



Arts, Culture, Recreation & Sport

INDUSTRY ROUNDTABLE

June 8, 2021



STATE OF THE INDUSTRY



Over 6,700 people were employed in the region in Information, Culture & Recreation in 2019, this decreased to 4,100 in 2020 (Statistics Canada, 2020)



There were 145 Arts, Culture & Recreation businesses operating in the Central Okanagan in 2020 or 2% of total businesses (Stats Canada, 2020)



1.5 Million people per year, or just over 4000 people per day on average, attend some type of cultural facility or event in the region (Kelowna Creative Sector Economic Impact Study, 2019)



The sector is cautiously optimistic about the gradual return to activities outlined in BC's Restart Plan

LOCAL IMPACTS TO DATE



Majority of revenues lost entirely, businesses forced to pivot, or take on debt until events and performances return to pre-pandemic levels



Significant staffing reductions, industry heavily reliant on funding to maintain baseline operations



Hesitation around event space, expensive safety protocols, and building customer base back up as momentum and relationships have been lost over time



Gap in government funding due to business models. (ie reliance on contractors and part-time employees prevents these businesses from qualifying for wage subsidies)

RECOVERY OUTLOOK



First industry affected by Covid-19 pandemic and projected to be last to return to pre-Covid levels - concerns over lack of infrastructure, customer/public engagement, and program support from government



Low working capital available to invest in program planning and preparation (incl. staff recruitment) as industry has been inoperable since March 2020



As BC's Restart Plan progresses, high demand for live and digital events is anticipated, which will prove challenging for businesses to navigate the new event and activity landscape

"2 years of cancellations of events that causes loss of momentum, a lot of players and contacts have changed, status of those companies have changed due to Covid-19, it will take extra man power to re-build these contacts and relationships."

"Caution from event producers as they are gun shy after having their 2nd round of events cancelled, its going to take cash to restart and most producers risk tolerance has dropped due to the uncertainty of the events space"

ACTION PROPOSED BY INDUSTRY



Education and communication to promote and encourage local support for the planned restart/ reopen of Arts, Culture, & Recreation activities



Support for businesses/events that have positive impact on community through subsidies on costs paid to local/prov gov't (licenses, permits, rcmp etc)



Governments should continue to support and work with Arts, Culture, Recreation and Sport organizations that operate out of community-owned facilities



Continue/expand programs to meet funding gaps to support the industry until events return to pre-pandemic levels, including CERB, CEWS, CEBA and RRRF

THANK YOU

*We rely on Central Okanagan businesses for industry information.
Thank you to the many businesses who provided feedback
directly or indirectly including:*

- Dustyn Baulkham, *Rebellious Unicorns*
- Jon Summerland - *Okanagan Film Commission*
- Rosanne Ting-Mak, *Red Scope Media*
- Drew Vincent, *Stay at Home Fundraising*
- Jamie Taverner, *Urban Rec*
- Cal McCarthy, *SW Event Technology*
- Sharon Hughes Geekie, *Jumpstart Communications*
- Ryan Donn, *Creekside Theatre*
- Janice Larson, *Muse&Effect Consulting*
- Mitch Carefoot, *Thick as Thieves Entertainment*
- Philip Ashman, *Okanagan College*
- Noel Wentworth, *Wentworth Music*
- COEDC Advisory Council - 45+ community leaders



Small Business & Tourism

INDUSTRY ROUNDTABLE

June 8, 2021



STATE OF THE INDUSTRY



Frequently cited as the Most Entrepreneurial Region in Canada



96% of Central Okanagan businesses have fewer than 50 employees (BC Stats 2020)



12,970 total jobs in the tourism sector that have been severely impacted by COVID-19 (Tourism Kelowna, 2020)



25.7% of the region's job postings in Q1 2021 were in Sales/Service occupations (Vicinity, 2021)

LOCAL IMPACTS TO DATE



YLW airport passenger traffic was down 83% in April 2021 compared to April 2019 and hotel occupancy was down 40.6% comparing January 2021 to January 2020



While 65% of Tourism Kelowna Stakeholders saw revenue decreases of +20% during the winter season and 60% are forecasting a revenue decrease of +20% for the spring season, 58% are optimistic about the future of their business (Tourism Kelowna Impact Survey, Feb 2021)



Some small businesses are well served by industry associations (restaurants, wineries), others are not (personal care services)



Government programs and funding are available to those who qualify. Gaps exist for new businesses who do not have 2 years of financials, and the plethora of information is overwhelming for businesses

RECOVERY OUTLOOK



Travel restrictions could be lifted for those traveling within the province as early as June 15th, and within Canada as early as July 1st as per BC's Restart Plan



Levels of uncertainty and limited capital make planning for staffing demands challenging



Less Customers/Traffic due to travel restrictions, operating at reduced capacity

Businesses are optimistic about BC's restart plan, however, minimal cash flow reserves from 2020 season hinders many businesses ability to hire adequate staff for the planned re-opening. Many owners are working extra hours in order to reduce staff hours in an effort to lower operation costs.

