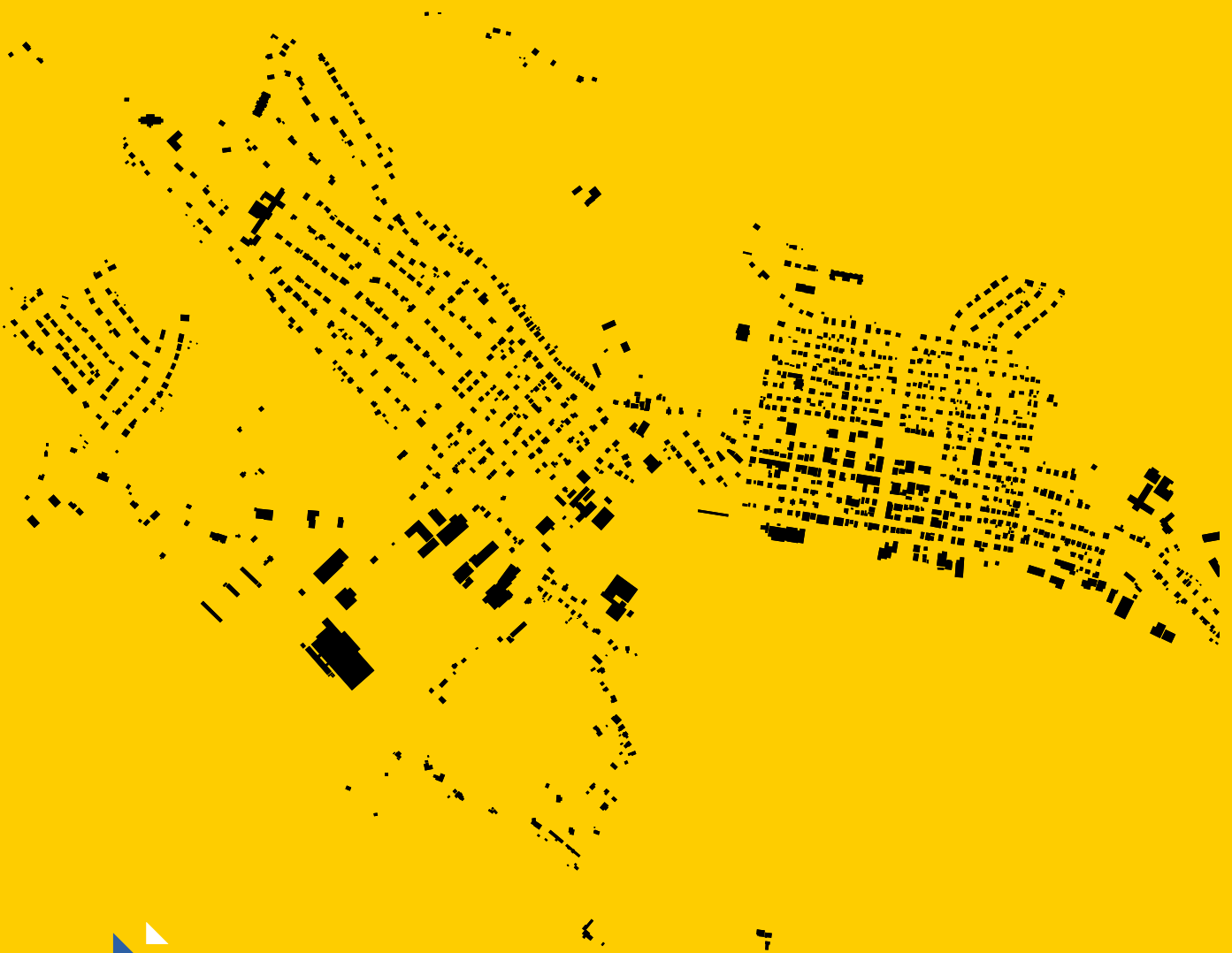


7/8

DISCUSSION PAPER

JANUARY 2020

ECONOMIC DEVELOPMENT



Discussion Paper 7/8
Economic Development
January 2020

Project Lunenburg
Town of Lunenburg Comprehensive Plan

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Table of Contents



Introduction	01
Economic Context	02
Labour Force Trends	03
Education Trends	04
Commuting Trends	05
Local Employment & Industry Trends	06
Economic Assets	09
Built and Natural Environment	10
Local Employers	11
Comparison of Employers and Employees	13
Economic Development	14
Global & Regional Economic Trends	15
Economic Development in Nova Scotia	16
Approaches to Economic Development	17
Factors Influencing Economic Development	19
Role of the Small Town	20
Role of Local Municipal Planning	21
Case Studies	23
References	25

