



# ECONOMIC DEVELOPMENT

## Economic Overview

# Economic Development Division

## Business Development

- Business Outreach
- Advisory Services
- Programs & Events
- Clean Technology

## 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

- Prince George’s real GDP growth expanded by 1.8 per cent in 2017 and is expected to remain relatively stable at 1.9 per cent in 2018 and 1.8 per cent in 2019.



- 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
  - All transfers of goods by road or rail to the Port of Prince Rupert must go through Prince George
  - 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



**\$101,820**

MEDIAN FAMILY INCOME



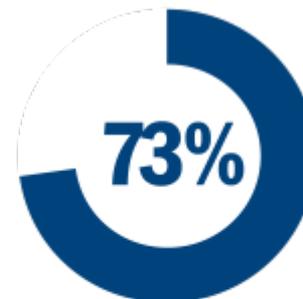
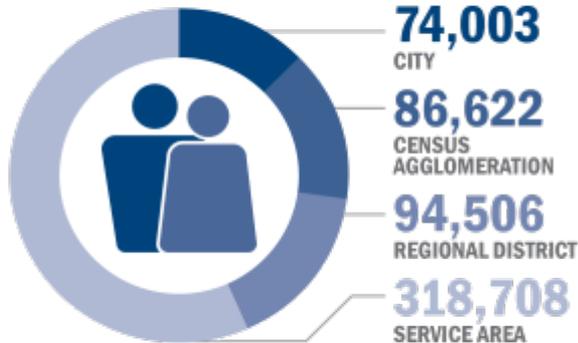
**\$319,167**

