley, including B&Bs and private campgrounds. Local guides and operators from the Slocan Valley have reported that visitor numbers have dropped in 2010. A number of local recreation rental entrepreneurs have stopped marketing their businesses outside of the region and have started targeting local visitors and residents to use their equipment. Operators of the local stores and restaurants of Silverton and New Denver have reported much less traffic to date in the summer season of 2010.

²⁸ Ibid. 22.

²⁹ BC Ministry of Tourism, Culture and the Arts (August 1, 2010). Retrieved from www.th.gov.bc.ca/trafficData/TrafficReportsUserDocumentation20090724.pdf

³⁰ Ibid. 20.

³¹ Ibid. 20.

³² BC Parks website (August 1, 2010). Retrieved from www.elp.gov.bc.ca/bcparks/facts/stats.html.

The industry's relatively low-income levels limit tourism's economic contribution to the local economy. Incomes range from \$12,500 in the hospitality segment of the industry to \$25,000 in the guided adventure segment. Lower incomes are mostly due to the seasonal nature of local tourism businesses. As a consequence, while the industry accounts for 10% of current employment, only 3% of total Valley income (approximately \$3 million per year) flows from tourism.³³

Tourism and Slocan

The Village of Slocan has a number of local entrepreneurs who are interested in seeing the tourism industry develop. The Village has a local restaurant, local guiding and kayak rental operation, municipally owned campground and RV park, a hotel, a theatre/art gallery, gas station and coffee bar that would all benefit from an increase in tourist visitation. Through discussions with these local operators and those involved with tourism in the community, it was made clear that tourism is not something for which Slocan is known.

To date there has not been a coordinated effort in the village to encourage or pursue the tourism sector, even though there are a number of notable attractions that differentiate the village from other communities in the region. For example, Slocan has the best climbing areas in the Central Kootenay region and people travel to the area to make use of the Slocan Bluffs, which hang over Slocan Lake and Cougar Creek, which is said by climbers to rival Squamish's climbing opportunities. The Tenacity skate park in Slocan draws visitors from across the Kootenays. Built in 2009, this skate park is a destination to many skate "tourists" and is a distinct asset to the area. The bordering Valhalla Provincial Park may be leveraged to expand on tourism opportunities that align with the values and culture Slocan has identified for itself. These assets could become what Slocan is "known for" and may attract visitors who can also buy services and products available in the Village. While the users of these assets are not the tourists that tend to leave behind a lot of money, as they are rather self-sufficient (most often carrying with them their own shelter and food), creative opportunities may be explored to meet their needs such as climbing huts at the Bluffs, 4x4 transportation from bus stops and airports to trail heads or a skateboarding event with transportation up and down the Valley available.

There is room for the community and the region to improve upon local marketing and communication of existing local services and products. Improving signage may attract new visitors as well as engage community members in existing services and recreation opportunities. Highway signage has been identified as an easy fix and has been budgeted for in the Village's 2010 expenditures.

The Slocan Visitor Centre requires upgrading and may draw more tourists if it were accompanied by infrastructure that encourages stopping such as toilets, picnic tables and recycling and garbage receptacles. The Village of Slocan is not within view from the highway, as New Denver and Silverton are, and as a result can easily be passed by. A unique attraction is needed to draw tourism traffic off the highway into the Village.

The Village currently owns a local RV park and campground that has marketing and upgrading potential that has not yet been realized. The municipally owned Springer Creek Campground had revenues of \$14,823 in 2009, \$17,367 in 2008 and \$12,452 in 2007. The Campground has the potential to bring in revenues of \$31,150 if it were to run at capacity for 70 nights during a summer. Past operators of the campground and local guides have suggested that there is potential to market the facilities throughout the region, which may result in increased traffic.

There is currently little coordinated sub-regional tourism marketing effort amongst the Valley communities, with the exception of posting service information on boards at local gas stations, stores and restaurants. A more coordinated effort by Slocan, New Denver and Silverton communities, under the sub-regional effort, to market and communicate a combined tourism strategy would create clear and effective information to visitors passing through the Valley, highlighting attractions in each community. The Valley could be marketed to RVers looking for an alternative to the over crowded and increasingly expensive Okanagan Valley tourism scene.

In 2006 Destination Development Inc performed a tourism assessment of the Slocan Valley. 58 suggestions were made for how to improve tourism in the region. Slocan shows little sign of having followed up on these recommendations.

33 A Guide to the BC Economy and Labour Market website (August 1, 2010). Retrieved from www.guidetobceconomy.org/new_economy/tourism.htm.

4.5.7 Value Added Economic Activity

Value added economic activity is often misnamed as a sector. Adding value in a sector is an economic objective seen in all sectors. In the context of economic development, value added activities often take on an important role as they represent the best opportunity to increase community wealth using the often scarce resources of a small municipal government. In Slocan there are three businesses that are already functioning as value adding manufactures including:

- Western Aircraft Supplies - aircraft construction from wood,
- Springer Creek Forest Products - speciality wood products; and,
- Evans Creek Contracting - mill work products.

All three of these manufactures are accounted for in the wood products manufacturing sector and given their export related focus may potentially have opportunities to expand. As with all business development, the easiest way to increase local business activity and employment is to work with existing businesses to advance their operations. Starting business from scratch or recruiting new businesses into an area, particularly a rural area, is far more difficult. The best way to increase value added economic activity in Slocan is to work with existing business operators. However, to enhance value adding activities with existing Slocan businesses requires detailed knowledge of the sectors in which each of the businesses is operating, detailed knowledge of the business itself and a willingness of the businesses to involve outside assistance in any number of business component operations.

It is common in implementing local or community economic development strategies to have a strong “business retention and expansion (BR&E)” program focused directly at the needs of existing wealth creating sectors including value added businesses. The Central Okanagan Economic Development Commission, for example, commits nearly 80% of their staff time to BR&E activities. Clearly providing BR&E services to existing operations in the Village of Slocan is the best way to enhance value added activities with one of the key benefits being the increased specialty employment associated with the value added sector. Value added manufacturing usually brings with it good paying jobs, that are typically attached to speciality skills or training and/or speciality manufacturing equipment. The expansion of the skilled value added workforce brings with it added benefits to the community with increased payrolls resulting in greater local spending in the service sector and greater diversity of skills in the community that can further spawn entrepreneurship.

4.5.8 High Technology and “Creative Sector” Economic Activity

High technology and/or the creative sector are like the value added “sector” - not sectors at all by definition and their activities actually span many sectors. High technology activities often emerge in manufacturing or in support of manufacturing, (e.g.: there are a series of companies in Quesnel that create digitized instructional videos for operating advanced sawing equipment), or the cultural sectors including the movie industry, (e.g.: a Chilcotin-based company that edits movies for Hollywood-based movie production companies through generator-operated satellite hook-ups and computers). There are numerous examples of individual owner/operators or companies with one or two others in rural and remote areas doing high technology or highly creative activities.

The requirements for these creative or high technology ventures usually include low cost land, high quality environment and access to high speed internet through a variety of technologies. Many communities are now trying to attract this working group to their locations, which often requires very specific links into these sub-sectors. For many of these workers access to an airport (usually within an hour’s drive) for their infrequent face-to-face visits to clients is required, plus a very specific physical environment that matches their chosen life style, e.g.: ranching, back-country hiking and skiing, downhill biking and skiing. Usually these specialists congregate to locations where a mix of companies have made the same choice based on the same factors and not necessary the same markets.

Given Slocan’s limited additional services it is unlikely to host larger high tech groups. Finding and attracting individual owner/operators usually requires a large number of these types of people as tourists which, through a process of funneling, are able to successfully attract one or two new individuals every few years. The strategy usually then becomes one of linking speciality tourism activities targeted to these niche groups to consistently create the “face-to-face” awareness of the sub-region and community. The target group may also be attracted with a ‘return to the region’

campaign that targets young professionals who grew up in the area and are now skilled in high tech or knowledge-based industries. Both of these types of targeting are best done a sub-regional level.

4.6 Local Population Statistics Overview³⁴

BC Statistics estimates the 2009 population of Slocan to be 391. This is an increase of 71 people since the 2006 Statistics Canada profile. As shown in Figure 8, the population declined slightly over the 5 years between 2001 and 2006. The majority of residents are multi-generational Slocaners, as shown in Figure 7. There are few newcomers to the village.

Slocan’s population is older than the provincial average; 55% of the Villages’ population is 45 years of age or older, compared to 43% for the province. Only 28% of the Village’s population is in the 15 - 44 year age range as compared to the 40% provincial average.

Slocan is surrounded by Electoral Area H, which had a 2006 population of 4,319 people, down 3.4% from the 2001 figure of 4,472. Area H includes unincorporated places such as Slocan Park, Appledale, Lemon Creek, Passmore, Winlaw and Rosebery. Not included in this population total are the neighbouring incorporated communities of New Denver, 512 people (2006) and Silverton, 185 people (2006). The City of Nelson is the closest major service center (2006 population: 9,326). The City of Castlegar (2006 population: 7,359) provides the closest airport services.

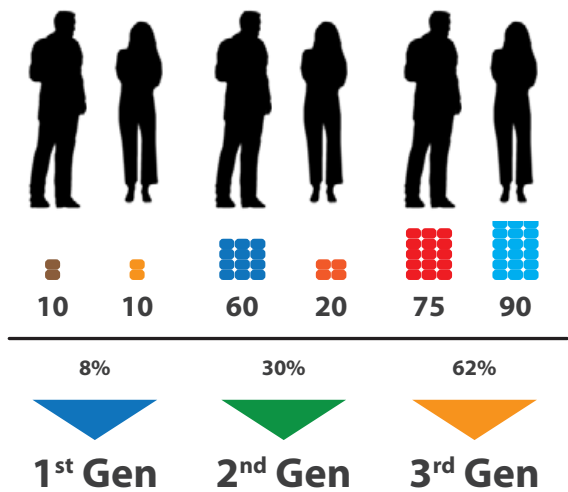


Figure 8: Generational distribution of Slocan residents

34 Population statistics compiled from 2006 Canada Census data and BC Stats data.

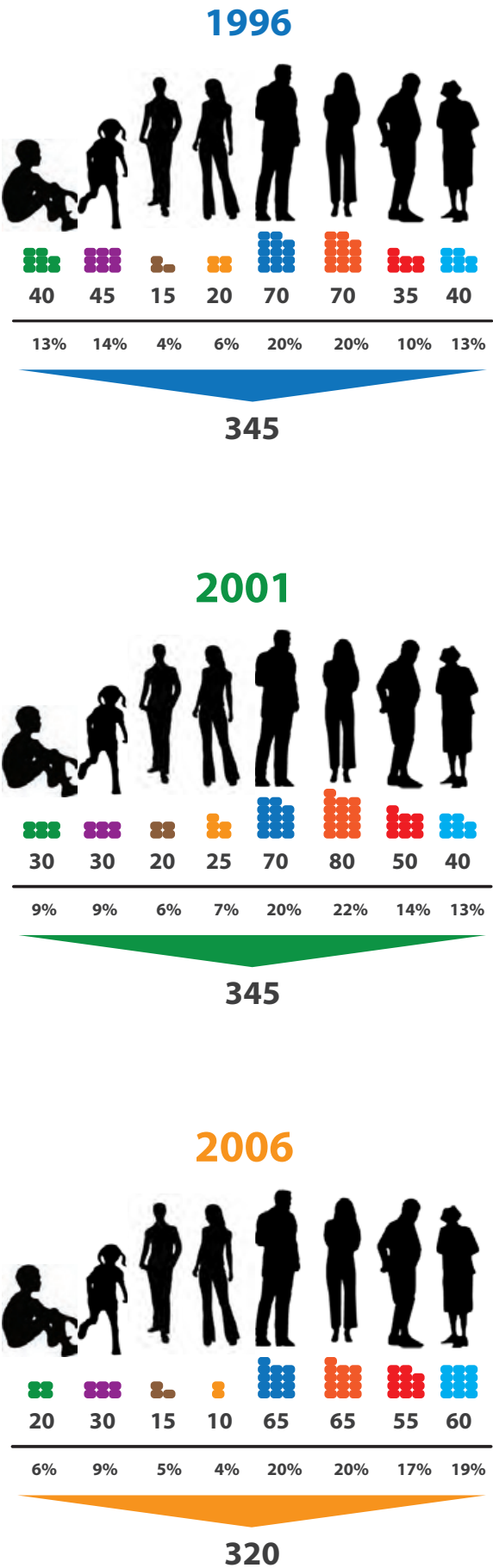


Figure 9: Population age distribution for 1996, 2001 and 2006

4.7 Local Finances and Employment Overview³⁵

Figure 10 shows Slocan's average income distribution for families and individuals. The data do not reflect the recent economic downturn or untaxed money earned through the underground economy. Slocan has a low 2006 median individual income at \$16,737 compared to New Denver (\$19,598) and the RDCK (\$22,019). This may be explained in part by the older population and the low proportion of mill workers who live in the village.

The majority of Slocan residents work in trades, transport and equipment, and sales and service occupations, as shown in Figure 11. Construction, manufacturing, retail and business are the highest employing industries, as shown in Figure 12 and detailed in Table 7. Many people in all occupations are self-employed or locally employed by a small business. Construction, retail trade and wood-related occupations are the employment sectors with the highest labour force.

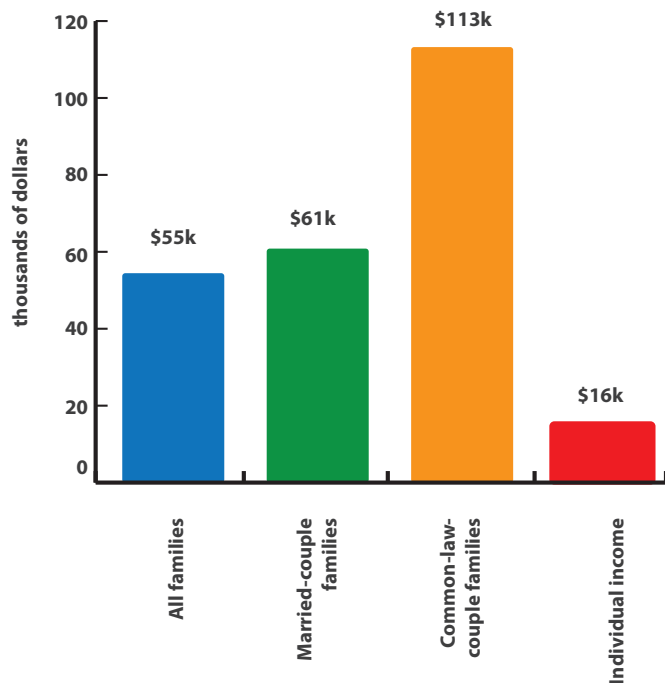


Figure 10: Average Income distribution in Slocan

Table 7: Slocan Industry Occupation Distribution

Industry Occupation	Labour Force (# of people)	Labour Force (% of total)
All Industries	175	100
Farms	0	0
Forestry & logging	0	0
Fishing, hunting and trapping	0	0
Support activities for forestry	10	6
Mining, oil & gas	0	0
Construction	30	17
Wood product manufacturing	20	11
Other manufacturing	5	3
Retail trade	30	17
Food & beverage stores	15	9
General merchandise stores	10	6
Motor vehicles & parts dealers	0	0
Information & cultural	0	0
Financial & insurance	0	0
Real estate & rental/leasing	0	0
Professional science & tech.	10	6
Admin. & support, waste mgmt.	15	9
Educational services	15	9
Health care & social assistance	0	0
Arts, entertainment & recreation	0	0
Accommodation & food services	10	6
Public administration	15	9

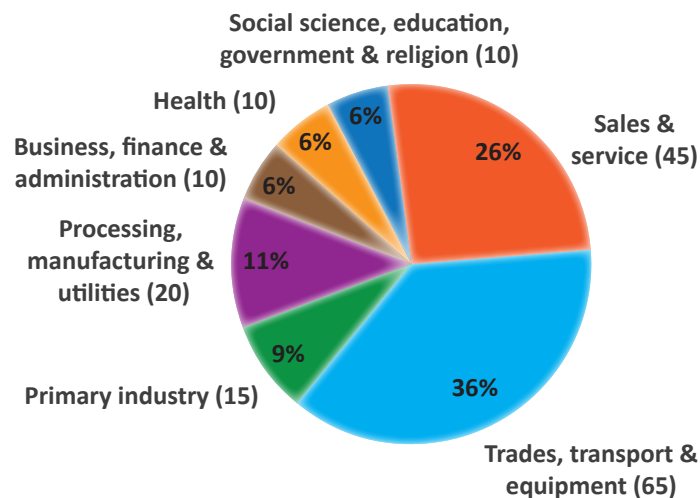


Figure 11: Occupation distribution in Slocan

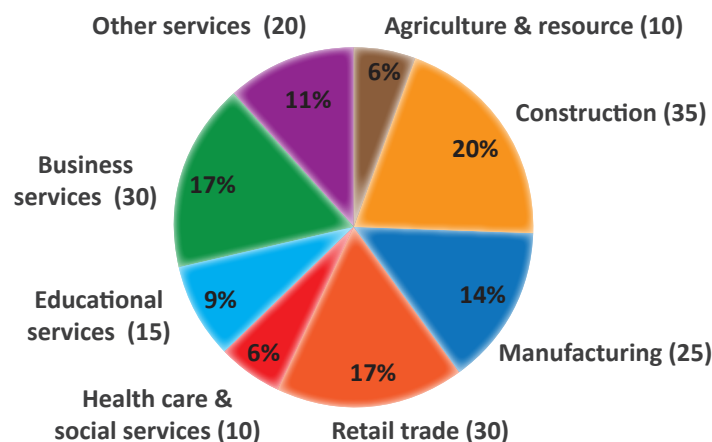


Figure 12: Industry labour force

³⁵ Information compiled in this section from the 2006 Canada Census.

4.8 Community Assets

Mapping Slocan's assets illustrates local strengths and opportunities that can be built upon. CED is most successful when it is rooted in the skills and assets already available in a community. Using an appreciative inquiry approach, interviews, public forums and research yielded Slocan's assets. These were collected and categorized into human, social, economic, natural and infrastructure designations. The key to successful CED projects and for meaningful support from citizens for municipal projects is to understand how best to access, make use of and support identified assets. Future community and municipal efforts should build on these assets to achieve strong community support, resilient decision making and sustained projects.

4.8.1 Human Capital Inventory

Skills, education, knowledge, training and competence form the human capital assets pool. Interviews, public engagements and census data yielded the human capital assets of Slocan, which was found to be considerable. Many residents have multiple skills and trades that could be leveraged.

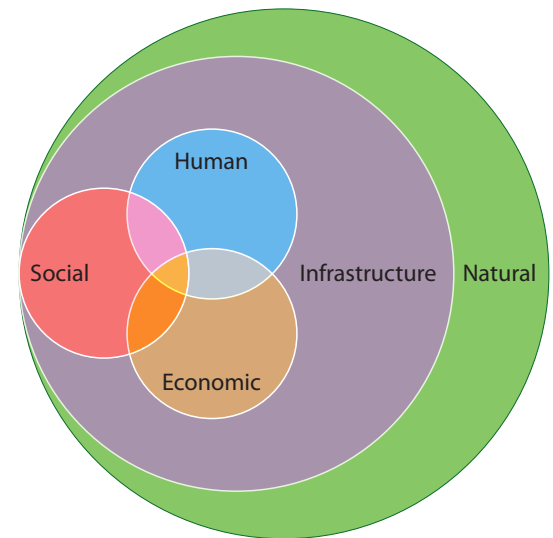


Figure 13: The relationship between community capitals.

Table 8: Slocan's Human Capital Inventory

Trades	Domestic & land-based skills	Artists	Entrepreneurial & business skills	Service providers	Leadership & organizing
<ul style="list-style-type: none"> • Carpenters • Loggers • Road builders • Fellers • Welders • Farmers • Forestry • Auto mechanic • Airplane mechanic • Engineers • Renovators • Painters • Home design & construction 	<ul style="list-style-type: none"> • Quilters • Hunters • Trappers • Canners • Outdoor educators • Skiers • Hikers • Kayakers • Canoeists • Farmers • Landscape artists 	<ul style="list-style-type: none"> • Painters • Photographers • Musicians • Potters • Crafters • Film makers • Gallery owners 	<ul style="list-style-type: none"> • Retail • Service • Home business • Value-added • Book-keeping • Production • Consulting • Food-related • Outdoor recreation • Computer consulting 	<ul style="list-style-type: none"> • Art therapists • Counsellors • Retired professors • Coordinators • Hair dressers • Tai chi instructors • Historians • Business support • Postal 	<ul style="list-style-type: none"> • Local catalysts • All women council • Fundraising • Community celebrations • Community organizations

Human Capital Opportunities

Of the different types of capital, human capital is the most expandable, transportable and shareable. Encouraging mechanisms and spaces for learning, sharing knowledge and increasing competencies creates greater human capital pools. Most expansion of human capital will come from individuals themselves, but there are always educational and training opportunities of which to take advantage, create and promote, such as:

- Programs at Selkirk College (Castlegar, Nelson, Trail, Grand Forks, Nakusp and Kaslo: www.selkirk.ca);
- Programs at College of the Rockies (Cranbrook, Creston, Fernie, Invermere, Golden and Kimberley: www.cotr.bc.ca);
- Training and capacity building from Kootenay Career Development Society (Nelson: www.kcds.ca);
- Opportunity listings and career planning from BC Work Futures (www.workfutures.bc.ca);
- Computer skills training from outfits like Kootenay I.T. (www.kootenayit.com);
- Capacity building and volunteerism from outfits like Volunteer Kootenays (www.volunteerkootenays.ca);
- Training with funding through initiatives like the Workplace Training for Innovation Pilot Program (www.aved.gov.bc.ca/workplace_training_program/welcome.htm);

- Local youth and apprentice mentorship opportunities;
- Local small business succession opportunities;
- Effective practices sharing through small business coffee meetings and through social networks; and
- Sharing skills and knowledge through forums like free schools (<http://freeschool.fairtrademedia.com>).

Using resources like these not only increases human capital, but also people's social networks, feeding into the social and economic capitals of the community. Being aware of the human capital in the community allows community leaders, organizers, Village staff, Council, clients and others to readily access the skills and knowledge that might be needed for a project or event. Therefore, advertising human assets is widely beneficial. This can be done through the Village website, business directories, signage, newsletters, etc.

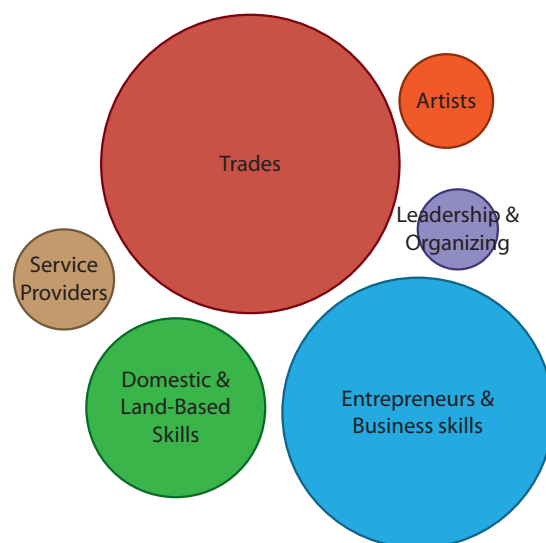


Figure 14: Relative sizes of human capital types in Slocan.

4.8.2 Social Capital Inventory

Slocan's strongest assets are perhaps social – the collection and strength of relationships, networking and the capacity to work together. The population is small enough that the social networks are very well developed. News travels fast and everyone is aware of the interests, assets, skills and sharable possessions (e.g.: tools) of others. Community support, pride and the ability to respond to challenges stand out as top social assets.

Table 9: Slocan's Social Capital Inventory

Community fundraising	<ul style="list-style-type: none"> • For a family in crisis • For a community recreation centre
Responding to challenges	<ul style="list-style-type: none"> • Unifying for a cause • When differences are put aside and people work together • When people came together to save the school • Volunteer fire department
Associational life	<ul style="list-style-type: none"> • The Legion • Slocan River Farmers Association • Emerging Business Improvement Association • The Women's Institute • Community band • Restorative justice program • Community organizations, food bank
Community traits	<ul style="list-style-type: none"> • Proud of being different • Slocan legends and stories • People look out for each other • Safe, welcoming community • Good place to start a family • Town history (mining, Japanese Canadians) • Volunteerism
Community celebrations	<ul style="list-style-type: none"> • Centennial celebration • Halloween Hoot • Logger sports celebration
Being proactive	<ul style="list-style-type: none"> • Wellness centre initiative • Assisting seniors • The skate park

Social Capital Opportunities

The greatest benefit of strong social capital assets is the ability to engage large numbers of community members in supporting a particular effort. Social capital is often relatively simple to make use of and increase. Hosting community events and celebrations are at the top of the list among community members' most positive experiences in Slocan, indicating there is an appetite for more of this. Successfully recruiting community leaders to champion events, projects, improvements, campaigns, charities and special efforts will encourage participation by those in their networks. The key is to identify who is best to lead and support each effort and coordinate on garnering needed assistance, resources and funding. The more people and networks are engaged in any given activity or decision, the more resilient the outcomes will be. For this reason, supporting community groups and community infrastructure is extremely worthwhile.

Public infrastructure investment, supporting local social entrepreneurs and developing social skills programs are all examples of opportunities to build social capital.

4.8.3 Economic Capital Inventory

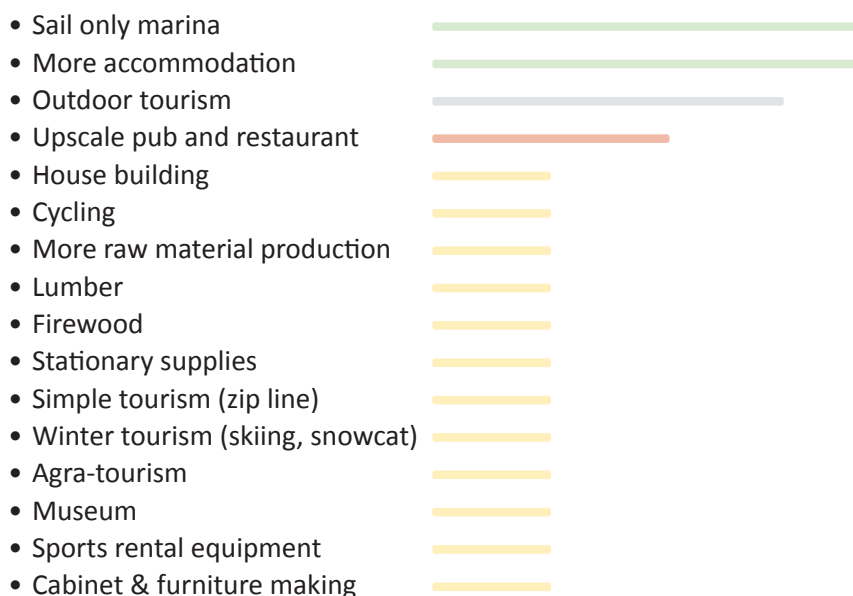
Assets involving finances, resources and trade are present in Slocan, but not necessarily strong. The primary resource industry and small businesses stand out here. While the region has a greater breadth of economic capital assets, there is room for local expansion. Table 10 inventories Slocan's economic capital.

Table 10: Slocan's Economic Capital Inventory

Educational sector	<ul style="list-style-type: none"> • Valhalla Wilderness Program • Summer skateboard camp
Emerging home-based business sector	<ul style="list-style-type: none"> • Accounting • Beauty services • Consulting • Hosting (retreats, meetings)
Locally-owned businesses and entrepreneurs	<ul style="list-style-type: none"> • Gas station • Village market • Springer Creek Mill • Lemon Creek Enterprises • Western Aircraft • Ecozy Homes • Coffee shop • Restaurant • Motel • Kootenay Furnace • Mechanics • Consulting • Retreat centre • Contracting • Trades
Financial services such as business lending (regional)	<ul style="list-style-type: none"> • Credit union • Community Futures
Venture capital (regional)	<ul style="list-style-type: none"> • Southern Interior Development Initiative Trust • Columbia Basin Trust
Agriculture	<ul style="list-style-type: none"> • Some farming • Sunday market in the summer

Preferred Business Types

Business community members speculate that their operations and the community as a whole can benefit from attracting certain types of businesses. These new enterprises will fill gaps in the local economy and support existing business and development of the community as a whole. These identified businesses include (bars indicate popularity. Longer bars indicate more popular items.):



Preferred Business Characteristics

The Slocan business community expressed preference for certain characteristics in new businesses. Businesses with these traits may have more success in the local economy of Slocan than others as they will be immediately welcomed by the business community. When looking for business investment opportunities in the village, these preferences should be strongly considered so that new businesses complement existing businesses, add value and are small, locally-owned outfits. Figure 15 summarizes the preferred characteristics and their popularity.

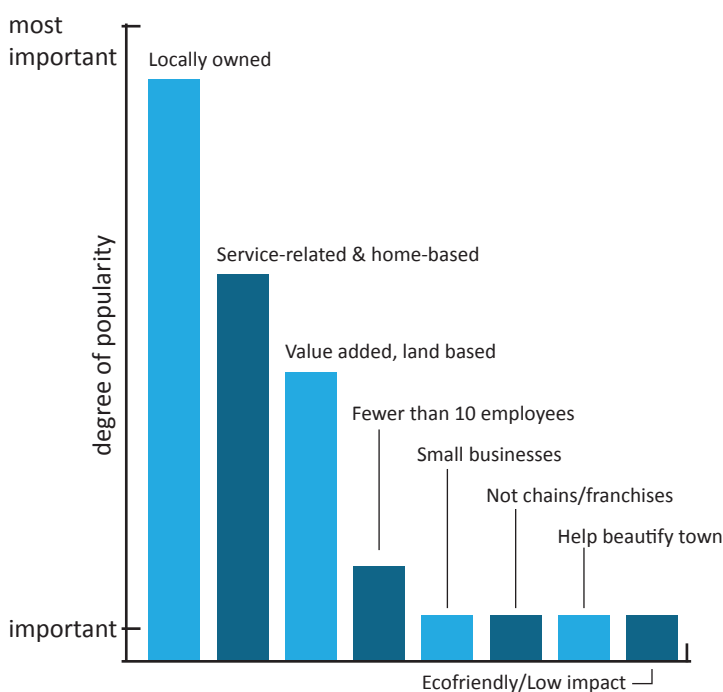


Figure 15: Preferred characteristics of new businesses

Businesses Clusters

24 local businesses are registered in Slocan. There is little incentive to purchase business licenses, thus there are many unregistered businesses in operation. Information provided by Village staff, interviews with business community members and a session to map local businesses on internet mapping services yielded a complete collection of local businesses in operation and their business clusters. Local business clusters are groups of business in particular fields, linked by commonalities and complementarities. Businesses in Slocan often have social linkages and sometimes professional linkages. Business clusters are identified in Table 11.

