Proposed Investment Attraction Opportunities for the Village of Clinton and Area

Prepared for:
Village of Clinton
Clinton, BC

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Reviewed and Adopted by Council – March 22, 2017

Mayor

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Acknowledgment

Lions Gate Consulting Inc. would like to acknowledge the Village of Clintons Steering Committee for their insights and guidance in undertaking this assignment. The Steering Committee consists of Mayor Jim Rivett, Councillor Diana Guerin, CAO Tom Dall, CFO Joanne Molnar, and Community Development Coordinator Daniela Dyck.

TABLE OF CONTENTS

1 INTRODUCTION 1
1.1 Overview 1
1.2 Report Outline 1
2 Clinton and Area 2
2.1 Introduction 2
2.2 Surrounding Area 3
3 Socio-Economic Overview 4
3.1 Demographics 4
3.2 Business Activities 5
3.3 Business Licenses 8
3.4 Residential Income and Expenditures 9
3.5 Local Taxation 10
3.6 Key Basic Sectors 13
4 Entrepreneur Attraction Opportunities 15
4.1 Overview 15
4.2 Entrepreneur Focused Business Opportunities 15
4.3 Antique Cluster Development – Blacksmith/Jeweller 16
4.4 Antique Cluster Development - Aboriginal Art Gallery 17
4.5 Entrepreneur Attraction Initiative 18
5 Secondary Development Opportunities 19
5.1 Overview 19
5.2 Secondary Marketing Opportunities 19
5.3 Retail Development - Pharmacy 20
5.4 Retail Development - Bakery 20
5.5 Commercial Service - Car Wash 21
5.6 Secondary Opportunity Attraction Initiative 22
6 PrImary Development Opportunities 23
6.1 Overview of Opportunities 23
6.2 Housing Development Targeting Retirees and Amenity Migrants 24
6.3 Multi-Use Commercial/Residential Building 27
6.4 Niche Retail 28
6.5 Receptive Tourism Operator 32
6.6 Craft Brewery/Distillery 35
6.7 Value Added Crop Production 39
6.8 Primary Development Opportunity Initiative 46
Appendix A – REFERENCES 48
A-1 Literature Sited 48
A-2 Key Informant Interviews 51

1 INTRODUCTION

1.1 Overview

This report is part of a series of activities to assist the Village of Clinton to foster an Economic Growth, Marketing and Investment Portfolio (EGMIP). The EGMIP will enable the Village to prepare investment-ready materials to market the community to potential investors. The Village has had success attracting some new investment; however, as Clinton continues to meet with potential foreign and domestic investors, it has become evident that an information package is required that provides information about the potential business opportunities in the Village of Clinton and Electoral Area E of the Thompson Nicola Regional District.

This report is the first step in the process and is designed to identify high value investment attraction opportunities for the Village of Clinton. The opportunity focus is divided into three categories and includes:

- Entrepreneur-focused opportunities that centre on attracting individuals with specific skills and a desire to run their own business;
- Investments in hands-on business opportunities, many that have existed in the community in the recent past; and,
- Transformation opportunities requiring larger investments that could lead to new employment locally.

Once the high value opportunities have been confirmed the six most promising and transformational opportunities for investment attraction will be moved forward into a formal investment attraction process.

1.2 Report Outline

The report is organized as follows:

- Section 2 provides an overview of Clinton and Area;
- Section 3 provides highlights regarding the socio-economic characteristics of Clinton;
- Section 4 outlines the entrepreneur- focused business opportunities and the approach to attraction efforts;
- Section 5 highlights the secondary development opportunities highlighting several retail and commercial ventures, and provides details on the preliminary opportunities; and,
- Section 6 details the six transformational development opportunities identified and are discussed in detail in this section.

Finally, references are outlined in Appendix A.

2 CLINTON AND AREA

2.1 Introduction

Figure 1, highlights the approximate location of Clinton within Gold Country.

Figure 1:Map of the Gold Country Region.

Source: Village of Clinton (2017)

The Village of Clinton is located on Highway 97, approximately 40 kilometres north of Trans Canada Highway. The Village of Clinton is located in south central British Columbia and is centrally located: being 123 kilometres north-west of Kamloops, 382 kilometres north-east of Vancouver and 404 kilometres south of Prince George (See Table 1).

Table 1: Travel Distances Between Village of Clinton and Select Communities.

City	Kilometres	Travel Time
Calgary, AB	740	8 hours
Kamloops, BC	123	1 hour, 23 mins
Prince George, BC	404	4 hours, 20 mins
Seattle, WA	515	6 hours
Vancouver, BC	382	4 hours 11 mins

Source: Distance Calculator (2017)

2.2 Surrounding Area

As a midway point between Vancouver and Prince George, Clinton is a service centre providing amenities to both its own residents and the travelling public. The trade area is proximal to Electoral Area E boundaries, including:

- **70 Mile House** is located 35 kilometres north of Clinton on Highway #97 and has a permanent residential population made up primarily retirees;
- **Green Lake** has seen a new housing development in recent years and is located a further 17 kilometres northeast of 70 Mile House;
- **Loon Lake** is located 40 kilometres southeast of Clinton and has a small number of commuters and also attracts early retirees;
- **Big Bar Lake** is a resort community located approximately 47 kilometres northwest of Clinton; and,
- **Kelly Lake,** which is located 16 kilometres southwest of Clinton, is primarily a summer cottage community with very few permanent residents. (Venture Kamloops nd)

The Clinton area is also home to the High Bar First Nation and Clinton Indian Band/Whispering Pines.

3 SOCIO-ECONOMIC OVERVIEW

3.1 Demographics

3.1.1 Population

Table 2 shows that the population of the local area declined by 17 percent during the 15-year period between 1996 and 2011. However, this trend has changed based on the most recent census period with the population climbing slightly between 2011 and 2016.

Table 2: Village of Clinton and Thompson-Nicola Electoral Area E, 1996 to 2016

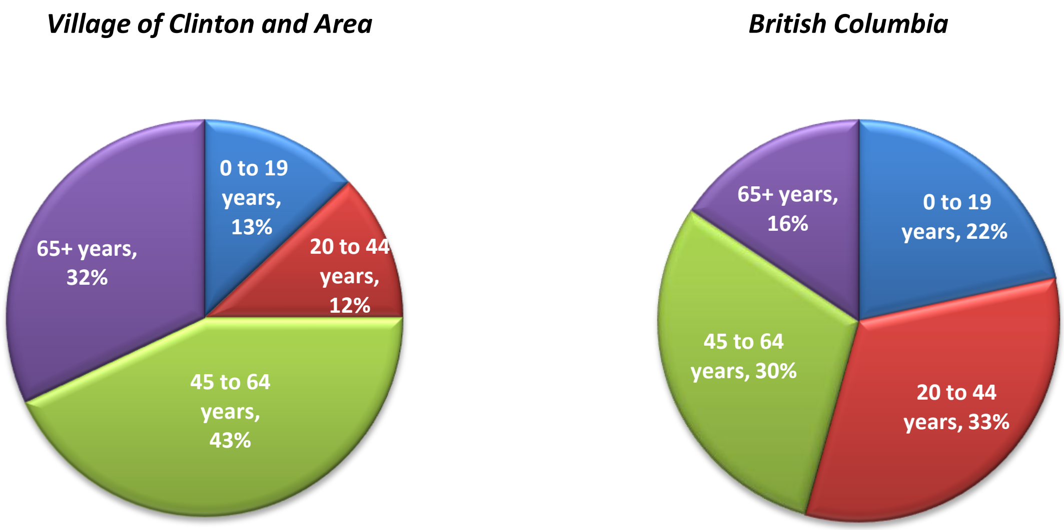
	1996	*2001*	*2006*	*2011*	*2016*
Village of Clinton	730	620	600	635	640
Thompson Nicola RD EA E	1,350	1,310	1,385	1,075	1,095
Total Local Area	**2,080**	**1,930**	**1,985**	**1,710**	**1,735**

Source: Statistics Canada (2002)(2012a)(2017)

3.1.2 Age Characteristics

As seen in Figure 2, the Village of Clinton and Thompson Nicola Electoral Area E has a demographic profile with a larger share of its population in the over 65-year age category when compared to the province. In addition, Clinton, with 43 percent of its population in the 45 to 64 age category has a larger share in this category than the province with 30 percent. Conversely, only 12 percent of the Clinton population is in the 20 to 44 age group compared to the province's 33 percent in the same age category.

Figure 2: Age Characteristics for Clinton and Thompson Nicola Electoral Area E compared to British Columbia, 2011



Source: Statistics Canada (2012a)

Table 3 shows the median age in Clinton (53 years) and TNRD Electoral Area E (59 years), both of which are measurably higher than the provincial median of 42 years.

Table 3: Median Age for Clinton, Thompson Nicola Regional District Electoral Area E, and British Columbia, 2011

	Male	Female	Total
Village of Clinton	52.6	53.6	53.1
TNRD Electoral Area E	59.7	57.5	58.5
British Columbia	41.1	42.7	41.9

Source: Statistics Canada (2012)

3.1.3 School Enrolment

Table 4 presents the total student population, the aboriginal population and english language learners at David Stoddart School. The school serves Clinton and surrounding area with K- 12 curriculum. School population can serve as a leading indicator of population change. Unlike many rural schools in British Columbia, the student population at David Stoddart has been rising. In 2015/16 school year, the student population was 18 percent higher than it was in 2012/13, despite a lower Aboriginal component.

Table 4: Student Population at David Stoddart, 2012 to 2016

	2012/13	2013/14	2014/15	2015/16
All Students	87	89	97	103
Aboriginal	43	46	43	39
English Language Learner	5	8	7	8

Source: BC Ministry of Education (2016)

There is good student to teacher ratios at the school with class sizes being comparable to provincial averages for Kindergarten to grade 3 and much smaller than the provincial average between grade 4 to grade 12 (BC Ministry of Education 2015).

3.2 Business Activities

3.2.1 Labour Force

Table 5 highlights the labour force for the Village and Electoral Area. The community has relatively large agriculture, forestry and manufacturing industries. Much of the local forestry and manufacturing employment is associated with the West Fraser Chasm mill, the largest employer in the local area.

Collectively, the goods producing sector (which includes agriculture, forestry, fishing, hunting mining, quarrying, oil and gas extraction, utilities, construction; and manufacturing) has a labour force of 290, 34.5 percent of the total. This is almost twice the share as observed at the provincial level where the goods producing sector makes up 18.3 percent of the total labour force.

Table 5: Experienced Labour Force for Clinton and Thompson Nicola Electoral Area E, 2011

	Clinton VL	TNRD EA E	Total
11 Agriculture, forestry, fishing and hunting	15	130	145
21 Mining, quarrying, and oil and gas extraction	0	0	0
22 Utilities	0	0	0
23 Construction	0	25	25
31-33 Manufacturing	95	25	120
41 Wholesale trade	0	0	0
44-45 Retail trade	60	25	85
48-49 Transportation and warehousing	25	70	95
51 Information and cultural industries	0	0	0
52 Finance and insurance	0	15	15
53 Real estate and rental and leasing	5	5	10
54 Professional, scientific and technical services	0	0	0
55 Management of companies and enterprises	0	0	0
56 Admin & support, waste management & remediation services	0	50	50
61 Educational services	15	45	60
62 Health care and social assistance	25	30	55
71 Arts, entertainment and recreation	0	0	0
72 Accommodation and food services	15	60	75
81 Other services (except public administration)	0	55	55
91 Public administration	25	25	50
All industries	280	560	840

Source: Statistics Canada (2013)

3.2.2 Establishment Counts

Table 6 outlines the number of establishment counts in the TNRD Electoral Area E in 2014.

