



CITY OF
PRINCE GEORGE

ECONOMIC DEVELOPMENT

Economic Overview

Economic Development Division

Business Development

- Business Outreach
- Advisory Services
- Programs & Events

Workforce Development

- Population Retention & Attraction
- Move Up Prince George
- Student Retention

Investment Attraction

- Site Selection
- City Tours
- Statistics & Research
- Investment Inquiries

Marketing & Promotion

- Advertising
- Tradeshows & Events
- Government Partnerships
- Trade Missions

GROWTH – OPPORTUNITY – INVESTMENT

- The Prince George economy grew more than the BC and Canadian economy in 2015.
 - Prince George 2.6%, BC 2.3% , Canada 1.2%



- Growing and diversified economy, serving population of 318,708
 - Resource and resource-related projects
 - \$238 billion proposed for major project capital expenditures in Central and Northern BC which makes up 73% of all proposed major capital expenditures in BC.
 - Service and Supply centre for Northern BC serving a variety of industries
 - Connected to global and local markets via air, road, rail and marine infrastructure
 - Education, health and cultural centre for Northern BC
 - Affordable cost of living, improved quality of life and many civic amenities attract skilled labour force

DREAMS – OPPORTUNITY – AFFORDABILITY



\$101,100

MEDIAN FAMILY INCOME



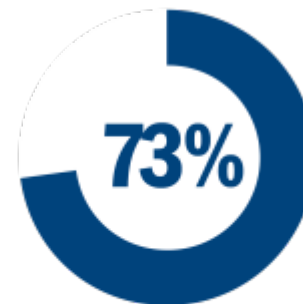
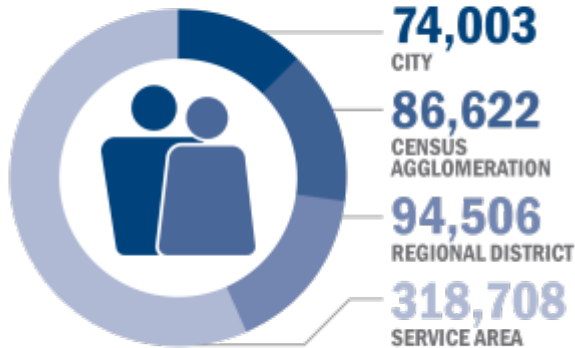
\$297,185

