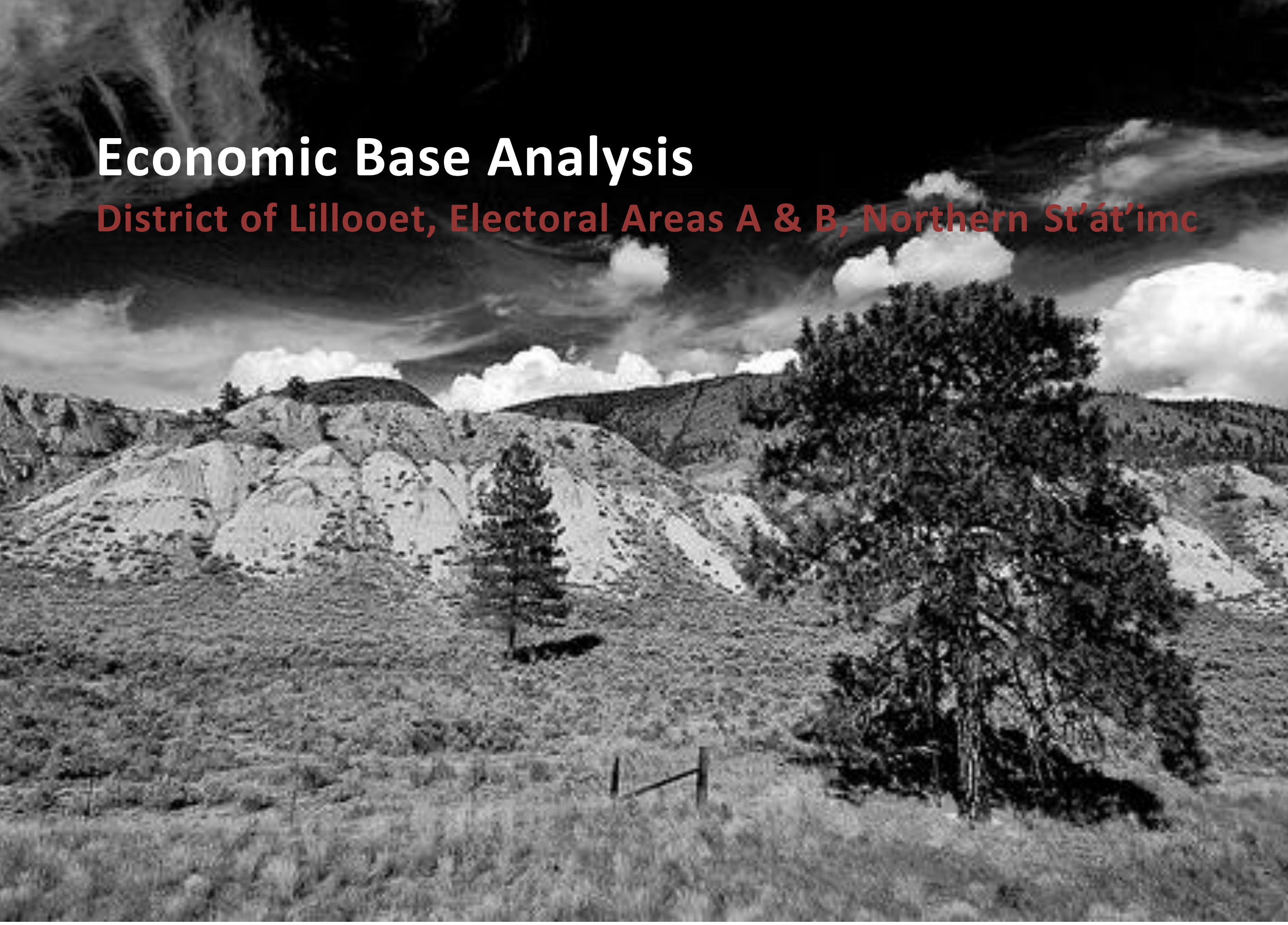

Economic Base Analysis

District of Lillooet, Electoral Areas A & B, Northern St'át'imc

Prepared for: Squamish-Lillooet Regional District

August 2008

ecoplan international, inc.

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EXECUTIVE SUMMARY

This Base Analysis builds on recent community planning work by providing an economic 'snap shot' of the study area which includes the District of Lillooet, Electoral Areas A and B – Squamish Lillooet Regional District, and the six northern St'át'imc communities clustered around the District of Lillooet: Sekw'el'was (Cayoose Creek), Xwisten (Bridge River), T'ít'q'et (Lillooet), Ts'xw'aylaxw (Pavilion), Xaxl'ip (Fountain) and Tsalalh (Seton Lake).

The Base Analysis includes:

- An overview of local labour market trends, including demographics, employment, wages and capacity measures;
- An analysis of four key local business sectors identified by the project's advisory committee – tourism, forestry, agriculture and energy - including trends in earnings, employment, and competition; and
- A high level, summary assessment of local economic development constraints, opportunities and other issues.

Some of the key socio-economic trends are summarized below. They are followed by short overview of the four economic sectors examined in this study.

- **Population:** After several years of decline in Lillooet and lesser declines surrounding Northern St'át'imc communities, the population appears to have stabilized and grown slightly between 2005 and 2006.
- **Employment**: The region was hit hard with forestry industry downturns and, more recently, the pine beetle infestation. Provincial government cut backs also hurt the area. While unemployment has stabilized, it is still about 4% above provincial averages. Tourism-related employment and management jobs have trended upwards over recent years.
- **Education/Community Capacity:** While completion and attainment rates have increased, there are very limited, in-community, post-secondary education opportunities available. Along with more limited local job opportunities, this has led to a decline of residents in the 20 to 29 age range. Overall, technical and financial capacity is limited in the study area.
- **Cooperative Structures:** While the District of Lillooet and T'ít'q'et have recently begun exploring a joint economic development officer position and have initiated joint staff meetings, there is little economic development co-operation. In addition to the lack of larger economic development commission, there is no region-wide coordinated tourism planning involving key tourism players.
- **Physical/Infrastructure Constraints:** Key physical and infrastructure constraints limiting economic development in the study area include: a lack of scheduled transportation links; poor road connections, and; limited commercial attractions and amenities.

Economic Sector Overview

- **Tourism:** With its wealth of outdoor activities, beautiful scenery and rich cultural heritage, tourism has been identified as a key potential economic driver. While visitor numbers have increased over the years, Lillooet is generally characterized as a “whistle stop” for rubber tire visitors and bus tours travelling from and between the Whistler/Lower Mainland and the Interior/Okanagan. It is generally accepted that there is a lack of ‘destination’ attractions and events and no upper end accommodation options. New cultural tourism opportunities are being developed by St’át’imc communities and are slowly growing in popularity. The lack of coordinated tourism planning and marketing is a key limiting factor.
- **Forestry**: The region was hit hard with forestry industry downturns and, more recently, the pine beetle. In 2001, forestry accounted for approximately 20% of jobs in the study area, employed about 500 people and was estimated to have generated almost $20 million in after-tax income[1]. Since then, there have been a number of layoffs in the local industry. Ainsworth Lumber, a major operator in the region, is currently going through restructuring and may reduce their work force further, including at its recently update, Lillooet-based veneer plant.
- **Agriculture:** It is estimated that the sector supports about 400 jobs and generates roughly $5 million in after-tax income[2]. While the sector is less diversified and smaller than other areas in the Regional District (e.g., Pemberton Valley in Electoral Area C), agriculture is still a significant economic driver in the study area. Diversification opportunities exist with specialty organic and herb products. A comprehensive and highly anticipated study is currently underway to assess the area for viticulture (wine grapes). This project involves the monitoring of different varietals planted on local properties and will not be completed until late 2009.
- **Energy:** The green energy sector is relatively undeveloped in the study area. While there is considerable interest and investigation of micro and run-of-river hydro projects, only a single independent facility opened in 1991 is operating. New projects will not likely be developed until St’át’imc rights and title issues have been addressed. The St’át’imc Chiefs Council is also very cautious about the development of any new micro-hydro projects given the severe environmental and cultural impacts that resulted from BC Hydro’s Bridge River generating complex. There is good wind power development potential, but only one active wind power investigative permit in the study area.

With the study area’s wealth of outdoor activities, beautiful scenery and rich cultural heritage, tourism has been identified as a key potential economic driver.

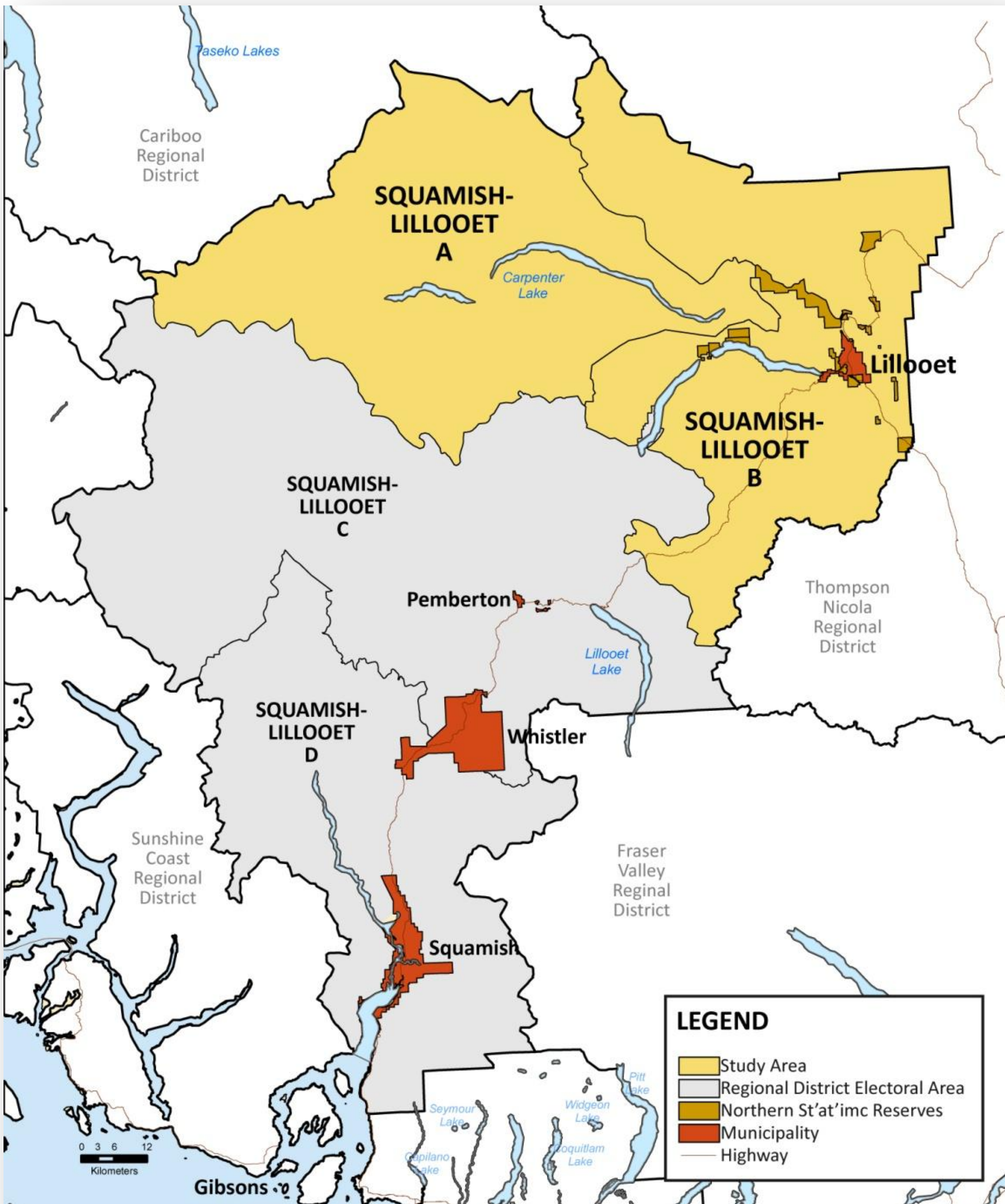
1 Source: BC Stats. 2004. Economic Dependencies and Impact Ratios for 63 Local Areas.
2 ibid

STUDY AREA

Electoral Area A, Electoral Area B and the District Municipality of Lillooet make up the northern portion of the Squamish-Lillooet Regional District. It is a vast, relatively thinly populated 7,213 square kilometre area about 300 kilometres north of Vancouver.