Table 6: Establishment Counts for Thompson Nicola Electoral Area E, 2014

	Without employees	*Total, with employees*
Total	98	44
Unclassified	6	2
Sub-total, classified	92	42
11 - Agriculture, forestry, fishing and hunting	22	8
21 - Mining, quarrying, and oil and gas extraction	3	0
22 - Utilities	0	0
23 - Construction	15	7
31-33 - Manufacturing	0	2
41 - Wholesale trade	3	1
44-45 - Retail trade	5	5
48-49 - Transportation and warehousing	3	3
51 - Information and cultural industries	2	0
52 - Finance and insurance	4	2
53 - Real estate and rental and leasing	17	0
54 - Professional, scientific and technical services	3	1
55 - Management of companies and enterprises	2	0
56 - Admin & support, waste management & remediation serv.	2	0
61 - Educational services	0	0
62 - Health care and social assistance	0	0
71 - Arts, entertainment and recreation	0	0
72 - Accommodation and food services	7	7
81 - Other services (except public administration)	4	4
91 - Public administration	0	2

Source: Statistics Canada (2014)

3.3 Business Licenses

Table 7 outlines the business license count by business type for businesses with an address in the Village of Clinton. As illustrated, the largest collection of businesses is associated with a variety of retail activities, followed by restaurants and antique sales.

Table 7: Business License Count for Village of Clinton, January 2017.

Type	Number
Antique Sales	5
Apartment Buildings	4
Auto Services (Tire Sales and Towing)	2
Credit Union	1
Bookkeeping	1
RV Park & Campground	1
Bookstore	1
Construction and Renovation	3
Gas Station	2
Insurance	1
Land Surveyor	1
Barrister & Solicitor/Notary Public	1
Machine Shop	1
Manufactured Home Parks	2
Medical Services (Holistic Therapies and Healing Centre)	2
Mining Exploration	1
Motels	3
Pubs	2
Remanufacturing Firm	1
Repair Shop	1
Restaurants	5
Retail Stores (Feed Store, Grocery Store, Thrift store, etc.)	11
Salvage & Scrap Metal Recycling	1
Sawmills	2
Seamstress	1
Total	56

Source: Village of Clinton (2017)

3.4 Residential Income and Expenditures

3.4.1 Household Incomes

Table 8 shows the before tax household income distribution in the Village of Clinton and Thompson Nicola Electoral Area E. As illustrated, 38 percent of Clinton households and 32 percent of Thompson Nicola Electoral Area E households earned more than $60,000 annually in 2010.

Table 8: Clinton and TNRD Electoral Area E Household Income, 2010

	Clinton	Electoral Area E
Under $5,000	0	55
$5,000 to $9,999	0	0
$10,000 to $14,999	0	0
$15,000 to $19,999	15	0
$20,000 to $29,999	100	45
$30,000 to $39,999	35	75
$40,000 to $49,999	45	135
$50,000 to $59,999	0	35
$60,000 to $79,999	100	75
$80,000 to $99,999	20	35
$100,000 to $124,999	0	35
$125,000 to $149,999	0	0
$150,000 and over	0	20
Total	315	510

Source: Statistics Canada (2012b)

Table 9 outlines the median household income for Clinton and Thompson Nicola Electoral Area E and compares this with British Columbia. The median Clinton household of $46,090 was approximately 76 percent of the provincial median.

Table 9: Median Household Income for Clinton, TNRD Electoral Area E, and BC, 2010

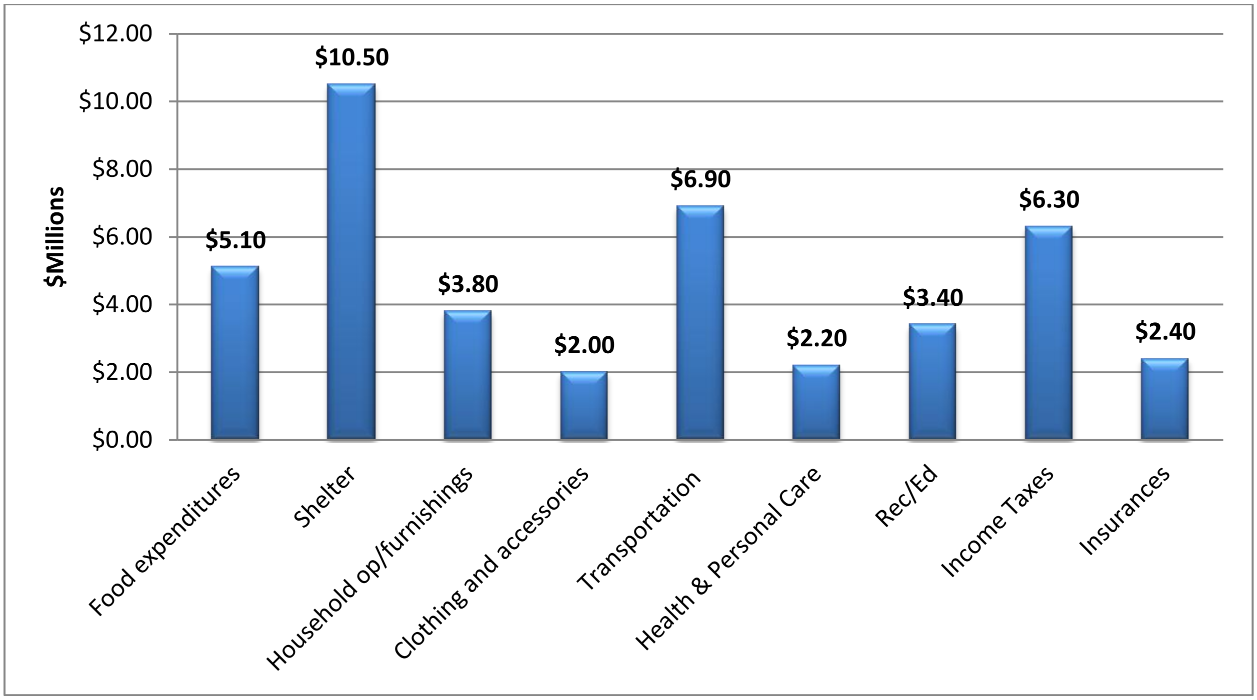
Village of Clinton	Electoral Area E	British Columbia
$46,090	$45,285	$60,335

Source: Statistics Canada (2012b)

3.4.2 Residential Expenditures

Figure 3 illustrates the annual retail expenditures by Clinton and Thompson Nicola Regional District Electoral Area E residents, by major retail category. Total expenditures were approximately $45 million in 2010, with spending on shelter and transportation making up the largest share at 39 percent.

Figure 3: Estimated Annual Retail Expenditures by Clinton and Thompson Nicola Electoral Area E Residents



Source: Statistics Canada (2012c)

3.5 Local Taxation

3.5.1 Clinton Tax Base

Table 10 outlines the tax rates, municipal taxes and class proportions of taxes and assessments for the Village of Clinton in 2016. The property tax in the Village contributes $580,459 in revenues. In 2016, property taxes and grants in lieu made up 33 percent of total revenues with other sources including sale of services, transfers from federal, provincial, and regional governments, investment income, and, income from Government Business Enterprise (Village of Clinton 2016a).

As shown in the table below, in 2016 approximately 45 percent of property taxes were derived from residential property class, followed by 21 percent from business/other, and 18 percent from major industry.

Table 10: Clinton Assessments, Tax Rates, Municipal Taxes and Class Proportions of Taxes and Assessments, 2016

Property Class	Authenticated Roll General Taxable Values	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	Total Municipal Taxes	% Total Taxes	% Total Assessment	Municipal Taxes Per Capita
Residential	38,901,000	8.90790	1.00	336,118	336,118	58	70	550
Utilities	198,345	40.00000	4.49	7,935	7,935	1	0	0
Supportive Housing	0	0.00000	0.00	0	0	0	0	0
Major Industry	9,302,300	29.40000	n/a	103,735	103,735	18	17	0
Light Industry	548,700	19.60090	2.20	8,202	8,202	1.5	1	0
Business/Other	6,403,450	19.60090	2.20	123,443	123,433	21	12	0
Managed Forest	0	0.00000	0.00	0	0	0	0	0
Recreation	110,700	8.90790	1.00	986	986	0.5	0	0
Farm	18,093	8.90790	1.00	40	40	0	0	0
Totals	55,482,588			580,459	580,459	100	100	1,215

Source: BCMCSCD (2016b); Village of Clinton (2016a)

3.5.2 Tax Rates

Table 11 presents the total municipal property tax rate by property category for Clinton and its neighbours. The total tax rate includes all tax categories associated with local property and includes municipal, regional district, hospital, school, and other taxes on property. The rates in the table below are applied per $1,000 assessed value to derive the local property taxation level.

Table 11: Total Municipal Tax Rate for Clinton and Surrounding Communities, 2016

Municipalities		*Purpose of Tax Rate*	*Residential*	*Utilities*	*Supportive Housing*	*Major Industry*[1]	*Light Industry*	*Business*
100 Mile House	D	Total	10.4590	64.3231	7.0516	75.1410	24.5488	21.4551
Ashcroft	V	Total	10.6076	59.1250	0.2002	7.2027	37.6408	31.2264
Cache Creek	V	Total	8.2361	61.3504	0.2002	64.2236	63.8816	16.6119
Kamloops	C	Total	8.6729	56.8867	6.4049	82.7041	30.0321	21.5985
Williams Lake	C	Total	11.7146	63.5437	0.1002	123.9257	64.9090	24.9488
Clinton[Note 1]	V	Total	14.4426	61.4476	0.2002	42.5347	32.3936	30.3721

Source: BCMCSCD (2016c)

Note 1: Letters of Patent March 8, 2001 places restriction on "Municipal purpose" current Major Industrial Rate (Chasm mill property) there are currently no other properties in the Major Industry property class. In addition, Light Industry property class is also subject to Revitalization tax exemption (bylaw no. 493, 2012) until 2018.

3.5.3 Representative Taxes and Charges

Table 12 outlines the taxes and charges on a representative house in Clinton and neighbouring communities. Clinton has the second lowest per housing charge. While Clinton has higher tax rates than other communities, the lower assessed value of residential property results in a lower overall tax burden.

Table 12: Taxes and Charges on a Representative House for Clinton and Neighbouring Communities, 2016

Municipalities	*House Value*	*School*	*General Municipal Total*	*Regional District*	*Hospital*	*BCA, MFA and Other*	*Total Res Variable Rate Taxes*	*Total Res Parcel Taxes*	*Total Res. User Fees*	*Total Res. Property Taxes And Charges*
100 Mile House	166,711	523	797	229	116	78	1,744	145	531	2,419
Ashcroft	195,820	656	992	250	93	86	2,077	156	745	2,978
Cache Creek	134,602	451	367	167	62	61	1,109	354	394	1,856
Kamloops	359,445	832	1,970	130	166	20	3,117	0	843	3,960
Williams Lake	198,520	623	1,150	347	139	66	2,326	124	472	2,922
Clinton	101,672	341	906	130	47	44	1,468	0	650	2,118

Source: BCMCSCD (2016d)

[1] **Note on School Tax Rates:** The Province currently has two tax credit programs: the Provincial Industrial Property Tax Credit which gives a 60 percent school tax reduction to Class 4 (Major Industry).The Ministry of Community, Sport and Cultural Development does not take these credits into account when reporting property tax rates.