As hiring demands increase, businesses are challenged with finding the staff needed to get them through the anticipated busy summer season.

ACTION PROPOSED BY INDUSTRY



Continued local support is essential for small business



As travel restrictions lift, marketing region as welcoming & open for business is important to increase traffic



Continued need for eCommerce training & implementation programs and digital adoption services for new and existing businesses



Demand for foreign workers and immigration support services to meet current and future staffing needs of the region

THANK YOU

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Thank you to the many businesses who provided feedback
directly or indirectly including:*

- Adria Perron, *Greater Westside Board of Trade*
- Alanna Olivares, *Luminesce Artistry*
- Alex Goodhew, *Accelerate Okanagan*
- Aura Rose, *House of Rose Winery*
- Ellen Walker-Matthews, *Thompson Okanagan Tourism Association*
- Chris Lewis, *Tourism Kelowna*
- Jamie Needham, *Uptown Rutland Association*
- Karen Beaubier, *Uptown Rutland Association*
- Tourism Kelowna Stakeholders
- Thompson Okanagan Tourism Association
- Community Futures Central Okanagan clients
- Chambers of Commerce members
- Women's Enterprise Centre Clients
- Uptown Rutland Business Association
- COEDC Advisory Council - 45+ Community Leaders



Aerospace INDUSTRY ROUNDTABLE

June 24, 2021



STATE OF THE INDUSTRY



Prior to COVID-19, BC's aerospace industry was thriving with over a decade of sustained growth



In 2019, the aerospace industry directly employed over 44,000 professionals and contributed \$12.6 billion to Canada's Gross Domestic Product (British Columbia Aviation Council BCAC)



BC has the 3rd largest aerospace sector in Canada with over 30 companies located in the Central Okanagan that employ over 700 people (British Columbia Aviation Council BCAC)

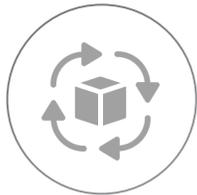
LOCAL IMPACTS TO DATE



Finding skilled employees continues to pose challenges for the industry while the wants and needs of potential candidates are also shifting (hybrid work models, work-life balance)



YLW airport has recovered by 58% after experiencing a 96% drop in passenger traffic in 2020 (YLW, 2021)



Supply chains continue to have negative impacts on customer lead times due to ongoing delays in accessing parts and machinery required to deliver products and services



Many industry players modified their operations during the pandemic by investing in new business segments and/or R&D initiatives

RECOVERY OUTLOOK



YLW airport is the fastest recovering airport in Canada and is expected to return to previous passenger levels by 2023/24 (YLW, 2021)



The aerospace industry expects to make a slow and steady recovery post-pandemic



Supply chains are expected to recover but some companies have implemented additional measures to insulate themselves from future supply disruptions

The aerospace sector is expected to endure a slow and steady recovery as borders reopen, consumer confidence is regained, and fleets come back online.

Small to medium-sized air operators are critical to the region's recovery and operate in a highly regulated, capital intensive industry with substantial fixed costs; Government and public support remains critical at this point in time.

ACTION PROPOSED BY INDUSTRY



Encourage industry in efforts to modify & enhance their operations by investing in new business segments and/or R&D initiatives



Encourage governments to prioritize BC aerospace companies for federally funded projects (currently heavily weighted in Eastern Canada).
Continued engagement from stakeholders with levels of government to present existing challenges and opportunities of the region's aerospace sector



Improve access to talent through post-secondary education and talent attraction initiatives



Clear communication to consumers regarding the safety of air travel to increase consumer confidence and “forward bookings” so airlines and airports can plan for future demand

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directly or indirectly including:*

- Maryse Harvey, *Downsview Aerospace
Innovation & Research, Kelowna Chamber*
- Laura Mortensen, *Curiosity Analytics*
- Chad Munchinsky, *Kelowna International
Airport (YLW)*
- Malachi Nordine, *Skytrac Systems*
- Paula Quinn, *KF Aerospace*
- Geoff Ritchie, *Kelowna International Airport (YLW)*
- Mitch Stinson, *Jupiter Avionics*
- Brian Wall, *AEM*
- *COEDC Advisory Council - 45+
community leaders*



Construction & Development

INDUSTRY ROUNDTABLE

June 24, 2021



STATE OF THE INDUSTRY



Top employer with over 9,800 employees representing 9.72% of total employment in the region (Statistics Canada, 2020)



1,411 Construction & Development businesses with employees operating in the Central Okanagan in 2020, or 16% of total businesses (BC Stats, 2021)



Sales volume by all property types (residential, commercial, business etc) has increased by 180% in Q1 2021 compared to Q1 2020 and increased by 255% compared to Q1 2019 (Association of Interior Realtors, 2021)