Table 11: Slocan Business Clusters and Inventory of Local Businesses

Specialty Products	Services	Hospitality and Tourism
<ul style="list-style-type: none"> • Western Aircraft Supplies Ltd • Springer Creek Forest Products • Ecozy Homes 	<ul style="list-style-type: none"> • Mountain Valley Station • KF Kootenay Furnace • Slocan Lake Hardware • Slocan Valley Home & Yard Care • Walden Enterprises Lawn Care • Slocan Auto & Truck Repairs & Towing 	<ul style="list-style-type: none"> • Action Retreat Bed & Breakfast • Slocan Motel • The Spoke 'n' Dog B&B and Cycling • Springer Creek RV Park & Campground • Lake Lore Gallery • Skycastle Lookout • Smiling Otter Wilderness Adventures • Kamamawopik Retreat Centre
Business & Personal Services	Community Networks and Space	Faith Institutions
<ul style="list-style-type: none"> • Rudy's Accounting Services • Valhalla Children's Centre Daycare • Postal Outlet 	<ul style="list-style-type: none"> • Slocan Curling Club • Slocan Gardening Club • WE Graham Community Service Society • Silvery Slocan Hall (Legion Branch 276) • Slocan Valley Women's Institute • Slocan Wellness Centre • Library 	<ul style="list-style-type: none"> • St. Andrews Presbyterian Church • St. Mary's Catholic Church
IT and electronics	Contractors and Construction	Food related
<ul style="list-style-type: none"> • Palmer Computer Sales & Service • Slocan Lake Electronics 	<ul style="list-style-type: none"> • Jamie Ingram, contractor • Mills Bros. Construction Ltd • Roger Thickett, contractor • Georges's Excavating • Paul McLean Excavating • Evans Creek Contracting (carpentry) • Longspar Contracting • Mike Winfield, plumber • Slocan Holdings, Ltd. 	<ul style="list-style-type: none"> • Fullabeans Espresso Bar & Snacks • Slocan Village Market and Liquor store • Valhalla Organic Farm • Harold Street Cafe
Health & Beauty		
<ul style="list-style-type: none"> • Slocan Health Clinic • Wellness Centre • Cut & Dye Hair Care 		

Business in these clusters can:

- Co-promote;
- Use joint services;
- Benefit from the same types of support;
- Increase their productivity and reach;
- Drive innovation;
- Promote new business development; and
- Easily share best practices.

By recognizing these clusters, local businesses can use cooperative business practices that compete with markets external to the village, as opposed to competing locally, in order to bring more money into the local financial pool. Interestingly, the most popular preferred new business types concentrate on the hospitality and tourism industry, in which there is already relatively substantial business presence. This may indicate that existing businesses offerings could be improved or expanded.

4.8.4 Natural Capital Inventory

Most of Slocan's natural assets are at the edge of the actual municipal boundary, the most obvious of which are its abundant ecological systems and natural resources. Opportunity for outdoor recreational activities, relatively undisturbed ecosystems and renewable resources are key assets in this area. The village acts as a primary access point to these resources, such as having the only road access in the region to Valhalla Provincial park.

Table 12: Slocan's Natural Capital Inventory

Geographical location	Recreational opportunities	Renewable resources	Healthy ecosystems
<ul style="list-style-type: none"> • Slocan Lake • Beach • Valhalla Provincial Park • Centre of the valley • Archaeological sites • Waterfalls • Streams • Slocan River • Wooded areas • Mountain ranges • Bird habitat • Wetlands 	<ul style="list-style-type: none"> • Hiking • Skiing • Snowshoeing • Tennis • Rail trail • Valhalla Park recreation • Biking • Kayaking • Canoeing • Sailing • Rock climbing • Camping • Swimming • Jogging • Tube floating 	<ul style="list-style-type: none"> • Forestry • Mill • Tourism • Micro-hydro potential • Farming • Fishing 	<ul style="list-style-type: none"> • Fertile ground • Clean lake • Clean air • Little human impact

Natural Capital Opportunities

Leveraging the natural assets that surround Slocan is one of the village's biggest opportunities. The outdoor recreational prospects in Slocan's "backyard" are some of the best in BC and the access to Valhalla Provincial Park provides an opportunity to attract new residents and visitors to the area. Many natural assets within the village can also be leveraged. Springer Creek, walking paths and footbridges give residents and visitors a relaxed, pleasurable tour of the village and its natural features. Village beautification projects will make Slocan a destination and increase residents' pride in their homes. Planting blossoming trees, flowers, gardens and other landscaping improvements go a long way towards attracting visitors. Generally, there is an opportunity to improve signage to all natural attractions in and surrounding the village. Most of the natural assets lend themselves to tourism economic development. Capitalizing on lakeshore waterfront, the river mouth, the rail trail and the Valhalla trail heads should be key priorities for tourism attraction.

If the mill is forecasted to be operating at less than full capacity, there is perhaps an opportunity to use some of the mill land as beach expansion. Other lake front opportunities include mooring a swimming platform to increase usage, opening a snack stand and using the gazebo for more community events. More ambitious projects have also been suggested by the community, such as operating a sailboat marina.

4.8.5 Infrastructure Capital

Infrastructure capital supports the other forms of capital. Good infrastructure alone is not very useful, but in conjunction with other asset pools it helps to create dynamic, prosperous communities. Although many in the Slocan Valley region rely on major centres like Nelson for much of their infrastructure needs, Slocan has several assets that are unique to the region and well-used in the community.

Table 11: Slocan's Infrastructure Capital Inventory

Village assets	Other assets
<ul style="list-style-type: none">• Village office• Workshop building• Valhalla Crew Camp• Legion and Women's Institute building• Water system• RV park• Parks• Paved streets• Tennis courts• Curling rink• Skating rink• Wellness centre building• Playgrounds• Boat launch• Foot bridges• Vacant lots• Beach• Public washrooms	<ul style="list-style-type: none">• High speed internet• School• Transit system• Gazebo• Fire station• Post office• Community centre• Skate park• Computer learning centre

The wellness centre, community centre, curling rink, gazebo, skate park, boat launch and computer learning centre are unique to the region and could be further promoted to maximize use. High speed internet is highly beneficial to local and home businesses.

There is no rail line in the Slocan Valley, so the major transportation infrastructure centres around Highway 6.

Infrastructure Opportunities

Several, mostly non-urgent, opportunities for infrastructure upgrades have been suggested throughout this project, by previous studies, by residents and by Council:

- Upgrading stormwater infrastructure;.
- Replacing the water lines;.
- Upgrading the Legion and Women's Institute facilities;.
- Installing a roof over the skate park;.
- Improving night lighting along Harold Street;.
- Repairing sidewalks and expanding the sidewalk network;.
- Installing reception towers to bring cell phone use to the area;.
- Adding benches to public areas; and.
- Improving business and community signage.

When time and funding permit, these upgrades will serve to round out the infrastructure supports of the community.

4.8.6 Village-Owned Land

Slocan owns 35 acres of land inside the Village boundary with an assessed value of \$2.5M. Table 12 and Figure 16 itemize these property assets.³⁶

Table 12: Slocan Property Assets

Land Description	Location	Zoning	Square Footage	Acreage
Boat Dock Lease	Lakeshore	P1	6,600	0.15
Shore Licence	Lakeshore	P1	322,780	7.41
Beach Washroom Area	Lakeshore	P1	61,200	1.40
Beach Area	Lakeshore	P1	1,764	0.04
Beach Area	Lakeshore	P1	16,117	0.37
Right side of mill	Springer St.	P1	385,506	8.85
Vacant Lots	Main St.	R1	1,890	0.04
Riverside Lots	River St.	R1	15,330	0.35
Village Works Yard	Delany Ave.	R1	33,000	0.76
Boat Parking at Beach	Main St.	R1	14,850	0.34
Village Office & PW Shop	503 Slocan St.	C2	52,800	1.21
Slocan City Legion	502 Harold St.	C2	6,600	0.15
Lots Beside Silver Muse	Harold St.	C2	6,600	0.15
Kiddie Park	Main St.	P1	16,500	0.38
W.I. Hall	602 Harold St.	R1	6,600	0.15
Adj.to walking bridge	Nelson St.	R1	16,500	0.38
Corner of Slocan/Fletcher	Slocan St.	R1	13,200	0.30
Wellness Center and Area	Hume St.	P1	52,800	1.21
Left of Hotel	Springer St.	P1	52,800	1.21
Ball Park Concession	Slocan St.	P1	33,000	0.76
Slocan St. Welcome Sign	Slocan St.	P1	34,800	0.80
C.C./Court/Ball Field	Nelson St.	P1	66,000	1.52
Curling Club	903 Hume St.	P1	69,600	1.60
Skate Park Area	Arthur St.	R1	46,200	1.06
Corner of Griffin/Slocan	Springer St.	R1	26,400	0.61
Slocan St. Fork	Slocan St.	R1	4,888.50	0.11
Unnamed	Nelson St.	R1	12,300	0.28
Across from C.B.	Springer St.	R1	12,480	0.29
Campground	Griffin Ave.	P1	135,564	3.11
Total area			1,524,669.50	35.00
Total assessed value				\$2,497,300

There is perhaps an opportunity to sell and/or develop unused Village land. This would make more land available for housing and commercial properties. This in turn would create opportunities to add diversity to the housing stock and encourage new businesses to establish.

³⁶ Slocan Tangible Capital Assets. (2009)

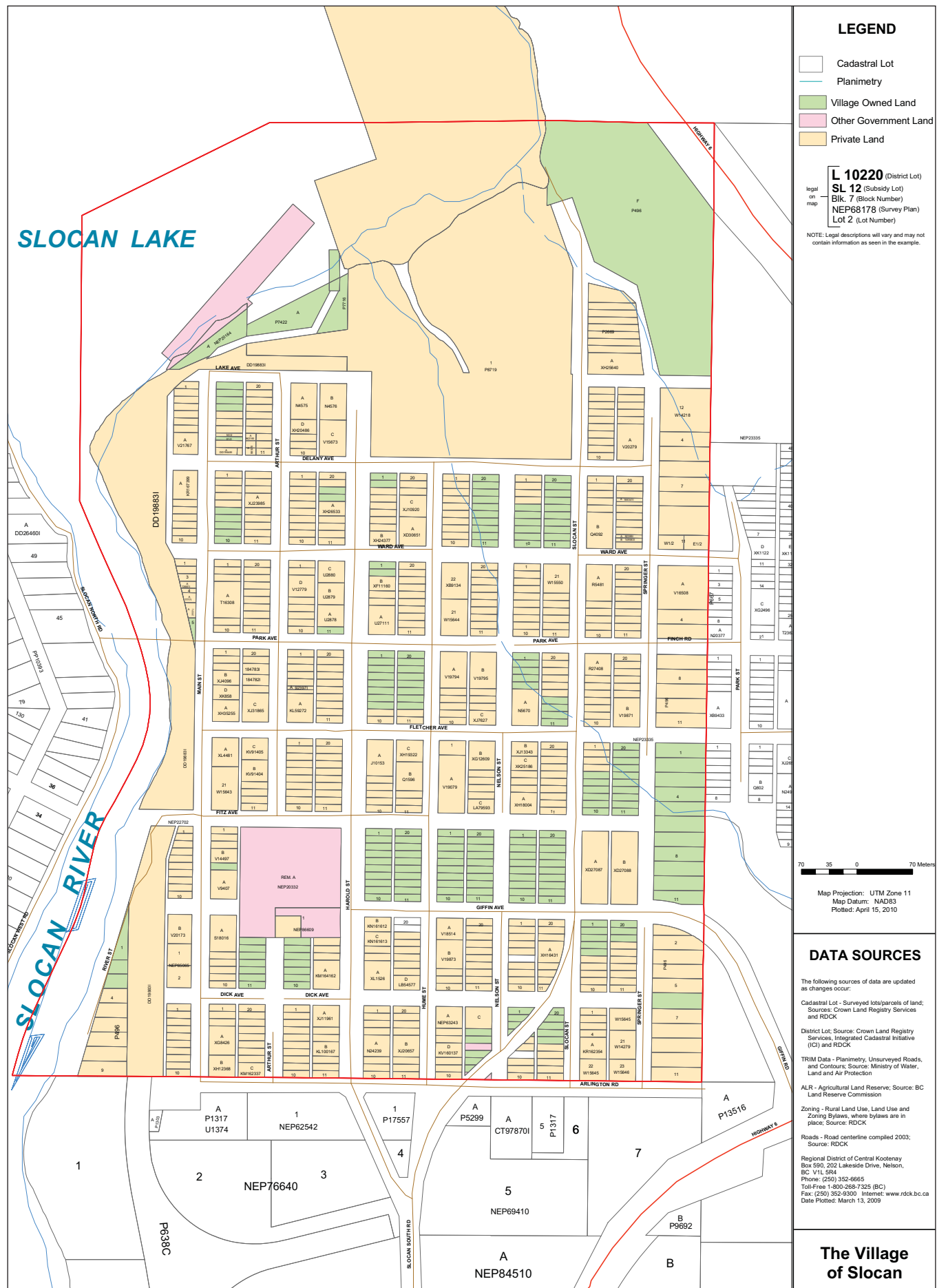


Figure 16: Village-Owned Properties

4.8.7 Housing Capital

Aside from one new multi-family development in progress, Slocan's housing stock consists of single family, detached housing and some mobile homes. There are few housing starts per year; only eight building permits for new homes (including manufactured homes) have been obtained over the past eight years.³⁷ Of these, most are of low market value. Renovations are also few in number and low in value in Slocan as compared to the rest of the West Kootenays.³⁸

Although vacancy rates are difficult to ascertain, it is widely speculated that there are few rental units available in the village. Generally, the majority of rental units in the Slocan Valley are thought to be either high-end or substandard housing.³⁹ Between 2001 and 2006 Slocan lost up to 40% of its available rental stock, presumably through sales to new owners.⁴⁰

Few housing units are available for sale in Slocan. Some owners are trying to capitalize on the recent housing market boom in British Columbia, but their listings are not moving. During the first half of 2010, 7 two-storey and bungalow houses were for sale in the Slocan and the region listed between \$160,000 and \$230,000.

Quality affordable housing is both difficult to find and create in Slocan. There is some land available for infill development. Each housing development requires two lots due to on-site septic requirements. This may discourage new housing developments if acquiring two lots is seen as too expensive. It is thus more affordable for multi-housing units to be developed, although septic issues would have to be resolved.

Due to the lack of care facilities in the immediate region, economies of scale and government funding priorities, Slocan is not a strong option for seniors' housing development.⁴¹ There are an increasing number of people entering their senior years and remaining in the village and surrounding area, however. Without substantial infrastructure to support seniors, this trend may become problematic in the near future.

Housing Opportunities

Local consultant Derek Murphy believes that the most viable approach to developing affordable housing in the Slocan Valley is to develop "low-end-of market" equity based housing. Solutions include: small complexes for independent seniors, small lot development, a manufactured home park and secondary homes on existing properties.⁴² Small lot development would necessitate a solution to septic bylaw requirements. Developing a mix of housing types would create a varied housing market in Slocan, enabling the village to attract people of different incomes and housing preferences.

4.8.8 Regional CED Capital

There are many organizations in Slocan Valley that bring capacity of various kinds to the region. The organizations have been assessed against the following core necessary functions for successful community economic development:⁴³

1. Community economic development training;
2. Small business, co-op and social enterprise training;
3. Facilitation and networking;
4. Research and development;
5. CED investment funds and/or capital pools;
6. CED grants; and
7. Small business, co-op and social enterprise loans.

Table 13 gives an overview of the outcomes of this assessment.

37 RDCK Housing Starts Statistics (May 9, 2010). Retrieved from www.rdck.bc.ca/development/building/statistics/2004_monthly_summary.html.

38 Ibid.

39 Derek Murphy, personal conversation. May 9, 2010.

40 Statistics Canada 2001 and 2006 Censuses (May 9, 2010). Retrieved from <http://www12.statcan.ca>.

41 Affordable Housing in the Slocan Valley, Assessment and Recommended Strategies. Derek Murphy, January 23, 2010.

42 Ibid.

43 Adapted from Core Functions of Local Economic Development by West Coast Development Group and the Centre for Community Enterprise (1994).

Table 13: Regional CED Organization CED Service Provision Capacity

	CED training	Small business, co-op & social enterprise training	CED Facilitation, multi-sector network support, regional cooperation	CED research & development	CED investment funds and/or capital pools	CED grants	Small business, co-op & social enterprise loans	Programs accessed by Slocan residents within last 12 months?
Selkirk College	No	No	No	Regional Innovation Chair in Rural Economic Development	No	No	No	No
Community Futures	No	Small bus. training	No	Subsidiary role	No	No	Yes	No
Columbia Basin Trust	No	No	1 staff for 6 municipalities	No	Limited to seniors care facilities. (\$17.3M in 08-09)	Only community development grants (\$30,000)	17.3 million (08-09)	Yes
Western Economic Diversification Program	No	No	No	No	No	Contribution agreements for regional projects	No	No
Invest Kootenay	No	No	No	Subsidiary role	Match investors to businesses (for sale & investments)	No	No	No
Upper Columbia Co-operative Council	No	Minimal: 1-1.5 hr per new co-op	Yes, is an association of 13 co-ops and credit unions	No	Under development	No	No	No
Fraser Basin Council	No	No	No	No	No	No	No	No
Slocan Valley Ec. Dev. Commission	No	No	Regional businesses website (outdated)	No	No	No	No	No
Slocan Lake Chamber of Commerce	No	No	Regional businesses website (outdated)	No	No	No	No	No
Regional District of Central Kootenays	No	No	No	No	No	\$2500 - \$5000 grants	No	No
The International Selkirk Loop	No	No	Website, maps, business listings	No	No	No	No	RV Park is sole listing
Southern Interior Development Initiative Trust	No	No	No	No	Yes	\$50,000, max 50% of total project cost	No	No
Rural Secretariat, Government of Canada	No	No	No	No	No	Community development grants for regional projects	No	No
Rural BC Secretariat, BC Government	No	No	1 staff for 52 municipalities	No	No	No	No	Yes

Analysis shows that although there are some granting services available, the supply of necessary core CED services is largely absent from the offerings of these organizations. There are three main conclusions to draw from this:

1. Both equity and debt financing are available regionally;
2. Without investment in human and social capital areas, in particular community economic development training and facilitation as well as small business, co-operative and social enterprise training, the community will continue to under-utilize existing capital and debt financing; and
3. The majority of agencies and organizations in the regional asset inventory have a requirement or a priority to work with regional organizations. However, these organizations have no resources or programs specifically aimed at organizing municipalities to work together for regional economic development.

Regional CED Opportunities

The Village has little budget to devote to community development, infrastructure, planning and CED projects. The Village should thus seek project funding assistance from Columbia Basin Trust, Western Economic Diversification Program, Southern Interior Development Initiative Trust, RDCK and the Rural BC Secretariat. Other funding sources, such as Federation of Canadian Municipalities green infrastructure funds, should be accessed for major projects.

Regional CED organizations have an opportunity to refine their service offerings so that more core CED services are offered to communities. Cooperation between the organizations would ensure that services do not overlap unnecessarily and that there is enough capacity between them all to offer services to all those in the region that require them. Currently, CED training, research and development and investment funds will have to be sought outside the region.

Slocan's, New Denver's and Silverton's sub-regional strategy, under which they have agreed to seek out mutually beneficial community development projects, is an example of how funding sources may be jointly accessed to develop community projects that benefit the entire region.

4.8.9 Assets Summary

Slocan is a community of people with varied knowledge, skills and education in certain sectors, connected by a strong social network. There are rich natural assets surrounding the village and some well-used infrastructure within it, including the Community Centre, Wellness Centre, Legion, school and learning centre. Numerous small businesses operate out of Slocan, many of them home-based.

There is good communication in the community within social networks. The history of Slocan is well known to most engaged citizens and word of new social and project developments travels fast. The community is able to come together to show strong support for individuals, events, businesses or projects, or against unwanted elements. This affects which businesses are supported and which are not, as well as which initiatives are popular.

Individuals and families interact via formal and informal media. More formal interactions include Women's Institute meetings or events, Legion meetings or events, Wellness Centre and school programs, seniors' luncheons, curling games and poker tournaments, for example. Informal interactions include chance meetings at the market store, post office, walking dogs along the rail trail and the gas station, but there is no village centre that would increase these valuable encounters. The Women's Institute and Legion groups could be engaged to take on more collaborative projects with the Village and other community groups to accomplish community projects.

The number of social enterprises, charities and non-profit groups in Slocan is high compared to other communities of its size. This adds to the social capital that attracts new families and residents to the community.

Businesses in the region and in Slocan have historically operated independently of one another, although business owners find it useful to communicate, strategize and understand each other's ventures so they can support each other. Businesses in the village are primarily family-run and generally operate under capacity (due to lack of local demand, lack of marketing and/or lack of capacity) and have few or no staff. Establishing a local Business Improvement Association, meeting schedule and space for collaboration would help to foster local business community networks and clustering.

Slocan is especially strong in trades and entrepreneurial business skills. Although certain residents have leadership, artisan and sporting skills, few use these skills for employment. Slocan residents have resounding talents and hobbies that they use in their daily lives. These skills are among those that could be untapped potential in the community.

The Village uses much of its land assets for public enjoyment. Certain properties could be better utilized or sold. Filling these properties with homes or businesses would add vibrancy to the village as well as create municipal tax revenues.

Vacancy rates are low and there is little housing diversity. Developing creative ways to address these issues is key to attracting new families to Slocan.

The regional organizational and institutional assets are very important to supporting the Valley, mostly by providing financial resources through conditional funding. They are not necessarily effective in directly supporting CED development, however. There is potential to better utilize this available capacity by alleviating several barriers that have been identified in accessing their services:

- Lack of knowledge in the village about organizations/institutions and what they do or how they would be useful;
- Lack of available capital required to access certain grants and/or lack of individual capacity to access services;

- Lack of perceived need to access the services in the first place;
- Organization/institution is not visible in the immediate region – lack of partnerships or personal contacts; and
- Lack of education or literacy to use services, fill out forms, etc.

Concerted efforts to overcome these barriers would encourage the provision of better CED services to Slocan residents, resulting in improved human, social and economic capital. Some simple marketing in local media and training sessions should suffice to build awareness of the programs.

Regional CED organizations could benefit the area by improving existing services and adding services that fill in the core CED service offerings gap. Support for filling in these gaps could be sought from other organizations outside the region.

4.8.10 CED in Slocan

Canadian communities are increasingly urbanized, leaving capacity and economic gaps in rural areas. Rural communities that continue to thrive usually rely on traditional economic models of tourism or primary resource reliance while importing most products and services. Despite the recent economic downturn, saw mill curtailment and tourism decline, the population of Slocan has experienced relatively little economic effect over the past 15 years. The community seems fairly resilient to economic change.

Community members, Council members and Village staff agree, however, that the local economy needs improvement. Some feel that the village has stagnated or become economically depressed. The low average of residents' individual annual incomes supports this observation. Since the more traditional economic approaches in the community are either ineffective, dormant or do not seem to bring lasting wealth, an alternative needs to be sought. Creative CED programs and initiatives are long-term solutions that have been successful where other economic approaches have failed.

Slocan can begin improving its community economic development starting with leveraging its existing assets. Slocan has several under-utilized assets which, if bolstered, could add significantly to the village's economic activity. These include Village owned land and buildings (e.g.: the Wellness Centre, the Legion), Village and privately owned vacant lots, signage and unmarked and unmapped hiking and walking trails.

There are also substantial voluntary sector assets that could be facilitated and re-organized to harmonize with the community's new vision, principles and goals. Volunteer groups currently expend resources on economic development activities that include events, education, business improvement and town beautification.

Regional economic assets related to venture capital, debt financing and human resource development are under-utilized in Slocan. All of this points to the need for an intermediary to broker access to regional resources, organize local resources for higher impact and develop new resources to support CED where appropriate.

CED programs require a certain degree of organization and expertise. Some CED projects can be achieved with community leadership but an overall CED strategy for the village should be well-coordinated and consistently implemented. Typical job titles associated with this sort of work include business development officer, community economic development consultant, economic development officer, etc. Competencies in social finances, social enterprise development, co-operative development, developing community-based enterprises, etc. are usually required in performing CED coordination and projects.


There is existing leadership in the community to oversee a community-led CED strategy, ideally spearheaded by a new local or regional CED officer. Certainly, the high level of engagement in this project's CED planning process is an indication of interest and enthusiasm in local CED strategy implementation.

4.9 Resource and Financial Flows

4.9.1 Inflows and Outflows

Slocan's resource inflows and financial outflows were identified through exercises with the public and business owners. This yielded a sense of how much money enters the local economy, how much of it stays to be re-spent and through what means it leaves. Tables 14 and 15 summarize the village's inflows and outflows.

Table 14: Resource Inflows



Local Business	Forestry	Government Related
<ul style="list-style-type: none"> • Home-based businesses • Grocery store • Gas station • Local trading • Artisans • Community entrepreneurs • Trades • Hairdressers • Book-keepers • Information technologists 	<ul style="list-style-type: none"> • Springer Creek Mill • Value added enterprise • Rough lumber 	<ul style="list-style-type: none"> • Local taxes • Social assistance • Employment assistance • Pensions • Grants and government funding • Government contracts • Postage
Local events	Institutions	Agriculture
<ul style="list-style-type: none"> • Logger sports • Halloween Hoot • Summer market • Special events 	<ul style="list-style-type: none"> • WE Graham School • Fitness Centre 	<ul style="list-style-type: none"> • Farming • Illegal agriculture
Tourism	Culture	Local Products
<ul style="list-style-type: none"> • Boat ramp • Recreation • Beach front • Lodging • Natural attractions 	<ul style="list-style-type: none"> • A strong history • Local stories and legends 	<ul style="list-style-type: none"> • Produce • Crafts • Canning • Firewood




Table 15: Economic Outflows

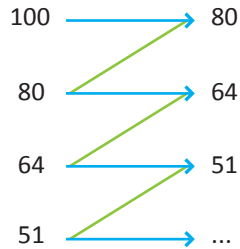


<ul style="list-style-type: none"> • Lack of accommodation and housing • Lack of local services and businesses • Lack of signage and communication for visitors • Non-resident workers (teachers, mill workers) • Little public transportation • Lack of opportunities for youth and seniors • Purchasing products elsewhere (raw materials, lumber, logs, tools, hardware, building supplies, sand, gravel, concrete, equipment, stock for store, paper, ink, tires, fencing, livestock, livestock feed, groceries, liquor, furniture and cabinet hardware, boats, outdoor gear, art supplies, sustainably logged lumber, recycled wood) 	<ul style="list-style-type: none"> • Lack of services – vet, doctor, dental, laundry, trades, pharmacy, clothing retail, specialty groceries, fine dining • Big box stores and discount buying in neighbouring towns • Lack of cultural entertainment – theatre, sporting events • No value added primary resource extraction • Seasonal economy • Taxation • Few organized events • Purchasing services elsewhere (web hosting, plumbing, electrical, technical services, printing)
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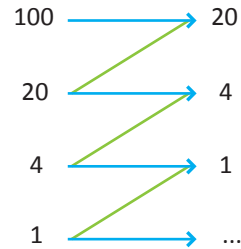
Lack of local accommodation, housing, cultural offerings, services and products are the major financial outflows. These represent money that leaves the village, only some of which may return via inflows such as through residents earning income from jobs outside the village. Figure 17 shows money circulation behaviour in local versus leaky economies.

\$100 is spent in the community.
80% of it is re-spent locally.



Total \$500 spent locally

\$100 is spent in the community.
20% of it is re-spent locally.



Total \$125 spent locally

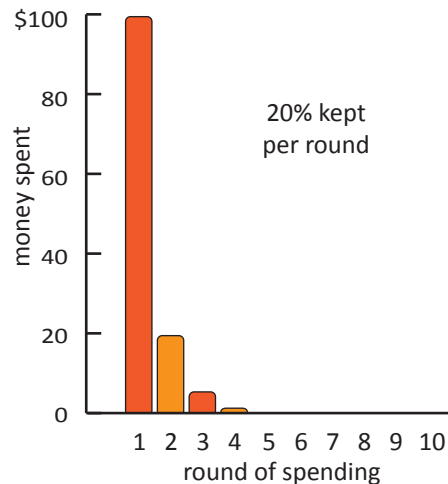
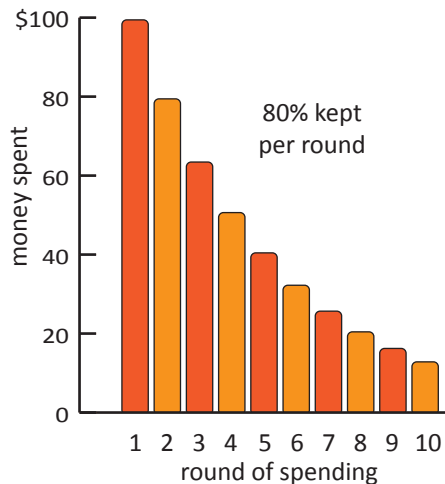


Figure 17: Comparison of the circulation of \$100 spent in a local economy with few economic leaks (Local Multiplier Effect) vs. one with many economic leaks.

4.9.2 Springer Creek Mill

While the Springer Creek Mill has had a significant impact on municipal tax revenues for the Village of Slocan, much of the income generated by the operation flows out of the community. The main inputs for the mill are labour, electricity, logs, and machinery. Of the 270 employees of the mill (at maximum operation), only 20 live in Slocan. It is estimated that another 20 or so truckers associated with the Mill also live in the community. Thus, the majority of the Mill's labour spending leaks out of the local economy. The mill's log, electricity and machinery spending also represent leakages in the local economy. The mill explored the feasibility of generating its own on-site electricity which would have either plugged a leak or increased efficiencies in operations; however, the low price of electricity deemed the project infeasible.

4.9.3 Patterns of Local Business Purchasing

By examining the purchasing patterns of local businesses, potential opportunities for import replacement and new business development can be discovered. 30 local business owners and entrepreneurs were surveyed as to what products and services they regularly purchase inside and outside of Slocan. The survey revealed that local businesses have not yet achieved a critical mass to present an opportunity for new business development (particularly import substitution). Table 16 summarizes the survey results.

Table 16: Local Business Purchasing Patterns

Purchasing from inside Slocan	Purchasing from outside Slocan
<ul style="list-style-type: none"> • Hardware (15 businesses) • Card lock/fuel (7 businesses) • Labour (drivers, carpenters) (5 businesses) • Rough lumber (5 businesses) • Gas station (5 businesses) • Groceries/food (5 businesses) 	<ul style="list-style-type: none"> • Raw materials, lumber, logs (3 businesses) • Tools, hardware (3 businesses) • Building supplies (3 businesses) • Sand, gravel, concrete (2 businesses) • Equipment (2 businesses)

4.9.4 Leak Plugging

The Village of Slocan and community members cannot control every economic inflow and outflow; it is important to identify which can be influenced through local strategies. Strategies that the community has power over will be more effective and result in positive and effective change. Community members identified the strategies in Table 16 as being viable for increasing the circulation of Slocan's money.