3.6 Key Basic Sectors

3.6.1 Forestry

Forestry became the mainstay of the economy in the 1950s. At one time, over twenty bush mills and small sawmills operated in the area (ESP Consulting 1999). Today the main local employer in the forest sector is West Fraser Mills who operate a large sawmill located at Chasm. It primarily processes lodge pole pine and spruce and has capacity of 240 million board feet annually (BCFLNRO 2015), and employs approximately 65 workers who reside in Clinton and immediate area and an additional 100 workers from outside the immediate area (Dyck 2016, pers. comm.). The community also has a small value added wood processor that provides steady employment to a workforce of approximately six (Kane 2016, Pers. comm.). In addition, the community is also home to logging, road building and trucking contractors involved in harvesting the regions timber supply.

The community recently established a community forest that has an allowable annual cut of 20,000 cubic metres. In its short operating history, most of the timber has gone to West Fraser with a small amount to the local value added operator.

3.6.2 Agriculture

Agriculture in the Clinton area got its start back in the 1860's to feed the hungry miners on the Cariboo Road. Some of these ranches are still operated by the original families (Village of Clinton 2014). Agriculture remains a key sector in the local economy, with ranching as the leading sub-sector due to the region's extensive rangelands.

According to the 2011 Agriculture Census, there were 78 farms in the Thompson Nicola Electoral Area E, approximately 6.5 percent of all farms in the Thompson Nicola Regional District (Statistics Canada 2014a). They collectively contributed 618 weeks of paid work to the local economy. Cattle ranching was the main activity with 49 farms having cattle and calf stocks totalling 5,171 animals (Statistics Canada 2014c). Fifty-five farms had 7,216 acres in crop lands with alfalfa and alfalfa mix making up 3,306 acres and a further 3,721 acres in other tame hay (Statistics Canada 2014d, 2014e).

3.6.3 Tourism

The Clinton area is located on the southern border of the Cariboo-Chilcotin Coast Tourism region and is closely connected to the Cariboo's historical heritage activities as a result the latter's visitor profile is more representative of Clinton. In 2013, the Cariboo Chilcotin Coast region hosted 280,000, overnight person-visits and $75 million in related spending. This represented about 2 percent of provincial totals. Markets are overwhelmingly from British Columbia (80 percent), followed by Alberta and Washington (both 3 percent). Germany and Switzerland were ranked fourth and fifth in market size.

On average, domestic travel parties stayed 3.2 nights and spent $82 per night during their trip. Visitation is overwhelmingly during the June to September period. With the fall hunting season also being of particular importance for Clinton. Main trip purpose included visiting friends/relatives, outdoor/wilderness activities, general sightseeing and business. Camping, canoeing/kayaking, hiking/backpacking and wildlife viewing were popular activities. (Destination BC 2015)

As seen in Table 13, a total of 330 businesses employed approximately 2,100 workers. Accommodation revenues, at $53 million, represents close to half of all spending. There are 816 campsites, mostly in provincial parks and recreation sites. There are no national parks in the region.

Table 13: Tourism Industry in Cariboo Chilcotin Coast

Tourism Industry	2013	% of BC
Businesses	330	2%
Employment (2012)	2,100	2%
Accommodation Sector Revenue	$53,300,000	2%
Campsites	816	7%
Visitor Centre Parties	43,567	3%

Source: Destination BC (2015)

The Clinton area is self-described as the "Guest Ranch Capital" focusing on its pristine natural environment. This is complemented by area's role in the gold rush trail north to Barkerville. Clinton area is home to six provincial parks: Big Bar Lake, Chasm, Downing, Green Lake, Edge Hills, and Marble Range. The area also contains 12 forestry campsite locations. The Village is also reknowned for its Annual Ball, which began in 1867 and today is the longest running event of its type in BC. (Venture Kamloops nd)

3.6.4 Mining

Mining has played an important role in Clinton's economy over the years. In the past the community has benefited from quarrying activity at region limestone deposits and at one time the region's clay deposits were used in the manufacturing of local bricks (Venture Kamloops nd). Currently there are no active local mining operations employing Clinton area residents.

Looking ahead, of particular interest is the HDI Constantia's Maggie copper and molybdenum project located halfway between Cache Creek and Clinton. This project has seen considerable exploration and promising drill results in recent years and is currently on hold until markets improve for metals (Quigley 2016, pers. comm.).

4 ENTREPRENEUR ATTRACTION OPPORTUNITIES

4.1 Overview

As the opportunities were identified and evaluated, it was determined that several specific opportunities were less focused on finding outside investment but more aligned with finding the properly skilled individual. Therefore, it was determined that instead of losing these opportunities, a separate, more regionally focused search would be conducted to identify the appropriate individuals that might be able to fulfil the identified market niche.

4.2 Entrepreneur Focused Business Opportunities

During the scanning phase of the project three projects associated directly with the existing antique cluster emerged for Clinton. In discussion with the antique businesses in the Village it became apparent that there were additional market niches with the potential to expand and diversify the local cluster. There are signs this is already occurring with newly-established thrift store operation.

It is believed the cluster could further expand and diversify with the addition of:

- **Blacksmith** – the opportunity for a blacksmith would be to initially collocate with the museum. Currently the museum is planning to hire a blacksmith next year to provide interpretation on what a blacksmith did and provide hands on insight to how they worked. Expanding on this the antique sector is looking for a blacksmith to prepare historical items that are in demand among their clientele.
- **Jeweller** – the antique businesses continually receive inquires on work required on historic jewellery items. Someone with this demand could fill this for the on-going demand experienced by the antique community.
- **Aboriginal Art Gallery** – A key part of the theme of the Clinton antique cluster is the First Nation's history. However, currently, there are no businesses specializing in First Nation's art. It is thought that Clinton with its highway traffic exposure and the large number of destination visitors coming to the community for antiques, an aboriginal art gallery would be successful in further expanding the retail offerings in the community.

4.3 Antique Cluster Development – Blacksmith/Jeweller

Development Concept

- Further enhance the existing antique cluster in Clinton
- Contract a blacksmith to perform demonstrations during the peak summer season
- Demonstrations would be located at the museum
- Further opportunity for stand-along blacksmith shop to undertake wagon wheel production and other blacksmith wares for sale in local antique stores

Market Potential

Target markets	Residents Highway travelers Bus tours Regional farmers' markets
Potential products	Reproductions Forged houseware Wagon wheels
Regional competition	Limited
Market entry barriers	Low
Estimate of local feasibility	Medium

Key Factors of Success

- Blacksmith skills, including storytelling
- Nature, quality, authenticity of demonstrations
- Authenticity of displays/shop (i.e. reflects historical use)
- Coordination with antique shops, museum, Visitor Centre
- Marketing and promotion to ensure attendance
- Product/merchandise line
- Sufficient working capital for one summer
- Village incentives (e.g. wages, working capital guarantee)

Business Development Options:

- Diversify services – die setting
- Diversify services – antique repair
- Diversify products – jeweler
- Diversify products - furniture
- Diversify markets – export elsewhere in BC

Location for Demos

Location/Building Needs

Available in Clinton?	Highway	Parking	Mixed use space
	Preferable	Yes	Yes

Location Options

- Blacksmith – Museum is prepared to host for as part of interpretation
- Jeweler – opportunity to cohabitate with existing antique businesses.

Local business costs

Average rents	< $10/sf	Average wages	
Average purchase price	~$10/sf	Trades	$27
		Service/retail	$16

4.4 Antique Cluster Development - Aboriginal Art Gallery

Development Concept

- Further enhance the existing antique cluster in Clinton
- Attract an artisan to establish a local studio
- Local pottery shop has done well and proven the market potential
- Utilize existing high-profile buildings on Highway 97

Market Potential

Target markets	Collectors Residents Highway travelers Regional farmers' markets
Potential products	Aboriginal arts and crafts Other arts and crafts Hobby craft
Regional competition	Moderate
Market entry barriers	Moderate
Estimate of local feasibility	Medium

Key Factors of Success

- Highly dependent on artist(s)/artisan(s) and the artwork represented
- Relationship with established aboriginal artists
- Ongoing recruitment of new artists
- Location, particularly highway/visitor access
- Building a customer base of repeat buyers
- Sensible, consistent pricing of art

Business Development Options:

- Diversify products – art supplies
- Diversify products – stationery, novelties
- Diversify markets – export
- Diversify markets – online sales

Location/Building

Needs	Highway	Parking	Retail/service space
Available in Clinton?	Yes	Yes	Yes

A variety of land and building options available throughout community.

Local business costs

Average rents	< $10/sf	Average wages	
Average purchase price	~$10/sf	Service/retail	$16

4.5 Entrepreneur Attraction Initiative

Rationale: As identified above, there are several opportunities that are more suited to identifying with special skills or who has an existing business in a specific area and that could successfully fill a niche in special area. These opportunities are all linked to the local antique cluster and have the potential to further grow the spending that takes place within this sector locally. Given the expertise that already exists within the cluster actively seeking out individuals who can successfully integrate into the cluster activates will be a key and therefore, the approach of identify the appropriately skilled individual is the primary focus of these tasks.

Actions	***Objectives***	***Partners***	***Priority Level***	***Timelines***		
				2017-18	***2019-20***	***2021-22***
1. Conduct a scan of existing desire business operating in the region and build a contact list. 2. Actively target these business owners and identify if they can refer a suitable person or if they themselves would be interested in the opportunity. 3. Undertake advertising in appropriate media to expand the search. 4. Connect with Community Futures Sun Country on their business support programming that can assist an individual move a business concept forward.	• Expand and diversify the antique/artisan cluster	• Antique businesses • First Nations • Community Futures Sun Country	High	◉		

5 SECONDARY DEVELOPMENT OPPORTUNITIES

5.1 Overview

Opportunities in this category were identified in consultation with local key informants, identified at the community public meeting, or emerged in focus group discussion with the antique sector. Further, the consulting team conducted a preliminary overview to determine the history of the activity, connectivity to the community, and potential for future activity. While business plans have not been prepared for these specific opportunities, it was felt they had enough merit to put forward for further investigation by penitential investors looking for opportunities in the Clinton area. It would be the expectation that any investor who considers these opportunities would complete a site-specific business plan to confirm the specific viability in the location selected.

5.2 Secondary Marketing Opportunities

The following six opportunities all have potential locally; however, it is felt that there may be investors and entrepreneurs who may be able to capitalize on these opportunities, with the opportunities falling into one of two categories:

- In the immediate region, there have been discussions that have led to the belief that individuals are already giving serious consideration to the opportunity.
- The opportunity or business is in place or has operated recently and as a private business it was felt that they could be appropriately marketed through existing marketing challenges that can be supported by the Village of Clinton to achieve the desired result.

Of the six opportunities, three represent historical business activities that the community feel offer good potential and include:

- **Pharmacy** – There has been a pharmacy in the community in the past and while there has been interest from investors to re-establish a new pharmacy, one still has not happened. It is felt as the demographic continues to age locally there is potential for a new development.
- **Bakery** – Again, historically there was a bakery in the community and again with the high summer traffic in the area and the influx of antique visitors that the time may be right to re-establish this opportunity.
- **Car Wash** – A car wash operated locally and it is felt given the RV and industrial traffic in the local area the community could once again support a car wash.