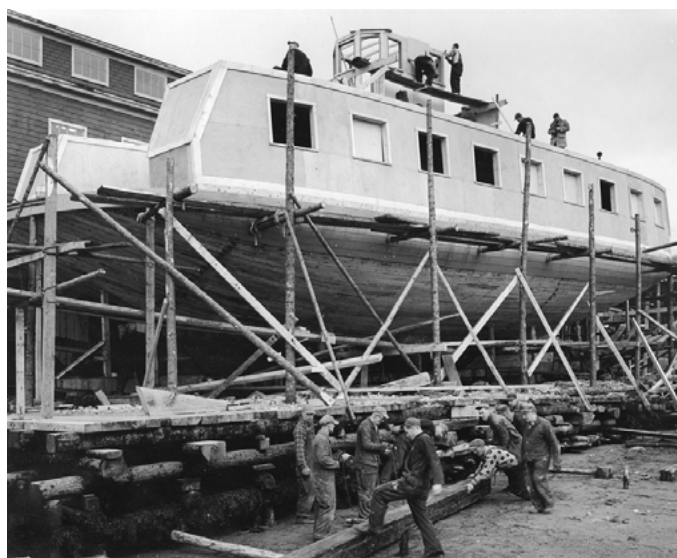


The Town of Lunenburg has a diverse economy, one that has adapted to changing micro- and macro-economic conditions throughout its history. Farming, fishing, shipbuilding and ocean-based commerce formed the foundation of the early economy. To varying degrees these sectors maintain an important presence today, alongside accommodations, hospitality, manufacturing, and creative and service industries, which play an important role in Lunenburg's economy. This document draws the connections between people, industries, and the community of Lunenburg, illustrating economic trends and suggesting opportunities to strengthen the town.

Just as Lunenburg has adapted throughout its history, continuing to explore ways to develop and innovate how the town's economy functions will be critical to the prosperity of the town. Economic development and innovation can create an environment where people want to invest, live, and work.

This discussion paper is the seventh in a series of eight, which provides context for the Town of Lunenburg's economy and lays the foundation for the Project Lunenburg Comprehensive Community Plan. This paper reports on the current assets of the town, reflecting on the labour and employment rates that support the community. This discussion paper will also explore economic development more broadly, and what it means for towns such as Lunenburg.

Dartmouth Ferry being constructed in Lunenburg (ca. 1956).



ECONOMIC CONTEXT

Understanding current economic characteristics in Lunenburg provides context, and orients future decision-making. How have Lunenburg's labour force and employment sectors changed?



Glossary of Terms

Employed means a person who is employed at a job or business.

Employment rate means the number of people employed expressed as a percentage of the population 15 years of age and over.

Labour force means residents 15 years of age and over who are employed or unemployed.

Not in labour force means people who were unwilling or unable to offer or supply labour services, that is, they were neither employed nor unemployed.

Participation rate means the share of the working-age population that is working or looking for work.

Unemployed means those who were on temporary layoff with an expectation of recall and were available for work; or were without work, had actively looked for work, and were available for work; or had a new job to start within four weeks, and were available for work.

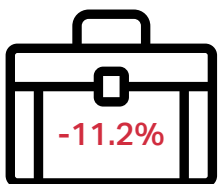
Unemployment rate means the number of unemployed persons expressed as a percentage of the labour force (unemployed plus employed).

Working age population means residents 15 years of age and over.

The demographic changes occurring at the national, provincial and local levels have significant impacts on the way people participate in the economy. As communities age, there is a greater number of individuals leaving the workforce compared to the number of young persons entering the job market. This trend was observed both in Lunenburg and Nova Scotia (provincial statistics exclude HRM data unless otherwise indicated) where the participation and employment rates declined.

Although the labour forces of the region (combined total of Queens and Lunenburg Counties) and the province are trending in the same direction, the changes occurring in the town are more profound. The number of unemployed persons increased from 85 persons to 110 (a 29.4% increase) between 2006 and 2016 compared to a 2.1% increase within the province. Over this same period, the number of employed persons in Lunenburg decreased from 935 to 830 (-11.2%). The town also experienced a larger loss in its total working-age population (aged 15+) compared to the region and province. The town's population of individuals 15 years of age and over decreased by 4.5% while decreasing 2.2% across the province and remaining constant within the region.

The information above would suggest that the decrease in employed persons in Lunenburg (apart from individuals transitioning from employment to unemployment) can be partly attributed to residents moving away from Lunenburg.



The number of employed residents in Lunenburg decreased from 935 to 830 between 2006 and 2016.



Residents aged 15 years and over not in the labour force remained the same (890) between 2006 and 2016.

Education Trends

Residents living in the Town of Lunenburg are highly educated, with 63% of the working-age population possessing more than a high school certificate – compared to 51.3% and 50.9% in the region and province, respectively. Education levels have been increasing throughout the province and Lunenburg, where the proportion with at least a high school education has increased and growth was sustained among college and university graduates.

The continued increase in education levels may be due to several factors. For one, there is a national and global shift from jobs in sectors including manufacturing, transportation, and warehousing among other jobs characterized by unskilled labour to employment in professional and administrative sectors. Another consideration is the affluence of the town's residents and the jobs that they hold, or have held. Although there is a higher instance of lower-income households in Lunenburg compared to the region and province, this can largely be attributed to an increase in the number of retirees – many of whom do not have traditional income sources but are nonetheless highly educated.



Lunenburg has a highly educated population.
63% of the population over the age of 15 has more than a high school certificate.

Manufacturing plays an important role in the local economy.





