

# **KLONDIKE DEVELOPMENT ORGANIZATION**

## **STRATEGIC PLAN 2011-15**

**FEBRUARY 2011**

## APPRECIATIONS

This final plan benefited greatly from the patient assistance and advice of Mike Lewis of the Canadian Centre for Community Renewal and Dennis Dunn, also of the Centre. The long evening calls, the two-day strategic dialogue and the valuable drafts of some key components of this revised strategy were essential to the formulation of this clear and focused direction.

Michael Pealow of Whitehorse provided an excellent 'Introduction to Economic Development' workshop for the Board of Directors and a number of additional interested community members, some much appreciated comments on early drafts and ongoing support of morale.

Yukon Government, Department of Economic Development, Regional Economic Development Branch provided substantial funding and the patience, flexibility and advice of Catherine Poole as project manager was, as always, much needed.

City of Dawson provided the necessary cash equity funding and in-kind contributions and thanks go out to all of the staff at the municipality that gave their time in many different ways to a project over and above their usual responsibilities, being Eldo Enns, Jackie Olson, Jim Regimbal, Joy Taylor, Karen Fischer, David Binns, Robyn Olson, Edith Henry and Jay Armitage.

Finally, the most gratitude is due to the Board of Directors of the Klondike Development Organization who made themselves available and volunteered their time again and again both over the last year and before. The careful consideration of the information provided made for many stimulating and productive discussions. Planning processes can be painful for such energetic and passionate community leaders. It is, however, the commitment and tenacity that the group has shown and the considered forethought and planning that has been done that will underpin the enthusiasm to support these further endeavors and their success. Thanks, and good luck to you all and to community economic development in the Klondike.

President	Gary Parker	Klondike Visitors Association
Vice-President	Greg Hakonson	Dawson City Arts Society
Treasurer	Karen Dubois	Dawson City Arts Society
Secretary	Dina Grenon	Dawson City Chamber of Commerce
Director	Diana Andrew	City of Dawson
Director	Bill Kendrick	City of Dawson
Director	Helen Bowie	Dawson City Chamber of Commerce
Director	Brian Stethem	Klondike Visitors Association
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MARK WICKHAM

## THE PROBLEM

### DEMOGRAPHIC DECLINE IN RURAL YUKON – A DOWNWARD SPIRAL

**Dawson City Population by Age**

	0-14	14-24	24-54	Over 54	Total
1996	437	219	1162	208	2026
2002	331	222	1030	270	1853
2006	291	203	952	335	1781
<b>2002-2006</b>	<b>-12.1%</b>	<b>-8.6%</b>	<b>-7.6%</b>	<b>24.1%</b>	<b>-3.9%</b>
2010	262	200	966	463	1891
<b>2006-2010</b>	<b>-10.0%</b>	<b>-1.5%</b>	<b>1.5%</b>	<b>38.2%</b>	<b>6.2%</b>

<b>1996-2010</b>	<b>-40.0%</b>	<b>-8.7%</b>	<b>-16.9%</b>	<b>122.6%</b>	<b>-6.7%</b>
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<b>2002-2010</b>	<b>-20.8%</b>	<b>-9.9%</b>	<b>-6.2%</b>	<b>71.5%</b>	<b>2.1%</b>
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**Yukon Community Populations by Age 2002-2010**

	0-14	14-24	24-54	Over 54	Total
Whitehorse	-2.6%	16.4%	9.0%	64.0%	16.1%
Carmacks	-2.7%	41.5%	20.9%	41.8%	20.5%
Yukon	-6.6%	15.4%	8.6%	66.6%	15.6%
Teslin	-11.0%	1.9%	3.6%	50.0%	9.2%
Faro	-15.1%	-35.9%	2.2%	89.4%	7.6%
Haines Junc.	-15.9%	16.3%	0.8%	50.3%	9.3%
Dawson City	-20.8%	-9.9%	-6.2%	71.5%	2.1%
Watson Lake	-30.0%	21.6%	-9.6%	49.6%	-0.6%
Mayo	-40.4%	8.5%	4.0%	53.1%	4.1%

Rural Yukon communities such as Dawson City are experiencing dramatic and critical shifts in demographic profile. Dawson is aging rapidly and only growing in the senior groups over 54. Numbers of children and youth are seeing fast and accelerating drops in stark contrast to the Whitehorse urban centre.