5.3 Retail Development - Pharmacy

Number of pharmacies	
Nearest pharmacies	Ashcroft 47 km Lillooet 49 km 100 Mile House 64 km
Operating Characteristics (Canada)	
Chain/non-chain ratio	1/6
Average sales	$2.8 million
Average net revenues	$100,000
Average profit margin	3.5%

Market Potential	
Service area	50 km
Services population	3,500
Pharmacy expenditures	$7 million annually
Threshold population	4,000
Estimate of local feasibility	Medium

Business Development Options:

- Diversify retail – health food
- Diversify services – home delivery, senior services

Location/Building Needs	Highway	Parking	Retail/service space
Available in Clinton?	Yes	Yes	Yes

A variety of land and building options available throughout community.

Local business costs			
Average rents	< $10/sf	Average wages	
Average purchase price	~$10/sf	Health care professional	$30
		Retail clerk	$16

5.4 Retail Development - Bakery

Number of bakeries	0
Nearest bakery	Cache Creek 40 km Lillooet 50 km 100 Mile House 64 km
Operating Characteristics (Canada)	
Average sales	$2.2 million
Average net revenues	$85,000
Average profit margin	4%

Market Potential	
Service area	50 km
Services population	3,500
Baked good expenditures	$0.7 million annually
Threshold population	3,911
Estimate of local feasibility	Low

Business Development Options:

- Diversify retail - coffee/tea, restaurant
- Diversify services - catering
- Diversify markets – cater to visitors
- Supplies to local resorts

Location/Building Needs	Highway	Parking	Retail/service space
Available in Clinton?	Yes	Yes	Yes

A variety of land and building options available throughout community.

Local business costs			
Typical rents	< $10/sf	Average wages	
Typical purchase price	~$10/sf	Chef/cook	$24

Retail clerk	$16

5.5 Commercial Service - Car Wash

Number of car washes	0
Nearest car wash	Kamloops 123 km Pemberton 204 km 100 Mile House 64 km

Key Factors of Success

- Location
- Operating hours
- Site security

Operating Characteristics (Canada)

Average sales	$260,000
Average net revenues	$55,000
Average profit margin	32% (excludes non-profitable firms)

Market Potential

Target markets	Transport Resource industry Recreational Vehicles
Traffic volumes	
Annual average daily	3,733
Summer average daily	5,419
% commercial	38%+
Estimate of local feasibility	Medium

Business Development Options:

- Diversify services – gas station services
- Diversify services – Sani-dump
- Diversify services – car rentals

Location/Building Needs	Highway	Parking	Retail/service space
Available in Clinton?	Yes	Yes	Yes

A variety of land and building options available throughout community.

Local business costs

Typical rents	< $10/sf	Average wages	
Typical purchase price		Service/retail	$16
Water	$875 (per bay)		
Sewer	$650 (per bay)		

5.6 Secondary Opportunity Attraction Initiative

Rationale: As identified above, there are several opportunities that have existed in the past. In addition, there appears to be some local interest in several of these opportunities. Therefore, the approach for these opportunities is directed towards connecting with specific entrepreneurs and using more traditional marketing channels.

Actions	***Objectives***	***Partners***	***Priority Level***	***Timelines***		
				2017-18	***2019-20***	***2021-22***
1. Confirm involvement with private sector land or business owner for sites involving specific land and assets. 2. Prepare formal prospectus for marketing purposes. 3. Ensure opportunities are uploaded on to the provincial site at BritishColumbia.ca. 4. Encourage private land and business owners to connect with real estate agencies to market properties through this network. 5. Connect property opportunities to primary investment opportunities (outlined below) as appropriate.	• Strengthen and expand the retail and basic sector business activity in the community.	• Private owners • BC Ministry of Jobs, Tourism and Skills Training • Local Real Estate agencies	Medium	◉	◉	◉

6 PRIMARY DEVELOPMENT OPPORTUNITIES

6.1 Overview of Opportunities

The opportunities in this section were developed in consultation with the Village of Clinton's working group. These opportunities are characterized by their transformational nature to the local economy. While many of the opportunities in the earlier sections represent incremental or renewed activity in the community, opportunities in this section are focused on transforming the character of the community as well as creating new employment activity within the community. The investments in this section tend to be larger than those outlined previously.

For most of these opportunities, and particularly for the retail and services ventures, there is an emphasis on the central shopping district, close to where residents shop and there are leasing and building opportunities. Given the larger number of affordable properties in this core area both held privately and by the Village, there is excellent opportunity to readily acquire and redevelop these properties. In addition, the downtown core is well serviced with sewer and water infrastructure, making development and redevelopment to higher density and commercial uses easy and more cost effective than utilizing a green field site.

It is these six development opportunities that will be the primary focus of the investment attraction program.

The six opportunities identified in this section include:

- Housing Development Targeting Retirees and Amenity Migrants;
- Multi-use Commercial/Residential Building;
- Niche Retail;
- Receptive Tourism Operator;
- Craft Brewery/Distillery; and,
- Value Added Crop Production.

6.2 Housing Development Targeting Retirees and Amenity Migrants

6.2.1 Overview of Opportunity

There are several undeveloped lands within the Village of Clinton that are suitable for new housing, either single-family or multi-residential. Several of these building lots are serviced by municipal services making them attractive for a variety of housing types including higher density developments such as multi-unit or town house construction. The community supports in-fill development and opportunities for higher density making several sites desirable. There is an estimated five to ten building sites in the community that would be suitable for new housing development and the Village will work with interested parties to identify the site that best suits their needs. Overall, the community prides itself on its history, lifestyle opportunities and community spirit and is well situated to the region's many outdoor recreational activities which is often desirable for those looking to relocate from larger urban settings.

6.2.2 Opportunity Trend

With much higher housing costs in Metro Vancouver compared to the interior of British Columbia, there has been a growing trend for retired Metro Vancouver residents to relocate to the interior where they can cash out from the Metro Vancouver market, purchase a new home, and still have income to enjoy in their retirement. In addition, there are other retirees who find by relocating they can substantially reduce their living expenses. This later phenomenon is already making a substantial contribution to the economy in neighbouring Ashcroft and Cache Creek. British Columbia has always been a destination for retirees from the Prairie Provinces who find the milder climate more to their liking. Retirees have long been an economic driver in the Okanagan Valley, particularly in the south Okanagan; however, as prices rise in the Valley, the opportunity to capitalize on this market will grow. Clinton is now beginning to experience some new residents from the Metro Vancouver area settling in the local area.

Another demographic trend is young families looking to become home owners and those nearing the end of their working years that are beginning to look outside the Metro Vancouver area for more affordable living and lifestyle opportunities. Many of these "amenity" migrants bring their work with them, either telecommuting or creating their own business opportunities. These amenity migrants are often attracted to a community for its natural, recreation or cultural features, or being closer to family. As technology changes and people continue to place a high value on lifestyle, the numbers of amenity migrants will continue to increase in the southern interior of British Columbia.

Finally, as outlined in the Village's Official Community Plan (OCP), approximately half the population working in Clinton and Area could benefit by having access to smaller, entry-level houses, townhomes and condominiums in order to build their capacity and savings to move up the housing continuum (Village of Clinton 2016). Newer housing stock built in this style and size does not currently exist in the community.

6.2.3 Market Analysis and Concept

According to Statistics Canada, in 2011, the Village of Clinton had 320 private dwellings, of which 225 were detached single family dwellings. There were also 55 movable home units in the community making up the second largest category of dwellings. The community has a very small number of homes classified as semi-detached, row housing, and apartment units (Statistics Canada 2012). Approximately 220 units, or 78 percent of the Village's housing stock, were constructed in 1986 or before, with 40 residential dwellings being constructed between 1986 and 2006 (Statistics Canada 2007) and a further 30 dwellings between 2006 and 2011.

On the demand side, the Village of Clinton is like many rural communities in British Columbia which have undergone a long-term decline in their major resource economies resulting in out migration of residents over a sustained period of time. In 1982, the population of 865 began declining steadily, bottoming in 2005 at 520 (BC Stats 1998 2015). Since 2005, the population has stabilized and has begun to return to a pattern of modest growth, with the population in 2016 estimated at 630 (BC Stats 2016).

The change in the local economy, with retirees and younger families relocating to more affordable housing markets, is becoming an important economic driver for new housing demand in the southern interior of British Columbia. Clinton is on the verge of seeing a new supportive housing development in town and this will create immediate demand for the new workforce. This, coupled with Clinton's proximity to nearby protected areas, lakes and other outdoor recreational opportunities, along with its strategic location between the Lower Mainland, Cariboo region and Thompson Nicola region, positions the community for future population growth and associated housing demand.

6.2.4 Competitive Position of Clinton

Strengths: The Village of Clinton presents several strengths that would support new housing construction locally. Specifically:

- The Village has a stable population that is starting to show signs of growth;
- The community has not seen a lot of housing construction in the past twenty years, making any new housing stock built in the community stand out;
- The community is working hard to grow and diversify its tax base to achieve greater taxation sustainability; and,
- The potential development of the HDI Constantia's Maggie copper-gold project between Clinton and Cache Creek and the possibility of a water bottling plant opening in Clinton.

In the Village of Clinton's Official Community Plan, it is forecast that if the population grows at a modest rate of one percent per annum over the next fifteen years, then the community will require approximately 45 new housing units. However, the Village already has potential for the development of between 245 and 425 lots,[2] making for ready access to land for housing development. (Village of Clinton 2016)

Weaknesses: However, the weakness in bringing on new residential developments includes:

- Its small population and current low annual demand for new housing stock;
- Property taxes on new residential housing will be noticeably above current representative housing in Clinton; and,
- Continued risks to its resource sector economy and further job loss in the local forest economy.

Gaps and Challenges: Currently the rental market in Clinton is very tight and the community is estimated to have a rental vacancy close to zero percent. This would create an opportunity that new

[2] This number includes 50 to 100 lots on nearby Whispering Pines Indian Band land.

desirable rental units would be in demand. However, a key gap in undertaking construction in Clinton is that it does not have a labour force dedicated to construction. If trades and specialty contractors are required to travel from outside the area, it can add additional travel costs to the construction cost, not experienced in larger communities.

6.2.5 Clinton's Value Proposition

The Village is motivated to support new development and owns desirable municipal land. This is readily reflected in the Village of Clinton's Official Community Plan which has designated the entire community as a Multi-family Development Permit Area. The community also has a density bonusing process that can be used to support higher density in the community (Village of Clinton 2016).

In addition, the village will expeditiously support rezoning and subdivision of existing bare land within the municipality. This includes support in working with the BC Ministry of Transportation which reviews all development plans that take place within 800 metres of main highway, such as the Cariboo Highway. The Village will also ensure that where municipal infrastructure is located nearby that new residential properties are connected in a timely and cost effective fashion. There are no development cost charges in the Village of Clinton (for residential).

Finally, the municipality owns Lot 9, a strategic acreage in downtown Clinton and Crown land located immediately above Lot 9 that could also be assembled for development. The Crown land currently has a subdivision plan to create 20 new lots that could be implemented. The Village will work with developers to establish residential dwellings on this site and the associated Crown Land parcel with suitable infrastructure linkages and expedited subdivision planning.

6.2.6 Estimate Investment Range

The level of investment will depend on several variables, most noticeably the number of units developed and the type of dwelling to be built. There are three typical detached housing types built in British Columbia including:

- Custom Home building - typically the more expensive and requiring individual and unique housing plans;
- Modular Homes – housing built in a controlled environment and then placed on site, typically most cost effective; and,
- Working with Home Builders – typically involves tweaking existing plans and building on site in a standard home format.