The majority of working residents in Lunenburg commute to a place of work within the town; however, the proportion has decreased significantly over 10 years between 2006 and 2016. In 2006, 60.6% of Lunenburg residents' place of work was within the town while only 31.0% of residents were commuting outside of the town but still within Lunenburg County. Ten years later, 45.3% of Lunenburg residents were employed within the town and 43% of residents were commuting outside of the town but within the County. Thus, more locals are electing to live in the town and commute elsewhere for work. This trend is a deviation from the regional and provincial norm which had relatively stable workplace locations between 2006 and 2016.

The majority of the town's residents work within the town boundaries; however, the number of local workers decreased significantly from 2006. Over the last decade, the town has typically had a net positive worker inflow. To illustrate, in 2016 the town had 625 residents commuting outside the Town for work but took in at least 1,430 – a net inflow of 805 workers.

Trends highlight a potential shift for Lunenburg from a small-town central employer to increasingly a bedroom community. The town experienced a 39% increase in residents commuting outside of the town for work and a 15% decrease in incoming workers from outside of the town boundary. Decreased rates of mobility within the town itself compared to external communities suggest that the town's population decrease can be partially attributed to residents seeking work, and subsequently residency, elsewhere.

Top five employment sectors of residents of Lunenburg outperforming the province:



Using the North American Industry Classification System (NAICS) which looks at the type of industry individuals are employed in, it is possible to better understand the major industries of Lunenburg in comparison to the region and the province. As a small-town rich in tourism, there are fewer persons employed in construction, transportation, and warehousing and other manual labour positions (except for manufacturing which is primarily associated with local shipbuilding, metal fabrication, and aeronautics) compared to the region and province.

In 2016, there were 110 fewer Lunenburg residents employed within the retail trade sector compared to 2006. Several factors could have contributed to this including the impact of online shopping and other pressures on retail generally, or other socioeconomic factors including the rise in housing costs and a decrease in housing supply in Lunenburg, causing many seasonal and low-income workers to move to communities outside of Lunenburg. This is not definitive however, as residents being pushed out by high housing cost may still be employed within the town but reside in a community outside of Lunenburg.

Local Employment Trends by Industry Type

NAICS Occupation Category	Total	% of Total
Health & Social Care	155	16.8%
Manufacturing	145	15.8%
Accommodation & Food Services	145	15.8%
Retail Trade	80	8.7%
Professional Services	50	5.4%
Educational Service	50	5.4%
Arts, Entertainment, & Recreation	35	3.8%
Information & Culture	30	3.3%
Other	20	2.2%
Transportation	15	1.6%
Real Estate	15	1.6%
Finance & Insurance	15	1.6%
Construction	15	1.6%
Total	920	100%

In contrast with the job losses noted above, five industries (page 7 figure) experienced a cumulative growth of 135 employed Lunenburg residents, led by a 40.7% increase in persons working in accommodation and food services; a standout job provider compared to the region and province. While it is not possible to make direct attribution, a surge in popularity of short term rentals (STR) may provide more diverse, and sometimes more affordable, accommodation options, which could be increasing the accessibility of the area to more visitors. Travellers may be more likely to stay for longer periods and spend more money, further driving growth in tourism-supported occupations. During the winter season, while many retail businesses, restaurants and traditional accommodations are in seasonal closure, STRs carry on. During the winter season of 2016-2017 (November to February), there was an average of 15.25 listings. During the winter of 2017-2018, there was an average of 33.5 active listings, and 58.25 in winter 2018-2019. By comparison, August and September are the peak seasons for STRs, with the most active listings reaching 90 in September 2018.

Local Employment & Industry Trends (Continued)

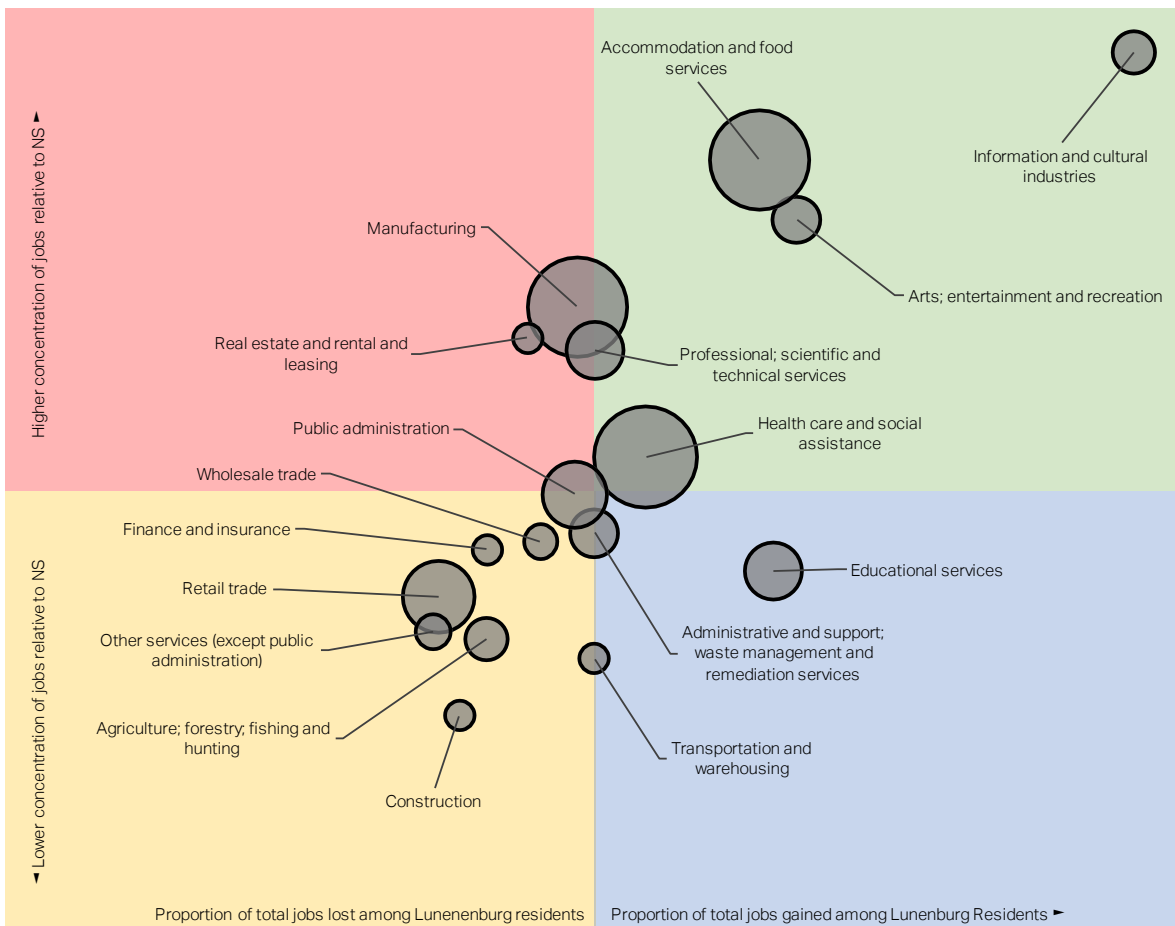
The following chart represents additional insight into the trajectory of each economic sector, and how this can inform economic development efforts. Each industry sector is plotted in the chart based on:

- ▶ Horizontal Axis: Proportion of total jobs lost or gained among Lunenburg residents between 2006-2016. Left of centre represents decline, right of center represents growth.
- ▶ Vertical Axis: Concentration of jobs in the local area in comparison to the province (excluding HRM). Above centre represents greater concentration than the province, below centre represents lower concentration than the province.

- ▶ Circle Diameter: Size of industry based on number of employees in 2016 (proportion of local jobs)

Industry sectors fall into one of four quadrants, with their distance from the middle indicating the strength of each classification:

- ▶ Green: Locally prominent sectors that are growing.
- ▶ Blue: Growing sectors that are underrepresented.
- ▶ Yellow: Declining sectors that are less important.
- ▶ Red: Important sectors that are in decline.



Industry change and concentration 2006-2016

Local Employment & Industry Trends ▶ (Continued)

Generally, industry sectors within Lunenburg are dispersed primarily within the green and yellow quadrants. Those in the green quadrant represent self-sustaining employment sectors and those in yellow are best left to their own devices. Consequently, local government can direct its focus to the industries and employers that may be underrepresented (blue quadrant) or important industries decreasing in significance (red quadrant), if appropriate.

In the diagram on the previous page, the size of the circle illustrates which industries are largest and thus require the highest prioritization – there is greater potential for positive results. Those industries located around the middle of the chart suggest they are trending in a similar pattern as the province as a whole, and are changing slowly relative to other industries.

The noteworthy success of “accommodation and food services” and “information and cultural industries” is not surprising – the town has long been a tourist destination. The outsized growth and specialization of “information and cultural industries” is interesting, but this trend is driven by a small number of overall employed persons, so this can lead to large proportional changes. This sector is principally made up of activities in the entertainment industry including the production and distribution of cultural products. Information and cultural industries exclude those establishments engaged in operating facilities or providing services to meet the cultural, entertainment, and recreational interests of visitors, which are captured within the “arts; entertainment and recreation sectors.”

Retail storefront in Lunenburg.



ECONOMIC ASSETS

Lunenburg's local economy is founded upon the natural, built, and infrastructure assets that are located within the town. What is the nature of business sectors in Lunenburg?

One of the best intact examples of British colonial settlement in North America – earning it a UNESCO World Heritage Site designation – Lunenburg attracts people from near and far, injecting money into the local economy. Many of Lunenburg’s structures are well maintained, demonstrating both a level of community pride and an outward indication of economic vitality; however, many sidewalks and other facilities are in mixed condition and may require maintenance.

One of the principal assets in Lunenburg is its harbour. The shoreline of the front harbour is framed with traditional shipbuilding structures, wharves and piers while the absence of structures along the back harbour help to reinforce the scenic, natural qualities of Lunenburg.

For a small community footprint, Lunenburg has a large variety of amenities including parks, trails, and indoor and outdoor recreation opportunities. These amenities were discussed in greater detail in Project Lunenburg’s *Recreation and Community Spaces Discussion Paper*. Lunenburg is also home to the Fishermen’s Memorial Hospital and has numerous schools and educational services, from early childhood education within the town to post-secondary institutions in the greater region.

Lunenburg’s built heritage and harbour represent two of the Town’s strongest assets to attract visitors and new residents.



