

What We Found

E-1 ECONOMIC PROFILE OF THE COMMUNITY

The community of Gibsons was founded as a fishing and forestry community. While these two industries continue to play a role in the economic profile of Gibsons, trends in tourism, and real estate and manufacturing have significantly altered the economic landscape of the community.

Economic data pertaining specifically to Gibsons or to the Sunshine Coast region is difficult to interpret from BC Stats data, which groups the Sunshine Coast into the Lower Mainland and South Coast regional statistics. Community specific economic information is limited to population, labour force breakdowns by industry, taxation and employment levels. Much of the following information has been gathered in talks with community staff and local stakeholders.

E-1.1 Economic Sectors and Employment

Gibsons' major employer continues to be the nearby Howe Sound Pulp and Paper mill at Port Mellon. The mill currently employs about 600 workers, many of whom live in and around Gibsons. Manufacturing plays a larger role in Gibsons' labour force activity than it does in nearby Sechelt and, at 14% of the workforce, it is 4% over the provincial average.

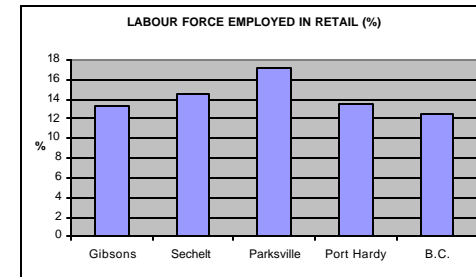
The Gibsons economy received a significant boost in the early 1990's when the pulp and paper mill underwent a \$1 billion expansion. At that time the work force at the mill increased to about 1200 employees, putting pressure on the local housing stock and forcing an increase in real estate prices. It is estimated that in 1990 \$24.7 million of these dollars went directly into the local economy towards wages, services and supplies. The now state-of-the-art mill is expected to operate for years to come. It is safe to suggest that the mill will continue to offer Gibsons some economic stability, employing a large portion of the population in addition to spin-off jobs.

Retail trade is the second largest employer in the area, utilizing approximately 13% of the labour force. Gibsons acts as a retail center for a greater population than that within its boundaries. Adding the population of the nearby regional Electoral Areas E (Elphinstone) and F (West Howe Sound) effectively doubles the number of local service users. Interestingly, although Gibsons appears to have a large amount of retail development, the number of people employed in the retail sector is lower than in other communities in coastal British Columbia.

While employment in retail is rising, there is evidence of diverging trends in the Gibsons economy. On the one hand, there is a move toward the generic. Upper Gibsons has acquired numerous commercial franchises over the last seven years and a few big box retailers are showing interest in the Sunshine Coast. At the same time, there is momentum towards specialized industry and retail to fill niches that cannot be met in the Vancouver market. New enterprises include secondary manufacturing in custom log homes and cottage industries offering items such as value-added wood products or specialized textiles.

Tourism is a significant contributor to the local economy and growth in this sector is evident. Between 1991-1996 the number of Gibsons workers employed in the accommodation, food and beverage industries grew from 125 to 200. The number of Bed and Breakfast establishments registered in the region also increased over a similar period from less than 10

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Although Gibsons has a retail catchment area of about 8,000 residents, the retail employment force at 13.4% is not as high as in other similar sized coastal communities, such as Parksville (17.1%) or neighbouring Sechelt (14.6%) and equals that of Port Hardy, a smaller community. This may suggest that some Gibsons dollars are being lost to retailers in Sechelt or Vancouver.

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to over 70. With an emphasis on tourism development in the community economic development strategy, these numbers will continue to grow.

A visible trend on the Sunshine Coast is the increasing number of individuals who participate in the cultural work force (visual and literary arts, theatre, music, dance and administration). While some represent artist-entrepreneurs, other cultural sector workers are contracting out their skills to businesses and government agencies. The Coast Cultural Alliance, based out of Gibsons Landing, represents artists across the Sunshine Coast with over 25 artists and studios registered specifically in Gibsons.

Across the Sunshine Coast, businesses without employees total half of all businesses, suggesting that the number of small enterprises and home based businesses plays a large role in generating income in the area. The number of businesses with employees peaked at 1018 in 1997 and has declined over recent years. Data from 1991-1998 suggest that the number of businesses employing 1-19 workers has declined whereas those enterprises employing 20-49 workers have increased.