AVERAGE HOUSE PRICE



\$1,314

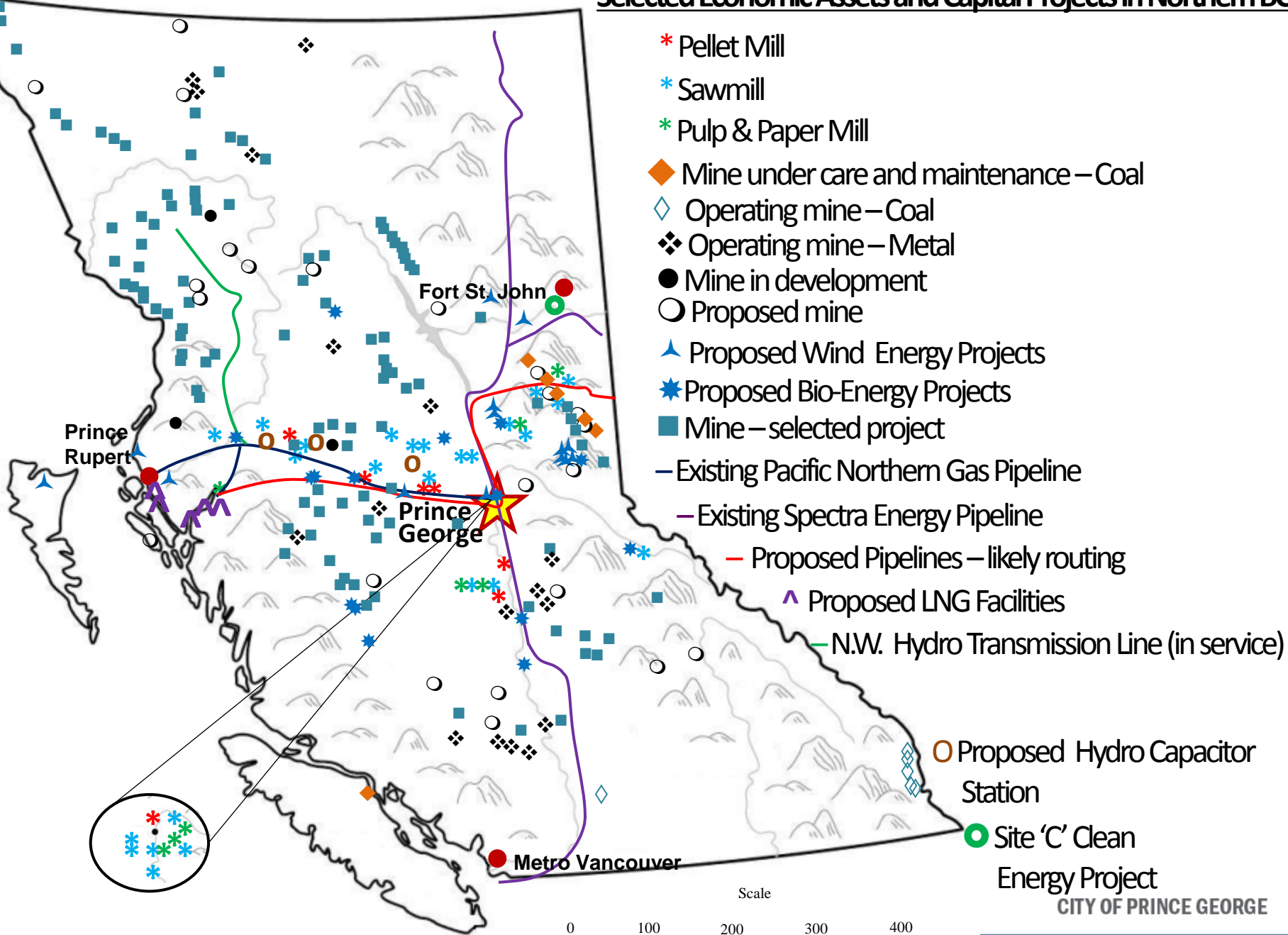
AVERAGE MORTGAGE



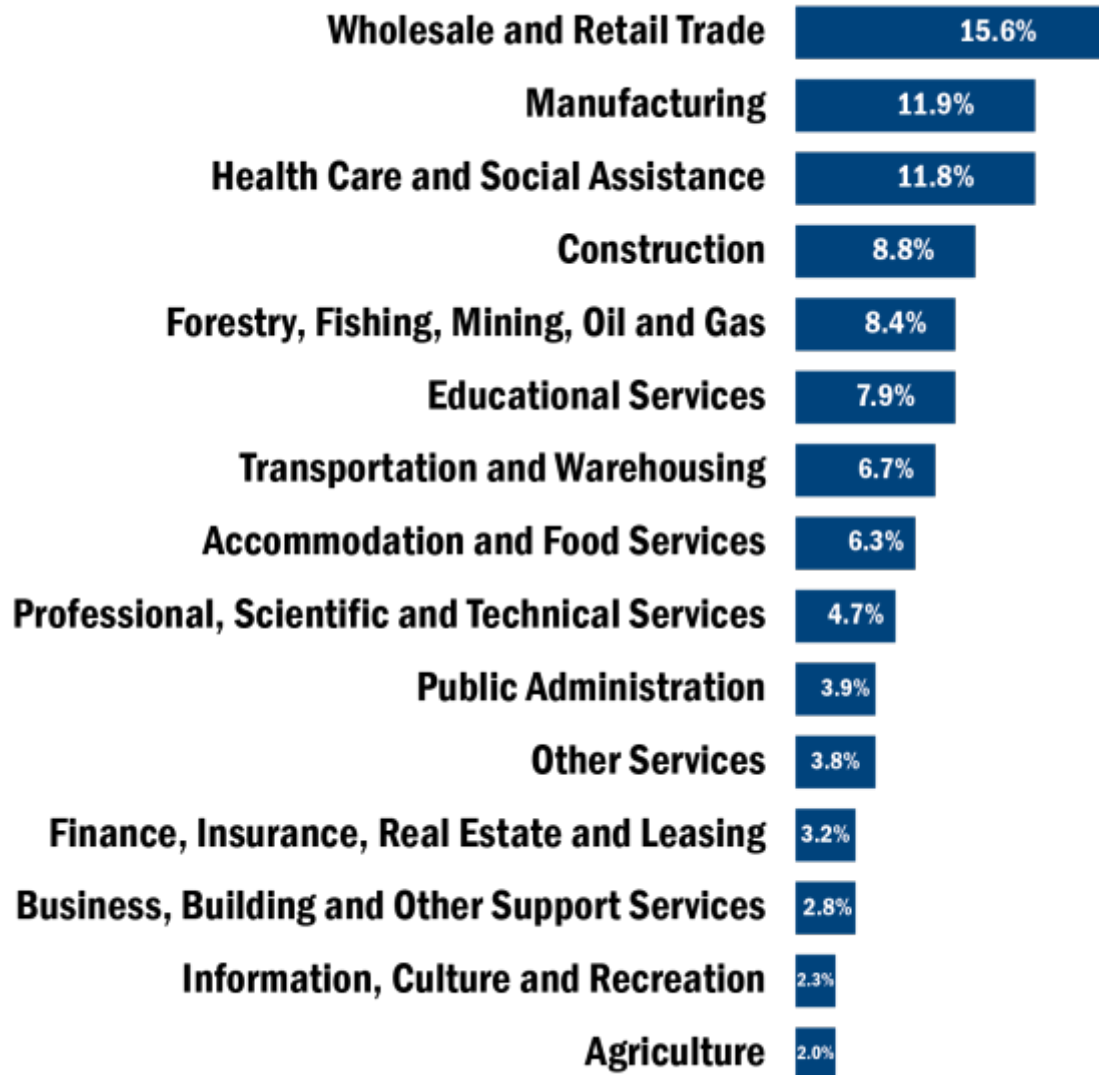
**YOUNG
POPULATION**

(Under 55)

Selected Economic Assets and Capital Projects in Northern BC

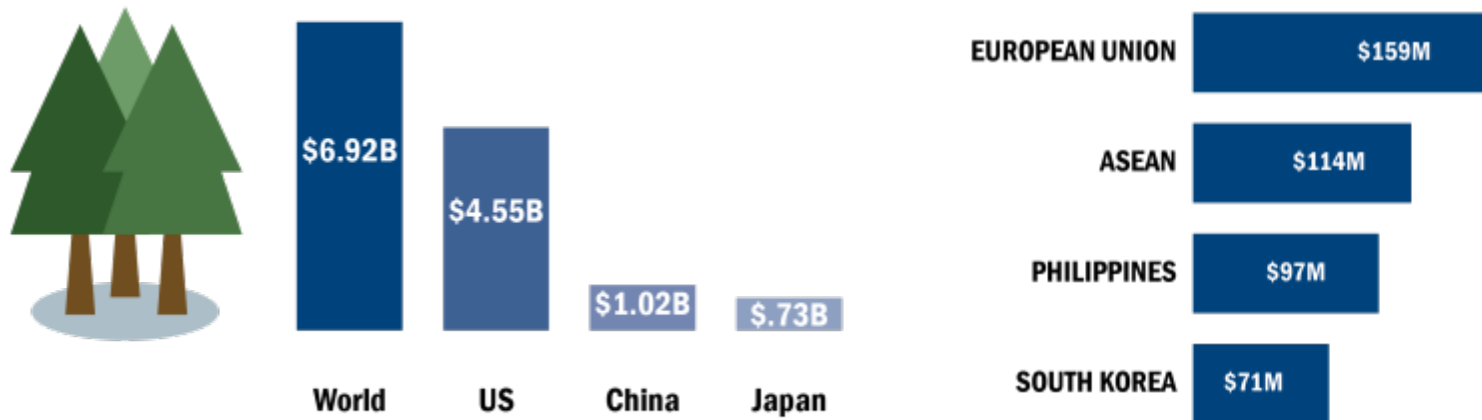


INDUSTRY BREAKDOWN



FORESTRY SECTOR OPPORTUNITY

B.C. SOFTWOOD LUMBER EXPORTS



- 2016 exports grew 20% compared to 2015
- Considerable diversification in recent years
 - Prince George produces up to 580,000 tons of wood pellets annually
 - 90% destined for export; 23% of BC's entire capacity
 - Prince George is at the centre of a growing bioenergy industry:
 - Wood pellet manufacturing
 - UNBC Bioenergy Facility
 - City of Prince George – District energy system