Table 17: Strategies for Plugging Slocan's Economic Leaks

<ul style="list-style-type: none"> • Increase promotion of local services, resources and attractions • Create an active, up-to-date community directory • Increase community teamwork • Increase buy/produce local incentives • Encourage local business • Create a Business Improvement Association • Increase health services - attract a local doctor/nurse 	<ul style="list-style-type: none"> • Actively encourage volunteerism • Engage youth through mentoring and activities • Communicate availability of local services and products • Develop a strategy to house professionals locally • Create a local food supply with a community garden • Find an agency to advocate for workable agriculture and butchering regulation • Adopt a "buy local" campaign or local currency
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These strategies and related suggestions are explored further in the CED strategy. Plugging economic leaks ensures that more money circulates locally, creating more local wealth, as demonstrated by the example in Figure 16.

4.9.5 Resource and Financial Flows Summary

Despite external forces, such as the economic downturn and a temporary shut-down of the mill, the town's only major industry and significant employer, the local economy demonstrates incredible resilience. Slocan is an integral part of the Slocan Valley region and the RDCK, providing jobs and access to Valhalla Park for residents throughout the region. The future economy of Slocan is dependent upon its ability to continue to earn income (business, employment and pension) from elsewhere, develop tradable goods and services, and plug economic leaks.

4.10 Community Viability and Service Delivery Threshold Analysis

Thresholds for community viability and service provision were analyzed to determine whether certain services could be attracted, expanded or were at risk of being discontinued.

4.10.1 Schools

Village of Slocan Local School Overview

The W.E. Graham school offers an Outdoors Alternate Education Program with for grades kindergarten through 12. This is the only educational program of its kind in BC. Students spend 60% of school time in classrooms, 40% in the field. In 2006 the school had 100 students enrolled. Enrolment declined to 60 as of the 2009-2010 school year. Staffing includes 10 teachers and 9 support staff (4 teaching assistants, 1 secretary, 3 custodians and 1 library clerk).⁴⁴ The Village collects school taxes on behalf of School District, which are about \$110,000 annually. The Village receives \$2,100 from the District as school tax administration fees. There are no Village expenditures specific to the school.⁴⁵

School District Overview

W.E. Graham is within the jurisdiction of School District 8 (SD8), Slocan Valley zone. SD8 is based in Nelson and is one of six school districts in the Kootenay-Boundary Region of British Columbia. Its goals are to enhance the life chances of students through a strong education system and to achieve a 100% completion rate for both Aboriginal and non-Aboriginal students. Over the past several years, SD8 has had success in improving literacy rates and in addressing the needs of vulnerable students (defined as students who do not meet or minimally meet expectations as determined by the BC Performance Standards for Reading or Writing).⁴⁶

The District has 26 schools whose populations range in size from 20 to over 800.⁴⁷ There have been changes to multiple schools in the District over the past several years, including several school closures, the relocation of classes to other schools, and the reconfiguration of several schools to accommodate different grades.⁴⁸ The School Act maintains a policy of parent choice for school attendance. This means that students can attend any school they choose, given enrolment is not at capacity, instead of being required to attend the school closest to their residence. Families living within a school's catchment area are guaranteed space in that school.

District Enrolment

Enrolment in SD8 is declining steadily; it currently sits at approximately 5,370 students.⁴⁹ As enrolment declines, School District 8 has had to close and reconfigure the grade structures of certain schools in the Nelson and surrounding area. The Slocan Valley is one of the only zones in the district that has not been reconfigured, despite having schools with very low utilization rates.⁵⁰ In March 2010, School District 8's Board of Education rescinded a motion to close or re-configure Winlaw Elementary and WE Graham Schools, largely due to public pressure to keep the schools open.⁵¹ An advisory committee has been created to explore solutions to schooling in the area by September 2011.

Enrolment in nearby School District 10 (SD10) is also declining.⁵² Schools in Nakusp and New Denver are close enough to be accessed by Slocan families and will accept non-district students approved by the SD10 board. These schools are compared with those in the Slocan Valley zone of SD8, and with the Vallican Whole School, a private school in Winlaw, in Table 18.

44 WE Graham School website. (August 1, 2010). Retrieved from www2.sd8.bc.ca/schools/weg/about_us.htm.

45 Village of Slocan 2010 Working Budget.

46 School District 8 Plan to Strengthen Learning: District Achievement Contract 2010-2013. (August 1, 2010). Retrieved from www.sd8.bc.ca/AchievementContract2010to2013.pdf.

47 Ibid

48 School District 8 (Kootenay Lake) Facilities Review Process presentation. (August 1, 2010). Retrieved from www.sd8.bc.ca.

49 Ibid.

50 School District 8 Press Release. (August 1, 2010). Retrieved from www.sd8.bc.ca/BoardFacilities.pdf.

51 Guthrie, Katie. (April 7, 2010). "School board gives Slocan Valley schools reprieve until 2011." Valley Voice, P.1.

52 School District 10 website. (August 1, 2010). Retrieved from www.sd10production.bcelearner.ca.

Table 18: Comparisons of Schools in School District 8 and School District 10

School	Location	Grades	Enrolment Capacity	2009 - 2010 enrolment	% utilization rate
School District 8					
W.E. Graham	Village of Slocan	K-12	254	60	23%
Winlaw Elementary	Winlaw	K-6	124	73	58%
Brent Kennedy Elementary	South Slocan	K-6	292	214	73%
Mt. Sentinel Secondary	South Slocan	7-12	400	377	94%
School District 10					
Nakusp Elementary	Nakusp	K-7	231	208	90%
Nakusp Secondary	Nakusp	8-12	262	210	80%
Lucerne Elem-Secondary School	New Denver	K-12	220	81	37%
Private Schools					
Winlaw Vallican Whole School	Winlaw	K-7	?	78	?

According to the District Superintendant, Winlaw elementary increased enrolment in 2009-2010, while W.E. Graham enrolment decreased.⁵³ Overall, enrolment in the valley's more southerly schools, including Winlaw, has been fairly stable. This is probably reflective of a more stable economy in the area which is more closely tied to Castlegar and Nelson than are the upper areas of the Valley. Enrolment at W.E. Graham School in Slocan has been declining for a number of years. The number of students in the primary grades is now very low, necessitating multi-grade classes. Most Slocan students are bussed to Mt Sentinel for high school.⁵⁴

Financial Overview

Slocan Valley's four schools required \$5,757,000 to operate in 2008-2009. Table 19 describes the breakdown of costs.⁵⁵

Table 19: Costs per school in the SD8 Slocan Valley zone

	Staff	Supplies	Utilities	Maintenance	Total	Cost Per Student
Mt. Sentinel	\$2,300,000	120,000	75,000	100,000	\$2,595,000	\$6,880
Brent Kennedy	1,300,000	52,000	50,000	75,000	1,477,000	6,900
Winlaw	529,000	16,000	11,000	46,000	602,000	8,250
W.E. Graham	465,000	20,000	34,000	64,000	582,000	9,700
Total	\$4,594,000	208,000	170,000	285,000	5,257,000	
Transportation					500,000	\$ 690
Total Investment					\$5,757,000	

This breakdown indicates that with increasing enrolment there are increasing costs, especially for staffing. However, the cost per student in schools with high enrolment is less than that for schools with low enrolment. Despite having fewer students than Winlaw Elementary, W.E. Graham has higher supplies, utilities and maintenance costs.

Effects of Closing Winlaw Elementary School

Closing Winlaw Elementary School and sending all students to W.E. Graham would result in seven classes offered: kindergarten, 1, 2/3, 4/5, 5/6, 7/8, and 9/10. Table 19 shows the estimated financial impacts of such a closure.⁵⁶

⁵³ Ibid. 48.

⁵⁴ Village of Slocan Community Transition Scoping Analysis, April 2009.

⁵⁵ Ibid. 46.

⁵⁶ Ibid.

Table 20: Financial impacts of closing
Winlaw Elementary School

Budget Item	Cost
Lost Grant	-\$135,000
Administration/staffing	117,000
Clerical	41,000
Energy	11,000
Maintenance	46,000
Equip/Supplies	16,000
Additional Transportation	-32,000
Total Estimated Savings	\$64,000

Each school gets government funding corresponding to enrolment. The District-wide operating budget includes rural school government grants and special grants for schools that lose full time equivalent staff (the number indicated as 'lost grant' in Table 20). If the school closes, this grant money is lost.

Other impacts of the closure would include:

- Having the same number of classes as status quo;
- Creating more viable class configurations for students and staff;
- Saving a position for one principal;
- Reducing clerical and custodial staff;
- Bussing approximately 80 students north; and
- Relocating the Strong Start program to W.E. Graham.

Effects of Closing W.E. Graham School

Closing W.E. Graham School and sending all students to Winlaw Elementary for grades K-6 and Mt. Sentinel for grades 7-10 would result in 5 classes offered at Winlaw Elementary: kindergarten, 1, 2/3, 4/5, and 5/6. Table 20 shows the estimated financial impacts of such a closure.⁵⁷

Table 21: Financial impacts of closing W.E.
Graham School

Budget Item	Cost
Lost Grant	-\$250,000
Administration/staffing	117,000
Teacher	91,000
Clerical	41,000
Energy	34,000
Maintenance	65,000
Equip/Supplies	18,000
Additional Transportation	-6,000
Total Savings	\$110,000

Other impacts of the closure would include:

- Increasing the number of classes at Mt. Sentinel by 1 or 2 (grades 7-10 students would go to Mt. Sentinel). This would possibly save one teaching position or match the status quo;
- Requiring a portable classroom at Winlaw for the Strong Start program (cost: \$13,000);
- Saving the position of one principal;
- Reducing secretarial and custodial costs;
- Losing the grant for W.E. Graham;
- Creating more viable class configurations for staff and students; and
- Bussing approximately 55 students south to Winlaw and Mt. Sentinel.

Reconfiguring W.E. Graham and Winlaw Elementary Schools

Reconfiguring the two schools so that Winlaw hosted all K-3 students while W.E. Graham hosted all students in grades 4-10 would have these estimated impacts:⁵⁸

- The number of classes would remain the same as the status quo: 3 classes at Winlaw Elementary (K, 1, 2/3) and 4 classes at W.E. Graham (4/5, 5/6, 7/8, 9/10);
- Some students would be bussed south to Winlaw and others north to W.E. Graham;
- No cost savings would be made;
- Class configurations for students and staff would be much more comfortable; and
- Under utilization concerns would not be addressed.

⁵⁷ Ibid.

⁵⁸ Ibid.

Integrating Vallican Whole School

The Vallican Whole School is a community supported non-profit independent elementary school with the goal of providing a rich learning environment for its students. Curriculum includes wildlife exploration, weaving, carpentry, music, etc.⁵⁹ The school was negotiating to be included within the public school system as an optional stream. SD8 has indicated that if this integration occurred, the students would likely be located at W.E. Graham. Integrating the 78 student enrolment with that of W.E. Graham would ensure the longevity of the school in Slocan. Negotiations are ongoing.

Community Support and Concerns

Community members in Slocan and Winlaw have shown strong support for keeping their respective schools open. The schools are seen as important community centres that provide employment, meeting and event space, a community focal point and attraction to young families.⁶⁰ Many teachers are due to retire, creating opportunities for young teachers to move to the region with their families.⁶¹

Concerns over multi-age classrooms have been expressed by certain community members.⁶² Some feel that success in student learning depends heavily on the teacher and not all teachers are suited to teach split grade classes.⁶³ Splitting multi-age classrooms into grades would require additional staff and possibly additional facilities.

School Threshold Conclusions

The Ministry of Education does not have minimum enrolment requirements for schools to remain in operation. However, the more students there are, the more funding there is to cover operating and staffing costs. Despite communities' push to keep all of their schools in operation, the trend throughout School District 8 has been to consolidate and reprogram schools in recent years, particularly in Nelson. The Slocan Valley zone is the most recent to undergo similar scrutiny. Given the high per-student cost of operating and maintaining W.E. Graham school, plus the declining enrolment, it is at risk of closure or, at least, reprogramming. The obvious solutions to maintaining the school's services are to reduce the per-student costs and/or to increase enrolment. School District 8's facilities review process, the District Achievement Contract 2010-2013, and the fact that a special advisory committee has been established to explore the financial options for Winlaw Elementary and W.E. Graham all indicate that W.E. Graham is currently at the threshold to remain open.

If costs cannot be reduced and/or enrolment cannot be increased, the school could consider other options to remain in operation. For example, leasing school space to community groups, co-locating community services in the school, leasing the school to summer education programs or setting up an adult education program in the school to generate funding proceeds from the Province or School District. Integrating the Vallican Whole School into W.E. Graham would increase the school's revenues considerably as the student population would be more than doubled. With that level of enrolment the number of split classes could be reduced.

4.10.2 Health Services

Village of Slocan Health Services Overview

The Slocan Wellness Centre includes a modern health care office facility, gym and library. The health care facility portion has a reception area and 5 rooms that could be used as patient or office rooms. The Wellness Centre is currently unstaffed and has no medical equipment stock. There are currently no active medical practitioners in Slocan. Senior citizens (aged 65+) make up 16.1% of Slocan's population⁶⁴ and in the recently completed Village of Slocan Age Friendly Vision study, seniors reported that there is inadequate wellness and health care support and services for seniors in Slocan.⁶⁵ During public consultation for this project, many community members indicated that health services would be an asset to the village.

⁵⁹ Vallican Whole School. (August 2009). Retrieved from <http://vallicanwholeschool.com>.

⁶⁰ Ibid. 48.

⁶¹ Barbara Lindsay, School Trustee for Slocan Valley/Bonnington, personal communication. August 8, 2010.

⁶² Ibid. 46.

⁶³ Ibid. 48.

⁶⁴ Statistics Canada. (2006). Age Characteristics. Retrieved January 21, 2010 from www12.statcan.ca/census-recensement/2006.

⁶⁵ Dehnel, Patricia. (June, 2010). Village of Slocan Age Friendly Vision.

Regional Health Services Overview

There are several health centres, clinics, services and pharmacies within a one hour drive from Slocan. Most nearby services are located in Nelson. Table 22 summarizes major health services in the area.

Table 22: Summary of major health care services near Slocan

Centre or Service	Location	Distance/Driving Time from Slocan
Clinics		
Castlegar Medical Clinic	Castlegar	70km/60mins
Saddle Mountain Medical Clinic	Nakusp	80km/70mins
Nelson Medical Clinic	Nelson	70km/60mins
Kootenay Lake Medical Clinic	Nelson	70km/60mins
Community First Medical Clinic	Nelson	70km/60mins
New Denver Medical Clinic	New Denver	33km/30mins
Slocan Valley Medical Clinic	Slocan Park	40km/30mins
Medical Clinic	Trail	95kms/1.25hrs
Associated Medical Specialists	Trail	95kms/1.25hrs
Health Centres		
Castlegar Medical Associates	Castlegar	70km/60mins
Community Health Centre	Castlegar	70km/60mins
Mental Health & Addiction Services	Nakusp	80km/70mins
Nakusp Health Centre	Nakusp	80km/70mins
Lifelabs	Nelson	70km/60mins
Slocan Community Health Centre	New Denver	33km/30mins
Slocan Wellness Centre	Slocan	-
Trail Health Care	Trail	95kms/85mins
Hospitals		
Hospital Royal Inland	Kamloops	400km/5.5hrs
Kelowna General	Kelowna	320km/5hrs
Arrow Lakes Hospital	Nakusp	80km/70mins
Kootenay Lake Hospital	Nelson	70km/60mins
Mount Saint Francis Hospital	Nelson	70km/60mins
Queen Victoria	Revelstoke	180km/3hrs
Kootenay Boundary Regional Hospital	Trail	95kms/1.25hrs
Vernon Jubilee	Vernon	275km/4.25hrs
Pharmacies		
Paragon Columbia Pharmacy	Castlegar	70km/60mins
Pharmasave	Castlegar	70km/60mins
Peoples Pharmacy	Nakusp	80km/70mins
Shoppers Drug Mart	Nelson	70km/60mins
Wal-Mart Pharmacy	Nelson	70km/60mins
Pharmasave	Nelson	70km/60mins
Peoples Pharmacy	Nelson	70km/60mins
Remedy's RX Pharmacy	Nelson	70km/60mins
Remedy's Health Co-op Pharmacy	Nelson	70km/60mins
Safeway Pharmacy	Nelson	70km/60mins
DRUGStore Pharmacy	Nelson	70km/60mins
Zellers Pharmacy	Trail	95kms/1.25hrs
Shoppers Drug Mart	Trail	95kms/1.25hrs
Peoples Pharmacy	Trail	95kms/1.25hrs
Safeway Pharmacy	Trail	95kms/1.25hrs
DRUGStore Pharmacy – Extra Foods	Trail	95kms/1.25hrs

Patients are referred to the hospital that best suits their medical needs. Depending on the medical specialty or service required, patients may be referred to hospitals as far away as Kamloops or Kelowna. As evidenced by medical clinics in Slocan Park and New Denver that provide doctor services, there is a demand for local medical services, whether or not pharmacies are also present. Slocan Park has about 120 households as compared to 165 in Slocan.

Health Services and Population in British Columbia

Health centres are uncommon in British Columbian towns with populations under 1,000-2,000 people. They are common for towns with populations of 5,000 and greater. New Denver has the least population (512)⁶⁶ of any municipality with a health centre in the BC interior.⁶⁷ Table 23 gives several examples of small British Columbian towns with health centres. Many of these centres serve large remote regions and are located in the town of greatest population in the region.

Table 23: Examples of small population BC towns with health centres

Town	Population	Health Facility Type	Service Area
New Denver	512	Health Centre	New Denver, Slocan, Silverton, Rosebery
Hazelton	627	Doctor's Clinic	Hazelton, New Hazelton, areas north of Terrace/Smithers
McBride	660	District Hospital	McBride and areas between Valemount and Prince George
Midway	621	Medical Clinic	Midway, Kettle Valley, Boundary Falls, Greenwood
Stewart	496	General Hospital	Stewart, Meziadin Junction and northern BC
Tahsis	366	Health Centre	North Western Vancouver Island
Port Clements, Haida Gwaii	440	Medical Clinic	Central Eastern Graham Island region
Average population	531		

Medical Professionals

The nearest medical professionals to Slocan are in New Denver. Medical professionals must be registered with a hospital in order practice and have hospital privileges, although there is no minimum number of patients requirement. There is no minimum staff requirement for a medical practice. Staffing (e.g.: nurses, receptionists, transcribers) is at the discretion of the practitioner. The minimum number of daily appointments required to operate a clinic also depends on practitioner preference. Their preferred salary and operating costs are key factors in determining minimum required appointments.⁶⁸

Alternative Health Services

Raised awareness about nutrition, natural foods, healthy lifestyles, and increasing scepticism of the effectiveness of western medical practices have boosted interest in alternative health services in recent years. Holistic health practices, naturopathy, massage, aromatherapy, acupuncture/pressure, therapeutic spas and eastern medical practices are increasingly sought. These services are often offered out of home-based businesses and small offices or clinical spaces. The nearest alternative health offerings are in Nelson (several registered practices) and Winlaw (one registered practice).

Health Care Threshold Conclusions

Despite the presence of several health centres within a one hour drive from Slocan, residents (especially seniors) are interested in local health service provision. Health centres and doctor's clinics are rare in towns with less than 500 population and those that do exist are usually the only health centre for a large rural area. There is no minimum population or patient visits required to establish a health clinic, thus it is at the discretion of a medical practitioner to start such a business. There are several examples of health centres located in towns without pharmacies, indicating that prescription services are not necessarily required to support a health centre or doctor's clinic. As Slocan's population ages, the demand for local health services and prescription drugs is likely to increase. Increased desire for alternative health services may represent an opportunity in small rural communities. Alternative health services may attract repeat visitors from the region.

⁶⁶ Statistics Canada 2006 Census Age Characteristics (January 2010). Retrieved from www12.statcan.ca/census-recensement/2006.

⁶⁷ Interior Health website (2010). Retrieved August 10 from www.interiorhealth.ca/health-services.aspx?id=268.

⁶⁸ Karen Hamling, Mayor of Nakusp, personal communication. August 8, 2010.

4.10.3 Water Services

The Village of Slocan owns and operates a municipal water utility whose source is in Valhalla Park. There are no individual water meters; operating and maintenance costs for the utility are estimated annually and the residents are billed at the beginning of the year to cover these costs. The bill is split evenly amongst all homes (estimated to be 165⁶⁹). Thus, the more residents there are, the less each household pays for water services. All residents must be connected to the municipal water system. Several homes outside the Village boundaries are connected to the municipal water supply; however, there is a moratorium on new external water users. Slocan's provincial water license limits the amount of water drawn from the source, and homes within Village boundaries must be served first, thus limiting the opportunity for new users outside Village boundaries.⁷⁰ There are no population centres within a reasonable distance from Slocan that could be added to the water system.

The annual costs to the Village to provide water services varies from year to year but is generally in the range of \$40,000 to \$55,000⁷¹ when there are no major capital costs (e.g. pump repairs, waterline replacements). This equates to \$242-\$333 per home when split evenly among Slocan's 165 homes. The majority of this cost (~85%) is covered by residential customers. The remainder is covered by commercial customers. A small amount of revenue is generated by new connection fees. No revenue is generated by water service to customers outside the Village boundary.

The current arrangement allows for very little cost savings to be made as the costs are always covered by the fees. The arrangement is flexible, allowing costs to be recouped if they fluctuate. The service provision threshold for water services would be the annual cost level that residents and businesses feel is unreasonably high. It is unknown what residents' specific tolerance level is for water service fees.

4.10.4 Road Services

Roads within the Slocan municipal boundary are owned and maintained by the municipality. The Province owns the roads in surrounding Area H, which are maintained by Yellowhead Road and Bridge (Kootenay) Ltd. Through an agreement with YRB and the Regional District, Slocan clears snow from the roads for neighbouring Brandon, which is outside the municipal boundary, using Slocan municipal equipment in exchange for road salt to use in the village.

No revenues are generated from municipal roads; they are purely a cost to maintain. Annual road maintenance and allowance costs are about \$21,000.⁷² Labour for road surfaces, road allowances, snowploughing and sanding accounts for the majority of the costs. The remainder is devoted to dust control, materials and supplies.

The threshold for municipal road services provision is difficult to ascertain, as not providing certain services (e.g.: road repairs and snow removal) represents a legal liability to the municipality.⁷³ It is estimated that some road allowance services and dust control could be forgone without any major impact on road function and resident comfort.

4.10.6 Garbage Removal

The Village provides weekly garbage collection. Village staff provides the labour. A local collection station and the regional landfill are used for disposal. Garbage removal fees are paid by residents and businesses at the beginning of each year to cover the cost of service provision. Regional landfill tipping fees are usually around \$11,000 per year and garbage collection costs the Village about \$6,000 per year. The Village also provides a door to door clean up service in the spring to help residents remove unsightly objects from their premises. This costs the Village about \$3,500 per year and is covered by residential fees. Residents cover 85% of the total garbage costs; commercial outfits cover the remainder with a very small amount of revenue derived from excess garbage bag collection.

Similarly to the water service provision threshold, the service provision threshold for garbage removal would be the annual service cost level that residents and businesses feel is unreasonably high.

69 Statistics Canada 2006 Census Population and Dwelling Counts (January 2010). Retrieved from www12.statcan.ca/census-recensement/2006.

70 Shana Paivarinta, CAO of Slocan, personal communication. August 3, 2008.

71 Ibid. 44.

72 Ibid. 67.

73 Pauline Harding, Province of BC Financial officer, personal communication. July 30, 2010.

4.10.6 Village Capital Assets

Slocan owns several pieces of major equipment and various minor equipment (saws, cement mixers, generators, tools, etc.). Certain items are occasionally rented out at an all-found rate (cost of equipment, overhead and labour). Equipment rentals include a municipally employed operator Unless rented to other municipalities. Equipment is often needed in multiple places simultaneously (e.g.: snowploughs). Thus, minimal opportunity exists for inter-municipal rental of Slocan's equipment.^{74,75} Table 24 outlines the values of major equipment items.⁷⁶

Table 24: Village-owned equipment values

Equipment Item	Estimated Value	Comments
1984 Tractor	\$2,000	under lease for \$15,000/year
1997 Ford F-150 truck	\$14,000	
1989 GMC truck	\$18,000	
2005 Ford F-550 truck	\$50,000	
1970 Caterpillar Grader	\$12,000	
1984 Street Sweeper	\$3,500	under lease for \$27,000/year
2009 Front-end Loader	\$117,900	
1994 Excavator	\$36,000	
2006 Chipper	\$14,000	
1947 Fire Truck	\$12,000	
1994 Trailer	\$8,000	
2001 Mower	\$18,000	
Minor equipment collection	\$11,330	
Total equipment value	\$316,730	

Slocan has several land-related assets, itemized in Table 25.⁷⁷

Table 25: Village-owned land-associated assets values

Item	Estimated Value
Slocan City Legion	\$89,100
Slocan Curling Club	\$127,000
Women's Institute Hall	\$31,400
Village Office & Public Works Shop	\$71,600
Wellness Centre	\$107,000
Water Plant	\$245,000
Valhalla Crew Camp	\$42,900
Springer Creek RV Park	\$139,000
Expo 86 Ball Field & Area	\$63,100
Beach (gazebo, washrooms, dock)	\$101,900
Kiddie Park	\$5,500
Tennis Court & Area	\$0
Cemetery	\$0
Field/Campground/Small Beach Equip.	\$19,518
Boat Ramp, Breakwater, Swimming Ramp	\$146,830
Fitness Equipment	\$18,471
Office & Other Equip.	\$6,910
Total land-associated asset value	\$1,215,229

⁷⁴ Ibid.

⁷⁵ Ibid. 66.

⁷⁶ *Slocan Tangible Assets*. (2009)

⁷⁷ Ibid.

In a financial crises situation, the Village could attempt to sell some of its assets. If leases were discontinued on the F-550 truck and the front-end loader the Village would save \$15,000 and \$27,000 per year, respectively. One of the remaining trucks could be sold and the other retained for essential labour purposes. The street sweeper could be sold for a few thousand dollars, discontinuing any dusting services to save \$2,000 annually from the road budget. The grader and excavator could be sold and road and water system maintenance could be done on a contractual basis with a private service provider. However, it is estimated that the cost of private services needed to replace the services provided by these equipment would quickly exceed the revenues generated from the grader and excavator sales. Sale of any other equipment would create minimal one-time revenues.

Other assets could be sold, but many would depend on interest in privately owning and operating the asset (e.g.: Legion, Women's Institute Hall, curling rink, Wellness Centre, RV Park, etc.). These are well-used assets and the new owner/operator would have to make assurances as to continued and/or improved use in order to maintain the quality of life the assets currently offer to residents. Other assets, such as the swimming platform and fitness equipment, could be sold for one-time revenue generation without majorly impacting Slocan residents' quality of life.

4.10.7 Service Threshold Summary

The W.E. Graham school is currently at the enrolment threshold to keep the school open. Although the Village has few school-related expenditures and revenues, it is in the Village's interest to keep the school open as an attraction to new families and as a community focal point and valuable resource. Unless enrolment increases, costs decrease or additional revenue is generated through auxiliary uses, it is likely the School District will close or reconfigure the school in conjunction with a reconfiguring of Winlaw Elementary. Attracting new students to the unique outdoor education program at the school may be one way to increase enrolment. This may involve offering a charter school arrangement, meaning that the school would remain a public institution and continue to teach the provincial curriculum but also function semi-autonomously, with a focus on outdoor education. Marketing and promotion of the school's unique educational focus would be required to attract more students.

Slocan could establish local health services under two scenarios. The first would be if one or more medical practitioners were to offer their services locally, probably operating out of the Wellness Centre or a home office, if they lived in Slocan. The second would be if one or more medical practitioners were to visit Slocan periodically, offering occasional services and probably operating out of the Wellness Centre. The likelihood of these possibilities would increase with increased population. Given the services already offered within a one hour drive from the village, it is difficult to gauge the potential success of local medical service offerings. Residents would have to be comfortable with the practitioners so that they would transfer their patronage from existing practitioners outside the village. Residents would also have to see the value in using a local medical practitioner instead of keeping their patronage with a family practitioner in a larger centre where they would achieve multiple collateral services with one visit (e.g.: grocery shopping). With the recent increase in alternative health treatment interest, it may be possible for local alternative health practitioners to offer their services out of the Wellness Centre. These services are not widely available in the Slocan Valley. This use of the Wellness Centre would offer some health services, make use of an under-utilized resource and create a hub for alternative health services in the Valley. This arrangement could also allow for occasional provision of traditional medical services from periodically visiting medical practitioners who could share the Wellness Centre space. Leasing of the Wellness Centre would provide the Village with some revenues.

The Village's service threshold for water and garbage pickup is related to the cost level that residents and businesses feel is too high, as the current practice is to charge residents and businesses at the beginning of the year for the estimated cost of providing these services for that year. This ensures enough funds are present to cover the costs of service provision. Unless major repairs or new equipment is required, these services have fairly regular operating costs. In the event of major repairs or equipment costs, the Village could cover associated costs with budget surplus, if available, or grant money. If the costs are not too onerous, they could be covered by an increase in the next year's user fees.

The service threshold for road services is difficult to ascertain due to legal liabilities, but it is estimated that certain road allowance and dusting services could be reduced without major impact to the comfort of citizens. The Village could sell certain pieces of major equipment for a short-term financial gain, but it is estimated that the services they provide are more valuable than revenues received from their sale, especially as the cost of replacing these services with private offerings is estimated to quickly exceed any sale revenues. Other assets could be sold to cover municipal budget shortfalls in the short-term. Certain asset sales would have minimal impact to residents' quality of life and others with major quality of life impacts if new owners were to discontinue or modify their use in ways deemed detrimental by citizens.

4.11 Village of Slocan Municipal Finances Overview⁷⁸

4.11.1 Annual Municipal Finances⁷⁹

In 2008 the Village had expenditures of \$706,034 and revenues of \$746,261. Expenditures decreased to \$677,509 in 2009 while revenues increased to \$946,985. Total expenditure figures do not include capital expenditures. Detailed areas of expenditure and revenue are detailed for 2008 in Figures 18 and Table 26, and for 2009 in Figure 19 and Table 27.