In Q1 2021, housing starts in the region increased 5.75% compared to the same period in 2020, and increased 53.79% compared to the same period in 2019 (CMHC, 2021)

LOCAL IMPACTS TO DATE



Record breaking real estate sales in 2021, increased investment from Lower Mainland and Alberta compared to 2020 & 2019 (Association of Interior Realtors, 2021)



Labor attraction and retention a constant challenge, with persisting shortages of skilled and unskilled laborers and tradespeople



Tight rental market with continued demand for affordable rental housing units. Average rent for 2 bedroom in 2020 was \$1,368 (CMHC, 2021)



High cost of building supplies and development cost charges (DCC's) makes building affordable units challenging

RECOVERY OUTLOOK



Region has proved to be a strong investment option with increased remote work opportunities and a post Covid-19 work-life balance lens; people want to live in the Okanagan



Unprecedented demand for inventory (own & rent) and land supply constraints demonstrates the need for densification to meet this demand



With pre-sales selling out, bidding wars, and wait lists growing for rental spaces, the challenge is attracting the workforce needs to meet construction & development demands

With projected increase in immigration, a ramping of tourism and hospitality employment and the return of students to the region, the demand for rental units will only increase.

Demand for commercial space remains stable, trends continue to be hybrid working models allowing staff the flexibility to come in to the office when needed. *"Offices are here to stay, they may just be a little different".*

ACTION PROPOSED BY INDUSTRY



Explore innovative affordable housing solutions, rezoning properties for increased capacity, and other leading strategies implemented by other regions facing similar housing crisis



Opportunity for governments to reduce barriers for new construction to encourage affordable housing developments



Encourage governments to explore ways to increase housing supply through densification and supporting affordable rental purpose housing



Support labor attraction initiatives aimed at attracting skilled, laborers, and uncertified tradespeople to the region

THANK YOU

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Thank you to the many businesses who provided feedback
directly or indirectly including:*

- Scott Butler, *Highstreet Ventures*
- Randall Shier, *Mission Group*
- Jason Friesen, *Freeport Industries*
- Brad Klassen, *Troika Developments*
- Dave McAnerney, *Stober Construction*
- Jeremy Dawn, *Mission Group*
- *COEDC Advisory Council - 45+ community leaders*



Manufacturing

INDUSTRY ROUNDTABLE

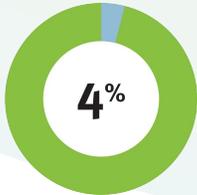
June 24, 2021



STATE OF THE INDUSTRY



The manufacturing sector has over 4,900 employees representing 4.86% of total employment (Stats Canada, 2020)



328 manufacturing businesses in the Central Okanagan in 2020 or 4% of total businesses with employees (BC Stats, 2020)



\$30.00 was the median wage of a welder in the Central Okanagan in 2020 (Jobbank, 2020)



Diverse sector with growth in fabricated metal, non-metallic mineral manufacturing, transportation equipment manufacturing, cleantech, plastics and rubber products and beverages

LOCAL IMPACTS TO DATE



Significant increase in costs associated with logistics (holding, delivery etc) contributing to longer supply chain timelines



Lack of affordable housing & accommodations has caused staff & prospective talent to move to more affordable communities



An increased demand for flexible work and hybrid working models



Continual challenges when it comes to finding skilled and unskilled workers even when competitive wage is offered

RECOVERY OUTLOOK



Businesses have invested in changes to operations to meet requirements to meet new demands through BC's restart plan



Local manufacturers moving towards more automation to offset increased costs and challenges with labor shortage



Shortage in recruiting both skilled and unskilled workers, demand for talent is competitive, high cost of living in the region is a deterrent

"The main reason that staff are leaving is because of better access to the housing market"

"We need to do a better job showcasing what is here in the Okanagan to recruit workers"

ACTION PROPOSED BY INDUSTRY



Need for local industry association to advocate and represent the region's thriving manufacturing sector



Continue talent attraction endeavors showcasing the region's rich amenities in addition to supporting post secondary training & talent attraction initiatives



Encourage governments to explore incentive and stimulus programs aimed at affordable housing solutions such as cooperative housing to meet accommodation needs



Support labor sharing arrangements amongst industry to offset seasonal turnover and increase retention rates in the region

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directly or indirectly including:*

- Terry Edwards, *Decisive Dividend Corporation*
- Alex Greer, *Adaptive Ventures*
- Lynn Heinrich, *Sun-Rype Products Ltd*
- Barbra Johnson, *Natures Formulae*
- Lisa McGuire, *Manufacturers Safety Alliance BC*
- Domenic Rampone, *West Manufacturing*
- James Seabrook, *Vitalis Extraction Technologies*
- Todd Sloan, *Hexagon Purus*
- Jill White, *Waterplay Solutions Corp.*
- *COEDC Advisory Council - 45+ community leaders*