Evidence points to clear and present negative socio-economic impacts from this shift. A mismatch between the existing housing stock and the needs of older, single-person households has led to an increasingly acute housing crunch. Key services are endangered as businesses report difficulty in succession and sourcing skilled labour. Not-for-profit community groups lack volunteers. A decreasing school roll may endanger educational options and the aging population places increasingly expensive demands on the health care and social service envelope.

A new approach to community and economic development is needed to stem and reverse this trend and build a resilient rural community that is attractive to the young.

### A COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION IS BORN

# INTRODUCTION

Environmental analysis began with the 2007 City of Dawson Community Economic Development Report (*Hardy Spruce Development, 2007*) that identified gaps in 2 key economic components:

- 1) Promotion and Brokerage
- 2) Equity - A Local Investment Capital Pool

The report recommended the formation of an arms-length economic development corporation to deliver and enhance economic development services in the community. In 2008, a scoping study was initiated to assess the feasibility of such a corporation to build capacity in partnership with community stakeholders. Subsequent to a full-day workshop to explore current service deliveries, City of Dawson, Dawson City Chamber of Commerce, Klondike Visitors Association and Dawson City Arts Society adopted the study recommendation and founded the Klondike Development Organization (KDO). Tr'ondëk Hwëch'in is an interested stakeholder invited to participate.

## REGIONAL ECONOMIC DEVELOPMENT PLANNING CONTEXT

Tr'ondëk Hwëch'in has been leading a regional economic development planning process for the Traditional Territory that includes the Klondike. Parts one and two lead to the report, 'Economic Scan and Assessment of Potential for Development' (*Vector Research et al, 2008*), which concludes that to expand & diversify economic development potential, the region must:

- Build on the existing and unique strengths of the region and focus on niche opportunities that complement those strengths
- Remain open to development activities that are affected more by global forces than by local influence (typically non-renewable resources); and
- Address and overcome the perceived barriers to economic development

The recommended specific areas for development are:

- Expanding the tourist base by re-branding & new product offerings
- Establishing a knowledge economy
- Managing mining and oil & gas exploration/development

The report notes that these require active investment by locals and success will depend on the extent to which the **economic development capacity** of Tr'ondëk Hwëch'in and other levels of government in Dawson can **work effectively together**.

The report identifies ten key barriers to development and KDO is seen to have an active leadership role in:

- 1) Access to capital and small business support
- 2) Leadership and cooperation (not enough amongst all levels of government)
- 3) Limited awareness of investment opportunities

And others where a partnership role for KDO may be applicable:

- 4) Housing and accommodation (adequate and mortgage-able housing)
- 5) Infrastructure, land, local taxes and service delivery

### **HOWEVER!**

#### **THE ECONOMIC PIVOT POINT - PRIORITY DEMOGRAPHIC AND LABOUR FORCE BARRIER**

Demographic analysis demonstrates that Klondike is seeing a progressive decline in its primary labour force (20-54) as its population ages and the current population is simply inadequate for economic expansion.

## INCORPORATED MANDATE

- 1) To build economic development capacity
- 2) To support existing enterprise
- 3) To attract a local investment capital pool
- 4) To stimulate and invest in new local enterprise
- 5) To attract compatible new enterprise

## 2009-10 CAPACITY BUILDING

The first KDO annual plan was a capacity building exercise in 2009-10, funded by Yukon Government Regional Economic Development and City of Dawson, designed to undertake the planning tasks necessary for a strong sense of direction and purpose. The work plan included:

- 1) Needs Assessment - Outlining the priority strategic objectives of the KDO
- 2) Training
- 3) Strategic Planning - Determining and outlining the methodology and critical events for establishing, developing and sustaining the KDO over the next years.
- 4) Funding Proposal - Proposal for a multi-year funding agreement
- 5) Housing Sector Opportunity Research – Options to cross barriers that limit population growth

*As the conclusion of this capacity building exercise, this four-year plan outlines a methodology for the successful establishment, development, operation and sustainable resource sourcing of Klondike Development Organization. It frames the service provision envelope, the critical steps of creation and how the organization will develop over the next four years.*

## VISION

**A resilient Klondike where highly engaged citizens, networks and organizations collaborate to build a sustainable economy**

## MISSION

**KDO focuses multi-stakeholder collaboration on diversifying and strengthening the local economic base through:**

- **Pro-active strategies and services aimed at retaining and growing a healthy business base;**
- **Increasing access to equity investment capital;**
- **Strengthening economic and social sectors critical to the future of the Klondike; and**
- **Addressing strategic gaps in services**

# POPULATION GROWTH OBJECTIVE

The resilience of the Klondike is defined in terms of an optimal population level and demographic profile that would support a wider range of local goods and services and take Dawson to the 'next level'. The goal is to grow the Klondike population through community revitalization and the plan focuses on strategies that will have the maximum impact on population growth particularly amongst the young.