The study area includes six northern St'át'imc communities: Sekw'el'was (Cayoose Creek), Xwisten (Bridge River), T'ít'q'et (Lillooet), Ts'xw'aylaxw (Pavilion), Xaxl'ip (Fountain) and Tsalalh (Seton Lake). The six northern communities are clustered around the District of Lillooet which functions as the main economic hub and service centre for the communities.

Figure 1: Study Area Map



POPULATION

According to the most recent statistics (2006 Census), the study area is home to approximately 5,900 people. Of this number, about 53% are First Nations. The tables below show the population for Lillooet, the two Electoral Areas and study area First Nations.

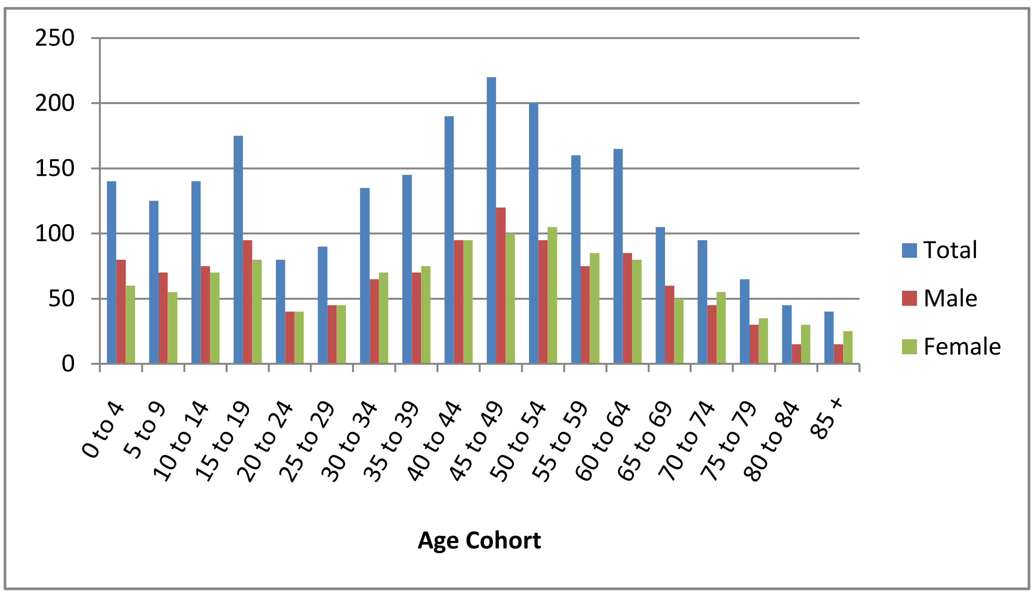
District of Lillooet

The 2006 Census shows a total population of 2,324 for the 27.8 square kilometre District. While the population declined over 15% during the intercessional period, Provincial Local Health Area statistics show a 0.2% increase for 2006 over 2005.

Figure 2: Lillooet District Municipality 2001 - 2006 Population[3]

Population in 2006	2,324
Population in 2001	2,741
2001 to 2006 population change (%)	-15.2

Figure 3: Lillooet District Municipality 2006 Population – Age & Sex Distribution[4]



Electoral Area A / Bridge River Valley – Squamish Lillooet Regional District

The 2006 Census shows a total population of 207 for the 3,726 square kilometre Electoral Area. Area A / Bridge River Valley is home to Gold Bridge and Bralorne, two former mining communities. Populations have fluctuated over recent years with some recent work at the Bralorne mine.

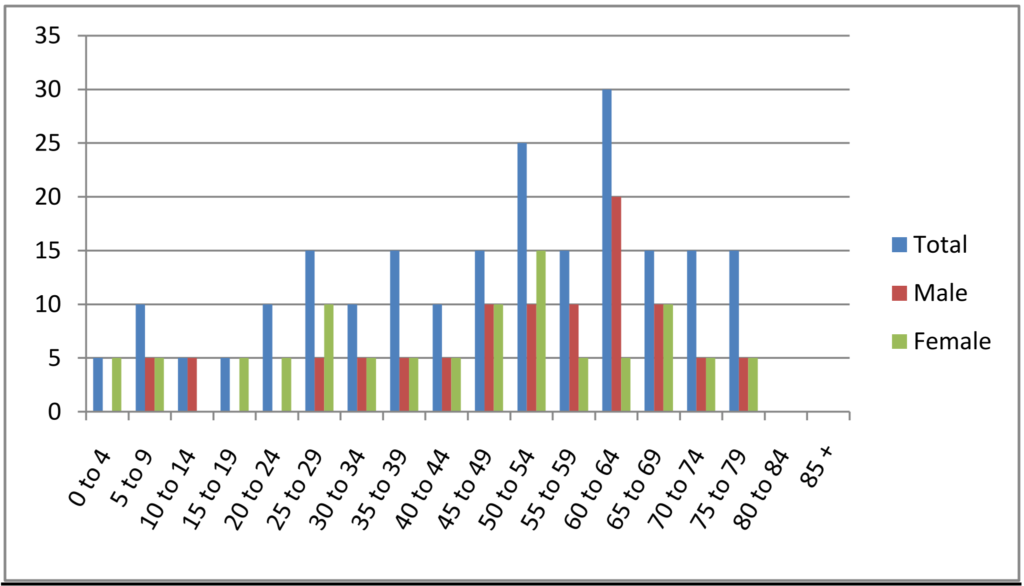
[3] Source: Statistics Canada. 2006 Community Profiles.

[4] Source: Statistics Canada. 2006 Community Profiles.

Figure 4: Electoral Area A / Bridge River Valley 2001 - 2006 Population[5]

Population in 2006	207
Population in 2001	223
2001 to 2006 population change (%)	-7.2

Figure 5: Electoral Area A / Bridge River Valley 2006 Population – Age & Sex Distribution[6]



Electoral Area B – Squamish Lillooet Regional District

The 2006 Census shows a total population of 575 for the vast, 3,460 square kilometre Electoral Area. The population figure does not include St'at'imc reserves. Settlement areas include Seton Portage – Shalath, the Yalakom Valley, Bridge River/West Pavilion, Texas Creek, Pavilion Lake and the Fountain Valley.

Figure 6: Electoral Area B 2001 - 2006 Population[7]

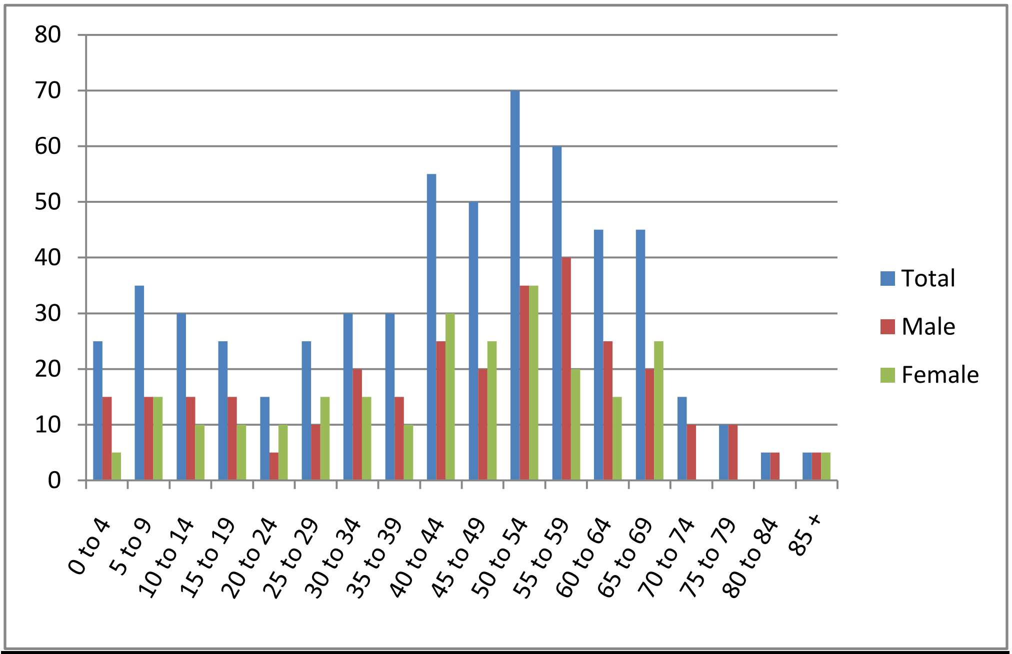
Population in 2006	575
Population in 2001	423
2001 to 2006 population change (%)	35.9

[5] Source: Statistics Canada. 2006 Community Profiles.

[6] Source: Statistics Canada. 2006 Community Profiles.

[7] Source: Statistics Canada. 2006 Community Profiles.

Figure 7: Electoral Area B 2006 Population – Age & Sex Distribution[8]



Northern St'át'imc Communities

The six northern St'át'imc communities of Sekw'el'was (Cayoose Creek), Xwisten (Bridge River), T'ít'q'et (Lillooet), Ts'xw'aylaxw (Pavilion), Xaxl'ip (Fountain) and Tsalalh (Seton Lake) include a total of 46[9] reserves, of which approximately 27[10] are populated. The 2006 Census shows a total population of 2,760 for the 161 square kilometers of reserve land in the study area.

Figure 8: Northern St'át'imc Communities 2001 - 2006 Population

Population in 2006	2,760
Population in 2001	2,816
2001 to 2006 population change (%)	-2.0

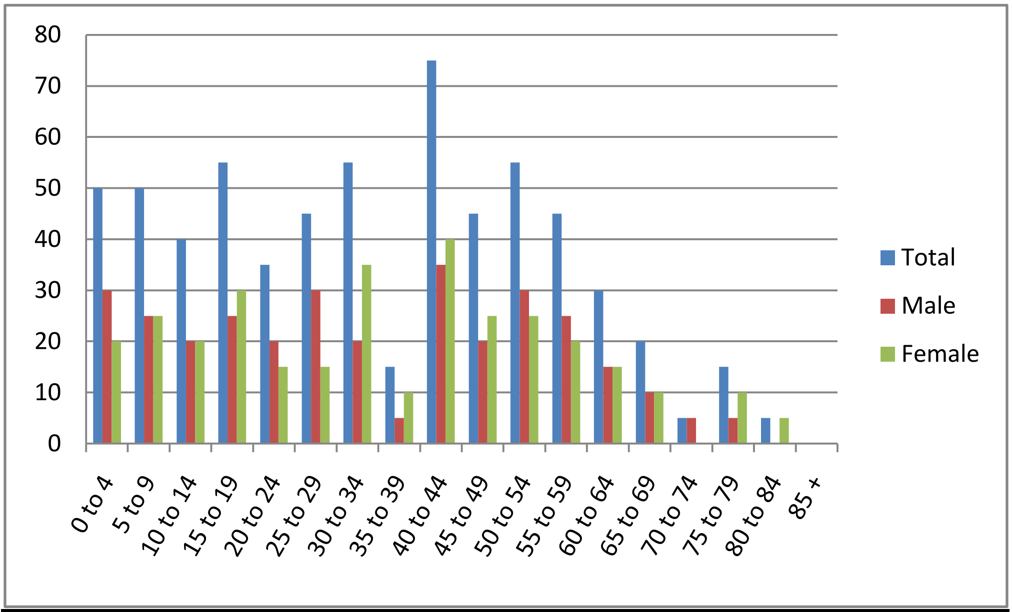
The chart on the next page illustrates the age break down for the northern St'át'imc communities of Xwisten (Bridge River), T'ít'q'et (Lillooet) and Xaxl'ip (Fountain). Data for the other communities was not available. The chart is representative of 25% of the total northern St'át'imc community population.