OIL AND GAS SECTOR OPPORTUNITY

- Total Oil and Gas capital investment in Northern BC: \$119 B for the seven largest projects (proposed and ongoing)
- Liquefied Natural Gas (LNG)
 - BC Government committed to LNG development
 - 1 approved LNG pipeline ; three proposed
 - 15 proposed LNG Export projects in northwest BC
- Proposed pipelines will route through Prince George region
 - Including LNG pipelines
 - Opportunities for PG firms engaged in professional services, manufacturing / fabrication, construction, transportation, etc.
- LNG alternative: above-ground pipeline
 - Transporting LNG by rail from facilities in Prince George region
 - Opportunities for industrial land development, permanent job creation, and service and supply work in a variety of sectors

MINING SECTOR OPPORTUNITY

- BC has the world's largest concentration of exploration companies and mining professionals
- \$17.1 B worth of ongoing and proposed mining projects in the north
- \$220.4 B in mining exploration for BC
- The completion of BC Hydro's Northwest Transmission line has opened a new frontier for mining, serving the Red Chris mine; there are potentially nine other mines in various stages of development.

METALLIC & COAL MINES IN NORTHERN BC (2016)



3 OPERATING

3 UNDER DEVELOPMENT

14 PROPOSED

72 EXPLORATION PROJECTS

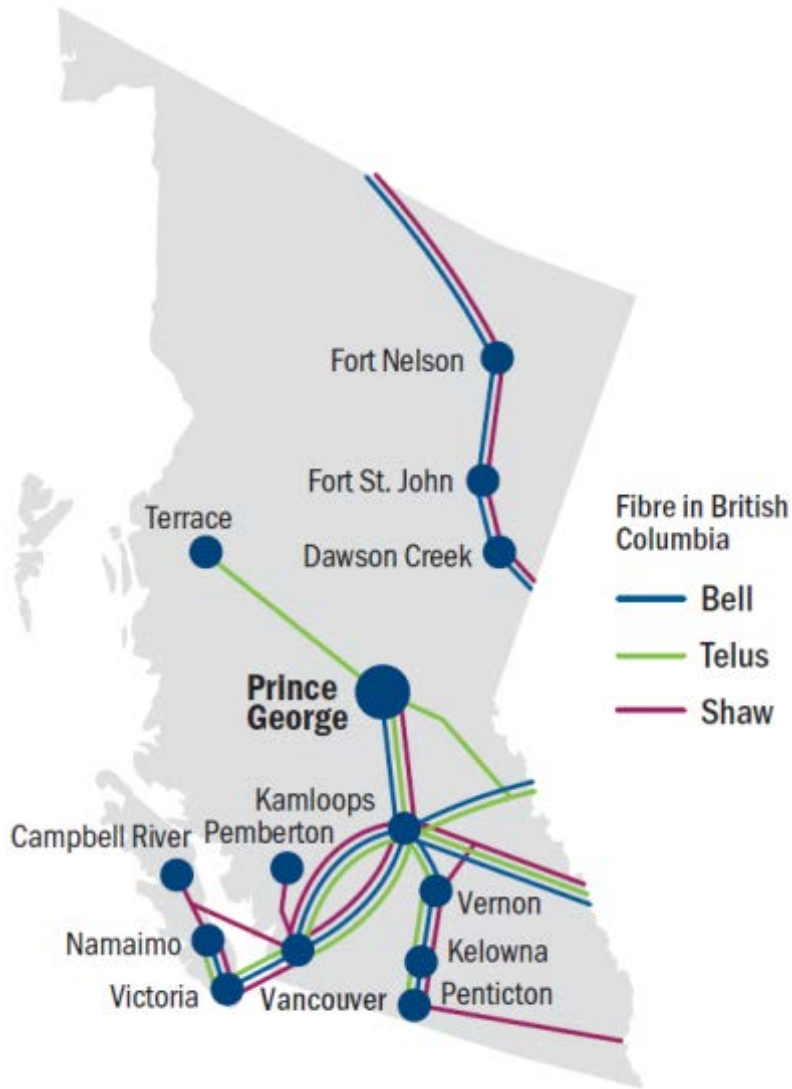
MINING SECTOR OPPORTUNITY

- The Brucejack gold project has a total capital cost of \$747 million and will employ 900 personnel at the peak construction period of 24 months.
- Between 2016-17, Conuma Coal Resources restarted the Wolverine Mine creating approximately 220 jobs in the region and another 170 jobs were created when they reopened Brule Mine in Sept. 2016.
- The proposed New Gold Blackwater project is currently involved in an Environmental Assessment Process and is expected to require \$1.57 billion in total development capital costs.
- Kemess Underground, Aurico Metals was recently issued an Environmental Assessment Certificate. Project development costs are estimated to be \$524 million.

MANUFACTURING SECTOR OPPORTUNITY

- In 2016 – 9,400 people in the Cariboo Development Region were employed in manufacturing
- Part of fully-developed supply chain for natural resource development
- Strong forest products manufacturing base
 - lumber, pulp and value-added wood based pellet production