Table 26: 2008 Municipal Finances

Revenue	2008	% of Total Rev.
Taxation	242,220	32.5
Provincial Government grants	287,837	38.6
Federal Gas Tax grant	0	0.0
Other Government grants	29,546	4.0
Sales of service & own sources	55,954	7.5
Interest and penalties on taxes	26,362	3.5
Investment income	6,325	0.8
Water user and connection fees	54,739	7.3
Gain on sale of tangible capital assets	43,278	5.8
Total revenues	746,261	
Expenditures	2008	% of Total Exp.
General government	308,878	43.7
Protective services	8,641	1.2
Transportation services	179,603	25.4
Environmental & public health services	16,412	2.3
Recreation and cultural services	47,141	6.7
Water utility	53,029	7.5
Amortization	92,330	13.1
Total expenditures	706,034	
Annual Surplus	\$ 40,227	
Repayment of capital lease obligation	11,156	
Capital expenditures	26,613	
Net Surplus	\$2,458	

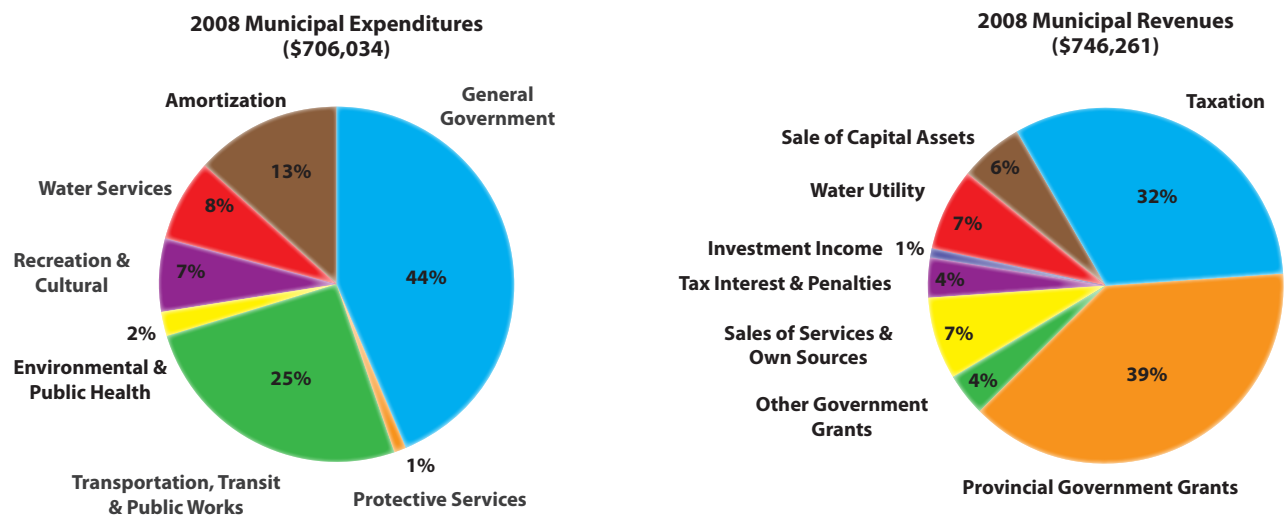


Figure 18: 2008 Municipal Expenditures and Revenues

⁷⁸ Municipal finance figures used in this document reflect the most recent audited financial statements (2009).

⁷⁹ Village of Slocan audited financial statements, 2009.

The Village's surplus was \$2,458 in 2008 and \$47,330 in 2009. Slocan usually operates on a tight budget, without much annual surplus, should it be needed to cover revenue shortfalls. The Village has no long term debt. By law, the Village is required to stay out of deficit.

Table 27: 2009 Municipal Finances

Revenue	2009	% of Total Rev.
Taxation	\$243,654	25.7
Provincial Government grants	465,115	49.1
Federal Gas Tax grant	51,201	5.4
Other Government grants	10,000	1.1
Sales of service & own sources	66,971	7.1
Interest and penalties on taxes	4,827	0.5
Investment income	5,882	0.6
Water user and connection fees	76,842	8.1
Gain on sale of tangible capital assets	22,493	2.4
Total revenues	\$ 946,985	
Expenditures	2009	% of Total Exp.
General government	\$ 251,379	37.1
Protective services	1,591	0.2
Transportation services	163,419	24.1
Environmental & public health services	17,734	2.6
Recreation and cultural services	76,551	11.3
Water utility	66,560	9.8
Amortization	100,275	14.8
Total expenditures	\$ 677,509	
Annual Surplus	\$ 269,476	
Repayment of capital lease obligation	16,255	
Capital expenditures	205,891	
Net Surplus	\$ 47,330	

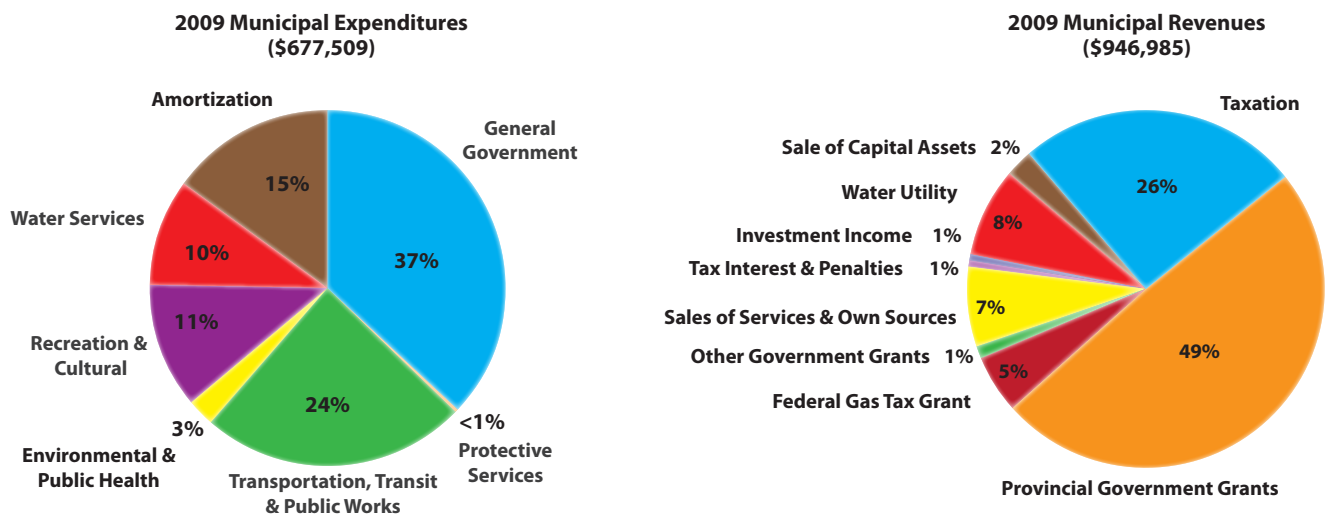


Figure 19: 2009 Municipal Expenditures and Revenues

4.11.2 Municipal Revenues

The Village currently has four major sources of revenue: taxation, sale of services, own sources and government grants.

Taxation Overview

The largest non-grant source of revenue for the Village is property taxation. Table 28 shows the Village's 2009 and 2010 tax rates. Property taxes made up \$228,001 of total taxation revenues in 2010.

Table 28: 2009 and 2010 property tax revenues

Property Class	General Taxable Values	General Municipal Tax Rate 2009	General Municipal Tax Rate 2010	Total 2010 Municipal Taxes
		(Dollars of tax per \$1,000 of taxable assessed value)		
1. Residential	28,760,100	2.9892	2.6531	\$ 76,303
2. Utility	133,500	40.0000	40.0000	5,340
3. Major Industrial	3,575,700	40.9270	38.8800	139,023
4. Light Industrial	227,200	8.1444	8.1444	1,850
5. Business	1,196,650	4.1108	4.1108	4,919
6. Rec/Non Profit	213,000	2.9891	2.6531	565
Total property taxes				\$ 228,001

The total residential and property tax paid on an average house in Slocan in 2010 was \$1,080. This was lower, sometimes considerably lower, than taxes paid on average houses in many other BC towns of similar population (Table 29).⁸⁰

Table 29: Taxes paid on an average house in Slocan in 2010

Municipality	House Value	School	General Municipal Total	Regional District	Hospital	BCA, MFA & Other	Total Res. Variable Rate Taxes	Total Res. Parcel Taxes	Total Res. User Fees	Total Taxes & Charges	Comparator
Slocan	\$148,341	374	394	232	27	54	1,080	0	0	\$1,080	Within Region
Silverton	\$244,447	652	548	210	45	69	1,525	0	490	\$2,015	
New Denver	\$196,252	524	384	167	36	64	1,174	150	380	\$1,704	
Port Alice	\$130,000	446	519	108	39	45	1,158	0	438	\$1,596	Major Industry
Port Edward	\$100,198	402	511	64	47	39	1,062	224	0	\$1,285	
Lytton	\$109,750	366	611	120	24	41	1,162	0	450	\$1,612	
Stewart	\$63,781	251	670	19	29	28	996	437	0	\$1,433	
Wells	\$59,622	234	195	88	40	29	586	474	318	\$1,378	
Midway	\$180,859	480	573	79	35	61	1,229	265	360	\$1,854	
Tahsis	\$95,901	440	897	3	68	34	1,443	0	448	\$1,891	No Major Industry
Sayward	\$154,419	388	858	9	107	61	1,422	67	538	\$2,026	
Port Clements	\$86,912	396	385	84	42	42	950	245	360	\$1,555	
Pouce Coupe	\$141,951	495	472	28	85	65	1,146	227	509	\$1,882	
Hazelton	\$99,096	390	665	208	39	51	1,353	300	486	\$2,139	

Slocan has the lowest property assessment per capita of the three incorporated communities in the Valley (Table 30).

This is largely due to the lack of commercial properties and the relative lower value of housing.⁸¹

Table 30: Inter-municipal property assessment comparison

Community	2009 Total Residential Assessment	2009 Population	Assessment/Capita
Slocan	\$34,106,150	369	\$92,872
Silverton	\$35,119,750	185	\$189,836
New Denver	\$61,696,600	512	\$120,501

⁸⁰ BC Ministry of Community and Rural Development, Local Government Statistics, Municipal Revenues 2008 (August 2009). Retrieved from http://www.cscd.gov.bc.ca/lgd/infra/tax_rates/tax_rates2010.htm

⁸¹ RDCK and Statistics Canada 2006 Census data.

Sale of Services

Currently Slocan generates sale of service revenues from collecting garbage user fees, water user fees, fees associated with the cemetery, Regional District bus ticket sales and other miscellaneous services. Most of these fees offset the cost of providing these services, making many of the services revenue neutral (e.g.: water fees, garbage fees, bus tickets).

Own Sources

The Village also generates revenue from its own sources (permits, licenses, rentals and other fees). In 2009 more than half of this revenue came from rentals such as the RV Campground, gym and Wellness Centre. Total revenue for sale of services and own sources was \$66,971 in 2009. This revenue offsets the cost of maintaining these operations.

Government Grants

The Village's largest source of revenue is government grants. Unconditional grants provided \$586,921 and conditional grants \$131,199 in 2009, making up 50% of total revenue. The largest portion of these grants is a \$577,421 unconditional BC Small Communities grant divided between 2009 and 2010. The unconditional grant amount is unusually large as the Province advanced the payment of the 2010 grant to 2009 to help cover the revenue lost from the Springer Creek Sawmill late tax payment. The amount for 2010 would have been \$326, 503. It is anticipated that such grants will not increase in the future and may even decline.⁸²

4.11.3 Municipal Revenues Comparison⁸³

Table 31 summarizes 2008 municipal revenues from communities with populations similar to Slocan. Slocan collected considerably more revenue from taxation than other communities in the same Regional District, largely due to tax income from the Springer Creek Mill. However, this revenue is still considerably less than several other BC communities with similar populations.

Table 31: Inter-municipal revenue comparison

Municipality	RD	Total Own Purpose Taxation and Grants in Lieu	Sale of Services	Transfers from Federal Government	Transfers from Provincial Government	Transfers from Regional and Other Governments	Other Investment Income	Total Revenue	Comparator
Slocan	CKO	268,582	110,693	0	287,837	29,546	6,325	746,261	Within Region
New Denver	CKO	155,726	179,172	0	306,318	35,654	16,373	693,243	
Silverton	CKO	96,881	109,433	0	299,682	10,000	5,495	521,491	
Port Alice	MW	993,044	458,740	0	296,835	0	0	1,748,619	Major Industry
Port Edward	SKQ	763,186	406,864	0	555,330	578,738	14,425	2,318,543	
Lytton	TNR	403,053	310,234	0	406,660	0	0	1,119,947	
Stewart	KIT	899,455	330,920	24,179	898,414	0	42,735	2,284,748	
Wells	CAR	188,868	169,817	8,418	324,515	77,500	0	857,826	
Midway	KOO	582,613	324,366	0	267,994	16,476	26,407	1,284,952	No Major Industry
Sayward	STR	247,793	233,635	1,895	328,553	47,241	48,711	907,828	
Tahsis	STR	449,565	458,021	46,868	745,652	0	188,795	1,888,901	
Port Clements	SKQ	217,720	2,408,425	0	344,887	95,168	16,755	3,082,955	
Pouce Coupe	PEA	298,137	350,989	3,000	736,156	749,215	84,673	2,487,221	
Hazelton	KIT	205,833	164,796	0	439,115	144,533	32,473	987,496	

4.11.4 Municipal Expenditures⁸⁴

The Village has operated with relatively consistent expenditures for the last five years. It has seven major expenditure areas: administration, capital projects, utilities, recreation and cultural services, transportation and public works, public and environmental health, and protective services. Many of the Village's costs in 2009 were significantly less than budgeted figures, mostly due to the availability of unspent grant funding from previous years.

⁸² Pauline Harding, Financial Officer, Ministry of Rural and Community Development. Personal communication, October 1, 2010.

⁸³ Based on BC Ministry of Community and Rural Development, Local Government Statistics, Municipal Revenues 2008.

⁸⁴ Village of Slocan Audited Financial Statements, 2009 and 2009 Indicated Actual Numbers from the Village of Slocan Working Budget.

Administration

In 2009, Slocan spent \$128,685 on personnel. Legal and accounting costs were \$10,648 and Village office operations and maintenance were \$33,970. Total insurance costs were \$31,906. The property insurance component will be reduced due to a change in provider, making a new total of about \$24,000. Inter-municipal association memberships and conference fees were \$19,789 and public relations costs were \$3,043. General administration costs were \$128,685, including salaries.

Capital Projects

Slocan's capital project expenditures were \$205,891 in 2009. These were higher than usual due to Village office renovations. Two-thirds of the renovation funding came from other governments. Local hydro-electric project feasibility studies, local economic development planning and Wellness Centre upgrades constituted other major expenses. The Village's future capital requirements include an energy retrofit of the Wellness Centre. Budgeted costs for capital projects in 2009 were \$443,268. Capital projects are discussed further below.

Utilities

The Village's potable water system was rebuilt 6 years ago and provides high quality water to about 200 homes, including some outside the Village boundaries. The system is self-financed via user fees, which cover administration, supply and labour expenses for the dam, pump station and tank, and fire hydrants. The entire community uses individual septic systems; since no municipal sewer system is in place, there are no municipal sewer costs.

Recreation and Cultural Services

Slocan spent \$76,551 for recreation and cultural services in 2009, about 11% of total expenditures. These funds supported the operation and maintenance of the curling rink, outdoor skating rink, tennis court, ball park, RV park, kiddy park, skateboard park, riding grounds, boat ramp, and the Wellness Centre. The Wellness Centre incorporates a library, meeting space, a well-equipped exercise room and space for a potential medical clinic.

Transportation and Public Works

Total transportation costs for Slocan were \$163,419 in 2009. The Village owns several pieces of major equipment, as detailed previously. The Village workshop houses its minor equipment, which cost \$11,375 to operate in 2009.

General public works cost \$75,916 in 2009 with labour accounting for the majority of this expenditure. Road maintenance costs were \$19,959, which includes snow plowing, sanding and surfacing. Traffic services, including street signs and street lighting, cost \$12,772. The Central Kootenay Transit System bus service between Nelson and Slocan is funded by the Regional District. Bus tickets sold by the Village constitute a revenue neutral service provision.

Public and Environmental Health

Slocan's 2009 public health and environmental health costs were \$17,734, which included weekly garbage collection, "clean-up week" and tipping fees. Fees collected by residents cover costs associated with these services. In 2010 the Village reduced its weekly residential garbage collection maximum of two bags to one to account for increased tipping fees from the Regional District.

Protective Services

Slocan has a volunteer fire department and one truck (owned by the fire department). The fire hall in Slocan is a joint venture with the Regional District, since the volunteers also service a rural fire protection area surrounding the Village. Slocan's 2009 fire protection budget was modest at \$1,850 and actual costs were \$550. The BC Ambulance station serving Slocan is located in Winlaw.

4.11.5 Municipal Expenditures Comparisons

Table 32 illustrates municipal expenditures for communities with a population similar to Slocan in 2008.⁸⁵ General government expenditures are significantly higher in Slocan than other communities in the same Regional District. Slocan has greater expenditures than towns in the region, but much lesser than many other towns of similar population in BC.

Table 32: Inter-municipal expenditures comparison

Municipality	RD	General Government	Protective Services	Solid Waste Mgmt and Recycling	Health, Social Services and Housing	Development Services	Transportation and Transit	Parks, Rec. and Culture	Water Services	Sewer Services	Other Services	Total Expenditures	Comparator
Slocan	CKO	308,878	8,641	14,639	1,773	0	176,552	47,141	53,029	0	0	610,653	Within Region
New Denver	CKO	195,300	46,265	36,944	11,672	20,015	139,544	35,884	68,663	0	0	554,287	
Silverton	CKO	143,253	34,809	15,994	0	13,720	100,717	27,052	41,953	0	0	377,498	
Port Alice	MW	341,544	44,231	0	161,276	0	290,620	429,545	27,212	100,304	0	1,394,732	
Port Edward	SKQ	558,148	62,137	65,115	0	0	114,966	138,284	274,329	66,923	121,899	1,986,622	Major Industry
Lytton	TNR	473,940	50,055	97,478	0	59,833	0	93,742	60,274	77,866	0	913,188	
Stewart	KIT	389,255	49,689	103,516	0	229,804	463,089	173,121	38,441	10,543	27,524	1,484,982	
Wells	CAR	241,550	39,640	10,109	0	46,566	82,570	63,980	76,563	75,965	0	636,943	
Midway	KOO	323,089	77,857	0	0	0	148,818	170,399	54,710	89,728	52,699	917,300	No Major industry
Sayward	STR	253,518	116,346	23,248	0	65,642	36,463	134,663	79,705	49,132	0	758,717	
Tahsis	STR	683,673	65,204	35,484	0	50,383	270,620	252,910	81,579	69,775	0	1,509,628	
Port Clements	SKQ	190,542	35,604	0	0	1,445	206,622	50,225	65,663	42,183	31,997	823,873	
Pouce Coupe	PEA	324,769	40,304	34,644	34,287	0	183,954	178,981	203,321	76,876	0	1,077,136	
Hazelton	KIT	189,589	41,911	31,581	20,000	66,060	110,729	62,561	95,201	49,943	1,957	669,532	

4.11.6 Dependence on Springer Creek Sawmill Property Tax Share

The Springer Creek Sawmill is the only major industry in Slocan, providing two-thirds of the Village's property taxes, or about one-sixth (16%) of its total revenue. Springer Creek went into curtailment in 2009 and was late paying its 2009 municipal taxes, leaving the Village facing an unexpected shortfall. The Village received \$230,000 in revenue anticipation borrowing from the Municipal Finance Authority (MFA) to fill its temporary budget gap. Although Springer Creek eventually paid the principal tax amount, the 10% late penalty was transferred to arrears taxes, which were eventually paid in 2009. A late penalty was assessed on the mill's 2009 taxes but was waived by the Province under exceptional circumstances. The mill reopened as of fall, 2010 and is in part-time operation. The Village has agreed to decrease the mill's property taxes by 5% for each of the years 2009, 2010 and 2011. The difference in property taxation revenue is made up by an increase in the residential property taxation rate. Table 33 provides an overview of the mill's tax share.⁸⁶

Table 33: Springer Creek Mill's share of municipal property taxes

	2010	2011	2012	2013	2014
General Property Taxes (municipally-made assumption of 5% annual increase due to inflation)	\$228,000	\$239,400	\$251,370	\$263,939	\$277,135
Mill's Share of Property Taxes	\$138,947	\$132,000	\$132,000	\$132,000	\$132,000
Percentage of General Property Taxes paid by Springer Creek Mill (municipally-made assumption of no increase with inflation)	60.9%	55.1%	52.5%	50.0%	47.6%

The Village is dependent on Springer Creek Sawmill for a large portion of its municipal revenue. If the mill were unable to pay its property taxes, the Village would have to make up the revenue shortfall by generating significant additional revenues and/or reducing expenditures.

⁸⁵ BC Ministry of Community and Rural Development, Local Government Statistics, Municipal Revenues 2008 (August 2009). Retrieved from http://www.cscd.gov.bc.ca/lgd/infra/tax_rates/tax_rates2010.htm

⁸⁶ Village of Slocan audited financial statements, 2009.

4.11.7 Municipal Property Tax Revenues Comparison

Table 34 demonstrates 2009 municipal property taxes in towns with populations similar to Slocan.⁸⁷ Slocan is one of only three communities in this group with over 50% of total taxes coming from the Major Industry property class. Slocan's residential property taxes make up 31% of its total tax revenue, which is low when compared to the provincial average of 55%, but consistent with the trend of large industry subsidizing residential property taxes in small towns across BC.

Table 34: Inter-municipal property tax comparison

Municipality	Pop 2009	Property Class	Authenticated Roll General Taxable Values	Total Municipal Taxes	% Total Taxes	% Total Assessment	Comparator
Slocan	369	Residential	23,321,100	69,709	31	81	Within Region
		Major Industry	3,546,300	145,139	64	12	
		Business/Other	1,179,650	4,849	2	4	
New Denver	526	Residential	56,511,700	119,923	85	92	
		Major Industry	0	0	0	0	
		Business/Other	4,707,100	19,978	14	8	
Silverton	198	Residential	32,142,600	80,890	86	92	
		Major Industry	0	0	0	0	
		Business/Other	2,882,560	12,914	14	8	
Port Alice	843	Residential	58,631,400	227,316	22	63	Major Industry
		Major Industry	30,440,000	761,695	74	32	
		Business/Other	3,031,700	21,627	2	3	
Port Edward	585	Residential	28,510,500	142,553	12	62	
		Major Industry	4,659,000	697,088	59	10	
		Business/Other	5,569,800	69,623	6	12	
Lytton	230	Residential	12,333,400	80,289	26	59	
		Major Industry	981,000	38,520	12	5	
		Business/Other	4,382,400	67,591	22	21	
Stewart	476	Residential	18,627,050	211,238	46	68	
		Major Industry	2,156,700	62,246	14	8	
		Business/Other	5,129,600	101,060	22	19	
Wells	231	Residential	8,321,200	30,636	48	75	
		Major Industry	614,500	7,918	12	6	
		Business/Other	2,023,400	21,604	34	18	
Midway	662	Residential	57,324,545	200,636	47	82	
		Major Industry	2,928,400	96,637	23	4	
		Business/Other	3,377,400	23,642	6	5	
Sayward	329	Residential	25,233,800	134,078	53	83	No Major Industry
		Major Industry	0	0	0	0	
		Business/Other	1,381,500	17,984	7	5	
Tahsis	380	Residential	38,798,600	310,517	70	88	
		Major Industry	0	0	0	0	
		Business/Other	3,697,050	64,329	14	8	
Pouce Coupe	720	Residential	37,952,200	140,226	73	88	
		Major Industry	0	0	0	0	
		Business/Other	4,815,600	43,592	23	11	
Port Clements	461	Residential	16,530,800	85,445	64	78	
		Major Industry	0	0	0	0	
		Business/Other	2,036,250	21,050	16	10	
Hazelton	271	Residential	8,742,600	65,632	59	78	
		Major Industry	0	0	0	0	
		Business/Other	2,478,300	45,582	41	22	

⁸⁷ Ibid. 84.

4.11.8 Municipal Property Tax Rates Comparison

Table 35 summarizes residential and major industry tax rates in a sample of communities across BC.⁸⁸ The average residential property tax rate in the BC communities listed below is 4.83553 for those with major industries. For those without, the average rate is 5.36753.

Table 35: Inter-municipal comparison of 2009 property tax rates

Municipalities	RD	Pop 2009	Property Class	Municipal Purposes Tax Rates	Total Municipal Variable Rate Taxes	Municipal Taxes Per Capita	Comparator
Slocan	CKO	369	Residential	2.6531	69,709	189	Within Region
			Major Industry	40.0000	145,139	0	
New Denver	CKO	526	Residential	2.12210	119,923	228	
			Major Industry	5.09310	0	0	
Silverton	CKO	198	Residential	2.51660	80,890	409	Major Industry
			Major Industry	0.00000	0	0	
Port Alice	MW	843	Residential	3.87704	227,316	270	
			Major Industry	25.02282	761,695	0	
Port Edward	SKQ	585	Residential	5.00000	142,553	244	
			Major Industry	32.00000	149,088	0	
Lytton	TNR	230	Residential	6.50990	80,289	349	
			Major Industry	39.26580	38,520	0	
Stewart	KIT	476	Residential	11.34040	211,238	444	
			Major Industry	28.86180	62,246	0	
Wells	CAR	231	Residential	3.68170	30,636	133	
			Major Industry	12.88600	7,918	0	
Midway	KOO	662	Residential	3.50000	200,636	303	No Major Industry
			Major Industry	33.00000	96,637	0	
Tahsis	STR	380	Residential	8.00330	310,517	817	
			Major Industry	83.60000	0	0	
Sayward	STR	329	Residential	5.31344	134,078	408	
			Major Industry	0.00000	0	0	
Port Clements	SKQ	461	Residential	5.16885	85,445	185	
			Major Industry	0.00000	0	0	
Pouce Coupe	PEA	720	Residential	3.69480	140,226	195	
			Major Industry	0.00000	0	0	
Hazelton	KIT	271	Residential	7.50720	65,632	242	
			Major Industry	0.00000	0	0	

Although Silverton and New Denver both have higher percentages of residential property tax making up their municipal revenues, their residential property rates are similar to Slocan. Compared to the average rates for municipalities with and without major industries, Slocan's residential tax rate is well below average. There is a trend of single industry towns in BC heavily taxing major industry, which subsidizes residential property tax rates; Slocan is no exception. If necessary, Slocan could raise its residential property taxes considerably and still be within a reasonable rate compared to many other small communities in the province.

⁸⁸ BC Ministry of Community and Rural Development, Local Government Statistics, Tax Rates 2009

4.11.9 Slocan Municipal Finances Summary

Roughly two-thirds to three-quarters of Slocan's revenues are derived from higher level government grants and local property taxation. The remaining one-third to one-quarter comes from sales of services and own sources, user fees for service provision (garbage collection and water) and a few other lesser revenue sources. Slocan's major expenditures are in general government costs, transportation, transit and public works costs, and amortization.

The total residential and property tax paid on an average house in Slocan is often considerably lower than that paid on houses in other towns of similar population. Of the towns compared here, taxes paid on an average house in Slocan is 65% below the average of other towns' taxes paid on an average house. Average house values in Slocan are considerably less than those in neighbouring Silverton and New Denver.

Although Slocan collects more property tax revenue than neighbouring towns, this revenue is considerably less than many other BC towns with similar population, whether or not those towns have a major industry present. Slocan has greater expenditures than neighbouring towns, but much lesser than many other towns of similar population in BC, whether or not those towns have a major industry present.

Slocan is overly dependent on the Springer Creek Sawmill property tax share, as evidenced by the Village's inability to independently cover the mill's unpaid tax revenues when it went into curtailment in 2008. The major industry percentage tax share is greater than most other BC towns of similar population with major industries. It is in line with Port Alice, a town which has had significant recent major industry property tax share issues. Slocan's residential property tax portion of total property taxes is low when compared to the provincial average, but consistent with the tradition of large industry subsidizing residential property taxes in small BC towns. Slocan's business and commercial property tax revenues are low compared to other towns.

4.12 Official Community Plan

Slocan's most recent Official Community Plan (OCP) bylaw is from 1988 and is in need of updating. The 1988 OCP addresses zoning, parking and some general regulations, but little else.

The Local Government Act dictates such required OCP content as the following:⁸⁹

1. An official community plan must include statements and map designations for the area covered by the plan respecting the following:
 - a) the approximate location, amount, type and density of residential development required to meet anticipated housing needs over a period of at least 5 years;
 - b) the approximate location, amount and type of present and proposed commercial, industrial, institutional, agricultural, recreational and public utility land uses;
 - c) the approximate location and area of sand and gravel deposits that are suitable for future sand and gravel extraction;
 - d) restrictions on the use of land that is subject to hazardous conditions or that is environmentally sensitive to development;
 - e) the approximate location and phasing of any major road, sewer and water systems;
 - f) the approximate location and type of present and proposed public facilities, including schools, parks and waste treatment and disposal sites;
 - g) other matters that may, in respect of any plan, be required or authorized by the minister.
2. An official community plan must include housing policies of the local government respecting affordable housing, rental housing and special needs housing.
3. An official community plan must include targets for the reduction of greenhouse gas emissions in the area covered by the plan, and policies and actions of the local government proposed with respect to achieving those targets.

Major issues present in the current OCP and Village bylaws include outdated policies, including ones that:

- Overly restrict home occupation storage, products, parking, staffing and signage;
- Overly restrict bed and breakfast sleeping units, maximum number of allowed guests and parking;
- Neglect the inclusion of floodplain control requirements;
- Require updating to include new zoning types;
- Require additional permitted use types;
- Overly restrict housing density, housing type and lot coverage options;
- Potentially overly restrict tourist commercial and industrial land uses; and
- Neglect social well-being, affordable housing and sustainability.

There are also inconsistencies between current bylaws and the OCP that should be addressed during the OCP review. These are mostly due to the bylaws being more up to date than OCP policies.

Modern OCPs usually include statements and policies relating to social well-being and development, regional context statements, a community vision and goals, and sustainability. These items and some of the required content items are generally lacking from Slocan's current OCP and will have to be addressed under Slocan's upcoming OCP review. The RDCK can provide geographic information systems (GIS) mapping assistance.

⁸⁹ BC Local Government Act, Chapter 323. (December 8, 2010).

4.13 First Nations in Slocan Valley

There are several First Nations that have traditional territories in the Slocan Valley.

The Sinixt Nation, or the Lakes People, traditionally occupied areas of the West Kootenays. Individuals of the Sinixt Nation have come forward asserting descendancy and claiming government recognition as an existing nation. Although the Sinixt First Nation was declared extinct under the Indian Act in 1956, the First Nation exists as a tribal group. As of 2008, the Sinixt Nation has filed a lawsuit with the Governments of BC and Canada asserting a right to be consulted and to consent to all uses or dispositions of Crown land within their traditional territory.⁹⁰ This claim does not affect private lands in the area. The Sinixt Nation maintains its right to be consulted regarding the Province's land and water decisions within their claimed territories.⁹¹

The Okanagan Nation traditional territory covers approximately 69,000 square kilometers of the central Okanagan Valley and West Kootenays, including the Slocan Valley. The Okanagan Nation in Canada is made up of seven bands: the Okanagan Indian Band, Upper Nicola Indian Band, Westbank First Nation, Penticton Indian Band, Lower Similkameen Indian Band, Upper Similkameen Indian Band and Osoyoos Indian Band.⁹²

The Ktunaxa Nation traditional territory covers approximately 70,000 square kilometres within the Kootenay region of south-eastern British Columbia, including the Slocan Valley.⁹³ The Ktunaxa-Kinbasket Treaty Council has been involved in the BC Treaty Making Process since 1992 and are currently involved in treaty negotiations for their traditional territories and rights.