[8] Source: Statistics Canada. 2006 Community Profiles.

[9] Source: INAC. 2001 First Nation Profiles

[10] Source: Statistics Canada. 2006 Aboriginal Population Profile

Figure 9: Study Area St'át'imc 2006 Population – Age & Sex Distribution[11]



Trends

There area several demographic trends worth noting:

- **Fewer young adults:** At both the District of Lillooet and in northern St'át'imc communities, there are fewer young adults (20 to 29) than provincial averages. This could be due to both to this age group living out of community to either go to school (there are few post-secondary opportunities in Lillooet) and/or to pursue work (job opportunities are limited in the study area). In the Northern St'át'imc communities the number of 35 to 39 year olds is also lower than expected.
- **A stabilizing population**: While the population declined over 15% in the District of Lillooet between 2001 and 2006, there was a small, 0.02% increase noted between 2005 and 2006 which could indicate that the population is stabilizing.
- **Slower than average First Nations growth**: Northern St'át'imc communities showed a small, 2% decrease in population between 2001 and 2006. While small, the decline is worth noting in comparison to other First Nations in the region where population numbers are increasing.

[11] Source: Statistics Canada. 2006 Community Profiles.

EMPLOYMENT AND TRENDS

PARTICIPATION & UNEMPLOYMENT

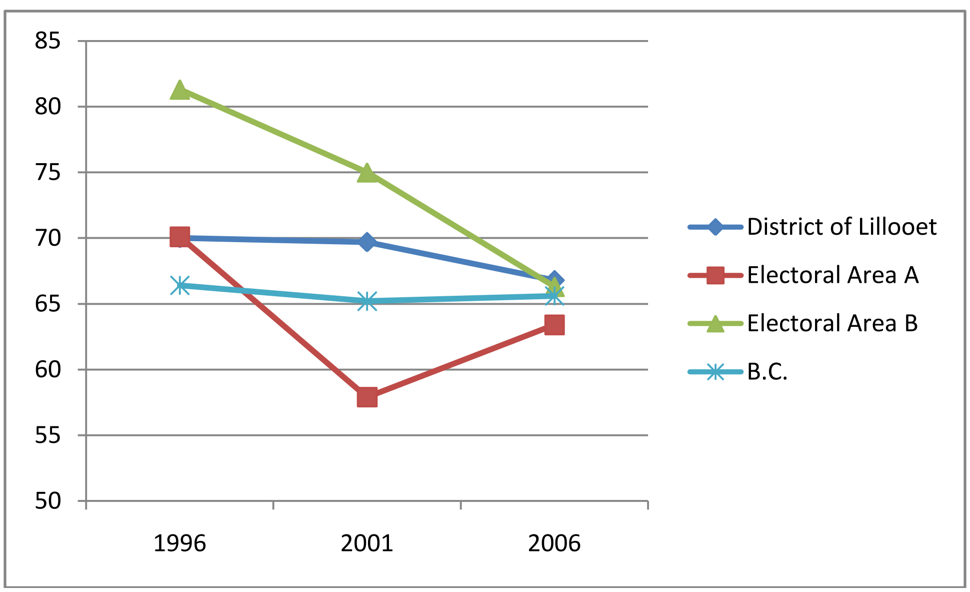
DISTRICT OF LILLOOET AND ELECTORAL AREAS A & B

Over the past several years, the area was hard hit by job losses in the forestry sector and provincial government services. The closure of B.C. Rail's passenger service also created additional job losses in the community. The study area is considered an 'economically challenged' area by the SLRD.

Figure 10: Employment and Participation, 2006[12]

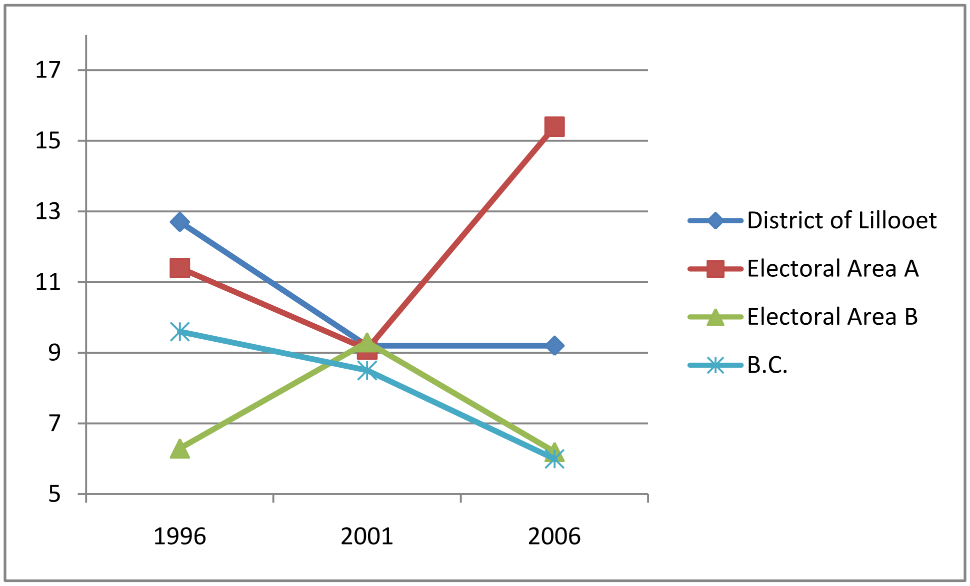
		District of Lillooet	Electoral Area A	Electoral Area B	B.C.
Participation Rate	Males	70.2	66.7	62.7	70.7
	Females	62.8	57.9	71.7	60.7
	Total	66.8	63.4	66.3	65.6
Unemployment Rate	Males	10.6	14.3	6.2	5.8
	Females	8.5	27.3	0	6.3
	Total	9.2	15.4	6.2	6
% Self-employed	Males	8.4	NA	41.0	10
	Females	11.1	NA	41.4	8
	Total	10.1	NA	39.4	9

Figure 11: Study Area participation rate 1996 - 2006[13]



[12] Source: Statistics Canada. 2006 Community Profiles.
[13] Source: Statistics Canada. 1996, 2001, 2006 Community Profiles.

Figure 12: Study Area unemployment 1996 - 2006[14]



While the participation rates for the non-aboriginal are close to provincial averages, the impact of job losses in the forestry and government sectors are apparent. Formerly, participation rates were above provincial averages in both Area B and the District of Lillooet.

Unemployment numbers have declined since 1996 in the District of Lillooet. They are still about 4% higher than the provincial average. The unemployment rate has remained relatively stagnant since 2001 and not experienced the same declines as was experienced in other parts of the province over the last several years.

[14] Source: Statistics Canada. 1996, 2001, 2006 Community Profiles.

ST'ÁT'IMC

The table illustrates employment and participation in the study area's First Nations communities. The data, unfortunately, is incomplete and comes from different sources which make comparisons impossible. The Census Canada information on the first table data is geographic-based (i.e., it counts members living on reserve). The trend charts use Indian and Northern Affairs data which is membership-based (i.e., the member does not have to be living on reserve to be included).

Figure 13: Employment and Participation in First Nation Bands[15]

		Xwisten	Sekw'el'was	Xaxl'ip	T'ít'q'et	Ts'xw'aylaxw	Tsalalh	B.C.
Participation Rate	Males	60	NA	61.1	66.7	NA	NA	70.7
	Females	50	NA	64.7	50	NA	NA	60.7
	Total	53.1	NA	64.7	60	NA	NA	65.6
Unemployment Rate	Males	33.3	NA	18.2	30	NA	NA	5.8
	Females	0	NA	18.2	25	NA	NA	6.3
	Total	17.6	NA	22	22.2	NA	NA	6

Figure 14: Study Area Participation Rate in First Nation Bands 1996 - 2001[16]

	Total		% change	Trend
	1996	2001		
Xwisten	55.6	53.3	-2.3	↘
Sekw'el'was	63.2	60	-3.2	↓
Tsalalh	53.3	58.1	4.8	↑
T'ít'q'et	69.7	70.6	0.9	↗
Ts'xw'aylaxw	60	NA	-	-
Xaxl'ip	67.6	73.7	6.1	↑

Figure 15: Study Area unemployment in First Nation Bands 1996 - 2001[17]

	Total		% change	Trend
	1996	2001		
Xwisten	30	31.2	1.2	↗
Sekw'el'was	25	33.3	8.3	↑
Tsalalh	31.2	22.2	-9	↓
T'ít'q'et	17.4	25	7.6	↑
Ts'xw'aylaxw	16.7	NA	-	-
Xaxl'ip	28	32.1	32.1	↑

[15] Source: Statistics Canada. 2006 Community Profiles.
[16] Source: INAC. 1996, 2001 Community Profiles.
[17] Source: INAC. 1996, 2001 Community Profiles.

DISTRICT OF LILLOOET AND ELECTORAL AREAS A & B

Industry and Occupation Characteristics

As already noted, the study area experienced significant job losses in both the forestry and government service sectors in from the mid-1990s through the early 2000s.

Figure 16: Study Area Occupations[18]

	District of Lillooet			Electoral Area A			Electoral Area B			BC		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Management	80	45	35	25	0	15	10	0	15	229,945	144,745	85,200
Business; finance and administration occupations	165	15	155	0	0	0	35	0	25	375,975	103,055	272,915
Natural and applied sciences	35	20	20	15	10	0	25	15	0	138,955	110,495	28,455
Health	85	10	80	0	0	0	25	0	25	120,360	26,515	93,850
Social science; education; government service and religion	80	40	45	0	0	0	10	0	0	178,040	59,870	118,170
Art; culture; recreation and sport	25	10	15	0	0	0	15	10	0	76,460	35,540	40,920
Sales and service	340	130	205	40	10	30	60	15	45	558,880	227,020	328,860
Trades; transport and equipment operators	280	270	15	25	25	0	75	50	25	339,500	317,075	22,420
Unique to primary industry	80	80	0	15	15	0	55	40	10	86,460	62,190	24,270
Unique to processing; manufacturing and utilities	50	40	10	0	0	0	20	25	0	91,545	64,895	26,650

[18] Source: Statistics Canada. 2006 Community Profiles.

Trends

There area several employment and labour trends worth noting:

- **Tourism jobs increasing:** Potentially tourism-related jobs (arts, culture, sport and recreation) have doubled since 2001. This could indicate the growing nature of the sector. New jobs may be tied to new tourism ventures, including St’át’imc’s cultural tours.
- **Management jobs up:** Management jobs have increased with the addition of 35 new jobs since 2001. It is unclear what kind of professional services the management jobs are associated with.
- **Trades remain steady:** Trades, transport and equipment operator jobs stayed steady from 2001 to 2006. It shows that the sector is stable, but stagnant in terms of job creation.
- **Potential new industrial jobs:** For the past several years, Bralorne Gold Mines has planned on re-developing the historic Bralorne, King and Pioneer gold mines in Electoral Area A. Recent discoveries indicate adequate reserves for a 280 tonnes-per-day operation. When, and if, the new mining operation comes on stream, new industrial jobs are expected.

Figure 17: Trends in Occupations and Employment – District of Lillooet, Electoral Areas A & B[19]

	Total		Trend
	2001	2006	
Management	80	115	
Business; finance and administration occupations	230	200	
Natural and applied sciences	120	75	
Health	105	110	
Social science; education; government service and religion	150	90	
Art; culture; recreation and sport	20	40	
Sales and service	465	440	
Trades; transport and equipment operators	380	380	
Unique to primary industry	175	150	
Unique to processing; manufacturing and utilities	105	70	

[19] Source: Statistics Canada. 2001, 2006 Community Profiles.