## STRATEGIES

The strategies set out below and subsequently elaborated represent a proactive approach to community revitalization and renewal. There is currently no organized or systematic multi-stakeholder capacity in the Klondike region. Tr'ondëk Hwëch'in and the municipality are key partners in some of these strategies.

*KDO will deliver a complete suite of facilitation services from a physical base in the community*

### 1) ENTERPRISE RETENTION AND DEVELOPMENT

A coherent marshalling of resources and capacity to:

- A) Retain and develop businesses and services essential to the long term viability of the Klondike
- B) Support enterprise expansion related to those parts of the regional economy where growth potential exists and where overall resilience can be strengthened.
- C) Pro-actively support entrepreneurial development and their efforts to start up new businesses and social enterprises that create new wealth and services and enhance the quality of life in the Klondike.

### 2) RESEARCH

Local research capacity acts as the foundation of the organization, expanding the community economic knowledge base, developing and assessing measurable indicators and providing a solid base for informed strategic planning and decision-making.

### 3) KEY SECTOR DEVELOPMENT

Research, planning and support of strategies that organize and convene key sector stakeholders in linkages aimed at strengthening economic and social sectors and infrastructure key to the long-term stability and resilience of the Klondike.

### 4) INVESTMENT CAPITAL POOL

Design and create, in collaboration with the Yukon government, a tax credit for local investors to create a pool of equity capital for investment in local enterprises relevant to the KDO mission.

### 5) PARTNERSHIP FORUM

Develop partnerships to facilitate the collaboration required for agencies to engage and work effectively together in providing for the active investment required by locals in implementing the regional initiatives.

### 6) COMMUNITY MARKETING

The marketing and promotion of the Klondike quality of life to attract new residents who will contribute to building a thriving and adaptable northern community.

### 7) SOCIAL ENTERPRISE

Establishment of enterprises owned at least in part by KDO that use entrepreneurial methods to meet identified community needs and accomplish strategic objectives such as improving the year-round quality of life and population base. They also provide profits for re-investment in a sustainable core mission.

# STRATEGY 1 - ENTERPRISE RETENTION AND DEVELOPMENT

## FACILITATION, FACILITATION, FACILITATION...

KDO will be a one-stop-shop entry point for entrepreneurs and investors seeking regional information and assistance with enterprise development and investment planning.

Research and discussion has confirmed that business attraction will be challenging and consequently not a priority. Three sub-strategies are focused directly on the retention, expansion or start up of new businesses and key services important to maintaining a healthy sized population and a sustainable and vibrant quality of life. Preliminary discussions with Tr'ondëk Hwëch'in indicate interest in a much more effective delivery of the services associated with these strategies than exists solely through current contracts out of Whitehorse.

The existing North Yukon Business Advisor program (business advisory and counseling services) is under review but a Request for Proposals is anticipated in 2011 for proposals to deliver it under contract for the years 2011-14. The Organization will:

- 1) Take advantage of the review process to advocate for the scope of work, principal activities and responsibilities of the contract to complement the three-part strategy outlined below and specified requirements for consistent local delivery, regional knowledge and community partnerships.
- 2) Source an experienced project team and form a partnership to tender to deliver this improved service.