The Secwepemc Nation traditional territory covers 105,000 square kilometers, primarily in south central BC. The Shuswap Nation Tribal Council was formed in 1980 by the Secwepemc chiefs to advance the issues of aboriginal rights. Several of the Shuswap Bands are actively involved in the BC Treaty Making Process.⁹⁴

There is no representation from any of these First Nations in Slocan itself.^{95,96} Under the Local Government Act, municipalities are required to provide appropriate opportunities for public consultation when modifying their OCP. Municipal governments must specifically consider whether consultation is required with First Nations. Although there is no local representation from the First Nations represented above, it would be prudent to consult with representatives of these four organizations during the upcoming OCP review. Such consultation may bring mutually beneficial opportunities to Slocan and the First Nations in terms of expanded social, human, economic and natural capitals.

In their treaty negotiations, some of the First Nations have explicitly stated that claims will not affect privately owned land. As all land within the Village of Slocan is either privately owned or owned by the municipality, it is unlikely that the outcomes of any treaty claims will affect land use or land governance within the village. The Sinixt Nation lawsuit and the Okanagan Nation treaty negotiation are currently relevant to Slocan. These should be explored and acknowledged during the OCP review.

90 Legal Summons 14,324. The Sinixt Nation vs. Her Majesty the Queen. July 28, 2008.

91 Sinixt Nation. www.sinixt.org. Accessed August 10, 2010.

92 Okanagan Nation Alliance. www.syilx.org. Accessed August 10, 2010.

93 Ktunaxa Nation. www.ktunaxa.org. Accessed August 10, 2010.

94 Shuswap Nation. www.shuswapnation.org. Accessed August 10, 2010.

95 Shaina Paivarinta, CAO Village of Slocan, personal communication. February 10, 2010.

96 2006 Statistics Canada Census.

4.14 Situation Analysis Summary

Slocan residents have been relatively resilient to external economic forces in recent years, weathering an economic downturn and a mill closure with seemingly little local effects. It is estimated that due to an aging population, there will be increased retirement in the area and the public and private sectors will shift from providing services to school age children to providing services to seniors. Related to this, income from pensions and investments will take up a larger percentage of the income generated in the region. An emphasis will have to be made to attract young families and businesses to the region to balance this shift. A business succession plan will help transition businesses from retirees to new owners and workers.

Over the past decade (as of 2008) the number of businesses in the RDCK has increased, with significant gains in the mining and oil, utilities, financial, real estate, professional and management sectors. The traditionally strong sectors of agriculture and forestry, accommodation and food services, and public administration have all declined. Overall economic diversity in the area is increasing.

Local business and government-related income are the major source of economic inflows to Slocan. Lack of local accommodation, housing, cultural offerings, services and products are the major financial outflows. Springer Creek Mill employs some local residents, but overall represents an financial outflow to the community. Buying local, increased promotion, additional local business support options and a business succession program are important 'leak plugging' activities to maintain more wealth in the local economy.

Markets are shifting from resources-based to knowledge-based. Local economic capital already focuses on locally-owned businesses and entrepreneurs, and public sector contracts have helped lay the groundwork for self-employment, part-time, seasonal, casual, and home-based employment. This provides an opportunity for Slocan to attract knowledge industry workers and businesses.

Value added products is another area on which to focus, as there is opportunity to capitalize on existing businesses and local industry. This could include the mill, which is still in operation and has an optimistic manager and outlook. Providing business retention and expansion services to existing operations in the Village of Slocan is the best way to enhance value added activities. There is also opportunity for micro farms in the Slocan Valley. However, more skilled labour is needed to rejuvenate the valley's farming industry.

If Slocan is to attract tourists, it needs to make the most of its considerable natural capital. The communities of New Denver, Silverton and Slocan have established the beginnings of a sub-regional strategy that may be beneficial. However, the recommendations of a recent tourism study have not been sufficiently pursued to ameliorate tourism offerings in the region. Finding and attracting entrepreneurs usually requires a large number of these types of people as tourists first. In order to diversify the local economy through entrepreneurs and knowledge industries, solid tourism promotion and amenity improvements must be made.

Slocan has strong human and social capital which can be leveraged to perform community improvement projects. Involving local champions and community leaders is an important step in getting volunteer help on projects that will move Slocan's economy forward.

There is perhaps an opportunity to sell and/or develop unused Village land. This would make more land available for housing and commercial properties. This in turn would create opportunities to add diversity to the housing stock and encourage new businesses to establish. Diversifying the housing stock would enable the village to more easily attract people of different incomes and housing preferences. A barrier to this is the requirement of two lots for each home, due to septic waste water treatment constraints. Small lot development would necessitate a solution to septic bylaw requirements.

Community economic development organizations in the region provide equity and debt financing, and some small business training, but little in the way of core CED offerings. This points to the need for improved services from these

organizations and an intermediary to broker access to regional resources, organize local resources for higher impact and develop new resources to support CED where appropriate.

The W.E. Graham school is currently at the enrolment threshold to keep the school open. Attracting new students to the unique outdoor education program at the school may be one way to increase enrolment. Integrating Winlaw Elementary and/or the Vallican Whole School would also bolster enrolment and maintain the school's operations.

With an increase in seniors comes an increased desire for local health services. The Wellness Centre could be used to offer occasional health services as well as alternative health service offerings. This would create a regional hub for these services in the Valley.

The Village of Slocan usually operates on a tight budget, without much annual surplus, should it be needed to cover revenue shortfalls. The majority of revenues are from taxation and government grants. Compared to other BC communities, Slocan has lower revenues and expenditures, a lower residential taxation rate, lower taxes paid on an average household and lower tax share made up by residential property taxes. Despite recent reductions in the major industry tax rate, Slocan remains overly dependent on revenues from the Springer Creek Sawmill. Diversifying municipal revenues is key to weaning Slocan from this reliance.

The upcoming OCP review will provide a much-needed overhaul to bylaws and policies that guide land use in Slocan. It should involve public engagement with relevant local First Nations. The OCP review is an opportunity to build on the public momentum generated by this project and work towards the vision and goals developed by the citizens.

5. Community and Municipal Visions and Goals

Before venturing into transition strategies and CED action plans, it is pertinent be reminded of the visions and goals established for this project. The community vision and goals were arrived at through an iterative public consultation process which involved feedback from a working group of 8 volunteers. The municipal vision and goals are specific to this project and were arrived at through interviews with Slocan staff and Council as well as through the terms of reference for the project and conversations with the project steering committee.

Slocan Community Vision Statement

The Village of Slocan is a welcoming, strong community of diverse peoples and cultures. Our co-operative spirit sustains our pristine wilderness, our small town inclusive feel and our variety of unique local businesses. We take pride in our friendliness, the beauty of our village and surroundings, and our harmonious existence with our natural environment and our neighbours now and into the future.

Community Goals

- Citizens will be actively engaged in determining the future of the Village;
- Current business activity and offerings will be expanded to support residents in their work and endeavours to produce meaningful work and high quality goods and services;
- Local jobs will be maintained and more will be created;
- More food will be locally grown and locally consumed;
- Affordable housing will be available to all;
- A high quality of life will be enjoyed by all residents;
- Organizations and businesses will offer high calibre recreation and cultural experiences in the area;
- A welcoming, active Village Centre will be established; and
- The Village and its residents will be as self-sustaining as possible.

Project-Specific Municipal Vision

The municipality will diversify its tax base in order to be able to maintain or increase services to residents and create a sustainable future for the Village of Slocan.

Municipal Goals

- Municipal revenues will be secured such that Slocan may lessen its dependence on the Springer Creek Mill tax revenue share;
- Existing businesses will be expanded and new businesses will be attracted to Slocan to diversify the tax base and enhance community economic assets and quality of life;
- The Village will work to attract residents to Slocan in order to significantly diversify the tax base, and community social and human assets; and
- The Village will work to increase the number of visitors to Slocan to benefit local businesses and showcase Slocan as the gateway to Valhalla Provincial Park.

The preceding analysis and the following effective practices and municipal financial scenarios culminate in the community economic development plan which outlines priority action recommendations that aim to fulfill these visions and goals.

6. CED Strategies

6.1 Effective Practices

The following examples of communities in transition demonstrate inspiration to Slocan as it endeavours to achieve its residents' desired future state. These communities used certain approaches to transition between depressed and stable economic states. Although these approaches are not directly transferable between jurisdictions, they are instructive and demonstrative of what is possible. To achieve resilience, a variety of CED approaches should be applied.

6.1 Revelstoke, BC

Situation: Revelstoke was a mining and forestry boomtown that sustained itself through its positioning on the Canadian Pacific Railroad. In the 70's and 80's it profited briefly from the development of a massive hydroelectric project on the Columbia River. During the 80's Revelstoke began to suffer from serious decline as the dependence on large-scale outside employers took its toll locally.

Strategy: Through concerted efforts on the part of the City, Economic Development Commission and the local Member of Parliament, Revelstoke was designated a Community Futures Society - a federal program that included a self-employment program, various community projects and a business development centre.

Effects: Tourism rose in Revelstoke bringing about a heritage restoration program, which revitalized older buildings. City Hall initiated the development of the "Revelstoke Community Economic Development Strategy 1995 – 2005" which brought a new level of precision to the town's understanding of its economic standing and aspirations. Since this plan was adopted, annual economic development planning meetings have been held to review emerging trends and discuss the priorities of the plan.

Keys to success:

- Creating a Community Development Organization representative of the community;
- Developing an equity building strategy;
- Providing local accountable sources of business credit and project finance;
- Having the capacity to plan and implement human resource development;
- Having the capacity for strategic planning and research;
- Leadership's ability to broker opportunities and coordinate grassroots initiatives;
- Providing an inventory of what skills people have and which skills local employers require;
- Creating and making available a database of local businesses and activity;
- Establishing a Revelstoke Community Foundation allowing for donations that can be administered into local community development projects; and
- Co-location of the Chamber of Commerce, the Business Development Centre, tourism association and other similar organizations into the same building provided an easily accessible place for entrepreneurs and developers and increased linkages for development initiatives.

6.2 Timmins, Ontario

Situation: Timmins is traditionally a mining town. After precious metals were exhausted in the area, base metals were discovered, providing a second wind to the local economy. Years later, these metals were in decline and so was the Timmins' economy.

Strategy: Timmins' Community Improvement Plan (CIP) set out grant programs for businesses and building owners in Downtown Timmins aiming to foster the redevelopment of existing businesses and encourage new businesses and housing in the downtown core. These grants upheld the strategic priority of Timmins; encouraging infill development to capitalize on existing infrastructure. Timmins also pursued a marketing campaign, promoting

the “Top 10 Reasons to Re-locate to Timmins”. This campaign focused on the specific values and characteristics of the local people with the intention of recruiting more businesses that match with their economic development vision.

Effects: New businesses and families were attracted to Timmins, diversifying the economy with significant additions to the tourism and telecommunications industries. The Timmins Economic Development Corporation (TEDC) was created and its efforts over the last two decades have been positive, as it moves forward with improving the city’s economic climate.

Keys to success:

- Using simple recruitment/marketing campaign attracted residents and businesses that adhered to community values;
- Implementing a strategic granting program offered incentive for local restoration of heritage buildings;
- Building a successful Community Development Corporation gradually overtime from an informal entity to a more formal structure; and
- Forging strong relationships with community partners were developed.

6.3 Faro, Yukon

Situation: Faro was a mining town in the 60s, 70s and early 80s until the local mine closed in 1987. Local jobs were lost and housing values plummeted.

Strategy: Residents that remained initiated a campaign to draw people to the community. Ads called for creative individuals with imagination to “join the happening scene in Faro”. This, along with the affordable housing prices, drew a number of new residents to Faro, which created a thriving arts community.

Effects: Tourism and mining reclamation are now the major economic growth factors in Faro. A local purchasing policy has resulted in an increase in local economic activity from the mining reclamation process. The people of Faro leave no opportunity unused to draw people to their community through Festivals (particularly the Sheep and Crane Festival), Community Parties, Pot Luck gatherings and many more events.

Keys to success:

- Showcasing affordable housing aimed at attracting new residents to the community;
- Expanding small local events into official large-scale events (Annual Sheep and Crain Festival);
- Using the talents of the people that live in Faro to carry out actions;
- Adopting a buy local policy; and
- Performing a thorough sustainability planning process to establish clear goals and visioning.

6.4 Craik, Saskatchewan

Situation: Craik faced decline in the 1990s, along with much of the rural prairies, primarily due to declining agriculture.

Strategy: In 2000, the Town of Craik and the Rural Municipality of Craik established a community-based sustainability project that would bring attention to the town and provide a model for sustainable living for other rural communities. An eco-centre and eco-village were designed to provide employment opportunities, demonstrate energy efficiency in buildings and transform and promote Craik as a sustainable community.

Effects: The eco-centre and village have received international attention, as has Craik’s strategy for redevelopment. This attracted residents keen to explore sustainable living and develop sustainability-related enterprise.

Keys to success:

- Building local expertise through a ‘learning by doing’ approach to problem solving;
- Adopting an action-oriented approach to redevelopment and proceeding with establishing the eco-centre; and
- Attracting new business interests to town that complemented the local economy and new families have moved to town.

6.4 Dawson City, Yukon

Situation: The City of Dawson originated as a gold rush boomtown. With the decline of the mining industry, the population declined as well.

Strategy: Establish Dawson as a cultural community that is attractive to creative types and tourists.

Effects: Dawson’s local economy is diverse and healthy, but more so in the summer and shoulder season months. Dawson’s economic environment is colourful and diverse when compared to other communities of its size. There are no franchises or chains and local residents contribute to community events.

Keys to success:

- Increasing import substitution;
- Enabling a larger year round population;
- Sustaining and reflecting the values of the community in development;
- Maintaining a diverse local economy year round; and
- Implementing a local investment fund.

6.5 Tumbler Ridge, BC⁹⁷

Situation: Tumbler Ridge was created for its mining prospects. An instant town, the mining companies set up the town and owned the vast majority of the housing for its workers. When the mines started to close down, houses were empty and owned by an entity which no longer had any local presence. Jobs disappeared, the population declined and housing prices dropped.

Strategy: Private home ownership became a municipal priority. Federal and Provincial funding programs were accessed to provide assistance for mining workers transitioning to other occupations. Land use types were reclassified to business from major industry to lower property taxes and encourage mill and mining businesses.

Effects: Mills and mines returned to Tumbler Ridge while the municipality bought homes from CMHC (who had purchased them from the mines) and sold them to new families. The population climbed and new jobs were secured.

Keys to success:

- Ensuring private home ownership to make the town more dynamic;
- Finding other industrial uses for the industrially zoned lands;
- Paying off the municipal debt incurred from costs resultant from quick growth;
- Streamlining municipal staff and services to weather the downturn;
- Having honest conversations with residents and community stakeholders about temporary sacrifices;
- Prioritizing town services; and
- Determining how the town could support the efforts of major industries.

⁹⁷ From personal conversation with Fred Banham, ex-CAO for Tumbler Ridge, November 10, 2010.

6.6 Mackenzie, BC⁹⁸

Situation: The Town of Mackenzie was largely dependent on the forestry industry until its major mill shut down. The town quickly faced a 70% unemployment rate and lots of media attention which damaged the town's reputation.

Strategy: A campaign was launched promoting the natural qualities of the region in order to repair the town's image. An employment insurance office and a transition office for jobs for unemployed forestry workers were established. A job opportunities program was created through a community development trust.

Effects: The consistent positive promotion rallied the town's image and encouraged newcomers. Many residents were able to remain and transition to new jobs or collect employment insurance until jobs were available again.

Keys to success:

- Strong leadership;
- Effective community consultation;
- Government assistance;
- Consistent messaging and promotion; and
- Instilling a sense of urgency for change.

⁹⁸ From personal conversation with Warren Waycheshen, CAO for Mackenzie, November 23, 2010.

6.2 Municipal Financial Scenarios

The Village is dependent on Springer Creek Mill for one sixth of its total revenues. It is prudent that the municipality plan for the possibility of the mill going into curtailment again or closing permanently. This study undertook the exercise of estimating budget scenarios to determine the Village's best course of action should the mill close in the future. All scenarios are for informational purposes only and do not constitute recommended budgets. Like any model, these data are not necessarily accurate predictions for the future. While these scenarios may include some budgets that are in deficit, they are shown for comparative and analytical purposes only as it is illegal for municipalities to budget for a deficit.

Five scenarios were created to illustrate the Village's financial options should the mill close:

- Control Scenario 1: Mill Remains Open, no Additional Revenue is Pursued and Expenditures Remain Constant;
- Control Scenario 2: Mill Closes, No Additional Revenue is Pursued and Expenditures Remain Constant;
- Comparison Scenario 3: Mill Remains Open and Village Pursues Increased Revenue Opportunities;
- Comparison Scenarios 4a and 4b: Mill Closure in 2011 and the Village Makes Expenditure Reductions; and
- Comparison Scenario 5: Mill Closure in 2011, the Village Adopts an Austerity Budget and Pursues Increased Revenue Opportunities.

The scenarios are based on actual numbers taken from the Village's current five year financial plan, Village budgets, audited financial statements from the past 5 years, and granting and Village financial information from the BC Government. Revenue and expenditure projections are based on past trends and best estimates, which are in line with Village staff outlooks and recommendations.

6.2.1 Control Scenario 1: Mill Remains Open, No Additional Revenue is Pursued and Expenditures Remain Constant

This scenario is considered for control purposes and demonstrates the projected outcomes of business as usual. It relies on the data in the Village's five year plan. The scenario assumptions are:

- The Village land use remains constant;
- All Village services and related fees remain constant;
- The mill remains open and pays full taxes;
- A 5% inflation rate applies to all general property, utility, garbage user fee, rentals and other services projections (assumption made by municipality);
- A 2% inflation rate applies to bus tickets (assumption made by municipality);
- No revenue from the cemetery, sale of land, proceeds borrowing and conditional grants;
- Unconditional grant numbers are actual for 2010 and 2011. In 2012 they are estimated to be \$326,503 and remain constant, (assumption made by municipality);
- Administration costs remain constant plus 3% inflation (assumption made by municipality);
- Projected capital expenditures are unknown. Years 2011 through 2014 assume no major capital projects and have \$20,000 and \$25,000 as alternating placeholder amounts by the municipality; and
- Licenses and permits sold, and grant in lieu of taxes amounts are unknown and are given placeholder amounts by the municipality.

Revenues

Budget Item	2010	2011	2012	2013	2014
General Property Taxes	\$ 228,000	\$ 239,400	\$ 251,370	\$ 263,939	\$ 277,135
Utility Taxes	13,250	13,913	14,608	15,339	16,105
Grant in Lieu of Taxes	2,500	3,000	3,200	3,296	3,395
Total Taxation Revenue	243,750	256,313	269,178	282,574	296,635
Garbage User Fees	18,830	19,772	20,760	21,798	22,888
Bus Tickets	5,500	5,610	5,722	5,837	5,953
Cemetery fees	0	0	0	0	0
Other Services	500	100	100	100	100
Total Sale of Services	24,830	25,482	26,582	27,735	28,941
Licenses & Permits	2,000	2,200	2,500	2,500	3,000
Rentals	5,450	5,723	6,609	6,309	6,625
Other Revenues	19,750	20,738	21,774	23,952	25,149
Sale of Land	0	0	0	0	0
Proceeds Borrowing	0	0	0	0	0
Unconditional Grants	344,171	293,089	326,503	326,503	326,503
Total from Own Sources	371,371	321,750	357,386	359,264	361,277
Total Operating Revenue	\$639,951	\$603,545	\$653,146	\$669,573	\$686,853

Expenditures

Budget Item	2010	2011	2012	2013	2014
Legislative	\$21,500	\$23,500	\$23,500	\$23,500	\$24,205
General Administration	257,120	264,834	272,779	280,962	295,010
Other Administration	64,250	56,184	57,870	59,606	61,394
Total Legislation & Government	342,870	344,518	354,149	364,068	380,609
Equipment	88,105	99,000	101,970	105,029	108,180
Workshop	12,800	13,440	14,112	14,818	15,558
General Public Works	77,900	81,795	84,249	86,776	89,380
Road Maintenance	29,100	30,555	32,083	33,687	35,371
Traffic Services	29,000	30,450	31,973	33,571	35,250
Total Transportation Services	236,905	255,240	264,387	273,881	283,739
Environmental Health Services	19,500	20,475	21,499	22,574	23,702
Public Health & Welfare Services	12,000	12,600	13,230	13,892	14,586
Environmental Dev. Services	38,000	1,500	1,500	1,500	1,545
Recreation & Cultural Services	66,110	69,416	71,498	73,643	75,852
Fiscal Services	4,400	6,850	6,850	6,850	7,056
Protective Services	1,700	1,751	1,804	1,858	1,912
Total Other Services	141,710	112,592	116,381	120,317	124,653
Total Operating Expenses	721,485	712,350	734,917	758,266	789,001
Surplus (Deficit) before Capital & Other Items	(\$81,534)	(\$108,805)	(\$81,771)	(\$88,693)	(\$102,148)
Conditional Grants	200,550	0	0	0	0
Transfers Own Funds	92,648	240,000	97,872	89,116	97,189
Total Other Sources of Funds	293,198	240,000	97,872	89,116	97,189
Capital Expenditures	202,153	20,000	25,000	20,000	25,000
Net Capital and Other Items	91,045	220,000	72,872	69,116	72,189
Surplus (Deficit)	\$9,511	\$111,195	(\$8,899)	(\$19,577)	(\$29,959)

Summary

If the mill remains open and pays its property taxes, the municipality will be able to function as it has in the past over the next two years, with small surpluses after covering all expenditures. After two years, increasing deficits accumulate. Expenditures outpace revenues each year by approximately \$80,000 - \$100,000. In this business as usual scenario, the Village remains largely dependent on unconditional grants, which are not expected to increase in future years. One year after conditional grants cease, deficits occur. This scenario assumes only minimal (\$20,000-\$25,000) capital costs. If at some point major capital costs are required, the municipality will have to cut expenditures in other budget areas or receive grant funding to cover them. Current capital expenditures are tied to grant funding.

6.2.2 Control Scenario 2: Mill Closure in 2011, No Additional Revenue is Pursued and Expenditures Remain Constant

This control scenario illustrates the financial position the Village will face if the Springer Creek Mill closes permanently in 2011 and the Village does not pursue any other sources of revenue or cost savings. This scenario makes all of the same assumptions as Scenario 1, with the following modifications:

- The mill is unable to pay taxes of any sort;⁹⁹
- Municipal tax revenues are reduced by the full amount of outstanding property taxes from the mill; and
- The mill closure does not affect other land uses in the village and population remains constant.¹⁰⁰

In this scenario, the general property tax revenues have been reduced by the amount the mill is unable to pay, as highlighted. All other revenues are the same as Scenario 1.

Revenues

Budget Item	2010*	2011	2012	2013	2014
General Property Taxes	\$228,000	\$107,400	\$119,370	\$131,939	\$145,135
Utility Taxes	13,250	13,913	14,608	15,339	16,105
Grant in Lieu of Taxes	2,500	3,000	3,200	3,296	3,395
Total Taxation Revenue	243,750	124,313	137,178	150,574	164,635
Garbage User Fees	18,830	19,772	20,760	21,798	22,888
Bus Tickets	5,500	5,610	5,722	5,837	5,953
Cemetery	0	0	0	0	0
Other Services	500	100	100	100	100
Total Sale of Services	24,830	25,482	26,582	27,735	28,941
Licenses & Permits	2,000	2,200	2,500	2,500	3,000
Rentals	5,450	5,723	6,609	6,309	6,625
Other Revenues	19,750	20,738	21,774	23,952	25,149
Sale of Land	0	0	0	0	0
Proceeds Borrowing	0	0	0	0	0
Unconditional Grants	344,171	293,089	326,503	326,503	326,503
Total from Own Sources	371,371	321,750	357,386	359,264	361,277
Total Operating Revenue	\$639,951	\$471,545	\$521,146	\$537,573	\$554,853

*Unchanged

Expenditures

Village expenditures are the same as those assumed in Scenario 1.

Total Operating Expenses	721,485	712,350	734,917	758,266	789,001
Surplus (Deficit) before Capital and Other Items	(\$81,534)	(\$240,805)	(\$213,771)	(\$220,693)	(\$234,148)
Conditional Grants	200,550	0	0	0	0
Transfers Own Funds	92,648	240,000	97,872	89,116	97,189
Total Other Sources of Funds	293,198	240,000	97,872	89,116	97,189
Capital Expenditures	202,153	20,000	25,000	20,000	25,000
Net Capital and Other Items	91,045	220,000	72,872	69,116	72,189
Surplus (Deficit)	\$9,511	(\$20,805)	(\$140,899)	(\$151,577)	(\$161,959)

⁹⁹ This is the only realistic assumption to be made without completing a thorough economic analysis on this one element.

¹⁰⁰ It is estimated that only 20 Slocan residents are employed by the mill. During the previous mill curtailment, these residents remained. It is estimated that they will remain during future curtailments or closures, at least in the short term (5 years).

Summary

If the mill shuts down, the Village would experience a major shortfall in revenues and would be unable to adequately cover its regular expenditures. The Village would have to cut expenditures and/or increase revenues to cover the significant annual shortfalls. This budget is for information purposes only, as the municipality is forbidden to run a deficit.

6.2.3 Possibilities for Additional Municipal Revenue

There are limited ways in which the Village may increase its revenues. The major potential revenue generation options are increased tax revenues, increased use of the RV campground, installing a micro-hydro power station and leasing space in the Wellness Centre, all explored below. Increased tax revenues could be generated through raising property taxes and/or through additional business and families (new homes) locating in Slocan. The Community Economic Development strategy proposed later in this report focuses on attracting businesses and families. In Comparative Scenario 3, tax revenues associated with potential increased land uses (commercial, industrial and residential) are included.

Other potential sources of revenues, such as increasing business license fees, increasing permit fees, increasing sales of service, etc., do not represent a significant source of revenue. There is also the potential for one-time revenue generation through sale of Village-owned land and equipment. As legislated, however, sale of land can only be put in the land sales reserve fund and used for capital projects.

Increasing Revenues by Raising Property Taxes

As stated previously, compared to the average rates for municipalities with and without major industries, Slocan's residential tax rate is well below average. Slocan could raise its residential property taxes considerably and still be within a reasonable rate compared to many other small communities in the province. Raised taxes could cover the shortfall from lost property taxes due to closure of the mill. For example, in Control Scenario 2 (mill closes), the Village experiences revenue shortfalls starting in 2011. If the Village were to cover the entire shortfall by raising residential property taxes, the residential property tax rate would have to be increased to the values shown in the table below.

Table 36: Hypothetical residential property tax increases required to cover revenue shortfall from unpaid mill taxes.

	2010	2011	2012	2013	2014
General Property Taxes	\$228,000*	\$107,400	\$119,370	\$131,939	\$145,135
Budget Surplus (Deficit) due to mill closure (Control Scenario 2)	\$9,511	(\$20,805)	(\$140,899)	(\$151,577)	(\$161,959)
Total property tax collection required to avoid deficit (assuming no other new revenues)	\$237,511	\$128,205	\$260,269	\$283,516	\$307,094
Residential property tax rate required to cover municipal budget deficit amount	2.6531**	3.1670	5.7847	5.7011	5.6137
Residential property tax percentage increase over current rate	-	19%	118%	115%	112%

*Total of all property taxes collected, including the mill's.

**Current residential tax rate.

In this example, the highest required residential property tax rate is 5.7847 (2012). This rate is only slightly above the 5.36753 average for municipalities without major industries included in the above table.

Increasing Tax Revenue from New Development

There are approximately 100 vacant lots in the Village.¹⁰¹ It is estimated that these lots annually provide \$3,300 of property tax revenue at the current tax rate. If the village were very successful over the coming decades at attracting new businesses and families, it could see the development of single family detached (SFD) dwellings, town homes, small

101 Shana Paivarinta, personal communication, August 8, 2010.

apartments, and some commercial and industrial uses on the vacant lots. This would yield increased tax revenues from these properties. Rezoning and allowing alternative waste water treatment systems would be necessary to permit more than one SFD per two 100'x30' lots for town homes and strata apartments. At maximum build-out, probably several decades from now, the makeup of the new developments could look like this:

Table 37: Hypothetical housing distribution at maximum build out.

Property Type	Lots Available	Possible Units Added
Single Family	24	12
Town Home	10	14
Strata Apartment	40	32
Commercial	12	6
Industrial	18	4
Total	104	68

This assumes that alternative waste water systems have been adopted to allow town homes and strata apartments to occupy lot areas equivalent to fewer than two lots per home. Single family homes still use two lots per home.

If current taxation rates were held constant, new development up to maximum build-out would yield the following revenues:

Table 38: Property tax revenues from hypothetical maximum build out

Property Type	Lots Available	Possible Units Added	Average Property Value	Total value of properties	Property tax rate	Total municipal revenue
Single Family	24	12	227,801	2,733,612	2.6531	7,253
Town Home	10	14	211,000	2,954,000	2.6531	7,837
Strata Apartment	40	32	211,000	6,752,000	2.6531	17,914
Commercial	12	6	212,500	1,275,000	4.1108	5,241
Industrial	18	4	212,500	\$850,000	8.1444	6,923
Total	104	68		\$14,564,612		\$45,168

The additional revenue from new development up to maximum build-out would be \$41,868 (\$45,168 minus the \$3,300 currently collected on the vacant lots). If Slocan attracted families and businesses to the village over the next few decades and all of the vacant land were developed, this amount could be added to its annual revenue stream.

Increasing Tax Revenue from Development of the Mill Lands

Were the mill to close permanently, it may be possible to redevelop the land it occupies. The mill land is approximately 23 acres. This area can accommodate about 180 100'x30' lots with roads.¹⁰² Assuming the same best case scenario, proportional breakdown of lots, possible units per property type as above and property tax rates, annual property tax revenues from redevelopment of the mill land would be \$77,767 at full build-out.

Table 39: Hypothetical property tax revenue if the mill lands were redeveloped

Property Type	Lots Available	Possible Units Added	Average Property Value	Total value of properties	Property tax rate	Total municipal revenue
Single Family	42	21	227,801	4,783,821	2.6531	12,692
Town Home	17	24	211,000	5,064,000	2.6531	13,435
Strata Apartment	69	55	211,000	11,605,000	2.6531	30,789
Commercial	21	10	212,500	2,125,000	4.1108	8,735
Industrial	31	7	212,500	1,487,500	8.1444	12,115
Total	180	117		\$25,065,321		\$77,767

¹⁰² GIS mapping calculations based on GIS information provided by the RDCK.

This amount is a little less than 60% of the current revenues from the mill's property taxes. This exercise is for information only, as the future state of the mill is speculative. The potential revenues from redevelopment of the mill lands are not included in any of the Comparative Scenarios below.