The number of residents earning incomes outside of the region and outside of traditional industries is growing. Over the past two decades the number of commuters to Vancouver jobs has exploded from 7-10 people per day in the early 1980's to some 400 per day in 2000. Low real estate prices in Gibsons and across the Sunshine Coast along with increasing commute times in the Lower Mainland should continue to fuel this trend.

Although there has been a province-wide decline in fisheries and forestry output, there has been little adverse effect on the Gibsons local economy. It has been reasoned that many of the seasonal and resource workers in the area traditionally work away from home and have continued to find work elsewhere in the province while maintaining families and residences in the area.

Gibsons unemployment rate is currently at 10.4%. This is higher than the provincial average of 7.4%. This may be due to the described lack of jobs and also the numbers of seasonal workers who live in the area.

E-1.2 Partnerships Toward Development

The annual budget for the town of Gibsons is \$4 million with only a small portion coming from property taxes. This limited budget presents a challenge for undertaking development projects. In recent years, the town of Gibsons has relied on private-public co-operation to fund projects such as the restoration of heritage buildings and the Warf Renewal Project. Funding for these projects came from a variety of sources: provincial and federal grants, property taxes, donations in kind or dollars from local businesses, and volunteer hours from community members. There is an obvious trend towards projects being undertaken as community partnerships which are financed in part by other businesses and organizations.

In working towards the goal of long-term economic sustainability, partnership strategies have been initiated at the local and regional levels. The Gibsons Economic Development Partnership (GEDP) was formed in April 1999. Its members include:

- The Town of Gibsons
- The Gibsons and District Chamber of Commerce
- The Gibsons Landing Business Association

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ECONOMIC SECTOR: IMPLICATIONS FOR PLANNING

- *High numbers of businesses without employees and income generation from 'other' sources indicates a significant number of small businesses. A high degree of flexibility in residential land use zoning to accommodate home based businesses is needed to support this trend.*
- *Growth in the Bed and Breakfast industry will also require accommodation in residential zones.*
- *Increased emphasis on tourism development will increase the need for more tourist oriented development in the community. Smaller commercial spaces for specialty shops and arts and culture venues should be supported.*

Although public-public partnerships suggest a positive trend, there are implications:

- *Dollars come with strings attached.*
- *May risk volunteer burnout.*

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- The Gibsons Harbour Authority
- The Sunshine Coast Labor Council
- The Community Futures Development Corporation of the Sunshine Coast.

To date the partnership has succeeded in bringing ten non-partner community groups to the table to share information on the economic needs of the community, and has raised 60% of the 1.5 million dollars needed to revitalize the waterfront. A similar trend is emerging at a regional level where the Coast wide Economic Development Partnership provides a forum for discussing co-operation and mutual benefits for businesses on the Sunshine Coast. For example, discussion has begun on a winter recreation center to be located near Sechelt, which could benefit the entire region.

E-1.3 Visions Toward Economic Development

The economy of Gibsons is evolving beyond dependency on primary industry. Tourism has gained significance in recent years, and can be viewed as a transitional strategy sustaining the economy as it moves towards greater diversification.

The Gibsons Economic Development Partnership has identified the following sectors as areas to develop:

- Tourism
- Value-added Manufacturing of Wood Products
- Education
- High-Tech Business
- Arts and Culture

Fundamental to the opportunities for economic growth are transportation improvements and effective marketing. Transportation plays a key role in the movement of people, and goods on and off the Coast. Of particular interest to Gibsons is a direct transportation link (foot passenger ferry) between Lower Gibsons and downtown Vancouver. Such improvements in transportation, along with off-Coast marketing could help promote Gibsons as a visitor destination, a place for new residents and a place to do business. Additional visitors and new residents in Lower Gibsons could support a strong and viable retail center as outlined in the Harbour Master Plan. Similarly, successful businesses locating in the area could help finance additional growth.

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Advantages of a Regional Economic Partnership on the Sunshine Coast:

- *Sharing human, physical and financial resources to reach positive outcomes and avoid repetition of effort*
- *Increasing the regions image marketability to outside investors*
- *Ensuring economic development initiatives remain in tune with regional character and values*