Local Employers



NAICS Occupation Category	Total	% of Total
Retail Trade	55	27.9%
Accommodation & Food Services	49	24.9%
Arts, Entertainment, & Recreation	24	12.2%
Other	11	5.6%
Transportation	10	5.1%
Educational Service	10	5.1%
Manufacturing	9	4.6%
Real Estate	8	4.1%
Health & Social Care	6	3.0%
Finance & Insurance	6	3.0%
Professional Services	5	2.5%
Information & Culture	2	1.0%
Construction	2	1.0%
Total	197	100%

Local Employer Industry Types

In contrast to the Local Industry Trends section of this Discussion Paper which described the sectors Lunenburg residents are employed within, this section will describe the nature of employers within Lunenburg.

There are approximately 200 businesses/organizations within the town limits or nearby. The types of businesses found in Lunenburg are vast, though a large portion do concentrate on serving the local tourism industry, such as hotels and art galleries. The highest proportion of employers within the town are within accommodation & food services; arts, entertainment & recreation; and retail trade. These three industries will be explored further on the following page.

The business inventory on the Town of Lunenburg's website categorizes businesses by type. Of the categories included four are marketed specifically to visitors, and often include overlap: places to eat, places to play, places to shop, and places to stay. Of the 36 businesses providing accommodation, three had a restaurant while 11 were bed & breakfasts. Retail stores vary in type (anywhere from clothing to confectioneries), but the most common retail trade establishment type is an art gallery – at 10 of 55 retail businesses. The town also has local necessities like groceries, gas, places of recreation, and three chartered banks.

Because of Lunenburg's small size and its gravitation towards hospitality uses, there is a limited number of resource-related work (i.e. agriculture, aggregate extraction, or forestry) – though there are persons employed in those industries living within the town.

Accommodation & Food Services

The nature of Lunenburg's economy as one that is largely based around tourism means many of the businesses in the town are oriented towards catering to those visitors. There are approximately 50 accommodation and food service businesses in Lunenburg - forming a key component of the local economy. Accommodations and food services are scattered throughout the town, but are generally concentrated in Old Town Lunenburg.



Arts, Entertainment, & Recreation

The town has a wide variety of destinations and activities for visitors and residents to enjoy. However, many of the businesses in this sector are only open during the summer months. Businesses within this category include museums, performing arts, indoor and outdoor recreation, and other heritage institutions. There are a total of 24 local businesses in Lunenburg that contribute to this sector.



Retail Trade

Nearly 28% of all businesses within the town conduct business in the retail trade sector. Despite the decline of Lunenburg residents employed within the retail trade sector and seasonal closures during the winter, it still represents the largest employer within the town. These businesses are located throughout town; with a large portion of them are located within Old Town Lunenburg. This historic district, with its variety of storefronts in close proximity, provides excellent opportunity for businesses.



Comparison of Employers and Employees



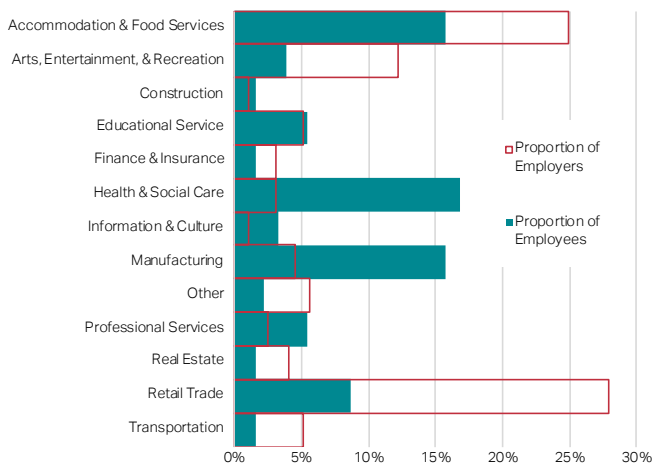
Proportionally, there are differences between the industries in which local businesses operate, and the industries in which residents of Lunenburg are employed. Some industries have proportionally more employers than employees, meaning that there the businesses are run without a large force workers. For instance, there are an abundance of retail trade companies in the town; however, they are likely run mostly by the owner, with minimal hired help. Conversely, those sectors that have higher proportions of employees than employers have larger pools of workers (i.e. hospitals that consolidate services into one building). Overall, each employers within Lunenburg hires on average nine people.

This analysis also shows the disproportionate employment effects of certain industry sectors. Manufacturing, health & social care, information and culture, and professional services are associated with a high level of jobs per employer.

The town has considerable representation of employees in manufacturing, with employers specializing in shipbuilding and accessory production, aeronautics, fish processing and metal fabrication. Marine industries have an important role in the cultural identity of Lunenburg, and many of the manufacturing employers in Lunenburg are directly tied to marine industries and fisheries. Part of the Small Craft Harbour program, the quality of Lunenburg's harbour means the town is able to maintain fishing and lobster industries. Service to recreational craft also bolsters marine industry activities.

This comparison further highlights the benefit to the town of employers such as specialized manufacturing and professional services (HB Studios, Stelia North America, and ABCO Industries, etc.) as well as public institutions such as the local NSCC campus, and the Fisherman's Memorial Hospital.