AVERAGE HOUSE PRICE



**\$1,314**

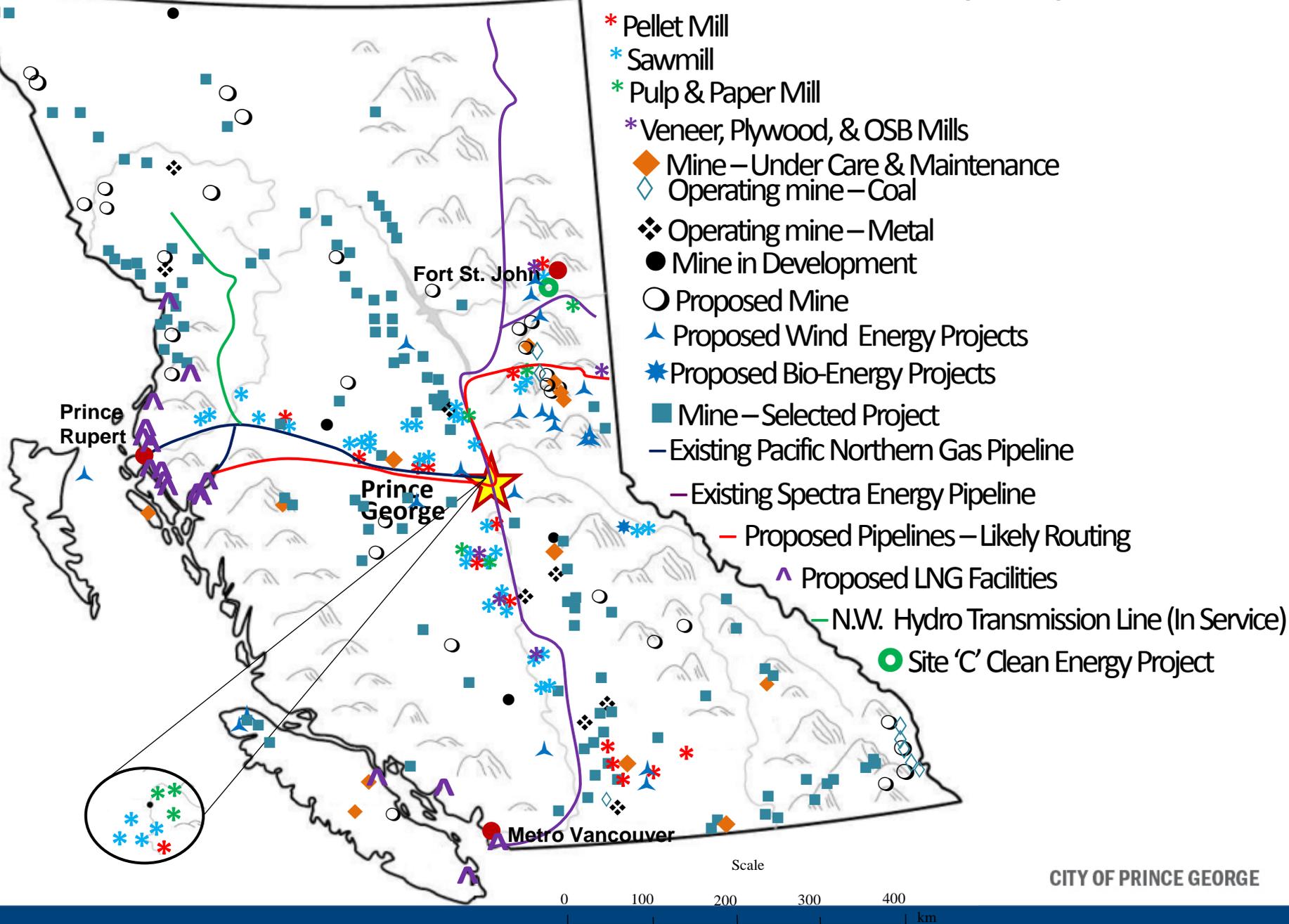
AVERAGE MORTGAGE



**YOUNG  
POPULATION**

(Under 55)

# Selected Economic Assets and Capital Projects in Northern BC

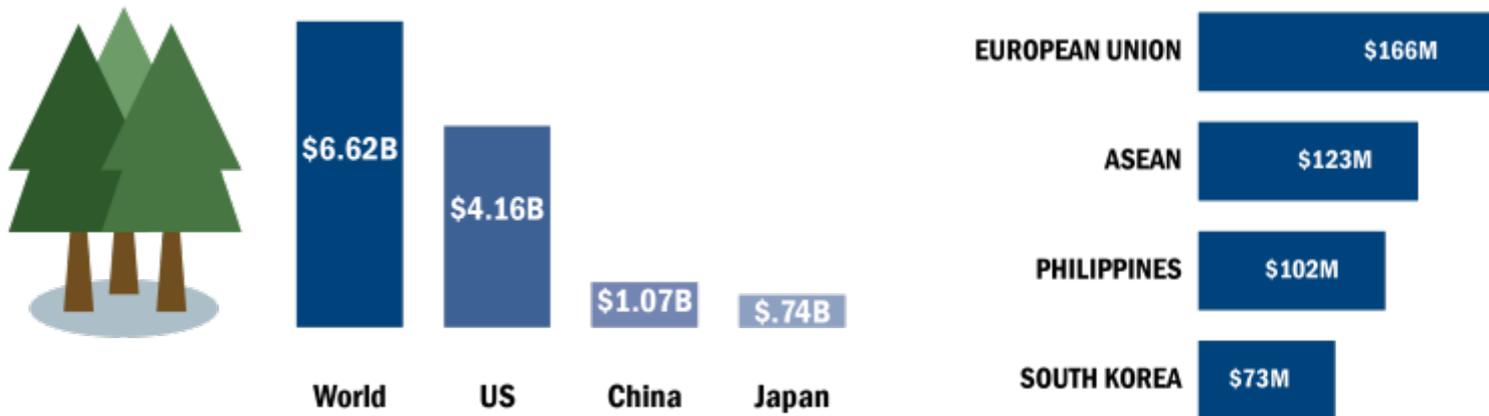


# LABOUR BY INDUSTRY



# FORESTRY SECTOR OPPORTUNITY

## B.C. SOFTWOOD LUMBER EXPORTS



- 2017 wood products exports grew 58% since 2012
- BC produced 50% of all Canadian softwood lumber (represents 55% of Canada's exports to the US)
- 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: \$92 B
- 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
- \$17.8 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 (2017)