In British Columbia, an investor should anticipate spending between $165 and $350 per square foot to build a speculative quality house (Altus Group 2015). Townhouses typically price in at between $100 and $240 per square foot in British Columbia (Altus Group 2015). These costs would not include land costs and site service fees which would also vary, depending on the existing services available and the distances required for connection.

6.2.7 Approximate Operating Revenues

The profit per housing unit depends on several factors such as the type of housing unit contracted and proximity within the community.

6.3 Multi-Use Commercial/Residential Building

6.3.1 Overview of Opportunity

Mixed-use development is a type of development that blends residential, commercial, cultural, institutional, or industrial uses, where those functions are physically and functionally integrated, and that provides pedestrian connections.

The mix-use building will help to create a more vibrant downtown area in Clinton and create a 'focal point' for the community that will ideally mix commercial and professional services in the same building as residents and further expand the mix of retail, restaurants, office, and institutional activities in the downtown core. There are sites located throughout the community that would be suitable for this type of development with prime sites along the Highway, on Lebourdais Avenue and near the elementary school. For construction along the commercial section of Highway 97 corridor site design will use the "Western Heritage" theme for building architecture (Village of Clinton 2016).

6.3.2 Opportunity Trend

People's attitudes about where they want to live, work, shop and play are changing. According to the National Association of Realtors (NAR) "2013 Community Preference Survey," 60 percent of respondents favour a neighborhood with a mix of houses, stores and other businesses that are within walking distance, rather than neighbourhoods requiring driving between home, work and recreation (NAR. 2013). In addition, in the Village of Clinton, the opportunity to accommodate new retail spaces and/or professional offices is a major focus of the Village's economic development efforts, and it is likely new businesses as diversified as bakery, jewelry, artisan/crafter, brew pub, and pharmacy could be attracted to the community in the near-term and may be looking for new accommodation in the community's downtown core.

6.3.3 Market Analysis and Concept

The mixed-building concept is becoming more popular. Demographic changes, stemming from the aging Baby Boomer and the emergence of Gen-Y, have shifted consumer preference away from enclosed shopping centres toward smaller-scale retail projects in downtown commercial and mixed-use environments. Because of these shifting preferences and the rise of on lining shopping, commercial development is facing a "right-sizing" adjustment, which works in favour of mixed-use smaller scale commercial developments (Sonoran Institution nd).

6.3.4 Competitive Position of Clinton

Strength: The Village is very supportive of seeing the mixed residential/commercial building concept move forward in the downtown core and is eager to work with developers to bring this concept forward in the community. The community has several strategic properties that can be purchased at a reasonable price and that are already serviced by municipal services. In addition, the community is currently experience a very low rental vacancy rate suggesting demand for new rental accommodation (Dyck. 2017, pers comm.).

When it comes to building in the Village, the Village of Clinton offers very affordable development costs when compared to other southern interior communities. In addition, as a small town it provides development services in a timely fashion that cannot be matched in larger centres. The Village is also flexible in rezoning downtown properties to meet new business and residential demand such as the mixed residential/commercial building. Rezoning in the Village can usually be accommodated in a period of a few weeks, versus several months in larger communities.

Weakness: The Village currently does not have this type of construction in the community so there is no local example of the demand for this building concept. In addition, much of the most desirable property for commercial development is located along the Cariboo Highway which may not necessarily be the best fit for residential construction.

Gaps and Challenges: As stated in the housing construction opportunity, a gap in undertaking construction in Clinton is that it does not have a labour force dedicated to construction. If trades and specialty contractors are required to travel from outside the area, it can add additional travel costs to the construction cost not experienced in larger communities.

6.3.5 Estimated Investment Range

The concept that would best suit the Village would be a smaller mixed-use two-storey building with commercial space on the main floor and residential units on the second floor. Based on construction costs for the BC southern interior and a mix of residential condominium and office building construction costs, development costs are anticipated to be between $195 and $240 per square foot for medium quality building construction (Altus 2015). This would not include land costs or any additional site service fees.

6.3.6 Approximate Operating Revenues

Residential rental rates in the Village of Clinton for a two-bedroom accommodation typically range from $700 to $900 per month. Commercial rental rates will vary depending on the length of term. Currently, retail rental rates in neighbouring 100 Mile House in newer buildings along the Highway typically rent for between $8 and $10 a square foot (Jurek, 2017. pers. comm.).

6.4 Niche Retail

6.4.1 Overview of Opportunity

Clinton is believed to be under-serviced by retail and personal services with considerable leakage occurring to regional centres such as Kamloops. Some leakage is unavoidable as magnet stores like Costco tend to draw from large trade areas and encourage consumers to undertake planned shopping at multiple outlets. Even so, smaller retail opportunities that would have local as well as visitor demand while adding to a local shopping cluster in the downtown area have good potential. Clinton is already well known as a destination for its antiques cluster and building out complementary shopping opportunities could bring a stronger foundation to local retail, as well as making it more attractive for visitors. There are several “niches” that would complement antiques well:

- Arts and Crafts. This could include craft-produced houseware items such as furniture, rugs, textiles, ceramics, and glassware.
- Food-for-the Home. This could include candy, chocolate, bakery and other food products that make use of locally sourced materials either from the forest or from agricultural producers.
- Recreation services. Clinton attracts substantial volumes of hunters, fishers and other outdoor recreation participants year-round. Many are believed to be underserved and would welcome a better shopping options, for example in equipment rentals.

These potential businesses could locate in the downtown area where there is available retail space; five possible sites have been outlined in the previous section (Mixed Use Commercial/Residential Building).

6.4.2 Opportunity Trend

The retail landscape has changed considerably over the last decade, no less so in rural communities than urban. The struggles of traditional downtown shopping cores are a case in point. Yet for a community like Clinton the fact remains that economic and employment base is virtually unchanged in recent years. In 2001, 10.4 percent of the labour force was in retail; in 2011 it was 10.1 percent. This means that despite the underlying secular changes facing the industry, local businesses are adapting and surviving. They are doing so by:

- Utilizing more distribution channels (websites, social media, delivery platforms like Amazon, custom apps) like big business.
- Contingent workers, independent professionals and freelancers are deciding to live in rural settings while still competing in digital talent marketplaces. They face lower business costs and better quality of life on many counts.
- Small town businesses are innovating in ways not seen before. Rather than opening a one-off, large format store, they are offering a diverse range of products in smaller footprints. Temporary business pop-ups, mobile businesses that move from small town to small town and shared spaces that bring together artist's studies and galleries, maker spaces and stores inside of other stores are trending.
- The Big Box store model appears to be changing—their core strength of huge selection and low price is being taken over by online retail giants. The customer service angle with curated selections and an enjoyable shopping experience is something that small stores and communities can excel at. In the US, sales at small retailers have increased faster than sales at big retail stores since 2012. (Small Business Trends 2017) Now "evolved retail" is seeing online retailers like Amazon setting up bricks and mortar stores.
- Local stores will need to adopt new technology to turn customer proximity into competitive advantage. Access to customer reviews, personalized recommendations and in-depth product information could be improved.
- Small towns excel at providing authentic experiences. Visitors can easily connect with culture, history and a sense of place all in a walkable-sized package in a small town. International travelers are starting to make rural communities a destination must, seeking out local artists, authentic foods and hidden gems rather than famous sites.
- The buzz in urban planning (placemaking, walkability, public spaces) are what small towns are all about. Plus, it is easier to get involved and make a difference, and a smaller project can make a bigger splash.

6.4.3 Market Analysis and Concept

Retail sales in BC were $71 billion in 2015, which works out to per capita expenditures of about $15,000 annually (BC Stats 2016). For the Clinton area alone that amounts to a market of $45 million, not accounting for visitor purchases. The visitor market is hard to quantify because many highway travellers are just passing through, but it would easily surpass the local trade area potential. The antique stores are a good example of a destination cluster that draws from far afield and does not rely on a local market as such.

Retail trade is also an important employer in the Clinton area, with over 10 percent of the labour force in 2011. That is below the BC average of 12 percent. If Clinton could match similar-sized rural communities that have developed visitor cluster (for example retail employment in Nakusp is 14 percent of the total, in McBride it is 18 percent) then it could have a beneficial effect on the community's economic base.

In North America, the biggest threat to small town retail are the regional shopping centres. For Clinton residents, Kamloops represents a significant draw especially for major goods like vehicles but also for everyday household purchases like groceries. In response, retailers in small towns are branching out their product offerings and being more adaptable to bring in more shoppers and survive.

6.4.4 Competitive Position of Clinton

Strengths: The most obvious advantage for Clinton is its existing antiques cluster, which is already drawing in shoppers from the region, including the Lower Mainland. Clinton has a relatively small trade area but one of its greatest strengths is the volume of highway traffic—the large majority of travellers heading to BC's northern interior pass through the community. It also attracts many hunters and other outdoor recreation enthusiasts. It thus has good potential for a tourist retail niche that can complement the antiques cluster. Being on a major highway corridor also allows residents from outside the immediate area to access specialty retailers in Clinton's downtown.

Weaknesses: Retailers in Clinton have to address three main weaknesses. First, the local population is small, with an estimated market of 1,700. This is below the threshold for many forms of retail, such as department stores, supermarkets, warehouse stores and many durable goods like vehicles and appliances. Second, the tourist niche has to face the ongoing challenge of the "off season". While the high season can be lucrative it is relatively short in duration anywhere from 10 to 14 weeks. This means business owners must survive relatively low cash flows for the remainder of the year. And third, competition is relatively nearby in major communities like Kamloops and smaller ones like 100 Mile House.

Gaps and Challenges: In spite of the limited market opportunities for retail, the antiques cluster has demonstrated that with proper positioning and innovative thinking small town retail niches can not only survive but thrive. The major challenge from a business and economic development perspective is attracting the right entrepreneurs who have the interest and passion for Clinton as a retail destination. These entrepreneurs are most likely to be from the region but as rationale investors they will consider the business and financial risks of setting up a business in one community versus the other. Clinton would have to provide a value proposition as to why a specialty retailer would make better sense here than in 100 Mile House or Cache Creek as examples.

6.4.5 Clinton's Value Proposition

Clinton should explore four strategic initiatives to support retail development including:

- Work with local property owners to develop a temporary "pop-up" program in which vacant properties (either building or land) could be leased on a short-term basis. The Village could provide broker landlords and tenants interactions (e.g. through an online bulletin board) and provide liability coverage to non-profit user groups and new businesses.

- In cooperation with local businesses, shift tourism marketing efforts to the shoulder seasons for example through the development of festivals and promotional events that can diversify the high season.

6.4.6 Estimated Investment Range

The investment range for retail can be considerable depending on the following factors:

- Starting new business versus buying existing
- Franchising versus independent
- Purchase versus lease of premises
- Store size
- Regulatory environment (stringent for food retail)
- Extent of e-commerce capacity
- Investment requirement: $800,000 - $1 million

Assuming the entrepreneur leases his or her premises, and then start-up capital would average $20,000 to $40,000, again depending on the concept and format.

6.4.7 Approximate Operating Revenues

The operating revenue is variable depending on size and type of retail activity. However, looking at profitability we see threshold revenue of between $400,000 and $540,000 being required to achieve profitability. Specifically, for retail bakeries (NACIS 311811) approximately 70 percent were profitable in 2012, with the profitable firms generating average revenues of $540,000 per year. For general retail stores (NACIS 453999) in 2012, the story is similar with 72 percent of businesses being profitable with the profitable group averaging revenues of $460,000 annually. Finally, among confectionery and nut stores (NACIS 445292) 66 percent of businesses are profitable with the profitable businesses averaging revenues of $420,000 annually. (Statistics Canada 2014)

6.5 Receptive Tourism Operator

6.5.1 Overview of Opportunity

This opportunity involves a hybrid business model involving a combination of tourism services that would take advantage of gaps in Clinton's local tourism economy. As in many small, rural communities, local hospitality service providers such as hotels, motels, restaurants and attractions find it difficult to break into the packaged travel industry.