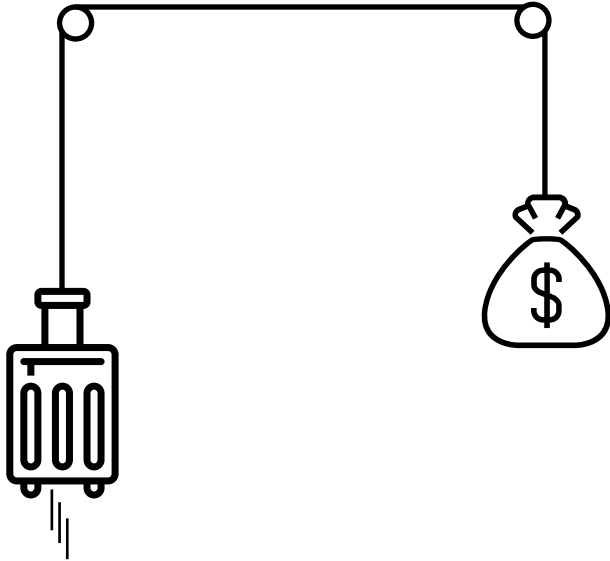
Comparison of Employers and Employees by Industry



ECONOMIC DEVELOPMENT

Economic development can occur at a variety of geographic scales. What are some of the factors influencing economic development? What are the challenges and approaches to local economic development?

The worldwide tourism sector continues to grow and is valued at \$1.6 trillion.



According to the *World Economic Situation and Prospects Report* produced by the United Nations for 2019, the global economy is expected to grow by 3% in 2019 and 2020. However, the report warns of several challenges that could disrupt economic activity and damage long-term growth. Risks include an escalation of trade disputes between nations, an abrupt tightening of global financial conditions, and intensifying climate risks.

Economic growth is largely attributed to the rise in global employment, as more people are finding work; yet, the quality of jobs is lowering, complemented by a stagnation or decrease in the per capita incomes of several areas and the subsequent enlargement of inequality.

The tourism sector accounts for 10% of global gross domestic product and acts as a significant job creator for all skill levels. This sector continues to experience demand from virtually all markets and is currently considered the world's third-largest export sector after chemicals and fuels at \$1.6 trillion, surpassing food and automotive products.

Telecommuting (also known as working from home or e-commuting) is increasingly becoming a popular workplace arrangement. Changes in communication technology allow employees to work from home while remaining in close contact, through telephone and email, with their employers and other employees. In Canada, rates of telecommuting between 2000 and 2008 increased by almost 23%. As telecommuting becomes more common, decisions for where people decide to live may be impacted to a lesser extent of where their employer's head office is located.

The Lunenburg Visitor Information Center.



Economic Development in Nova Scotia

At a provincial level, economic development within Nova Scotia is largely conducted by the Department of Business through crown corporations and special operating entities (such as Develop Nova Scotia, Innovacorp, Invest Nova Scotia, Tourism Nova Scotia and Nova Scotia Business Inc.). Together, the Department of Business with these Crown corporations and operating entities develop plans, policies, and programs that spur entrepreneurship, help attract investment capital and grow various sectors of the economy.

As mentioned on the previous page, the tourism sector continues to grow on a global scale. The implications of this are significant not only for Nova Scotia but for Lunenburg specifically. Tourism Nova Scotia aims to capitalize on the continual growth of tourism by growing the industry to \$4 billion by 2024. Develop Nova Scotia has also taken significant steps to promote economic development within Nova Scotia, including within Lunenburg, through programs aimed at rural internet extensions, placemaking initiatives, and master planning activities, among others.

The federal government also invests in economic development in Nova Scotia and Atlantic Canada through the Atlantic Canada Opportunity Agency (ACOA). ACOA partners with local businesses, organizations and communities to help grow local economies.

Tourism Nova Scotia, Develop Nova Scotia, and ACOA contributed a combined \$1.5 million to revitalize and enhance the Big Boat Shed along Lunenburg's waterfront.





There is no one-size-fits-all approach to economic development. Values and goals differ from place to place, as will the functions taken on by the local government. Nevertheless, the Federation of Canadian Municipalities highlights five major components of Local Economic Development implementation. The following is a list of those components and examples of activities local governments can participate in.

Business Retention and Expansion

- ▶ Identify opportunities for joint ventures
- ▶ Support/develop new business collaborations
- ▶ Provide assistance on preparing business plans and project plans
- ▶ Provide advice on market analysis and economic opportunities
- ▶ Provide advice on licensing, taxation and business requirements
- ▶ Conduct site visits
- ▶ Provide aftercare services such as assisting with bookkeeping, establishing cash controls and providing training
- ▶ Maintain files and records on local businesses and economic development opportunities

Workforce Development

- ▶ Research trends and conduct a gap analysis
- ▶ Provide training and professional development initiatives at the provincial, regional and municipal levels
- ▶ Participate in workforce planning at the provincial, regional and municipal levels
- ▶ Explore recruitment, selection and retention issues at a regional and municipal level
- ▶ Explore occupational health and safety issues

Entrepreneurial Development

- ▶ Provide assistance on preparing business plans and project plans
- ▶ Provide advice on market analysis and economic opportunities
- ▶ Provide advice on licensing, taxation and business requirements

Approaches to Economic Development (Continued)