**5 OPERATING**  
**1 UNDER DEVELOPMENT**  
**11 PROPOSED**  
**62 EXPLORATION PROJECTS**

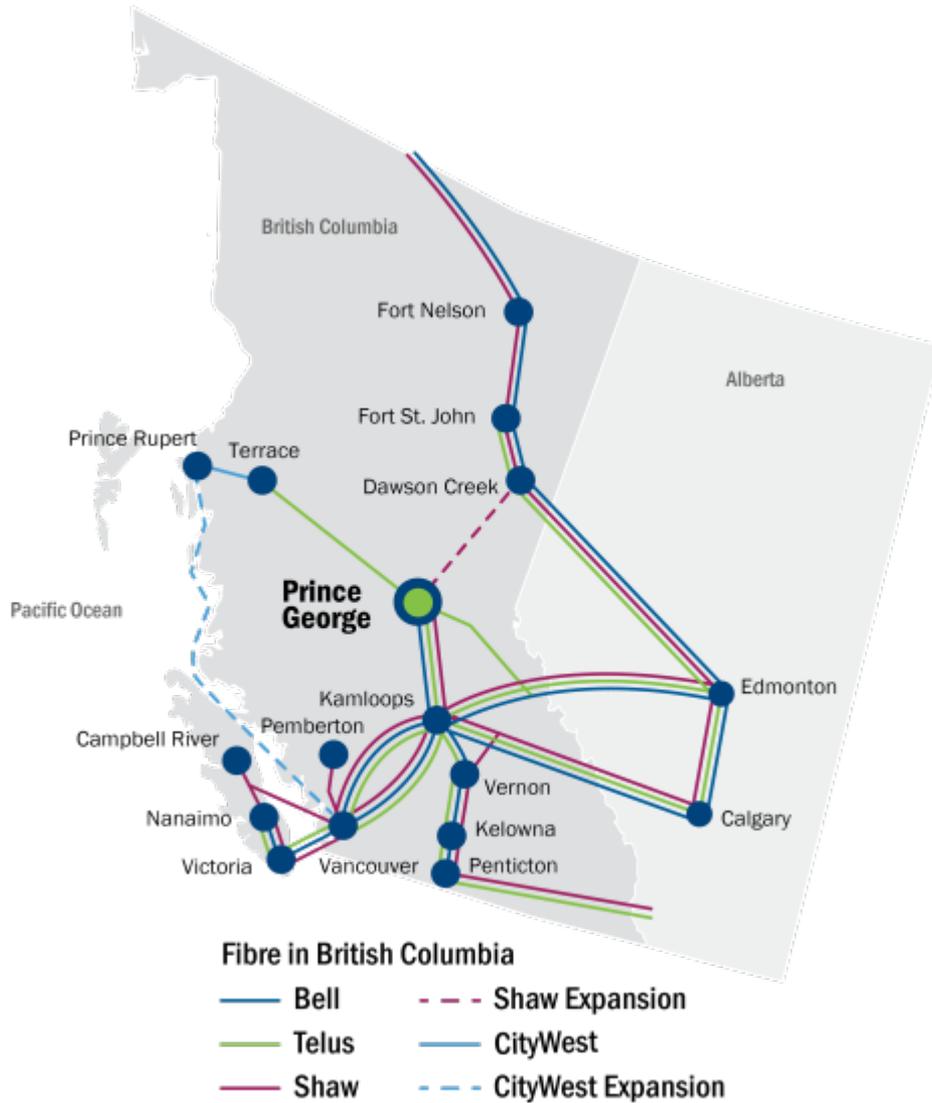
# MINING SECTOR OPPORTUNITY

- 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, Centerra Gold was recently issued an Environmental Assessment Certificate. Project development costs are estimated to be \$524 million.

# MANUFACTURING SECTOR OPPORTUNITY

- In 2017 – 9,200 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

- In 2017, employment in construction in the Cariboo region was 6,200
- 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 \$116.8 million in building permits values in 2017
  - Industrial and Commercial \$39.1 Mil
  - Residential \$76.4 Mil

# 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"> <li>Residential: \$229 per unit</li> <li>Commercial: \$2.85 per m2</li> </ul>	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



**\$857** PRINCE GEORGE

**\$1,288** BC

**\$1,558** VANCOUVER



SINCE 2014

**226** HOUSING STARTS

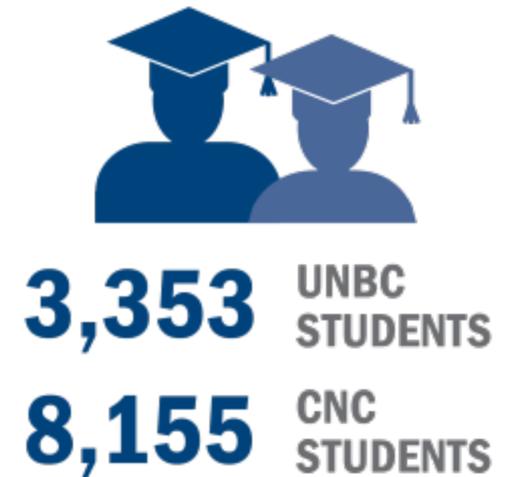


**\$116.8M**

ANNUAL BUILDING PERMITS VALUE

# EDUCATION SECTOR OPPORTUNITY

- 1,200+ international students
- Employed 5,400 in 2017
- 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 2017 – 11,500 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



**499,125**  
YXS PASSENGERS

Average Room Rates (2017)	
Prince George	\$122
British Columbia	\$173

Occupancy Rates (2017)	
Prince George	69%
Kamloops	62%
British Columbia	71.6%

## 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
- June 2016-June 2017
  - Drew **8,246** non-local delegates
  - Avg delegate spending **\$673**
  - Contributed **\$4.7M** to GDP, **84** jobs (63 direct)

## CN Centre

- Hosts concerts, tradeshow, sporting events and tournaments, hockey games and conventions
- **250,000** people attend events at CN Centre annually.