ST’ÁT’IMC

The following tables use INAC data, so they include members who may not be living on reserve.

Figure 18: Occupations - First Nation Bands[20]

	Xwisten	Sekw'el'was	Xaxl’ip	T'ít'q'et	Ts'xw'aylaxw	Tsalalh
Management	20	10	20	10	NA	20
Natural sciences, health	0	0	0	10	NA	0
Social sciences, gov't	10	0	20	25	NA	20
Sales and service	20	10	25	25	NA	25
Trades and related	10	0	30	20	NA	20
Primary industry	25	10	30	15	NA	10
Other Occupations	10	10	10	15	NA	0

Figure 19: Trends in Occupations and Employment from 1996 to 2001 – First Nation Bands – [21]

	Xwisten	Sekw'el'was	Xaxl’ip	T'ít'q'et	Ts'xw'aylaxw	Tsalalh	Total
Management	20	10	5	0	NA	20	55
Natural sciences, health	0	0	0	10	NA	-10	0
Social sciences, gov't	10	-10	10	15	NA	10	35
Sales and service	5	-10	-5	-5	NA	0	-15
Trades and related	0	-15	15	-5	NA	0	-5
Primary industry	10	0	-10	0	NA	-5	-5
Other Occupations	10	0	-5	-5	NA	-10	-10

As illustrated, Sekw’el’was appears to have been hardest hit in recent years with job declines across multiple sectors. Job creation is highest in Xwisten and T'ít'q'et. The importance of government jobs (i.e., Band, Tribal Council, etc.) is also clearly illustrated.

[20] Source: INAC. 2001 Community Profiles.

[21] Source: INAC. 1996, 2001 Community Profiles. Absolute numbers, not percentage change.

WAGE/INCOME TRENDS

Income & Earnings

Of the 2,575 people 15 years and over counted in the study area in 2005, 2,295 were earning a wage. Average annual income among all wage earners was $20,773 (males were making $27,778 while female wage earners averaged $16,654 per year).

535 people in the study area reported working full-time, year round jobs, equivalent to 23% of the total 2005 population. Among this group, average annual earnings were $43,514 ($44,793 for males, $43,548 for females). The median family income for study area in 2005 was $56,159 compared to $62,346 for the province.

No comparable data is available for study area First Nations.

Figure 20: Income & Earnings in District of Lillooet, Electoral Areas A & B[22]

		District of Lillooet	Electoral Area A	Electoral Area B	B.C.
Median earnings, full-time, full-year 2005	Males	$51,852	NA	$18,770	$ 48,070
	Females	$49,463	NA	$19,375	$36,739
	Total	$49,955	NA	$18,801	$42,230
Median earnings, full-time, full-year 2000	Males	$ 41,467	NA	$46,839	$50,191
	Females	$ 32,625	NA	$40,559	$35,895
	Total	$ 37,662	NA	$45,180	$44,307

As illustrated, there is a considerable difference in wages between the District of Lillooet and Electoral Area B. Figures for Electoral Area A / Bridge River Valley were withheld for privacy reasons by Census Canada due to the Electoral Area's tiny population. Earnings increased between 2000 and 2005 in the District of Lillooet are now above provincial averages.

The sharp drop in wages in Electoral Area B can be linked to decline of the forestry sector during the intercessional period.

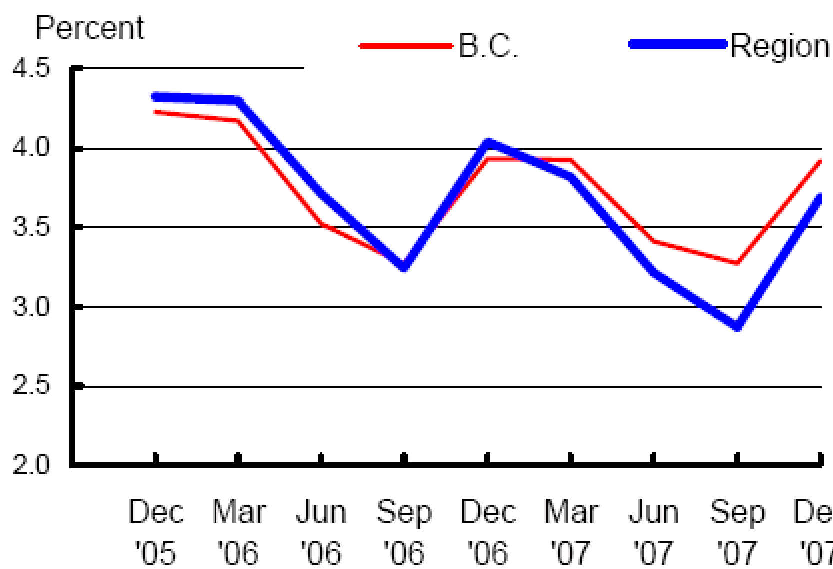
In the study area, an average of 68% of total income comes from earnings while 16% is from government transfers. At the provincial level 75% of income in generated from earnings while 10% comes from government transfers.

[22] Source: Statistics Canada. 2001, 2006 Community Profiles.

Income Assistance

As of March 2007, 281 people in the regional district were receiving income assistance – including basic income assistance and employment insurance[23]. Over half of these are found to be recipients of income assistance for under a year in duration. Reliance on employment insurance over the past 2 years has been highest among the 25-54 aged workers, ranging between 9.4% and 4.4%. Dependence on employment insurance among all working age populations has trended downward since March of ’05, fluctuating between summer season lows and winter season highs. In terms of both employment insurance and basic income assistance, figures in the region are higher as compared to figures for the province as a whole. The table below includes Squamish and Whistler, so it does not necessarily reflect the reality of the study area itself where unemployment and income assistance rates are assumed to be higher.

Figure 21: EI Beneficiaries in Squamish – Lillooet Regional District & BC Aged 19-64 as % of Working Age Population, December 2005 – December 2007[24]



[23] Source: Ministry of Employment and Income Assistance administrative files, BC Stats population estimates.

[24] Source: Statistics Canada. 2002. 2001 Community Profiles.

OCCUPATIONAL SKILLS/EDUCATION TRENDS

Educational Attainment

In the most recent post-high school generation (25-34), 34% of the study area population has completed a high school certificate, compared with an average of 26% across the province. The rates of trades and college certificates are higher among the study area residents in the 25-34 age cohort than the provincial averages. However, the university degree/diploma rates are considerably lower that the provincial averages for the 25-34 age cohort.

Figure 22: Education Completion Rates in the District Municipality of Lillooet[25]

	Total pop per age cohort	No High School Certificate (%)		High School Grad/ GED (%)		Trades Certificate / Diploma (%)		College Certificate / Diploma (%)		University Diploma/ Degree below the bachelor level (%)		University Diploma/ Degree (%)	
		DM	BC	DM	BC	DM	BC	DM	BC	DM	BC	DM	BC
15-24	230	63%	37%	37%	41%	0%	4%	0%	8%	0%	3%	0%	6%
25-34	230	22%	9%	37%	26%	11%	9%	22%	20%	4%	6%	7%	29%
35-64	1070	19%	13%	28%	26%	14%	13%	21%	19%	5%	6%	13%	23%

Figure 23: Education Completion Rates in the Electoral Area A[26]

	Total pop per age cohort	No High School Certificate (%)		High School Grad/ GED (%)		Trades Certificate / Diploma (%)		College Certificate / Diploma (%)		University Diploma/ Degree below the bachelor level (%)		University Diploma/ Degree (%)	
		E-A	BC	E-A	BC	E-A	BC	E-A	BC	E-A	BC	E-A	BC
15-24	20	0%	37%	100%	41%	0%	4%	0%	8%	0%	3%	0%	6%
25-34	10	0%	9%	100%	26%	0%	9%	0%	20%	0%	6%	0%	29%
35-64	115	35%	13%	22%	26%	17%	13%	9%	19%	0%	6%	22%	23%

[25] Source: Statistics Canada. 2006 Community Profiles

[26] Source: Statistics Canada. 2006 Community Profiles

Figure 24: Education Completion Rates in the Electoral Area B[27]

	Total pop per age cohort	No High School Certificate (%)		High School Grad/ GED (%)		Trades Certificate / Diploma (%)		College Certificate / Diploma (%)		University Diploma/ Degree below the bachelor level (%)		University Diploma/ Degree (%)	
		E-B	BC	E-B	BC	E-B	BC	E-B	BC	E-B	BC	E-B	BC
15-24	60	92%	37%	17%	41%	0%	4%	0%	8%	0%	3%	0%	6%
25-34	65	23%	9%	15%	26%	0%	9%	31%	20%	0%	6%	23%	29%
35-64	305	13%	13%	33%	26%	8%	13%	20%	19%	8%	6%	16%	23%

ST'ÁT'IMC

The following tables use INAC data, so they may include members not living on reserve.

Figure 25: Education Completion Rates from 2001 – First Nation Bands[28]

	Total Population 15 years and over	No High School Certificate (%)	High School Grad/ GED (%)	Trades Certificate/ Diploma (%)	College Certificate/ Diploma (%)	University Diploma/ Degree (%)
Xwisten	150	47%	20%	17%	17%	0%
Sekw'el'was	75	33%	20%	13%	47%	0%
Tsalalh	155	35%	6%	13%	45%	0%
T'ít'q'et	170	32%	15%	18%	29%	9%
Xaxl'ip	190	32%	5%	24%	39%	0%
Ts'xw'aylaxw	NA	NA	NA	NA	NA	NA
BC	3394910	20%	28%	11%	17%	25%

While Census Canada St'át'imc specific participation rates are not available, in general participation rates tend to be higher among non-aboriginal populations in the province as a whole. Among all groups, higher educational achievement directly correlates to higher participation rates. In all populations the largest participation rate gains occur between those with and without high school.

[27] Source: Statistics Canada. 2006 Community Profiles

[28] Source: INAC. 2001 Community Profiles.

GOVERNANCE

There are multiple governments and government agencies who are stakeholders in regional economic development. The table below summarizes the four key stakeholders.

Figure 26: Government Stakeholders

Organization	Description
St'át'imc Chiefs Council	The St'át'imc Chiefs Council (SCC) consists of political representatives from the 11 communities within the St'át'imc Nation. These communities include the six study area bands and the Xa'xtsa7, Skatin and Samahquam. Each band has a seat at the St'át'imc Chiefs Council table. Lil'wat representation at the SCC is presently in abeyance.
Lillooet Tribal Council	An association of St'át'imc bands located in and around Lillooet. Member bands include Xwisten, Sekw'el'was, Lil'wat, Tsalalh, T'it'q'et and Ts'kw'aylaxw.
District of Lillooet	Municipal government responsible for the administration, planning, and provision of services to the District of Lillooet.
Regional District of Squamish - Lillooet	Regional government responsible for the facilitation of regional and community services to the four municipalities of Squamish, Whistler, Pemberton, and Lillooet as well as the communities of Gold Bridge and Bralorne.