Operators are individual businesses that would typically not collaborate with other service providers, except through industry association networking and events. On the demand side, many visitor markets, especially those from overseas, are more inclined to seek out trip packages rather than holiday as independent travellers. Even domestic travellers may seek out "all inclusive" holidays that individual suppliers would have to cooperate on throughout the complete packaging, marketing and delivery cycle.

What this means for Clinton is that it may be missing out on tourism opportunities, even though it has the right mix of individual products and services that would appeal to a wide range of visitor markets. The first opportunity, therefore, is that of a local receptive tour operator who would promote and sell Clinton and area as a destination by coordinating local suppliers through a variety of tour packages. A priority and emphasis on the shoulder and off seasons would complement the community's many off-season events. The other gap is that of rental services that would allow visitors to enjoy the variety of nature-based tourism experiences in the Bonaparte Plateau area.

6.5.2 Opportunity Trend

A tour operator or wholesaler is an organization (or individual) that provides packaged holidays. They make arrangements and contracts with hotel, airlines, and other suppliers, and then promote and sell those assembled travel packages, often through travel agents. A specific type of tour operator is the inbound or receptive tour operator that specializes in the provision of tour packages to a destination to travellers from outside that destination. Usually receptive tour operators serve international customers, for example in Asia or Europe. But there are also local receptive tour operators based where the product is, having working relationships with local tourism suppliers and with regional tourism organizations and Destination BC. This is the type of business envisioned for Clinton. This may be an independent business or alternatively it could be a secondary service for an existing tour operator (e.g. someone actually providing a guided tour).

There are many important trends to be aware of when considering the various layers of tourism packaging and marketing, but technology, and specifically the Internet and now mobile technologies, is by far the leading edge. Travelers have adopted technology in ways unheard of even 10 years ago, and industry and communities are still struggling to keep up with the change. Mobile devices are now a pervasive part of travel planning and even in the delivery of visitor services once a traveller is on holiday in the region. The *Expedia Future of Travel Report* found that 49 percent of travelers from the millennial generation use mobile devices to book travel (Expedia 2014), and these numbers are expected to continue to increase. What this means for a community like Clinton is that a local receptive tour operator may be able to attain collaboration among local suppliers and tap into new markets by offering new services based on a technology solution that makes new visitor experiences possible.

This opportunity also lends itself to expansion into recreational rental activities linked to the outdoors and could explore rentals such as kayaks, canoes, quads, bikes among others. The focus would likely be on "one step" vacation getaway activities, primarily targeting the Vancouver market. This opportunity would likely be best positioned if the entrepreneur was linked to a regional BC Park either through site maintenance or a permitted activity.

6.5.3 Market Analysis and Concept

Visitor volumes in the area are unknown, but according to Cariboo Chilcotin Coast Tourism Association (CCCTA) the region hosted approximately 550,000 overnight visitors in 2012, but this does not include day visitors so total visitor volumes would be considerably higher. Previous visitor studies in BC have estimated day travellers to be between 10 and 15 percent of all travellers, which would push the region's visitor volumes into the 610,000 range, with associated visitor spending of more than $120 million. Unfortunately, Destination BC and CCCTA does not provide a regional breakdown of where these travellers go within the region. (Destination BC 2015)

It is possible to estimate visitor travel through an alternative methodology, highway traffic data. A measure of the degree of seasonality used in traffic analysis is the ratio of August volume to March volume, on the assumption that March represents maximum local volumes without the interference of visitor traffic. The difference between the August and March traffic volumes is interpreted as the number of "visitors" in that month, based on the assumption that March traffic is composed entirely of resident and commercial traffic that remains relatively constant throughout the year. An estimated 200,000 overnight and day travellers are believed to transit the Bonaparte Plateau area, which would represent about one-third of all CCCTA visitors. The associated visitor spending would be in the range of $40 million annually. A scan of the local tourism industry would indicate that a considerable percentage of these local travellers are "passing through" Clinton and thus represent an opportunity lost.

The tour operator could combine multiple services and components – such as accommodation, activities, attractions, meals and transportation – to create a variety of interesting and unique tourism packages. As few as two components can make up a package. The package can be of any duration from an hour to multiple days. As long as your foundation is solid, it would be possible to add or adjust components over time and modify the package to suit many different markets. (Destination BC 2013)

In order for this service to be marketable and financially viable there are two important variables or components that must be addressed:

- There must be themed tours or experiences that serve as the foundation for the package. This could be trail riding or some other form of nature-based tourism, agri-tourism or cultural tourism. It could be elements of all three but it must provide value for money and resonate with existing travel markets.
- As noted above, the local receptive tour operator would likely have to offer a technology solution in the form of a smartphone app that merges technology with the on-the-ground experience for a unique experience that is not available from individual suppliers. The Thompson Okanagan Tourism Association is currently developing such as app as part of its Kettle Valley Railway tourism strategy and that may be a format Clinton could use to "brand" its tours while getting supplier buy-in.

Finally, it must be reiterated that the local receptive tour operator would not be dealing with high volumes of business given the size of the community and its tourism industry. This means that revenues must be generated through high margin services that suppliers have agreed to be part of.

6.5.4 Competitive Position of Clinton

Strengths: Clinton is located only a few hours from Metro Vancouver with a vast outdoor experience waiting to happen. The area surrounding Clinton is the outdoor enthusiast's paradise with everything from skiing, hiking, trail rides, quad trails, snowmobile trails, fishing and ice fishing. Clinton and area is renowned for its historical attributes. There are also numerous festivals and events, many of them in the shoulder and off seasons, that would complement outdoor activities and enrich the visitor experience. This is all about promoting Clinton as a destination. It also has some well-known accommodation facilities in the wider area, for example Big Bar Lake Ranch and Echo Valley Ranch and Spa.

Weaknesses: The most significant weakness of Clinton is simply the small size of its tourism industry and the lack of well-known destination attractions. In 2012, Destination BC conducted several in-market studies to determine how BC's regional markets (i.e. BC, Alberta and Washington State) perceived small sub-regions and it was clear that the Cariboo as a destination was most familiar to regional BC residents and those in the Metro Vancouver, but it was virtually unknown to Washington and Alberta residents (Tourism BC 2012).[3] This makes it difficult to bring together a critical mass of supply/demand transactions that will support a local receptive tour operator.

Gaps and Challenges: There are two major challenges in establishing a receptive tour operation. First is ensuring the cooperation and reliability of suppliers. An operator who arranges accommodation, food and a local guided tour an inbound tour group must receive those services on a timely basis and to the agreed-to standards. Second, the cooperation and buy-in of suppliers during the marketing phase is equally important. For this to happen they have to be what Destination BC refers to as being both market-ready and export-ready, for which the definitions are:

- **Market Ready**: Refers to a business that markets to potential visitors in the planning stages, communicates with potential visitors year-round, and is ready to accept advanced reservations.
- **Export Ready**: Refers to a business that markets to and through travel trade distribution sales channels, understands commission or net rate pricing, agrees to trade bookings and a cancellation policy.

It is especially important to have suppliers accept a commission and net rate pricing because this is the only way for a tour operator to generate revenue. Net rates are at least 20 percent less than the rack rate so the supplier must commit to this pricing methodology or packages will not be viable. So, if local businesses are not export-ready, a local receptive tour operator is unlikely to locate, or do business, in the area.

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[3] Technically, Clinton is within the Thompson Okanagan Tourism region but it also borders the Cariboo Chilcotin Coast Tourism region. The latter's visitor profile is believed to better reflect Clinton's visitor markets rather than the Okanagan dominated profile of the TOTA region.

From a competitiveness standpoint, the major challenge for a local receptive tour operator may be Online Travel Agencies (OTAs) like expedia, travelocity and tripadvisor (and even HelloBC) which provide virtual packaging for many services (flight, accommodation, and dining, ground transport).

Another key challenge is one of product positioning and marketing. The local receptive tour operator obviously must generate enough business to warrant the fees being charged and is unlikely to recruit suppliers unless there is a measurable lift in businesses. The local receptive tour operator must therefore work with regional destination marketing organizations (RDMOs) like TOTA and CCCTA, and most importantly, other tour operators (for example those specializing in rural experiences) to generate more local demand. It is unlikely that Clinton as a general destination is enough to make this work; otherwise, tour operators would already be doing business here. A local receptive tour operator would therefore have to generate an experience that potential visitors are not aware of or been exposed to and also that could not be easily accessed through OTAs and existing tour operator products.

6.5.5 Clinton's Value Proposition

The Village would not have a significant role to play in the viability of this business opportunity but could assist through the following initiatives:

- actively encourage the cooperation of local suppliers;
- ensure local heritage attractions like the museum are part of the tour experience;
- work with the local receptive tour operator to host familiarization tours (in cooperation with TOTA/CCCTA);
- assist with accessing funding for a made-in-Clinton technology solution.

6.5.6 Estimated Investment Range

A receptive tour operator does not need significant capital assets to start a business; in fact it is possible to be a home-based business with limited overhead. However, at least one year of working capital would be required mainly for labour and the proposed technology solution. This is estimated to be in the range of $70,000 to $80,000 in cash or equivalents (i.e. the non-reimbursed labour of the proprietor).

6.5.7 Approximate Operating Revenues

The revenues for this sector can vary considerably and depending how the entrepreneur sets up their operation, generating a profitable business will also vary.

6.6 Craft Brewery/Distillery

6.6.1 Overview of Opportunity

Breweries produce alcoholic beverages, such as beer, malt liquor and non-alcoholic beer, using water, barley, hops, yeast and other occasional adjuncts. Distilleries are primarily engaged in distilling liquor (except brandy), blending liquor, or blending and mixing liquor and other ingredients.

Craft brewers and distillers in the Province of BC face production ceilings in return for preferential markups from the Liquor Distribution Board for on-site sales. The craft brew industry is an alternative to large, conventional brewers because of its focus on smaller batches, stronger beers and old-fashioned approaches with an emphasis on quality. Craft beer is brewed using traditional techniques without any preservatives and at least 50 percent malt content. The craft distilling industry is much smaller than its brewing cousin but is in a rapid growth phase. The BC craft distilling policy allows small distillers to reduce their costs, sell in Farmer's Markets, build and sell through distillery tasting rooms and sell products produced elsewhere. This brings communities, especially smaller ones, close to local spirits production and its potential economic benefits. While operating a craft brewery or distillery involves aspects of retail, service and manufacturing, it is the latter that is the focus of this opportunity.

6.6.2 Opportunity Trend

Small-scale beverage manufacturing for beer or spirits is a young and growing industry in BC. The province is on the leading edge of small-scale brewing and distilling in Canada, with advantageous provincial policies and consumer markets that are shifting consumption to quality craft producers. BC has roughly one-third of all craft distilleries in Canada and one fifth of all craft breweries. Craft breweries and distilleries have not been limited to major markets like Vancouver and Victoria. They are emerging in mid and small-sized communities as well, which indicates that a quality product and skilful business practices can bring the benefits of these industries to communities outside major centres.