Increasing Revenues from the RV/Campground

The Village currently owns a local RV park and campground. The operation had revenues of \$14,823 in 2009, \$17,367 in 2008 and \$12,452 in 2007. The current rates are:

Table 40: RV park and campground rates

Site Type or Service	Number of Sites	Daily Rate	Full Capacity/Day	Half Capacity/Day
Full Hookup	4	\$22	\$88	\$44
Partial Hookup	14	\$18	\$252	\$126
Tent	6	\$15	\$90	\$45
Total			\$430	\$215

In consultation with Village staff, a realistic best case scenario for annual campground use is 40 weekend days at capacity and 30 weekdays operating at half capacity. This would yield \$23,650 annual revenue. This is an increase of \$8,827 over 2009 campground revenues. It is estimated that some basic advertising and improved signage would succeed in improving campground usage rates.

That said, the opportunity for increased revenues here is limited as the Village's arrangement with the campground operator is such that the operator will receive 75% of revenues and the Village 25% starting in 2010. The costs of campground upkeep and operation are covered by the revenue it generates for the Village, making the venture revenue neutral. Thus, unless a new arrangement is made with the operator that gives the Village a greater revenue share, this option is not a suitable focus for increased Village revenues. A study of this possibility could be the subject of another project. Increased RV/campground revenues are not included in any of the Comparative Scenarios.

Increasing Revenues by Leasing Space in the Wellness Centre

There is potential to lease the Wellness Centre office space to small businesses such as alternative health practitioners or local entrepreneurs. It could also be used as a collective business space for local and regional businesses, as suggested by the community. In consultation with Village staff it was determined that the lease amount would be negligible and thus any lease revenue assumptions have been exempted from the Comparative Scenarios. It might be possible to offer the Wellness Centre space for free or a token fee to a group or collection of groups over a short time period with the agreement that the lease rates will escalate to a certain maximum over several years, if use of the space is successful. No increased revenues from the wellness centre have been included in the Comparative Scenarios.

Generating Revenue by Sale of Village-Owned Land

According to RDCK GIS maps, the Village currently owns the equivalent of approximately 65 100'x30' vacant lots in Slocan. This is in addition to the lots the Village owns that are zoned as park or open space. Many of the vacant lots have road frontage and little park space value. The BC Assessment Office assesses each lot at a value of \$12,000. If the Village were able to sell all its vacant lots it could potentially earn \$780,000, if sold for assessed land value amounts. Revenue from such sales would go to the Land Sales Reserve and be used only for capital projects, as legislated. According to the BC Assessment Office, 2-4 lots have been sold annually over the past several years. The Village may be able to sell 10-20 lots over the next 5 years, based on this trend. No lot sales figures have been included in the Comparative Scenarios.

Increasing Revenues with the Springer Creek Micro-Hydro Project

The Village has been investigating the possibility of developing a run of the river hydropower project on Springer Creek since 2000. An initial assessment of the proposed 1.3 MW project done by Selkirk Power yielded estimated financing costs of \$4 million. The Village estimates it could increase its annual revenues by \$50,000/year after covering financing and operating costs, with the potential to add 20% more in favourable negotiations with BC Hydro and Fortis. This seems to be a viable and high priority project for the municipality with the potential to substantially increase revenues. The amount of \$50,000/year has been included in Comparative Scenario 3.

6.2.4 Opportunities to Reduce Expenditures

The Village operates on a restricted budget. Expenditure reductions may result in service decreases, streamlining staff and administration, and minimizing operations. Such reductions would be done in consultation with Village Council, the Mayor, staff and, in some cases, citizens. With any such reductions, communication and education efforts with the citizenry would be essential for understanding and supporting the Village's decisions.

The table below outlines potential expenditure reductions, deemed realistic by Village staff. Only those costs which could be adjusted were included here; Village budget items left uncut are not listed. Total amounts for items in the 2010 Budgeted Amount column are actual 2010 Village budget totals. For comparison purposes, two expenditure reduction approaches are shown: a reduced budget that cuts expenditures by about 1/10 of the current budget, and an austerity budget that cuts expenditures by about 1/5 of the current budget, leaving funding for essential services, operations and maintenance only. Areas affected include:

- All but the base essential Village office and operations expenditures;
- All staff, council and mayoral training and conference attendance;
- All but the base essential equipment operation and street upkeep costs;
- Clean up week; and
- Operation and maintenance of Village-owned parks and recreational facilities.

Table 41: Potential municipal expenditure reductions under a reduced budget and under an austerity budget

Budget Item	2010 Budgeted Amount	Reduced Budget Amount Cut	Reduced Percentage Cut	Austerity Budget Amount Cut	Austerity Percentage Cut	Comments
Legislative: Indemnities and Expenses						
Mayor's and Councillors' Expenses	\$ 4,000	\$ 2,000	50.0	\$ 4,000	100.0	
Total Legislative	21,500	2,000	9.3	4,000	18.6	
General Administration: Administration Personnel, Legal & Accounting, Village Office and Office Operations						
Travel Expenses	2,000	1,000	50.0	2,000	100.0	
Labour	3,500	1,250	35.7	2,300	65.7	Reduced contract
Supplies & Materials	300	150	50.0	300	100.0	
Janitorial Services	4,370	1,500	34.3	3,170	72.5	Reduced contract
Equipment	3,000	1,500	50.0	3,000	100.0	
Supplies	2,000	250	12.5	500	25.0	
Postage	1,500	250	16.7	500	33.3	
Publications	500	250	50.0	500	100.0	
Software Charges	5,000	2,500	50.0	5,000	100.0	
Photocopier	3,500	1,250	35.7	2,500	71.4	
Total General Administration	255,120	9,900	3.9	19,770	7.7	
Other Administration: Inter-Municipal Associations, Public Relations, Elections and Insurance						
AKBLG, UBCM, LGMA Conferences	14,500	6,500	44.8	14,500	100.0	
Public Works Conference/Training	1,000	1,000	100.0	1,000	100.0	
Other Conferences	2,000	1,000	50.0	2,000	100.0	
Staff Training	5,000	2,500	50.0	5,000	100.0	
Advertising & Promotions	4,000	500	12.5	1,000	25.0	
Grants to Organizations	150	150	100.0	150	100.0	
Public Relations	2,000	1,000	50.0	2,000	100.0	
Total Other Administration	64,250	12,650	19.7	25,650	39.9	

Transportation Services: Equipment, Workshop, General Public Works, Road Maintenance, Traffic Services						
Total Unit No. 6 – 1989 GMC	8,750	0	0.0	8,750	100.0	More detail is required for the transportation budget to accurately estimate potential cuts beyond this amount as well as cost of service replacement.
Total Unit No. 11 – Street Sweeper	1,400	0	0.0	1,400	100.0	
Total Unit No. 7 – Loader	32,000	0	0.0	4,500	14.1	
Total Other Equipment	11,500	0	0.0	11,500	100.0	
PW Conferences and Travel	2,000	2,000	100.0	2,000	100.0	
Dust Control	2,000	0	0.0	2,000	100.0	
Total Road Allowances	9,000	3,500	38.9	7,000	77.8	
Street Signs Labour	5,000	1,500	30.0	2,500	50.0	
Street Signs Materials & Supplies	8,000	2,000	25.0	4,000	50.0	
Street Light Repairs	1,000	500	50.0	1,000	100.0	
Total Transportation Services	236,905	9,500	4.0	48,150	20.3	
Environmental Health Services						
Clean up Week	3,500	3,500	100	3,500	100	
Total Env. Health Services	3,500	3,500	100	3,500	100	
Recreation and Cultural Services:						
Boat Ramp	3,250	2,000	61.5	3,250	100.0	
Tennis Court	2,000	1,500	75.0	2,000	100.0	
Parks	21,200	11,750	55.4	21,200	100.0	
Valhalla Crew Camp	1,000	1,000	100.0	1,000	100.0	
Wellness Centre	13,550	2,500	18.5	7,550	55.7	
Fitness Centre	4,800	3,050	63.5	3,050	63.5	
Library	8,010	2,000	25.0	2,000	25.0	
Total Recreation & Cultural	67,860	23,800	35.1	40,050	59.0	
Grand Total	\$649,135	\$61,350	9.5	\$141,120	21.7	Does not include transfers from own funds, taxes collected from other governments or capital projects.

Modest budget cuts to Village expenditures would reduce the budget by \$61,350; about one-tenth of the total expenses for these budget items. Under an austerity budget, Village expenditures could be cut by \$141,120; about one-fifth of the total expenses for these budget items. These reductions are reflected in Comparison Scenarios 4 (modest) and 5 (austerity).

6.2.5 Capital Projects

The inventory of capital projects will change every year, depending on the Village's infrastructure and planning needs. The Village has several capital projects budgeted for 2010. Some of these expenditures have been or will be made; some will be postponed to the 2011 budget. All of these remaining items are expenditures that can be postponed, unless there is a critical situation requiring spending. The table below depicts the likely carry over budget amounts from 2010 to 2011 and estimates that their \$62,500 total cost could be postponed. Projects with zero costs are shown for completeness.

Table 42: Estimated upcoming capital project expenditures.

Capital Project	2010 Budget Amount	Likely 2011 Budget Amount	Can this cost be postponed?
Sustainability/Transition Plan	\$ 65,000	\$ 0	-
Hydro Project	25,000	25,000	Y
Economic Diversification (Sub-Regional)	10,000	10,000	Y
Storm Water Management	10,000	0	-
PW Shop	2,500	2,500	Y
Wellness Centre	10,000	5,000	Y
Pave Streets/Other Capital Projects	0	0	-
Tourism Grant Phase 1	0	0	-
Tourism Phase 2	9,272	0	-
Gym	0	0	-
WI Hall	20,000	20,000	Y
Curling Rink Compressor	0	0	-
Library	0	0	-
Office Renovations	50,381	0	-
Total	\$ 202,153	\$ 62,500	\$ 62,500

6.2.6 Comparison Scenario 3: Mill Remains Open and Village Pursues Increased Revenue Opportunities

Scenario 3 demonstrates the financial position of the Village should the Springer Creek Mill remain open and the Village pursue opportunities to increase revenues, as highlighted. This scenario assumes:

1. New property development starting in two years equaling 5%¹⁰³ of the total estimated build-out, assuming the Village has been successful with promotional opportunities, Village improvements and business development strategies that in turn attract new families and businesses. This yields an increase in municipal tax revenue of \$2,260 (5% of the estimated total build-out revenues of \$45,168). New development is assumed to increase by 5% per year thereafter. It is assumed that the developer or property owner pays for services and utilities connections;
2. Given the modest increase in population with the new property development, user fees amounts have not been adjusted as their effect on revenues would be negligible;
3. \$50,000 revenues from the micro-hydro electricity generation project after a three year start-up period;
4. The cost of the micro-hydro project is covered by a combination of grants and loans whose pay backs begin after the project is generating revenues;
5. A 5% inflation rate applies to all general property, utility, garbage user fee, rentals and other services projections (assumption made by municipality);
6. A 2% inflation rate applies to bus tickets (assumption made by municipality);
7. No revenue from the cemetery, sale of land, proceeds borrowing and conditional grants;
8. Unconditional grant numbers are actual for 2010 and 2011. In 2012 they are estimated to be \$326,500 and remain constant;
9. There are no non-grant supported capital project expenditures;
10. Licenses and permits sold, and grant in lieu of taxes amounts are unknown and are given placeholder amounts by the municipality; and
11. No municipal expenditure reductions are required.

¹⁰³ This amount is assumed so that revenues from new development are non-negligible, thus effecting the budget outcomes. Lower amounts would be negligible.

Revenue

Budget Item	2010	2011	2012	2013	2014
General Property Tax	\$228,000	\$239,400	\$251,370	\$263,939	\$277,135
Tax from New Development	0	0	2,260	4,515	6,775
Utility Taxes	13,250	13,913	14,608	15,339	16,105
Grant in Lieu	2,500	3,000	3,200	3,296	3,395
Total Tax Revenue	243,750	256,313	271,438	287,089	303,410
Garbage Fee	18,830	19,772	20,760	21,798	22,888
Bus Tickets	5,500	5,610	5,722	5,837	5,953
Other Services	500	100	100	100	100
Total Sale of Services	24,830	25,482	26,582	27,735	28,941
Licences & Permits	2,000	2,200	2,500	2,500	3,000
Rentals	5,450	5,723	6,609	6,309	6,625
Other Revenues	19,750	20,738	21,774	23,952	25,149
Micro-Hydro Project	0	0	0	0	50,000
Sale of Land	0	0	0	0	0
Proceeds Borrowing	0	0	0	0	0
Unconditional Grants	344,171	293,089	326,503	326,503	326,503
Total Revenue from Own Sources	371,371	321,750	357,386	359,264	411,277
Total Operating Revenue	\$639,951	\$603,545	\$655,406	\$674,088	\$743,628

Expenditures

Village expenditures are the same as those in Scenario 1.

Total Operating Expenses	721,485	712,350	734,917	758,266	789,001
Surplus (Deficit) before Capital and Other Items	(\$81,534)	(\$108,805)	(\$79,511)	(\$84,178)	(\$45,373)
Conditional Grants	200,550	0	0	0	0
Transfers Own Funds	92,648	240,000	97,872	89,116	97,189
Total Other Sources of Funds	293,198	240,000	97,872	89,116	97,189
Capital Expenditures	202,153	20,000	25,000	20,000	25,000
Net Capital and Other Items	91,045	220,000	72,872	69,116	72,189
Surplus (Deficit)	\$9,511	\$111,195	(\$6,639)	(\$15,062)	\$26,816

Summary

This scenario results in small surpluses for the Village in 2014 and beyond. When the micro-hydro electric project comes on line there is an extra \$50,000/year of revenue generated. This amount may be tempered with loan repayments, however, depending on how the project was financed. Revenue generated by taxes from new development is small in the short term (although families moving to Slocan would have other community benefits). This scenario assumes that the micro-hydro project will come on-line in the immediate future. This may only be the case if the mill remains open and no major unforeseen financial stresses arise, allowing the Village to focus on getting this project underway immediately.

The small budget shortfalls in 2012 and 2013 could be covered by temporary municipal expenditure cuts. For example, reducing the Mayor's and Councillors' expenses, and not going to conferences or performing any staff training would cover the shortfall amounts for these years. Any other combination of municipal expenditure cuts reviewed above could also be used to cover the shortfall.

Besides the temporary budget shortfalls, this scenario represents a stable municipal budget into the future.

6.2.7 Comparison Scenarios 4a and 4b: Mill Closure in 2011 and the Village Makes Expenditure Reductions

Scenarios 4a and 4b demonstrate the financial position of the Village should the Springer Creek Mill close (reducing property taxes as highlighted in the revenues table below) and the Village is forced to reduce non-essential expenditures (as highlighted in the expenditures table below). These scenarios assume:

1. No new property development;
2. The micro-hydro electricity generation project is postponed;
3. A 5% inflation rate applies to all general property, utility, garbage user fee, rentals and other services projections (assumption made by municipality);
4. A 2% inflation rate applies to bus tickets (assumption made by municipality);
5. No revenue from the cemetery, sale of land, proceeds borrowing and conditional grants;
6. Unconditional grant numbers are actual for 2010 and 2011. In 2012 they are estimated to be \$326,503 and remain constant;
7. There are no non-grant supported capital project expenditures; and
8. Licenses and permits sold, and grant in lieu of taxes amounts are unknown and are given placeholder amounts by the municipality.

Comparison Scenario **4a** assumes municipal expenditures are reduced by a total of \$61,350 annually, as per the modest expenditure reductions outlined above.

Comparison Scenario **4b** assumes municipal expenditures are reduced by a total of \$141,120 annually, as per the austerity budget expenditure reductions outlined above.

Comparison Scenarios 4a and 4b Revenues¹⁰⁴

Budget Item	2010*	2011	2012	2013	2014
General Property Taxes	\$228,000	\$107,400	\$119,370	\$131,939	\$145,135
Utility Taxes	13,250	13,913	14,608	15,339	16,105
Grant in Lieu of Taxes	2,500	3,000	3,200	3,296	3,395
Total Taxation Revenue	243,750	124,313	137,178	150,574	164,635
Garbage User Fees	18,830	19,772	20,760	21,798	22,888
Bus Tickets	5,500	5,610	5,722	5,837	5,953
Cemetery	0	0	0	0	0
Other Services	500	100	100	100	100
Total Sale of Services	24,830	25,482	26,582	27,735	28,941
Licenses & Permits	2,000	2,200	2,500	2,500	3,000
Rentals	5,450	5,723	6,609	6,309	6,625
Other Revenues	19,750	20,738	21,774	23,952	25,149
Sale of Land	0	0	0	0	0
Proceeds Borrowing	0	0	0	0	0
Unconditional Grants	344,171	293,089	326,503	326,503	326,503
Total from Own Sources	371,371	321,750	357,386	359,264	361,277
Total Operating Revenue	\$639,951	\$471,545	\$521,146	\$537,573	\$554,853

¹⁰⁴ These revenues are identical to Control Scenario 2 (mill closes).

Comparison Scenario 4a Revenues (moderate budget cuts)

All expenditures reductions are detailed in the Opportunities for Expenditure Reductions table, above. The following table is a summary incorporating amounts from the reduced budget column of that table, as highlighted.

Budget Item	2010	2011	2012	2013	2014
Legislative	\$21,500	\$21,500	\$21,500	\$21,500	\$22,205
General Administration	257,120	254,934	262,879	271,062	285,110
Other Administration	64,250	43,534	45,220	46,956	48,744
Total Legislation & Government	342,870	319,968	329,599	339,518	356,059
Total Transportation Services	236,905	245,740	254,887	264,381	274,239
Environmental Health Services	19,500	16,975	17,999	19,074	20,202
Public Health & Welfare Services	12,000	12,600	13,230	13,892	14,586
Environmental Dev. Services	38,000	1,500	1,500	1,500	1,545
Recreation & Cultural Services	66,110	45,616	47,698	49,843	52,052
Fiscal Services	4,400	6,850	6,850	6,850	7,056
Protective Services	1,700	1,751	1,804	1,858	1,912
Total Other Services	141,710	85,292	89,081	93,017	97,353
Total Operating Expenses	721,485	651,000	673,567	696,916	727,651
Surplus (Deficit) before Capital and Other Items	(\$81,534)	(\$179,455)	(\$152,421)	(\$159,343)	(\$172,798)

Conditional Grants	200,550	0	0	0	0
Transfers Own Funds	92,648	240,000	97,872	89,116	97,189
Total Other Sources of Funds	293,198	240,000	97,872	89,116	97,189
Capital Expenditures	202,153	20,000	25,000	20,000	25,000
Net Capital and Other Items	91,045	220,000	72,872	69,116	72,189
Surplus (Deficit)	\$9,511	\$40,545	(\$79,549)	(\$90,227)	(\$100,609)

Summary

Although the suggested moderate municipal budget cuts result in a modest surplus in 2011, they are insufficient to cover the shortfall from the mill's lost property taxes in future years. To cover the remaining shortfall, the municipality could explore further expenditure reductions (as depicted in Comparison Scenario 4b). The remaining shortfall could also be covered by raising residential property taxes to a rate of \$4.5000/\$1000 assessed value (perhaps higher beyond 2014), an increase of 70%.

Comparison Scenario 4b Revenues (austerity budget)

All expenditures reductions are detailed in the Opportunities for Expenditure Reductions table, above. The following table is a summary incorporating amounts from the reduced budget column of that table, as highlighted.

Budget Item	2010	2011	2012	2013	2014
Legislative	\$21,500	\$19,500	\$19,500	\$19,500	\$20,205
General Administration	257,120	245,064	253,009	261,192	275,240
Other Administration	64,250	30,534	32,220	33,956	35,744
Total Legislation & Government	342,870	295,098	304,729	314,648	331,189
Total Transportation Services	236,905	207,090	216,237	225,731	235,589
Environmental Health Services	19,500	16,975	17,999	19,074	20,202
Public Health & Welfare Services	12,000	12,600	13,230	13,892	14,586
Environmental Dev. Services	38,000	1,500	1,500	1,500	1,545
Recreation & Cultural Services	66,110	29,366	31,448	33,593	35,802
Fiscal Services	4,400	6,850	6,850	6,850	7,056
Protective Services	1,700	1,751	1,804	1,858	1,912
Total Other Services	141,710	69,042	72,831	76,767	81,103
Total Operating Expenses	721,485	571,230	593,797	617,146	647,881
Surplus (Deficit) before Capital and Other Items	(\$81,534)	(\$99,685)	(\$72,651)	(\$79,573)	(\$93,028)

Conditional Grants	200,550	0	0	0	0
Transfers Own Funds	92,648	240,000	97,872	89,116	97,189
Total Other Sources of Funds	293,198	240,000	97,872	89,116	97,189
Capital Expenditures	202,153	20,000	25,000	20,000	25,000
Net Capital and Other Items	91,045	220,000	72,872	69,116	72,189
Surplus (Deficit)	\$9,511	\$120,315	\$221	(\$10,457)	(\$20,839)

Summary

Even with severe municipal expenditure reductions, the Village would still encounter budget shortfalls in 2013 and beyond if the mill were to close and not pay its property taxes. The remaining shortfall could be covered by increasing the residential property tax rate to \$3.0340/\$1000 assessed value (perhaps higher beyond 2014), an increase of 14%.

6.2.8 Comparison Scenario 5:

Mill Closure in 2011, the Village Adopts an Austerity Budget and Pursues Increased Revenue Opportunities

Scenario 5 demonstrates the financial position of the Village should the Springer Creek Mill close, the Village pursue increased revenue opportunities and the Village reduce non-essential expenditures. All changes are highlighted in the revenues and expenditures tables below. This scenario assumes:

1. New property development starting in two years equaling 5%¹⁰⁵ of the total estimated build-out, assuming the Village has been successful with promotional opportunities, Village improvements and business development strategies that in turn attract new families and businesses. This yields an increase in municipal tax revenue of \$2,260 (5% of the estimated total build-out revenues of \$45,168). New development is assumed to increase by 5% per year thereafter. It is assumed that the developer or property owner pays for services and utilities connections;
2. Given the modest increase in population with the new property development, user fees amounts have not been adjusted as their effect on revenues would be negligible;
3. \$50,000 revenues from the micro-hydro electricity generation project after a three year start-up period;
4. The cost of the micro-hydro project is covered by a combination of grants and loans whose pay backs begin after the project is generating revenues;
5. Municipal expenditures are reduced by a total of \$141,120 annually, as per the austerity budget expenditure reductions outlined on pages 18 and 19;
6. A 5% inflation rate applies to all general property, utility, garbage user fee, rentals and other services projections (assumption made by municipality);
7. A 2% inflation rate applies to bus tickets (assumption made by municipality);
8. No revenue from the cemetery, sale of land, proceeds borrowing and conditional grants;
9. Unconditional grant numbers are actual for 2010 and 2011. In 2012 they are estimated to be \$326,503 and remain constant;
10. There are no non-grant supported capital project expenditures; and
11. Licenses and permits sold, and grant in lieu of taxes amounts are unknown and are given placeholder amounts by the municipality.

¹⁰⁵ This amount is assumed so that revenues from new development are non-negligible, thus effecting the budget outcomes. Lower amounts would be negligible.

Revenues

Budget Item	2010	2011	2012	2013	2014
General Property Tax	\$228,000	\$107,400	\$119,370	\$131,939	\$145,135
Tax from New Development	0	0	2,260	4,515	6,775
Utility Taxes	13,250	13,913	14,608	15,339	16,105
Grant in Lieu	2,500	3,000	3,200	3,296	3,395
Total Tax Revenue	243,750	124,313	139,438	155,089	171,410
Garbage Fee	18,830	19,772	20,760	21,798	22,888
Bus Tickets	5,500	5,610	5,722	5,837	5,953
Other Services	500	100	100	100	100
Total Sale of Services	24,830	25,482	26,582	27,735	28,941
Licences & Permits	2,000	2,200	2,500	2,500	3,000
Rentals	5,450	5,723	6,609	6,309	6,625
Other Revenues	19,750	20,738	21,774	23,952	25,149
Micro-Hydro Project	0	0	0	0	50,000
Sale of Land	0	0	0	0	0
Proceeds Borrowing	0	0	0	0	0
Unconditional Grants	344,171	293,089	326,503	326,503	326,503
Total Revenue from Own Sources	371,371	321,750	357,386	359,264	411,277
Total Revenues	\$639,951	\$471,545	\$523,406	\$542,088	\$611,628

Expenditures

Budget Item	2010	2011	2012	2013	2014
Legislative	\$21,500	\$19,500	\$19,500	\$19,500	\$20,205
General Administration	257,120	245,064	253,009	261,192	275,240
Other Administration	64,250	30,534	32,220	33,956	35,744
Total Legislation & Government	342,870	295,098	304,729	314,648	331,189
Total Transportation Services	236,905	207,090	216,237	225,731	235,589
Environmental Health Services	19,500	16,975	17,999	19,074	20,202
Public Health & Welfare Services	12,000	12,600	13,230	13,892	14,586
Environmental Dev. Services	38,000	1,500	1,500	1,500	1,545
Recreation & Cultural Services	66,110	29,366	31,448	33,593	35,802
Fiscal Services	4,400	6,850	6,850	6,850	7,056
Protective Services	1,700	1,751	1,804	1,858	1,912
Total Other Services	141,710	69,042	72,831	76,767	81,103
Total Operating Expenses	721,485	571,230	593,797	617,146	647,881
Surplus (Deficit) before Capital and Other Items	(\$81,534)	(\$99,685)	(\$70,391)	(\$75,058)	(\$36,253)
Conditional Grants	200,550	0	0	0	0
Transfers Own Funds	92,648	240,000	97,872	89,116	97,189
Total Other Sources of Funds	293,198	240,000	97,872	89,116	97,189
Capital Expenditures	202,153	20,000	25,000	20,000	25,000
Net Capital and Other Items	91,045	220,000	72,872	69,116	72,189
Surplus (Deficit)	\$9,511	\$120,315	\$2,481	(\$5,942)	\$35,936

Summary

By cutting all non-essential expenditures, achieving new development resultant from CED strategies to attract new families and businesses to Slocan, and installing the micro-hydro operation, the Village is able to make up the budget shortfall the mill closure imposes by missed property tax payments. The small shortfall in 2013 will be difficult to cover given there is little room to further cut municipal expenditures. It could be covered by a small increase in residential property taxes to \$2.7726/\$1000 assessed value, an increase of 5%.

6.2.9 Municipal Budget Scenarios Summary

As demonstrated by Control Scenario 2 and Comparison Scenarios 4 and 5, the possibility of mill closure represents a serious challenge to the Village in generating enough revenues to meet its budgetary needs. There are few opportunities to increase Village revenues:

- New development on currently vacant lots has minor potential to increase tax revenues over the short term;
- If the mill closed and the mill lands were developed, estimated tax revenues from new development would equal 60% of property taxes paid by the mill;
- The RV/Campground operation arrangement is such that the Village's share of revenues covers operation and maintenance costs, resulting in a revenue neutral venture;
- Leasing space in the wellness centre would not constitute a substantial revenue stream;
- Sale of Village-owned land at current assessed value could generate \$780,000 for the Land Sales Reserve to be used for capital projects;
- Sale of Village equipment could yield some income, but the cost of replacement contracted services would quickly outpace the revenue; and
- Establishing a micro-hydro project could generate \$50,000/year in revenues once operational.

Comparison Scenario 3 shows that attracting new businesses and families to Slocan with successful CED strategies will potentially increase development and associated property taxes marginally over the short term and significantly over the long term. This scenario also shows a very positive budget impact from the micro-hydro project revenues. If the mill were to remain in operation, its stable property tax income would allow Village staff and Council to comfortably pursue CED strategies and establish the power generation project.

The Village expenditures budget could be reduced to cover budget shortfalls. If the mill closes and does not pay property taxes, it is likely that the Village would have to adopt an austerity budget under which only essential services are offered. The Mayor's and Councillors' expenses would be reduced by almost 20%, general administration expenditures by 8%, conference attendance, training and public relations by 40%, transportation services by 20%, and recreation and cultural services by 60%. Also, there are no absolutely essential capital projects that cannot be postponed.

However, Comparison Scenarios 4a and 4b demonstrate that reducing Village expenditures alone is insufficient to cover the projected budget shortfalls should the mill close and not pay its property taxes. Increases in residential property tax rates to 4.5000 (a 70% increase), if modest expenditure cuts were pursued, and 3.0340 (a 14% increase), if severe expenditure cuts were pursued, could cover the shortfall.

Comparison Scenario 5 reveals that a combination of reduced Village expenditures and new revenue is required to cover the budget shortfall from unpaid property taxes due to mill closure. Establishing the micro-hydro project, adopting an austerity budget, and pursuing CED strategies to attract new families and businesses to Slocan will result in a mostly revenue-positive budget.

All scenarios in which the mill closes and does not pay its property taxes indicate budget shortfalls. The Village could opt to cover these with an increase in residential property taxes. If the Village adopts an austerity budget, is successful in establishing a micro-hydro project and attracts new families and businesses that result in increased property tax revenues from new development, a 5% residential property tax increase (to 2.7726) would cover the remaining budget shortfall. If the Village were to cover the budget shortfall from mill closure exclusively with residential property tax

increases, the rate would have to be increased by 118% (to 5.7847).

Slocan has a low residential property tax rate compared to other communities, especially those without major industries. Increasing the rate by 118% puts Slocan's residential property tax rates in line with the average of several other small BC communities that have no major industry.

The scenario budget numbers are summarized here for ease of reference and comparison.

- Control Scenario 1: Mill Remains Open, no Additional Revenue is Pursued and Expenditures Remain Constant;
- Control Scenario 2: Mill Closes, No Additional Revenue is Pursued and Expenditures Remain Constant;
- Comparison Scenario 3: Mill Remains Open and Village Pursues Increased Revenue Opportunities;
- Comparison Scenarios 4a and 4b: Mill Closure in 2011 and the Village Makes Expenditure Reductions; and
- Comparison Scenario 5: Mill Closure in 2011, the Village Adopts an Austerity Budget and Pursues Increased Revenue Opportunities.