While there have been past efforts and initiatives to work more closely, there are a number of issues that have limited the amount of work to date. These are summarized briefly below

- **District of Lillooet – Squamish-Lillooet Regional District:** The northern portion of the Squamish-Lillooet Regional District (which corresponds to the study area) have not experienced the same growth and development as the southern portion which includes Whistler and Squamish. While recent efforts have been made by the Regional District to better involve, engage and understand the issues of the study area, additional efforts and attention will be required for the Regional District to build a better working relationship with the District of Lillooet. There is also limited economic development collaboration between the Regional District, District of Lillooet and Electoral Areas A and B.
- **District of Lillooet – St'át'imc Communities:** While the District of Lillooet and T'ít'q'et have recently begun exploring a joint economic development officer position and have initiated joint staff meetings, there is still little economic development co-operation between Northern St'át'imc and the District of Lillooet.
- **Unsettled St'át'imc Title and Rights issues:** St'át'imc and BC have yet to resolve important Title and Rights issues in St'át'imc's traditional territory. It is widely recognized by governments and the private sector that economic development and investment will likely be limited until these issues are resolved. Recent efforts at resolving these issues included a joint St'át'imc-Provincial negotiation table, called the Protocol Table. These negotiations stalled in 2007 and the Protocol Table is no longer active. There is no formal mechanism in place to continue negotiations.
- **St'át'imc cooperation:** While the Northern St'át'imc bands have worked together through the Lillooet Tribal Council and St'át'imc Chiefs Council, inter-band partnerships and economic development joint ventures have been limited.
- **Limited government capacities:** All four of the government agencies identified in the table face their own internal capacity issues, particularly around human resources, time and funding. These capacity issues make it difficult for existing staff members to take on additional intra-community and regional economic development planning and implementation work.

KEY SECTORS

TOURISM

LOCAL BUSINESS

Although lesser-known and visited as a destination than the southern portion of the Squamish Lillooet Regional District, the northern Squamish Lillooet Regional District is just as much a recreational playground for the outdoor enthusiast. With unparalleled mountain scenery, lakes, rivers, grasslands and forests, the region ranks as one of the most diverse and scenic in the province. Camping, hiking, boating, canoeing, kayaking, fishing, rafting, mountain biking and horseback riding are all popular outdoor activities. During the winter season, the area is growing increasingly popular for backcountry skiing/snowboarding, cross-country skiing, ice climbing, and snowmobiling. The study area also hosts numerous annual events and other activities for less adventurous visitors, including cultural tours and small festivals (e.g., Lillooet Apricot & Tsaqwen Festival, Sturgeon Fishing Derby, Lillooet Rodeo).

There are a number of study area businesses that cater to the tourism sector. For accommodation, there are five private campgrounds with 153 sites for tents or RVs and over 100 developed camping sites in study area provincial parks. In addition, there are small number of hotel/motels, B&Bs and lodges in the region. In Lillooet, there are approximately 147 rooms available for tourists. With the exception of Tyax Resort near Gold Bridge, the region lacks facilities that cater to higher dollar clientele.

Recreational activities are provided by at least 13 known tour operators that offer programming such as fishing, boating, horseback riding, and cultural tours. Within the District of Lillooet, there are over 10 tourism related businesses that offer travellers access to local arts and crafts, historical sites, and sport/recreation opportunities.

VISITOR NUMBERS AND SPENDING

Available tourism statistics for the study area are relatively limited. The area falls within two BC tourism districts, Vancouver-Coast- Mountains and Cariboo-Chilcotin-Coast which makes disaggregating statistical information difficult. Lillooet is the northern region's only tourist centre, but it is a relatively minor destination within both BC Tourism regions[29]. In addition, no recent visitor studies have been conducted since a 1999 Visitor Exit Survey[30].

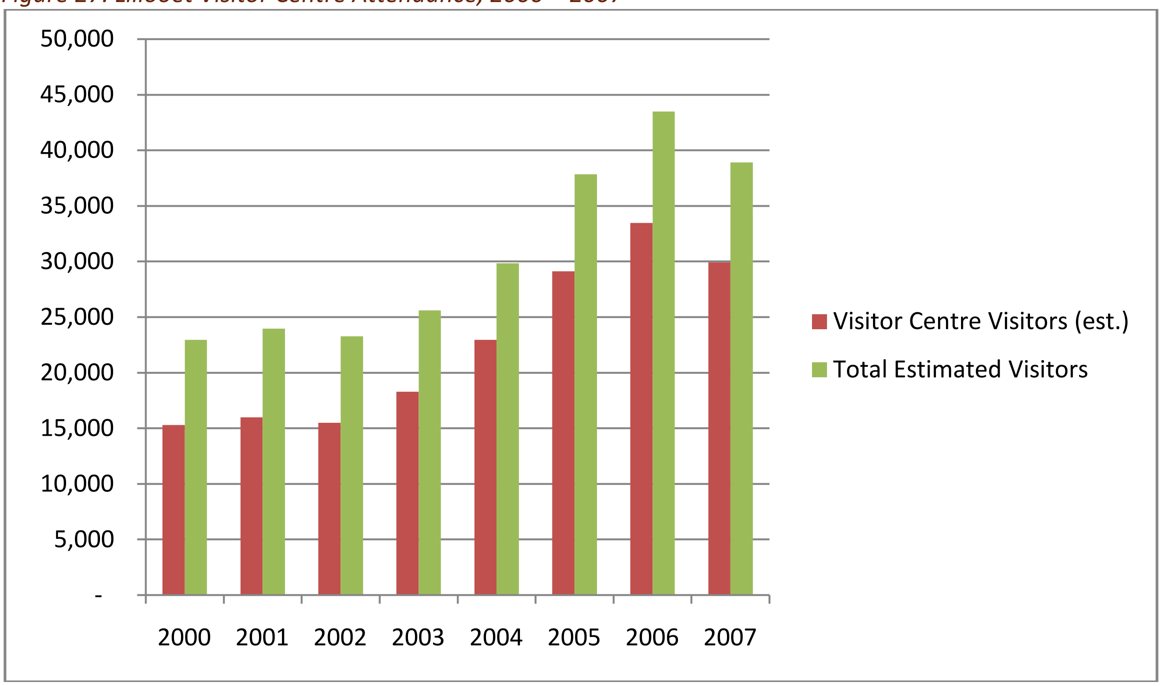
[29] Generally speaking, most tourists traveling up Highway 99 from Vancouver make Whistler their final destination, given the municipality's rich, world-renowned, year-round tourist attractions and services. In the Cariboo-Chilcotin-Coast region, Lillooet is also a minor destination as it lies off the BC's main north-south highways (Highway 97 and Highway 1 – Trans Canada) and the highways connecting it (as with the highway connections from Pemberton/Whistler) are secondary highways with much lower traffic volumes than the main highways.

[30] A Tourism Study was completed in 2008, but it did not include an exit survey or a detailed tourism situation assessment.

Numbers from the 1999 survey, as with current estimates, rely heavily on Visitor Centre statistics which only capture those tourists who visit the centre and/or the Lillooet Museum in which it is located. The museum is one of Lillooet's few tourist attractions, so the centre does have a higher capture rate than if it were a stand alone facility[31]. They are not open during the winter season.

The table below illustrates estimated visitor numbers to Lillooet. It shows the estimated number of tourists recorded at the Visitor Centre and an estimate of the total number of tourists visiting Lillooet. The estimates attempt to account for winter visitors and visitors who are not recorded at the Visitors' Centre. The estimates can be considered moderately conservative given the lack of visitor data.

Figure 27: Lillooet Visitor Centre Attendance, 2000 – 2007[32]



As illustrated, visitor numbers have increased significantly since 2000. They are due, in part, through an increase in tour bus traffic and a smaller rise in rubber tire traffic. [33]

[31] The Visitor Centre counts all visitors to the museum, regardless of whether they seek tourist information or not. The total visitor number estimates are extrapolated from Visitor Centre statistics and based on a 50% capture rate in 2002 (when the centre was open only from May through August), a 60% capture rate in 2003 (when daily hours were extended during peak periods) and 70% capture rate from 2004 to 2007 (when hours were extended again). Hours have been reduced marginally in 2008. As the Visitor Centre/Museum is both a major stop for tour buses that pass through the town and one of the few tourist sites in Lillooet, Visitor Centre staff feel confident in their estimated capture rates. While, the Visitor Centre is not open during the winter months, winter visitor numbers are considerably lower based on Ministry of Highways traffic counts and anecdotal information from local industry stakeholders.

[32] BC Tourism, 2008

[33] Several tour bus companies pass through Lillooet on regular services. Generally, the buses depart Whistler in the morning and drive to Sun Peaks in Kelowna where they stop for the night. The buses stop for an hour or so in Lillooet and generally visit the Visitor Centre.

A 2008 Tourism Development Plan for Lillooet determined that, in the short-term, the best opportunities to increase tourist numbers are in the regional and short-haul markets, including U.S. touring travellers.[34] The impacts of rising gas prices and new border security measures have yet to be fully determined. The report further determined that visitors "most likely to be attracted to the region (older-aged, wealthy touring travelers) are looking for amenities and soft-adventures".[35]

SECTOR EMPLOYMENT AND TRENDS

According to a 2003 BC Stats provincial economic dependencies study, about 450 people are employed in tourism in the larger study area[36]. This represented about 15% of jobs in 2001 (the study used 2001 Census statistics). It should be noted that the geographic area for the study included the Village of Lytton and Electoral Area I of the Thompson-Nicola Regional District. The study included St'át'imc reserves.

The same study estimated a direct tourism ratio of 2.95 for the larger area. This means that for every job in accommodation services in the study area there are another 2.95 jobs that directly owe their existence to tourist spending – these will be in restaurants, retail establishments, transportation services, etc.

With no additional accommodations developed in the intercessional period, it is estimated that the direct tourism ratio remains relatively unchanged. The ratio is lower than in those communities with a more developed tourist infrastructure and amenity base (e.g., Kamloops, 4.01; Gulf Islands 3.69). Interestingly it is also lower than the ratio than the 3.92 which is recorded for the neighbouring Cariboo-Chilocotin area (a sprawling and relatively undeveloped region).

SECTOR REVENUES/RECEIPTS AND TRENDS

According to the same BC Stats economic dependencies study, tourism was responsible for generating about $5.5 million, or about 5% of total after-tax income in the study area[37]. Again, it should be noted that the geographic area for the study included the Village of Lytton and Electoral Area I of the Thompson-Nicola Regional District. The study also included St'át'imc reserves.

Other visitor expenditure or spending information for the study area is poor. The only spending information available is from a 1998 Tourism BC report, *BC Visitor Study – The Cariboo Visitor Report*. Lillooet is part of the Cariboo tourist region. This report estimated that average mean per person spending was $128 for BC residents and $95 for non-residents. Using these figures, and based on the Visitor Centre's visitor origin data, data from a 1999 Tourist Survey conducted by the District of Lillooet's now defunct Economic Development Commission, and the estimated visitor numbers from Figure 25, the following table provides an estimate of tourist expenditures in the Lillooet region. A discount rate was applied to the estimates to take into account the high percentage of visitors (e.g., bus tours) who spend

[34] Community Tourism Foundations – Lillooet Tourism Development Plan, March 2008. Tourism BC.
[35] Ibid.
[36] British Columbia's Heartland at the Dawn of the 21st Century: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, 2004.
[37] Ibid.

very little time (and money) in the community. An annual 2% inflation rate was also applied to the original 1999 expenditure estimates.

Figure 28: Estimated Visitor Spending in Lillooet, 2002 – 2007[38]

	Estimated Visitors	Total Spending ($)	% Change over previous year
2002	23,262	$2,871,726	NA
2003	25,609	$3,224,696	11%
2004	29,835	$3,831,972	16%
2005	37,838	$4,957,066	23%
2006	43,502	$5,813,074	15%
2007	38,918	$5,304,535	-10%

The estimated visitor expenditures for Lillooet illustrate that the District of Lillooet likely captures the majority of the estimated total tourism spending in the larger area. Still, the estimated visitor expenditures are relatively small in comparison to more established small town tourism destinations (e.g., Tofino, Nelson, etc.).

NEW BUSINESS ESTABLISHMENT TRENDS

Despite the increase in tourist numbers, there has not been a corresponding increase in available product. With the exception of St'át'imc's new cultural tours, no major new products, services or accommodations have been introduced for several years.

Many tourism stakeholders in Lillooet have identified the lack of destination accommodations (i.e., resort style, full service accommodation) and/or destination attractions (e.g., large festival, new St'át'imc Culture and Learning Centre, etc.) is lacking. The study area has also failed to pick up on other tourism business trends (e.g., soft adventure, agri-tourism, etc.).