- Well-diversified manufacturing sector
 - Chemicals, machinery / equipment, metal products
- Supported by a comprehensive transportation network
- Affordable inventory of light, intermediate and heavy industrial lands available for sector expansion

TECHNOLOGY SECTOR OPPORTUNITY



Data Centres:

- Redundant fibre optic network through Prince George
- Cool climate
- Low risk of natural disasters
- Green energy availability
- Low electricity costs
- Prince George is a fit for Tier I, II and III data centres

CONSTRUCTION SECTOR OPPORTUNITY

- Employment in construction in the Cariboo region is 6,900
- Key sector within the context of Prince George's role as the service and supply centre for Northern BC
- 73% of all capital investment proposed in the province is expected to occur in Northern BC
- Prince George reported the strong impact of increased construction activity with \$127.9 million in building permits values
 - Industrial and Commercial \$55.34 Mil
 - Residential \$72.55 Mil
 - 96% from the private sector

DEVELOPMENT INCENTIVES

Downtown Incentives (RTE)	Multi-Family Housing Incentives
10 year tax exemption	5-10 year tax exemption
\$10,000 per residential unit	Reduced DCCs (\$229 per unit)
Low DCCs <ul style="list-style-type: none"> Residential: \$229 per unit Commercial: \$2.85 per m2 	DCC waiver for Non-Profit Housing Units
Parking requirements exemptions	Located in targeted growth areas
Flexible zoning (C1)	

SINGLE-FAMILY HOUSING INCENTIVES

- **Secondary Suites:** Suites are permitted in all single-family dwellings in Prince George.
- **Narrow Lot Housing:** The City pre-zoned specific neighborhoods in 2014 to accommodate the development of single-family dwellings on narrow, infill lots.
- **DCC Reductions for Small Lot Subdivisions:** The City offers reduced DCCs for eligible small-lot subdivisions.

DEVELOPMENT STATISTICS



\$840 PRINCE GEORGE

\$1,209 BC

\$1,459 METRO VANCOUVER



SINCE 2015

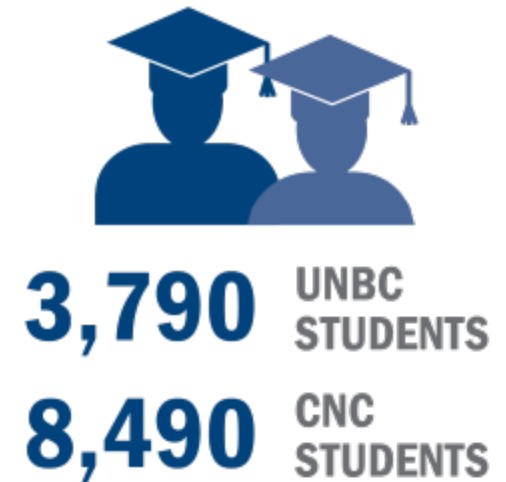
269 HOUSING STARTS



\$127.9M
ANNUAL BUILDING PERMITS VALUE

EDUCATION SECTOR OPPORTUNITY

- 650+ international students
- Employed 6,200 (7.9%) in 2016
- Post-secondary education sector directly contributed \$261 million to the City's economy, translating to an economic impact of \$395 million
- International students spend nearly \$12.6 million a year in tuition, living, and other expenses in Prince George