Community Cash Flow Development

- ▶ Conduct ongoing research and investigations into private and public sector economic development funding opportunities
- ▶ Maintain an inventory of programs and contacts
- ▶ Review and test innovative funding opportunities
- ▶ Assess unmet support services (e.g. consulting, research, project management)
- ▶ Consult with industry and government representatives concerning requirements for funding
- ▶ Prepare proposals for funding to support community economic development

Business/Investment Attraction

- ▶ Identify sectoral opportunities for economic development (e.g. tourism, manufacturing, and arts)
- ▶ Act as a liaison between local organizations, businesses, individuals, and representatives of government, business and industry concerning economic development
- ▶ Develop partnerships within the community to develop and promote opportunities
- ▶ Assist local organizations, businesses and individuals to take advantage of economic development opportunities and major projects
- ▶ Assist with the development of job creation projects
- ▶ Conduct surveys and research on market opportunities
- ▶ Identify capital development program opportunities
- ▶ Identify community training and development requirements to take advantage of economic development opportunities



The Evolution of Local Economic Development in Canada policy brief published by the Federation of Canadian Municipalities identifies the following three factors as major influences to economic development on the local scale:

Economic Drivers

- ▶ Declining importance of commodities in production costs
- ▶ Impact of global partnerships on their investment and buying behaviours
- ▶ Oversupply of manufacturing production
- ▶ Synchronization of economies
- ▶ Increasingly mobile capital, accessible finance
- ▶ Changing employment dynamics from primary and manufacturing to the service sectors

Technological Drivers

- ▶ Technological advances and increased efficiency in the production processes
- ▶ Advancement in logistics giving rise to reduced need for, and costs, of shipping
- ▶ Absence of national boundaries for internet communication
- ▶ Importance of information services and information technology
- ▶ Technological advances necessitating higher skill requirements

Political/Regulatory Drivers

- ▶ Falling trade barriers
- ▶ Regional trade groupings and regional integration
- ▶ Global environmental and labour standards
- ▶ Increasing democratization bringing increased pressures and expectations from individuals and groups
- ▶ Widespread privatization of whole industries and decentralization of government services



The economic function of small towns has changed significantly in recent years. What once were areas of booming economic activity - related mostly to the surge in industrial sectors like manufacturing and processing - are now increasingly secondary to their larger urban counterparts. With lessening importance in provincial economies, small towns have emerged as:

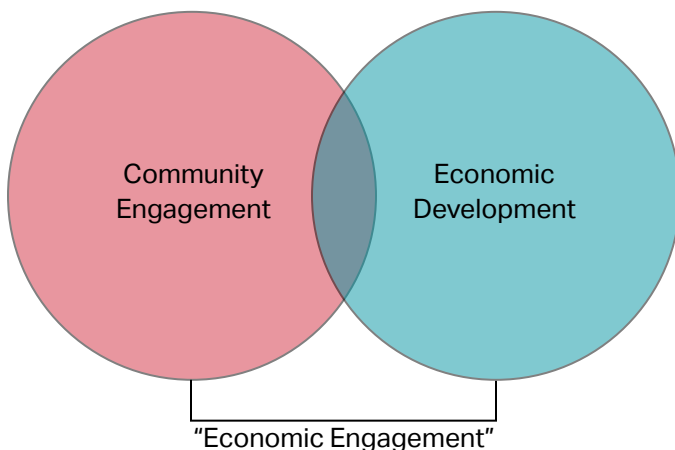
1. Nodes of institutional and commercial activities that serve the resident population as well as broader rural region, and;
2. Areas that attract people and investment based precisely on what they are not - large urban areas. In the case of Lunenburg, the built environment in combination with the natural environment and sense of community most strongly differentiate the town from urban areas.

The main underpinning of successful economic development is the inclusion of local residents and stakeholders, providing them with ownership and responsibility in decision making. Stakeholders may vary between jurisdictions; however, it is important to engage these groups and individuals representing local economic, social, environmental, and governmental interests to facilitate an inclusive and transparent implementation process.

Engaging with the public will help establish a clear framework for economic development, providing clear direction and predictability regarding the economy. It enables the municipality to align initiatives with other municipal planning processes and documents, and ensures future municipal plans are developed and strengthened through an economic development lens. Finally, engagement is crucial to help the municipality prioritize potential activities and how initiatives will be funded in the future.

Strong decision making is also accompanied by strong data. Efforts to monitor local community, business, and residential trends can better inform future community choices. Strong data can also help measure the success of programs and policies implemented for economic development.

The University of North Carolina describes Economic Engagement as "the use of collaborative and reciprocal partnerships using economic mechanisms to create and sustain healthy, safe, and vibrant communities."





Creating an environment that facilitates economic sustainability in Lunenburg is well within the purview of municipal planning, but the degree of success can be heavily reliant on variables out of municipal control that draw industries, businesses, and workers elsewhere.

Ensuring the town has sufficient land available to accommodate new or expanding employers is an important responsibility of local planning and development regulation. Doing so requires that:

1. there is suitable land supply to meet existing and future demand, and
2. the existing supply is "investment-ready". Making land investment ready should be carefully considered in the context of the costs associated with expanding infrastructure.

In addition to ensuring a suitable supply of "space" for economic growth, an increasingly important role for municipal planning is how policy and regulation, in a more general sense, enable an efficient business environment and adaptation of the built environment to the evolving needs of commercial activities. In other words, how does the planning system better accommodate changing needs and make the most of the opportunities that come along?