6.6.3 Market Analysis and Concept

Over the past decade, the brewing industry has experienced strong growth in the popularity of craft beer. In Canada 2015 beer sales totalled $5.7 billion and industry earnings were approximately $533 million, accounting for a 9 percent profit. BC beer sales that same year were approximately 15 percent of the Canadian total. Craft producers accounted for a significant share of the market with sales of $215 million in 2014 (Agriculture and Agri-food Canada 2016).

In 2012, 38 distilleries were operating in Canada with nine based in BC. Industry revenues totaled $744 million and employment was 1,280. By 2016, the number of BC distilleries had expanded to 35, a 388 percent increase in only four years. As with brewing, Canadian production of distilled spirits is highly concentrated among a few firms and the bulk of domestic spirits production in Canada is foreign-owned. The growth in distillery numbers is due to an increase in the number of smaller distilling companies specializing in niche products and the emergence of artisan of craft distilleries. (Agriculture and Agri-food Canada 2017)

Key external drivers are per capita disposable income, per capita alcohol consumption and the price of wheat. Other drivers such as the value of the Canadian dollar would not affect craft brewers and distillers unless they export, which few do. For craft producers, the transportation cost of shipping small-scale batches to distant locations can be prohibitive, more so for beer than spirits. For this reason, facilities are commonly located near the major markets they serve most.

Per capital alcohol consumption is declining in Canada as the population ages, but the population is also growing so demand continues to as well. BC per capital consumption has been holding steady over the last 10 years at approximately 70 litres annually, one of the lowest in Canada. Spirits consumption has also held steady at 6.2 litres annually. (BeerCanada 2016)

Consumers have been moving away from traditional light beers that represent the majority of sales for the large brewers such as Molson Coors and AB InBev, and at the same time are purchasing less beer in exchange for higher-quality brands. There is expected to be continued sales growth in the industry of 0.4 percent over the next five years, but the number of new breweries is diminishing, suggesting a maturing industry. (IBISWorld 2016)

As the number of craft operators expand in BC market entry will be more difficult for new ventures. However, outside of southwest BC, where most firms are located, competition is less intense. The nearest microbreweries to Clinton are Quesnel and Kamloops, while the nearest distilleries are in Pemberton and Vernon. The closest LDB distribution warehouse is in Kamloops (123 kms). Communities with a similar trade population to Clinton that have craft breweries include Invermere, Valemount and Tofino, so it has been proven that for craft breweries anyway small communities can make for suitable locations.

If the US craft brewing and distilling phenomenon is any indication, both industries have ample room to grow in Canada. The major barriers to entry are small local markets (compared to the US where large metropolitan areas stimulate high demand) and significant regulatory barriers. It is recognized that the process of setting up a craft distillery or brewery in the US is much simpler than in Canada or BC. The industry is regulated provincially and distribution is through provincial liquor control boards, so the regulatory costs associated with establishing a new facility are far greater here than in the US. From a national perspective, however, BC continues to outperform Canada in terms of both establishments and sales volumes.

6.6.4 Competitive Position of Clinton

Strengths: Clinton has low business costs (e.g. occupancy, labour, utilities) in addition to having high quality inputs in terms of water, local crops and local botanicals. It is believed that the high quality, good availability and low cost of water could be a competitive advantage for a producer. There are no metered rates as there are in Vancouver and Victoria. The fact that Clinton is relatively close to a vibrant craft brewing/distilling sector in southwest BC means that a local producer can benefit from an accessible supply chain (e.g. hops, barley, canning services, education and training). A variety of building sites suitable for food and beverage manufacturing are available within the community, with flexible zoning and a favourable development environment.

Clinton could also take advantage of emerging trends such as estate breweries which are based on farms using their own or local ingredients. Clinton is an agricultural area with the capability to grow input ingredients like hops, the production of which is exploding across BC.

Weaknesses: The Clinton area market is relatively small and so is local demand. However, at the same time it is in close proximity to a regional market of approximately 3 million in Prince George, Kamloops and the Metro Vancouver.

Gaps and Challenges: A Clinton facility would have to be immediately competitive in the local market because domestic and international competition and the high costs of transportation makes penetrating external markets extremely difficult. Many smaller operations focus on draught sales initially to avoid the cost of bottling and canning. This also imposes strict limits on market potential but can still prove profitable if regional bars and pubs become brand partners. One obvious business model is the brewpub that allows the venture to benefit from pub and lounge sales.

6.6.5 Clinton's Value Proposition

One way for Clinton to encourage investment activity is to provide enhanced services in the following areas. These industries are highly regulated at both the federal and provincial levels and investors would value a community that not only recognizes these constraints but works to minimize and mitigate local hurdles.

- Site location assistance
- Flexible zoning
- Expedited local permitting and licensing
- Lease negotiations
- Business plan assistance

6.6.6 Estimated Investment Range

Investment requirement: $800,000 - $1 million

6.6.7 Approximate Operating Revenues

Breweries (NAICs 31212) share diversity in their range of revenues; however, data from Statistics Canada highlights that 57 percent of breweries in 2012 were profitable with average revenue of over $940,000 among the profitable firms while businesses with revenues that were not profitable had average revenues under $560,000 (Statistics Canada 2017). Similar details on Distilleries do not exist but as highlighted above is likely because of the small number of operators in Canada.

6.7 Value Added Crop Production

6.7.1 Agricultural Overview

The Village of Clinton is surrounded by about 77,600 acres of land in agricultural land use in Electoral Area E of the Thompson-Nicola Regional District. As illustrated in Table 14, ranching, horses and alfalfa/hay production are the cornerstones of the local agricultural economy, together comprising 77 percent of the farm types.

In general, hay farming and ranching are oriented towards self-sufficiency, where hay is grown to support the local beef cattle and ranching sectors. The configuration of the beef sector in the Clinton area is similar to that in the BC Highway 16 Region,[4] where beef production exceeds regional market demand and the bulk of the animals leave the area for finishing and processing (Community Futures Fraser Fort George 2014).

Table 14: Farm Types in Thompson Nicola Regional District Electoral Area E, 2011.

Farm Type [5]	Number of farms	Percent of Farms
Beef cattle & ranching	28	36%
Hog & pig	1	<%
Poultry & egg	2	3%
Sheep & goats	4	5%
Horses	20	26%
Other animal production	8	10%
Fruit & tree nut	1	<2%
Nursery	1	<2%
Hay	12	15%
Vegetables	1	<2%
Total	78	

Source: Statistics Canada (2011)

Table 15 shows that number of animals on farms in the Clinton area. Annual beef production exceeds local consumption by a factor of about 14.[6]

[4] The BC Highway 16 Region is defined as extending from the Kitimat and Bulkley Valley in the west to the Robson Valley in the east. In this area, beef consumption represents about 62 percent of local beef supply, while local beef processing capacity represents less than 20 percent of the supply for local consumption.

[5] **Note**: Farms are classified under the North American Industrial Classification System (NAICS) by predominant type of production based on the product or group of products that make up the largest proportion of total potential receipts on the farm.

Table 15: Numbers of Farm Animals in Thompson Nicola Regional District Electoral Area E, 2011

Animal Type	Number of Farms	Number of Animals
Cattle	49	5,171 (2,317 cows)
Hogs	19	101
Sheep	7	1,032
Horses	53	447
Poultry	19	1,034
Goats	4	33
Llamas/Alpacas	4	16
Rabbits	2	x
Bison	1	x

Source: Statistics Canada (2011)
Notes: X= confidential

Horticultural production opportunities, such as field crop, vegetables and fruit, are essentially undeveloped. The Clinton area is a produce-deficient area. Table 16 shows the acres of field crops grown in Electoral Area E.

Table 16: Land in Crops in Thompson Nicola Regional District Electoral Area E, 2011

Crop	Number of Farms	Number of Acres
Oats	2	x
Barley	2	x
Rye	2	x
Alfalfa	34	3,306
Other tame hay	30	3,721
Fruit, berries and nuts	4	12
Vegetables	3	x

Source: Statistics Canada (2011)
Notes: X= confidential

Approximately 43 percent (33,233 ac) of the agricultural land base is comprised of Crown land leased from government, with the remainder consisting of private holdings. Most of the Crown land is natural

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[6] Based on a local population of 1,710 persons, animals available annually as 78 percent of cow herd, beef consumption of 45.5 lb/person/yr, and average beef weight of 600 lbs per animal.

pasture in the area. Cultivated land represents only 16 percent of the land base. As illustrated in Table 17, approximately 9 percent is in crops while a further 7 percent is in tame/seeded pasture.

Table 17: Land Use in Thompson Nicola Electoral Area E

Land Use	Acres	Percent of Total
Land in Crops	7,216	9%
Tame/seeded pasture	5,415	7%
Natural pasture	59,474	77%
Woodlands/wetlands	3,849	5%
All other land	1,616	2%
Summer fallow	54	<1%
Total	77,624	

Source: Statistics Canada (2011)

Total gross farm receipts (GFRs) in Electoral Area E amounted to almost $3 million in 2011. About 50 percent of the farms (39 farms) had GFRs of less than $10,000 per farm and only 18 percent of operations (14 farms) having GFRs of $50,000 or more. As such, over 70 percent of local farming operations could be considered hobby operations, without current capacity to support commercial enterprise. This suggests that local investment capital for agricultural value-added initiatives also may not be readily available and that potentially viable opportunities are not being considered.

Farming operations in Electoral Area E have access to irrigation. In 2011, 3,654 acres or 51 percent of the land in crops was irrigated. Irrigated crops consisted predominantly (97 percent) of alfalfa, hay and pasture. Increasing irrigation capacity (and also efficiency) could significantly increase forage production on the existing cultivated land base.

6.7.2 Overview of Value-added Opportunity

The potential for agricultural value-added opportunities may be articulated in three areas:

- Differentiating the products grown on farms
- Transforming products in the area for external markets
- Transitioning to new products

Differentiating Products

Beef production in the area is predominantly grass-fed and is marketed locally by some ranches as “natural”. Other potential marketing strategies to be explored include branding that may appeal to other specific consumer segments, with labelling such as “sustainable”, “wildlife (grizzly) friendly”, or “carbon-neutral”. The value-added opportunities include the production of these differentiated products and the value-added processing that could be marketed outside of the local area. There may also be some opportunity to capture market share from current suppliers of local markets and catering to regional resource extraction operations that might be interested in ‘buying local”. This has become popular in nearby Kamloops-North Thompson with the farm-chef initiative.

Transforming Products

Forage production is the predominant land use of crop land in the Clinton area, and for the most part the northern interior of BC in general. There is also the longer-term potential for Crown land to be converted to tame forage production.

There are foreign export markets for high quality alfalfa and timothy forage. The Vanderhoof-Prince George region has value-added operations that compress and package hay for the Asian livestock feed market, including China, Korea and the Middle East (Canadian Press 2013). In 2016, hay was baled and shipped in containers out of the Port of Prince Rupert to Asia, much of that from forage land owned in the vicinity of Vanderhoof by a Chinese national.

The Clinton area may be able to benefit from efforts to densify the broad regional production of forage that is presently sourced in the Bulkley-Nechako Regional District. The opportunity for hay production for export is accompanied by challenges to producers to divert production to that market, grow tame varieties, farm more intensively, change of harvesting methods, and maintain stringent quality standards related to protein, moisture and phyto-sanitary specifications. The impact of development of forage export products is anticipated to be positive on the local livestock sectors and on the quality of the domestic hay market. (Dobb 2013)

The presence of premium alfalfa production creates opportunity for alfalfa cube and pellet processing for feed markets. However, the availability of sufficient dedicated alfalfa production in the Clinton area is likely to be a development constraint. Based on the scale of the production model for supporting compressed hay products for export in the Vanderhoof area, the Clinton area would be anticipated to have a potential present role as a supplier to multi-regional processing capacity.

