

DATE: November 9, 2020

TO: MAYOR AND COUNCIL

NAME AND TITLE: Ian Wells, General Manager of Planning and Development

SUBJECT: Resolution of Support – Funding application for Prince George Forest Cluster Development Strategy and Action Plan

ATTACHMENT(S): None

RECOMMENDATION(S):

That Council AUTHORIZES Administration to submit a funding application to the Province of British Columbia's Sector Labour Market Partnerships program for the development of a Prince George Forest Cluster Development Strategy and Action Plan and if the application is successful, authorizes the General Manager of Planning and Development and the Director of Finance to sign any necessary funding agreements.

PURPOSE:

This report is presented to request Council's authorization for City staff to apply to the Province of British Columbia's Sector Labour Market Partnerships program for funding to hire a consultant to work with staff to produce a *Prince George Forest Cluster Development Strategy and Action Plan*.

Building on existing research, staff will work with a consultant to analyze local forestry, wood product and bio-product sectors, including business trends and forecasts for the next 5 years. The research will provide an understanding of existing and new business in order to identify new and innovative opportunities for diversifying the local forestry (and forest related) industry. The research will also include a forestry sector skills gap analysis which will inform new training opportunities.

This project will involve research amongst forest and forest related companies, with a priority focus on those firms that serve or supply the core wood and bio-product producers in order to identify new and innovative opportunities for diversification within the forest sector as well as to serve alternative industries in addition to forestry.

Using the information collected, a five year forest cluster development strategy and action plan will be developed. The strategy will include a holistic approach with initiatives to diversify the workforce, product offerings and services within the forest sector as well as externally to service and supply new sectors, pivot business models, and retain employees by expanding customer bases.

Key project components will include:

- a) Engage an external consultant with extensive project management experience, business, and employment background with specialization in the natural resource sector, specifically forestry.
- b) Conduct a scan of existing research within the forestry sector to use in the development of the situational analysis on the local forestry sector, including business trends and forecasts for the next five years.
- c) Interview forestry service and supply firms to understand their existing business models and customers in order to identify new and innovative opportunities for diversification to serve more industries. Through these interviews, investigate if they are already engaged in other resource sectors, as well as the current workforce skills makeup to identify gaps, and opportunities for capacity building.
- d) Interview firms in other sectors such as, but not limited to, oil and gas, mining, and agriculture to understand what services and supplies they are currently procuring as a means to identify opportunities for forest companies to transition to new markets, resulting in the retention of current employees and minimizing a need to lay off workers.
- e) Interview primary forestry producers to understand where they see the future of the industry and where they could create new opportunities within the sector, investigate opportunities to further expand the forestry sector by accessing and using waste fibre, value added manufacturing etc.
- f) Through interviews, ask questions to identify opportunities for the City of Prince George to support the industry, its producers and suppliers.
- g) Collect and analyze the information gathered from the interviews.
- h) Make the final report available to necessary stakeholders and the general public by: including it on the quarterly eNewsletter, direct emails to participating stakeholders, and posting the final report on the City of Prince George website for public access.

The five year Forest Cluster Development Strategy and Action Plan will include the following information:

- a) A situational analysis on the Prince George forestry sector including trends and a five year forecast.
- b) An outline of sectors that forest worker skills can operate in as well as needs required for other sectors in the Prince George area.
- c) Strategies on how forest related firms can maintain their workforces by pivoting their operations to work in different sectors.
- d) A list of prioritized initiatives to diversify the sector both internally as well as externally, pivot business models, and retain employees.
- e) Identify opportunities to reduce negative economic impacts to the sector by identifying opportunities/strategies for diversifying business models.
- f) Specify how local government can play a role in the development of additional forestry initiatives based on industry input.

If approved, the study will be completed by the end of 2021.

STRATEGIC PRIORITIES:

Forestry was identified as one of five priority clusters in the City's five year economic development strategy and action plan.

This project is in alignment with the MyPG Goals:

- Diversified and vibrant economy
- Employment diversity and accessibility
- International connections
- Sustainable business

It is also in line with the Council focus area: Enhance local conditions that support existing businesses and attract new ones, with a focus on clean technology.

FINANCIAL CONSIDERATIONS:

The funding application will request a \$42,500 grant from the Province of British Columbia's Sector Labour Market Partnerships program with zero required financial contribution by the City of Prince George.

SUMMARY AND CONCLUSION:

The forest industry has faced many challenges over recent years, and this project will provide an opportunity for government and local business leaders to identify opportunities to work together to further develop and expand the industry. The comprehensive strategy and action plan will guide the City's forest cluster initiatives moving forward, and will identify new opportunities for local forestry firms and forestry related businesses. The overarching objective of the strategy will be to strengthen and provide long term stability to the sector.

It is recommended that Council support an application for funding to the Province of British Columbia's Sector Labour Market Partnerships program.

RESPECTFULLY SUBMITTED:

Ian Wells, General Manager of Planning and Development

PREPARED BY: Melissa Barcellos, Manager, Economic Development

APPROVED:

Walter Babicz, Acting City Manager

Meeting Date: 2020/11/09