HEALTHCARE SECTOR OPPORTUNITY

- In 2016 – 9,300 people employed in the Cariboo Development Region were employed in Healthcare and Social Services
- Northern Health
 - Headquartered in Prince George
- University Hospital of Northern British Columbia
- BC Cancer Agency Centre for the North
 - \$100M+ investment in healthcare infrastructure
 - \$4 million annual economic impact
 - 13,000 visitor-days (patients and friends and family)
 - Became operational in November 2012

TOURISM SECTOR OPPORTUNITY



1,900+
HOTEL ROOMS



462,007
YXS PASSENGERS

Average Room Rates	
Prince George	\$122
British Columbia	\$163

Occupancy Rates	
Prince George	66%
Kamloops	60%
British Columbia	69.6%

Prince George Civic Centre

- The City's premiere meeting and conference venue with 40,000 square feet of flexible space
- Hosts an average of 500 events each year with over 150,000 individual attendees

CN Centre

- Hosts concerts, tradeshow, sporting events and tournaments, hockey games and conventions
- 241,300 people attended events at CN Centre in 2015.

TRANSPORTATION



82 RAIL HOURS FROM CHICAGO
17 RAIL HOURS FROM PRINCE RUPERT



12-40 HOURS CLOSER TO ASIA THAN OTHER WEST COAST PORTS



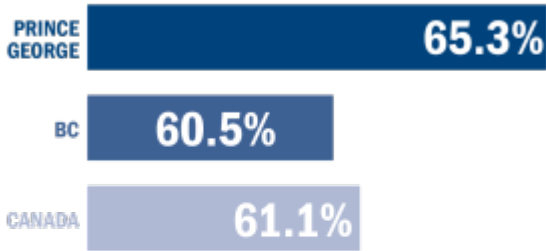
12-26 TRUCK HOURS ACCESS TO NORTH AMERICAN MARKETS



