

Economic Development

RGS Goal:

Achieve a sustainable, resilient and dynamic economy for the region's cities, towns and rural communities.

Issue Overview

A healthy, strong and diverse local economy is one of the cornerstones of more sustainable, complete communities. Complete communities not only attract new employment, they also help retain existing jobs and create a solid tax base to provide and better support service delivery. Without a strong local economy, local governments can have difficulty funding important services, residents can be forced to work further from their homes, and overall community livability can suffer.

The creation of a more diverse, greener local economy depends upon local governments working collaboratively and cooperatively. The RGS can play an important role by helping create a clear direction on where new employment development should be encouraged and encouraging more compact settlements to ensure that jobs and employment centres are easily accessible to all residents.

Current Situation

Our regional economy is relatively diversified compared to other regions in BC. With the City of Kelowna acting as a major provincial hub, retail services, government, health care, education, aerospace and tourism are all significant economic sectors. Agriculture, viticulture and forestry are important employers in rural areas. Some local economy highlights are provided below.

- » **Kelowna International Airport:** In addition to improving transportation options to the region, the airport represents an employment cluster of nearly 2,000 jobs and generated \$310 million in economic activity in 2009. Passenger numbers are forecast to grow to 1.6 million by 2015.
- » **UBC-O:** Opened in 2005, UBC Okanagan has been a major economic driver, bringing direct and spin-off employment, significant capital expenditure, industry partnerships, research dollars, profile and demand for housing. With over 5,000 students, the university generates an estimated \$300 million in annual economic activity.
- » **Tourism:** Tourism is a major employer and economic contributor to the Central Okanagan. With high quality summer and winter recreational opportunities, the industry provides about 7,000 direct jobs in the region and generated \$320 million in the region in 2009.
- » **Agriculture and forestry:** In 2006, there were 1,480 farm operators in the Central Okanagan representing \$1.4 billion in total farm capital on 2,904 square kilometres of land. Gross receipts for farm operations in 2006 were \$86.2 million. The region produces a large proportion of BC's apples, as well as increasing quantities of grapes. While still a significant sector, the forest products industry continues to face challenges. Reduced demand from the US, low lumber prices and supply issues stemming from the pine beetle epidemic have led to some job losses at Okanagan operations.