	Scenario	2010	2011	2012	2013	2014
Total Operating Revenues	1	\$639,951	\$603,545	\$653,146	\$669,573	\$686,853
	2	\$639,951	\$471,545	\$521,146	\$537,573	\$554,853
	3	\$639,951	\$603,545	\$655,406	\$674,088	\$743,628
	4a	\$639,951	\$471,545	\$521,146	\$537,573	\$554,853
	4b	\$639,951	\$471,545	\$521,146	\$537,573	\$554,853
	5	\$639,951	\$471,545	\$523,406	\$542,088	\$611,628

	Scenario	2010	2011	2012	2013	2014
Total Operating Expenses	1	721,485	712,350	734,917	758,266	789,001
	2	721,485	712,350	734,917	758,266	789,001
	3	721,485	712,350	734,917	758,266	789,001
	4a	721,485	651,000	673,567	696,916	727,651
	4b	721,485	571,230	593,797	617,146	647,881
	5	721,485	571,230	593,797	617,146	647,881

	Scenario	2010	2011	2012	2013	2014
Surplus (Deficit) before Capital and Other Items (Revenues minus Expenses)	1	(\$81,534)	(\$108,805)	(\$81,771)	(\$88,693)	(\$102,148)
	2	(\$81,534)	(\$240,805)	(\$213,771)	(\$220,693)	(\$234,148)
	3	(\$81,534)	(\$108,805)	(\$79,511)	(\$84,178)	(\$45,373)
	4a	(\$81,534)	(\$179,455)	(\$152,421)	(\$159,343)	(\$172,798)
	4b	(\$81,534)	(\$99,685)	(\$72,651)	(\$79,573)	(\$93,028)
	5	(\$81,534)	(\$99,685)	(\$70,391)	(\$75,058)	(\$36,253)

	Scenario	2010	2011	2012	2013	2014
Surplus (Deficit)	1	\$9,511	\$111,195	(\$8,899)	(\$19,577)	(\$29,959)
	2	\$9,511	(\$20,805)	(\$140,899)	(\$151,577)	(\$161,959)
	3	\$9,511	\$111,195	(\$6,639)	(\$15,062)	\$26,816
	4a	\$9,511	\$40,545	(\$79,549)	(\$90,227)	(\$100,609)
	4b	\$9,511	\$120,315	\$221	(\$10,457)	(\$20,839)
	5	\$9,511	\$120,315	\$2,481	(\$5,942)	\$35,936

7. CED Framework Recommendations

7.1 Synthesis of the CED framework

The CED framework is a transition action plan for the Village. From the visions and goals determined by the community and the Village, four themes have been identified for the community economic development (CED) framework. For each theme there are a number of objectives and for each objective there are a number of activities that collectively form an action plan. As stated in the Project Methodology section, each action was assigned an appropriate target, and primary and possible measures of success. Time lines of short term (1-2 years), mid-term (2-4 years) and long term (5+ years) were assigned to each action based on their priority, interaction with one another and time required to complete. Budgets were assigned to each item based on current knowledge and estimated costs. Required Village staff time was estimated for each action as well. The most appropriate local or regional entity was assigned to take lead responsibility for each action while others were assigned supportive roles.

The CED framework recommendations are based on public input, working group input (see Appendix A), the research performed in the situation analysis, lessons learned from the effective practices studied, the outcomes of the municipal financial scenarios exercises and input from the consultant team. Table 43 provides an outline of the CED framework.

Table 43: CED Framework outline

Theme 1: Engaged Governance

Goal: A community that is actively engaged in determining the future of the Village

Objective 1: Coordinate community groups to successfully participate in, and implement, more complex community-supported activities.

Objective 2: Establish an official business improvement association.

Theme 2: Stable Economy

Goal: A strengthened and diversified local economy

Objective 3: Enhance existing local businesses and foster an environment for knowledge industry workers.

Objective 4: Increase the number of local high quality goods and services.

Objective 5: Improve local and sub-regional amenities and cooperation.

Objective 6: Increase tourism.

Theme 3: Stable Municipal Finances and Service Provision

Goal: A diversified tax base that maintains and/or increases services to residents and creates a sustainable future for Slocan

Objective 7: Balance municipal service offerings and budget to account for possible closure of Springer Creek Mill.

Objective 8: Increase the Village's promotional opportunities.

Theme 4: Societal Well-Being

Goal: A high quality of life for Slocan residents and visitors

Objective 9: Make housing more available and affordable.

Objective 10: Enhance arts and cultural opportunities.

Objective 11: Create a focused Village Centre.

Objective 12: Perform village beautification projects.

Objective 13: Increase enrolment at W.E. Graham School

7.2 CED Framework Highlights

The recommended CED framework recognizes that the Village has limited staff capacity and funds. The Village of Slocan has been assigned the lead responsibility on 16 of the 47 recommended activities. Nine of these activities are high priority. Wherever possible, the recommended activities are led by local regional capacity building, training and community economic development organizations, provincial ministries or local community groups. These activities all fall under the purview of the indicated organizations. Some activities are led by a new local business improvement association (BIA). The BIA would be a contingent of local business leaders and represent business interests to municipal and regional governments, organize and network between businesses in the region and seek capacity building and market opportunities for local businesses. The BIA functions would be supported by funds from its member businesses.

The top three priorities outlined in the recommended CED framework are:

1. Hire a regional Community Economic Development Officer (CEDO) for the Nakusp, Arrow Lakes and Slocan Valley area (activity #6);
2. Seek funding and support from capacity building, training and community economic development organizations to support various community economic development activities; and
3. Construct the Springer Creek micro-hydro project (activity #24).

It is felt that these activities represent the best opportunities for Slocan to bolster its economic future.

7.2.1 Hiring a Community Economic Development Officer

The CEDO would be jointly funded by four incorporated communities, two electoral areas, Columbia Basin Trust and BC Hydro. CEDO responsibilities would include the specific activities indicated in the CED strategy and, more generally:

- Identifying funding sources for CED projects;
- Providing institutional memory for community efforts, CED projects and municipal projects;
- Coordinating community group, Business Improvement Association and Village economic development efforts;
- Networking villages and government agencies active in the region;
- Performing most of the duties required to initiate and achieve CED projects in the region;
- Promoting the region in order to expand economic development opportunities;
- Helping in the facilitation of community and economic development planning process;
- Developing economic profiles of the region and community;
- Identifying training and support opportunities for local businesses;
- Identifying opportunities for joint ventures and investment;
- Providing advice on product development and identification of target markets; and
- Representing the region at conferences and meetings on economic development.

A hired regional staff person in this position would help to relieve these duties from municipal staff while focusing due attention to these details. A regional staff person would be better able to coordinate economic activities and promotions for the region, such as attracting sector-specific development. A regional officer yields the advantage of developing economic strategies for each member municipality and electoral area in concert, ensuring that there is coordination and complimentary strategies used in each jurisdiction and avoiding competition.

7.2.2 Seeking Funding and Support from Local Organizations

Many of the CED framework activities can be led or supported by regional organizations that offer capacity building, training and funding for businesses, organization and projects. Continuous liaising with these organizations is key to developing businesses, organizations and community development projects in the region. Developing positive relationships that transcend funding arrangements will foster the best economic results for the region. As the Village has little budget to devote to economic development, it must draw on supporting bodies to support CED activities. This responsibility is best assigned to the CEDO, with support from municipalities in the region.

7.2.3 Constructing the Springer Creek Micro-Hydro Project

As demonstrated in Financial Scenarios 3 and 5, aggressive measures are required to maintain a municipal surplus, especially if the mill closes. The Village lacks options for additional revenues. The best opportunity at hand to generate new revenues is to follow through on the planning that has been done for the Springer Creek micro-hydro project. With external funding from provincial agencies, Columbia Basin Trust, private power providers and other funding agencies, the \$4 million project could be up and running in a few years and generating estimated revenues of \$50,000 per year. This income represents a crucial component of the Village budget as it moves into a future with uncertainty around provincial grant amounts.

7.2.4 Surpluses

In Control Scenario 1 and all of the Comparative Scenarios a municipal surplus is expected for 2010 and 2011. Although the temptation is often to invest surpluses in capital infrastructure, they should instead be invested in the priority CED framework activities to ensure the long term economic sustainability of the Village. A wise strategy would be to reserve 50% of the surpluses for potential future budget overruns and invest the other 50% in economic development priorities. The municipality can use the surpluses to leverage additional funding from provincial and regional funding bodies in order to support hiring a CEDO and establishing the micro-hydro project.

7.2.5 Establishing a Community Economic Development Corporation

In the long term, it is recommended that a regional Community Economic Development Corporation (CEDC) is established by the CEDO with the support of Community Futures, Columbia Basin Trust, Upper Columbia Co-operative Council, Fraser Basin Council, local governments, and provincial government departments and programs. CEDCs are usually arm's length from municipal governments, providing support and resources for economic and community development. CEDC membership would include community groups in the region.

The CEDC would contribute to efforts for regional economic development through networking businesses, providing capacity on economic and housing issues, and brokering lending and local business sales. The details of CEDC service provision would be developed by the CEDO, supporting municipalities and electoral areas, and supporting organizations based on their needs. The CEDC must have broad representation from the community and not be restricted to any one type of activity in order to be successful. A successfully operating CEDC would have the following characteristics:

- Strengthens human resources of its community;
- Carries out planning, research and advocacy work;
- Fosters access to credit for local businesses, especially through its own lending programs; and
- Builds equity assets in its own enterprises as well as in other community enterprises.

The seven principles of successfully realizing a Community Economic Development Organization are:

1. Includes all local sectors involved in the economic development process;
2. Encompasses all economic development efforts ensuring not to compete or overlap with existing initiatives or organizations;
3. Represents all community members on the governing board;
4. The governing board has the ability to take action without specific approval of any participating group, whether municipal government agency or private group;
5. Maintains a balance of continued leadership with new contributors;
6. The governing board should meet regularly and frequently; and
7. Continued adequate funding availability.

Slocan would be in a position to help initiate a CEDC if there were a designated Community Economic Development Officer for the region that could mobilize local entrepreneurs and community organizations. Costs associated with the CEDC initially would be administrative: small office space, part-time administration/event staff and basic equipment and supplies. A first year budget for the CEDC is estimated at \$37,000.

7.2.6 Community Capacity

Many of the recommended activities identify community groups or regional organizations as activity leads. Naturally, these groups and organizations need to be encouraged to take on the recommended activities, as they are unlikely to perform them without prompting. It is recommended that Council and staff hold meetings with these groups to discuss the activities and initiate the leadership roles and responsibilities required to see them through. Project and reporting time lines should be developed so that project delivery and effectiveness can be monitored and evaluated.

7.3 CED Framework

The CED Framework is presented on the following pages along with the CED Framework Time Line. The CED Framework time line provides an outline of how all 47 actions are related to one another, when they begin, when they end and for which the Village is the lead responsible party. Actions are grouped by theme and are in order of recommendation in the CED framework.

CED Framework Acronyms

RDCK	Regional District of Central Kootenay
WED	Western Economic Development program
CBT	Columbia Basin Trust
CF	Community Futures Development Corporation
MCSCD	Ministry of Community, Sport and Cultural Development
DoT	Department of Transportation
BIABC	Business Improvement Areas of BC
CEDO	Community Economic Development Officer
CEDC	Community Economic Development Corporation

Theme 1: Engaged Governance

Goal: A community that is actively engaged in determining the future of the Village

Objective 1 Coordinate community groups to successfully participate in, and implement, more complex community-supported activities.		Rationale Slocan has an active volunteer population and excellent social capital. There are several groups whose activities may overlap. Coordination of the groups would encourage greater volunteerism, stronger outcomes and better communication with the Village. Coordinated activities would encourage new membership.			
Actions	1. Host monthly community group representative meetings to organize and update the groups and the municipality, as well as to maintain capacity and attract new members.	Responsibility/Partners	Targets	Measures of success	Estimated Resources
		Lead Community organizations representative	Monthly informational meetings held.	Primary Number of community organizations in attendance.	Staff time 2hrs/month
Timeframe	Short term	Primary Support Council & Staff		Possible Successful projects resultant of collaboration between community organizations, and between organizations and the Village.	Budget -
		Additional Support			Other Meeting space.

Objective 2 Establish an official business improvement association.		Rationale A business improvement association will help to organize, fund and train local business community members as well as give local business owners, operators and staff the opportunity to meaningfully engage in municipal dialogue. This will strengthen the knowledge of plans, events and community information between the municipality and the business community.			
Actions	2. Create a Business Improvement Association (BIA).	Responsibility/Partners	Targets	Measures of success	Estimated Resources
		Lead Local businesses	Business Improvement Association created.	Primary Number of businesses with BIA membership.	Staff time -
Timeframe	Mid-term	Primary Support • Slocan Lake Chamber of Commerce • CF		Possible • Quality of service of BIA as determined by its members. • Number of business opportunities resultant from BIA, as determined by members. • Number of services offered by BIA.	Budget -
		Additional Support • BIABC • CBT • Community organizations			Other

Theme 2: Stable Economy

Goal: A strengthened and diversified local economy

Objective 3		Rationale		Measures of success		Estimated Resources	
Enhance existing local businesses and foster an environment for knowledge industry workers.		Enhancing local business opportunities encourages more flow of finances into the area, creates an attractive business environment and increases human, social and economic capitals. Devoting specific resources to this task in the region ensures expertise is focused on fundamentally addressing local economic issues.					
Actions	Responsibility/Partners	Targets	Primary	Possible	Staff time	Budget	Other
3. Establish cell phone service.	Lead RDCK Primary Support Regional Councils & Staff Additional Support	Slocan area is serviced by modern cellular communications networks.	Quality of cell phone service in the area.		25hrs		
Timeframe Short term	Priority High						
4. Host business training sessions.	Lead CF and BIA Primary Support Slocan Lake Chamber of Commerce Additional Support • Community organizations • Selkirk College • CBT	Improved business skills amongst business owners and staff.	Number of training sessions held.	• Number of training session participants. • Quality of sessions as determined by participants.	-		
Timeframe Short term	Priority Medium						
5. Promote presence of high speed internet (include in other Village promotions).	Lead MCSCD Primary Support Regional Councils & staff Ministry of Tourism Additional Support BIA	High speed internet presence is mentioned in promotional materials.	Number of promotions mentioning high speed internet.		Included in Village promotion, elsewhere.		
Timeframe Short term	Priority High						

Actions		Responsibility/Partners	Targets	Measures of success	Estimated Resources
6. Hire a Regional Community Economic Development Officer (CEDO) for Arrow Lakes, Nakusp and the Slokan Valley region.		Lead	Community Economic Development Officer hired for minimum two-year contract.	Primary	Staff time
		MCSCD		CED Officer hired.	20 hours
		Primary Support		Possible	Budget
		<ul style="list-style-type: none"> • CBT • BC Hydro • Regional Councils and Staff 		Effectiveness of CED Officer as determined by communities.	\$80,000/year, financed equally by each of 4 incorporated communities, 2 electoral areas, CBT, and BC Hydro.
	Timeframe	Additional Support			Other
	Short term	<ul style="list-style-type: none"> • RDCK • Electoral areas • CF 			Office space & equip.
7. Create a business succession program to foster mentorship and business transition opportunities in the sub-region.		Lead	A business succession program is created for Slokan and the region.	Primary	Staff time
		CF		Number of businesses trained in mentorship and succession.	20 hours
		Primary Support		Possible	Budget
		BIA and Slokan Lake Chamber of Commerce		Number of new employees in a business.	\$50,000 provided by CF.
	Timeframe	Additional Support			Other
	Mid- term	<ul style="list-style-type: none"> • Community organizations • Local businesses • CF 			
8. Host events for knowledge and skills sharing (e.g.: guest speakers, skills/knowledge exchange workshops).		Lead	Monthly events are held that focus on skills sharing and knowledge exchange.	Primary	Staff time
		Selkirk College		Number of events held.	-
		Primary Support		Possible	Budget
		CF		<ul style="list-style-type: none"> • Number of community hands-on projects accomplished. • Number of guest speakers. • Quality of program as determined by participants. 	-
	Timeframe	Additional Support			Other
	Mid- term	<ul style="list-style-type: none"> • Local businesses • Community organizations 			Meeting space.

Objective 4 Increase the number of local high quality goods and services.		Rationale		
		Many small businesses in the Slocan Valley region offer specialized products and services. There are also resource-based industries that offer raw and basic materials and products. The community feels that there is opportunity to network between businesses, arts and knowledge-based industry outfits in order to produce high quality, value-added products. Such products would sell for higher profits and bring more money into the community. There is also opportunity to increase the local food supply by taking advantage of increasing local demand for organic produce and farming underutilized agricultural lands in the region.		
Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources
9. Grow and consume more local food.	Lead	<ul style="list-style-type: none">Local food production is increased by 5% /yr.Farmers market sales increase by 5%/yr.2 local greenhouses are in operation after 2 years.	Primary	Staff time
	Kootenay Organic Growers		Amount of farmers market sales.	5 hours
	Primary Support		Possible	Budget
	CEDO		<ul style="list-style-type: none">Number of greenhouses established.New crop area.Number of products supplied to local grocers and restaurants.	-
Timeframe	Priority		Other	
Mid-term	Low		Village land allocation for greenhouses.	
10. Improve the Sunday Farmers Market.	Lead	<ul style="list-style-type: none">Local food production is increased by 5%/yr.Farmers market sales increase by 5%/yr.Customer base is increased by 5% /yr.	Primary	Staff time
	Community organizations		Quality of market infrastructure upgrades.	-
	Primary Support		Possible	Budget
	Local farmers		<ul style="list-style-type: none">Amount of farmers market sales.Quality of market as determined by sellers and buyers.Money spent on upgrades.	-
Timeframe	Priority		Other	
Mid-term	Low		Market infrastructure and promotion.	
11. Encourage collaboration between businesses, arts and knowledge industry outfits and networks to identify opportunities for value-added products and services.	Lead	Local groups collaborate on developing and producing value-added products for 5-25% of their working time.	Primary	Staff time
	CEDO		Number of value-added products produced.	-
	Primary Support		Possible	Budget
	<ul style="list-style-type: none">CFBIA		<ul style="list-style-type: none">Number of collaborations.Time spent collaborating on value added products per outfit.Quality of products made.Number of products sold.Revenue generated.	-
Timeframe	Priority		Other	
Long term	Medium		Meeting space.	

Actions		Responsibility/Partners		Targets	Measures of success		Estimated Resources
12. Create an alternative health services operation in the Wellness Centre that includes a variety of alternative health practitioner offerings and allows for occasional offering of traditional health services.		Lead		The Wellness Centre houses a full time complement of alternative health professional services with occasional traditional health services.	Primary	Number of alternative health services available.	Staff time -
		Primary Support			Possible	<ul style="list-style-type: none"> • Number of patients. • Number of treatments. • Quality of service. 	Budget -
Timeframe	Priority	Additional Support				Other	Wellness Centre space.
Long term	Medium	<ul style="list-style-type: none"> • Community organizations • Council & Staff • Local businesses and practitioners 					

Objective 5 Improve local and sub-regional amenities and cooperation.		Rationale Slocan is a small village in a community of small villages. Competition for population, business and tourism between the communities is detrimental to the well being of each community. Sharing responsibilities, tasks and promotional opportunities ensures the communities work together for maximum shared benefits. By pooling resources, the valley sub-region will be able to coordinate to attract growth to the area.			
Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources	
13. Investigate opportunities to encourage revived agriculture in the area.	Lead	<ul style="list-style-type: none"> New crop production is supplying local markets in 3 years. Increased organization between farmers. Communal kitchen amenities are used for food processing facilities (Appledale, Vallican Whole School, W.E.Graham) 	Primary	Staff time	
	CEDO		Acres of revived, actively farmed land.	-	
	Primary Support		Possible	Budget	
	CF		<ul style="list-style-type: none"> Number of sellers at farmers markets. Amount of produce sold in local stores. Number of community-supported agriculture customers. Number of Kootenay Organic Grower members. Time communal facilities are occupied processing food. 	-	
Mid-term	Additional Support <ul style="list-style-type: none"> Ministry of Agriculture Community organizations Kootenay Organic Growers RDCK Western Economic Diversification 			Other	
14. Perform joint marketing with other Slocan Valley communities.	Lead	A marketing campaign with Silverton, New Denver, the Slocan Valley and the RDCK.	Primary	Staff time	
	MCSCD		Number of shared advertising instances.	2 hours/month	
	Primary Support		Possible	Budget	
	<ul style="list-style-type: none"> RDCK CBT WED 		<ul style="list-style-type: none"> Cross-promotion on Villages' websites. Estimated target audience population. 	\$50,000 from the Ministry, RDCK, CBL and WED for valley promotions.	
Short term	Additional Support			Other	
	Regional Councils & Staff				

Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources
15. Create a regional business hub.	Lead	A shared business space is established with business equipment.	Primary	Staff time
	CEDO		Number of business hub members.	-
	Primary Support		Possible	Budget
	<ul style="list-style-type: none">Chamber of CommerceBIA		<ul style="list-style-type: none">Area of shared business space.Number of drop in users.Number of partnerships developed at the business hub.	\$10,000 for equipment, and operations and maintenance/year. Funded by users, CBT, CF and the Ministry.
			Other	Hosting space (e.g.: Wellness Centre)
16. Increase participation of regional CED organizations to expand the capacity of local businesses.	Lead	Local CED organizations participate in training, financing and capacity building for local businesses.	Primary	Staff time
	CEDO		Number of training workshops delivered.	-
	Primary Support		Possible	Budget
	Regional Councils & Staff		<ul style="list-style-type: none">Number of CED organizations giving regular presentations, workshops and courses.Amount of money made available to local businesses and organizations.	-
			Other	Meeting space.
Timeframe	Priority	High		
Mid-term				

Actions		Responsibility/Partners		Targets	Measures of success		Estimated Resources
17. Create a Slokan Valley Community Economic Development Corporation to focus on development of community, affordable housing, organizations and economy.		Lead	CEDO	A CEDC is created for the Slokan Valley region.	Primary	Funding received for development and support of the CEDC.	Staff time
							-
		Primary Support	<ul style="list-style-type: none"> Regional CED organizations RDCK, electoral areas WED MCSCD CBT 		Possible	Success of CEDC projects.	Budget
						\$37,000/yr from RDCK, electoral areas, WED, provincial Ministries and CBT.	
	Timeframe	Priority					Other
	Long-term	Medium	<ul style="list-style-type: none"> Regional Councils and Staff BIA Chamber of Commerce 				Office space.
18. Lease the W.E. Graham School space out to community and business groups when it is not in use by students. Use provincial incentives to co-locate community services in the school.		Lead	School District 8	W.E. Graham School facilities are used to their maximum capacity.	Primary	Money paid to the Village for use of school spaces and facilities.	Staff time
							-
		Primary Support	Ministry of Education		Possible	<ul style="list-style-type: none"> Number of classrooms used by groups outside school hours. Number of school facilities (e.g.: kitchen) used outside school hours. 	Budget
							-
	Timeframe	Priority					Other
	Mid-term	Medium	<ul style="list-style-type: none"> School employees W.E. Graham Community Centre 				

Objective 6 Increase tourism.				Rationale Tourism brings money and interest to the region. Tourism is the first step in developing long-term interest in relocating to Slocan or having a secondary home or cabin there. The more Slocan is able to define and promote itself as a tourist destination, as well as to offer services that interest tourists, the more likely it is to attract additional tourism revenues and future residents.		
Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources		
19. Develop Slocan as the eco-tourism adventure centre for the Valley and develop and distribute a community profile.	Lead CEDO	Tourism in Slocan increases by 10% per year.	Primary Number of tourists.	Staff time -		
	Primary Support • MCSCD • Ministry of Tourism		Possible • RV campground use. • Use of Valhalla Park parking lot. • Use of beach and rail trail.	Budget \$30,000 for marketing plus in-kind from the Ministries, CBT & WED.		
	Additional Support • CBT • WED			Other		
	Timeframe Mid-term	Priority Medium				
20. Establish Slocan as the “Gateway to the Valhallas” using promotions and signage.	Lead • MCSCD	Promotions and signs are developed establishing Slocan as the Gateway to the Vallhallas.	Primary Number of signs created.	Staff time 20 hours		
	Primary Support • CBT • Ministry of Tourism, DoT • WED		Possible • Number of promotions made. • Feedback from tourists.	Budget \$10,000 for signage from the Ministries, CBT and WED.		
	Additional Support • Community Organizations • BIA • Council and Staff			Other		
	Timeframe Mid-term	Priority Medium				
Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources		
21. Follow up on recommendations from the <i>Slocan Valley Visitor/Tourism Assessment</i> report (February 2006).	Lead Regional Councils & Staff	All recommendations from the report are implemented.	Primary Number of recommendations implemented.	Staff time 150 hours		
	Primary Support • MCSCD • Ministry of Tourism		Possible • Quality of implementation. • Community satisfaction with outcomes.	Budget Dependant on initiatives		
	Additional Support • CBT • WED • Local businesses • Community organizations			Other		
	Timeframe Mid-term	Priority High				

Refer to Appendix B for a list of priority tourism improvement actions.

Theme 3: Stable Municipal Finances and Service Provision

Goal: A diversified tax base that maintains and/or increases services to residents and creates a sustainable future for Slocan

Objective 7		Rationale			
Balance municipal service offerings and budget to account for possible closure of Springer Creek Mill.		The Village of Slocan has started to look at how it can diversify its revenue stream. Economic development opportunities should be pursued so that the village population may increase, businesses may develop and tourism may improve. These items will all contribute to increased Village revenues. At the same time, the Village must streamline its budget so that it is prepared for a shortfall in revenues should the mill close. A combination of revenue diversification and budget streamlining should be pursued.			
Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources	
22. Streamline the municipal budget, using options from Financial Scenario 4 of this report.	Lead	The municipal budget is reviewed and expenditures are reduced.	Primary	Staff time	
	Village Council & Staff		Amount of municipal funds retained.	20 hours	
	Primary Support		Possible	Budget	
Timeframe	Priority		Degree to which municipal services are reduced.	\$0	
Immediate	High		Other		
23. Enforce a home-based business licensing program to generate revenues and be more aware of businesses in Slocan.	Lead	Every home-based business in Slocan holds a license with the municipality.	Primary	Staff time	
	Village Council & Staff		Number of licensed home businesses.	40 hours	
	Primary Support		Possible	Budget	
Timeframe	Priority			\$0	
Mid-term	Medium		Other		
24. Establish the Springer Creek micro-hydro project. Fund it using grants and loans from governments and regional agencies.	Lead	Springer Creek micro-hydro project is operational and generating revenues by 2014.	Primary	Staff time	
	Village Council & Staff		Revenue generated.	200 hours	
	Primary Support		Possible	Budget	
Timeframe	Priority		Jobs created.	\$4Million from government, economic development agency and power producer sources.	
			Time to pay back construction investment.		
			Other		
Immediate	High				
Additional Support					
CBT					

Objective 8		Rationale			
Increase the Village's promotional opportunities.		In order to attract new residents and tourists to Slocan, some efforts are required to tell Slocan's story and promote its offerings. Creating awareness of the opportunities, quality of life and benefits to living and visiting Slocan are paramount to making it appealing to future families, businesses and tourists.			
Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources	
26. Create an up to date directory listing local services, businesses, attractions and products.	Lead	Physical and on-line directories of Slocan's offerings are produced.	Primary	Staff time	
	CEDO		Number of listings in the directory.	-	
	Primary Support		Possible	Budget	
	CF		<ul style="list-style-type: none">Number of printed and distributed directories.Number of website visits.	\$500 for surveys and printing from CF.	
Timeframe	Priority			Other	
Short term	High				
27. Upgrade and update the Village website.	Lead	An up-to-date, modern Village website is created.	Primary	Staff time	
	Village staff		Number of website visits.	45 hours	
	Primary Support		Possible	Budget	
	Local web designer		<ul style="list-style-type: none">Number of pages visited.Amount of time spent on page.Number of return visitors.	\$10,000 from CBT.	
Timeframe	Priority			Other	
Short term	High				
28. Improve Village wayfinding, information and map signage.	Lead	Modern, inviting and informational visitor signage and wayfinding is installed.	Primary	Staff time	
	Village Council & Staff		Number of new and updated signs.	30 hours	
	Primary Support		Possible	Budget	
	<ul style="list-style-type: none">MCSCDMinistry of Tourism		Number of attractions, businesses and services listed on signs.	\$25,000 from DOT, RDCK and the Ministries.	
Timeframe	Priority			Other	
Short term	High				

Theme 4: Societal Well-Being

Goal: A high quality of life for Slokan residents and visitors

Objective 9		Rationale				
Make housing more available and affordable.		Available and affordable housing will encourage: <ul style="list-style-type: none">• New residents to move to Slokan;• Seniors to maintain or improve their quality of life;• Home-based business opportunities; and• More homes in Slokan.				
Actions		Responsibility/Partners	Targets	Measures of success	Estimated Resources	
29. Make housing a priority for the OCP review.		Lead	The new OCP has specific policies and targets for affordable housing.	Primary	Staff time	
		OCP review consultant		Number of policies and actions that address housing in the OCP.	-	
		Primary Support		Possible	Budget	
		Slocan Valley Seniors Housing Society			-	
Timeframe	Priority	Additional Support			Other	
Short term	High	Village Council and Staff				
30. Explore alternatives to septic waste systems so that housing can be developed on single lots, instead of the currently required double lots.		Lead	Viable alternative septic solution identified and piloted.	Primary	Staff time	
		OCP Consultant		Number of single lot houses.	-	
		Primary Support		Possible	Budget	
		Village Council & Staff		<ul style="list-style-type: none">• Number of alternative septic systems.• Number of secondary homes on housing lots.• Number of new homes.	-	
Timeframe	Priority	Additional Support			Other	
Short term	High	<ul style="list-style-type: none">• Canada Mortgage and Housing Corporation• CBT				
31. Explore creative housing types.		Lead	Creative housing types (e.g.: co-housing, container houses, pre-fabricated housing, straw bale homes) approved for tenancy.	Primary	Staff time	
		OCP Consultant		Number of alternative housing types constructed and occupied.	-	
		Primary Support		Possible	Budget	
		Village Council & Staff		<ul style="list-style-type: none">• Number of staff report papers on viability of difference housing types in Slokan.• Number of new homes.	-	
Timeframe	Priority	Additional Support			Other	
Mid-term	High	<ul style="list-style-type: none">• Canada Mortgage and Housing Corporation• CBT				

Objective 10		Rationale			
Enhance arts and cultural opportunities.		Arts and culture are a primary facet of rural communities in the Slokan Valley. They contribute to quality of life and community aesthetic. Investing in arts and cultural opportunities increases civic pride, creates business opportunities (e.g.: heritage-related, art galleries, music festivals) and encourages tourism.			
Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources	
32. Establish a heritage renewal and beautification program.	Lead	Historic and culturally significant sites and buildings are restored, well identified and promoted.	Primary	Staff time	
	CEDO		Number of sites and buildings restored.	-	
	Primary Support		Possible	Budget	
	• MCSCD		• Number of heritage designations received.	Unknown, funded by the Ministries, CBT and WED.	
	• Ministry of Tourism		• Number of tourists visiting heritage sites.		
	• CBT		• Amount in funding grants received for restoration projects.		
	• WED				
Timeframe	Priority			Other	
Long term	Medium				
33. Establish an annual music festival that coincides with another significant annual event in Slokan.	Lead	Slokan hosts an annual, 2-day music festival that bolsters a second event (e.g.: logger sports, Viking boat launch).	Primary	Staff time	
	Community organizations		Funds raised through ticket and concession sales.	-	
	Primary Support		Possible	Budget	
	Slokan Valley Arts Council		• Number of acts booked.	-	
			• Number of tickets sold.	Other	
	Additional Support		• Funds invested in festival.		
Timeframe	Priority		• Growth of festival over subsequent years.		
Long term	Low				
34. Produce a local arts services and products guide that includes a regional map of these services and products. Make it available on-line.	Lead	A guide for arts and culture is produced for the area.	Primary	Staff time	
	Slokan Valley Arts Council		Number of guides distributed.	-	
	Primary Support		Possible	Budget	
	• Community organizations		• Number of artists, galleries, musicians and cultural events included.	\$5,000 for development, printing and distribution from CBT and SVAC.	
	• CEDO		• Number of website visits.	Other	
Timeframe	Priority				
Mid-term	Medium				