Infill development along Bluenose Drive.



Trends indicate that Lunenburg is transitioning to a more leisure-based community that is increasingly made up of non-working residents. This is being driven by general demographic trends and the unique qualities of Lunenburg that make it attractive for both tourism and post-retirement lifestyle activities. At the same time, the town also hosts a fairly diverse base of industries and firms. The town should continue to monitor how these industries and their importance evolve, and whether they represent significant assets that should be supported and protected as the community also evolves.



Given that the town is experiencing both population and employment decline, it is likely that economic activity will proceed in the form of repurposing existing commercial and industrial lands/buildings as the types of services needed and their requirements evolve. Consequently, planning policy and regulations must evolve as well to facilitate effective and efficient development responsiveness to provide greater clarity to potential employers. Microbreweries are an example of repurposing, often combining production, warehousing, food service, event hosting, and tourism uses all into a single enterprise; thus, blurring the lines between primary uses as a means of innovating to find a competitive advantage. Live/work studios are another example of the repurposing of existing structures and storefronts whereby entrepreneurs of all sorts are able to operate a business out of an existing storefront while living in the same structure.

Land use regulations which view the local economy through a collection of traditional uses, single-uses per building, or even single classifications per building, will preclude many businesses from experimenting and adapting as effectively to new challenges and opportunities.

The overall economic, technological, and political processes driving increasing globalization has divided the scale at which economic development activities can be reasonably undertaken by a municipal government; at the world-scale, and at the very local scale. Communities that become global leaders experience significant growth and benefit from the snowballing effects of economic activity that is clustered together, while communities that do not have or do not want such clustering are able to leverage their current assets and resources and develop in a more locally sensitive manner. Lunenburg's proximity to Halifax, its highly educated population, strong built and natural environment, and excellent arts, cultural and recreational assets position the town to facilitate and sustain a healthy, safe, and diverse community and economy.

Economic Development and Innovation Case Studies

► Canada's Oceans Superclusters

The Organization for Economic Co-operation and Development (OECD) estimates that by 2030 the value of the world's ocean economy will exceed \$3 trillion (US). Canada's Ocean Supercluster (OSC), based in Atlantic Canada, is an industry-led collaboration that is positioning Canada to develop an ocean economy into a "sustainable, technology-driven, value creating economic segment." The Supercluster will develop a whole host of industries including those related to marine renewable energy, fisheries, aquaculture, oil and gas, defence, shipbuilding, and transportation. The Ocean Supercluster is partially funded by the federal government's Innovation Supercluster Initiative (ISI) with the remaining funding coming from private investment.

Within the Lunenburg Waterfront Master Plan 2019-2023, the development of a marine cluster and innovation centre was reinforced as one of the Plan's goals. The Plan also establishes a goal to form a partnership between the town and the Centre for Ocean Ventures and Entrepreneurship (COVE) currently based in Dartmouth, Nova Scotia (pictured below).



► Regional Cultural Centre, New York Mills, MN

The Town of New York Mills, Minnesota, a town of just over 1,200 people and over 120 kilometres from any significant city, demonstrated how rural arts and culture could be used as a catalyst for the local economy. In 1992, through investment and innovative ideas of local leaders, the New York Mills Regional Cultural Centre was created. Since its inception in the early 1990s, the Centre has offered an artist-in-residency program, and also offers art exhibits, theatre productions and musical performances. The Cultural Centre offers classes and workshops for people of all ages with a focus on lifelong learning. The initial impact of the Centre made the arts more accessible to rural residents, but there was also significant economic impact from the creation of the Cultural Centre. A total of 17 new businesses opened in the town within the first six years of the Cultural Centre opening, creating 350 jobs. Many of the jobs were indirectly linked to the arts and cultural sector such as bed and breakfasts and restaurants, accommodating visiting tourists visiting the Cultural Centre.

► **Salmon Arm Innovation Centre, Salmon Arm, BC**

The Salmon Arm Innovation Centre is a hub for the technology sector, business start-ups, innovation and collaboration for entrepreneurs in BC. The Centre consists of three floors that offers the community a variety of services to help individuals and businesses develop ideas and capacity. A 'community maker space' with woodworking, electronics and robotic equipment is available for the community to use while the Centre also has a series of workspaces for entrepreneurs, students, and other community members to do drop-in work. Additional tenants in the building include professions that are complementary to the flexible workspaces in the remainder of the Centre such as engineering, architecture, and accountants. Together, the three pillars of the Centre form an ecosystem of economic development and innovation.



► **WinterCity Strategy, Edmonton, AB**

Edmonton, like most Canadian cities and towns, experiences a cold winter that is often viewed as a time to stay inside. The WinterCity Strategy is Edmonton's attempt to facilitate a cultural shift to take full advantage of one of the most significant seasons of the year. The strategy focuses on winter activities, design, and capitalizing on economic opportunities during the winter months. Since its implementation in 2013, the city has undertaken several initiatives to improve life during the winter in Edmonton while also working with local organizations and partners to promote winter activities.



Dots & Loops



LINCOLN STREET

LJH 011

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DISCUSSION PAPER 7 / 8

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