Transportation cost of forage to processor location is a significant consideration in the feasibility of forage production to make export products. For example, forage trucking costs to Vanderhoof have been estimated at $65/ton.

Transitioning to New Products

Potential value-added opportunities related to harvesting agricultural crops not currently grown in the Clinton area are real, but farther off in terms of development potential. Hops and specialty berry production (Naskup) are examples of products with attractive market characteristics. However, significant up-front investment resulting in a threshold level of production would be required for local value-adding to be feasible. Until then, substantial shipping costs ($45/ton) would be incurred to take raw market to processing facilities, such as in the Lower Mainland. Extended transport also incurs quality losses.

Of specific interest for Clinton is the development of hops in conjunction with the attraction of a local brewery or support for regional breweries already established. Hops are a value-added crop where there is demand for local use, such as for beer crafting. Currently, the market for BC craft beers is growing rapidly and commercial brewers indicate that locally sourced BC hops is the preferred option if quality and brewers specification can be met on a consistent basis (Hops-Yard Collective. 2014). Based on weather and lowland climate, there are indications that commercial hops can be grown in the Clinton area.

The yield and quality of the product is the uppermost concern in the viability of hops enterprise (D. Stewart, 2017 pers. comm.). Even with good production and quality control, access to markets is further influenced by ability to fulfill supply sufficient quantity in the preferred form (pelletized) to meet the scale of brewing facility. One strategy to produce hops at a consistent quality standard includes blending production from multiple farms to attain acceptable average quality.

Finally, a further approach to this opportunity is to monitor emerging developments being spearheaded by Universities and other research organizations. Of interest in the Cariboo is the work at the University of Northern British Columbia where a team of researchers are studying whether crops such as specialty plants and vegetables, medicinal and natural health products, traditional First Nations crops and those for seed, grasses and hemp could be successfully grown in and around Vanderhoof, Fort St. James and the Bulkley-Nechako Regional District (BNRD) (UNBC 2016).

6.7.3 Opportunity Trend

All of the value-added agricultural opportunities are export-oriented and would profit from the reputation for high quality that BC food and feed products possess in international trade circles.

Increasing per capita incomes in developing and industrial countries is increasing absolute demand for meat, dairy and other healthful food products.

In addition, global weather variability virtually guarantees that some part of the global marketplace will require imports of livestock feed stocks and/or human food in any given year.

Widespread and extended drought in China/South Korea is fuelling demand for forage from BC. Demand for BC farmland has changed in the past five years from speculation to desperation, with 330 active listings of ranch and farmlands and interest from buyers from 190 countries (Osborne, LandQuest cited in O'Brien 2016)

O'Brien reports that:

> "Investors from China are buying more than northern B.C. farm fields to capitalize on potential forage exports. Burnaby-based and China-backed Taisheng International Investment Services bought 1,187 acres of industrial-zoned land from the City of Terrace in 2014 for $11.8 million. Taisheng is a subsidiary of China's Qinhuangdao Economic and Technological Development Zone, one of the country's oldest special market areas, founded near Beijing in 1984. Taisheng is adding services to 640 acres of its Terrace site in preparation for the first manufacturing facility: an alfalfa baling and export operation. The alfalfa factory will be located on about 27 acres and will bring 170 new jobs to the region, according to Terrace officials.
>
> Terrace, with its proximity to port facilities at Prince Rupert, Kitimat and Stewart, is one of the closest locations in North America to Asia in terms of shipping distances." (O'Brien 2016)

The exception to this trend would be the hops production opportunity which would be focused on the growth of the regional brewery industry.

6.7.4 Market Analysis and Concept

The capacity of the region to produce forage products is undisputed and the volume of production, while surplus to domestic needs, has not been tapped in terms of potential. Moreover, Crown lands designated for agriculture are available to expand upon, as economic conditions warrant. As such the availability of supply is not likely to pose a constraint to value-added forage opportunity development.

Improved production quality and increased volume of exports will be key developments in reducing processing costs and improving per unit returns. There is ample opportunity for producers throughout the BC Central Interior, including the Clinton area, to adopt forage production practices that would achieve these results.

The demand of forage exports is anticipated to continue growing in global regions (such as Asia) where land constraints and human population growth are reducing agricultural land availability and limiting agricultural production.

World trade agreements are providing greater international trading access and improved protocols are evolving for integrating feed and foods safety, quality, and phyto-sanitary concerns in product standards. Improved technologies have also been adopted to preserve product quality, extend travel distances, and reduce market access costs.

For hops as a value-added crop, a small scale micro-brewery with 5,000 HL of production (110,000 Imperial gallons) has a hops requirement for about 1.3 acres of production annually (2,000 dry lbs) (Hop Yard Collective. 2015a).

6.7.5 Competitive Position of Clinton

The Clinton area, as a part of BC's Central Interior, possesses geographical advantages related to the shorter distance to export markets in Asia, compared to other shipping ports on North America's west coast. While the Port of Prince Rupert currently has higher shipping rates than competitors, the overall advantage is nevertheless absolute due to shorter travel time.

Competitive position of BC Central Interior products is largely a function of quality. Improved production quality and increased volume of exports will be key developments in reducing processing costs and improving per unit returns. Closing this is gap is attainable for producers throughout the BC Central Interior, including the Clinton area, by improving forage production and handling practices and pursuing strategies already identified for achieving desired results (Dobb. 2013).

6.7.6 Estimated Investment Range

Based on land values in the Cariboo (Williams Lake to Clinton) and Omineca (Prince George/Vanderhoof) Regions. Inventors are paying:

- Average price - Cariboo $2,450/per ranch acre - ranches >1,000 ac – with three recent property sales; and,
- Average price - Omineca $920/per ranch acre - ranches >1,000 ac – with three recent property sales. (LandQuest 2017; BC Farm and Ranch 2017; and, Farmmarketer 2017)

Clinton is considered Cariboo by realtors and prices would likely be in a similar range. Smaller properties tend to sell at a higher per acre value than highlighted above.

The investment requirements production and marketing model s related to small scale hops production has been recently investigated. This research suggests that start up capital required to operate a 10 acre hops farm, with pelletizing equipment, would be approximately $360,000 (Hops Yard Collective 2015b).

6.7.7 Approximate Operating Revenue

Farming revenues for export forage crops vary considerably, depending on several variables including the size and focus of the operation.

For hops farming, good yields may vary from 1,500 to 2,000 dry pound per acre with prices currently averaging between $15 and $20 per pound (Hops Yard Collective 2015b). However, in the Kamloops area, 240 acres of hops production is coming on stream the next couple of years. The impact on markets is still to be determined, as yield and quality are key unknown variables at this time.

6.8 Primary Development Opportunity Initiative

Rationale: As identified above, there are six strategic opportunities that have been identified. These opportunities are designed to help reshape the basic sectors within Clinton. That is, they are anticipated to attract new investment to the community and generate new employment and tax revenues. It is these opportunities that will be primarily marketed externally in an effort to identify the appropriate developer and/or entrepreneur. The following outline key actions for all six approaches.

Actions	*Objectives*	*Partners*	*Priority Level*	*Timelines*		
				2017-18	*2019-20*	*2021-22*
1. Complete the land inventory that is currently under way within the Village. 2. Meet with land and business owners to determine their interest in selling, leasing or redeveloping their properties. 3. Prepare formal prospectus for marketing purposes. This will need to be on-going as information in the community changes. 4. Ensure opportunities are uploaded and maintained on to the provincial site at BritishColumbia.ca. 5. Encourage private land and business owners to list their properties with real estate agencies. 6. Ensure marketing materials prepared in this process are maintained and updated as required. 7. Maintain a formal contact list of investor enquiries. 8. Actively reach out to inbound trade missions travelling in the province. 9. Target two or three trade shows held in BC each year to raise the profile of Clinton as a place to invest and live. May consider partnering with neighbouring communities to build marketing synergies in a cost-effective manner.	• Attract new investment in the form of housing and business development that will foster new basic sector employment and expand the local tax base.	• Private land owners • BC Ministry of Jobs, Tourism and Skills Training • Local Real Estate agencies	High	◉	◉	◉

Rationale: The actions above will support the implementation of all six opportunities. The following will provide additional support and focus for specific opportunities.

Actions	***Objectives***	***Partners***	***Priority Level***	***Timelines***		
				2017-18	***2019-20***	***2021-22***
Housing Development and Amenity Migrants 1. Explore rezoning and subdivision planning of the Village-owned property Lot 9 to create better investor awareness and interest.	• Attract new housing development that can be used to attract new residents and support required rental accommodation.	• Private owners • Local Real Estate agencies.	High	●		
Value Added Crop Production 2. Monitor crop production research being conducted at UNBC.	• Grow and diversify the value-added crops produced in the Clinton area.	• UNBC • Local agriculture community.	High	●	●	●

APPENDIX A – REFERENCES

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A-2 Key Informant Interviews

Chimewlewski, Larry. Vice President Wholesale, Alberta Grocers. Telephone conversation on December 16, 2016.

Cloet, Mike. Inspector of Mines – Operations. Ministry of Energy and Mines, Mining Operations Kamloops. Telephone conversation, December 13, 2016.

Cober, Diane. Realtor, Royal LePage, 100 Mile House. Telephone conversation November 28, 2016.

Dyck. Daniela. Community Development Coordinator. Village of Clinton. Various telephone and in-person meetings throughout the project term from October, 2016 to February 2017.

Forbes, Jim. Regional Agrolists. Thompson, BC Ministry of Forests, Lands, Natural Resources and Operations. Email on December 14, 2016

French, Collette, Museum Society Director and Vintage Shop Owner telephone conversations and email conversation. November 1, and 23, 2016

Hampton, Judy. Assisted Living Society. Telephone conversation on November 8, 2016.

Jurek, David. Realtor, RE/Max 100 Mile House. Telephone conversation January 24, 2016.

Kane, Murray, Director Clinton Community Forests and owner/operator Logs2lumber Sawmilling. In-person meeting November 7, 2016, telephone conversation, November 23, 2016. Email communications November 21, 25, 27 and 29, 2016.

Law, Steve. Manager Clinton Community Forests. In person meeting and email communication. October 25, 2016.

Parker Wendy. Administrator, Whispering Pines Indian Band. Telephone conversation on November 23, 2016.

Pressey, Nicole. Regional Agrolist, Cariboo, BC Ministry of Forests, Lands, Natural Resources and Operations. Telephone conversation November 23 and December 14, 2016.

Quilgley, Jason. Executive Vice President. Constantina Resources. Telephone conversation November 30, 2016.

Raphael, Jackie. Training Coordinator, Community Futures Development Corporation Interior First Nation. Telephone and email conversation December 16, 2016.

Robinson, Jill. Clinton property owner. Telephone conversation on November 8, 2016.

Rossi, Frank. Commercial Realtor, Kamloops. Telephone conversation on December 15, 2016 and January 18, 2017.

Spear, Ashley. Authorization Administrator, BC Ministry of Energy and Mines, Mining Operations Kamloops. Telephone conversation, December 13, 2016.

Skinner, Anne, Regional Agrolists. Okanagan, BC Ministry of Forests, Lands, Natural Resources and Operations. Telephone conversation on December 16, 2016