Objective 11 Create a focused Village Centre.			Rationale Community members and visitors need a focal point in Slokan that acts as a hub for business, meeting, information sharing and community space. This creates a greater sense of community and increases social capital.		
Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources	
35. Officially designate the Harold-Fletcher Streets intersection as the village centre.	Lead	Village Centre designation achieved.	Primary	Staff time	Staff time
	Village Council & Staff		Area around Harold and Fletcher recognized by residents and visitors as village centre.	10 hours	
	Primary Support		Possible	Budget	Budget
	Community organizations, BIA		<ul style="list-style-type: none"> Designation ceremony held. Announcement made in local publications. 	-	
Timeframe	Priority			Other	
Short term	High				
36. Identify the Village Centre with a design theme and beautification efforts.	Lead	Area distinctly recognizable as Village centre.	Primary	Staff time	Staff time
	Village Council & Staff		Design theme implemented.	20 hours	
	Primary Support		Possible	Budget	Budget
	BIA		<ul style="list-style-type: none"> Number of residents who recognize the area as being the Village centre. Number of planter boxes. Availability of garbage receptacles. Area of accessible green space. 	\$5,000 from Village to develop and implement theme.	
Timeframe	Priority			Other	
Short term	Medium				
37. Encourage location of retail and other business to the Village Centre.	Lead	Area is business centre of the Village, by concentration of businesses.	Primary	Staff time	Staff time
	BIA		Number of new and/or existing businesses locating storefront operations to the area.	20 hours	
	Primary Support		Possible	Budget	Budget
	Village Council & Staff			-	
Timeframe	Priority			Other	
Long term	Medium				
38. Encourage business participation in a new signage program.	Lead	Every business has a distinct, welcoming sign.	Primary	Staff time	Staff time
	BIA		Number and quality of business signs in the area.	20 hours	
	Primary Support		Possible	Budget	Budget
	Village Council & Staff			-	
Timeframe	Priority			Other	
Long term	Medium				

Objective 12		Rationale		
Perform village beautification projects.		Quality of life and village pride increase with community beautification efforts. Community members and visitors have better access to the waterfront and other natural village attractions. This is turn encourages tourism and business attraction. These efforts also positively engage community members, giving citizens a sense of belonging and ownership in their community.		
Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources
39. Link waterfront with Village Centre through wayfinding and landscaping.	Lead	A recognizable physical link is formed with the waterfront.	Primary	Staff time
	Village Council & Staff		Number and effectiveness of wayfinding between the two destinations.	25 hours
	Primary Support		Possible	Budget
	<ul style="list-style-type: none">MCSCDRDCK		<ul style="list-style-type: none">Walkway disruptions.Number of landscape plantings between the two destinations.	\$10,000 from Village, RDCK and MCSCD.
Timeframe	Priority	Additional Support		Other
Long term	Low	<ul style="list-style-type: none">Community organizationsLandscape designers		
40. Improve the beach area through landscaping, parking improvements and programming.	Lead	The beach is a frequent destination for residents and tourists; parking is orderly.	Primary	Staff time
	Village Council & Staff		Number of people using the beach.	25 hours
	Primary Support		Possible	Budget
	<ul style="list-style-type: none">RDCKMDRC		<ul style="list-style-type: none">Amount by which beach area is increased.Number of boat launches.Number of beach dog incidents reported.Number of events held in the gazebo.Number of orderly parking spaces.	\$7,500 from Village, RDCK and MCSCD.
Timeframe	Priority	Additional Support		Other
Long term	Medium	<ul style="list-style-type: none">Community organizationsLandscape designers		
41. Improve general Village landscaping and plantings.	Lead	The Village presents residents and visitors with year-round elements of beauty.	Primary	Staff time
	Village Council & Staff		Number of fruit and other trees planted.	25 hours
	Primary Support		Possible	Budget
	<ul style="list-style-type: none">Community organizationsCBTMCSCDRDCK		<ul style="list-style-type: none">Number of landscaping improvements.Number of areas pooling water.	\$25,000 from CBT, MCSCD, RDCK and Village.
Timeframe	Priority	Additional Support		Other
Long term	Medium	<ul style="list-style-type: none">BIALandscape designers		

Actions	Responsibility/Partners		Targets	Measures of success	Estimated Resources
42. Create descriptive plaques for Village murals.	Lead	Community organizations	Each mural has a descriptive plaque.	Primary	Staff time
				Number and quality of descriptive mural plaques.	20 hours
	Primary Support	Village Council & Staff		Possible	Budget
				\$1,000 for plaques from Village or CBT.	
Timeframe	Priority	Additional Support			Other
Mid-term	Medium	<ul style="list-style-type: none">BIACBT			
43. Expand yard clean up program.	Lead	Village Council & Staff	Residents' yards are free of unsightly items.	Primary	Staff time
				Number of unsightly premises complaints to Village office.	15 hours
	Primary Support	RDCK		Possible	Budget
				Number of cars in yards.	\$6,000 from Village or RDCK
Timeframe	Priority	Additional Support			Other
Short term	Medium	Community organizations			
44. Encourage community and personal food and aesthetic gardens by promoting local garden box supply and gardening businesses.	Lead	Community organizations	Personal gardens increase by 5% per year.	Primary	Staff time
				Number of homes with personal gardens.	-
	Primary Support			Possible	Budget
				Number of garden boxes sold.	-
Timeframe	Priority	Additional Support			Other
Mid-term	Low				

Objective 13 Increase enrolment at, and use of, W.E. Graham School		Rationale The school is a cornerstone of the community. It attracts families, provides unique outdoor educational opportunities, acts as a community hub and is a useful space resource. Increasing enrolment is essential to maintaining the school's operation.		
Actions	Responsibility/Partners	Targets	Measures of success	Estimated Resources
45. Explore promotion opportunities for the unique school curriculum.	Lead	W.E. Graham School enrolment increases to a level that stabilizes the school revenues and expenditures, allowing it to remain open.	Primary	Staff time
	<ul style="list-style-type: none"> Village Council & Staff School staff 		Number of students enrolled.	100 hours
	Primary Support		Possible	Budget
	<ul style="list-style-type: none"> School District 8 School District 10 		<ul style="list-style-type: none"> Number of students bussed from outside Slokan. School revenues and expenditures. 	\$5,000 for promotions
Timeframe	Priority			Other
Short term	High			
46. Explore consolidation of Vallican Whole School and Winlaw Elementary School students.	Lead	W.E. Graham School enrolment increases to a level that stabilizes the school revenues and expenditures, allowing it to remain open.	Primary	Staff time
	<ul style="list-style-type: none"> Village Council & Staff School staff 		Number of students enrolled.	25 hours
	Primary Support		Possible	Budget
	<ul style="list-style-type: none"> School District 8 		<ul style="list-style-type: none"> Number of students bussed from outside Slokan. School revenues and expenditures. 	-
Timeframe	Priority			Other
Short term	High			
47. Explore opportunities for other uses of space in the school.	Lead	Use of W.E. Graham School spaces is such that sufficient revenues are generated to maintain school operations.	Primary	Staff time
	<ul style="list-style-type: none"> Village Council & Staff School staff 		Revenue generated from uses.	25 hours
	Primary Support		Possible	Budget
	<ul style="list-style-type: none"> School District 8 		<ul style="list-style-type: none"> Number of organizations using the school. 	-
Timeframe	Priority			Other
Short term	High			

CED Framework Time Line

Theme	Village Lead	CED Activity	Priority	2011	2012	2013	2014	2015+	Related Activities
1		1. Host monthly community group representative meetings.	Medium						11,18
		2. Create a Business Improvement Association.	High						4,7,11,28,38
		3. Establish cell phone service in the area.	High						
		4. Host business training sessions.	Medium						2,9,11
		5. Promote presence of high speed internet.	High						14
2		6. Hire a Regional Community Economic Development Officer.	High						7,17
		7. Create a business succession program.	Medium						2,6
		8. Encourage sharing local knowledge and skills through events.	Low						4,15
		9. Grow and consume more local food.	Low						10,13,34
		10. Improve the Sunday Farmers Market.	Low						9,13,34
		11. Encourage collaboration to identify value-added products and services.	Medium						1,2
		12. Create an alternative health services operation in the Wellness Centre.	Medium						2
		13. Investigate opportunities to encourage revived agriculture in the area.	Medium						9,10,34
		14. Perform joint marketing with other Slokan Valley communities.	High						5,19,20,27,34
		15. Create a regional business hub.	Low						4,8,16
		16. Increase participation of regional CED organizations to expand the local business capacity.	High						4,6,15,17
		17. Create a Slokan Valley Community Development Corporation.	Medium						4,6,16
		18. Lease the W.E. Graham School space out to community and business groups.	Medium						1
		19. Develop Slokan as the eco-tourism adventure centre for the Valley.	Medium						14,20,21
		20. Establish Slokan as the "Gateway to the Valhallas" using promotions and signage.	Medium						14,19,21
	✓	21. Follow up on recommendations from the Slokan Valley Visitor/Tourism Assessment report.	High						5,14,19,20,34,35

7.4 Official Community Plan Inclusions

The new Village of Slocan Official Community Plan will be a statement of objectives and policies that guides decisions on planning and land use management. As such, it will have limited purview over economic development as much of what constitutes economic development is programming related, not land use related. OCP policies will not address the majority of CED framework recommendations. Those that can be reasonably addressed by the OCP follow. For general OCP considerations, see Appendix C.

The OCP vision and goals will undoubtedly be refined during the public engagement process. Those developed for this project could be used as a starting point.

Objective 3: Enhance existing local businesses and foster an environment for knowledge industry workers.

Policy Recommendations: Amend existing policies (currently within section 3.4 and 3.5 of the OCP) to more actively encourage live/work arrangements and Bed and Breakfast businesses:

- Allow signage advertising home occupations or Bed and Breakfast operations that is unilluminated and not exceeding dimensions of 2 feet by 1 foot;
- Allow for goods associated with home occupations or Bed and Breakfasts to be stored in the dwelling or a building accessory to the dwelling, provided storage area does not exceed 25m²; and
- Limit commodities that may be offered for sale to those produced on the premises or otherwise produced by local businesses within the town.

Objective 4: Increase the number of local high quality goods and services.

Policy Recommendations: Amend zoning designations (currently within section 6.4, 6.8 and 6.9 of the OCP) to allow for growing local food:

- Add 'personal gardens' to the list of purposes permitted within all residential zones;
- Add 'community gardens and greenhouses' to the list of permitted uses within the Special Industrial (M-1A) zone;
- Add 'community gardens and greenhouses' to the list of purposes permitted within the Park, Open Space and Institutional zone (P-1); and
- Prioritize two parcels of municipal land within the P-1 zone for small scale community agriculture and partner with local organizations (e.g. Kootenay Organic Growers) to establish and operate greenhouses and/or community gardens on these sites.

Objective 7: Balance municipal service offerings and budget to account for possible closure of Springer Creek Mill.

Policy Recommendations: Amend policies regarding the use of municipal land (currently within section 6.9 of the OCP) to designate land for strategic projects:

- Designate parcels of land within the P-1 zone immediately to the north of the Village entrance for the transfer station associated with the Springer Creek micro-hydro project, and pursue funding from senior governments and regional agencies for the implementation of the project; and
- Identify and designate five Village-owned sites within the P-1 zone to sell or lease for multi-family and/or mixed-use development.

Objective 9: Make housing more available and affordable.

Policy Recommendations: Amend or augment policies pertaining to residential zones (currently within section 6.4 of the OCP) to allow for more innovative and intensive use of land:

- Enable installation and use of composting toilets, rainwater collection and greywater reuse systems within residential units where they meet engineering safety standards;
- Allow infill within existing residential areas, consisting of single lot development, secondary suites, and coach houses,

where waste-water management requirements are met (for example through a combination of septic system and composting toilets approved by an engineer);

- Consider applications for innovative housing types such as co-housing, container homes, pre-fabricated homes and straw-bale homes on a case by case basis; and
- Encourage small scale renewable energy production, such as solar hot water, solar photovoltaic, small wind turbines, geo-exchange, etc., in residential areas;

Objective 11: Create a focused Village Centre.

Policy Recommendations: Introduce new policies to establish and support a vibrant village centre:

- Create a new zoning designation for the village centre, defined as the blocks surrounding the Harold-Fletcher Streets intersection;
- Within the new village centre zone, establish and enforce a set of design themes and branding and beautification efforts to encourage a strong sense of place and character;
- Use tax incentives to encourage location of retail and other businesses to the village centre; and
- Allow mixed-use development, particularly residential, above commercial development within the village centre and along Harold Street.

8. Implementation

CED should be viewed as an iterative process. Through a process of planning, implementation and evaluation, capacity to plan and implement CED strategies grows. This cycle will evolve through changes in the community and changes in CED priorities. The CED Framework is as relevant as possible at the time of this project but its relevance will shift during implementation as community conditions shift, perhaps even as a result of CED Framework actions.

The success of the CED Framework lies in its implementation. The time line suggests a guide for implementation. Other factors critical to success include:

- Consistency and resilience in CED program delivery;
- Following a cycle of evaluation and feedback;
- Leveraging the resources of regional CED organizations and skills of citizens;
- Ensuring progress is reported;
- Getting help when needed; and
- Ensuring those who are assigned responsibility are up for the task and are appropriately supported.

Implementation can begin with a meeting between Council, Staff, business leaders, community groups and engaged citizens to review and begin the implementation of the CED Framework recommendations.

9. Conclusions

Residents, Council and Village staff all desire a better, more resilient future for Slocan featuring a high quality of life and diverse economic offerings. Although the Village is currently in a depressed economic state, residents report that the quality of life is generally very good. By implementing the actions recommended in the CED framework and through an OCP review that provides the Village with useful land use management policies, the visions and goals of residents and the municipality will be met, adding dynamism and stability to a community which already has high quality offerings.

Slocan residents are engaged and skilled. Their talents can be used to great avail in implementing community projects. Action is central to success in this regard. Planning lays the foundation for what can be. Action is what allows excellent communities to be built.

Appendix A: Community Priority Projects

All of the suggested CED projects offered during the public consultations were gathered and ranked by the working group members. The group gave each project a score of 0 (poor), 1 (average) or 2 (good) for each of eleven CED criteria, which were deemed by the group to be the most important project characteristics. The highest score a project could achieve was 22 and the lowest was 0. The sum of these scores provided the ranking for the projects. The results were taken into consideration in preparing the CED Framework recommendations.

		energizes/positively engages people	involves a large # of people & builds capacity	provides quick wins & builds momentum	has direct positive environmental impact	contributes to livability	retains money in the community	maintains the small village feel	attracts new residents	has wide-spread community support	improves business skills	creates collaboration with governments	TOTAL
1	Annual music festival	2	2	2	0	1	1	1	1	1	1	0	12
2	Town beautification	2	2	2	0	1	0	1	1	1	0	1	11
3	Events (fishing derby, film festival, octoberfest)	2	2	2	0	1	1	1	1	0	1	0	11
4	Community improvement association (+ local business committee)	2	2	1	0	1	0	1	1	0	1	1	10
5	Local directory of all businesses (+ home based)	1	2	2	0	1	1	1	1	1	0	0	10
6	Community animator/organizer	2	2	1	0	1	0	1	1	0	0	1	9
7	Pub	1	2	0	0	1	1	1	1	1	1	0	9
8	Year round community greenhouse	1	1	1	1	1	1	1	1	0	1	0	9
9	Sunday market	1	1	1	1	1	1	1	1	0	1	0	9
10	Laundromat	0	1	1	1	1	1	1	1	1	1	0	9
11	Lots of unique local businesses	0	2	0	1	1	1	1	1	0	0	1	8
12	Attract a local doctor and nurse	0	1	0	1	1	1	1	1	1	0	1	8
13	Directory of local services and products	1	1	2	0	1	0	1	1	1	0	0	8
14	Enhanced (interpretive) walking trails and paths	1	1	1	1	1	0	1	1	0	0	1	8
15	Year round market	1	1	0	1	1	1	1	1	0	1	0	8
16	Youth bicycle repair and recycling shop	1	0	1	1	1	1	1	1	0	1	0	8
17	Community garden	1	0	1	1	1	1	1	1	0	1	0	8
18	Commercial space/business incubator/industrial zone	0	0	1	0	1	1	1	1	1	1	1	8
19	Environmentally friendly development	1	1	0	1	1	0	1	1	0	0	1	7
20	Waterfront development (tasteful, quaint)	1	2	0	0	1	0	1	1	0	0	1	7
21	Create a business improvement association	1	2	1	0	0	0	1	0	1	0	1	7
22	Carwash	0	2	0	0	1	1	1	1	0	1	0	7
23	Easy access to the lake	1	1	1	0	1	0	1	1	0	0	1	7
24	Town square/true town centre	1	1	0	1	1	0	1	1	0	0	1	7
25	Youth radio/media	1	1	1	0	1	0	1	1	0	1	0	7
26	Directory/map of local attractions	1	1	2	0	1	0	1	1	0	0	0	7
27	Online map of local attractions, businesses and services	1	1	2	0	0	0	1	1	1	0	0	7
28	Improved signage	1	1	1	0	0	0	1	1	1	0	1	7
29	Retail area/boutique shops/gift store	1	1	0	0	0	1	1	1	1	1	0	7
30	Local foods/farming/agricultural tourism	0	1	0	1	1	1	1	1	0	1	0	7
31	Community marketing with other tourist stops	1	1	1	0	0	0	1	1	0	0	1	6
32	Local museum	1	1	0	0	1	0	1	1	0	1	0	6
33	Sports equipment rentals	0	1	1	0	0	1	1	1	0	1	0	6
34	Inspiring community meeting place	1	0	1	0	1	0	1	1	0	0	1	6
35	Program to increase local production of goods and services	1	0	0	1	1	0	1	0	0	1	1	6
36	Local credit union and insurance coop	0	0	0	1	1	1	1	1	0	1	0	6
37	Furniture store & cabinet shops	1	0	0	0	0	1	1	1	1	1	0	6
38	Advocate for local agriculture and butchering regulations	0	2	0	1	0	1	1	0	0	0	0	5

		energizes/positively engages people	involves a large # of people & builds capacity	provides quick wins & builds momentum	has direct positive environmental impact	contributes to livability	retains money in the community	maintains the small village feel	attracts new residents	has wide-spread community support	improves business skills	creates collaboration with governments	TOTAL
39	River is clean and full of fish	0	1	0	1	1	0	1	1	0	0	0	5
40	Community band	1	1	0	0	1	0	1	1	0	0	0	5
41	Easy natural flow	0	0	0	1	1	0	1	1	0	0	1	5
42	Free net hotspot	0	0	0	0	1	1	1	1	0	0	1	5
43	Youth woodworking shop	0	0	0	1	1	0	1	1	0	1	0	5
44	Summer camps	0	0	0	0	1	1	1	1	0	1	0	5
45	Local eco-tours	0	0	0	1	0	1	1	1	0	1	0	5
46	Abattoir	0	0	0	1	1	1	1	0	0	1	0	5
47	Program to encourage local business	1	0	0	0	1	0	1	0	0	1	1	5
48	Tourism operator/rec guides	1	0	0	0	0	0	1	1	1	1	0	5
49	Place to stay overnight	0	0	0	0	0	1	1	1	1	1	0	5
50	Bike rentals	0	0	1	0	0	1	1	1	0	1	0	5
51	Credit union	0	0	0	0	1	1	1	1	0	1	0	5
52	Affordable, adequate housing	0	0	0	0	1	0	1	1	0	0	1	4
53	Senior centre	0	0	0	0	1	0	1	1	0	0	1	4
54	Fishing	0	0	0	0	1	1	1	1	0	0	0	4
55	Attract and develop home-based businesses	0	0	0	0	1	1	1	0	0	1	0	4
56	Value added wood	0	0	0	1	0	0	1	1	0	1	0	4
57	Locally owned hydro plant	1	0	0	0	0	1	1	0	0	1	0	4
58	Wilderness store	0	0	0	0	0	1	1	1	0	1	0	4
59	Seniors housing	0	0	0	0	1	0	1	1	0	0	0	3
60	Viewpoint to entice visitors to stop by	0	0	0	0	0	0	1	1	0	0	1	3
61	Day trips to the Valhalla park	0	0	0	0	0	0	1	1	0	1	0	3
62	Capital historic sites	0	0	0	0	0	0	1	1	0	1	0	3
63	Attract self-employed professionals	0	0	0	0	1	1	1	0	0	0	0	3
64	Draw government services to the community	0	0	0	0	1	0	1	1	0	0	0	3
65	Green manufacturing	0	0	0	1	0	0	1	0	0	1	0	3
66	Houseboat rentals	0	0	0	0	0	0	1	1	0	1	0	3
67	Set location for movie filming	0	0	0	0	0	0	1	1	0	0	0	2
68	Horse and buggy heritage rails to trail	0	0	0	0	0	0	1	1	0	0	0	2
69	Marina	0	0	0	0	0	0	0	1	0	1	0	2
70	Prison	0	0	0	0	0	0	0	0	0	1	0	1

Appendix B: Priority Tourism Projects

This is a list of priority tourism projects for the Village, as identified in the 2006 report *Slocan Valley, British Columbia Visitor/Tourism Assessment* by Destination Development Inc.

Item	Task
Welcome to Slocan Sign	Clean and repaint
Brand Identity & Logo (for signs)	Design co-opertition (need a simple graphic/don't try to be all things to all people)
2 nd Welcome to Slocan Sign (with miner and flower)	Remove or replace (signs should be consistent)
Regional Gateway/ Marketing program	Convene collaborate with neighbouring communities.
Site Maintenance of first Welcome Sign	Add landscaping and annual colour to the base of each sign. The area your sign is located in represents your community.
Business sign program (effective, attractive signs provide highest return on investment over other marketing)	Develop best practices for local businesses to follow. Improve the quality of signs advertising local businesses. Underscore the town's brand with local business signs.
Exterior maintenance and beautification.	Paint, murals, flowers
Way-finding or directional signage.	List attractions and amenities to be included. Select Site. Create signs that fit the ambience/brand of the community. Install.
Welcome to Slocan 3 panel information area	Adding "Things to See and Do in Slocan" on the right side bulletin board.
Public Restroom	The number one reason people stop is to use a restroom. Put it where people can spend money. If you cannot, put a sign at the rest-room directing visitors to where they can spend money.
Village of Slocan Community Directory and Visitor services sign	Add activities, amenities and attractions. Add dates for annual events (3 rd weekend in June). Add teaser for the park.
Cross Marketing	Ensure each sign has space to market other communities and ask them to reciprocate.
Street banners	Use them to advertise annual event when they need to be replaced.
Gazebo	Great place for concerts, events, art shows. Advertise event listings here.
Mural at Valhalla Children's Centre	Add interpretive sign telling the story of the mural
Activities Guide for the Region	Create an activities guide for the region with events and local activities.
www.slocanlake.com www.slocanvalley.com	Audit these websites for positive and negative impressions/impacts. Consider removing some websites and collaborating for improved sites.

Appendix C: General OCP Review Considerations

The Village of Slocan can help bolster its assets and meet the visions and goals set out by its citizens through its municipal powers over the following:

- Land use types and characteristics, density and physical arrangement;
- Municipal infrastructure;
- Economic development;
- Building, site design and performance standards;
- Social programs and community facilities;
- Food systems and security;
- Transportation (automobiles, public and active); and
- Municipal corporate management and operations.

Using these powers to achieve the vision and goals for Slocan requires some basic amendments to the current OCP and bylaws as well as some progressive and creative changes. The following are general areas to consider in reviewing the OCP.

Sustainability

Slocan community members intuitively realize the interdependence of natural systems, human systems and economic systems. No one of these can exist in isolation of the other. Sustainability is a strong framework and it can lead Slocan's OCP through several important stages:

- Acknowledging the importance of Slocan's local, regional and global effects;
- Supporting the notion that sustainability is a continuous process, not an end goal to be achieved;
- Recognizing the science that has determined human activity to be responsible for climate change;
- Setting out terms to meet the obligations under the British Columbia Climate Charter to be municipally carbon neutral by 2012, measuring and reporting on the community's GHG emissions profile and creating a complete, compact, more energy efficient rural community;
- Setting out terms to meet the requirements of Bill 27: Local Government (Green Communities) Statute Act to establish GHG emissions reduction targets, and include policies and actions indicating how they will achieve them;
- Making interconnected policies relating to the climate, energy use, water use, ecosystems protection, food production and security, the economy, housing, community and personal health, education, infrastructure, and social and cultural values;
- Supporting local, regional, national and global initiatives to improve the health of our ecosystems and communities;
- Promoting education and awareness on the concept of sustainability and related issues; and
- Creating frameworks that use sustainability as a lens through which to view decision-making.

Community Development, Land Use and Built Environment

The revised OCP should address the type of community feel and functions desired in Slocan. General themes to consider include the following:

- Encouraging infill development to connect the streetscape fabric;
- Encouraging development within municipal boundaries rather than just adjacent to them. This may require education around the advantages of municipal services and opportunities;
- Ensuring the rural character and close relationship with nature is maintained;
- Exploring the development and support of renewable energy sources;
- Requiring new developments to adhere to a sustainable development checklist;
- Ensuring that new developments are universally accessible;
- Supporting Provincial and Federal initiatives to raise energy efficiency standards and remove regulatory obstacles to sustainable building and energy efficiency;
- Supporting sustainable development practices through the use of municipal mechanisms like variances,

- alternative development standards and green development incentives;
- Considering fast tracking sustainable developments when there are multiple development applications;
- Implementing a program to replace old, inefficient appliances and heating systems;
- Revising bylaws to allow for composting toilets, rainwater collection and greywater reuse systems;
- Consider opportunities for district heating with the mill;
- Improving street lighting in parts of town frequented at night, while making efforts to reduce light pollution;
- Exploring the integration of new zoning types and permitted uses;
- Investigating possibilities for secondary suites and creative secondary housing types;
- Adopting an affordable housing policy;
- Revising setback, frontage, height limit and lot coverage bylaws to ensure a consistent streetscape fabric and maximize lot usage; and
- Reviewing OCP requirements for agricultural land policies.

Food Systems

The Slocan Valley is rich in agricultural resources. Within the municipal boundaries of Slocan there is little food production, but this could change as some of the currently vacant land could be used for small agriculture or community gardens. Residents frequently expressed the desire to pursue 100 mile diets and lessen their dependence on imported food products. Local food production reduces vehicle travel, increases local business exchanges and strengthens the local human and social capitals. Items to consider for the OCP review in this area include the following:

- Providing land for small agriculture and community gardens;
- Promoting the production of locally made garden boxes;
- Promoting education and mentorship programs for growing food;
- Collaborating with villages in the region to develop a regional food system;
- Fostering a local household food waste to soil composting program;
- Protecting local wild food sources, like huckleberry bushes;
- Increasing young farmer recruitment through mentoring, promoting Willing Workers on Organic Farms programs and supporting a farming succession program;
- Encouraging community-supported agriculture systems;
- Supporting stewardship efforts for local fishing on Slocan Lake;
- Continuing to support the Sunday farmers market; and
- Encouraging the use of local food in the W.E. Graham School.

Environment

Perhaps the most striking feature of the village is its natural setting. Clean air and water, healthy habitat and soils are not something that residents take for granted – they are a large part of why they live here. Concepts of conservation, stewardship and regeneration are strong amongst community members. The OCP can support these sentiments through several actions:

- Adopting a regenerative approach to environmental stewardship;
- Protecting environmentally sensitive areas, endangered species and ecosystems, and promote biodiversity;
- Connecting green spaces, greenways and natural ecosystems;
- Establishing programs to eradicate invasive species and require the use of native species in new plantings;
- Developing an urban forestry program with targets for percentage forest cover;
- Developing an integrated watershed planning approach that accounts for surface water, drainage, groundwater and water bodies;
- Working with community groups and the school to educate and engage community members in environmental stewardship;
- Encouraging the use of trails throughout the village and wider region; and
- Improving solid waste management systems, recycling and composting.

Transportation

Slocan is very dependent on automobile travel. Many residents commute to work outside the Village and use cars for short trips in the Village. Nearby centres attract people for purchases and infrastructure and facility use. Slocan community members have expressed the desire to decrease automobile dependence and have more services available locally. Of course, reducing automobile dependence also decreases greenhouse gas emissions and saves family costs. The OCP can address this through the following options:

- Investigating the possibility for increased regional public transit;
- Promoting active transportation choices and making associated infrastructure available (e.g.: bicycle parking);
- Encouraging neighbourhood densification to promote walking and cycling to services;
- Providing education opportunities on sustainable transportation habits;
- Encouraging the use of alternative fuels in public transportation;
- Promote the extensive rail trail as a commuter option; and
- Host car free, clean air, active transportation, and/or free public transit days or transportation challenge programs throughout the year.

Business

The revised OCP needs to have policies that will attract, retain and foster business. General themes to consider include the following:

- As home business is increasing, encourage live/work arrangements;
- Encourage mixed-use developments, especially along Harold Street where a village centre could be fostered;
- Prevent the loss of industrial and business properties;
- Reviewing business-related bylaws to allow for increased small business opportunities and attraction, such as parking requirements, sign sizing, exterior storage and product display, home business non-dwelling employees, accommodations' maximum units, sale of local commodities by other local businesses, etc.;
- Providing incentives to new businesses through tax cuts, grants and land use arrangements;
- Encouraging new business whose characteristics are in line with the existing business community's preferences;
- Promoting sustainable business practices, services and products;
- Exploring offshoot opportunities with the mill; and
- Fostering mentorship for skills development and programs for business succession.

Community

Slocan's strong community assets have the potential to bolster all of the other assets of the village. Ensuring that Slocan continues to have a strong community fabric, the revised OCP should consider these themes:

- Continuing to engage youth, seniors, people who live nearby who use Slocan's services and regional expertise;
- Continuing to support the youth council;
- Fostering mechanisms to attract and retain young families;
- Developing an affordable housing strategy with the region;
- Increasing housing diversity;
- Devising creative solutions to housing and lot limitations due to septic requirements;
- Continuing support for the many social programs in Slocan;
- Supporting child care programs and facilities;
- Continuing to support events that celebrate Slocan and reflect the region, like Logger Sports;
- Improving communication between the municipality and the community;
- Continuing to promote the use public spaces and facilities for public art, performances, festivals and exhibitions; and
- Encouraging the integration of public art in the design of public and private developments.



**Sustainability
Solutions
Group**