Recently, the District of Lillooet has upgraded and expanded its website. The site is now far more appealing to potential visitors and business operators.

MARKETING AND BRANDING

Lillooet and the larger region present themselves as an outdoor adventure playground with a rich First Nations and non-First Nations cultural heritage. The 2008 Visitors' Guide uses the tagline, "Land of Sun and Spirit." The District of Lillooet, in conjunction with the Bridge River – Lillooet News annually produces the visitors' guide.

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[38] Sources: Lillooet Visitor Centre, 2006, 2008; BC Tourism, 1998; Lillooet Economic Development Commission, 1999

The study area also advertises in several regional tourism publications, including The Official Gold Country Visitors' Guide and 99 North. The area is not featured very prominently in the widely distributed British Columbia 2008 Outdoor Adventure Guide. Tourism BC's Circle Routes Scenic Driving Guide devotes no more than one sentence to Lillooet in its route descriptions

The Lillooet Visitor Centre is centrally located in the Lillooet Museum on the town's main street. They provide tourist information and accommodation booking assistance. The centre is open for approximately six months during the spring/summer tourist season. Its longest operating hours are during high season in July and August. Due to funding issues, it is operating on more limited hours than in 2007.

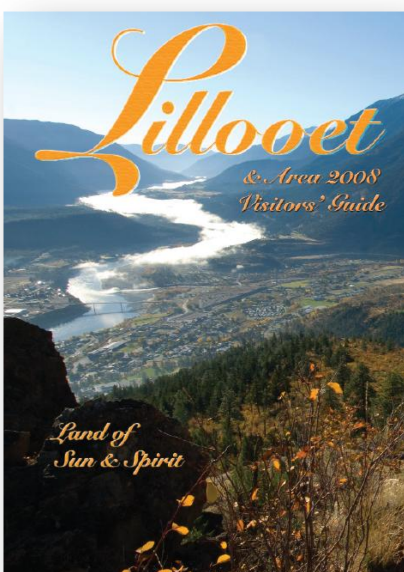
The St'át'imc Language Culture and Education Society provides booking services for its four cultural tour products. The Visitor Centre cannot book tours for USLCES.

Distribution channels

The primary institutions responsible for booking tours through study area are the Lillooet Visitor Centre and the Upper St'át'imc Language, Culture and Education Society. As the only two local organizations offering booking and information services in the area, greater results could be realized through more collaborative efforts. Online bookings for some facilities are available through Tourism BC.

In addition, there are a number of tour operators that include Lillooet and St'át'imc Territory in their itineraries. Although most bus tour operators make only brief stops in the area (30-40 minutes for lunch), opportunities for lengthening stays have yet to be adequately explored.

With no comprehensive tourism strategy in place, the region is lacking any significant or coordinated branding or imagery. Developing a brand should be an important component of any regional tourism planning initiative. Ideally, any brand or imagery should reflect both the area's St'át'imc and non-St'át'imc communities.



The 2008 Visitors' Guide is available throughout the study area, on-line and at Visitor Centres in surrounding communities.

FORESTRY

LOCAL BUSINESS

Despite recent and continuing downturns in the industry, forestry remains one of the study area's key economic drivers. Harvesting is the main forestry activity in the area, but the industry as a whole is facing serious, systemic challenges that are highlighted and summarized below. [39]

- Curtailment of harvesting due to current global market conditions and lumber export tariffs.
- Negative market issues, including the weakening of the U.S. housing market, the high Canadian dollar, and new emerging low-cost global competitors.
- High local production costs combined with lengthy haul distances to suitable processing facilities (particularly for pulp and sawlog-grade timber associated with pine beetle salvaged timber)
- Increasing energy costs
- Deferral of areas as a result of access issues and unresolved First Nations rights and title concerns.
- Removal or deferral of portions of the harvestable land base for reasons such as parks, proposed parks, protected areas, riparian reserves and old growth management areas.
- Mid-term loss of timber supply due to the mountain pine beetle epidemic.
- Conflicting land use pressures, particularly from environmental and tourism stakeholders. This is evident in the development of the Lillooet Land and Resource Management Plan (LRMP), which was initiated in 1995 and is still in draft form.

While addressing these forestry challenges is complex and well beyond the scope of this study, this sub-section provides an overview of the industry in the study area.

The study area is contained within the Cascades Forest District and the Lillooet Timber Supply Area (TSA) which encompasses 1.12 million hectares. Approximately 47% of the total area of the Lillooet TSA is considered Crown Forested Land Base (CFLB). The remaining 53% is considered non-productive (i.e., rock, ice, alpine, etc), or is not managed by the B.C. Forest Service (i.e., private, First Nations, woodlots, etc).

Within the CFLB, only about 47% is considered available for timber production and harvesting (timber harvesting land base) under current management practices. The timber harvesting land base (THLB) represents 22% (250,426 ha) of the total TSA. This is a 15% decrease since the last timber supply review. The main factors behind this reduction are the exclusion from the THLB of: pulpwood agreement 16 stands, and the Spruce Lake Protected Area.[40]

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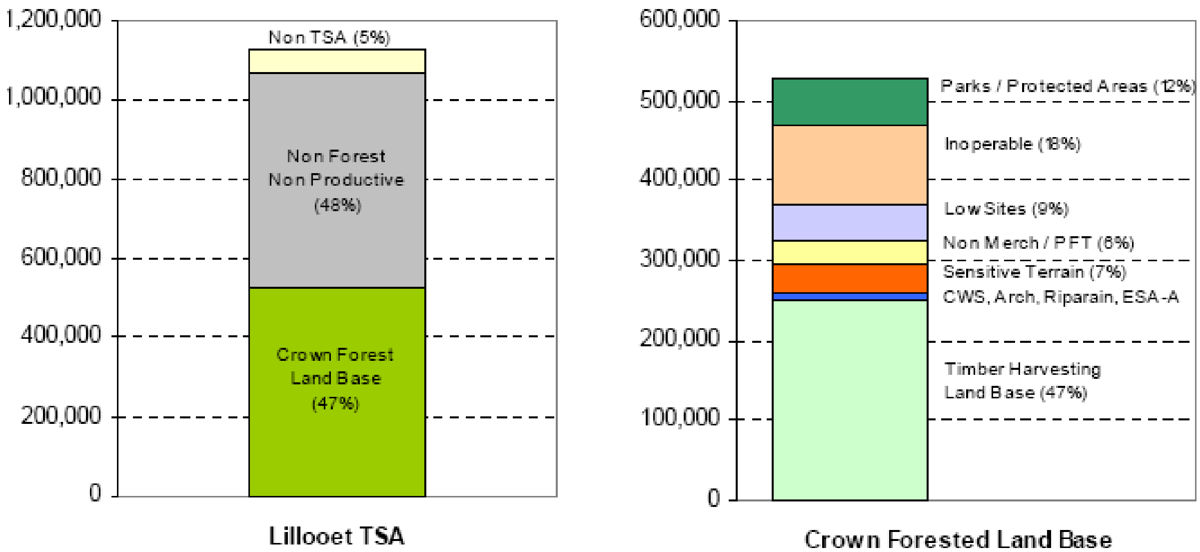
[39] Based on 2008-2009 Lillooet TSA Forest Health Strategy report. March 2008

[40] Ministry of Forest and Range - Lillooet Timber Supply Area Review #3. March 2005.

Figure 29: Land base summary for Lillooet TSA[41]



The current allowable annual cut (AAC) for the Lillooet TSA set in 2001 is 635,900 m3.[42] In January 2004 the current timber supply went into review and the expected revised AAC decision and rationale statement is expected sometime soon[43]. The study does not include Ponderosa Pine.

The AAC volume is currently allocated to Ainsworth Lumber Co. Ltd, Aspen Planers Ltd, Interwest Timber Ltd, Marble Canyon Forestry Ltd, and N'Quatqua logging Co. Ltd[44]. Ainsworth Lumber has the highest AAC commitment in the area (50% of AAC), with the other companies only committing in total to 14% of the AAC.

Figure 30: Lillooet TSA AAC Commitments[45]

	Total m3	Percentage of AAC
Ainsworth Lumber Co. Ltd.	318,534	50%
Aspen Planners Ltd.	32,778	5%
Interwest Timber Ltd.	40,432	6%
Marble Canyon Forestry Ltd.	10,000	2%
N'Quatqua Logging Co. Ltd.	6,987	1%
TOTAL	**408,731**	**64%**

The Lillooet TSA's actual harvest has been consistently below its AAC in recent years, 60% of the AAC for the five-year 2000-2004 period and 56% for the three-year 2002-2004 period. The gap between harvest

[41] Ibid.
[42] Ministry of Forests and Range – Forest Analysis & Inventory Branch.
[43] The estimate release date was December 2007. Ministry of Forests and Range TSA Target Release Dates.
[44] Ministry of Forests and Range - Apportionment System. June 2008
[45] Ibid.

and AAC indicates a weak market demand for the TSA's timber, which arises from the area's relatively higher harvesting cost[46].

Harvesting is the main forestry economic activity in the area. There is only one processing facility in the study area owned by Ainsworth Lumber Co. Ltd. with a production capacity of 200,000 msf-3/8" per year of veneer[47]. Some veneer produced in Lillooet is sold directly to customers, but the majority is transferred to the Savona plywood facility, located between Cache Creek and Kamloops, for lay-up into a variety of value-added panels.

Mountain Pine Beetle Impacts

The preferred host of the mountain pine beetle is large diameter, mature lodgepole pine (60 years or older). Thirty nine per cent of the Lillooet THLB forests are pine, of which 79% is predicted to be killed by mountain pine beetle within the next 10 years. Out of nine TSAs in BC's southern interior, it is anticipated that the Lillooet TSA will be the second hardest hit by the mountain pine beetle

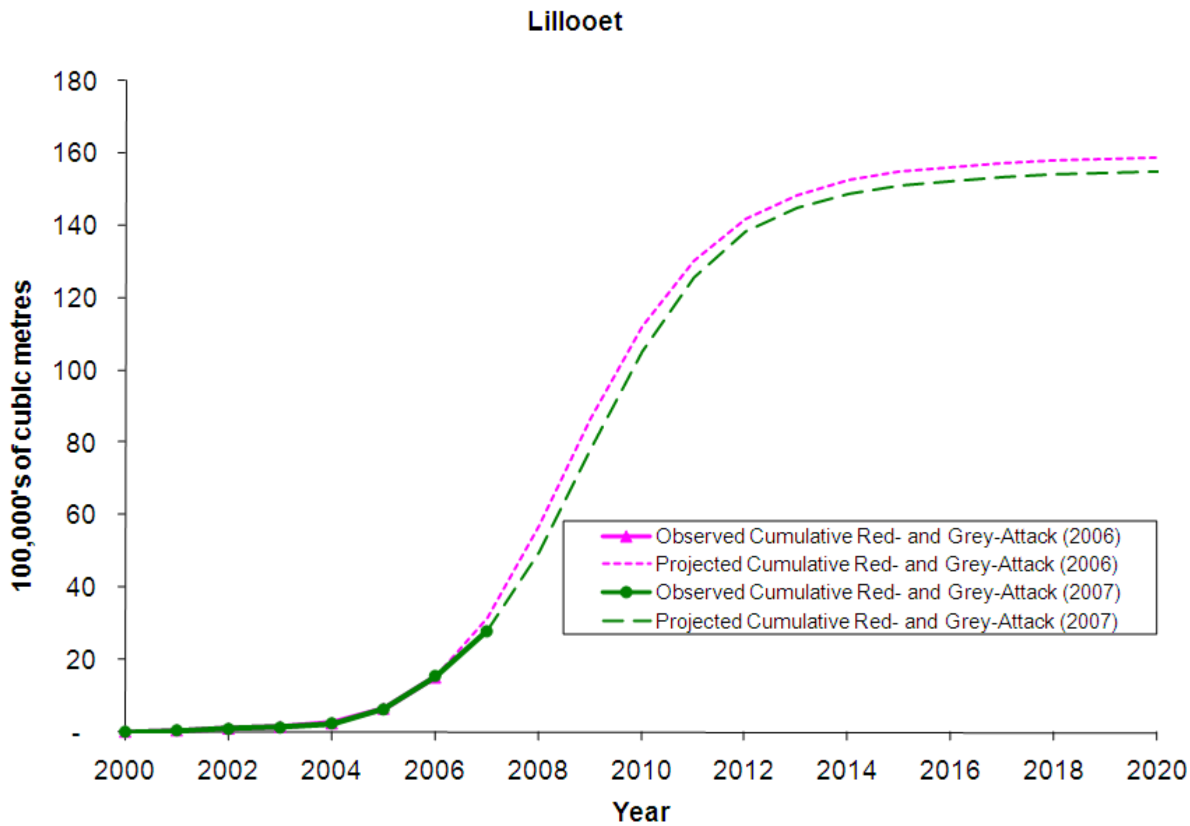
Mountain pine beetles are currently in the outbreak phase of the infestation cycle over much of their range in British Columbia and Lillooet. The following figures illustrate both the percentage of projected pine die off for the Lillooet TSA and a projected progression of the infestation in the Lillooet TSA.