CONNECTED TO DOMESTIC & INTERNATIONAL MARKETS



A GROWING ECONOMY

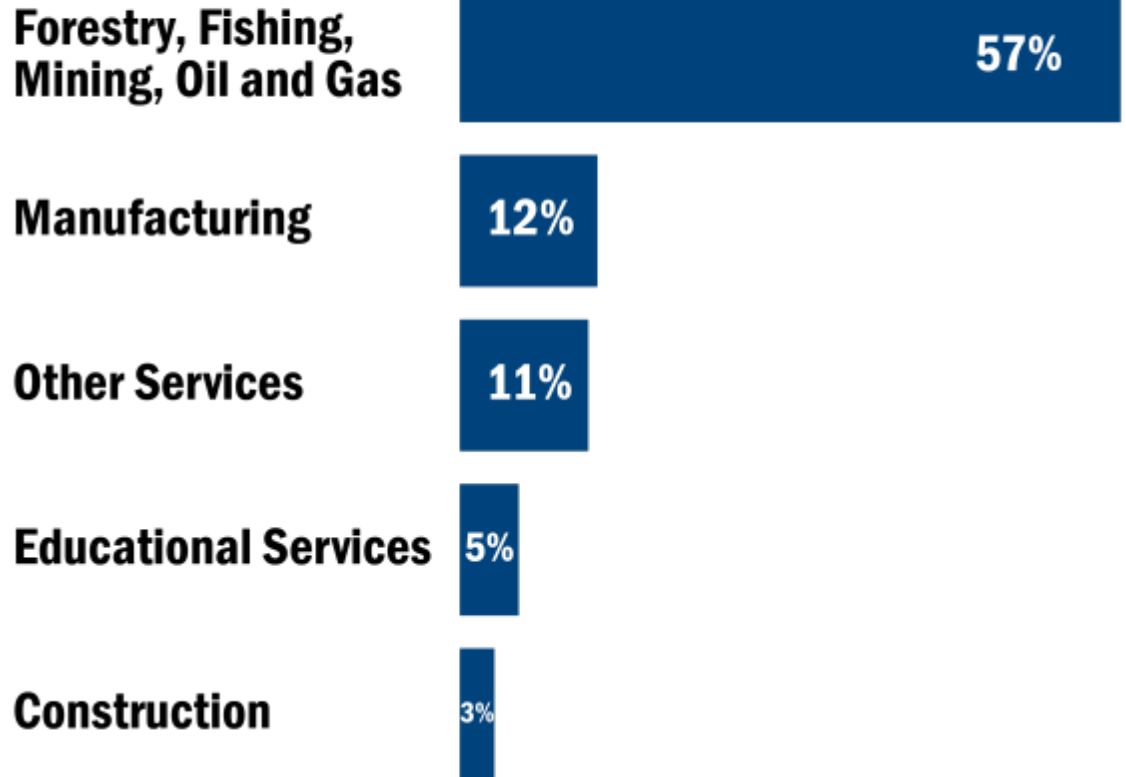


EMPLOYMENT RATE (2016)



47,100
ANNUAL
EMPLOYMENT

EMPLOYMENT GROWTH (2011-2016)



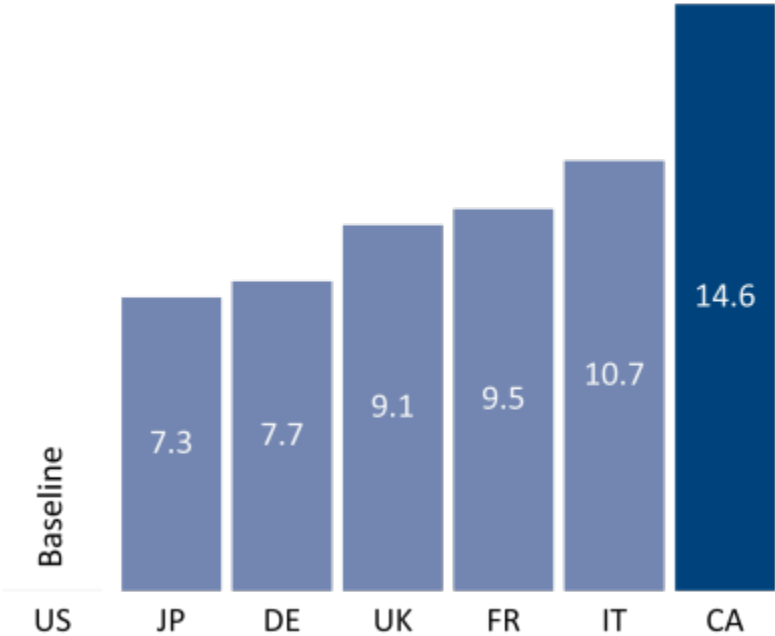
A GROWING ECONOMY

- 2016 building permit value \$127.9 million
- 2016 housing starts + 19%
- 2016 average new home price +3.8%
- 2016 total properties sold 1424, worth \$400.6 million +6.3%
- 2016 new business licenses +29%

THE CANADIAN ADVANTAGE

Canada is once again the most cost-competitive country in the G7 in which to do business, with a **14.6%** cost advantage over the U.S.

COST ADVANTAGE RELATIVE TO THE U.S. IN %



THE CANADIAN ADVANTAGE

Foreign Trade Zone (FTZ) type benefits

Program	Main Benefit	Main Qualifications
Duties Relief Program	Upfront relief of duties	Goods must be exported within four years
Drawback Program	Refunds duties for exported goods	Goods must have been exported within four years
Customs Bonded Warehouse	Defers/relieves duties and taxes	Goods must not be substantially altered
Export Distribution Centre Program	Upfront relief of GST/HST on certain imports and domestic purchases	Must be export-oriented commercial entity that adds only limited value to goods
The Exporters of Processing Services Program	Upfront relief of GST/HST on certain imports	Goods must belong to non-resident and be re-exported after being processed

QUESTIONS?

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