# 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

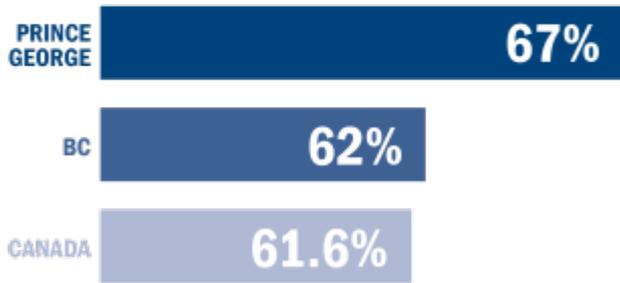


**CONNECTED TO DOMESTIC & INTERNATIONAL MARKETS**



# A GROWING ECONOMY

## EMPLOYMENT RATE (2017)

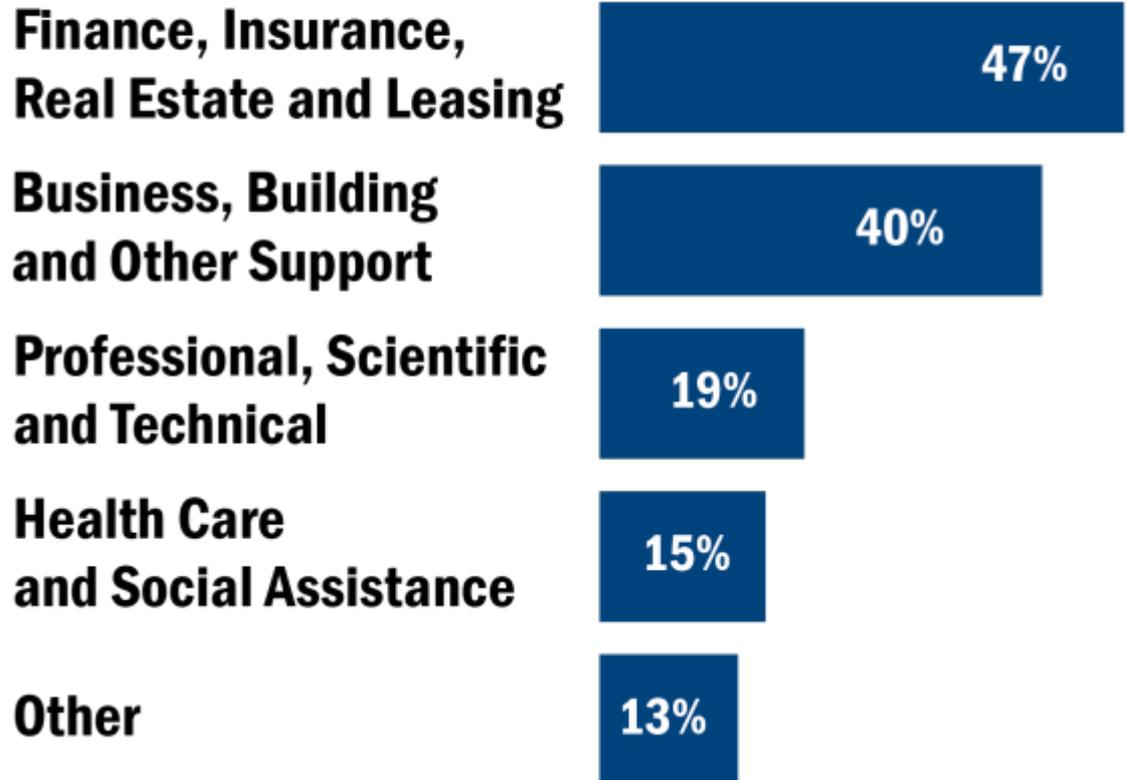


## ANNUAL EMPLOYMENT (2017)



**48,500**

## EMPLOYMENT GROWTH (2013-2017)



# A GROWING ECONOMY

- 2017 building permit value \$116.8 million
- 2017 housing starts 226
- 2017 average new home price \$461,411 +6.9%
- 2017 total properties sold 1562, worth \$461.3 million +15%
- 2017 new business licenses +10.3%
- 2017 Airport passengers 499,125 +8%

# 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

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