Figure 31: Percentage of projected pine and volume kill for Lillooet TSA[48]

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Percent of Pine Killed In THLB	14%	25%	40%	54%	64%	71%	74%	76%	77%	78%	79%	79%
Percent of Total Forest Volume Killed in THLB	6%	10%	16%	21%	25%	28%	29%	30%	30%	31%	31%	31%

[46] Ministry of Forest and Range - Lillooet Timber Supply Area Review #3. March 2005.
[47] Ainsworth Lumber Lillooet Veneer Plant.
[48] Comparison of the Provincial Projection of the Current Mountain Pine Beetle Infestation Model (BCMPB). February 2008

Figure 32: Cumulative pine beetle kill in Lillooet TSA[49]



In the short-term (5 to 10 years), while beetle infested pine is still useable, salvage harvesting will be the main focus of the forestry sector. In the mid-term (10 to 60 years) the timber supply in the area will be negatively impacted with a decrease of about a third of its volume due to pine kill. In the long-term (60+ years) it is expected that forest stands will recover and produce long-term timber supply at levels close to those projected in previous timber supply review analyses[50]. However, the economic constraints in the Lillooet TSA arise from its operating conditions, which raise timber supply cost, and are not due to its timber supply limits.

Minor forest products

Minor Forest Products may be separated into two general categories: timber and non-timber forest products. Non-timber forest products (NTFP) include mushrooms, pine boughs, moss, salal, medicinal plants and firewood and other products. Non Timber Forest Products (apart from firewood) are not directly legislated and the Ministry of Forests does not currently manage them directly. Because no licenses are required for the harvest of NTFPs, it is difficult to estimate the true value of the industry or

[49] Ministry of Forests and Range - Provincial Level Mountain Pine Beetle Model (BCMPB). Run date February 2008.

[50] Ministry of Forests and Range – Timber supply and the mountain pine beetle infestation in British Columbia 2007 update.

identify stakeholders. In British Columbia, the Crown "owns" the resources, but little effort has been made to provide legal access to NTFPs.

Minor timber products *are* covered by forest legislation. Minor timber products operations typically involve the salvage of cedar shake and shingles and Douglas fir cants (logs that are sawn lengthwise to produce large square timbers that then may be manufactured into lumber) in previously harvested areas where the original Cutting Permit has expired. These products come from dead and downed timber and currently operators may not take standing timber.

Information regarding minor forest products is less well defined and is more difficult to track. No information is publicly available to date.

First Nations

First Nations make up about one half of TSA's residents. Ainsworth is currently working with the Lillooet Tribal Council and its member communities, to develop a framework for more effective incorporation of First Nations' interests into the company's operations. Ainsworth is partnered with the Bridge River Band in Bridge River Logging Ltd. and is currently working out partnership details with the Pavilion Band.

Ainsworth Lumber Co. Ltd. and the Northern St'át'imc signed the Halaw Protocol in October 2007. Described as a milestone accord, it formalizes their working relationships in an agreement that acknowledges the social and economic interests of all parties. It sets out the principles for relationships, sustainability, communication, process and economics that will define a positive and productive working relationship into the future.

NEW BUSINESS ESTABLISHMENT TRENDS

While sawlogs will remain the highest value component of harvested stands, beetle-killed timber can be used for other purposes such as bio-energy and alternative wood products.

Increasing attention is being brought to the potential use of beetle- killed trees in bio-energy generation. As part of the recently launched BC Energy Plan, the province is developing a bio-energy strategy to promote the use of beetle-infested timber as a more sustainable and renewable energy source. Bio-energy includes wood-fired electricity generation, production of wood pellets, wood gasification and liquid biofuel production. Existing markets for bio-energy are growing, including the world wood pellet market, domestic and international electricity markets, and emerging bio-fuel and biochemical markets

Other business trends include[51]:

- Bridgeside Wood products is using pine beetle infected wood in some of its specialty products.

[51] Advantage Lillooet: The Land, The Community, The Opportunities. Wendy Fraser. March 2008

- In October 2005, the District of Lillooet commissioned a feasibility study on a micro mill for the community. The study examined the feasibility of building and supplying a small, modern, relatively maintenance-free micro-mill.
- An application for a community forest license is under consideration, which would be operated as a partnership among the towns of Lillooet and Lytton, aboriginal communities and current licensees.

SECTOR EMPLOYMENT AND TRENDS

Over the past decade, the upper Fraser Canyon region has endured several economic setbacks including the closure of both Lytton Lumber and the Boston Bar sawmill which previously processed timber from the Lillooet TSA. Overall, the TSA's dependency on its forest industry decreased from 27% in 1995 to 19% in 2000.

The TSA's forest sector vulnerability index[52] decreased from 43 to 28[53]. This index is still relatively high and indicates that the forest industry is an important driver of the regional economy. Its diversity index[54] is 67[55], which is amongst the less diversified of all local areas in south-western BC.

SECTOR REVENUES AND TRENDS

According to a 2004 BC Stats provincial economic dependencies study, about 600 people are employed in forestry in the larger study area[56]. This represented about 19% of jobs in 2001 (the study used 2001 Census statistics). It should be noted that the geographic area for the study included the Village of Lytton and Electoral Area I of the Thompson-Nicola Regional District. The study included St'át'imc reserves.

According to the same BC Stats economic dependencies study, forestry was responsible for generating about $21 million, or about 20% of total after-tax income in the study area[57]. Again, it should be noted that the geographic area for the study included the Village of Lytton and Electoral Area I of the Thompson-Nicola Regional District. The study also included St'át'imc reserves.

[52] Indicates the vulnerability of the area to potential downturns in the forest sector
[53] 2001 Economic Dependencies. BC Stats. January 2004
[54] Intended to show the degree to which communities rely on specific sectors
[55] 2001 Economic Dependencies. BC Stats. January 2004
[56] British Columbia's Heartland at the Dawn of the 21st Century: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, 2004.
[57] Ibid.

AGRICULTURE

LOCAL BUSINESS

Agriculture is a significant economic driver in the study area. According to the 2006 Census of Agriculture, the study area is home to 43 farms on 15,123 hectares of land.[58] Alfalfa and fodder crops are the main crops. A small amount of mixed fruit crops (mainly apples and apricots) and vegetables are also grown. In addition, the Certified Organic Associations of British Columbia lists seven farms in the study area that are producing certified organic crops such as herbs, tree fruit, various vegetables, berries, corn, nuts, melons and grapes. One farm, Fountainview Farms, located between Lillooet and Lytton, is the largest producer of organic carrots in the province.

While a large number of farms have changed their primary crop from ginseng to other crops in recent years (e.g., alfalfa, hay, etc.) , ginseng remains an important agricultural crop in the study area. Grown on fields covered in black plastic sheeting, ginseng fields are easily recognizable in dry Fraser River bench lands in and around the study area. Falling prices and competition from other regions in North America and abroad saw the number of growers in BC plummet from 130 in 1994 to 30 today. There is currently a single grower, Fountain Ridge Ginseng Farm, in the study area. Of note, the largest producer in the region, Chai-na-ta Farms near Kamloops, has announced that 2008 will be its final harvest year. The company is moving their operations to Ontario.

Livestock is also ranched in the study area. As of 2006, there were about 2,800 head of cattle in the study area.

NEW BUSINESS ESTABLISHMENT TRENDS

One of most anticipated trends is wine making. Currently, a comprehensive study is underway to assess the area for viticulture (wine grapes). This project was initiated in 2005 when 1,800 grape vines of different varietals were planted on local properties. The vines are being closely monitored along with local weather conditions. The study will be completed in 2009. It is hoped that the area can support a thriving wine business and provide an attractive, less costly alternative to the Okanagan for wine production.

An important component of the grape trials will be the weather data information collected. The area has significant potential for expansion of horticultural crops given the long summer growing season. The weather information generated by the viticulture study could support the expansion of other long-season crops in the area, including tomatoes, corn, peppers and melons.

While the sector has experienced less growth than other areas in the Regional District (e.g., Pemberton Valley), there has been recent growth in certified organic producers. Currently, there are seven certified

[58] Census of Agriculture, Census Canada 2006

organic producers in the study area, including the largest grower of organic carrots in BC. Collectively, the farms operate on 56 hectares of certified organic farm lands[59].

The District of Lillooet's draft Official Community Plan calls for the community to work with the ministry of Agriculture to research and promote new agricultural opportunities and to amend zoning regulations to permit agri-tourism opportunities that are consistent with Agricultural Land Reserve regulations.

One of the key limiting factors to expanded production is the availability of irrigation waters. More efficient irrigation systems and development of future water supplies will be required over time.

SECTOR EMPLOYMENT AND TRENDS

According to the 2006 Census of Agriculture, there are 60 agricultural operators in the study area. This number is unchanged since 2001. According to the 2006 Census, approximately 250 people work in "Agriculture and other resource-based industries" in the study area. With the exception of one small honey producer, there are no food processing operations in the study area, so it is assumed that most employment in the sector is seasonal and limited to field work.

SECTOR REVENUES/RECEIPTS AND TRENDS

According to the 2006 Census of Agriculture, study area farms generated total gross receipts of $1,365,019, an increase of $150,000 since 2001[60]. A study of the larger area (i.e., including Lytton and Thomspon-Nicola Electoral Area I), estimated that the agriculture and food sector as a whole generated roughly $7 million in after-tax income[61].

While the sector is smaller than other areas in the Regional District, agriculture is still a significant economic driver in the study area.

[59] Certified Organic Associations of British Columbia, 2008
[60] Census of Agriculture, 2006
[61] Source: BC Stats. 2004 . Economic Dependencies and Impact Ratios for 63 Local Areas.
Note: The larger income figure is based on BC Stats economic dependencies modelling. Economic dependencies identify the sources of income which support local economies and are used to estimate the impacts on employment and income changes in those sources. The premise of economic dependencies is that each dollar of basic community income is uniquely allocated either to the basic industry (i.e., food and agriculture) or to a non-employment income source. The industry definition is broadly defined by BC Stats to include not only primary activities (i.e. harvesting, extraction), but also any downstream processing that occurs locally, and also any indirect activities that are purchased locally.

ENERGY

LOCAL BUSINESS

Current forecasts suggest that BC's energy demand is predicted to grow by 45% in the next 20 years. As energy needs grow, concerns for cleaner energy production heighten, and supportive federal and provincial green energy policies are announced, multiple green energy opportunities have emerged in the province.

