

# Backgrounder - Economics



## A Hotbed of Economic Activity. Let's talk economics.



Tourism, wine, agriculture, secondary manufacturing, transportation & logistics, and small business – these are what Osoyoos does best. In recent years the growth in Osoyoos' economy through business development and real estate has prompted a huge increase in the creation of resorts, restaurants and residential developments. Over the past five years, this new growth has infused the community with an estimated \$350 million in investment.

Osoyoos is a rapidly developing four-season resort community with an eye for progressive economic investment and development.



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Situated at the southernmost end of the Okanagan Valley, adjacent to the border with the United State and in Canada's only true desert, Osoyoos is uniquely positioned to capitalize on its natural assets and strategic economic vision.

Recently designated by the provincial government as a BC Resort Municipality, Osoyoos continues to see dramatic changes to its economic base. Beyond this achievement, the destination is increasingly being recognized for its investment attraction and business development capacity. The town was recently named the Most Business Friendly Community in the Thompson Okanagan region by the *Thompson Okanagan Business Examiner* newspaper.

To complement this growth, Destination Osoyoos – the regional tourism marketing organization and economic development body for Osoyoos – recently launched a new brand for the community, and is in the process of completely re-branding Osoyoos from a tourism and an economic perspective. This new brand includes the tagline – “Canada's Warmest Welcome”.

## Development of tourism amenities

Osoyoos is currently undergoing controlled development in excess of \$250 million in new tourism amenities through various accommodation, recreation, amenity and service-based developments. At the same time, the community continues to enhance its year-round industrial base. The community has experienced a significant increase in employment levels in recent years, leaving its current unemployment rate at 6.2%. Most new job creation has been in the construction, tourism and government service sectors, but with a mandate to spark growth in the professional services sector growth, Osoyoos is actively attracting health-care professionals, educators, architects, engineers, and financial and legal professionals to the community.

The Town of Osoyoos granted a record number of building permits in 2007 – valued at more than \$70 million – which indicates the sheer volume of significant projects currently under construction in the area. Current and just-finished property developments include: a new \$2-million BC Visitor Centre @ Osoyoos (opened in the summer of 2007); resort developments such as the Watermark Beach Resort, Walnut Beach Resort, Phase 2 of the Spirit Ridge Vineyard Resort & Spa at NK'MIP Resort and a planned Spirit Ridge Phase 3; the expansion of nearby Mt. Baldy Ski Area to include a new quad chair (opened in the winter of 2007); and various residential developments, accommodations and amenities. Housing market trends have been significantly positive, with a rise of nearly 28% in the community's average house value over the past three years.

## Opening doors to business in Osoyoos

Advantageously located at one of the busiest Canada/US border crossings and at the junction of two major transportation routes – Highway 97 and Highway 3 (Crowsnest Highway), Osoyoos is naturally poised as an economic hub for the South Okanagan Valley and as a gateway for cross-border traffic. Just five hours from the port of Vancouver, one and two hours respectively from the airports in Penticton and Kelowna, Osoyoos is strategically and internationally connected by land, sea and air. When combined with its labour pool, infrastructure and low overhead costs, Osoyoos' open-door policy in support of business growth makes it quick, easy and less expensive to launch a new venture. The total costs of establishing and operating a business in Osoyoos are lower than many comparable communities in Canada or the United States. Investors can expect access to one of the lowest electric utility rates in North America, affordable housing, competitive property tax rates, and low labour costs.

## Economic sectors being pursued

Over the next few years, economic development in Osoyoos will be solely focused on diversifying the current economic offering in order to establish a multi-faceted, year-round economy for tourists, entrepreneurs, investors and residents alike. Here are the main sectors Osoyoos is exploring:

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## Tourism and support services

Tourism infrastructure – in particular: events, attractions and dining opportunities – are strongly supported in Osoyoos as a necessary means for community and visitor satisfaction and progress. As can be seen by the local and provincial investment in new tourism products, the community and governments are fully behind this growth.