Currently, the green energy sector in the study area is relatively undeveloped. There is a single, 0.9 MW micro hydro project on Cayoosh Creek. Earth First Energy from Victoria holds a wind power investigative permit for four mountain tops in the Yalakom region, northwest of Lillooet. The investigation is part of the company's larger Monte Nicola wind power project. If the project proves feasible, it will likely not be developed until after 2010.

In addition to development cost issues, access and proximity to existing transmission facilities, any new green power project would have to consider other critical issues, including environmental impacts and St'át'imc rights and title issues.

NEW BUSINESS ESTABLISHMENT TRENDS

Within the energy sector, independent run-of-river power generation developments are the source of considerable activity and business interest. Currently, there are 36 water power license applications in the study area. For the 14 applications that include power generation estimates, approximately 315 MW could be generated. There is one functioning project on Cayoosh Creek operated by ESI Power Walden Corporation that generates 0.9MW of electricity. It was developed in 1991 as one of the province's first Independent Power Producer (IPP) projects.

Given the long-term environmental and cultural impacts of BC Hydro's Bridge River Complex, the St'át'imc Chiefs Council , individual bands and the Lillooet Tribal Council are reluctant to pursue run-of-river and micro-hydro projects for fear of additional impacts to the area's already threatened salmon-bearing streams.

In late 2000, BC Hydro produced a provincial wind speed map. The mapping project covered the entire province and displays annual average wind speeds at a height of 65 metres above the ground, which is the average hub-height of a modern wind turbine. According to the mapping there are numerous high alpine sites throughout the study area with 'good' to 'very good' wind resources.

Despite the wind resources, there have been few investigative wind power projects in the area. Most commercial-scale wind power projects are focusing on coastal and off-shore locations and areas in and around the Rocky Mountains. Earth First Energy from Victoria holds a wind power investigative permit for four mountain tops in the Yalakom region, northwest of Lillooet. The investigation is part of the company's larger Monte Nicola wind power project. If the project proves feasible, it will likely not be developed until after 2010.

BC Hydro estimates that wind energy costs range from $61 to $141 per megawatt-hour - cheaper than geothermal, wave, tidal or solar. Biomass energy costs about $56 to $190. Small hydro runs about $30 to $100 per megawatt-hour.

SECTOR EMPLOYMENT AND TRENDS

Some of the jobs associated with green energy generation are power line technicians, finance managers, electrical engineers, front line supervisors, and operator technicians. Many of these jobs require specific skills training or education, which has become increasingly difficult to receive because of a decline in post secondary schools offering appropriate courses and programs in the energy sector. It is predicted that BC will face a shortage in skilled electricity sector workers in the next two to seven years.[62] To slow this trend the BC Ministry of Energy, Mines and Petroleum has created an action initiative to work with industry and the Indian and Northern Affairs Canada's Aboriginal Workforce Participation Initiative to recognize labour resources in aboriginal communities[63].

It should be noted that the large majority of jobs created through Independent Power Producer (IPP) development projects are in the construction phase. Aside from in operation and maintenance, these types of energy projects typically do not create a significant number of full-time, year-round jobs.

SECTOR REVENUES/ RECEIPTS AND TRENDS

BC Hydro's Bridge River complex is one of the crown corporation's key generating operations. The complex provides between 6 and 8% of current BC Hydro production. The St'át'imc Chiefs Council is still trying to negotiate a benefits package for the project which caused major environmental, cultural and social impacts when it was constructed in phases between1920 and 1960.

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[62] Government of British Columbia. 2007. Skills, Training and Labour Policy. The BC Energy Plan. http://energyplan.gov.bc.ca/PDF/BC_Energy_Plan_Skills.pdf

[63] Government of British Columbia. 2007. Skills, Training and Labour Policy. The BC Energy Plan. http://energyplan.gov.bc.ca/PDF/BC_Energy_Plan_Skills.pdf

SUMMARY SWOT ANALYSIS

The following section provides a summary SWOT (Strengths, Weaknesses, Opportunities, Threats) based on the previous overview of the local labour market and demographic trends, regional and local governance issues, and the analysis of four key local business sectors identified by the project's advisory committee – tourism, forestry, agriculture and energy.

The SWOT is a high level, summary assessment of local economic development constraints, opportunities and other issues. It will be used to help inform the economic development opportunity assessment to be undertaken in the next project phase.

Strengths

- **Natural capital:** With its abundant outdoor recreational opportunities and beautiful mountain, lake and river scenery, the area's natural capital has the potential to support a considerable outdoor, adventure and recreational tourism industry. The area's farm scenery and agricultural lands could also support an agri-tourism industry.
- **Cultural capital:** The St'át'imc have preserved many of their traditional ways and have begun sharing them with visitors through an emergent cultural tourism industry. The study area is home to accessible and significant cultural heritage sites.
- **Growing cooperation:** Successful local economic development in the study area will depend in large part upon the level of cooperation between St'át'imc and non-St'át'imc communities. Recently, the District of Lillooet and T'ít'q'et have recently begun exploring a joint economic development officer position and have initiated joint staff meetings. Harnessing and leveraging this nascent economic development cooperation will be critical to realizing future economic opportunities.
- **Improving local land use planning policy environment:** Both the District of Lillooet and Electoral Area B are nearing completion of new Official Community Plans (OCP) for their areas. Both draft OCPs explicitly recognize the importance of engaging St'át'imc communities in local land use planning and economic development decision making. Lillooet's draft OCP, in particular, highlights the importance of District - St'át'imc cooperation and lays out significant supporting policies on the matter.
- **Services:** While commercial retail and professional services are limited, Lillooet still functions as a regional supply and service centre. The foundation is in place for future expansion and diversification.

Weaknesses

- **Limited cooperative structures:** While the District of Lillooet and T'ít'q'et have recently begun exploring a joint economic development officer position and have initiated joint staff meetings, there is still little economic development co-operation in the study area. In addition to the lack of regional, multi-stakeholder economic development working group or committee, there is no region-wide coordinated tourism planning involving key tourism players.
- **Access and infrastructure:** The area is relatively isolated and served by poor (and occasionally dangerous) roads. There are no scheduled transportation links (rail, bus or air). Planned road improvements have been delayed by ongoing St'át'imc – BC negotiations. Supporting infrastructure services (water, sewer, air port, local roads, etc.) will also likely require upgrading and expansion to support future potential growth.

- **Limited visitor data:** There is a lack of accurate data on tourism numbers, visitors (e.g., origin, activities sought, etc.) and visitor receipts (e.g., spending, accommodations, etc.). This makes effective tourism planning more challenging.
- **Limited services:** While Lillooet is a regional professional and commercial retail service centre, these services are limited. Only basic professional services are available in town. Overall, technical and financial capacity is limited in the study area.
- **Limited education opportunities:** There are very limited, in-community, post-secondary education opportunities available. Along with more limited local job opportunities, this has led to a decline of residents in the 20 to 29 age range.
- **Unsettled St'át'imc Title and Rights:** St'át'imc and BC have yet to resolve Title and Rights issues on St'át'imc traditional territory in the study area. It is recognized by both parties that economic development and investment will likely be limited until these issues are resolved. While efforts have been made, including a government-to-government Protocol Table that was active for some time, negotiations have stalled and no formal mechanism is in place to continue them.
- **Regional governance:** The northern portion of the Squamish-Lillooet Regional District (which corresponds to the study area) has not experienced the same growth and development as the southern portion which includes Whistler and Squamish. The St'át'imc and the District of Lillooet both participated in the Regional District's current Regional Growth Strategy process as capacity allowed; however the District of Lillooet was very vocal about their initial concerns that the strategy did not meet their needs for economic recovery as opposed to growth management. While recent efforts have been made by the Regional District to better involve, engage and understand the issues of the study area, ongoing efforts and attention will be required for the Regional District to continue building a better working relationship.
- **Limited 2010 Winter Olympic Games benefits:** While the District of Lillooet received $330,000 to upgrade its Recreation Centre through the province's 2010 Live Sites program, the study area was unable to secure additional 2010-related benefits. Despite the District of Lillooet's efforts, no national teams will be training in the study area and the Lillooet airport will not be used by the RCMP as a security post. Due to transportation limitations to Whistler from the north, it is also unlikely that Lillooet will capture visitors en-route to Whistler or Vancouver.

Opportunities

- **Tourism-based development:** With its wealth of outdoor activities, beautiful scenery and rich cultural heritage, tourism has been correctly identified as a key potential economic driver. While visitor numbers have increased over the years, Lillooet must still develop 'destination' attractions and events, in addition to upper end, 'resort-style' accommodation options to attract and keep visitors in the area. New cultural tourism opportunities are being developed by St'át'imc communities and are slowly growing in popularity.
- **Viticulture and specialty organics:** While the sector is less diversified and smaller than other areas in the Regional District (e.g., Electoral Area C and the Pemberton Valley), agriculture is still a significant economic driver in the study area. Diversification opportunities exist with specialty organic and herb products. A comprehensive and highly anticipated study is currently underway to assess the area for viticulture (wine grapes). This project involves the monitoring of different varietals planted on local properties and will not be completed until late 2009.
- **Joint venture funding:** All economic development stakeholders in the region (i.e., District of Lillooet, Lillooet Chamber of Commerce, Lillooet Tribal Council, individual St'át'imc Bands, Upper St'át'imc Language and Culture Society, Squamish-Lillooet Regional District, etc.) are able to access targeted funds that may not be accessible to all stakeholders (e.g., St'át'imc can access

Indian and Northern Affairs Canada funding, while non-St'át'imc stakeholders cannot access these funds). By working together on a single project, the stakeholders are able to both pool their funding and, potentially, leverage additional funds.

- **Potential 2010 Winter Olympic Games benefits:** While the study area has been unable to secure significant 2010-related benefits (beyond a $300,000 provincial grant to update Lillooet's Recreation Centre), the 2010 Games present a considerable marketing and awareness raising opportunity for the study area, particularly if the study area is able to develop a Tourism Marketing and Media Strategy.

Threats

- **Declining forestry industry:** In 2001, forestry accounted for approximately 20% of jobs in the study area, employed about 500 people and was estimated to have generated almost $20 million in after-tax income. Since then, there have been a considerable number of layoffs in the local industry, regional mill closures and the emergence of the mountain pine beetle infestation. Collectively, these factors combined with a slumping US housing market, rising energy costs and a rising Canadian dollar have caused considerable hardships in the Lillooet Timber Services Area. Forestry-related jobs could continue to decline depending upon the ongoing restructuring of the area's largest forestry company and operator of the study area's only processing facility, Ainsworth Lumber.
- **Provincial planning and policy-making:** Currently, study area stakeholders (St'át'imc communities and District of Lillooet) have limited influence on critical provincial-level decisions. In particular, recent provincial transportation planning decisions (and non-decisions) have generated considerable impacts. These impacts include the termination of scheduled passenger service from Vancouver to Lillooet and funding delays around critical transportation improvements (i.e., Duffey Lake bridge replacements and Highway 12 improvements around the Big Slide). Another key external policy threat is the provincial policy position towards resolving St'át'imc Title and Rights in the study area. It is widely recognized by project stakeholders that private sector and provincial/federal economic development and investment in the study area will be limited in the study area until this critical issue is resolved.
- **2010 Winter Games transportation and access:** Despite the study area's relatively close proximity to Whistler, primary access to Whistler will be from Vancouver (another major event venue) and not via Lillooet. Access to highway 99 will be restricted between Pemberton and Whistler and Vancouver and Whistler. High frequency buses will be used to bring visitors from Vancouver to Whistler, while access from Pemberton will be limited. Final transportation plans have not yet been released. Finally, while the District of Lillooet received some funding to upgrade its Recreation Centre, it is unlikely that the Lillooet 'Live Site' will draw visitors from nearby communities which also received Live Site funding (e.g., Pemberton, Merritt, Kamloops, etc.).

While relatively small in population, Lillooet is a regional service centre with significant economic development opportunities and strengths that could be leveraged to help diversify the local economy .

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