### • Expansion of winter product offering

The nearby Mt. Baldy Ski Area, purchased privately in 2004, has launched a major expansion, signifying a shift in focus for the region from a “fun in the sun” summer destination, to a multi-faceted four-season offering. The resort’s Expansion Master Plan calls for expanded alpine recreational offerings – including additional ski lifts, increased terrain access, resort amenities, and resort residential accommodation – which will attract year-round usage by a wide variety of user groups. [www.skibaldy.com](http://www.skibaldy.com)

### • Resort and conference space development

Osoyoos welcomes the ongoing development of the Watermark Beach Resort and its Convention Centre (developed by Osoyoos Shoreline Development and managed by Boutique Hotels & Resorts of British Columbia), and Spirit Ridge Vineyard Resort’s NK’MIP Conference Centre (developed and managed by Bellstar Hotels & Resorts and the Osoyoos Indian Band). Both conference facilities are planned for completion in late-2009 and will bring greatly increased resort accommodation to Osoyoos, while also providing this destination community with two new venues with which it can target the meeting, events and conference markets. Upon completion, the NK’MIP Conference Centre will be the largest meeting facility in the Okanagan south of Penticton, accommodating groups of up to 350 people. In addition, Phase 3 of Spirit Ridge – the Spirit Ridge Residence Club – will add 37 more casita-style villas and a private clubhouse when completed in 2010. [www.ownwatermark.com](http://www.ownwatermark.com) [www.spiritridge.ca](http://www.spiritridge.ca)

### • Green beachcleaning

Thanks to a newly acquired piece of equipment, the Town of Osoyoos is making a clean sweep of its beaches from spring till fall. In 2008 the Town purchased a BeachTech ‘Marina’ beach-cleaning machine from Kässbohrer All-Terrain Vehicles, of Reno, Nevada. The beach-cleaner scoops up rocks, bottles, Eurasian Milfoil, and other refuse or potentially dangerous items which may linger on or under the surface of the sand, keeping local beaches safe and clean for the enjoyment of local residents and the thousands of visitors to town each year. An added benefit of the BeachTech Marina machine is that it can run on biodiesel fuel, reducing its “carbon footprint” and impact on the environment.

## Agriculture, food science and biotechnology

Agricultural land makes up a large percentage of Osoyoos’ land base. The favourable weather conditions and rich soil are very conducive to growing tree-fruits, grapes and ground-crop vegetables – with many farmers adopting organic practices. Okanagan produce is known throughout Canada, particularly cherries, apricots, peaches, apples, tomatoes, peppers and cantaloupes. The South Okanagan area around Osoyoos and Oliver grows more than 56% of the province’s wine grapes. With over 40 estate wineries within a 30-km radius of the area, the excellent selection and quality of local grapes leads to production of some of the top award-winning wines in North America. Innovative methods of crop production and insect control are homegrown in Osoyoos by unique local organizations like the Sterile Insect Release Program (SIR) and Raingrow-Bioz Agri-Products (Liquid Organic Fertilizers). [www.oksir.org](http://www.oksir.org) [www.raingrow.com](http://www.raingrow.com)

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## Transportation and logistics

With the expansion and paving of the Osoyoos Airport runway, the community can now welcome all turbo-prop planes and private jets such as Dash-8 aircraft. Along with this development has come the attraction of a number of secondary manufacturing businesses that focus on airplane upgrades like custom finishing and painting, engine upgrades, and high-end interiors for corporate and private aircraft. As part of the community's airport development plan, the establishment of an airport park began in 2009. For the first time, industrial-zoned lots directly adjacent to the runway will be available for purchase. This development opens the door to new businesses in the area who find direct airport access a requirement or an asset for their operations.

Warehousing, a key component of the logistics industry, is a new sector being embraced in Osoyoos. Proximity to the Canada/USA border, and the town's positioning at the junction of Highway 97 (north-south) and Highway 3 (east-west) make it a prime location for corporate storage and warehousing. In recent months Emco, a major plumbing supplier, relocated to Osoyoos to service the entire southern part of British Columbia. With an abundance of leasing and purchasing opportunities for reasonably priced commercial and industrial space, as well as a strong environment for business-support services, Osoyoos is helping to convert economic opportunities into successful ventures.

## Advanced manufacturing & processing

Entrepreneurial thinkers have taken manufacturing to another level in Osoyoos – their mindset, combined with the superior local quality of life and ease of access, are the common denominators that are injecting the area with economic growth. The value-added sector for wood and agricultural processing is also a major focus. Entrepreneurs in the community have succeeded in developing commodities which add value to raw products in highly specialized markets – thanks in part to Osoyoos' proximity to product and the low cost of commercially leased space.

Here are just some of the current products being created by local manufacturing & processing companies, some of which are nationally and internationally successful:

- Award-winning wines
- Jams & jellies
- Wine barrels
- Tent trailers
- Paint-paddle sticks
- Fruit leather
- Furniture
- High-quality bath & body products from indigenous ingredients
- Environmentally-friendly gold extraction technology
- Locally extracted and bottled spring water

Many of these manufacturers have been long-term and viable contributors to the local economy. Given growth like this, all current signs suggest that the economic opportunities in Osoyoos are boundless.