The objective is for the combined service to include, at a minimum:

- Consistent local delivery
- The KDO community assistance and mentoring network
- Site selection services
- Business succession services
- Information database (website only) including, but not limited to:
  - Local business inventory including activity
  - Land and property availability
  - Taxes and service costs
  - Licensing and permits
  - Research papers and statistics

## STRATEGY 1A - RETENTION

*A coherent marshalling of resources and capacity to retain and develop businesses and services essential to the long-term viability of the Klondike*

### Rationale

- Aging demographic
- Experience suggests that business succession planning in the community is weak. Many businesses have closed and though some may not have been viable some closed because of no apparent means for dealing with succession
- Anecdotal evidence of many people wanting to sell businesses but no strategy
- There are some businesses and services that if lost decrease the ability of Dawson to sustain a population base needed to sustain the community at the current level
- There is no current or organized capacity in the community to systematically address retention of essential businesses and services
- There is therefore a need for a strategic approach to support retention of key businesses and services

### Key Strategy Elements

- Capacity to analyze the business survey results and apply conclusions to delivery of coherent services and resource mobilization to retain businesses in key areas
- Establish an early warning system to identify problems before they threaten key businesses and services
- A local service that coordinates community based business networks and provides direct service and technical assistance that can support the retention of strategic businesses and services

## **STRATEGY 1B - EXPANSION**

*A coherent marshalling of resources and capacity to support enterprise expansion related to those parts of the regional economy where growth potential exists and where overall resilience can be strengthened.*

### Rationale

- There are some parts of the local and regional economy that hold potential for expansion
- Significant results from current mining exploration in the region indicates a high potential for economic benefits and impacts on the Klondike
- Cultural investments have transformed a cluster of social enterprises and other businesses that have grown over the last several years. There may be room for further expansion
- Outside of volunteer leadership, there are no community-based staff or professional capacity to systematically support the capture of benefits from regional mining, cultural industry development and other potential growth areas

### Key Strategy Elements

- Capacity to analyze the business survey results and apply conclusions to delivery of coherent services and resource mobilization to grow businesses in key areas
- Publishing of reports that outline the scope and nature of growth areas, identify implications and key strategy options for capturing of benefits and mitigating social, economic and environmental risks
- Animation and organization of stakeholders to maximize capture of local benefits and mitigate key risks

## **STRATEGY 1C - CREATION**

*A coherent marshalling of resources and capacity to pro-actively support entrepreneurial development and their efforts to start up new businesses and social enterprises that create new wealth and services that enhance the quality of life in the Klondike.*

### Rationale

Existing services delivered out of Whitehorse are not effective. There are much more systematic approaches to qualifying demand, training entrepreneurs and providing business start up advice and after care that can significantly increase effectiveness and efficiency.

### Key Strategy Elements

- A four-step approach to entrepreneurial development will focus investment in start up of businesses.
- Cast the net as broadly as possible to attract people interested in owning and running their own business to participate in a 1-day pre-business workshop
- Once or twice per year deliver a one-day pre-business workshop that would be required for anybody who wants access to advisory services. Self-assessment of entrepreneurial values and introduction of what it takes to make a business work act as a self-screening mechanism
- Once or twice per year a two day market research and business plan workshop will be delivered to provide graduates of the pre-business workshop with the means to initiate and guide their research to determine the feasibility of their business and if feasible, to draft a business plan
- Advisory services will be delivered on a group and individual counseling basis for new start-ups and for businesses that have already started

## STRATEGY 2 - RESEARCH

Local research capacity acts as the foundation of the organization, expanding the community economic knowledge base, developing and assessing measurable indicators and providing a solid base for informed strategic planning and decision-making.

### 1) KLONDIKE ECONOMIC STATISTICS REPORTS

Development and publication of monthly and annual reports of targeted statistics with historical comparisons and chart analyses for baselines and trends, including but not limited to:

- Population (Total & age, sex, relationship status, family character) and mobility
- Public school enrolment
- Educational attainment
- Employment and Labour force (Total and by occupation and industry)
- Private dwellings (Total and by type, age, rent/owned)
- Income
- RRSP contributions
- Community Spatial Price Index and Whitehorse CPI
- Residential and motor fuel prices
- Construction activity (building permits)
- Real estate activity and prices
- Rentals (Median rent and vacancy rate info for buildings with >4 units)
- Number of businesses reporting to Yukon Business Survey

### 2) COMMUNITY ECONOMIC KNOWLEDGE BASE

Facilitation of priority Klondike economic activity knowledge base research and analysis studies as required by the community, including but not limited to:

- Systematic, comprehensive and regular survey of existing businesses in the region to identify key issues and opportunities related to retention, growth and labour force needs and challenges including:
  - Succession and other business factors that threaten the current or future viability of the business
  - Opportunities and impacts associated with businesses in the region where growth appears likely
  - Measuring business spending leakage: how, what, why, when, where, who, sectors
- Systematic household survey:
  - Evaluating year-round population fluctuations
  - Understanding the drivers of Klondike population
  - Measuring household spending leakage: how, what, why, when, where, who, sectors
- Research projects that outline the scope and nature of growth areas and identify implications and key strategy options for capturing of benefits and mitigating social, economic and environmental risks
- Establishment of a library of relevant reports/studies

### 3) DEVELOPMENT AND ASSESSMENT OF MEASURABLE INDICATORS AND ANNUAL STRATEGIC REVIEWS

Use a 'dashboard' of key measurable indicators to track and measure progress toward the overall goal. Assess performance of annual work programs, review strategic plan and adjust work plans as necessary.

- Community Level:
  - Population increase - target of 1997 high of 2132 (+12%) for year-round population in 3-5 years
  - Employment rate, hours worked and personal income increases
  - Business licenses and Yukon Business Survey reports increase
- Corporate Level:
  - KDO budget sustainability: 20%, 19%, 16%, 28% in yr 1-4 internal revenues, 100% in yr 7
  - Successful venture projects: Total 6, expansions or start ups
  - Direct employment impact: Total 20-24 year-round equivalent jobs
  - KIC capital raising & investment: Total \$675,000 by end year 4
  - Clients serviced: 'x' new residents and 'y' new enterprises

## STRATEGY 3 – KEY SECTOR DEVELOPMENT

*Research, planning and support of strategies that organize and convene key sector stakeholders in linkages aimed at strengthening economic and social sectors and infrastructure key to the long-term stability and resilience of the Klondike.*

### Rationale

Rising fuel prices render the Klondike vulnerable to a cost squeeze and other risks that affect every aspect of household and community economic life. Research and planning is crucial to guiding adaptation to these realities and the economic opportunities associated with addressing them. Several sectors hold potential for growth and increasing community resilience including housing, food, and renewable energy and retrofitting of housing and commercial space for energy conservation.

Given current demand for housing and the potential demand if the mining sector expands, a likelihood that appears to be increasing, this sector is key to the future of Dawson. However, there are several problems that are thwarting even meeting current demand. There is no leadership organization that is taking responsibility for conducting the research to document the factors that are at work.

If KDO were to take on this leadership project, it would result in a problem solving strategy that addresses current and future housing needs in a systematic manner. Linkages to other key sectors that intersect with housing development include green building, district heating and renewable energy options and conversion of existing unused buildings for residential needs.

Similarly, in the other sectors identified, local energy production, recreation and culture, there is no systematic research that enables residents, sector stakeholders or relevant government jurisdictions to understand the various dimensions of the issues involved in solving problems and creating more effective solutions to strengthening key sectors. For example, it is known that existing farmers are aging and there are no succession strategies in place. Add to this the need to organize the market and needed infrastructure so as to encourage new producers and increase local food production and the case for research and planning is evident.

As fuel prices increase, transportation also becomes a more important issue. Innovation is already underway to convert existing vehicles to electric but perhaps more important, and strategic, is the creation of a Klondike Highway solution to public transportation. The feasibility of possible joined up solutions that create services for people living along the Dawson-Whitehorse corridor will be increasingly important.

Whatever the sector – mining, food, transportation – linking the research, planning, convening and project development is key.

### Key Strategy Elements

The elements set out below are focused on housing. There will be variations in approach with different sectors, but the key elements will need to be present in one way or another.

- Identify resources to initiate research, planning and convening to get comprehensive work underway on the priority housing sector
- Ensure the research clearly segments the market between ownership and rental, family and single. Gaps must be analyzed in terms of the current market (including summer accommodation) and projected impacts of increased mining activity represented by the potential the Underworld and Kaminak gold properties represent
- Based on solid market research identify land and building development opportunities
- Convene stakeholders at appropriate points throughout the process to consider results and examine options
- KDO should keep in mind its potential as a developer and/or owner of rental accommodations
- Based on analysis of key options, design a strategy to address priorities over time

## STRATEGY 4 – INVESTMENT CAPITAL POOL

*Design and create, in collaboration with Yukon Government, a tax credit vehicle for local investors to generate, attract and retain pooled investment capital within the region.*

*Klondike Investment Corporation will be a **separate** sister corporation that acts as that vehicle and directs that capital into identified new and expanding for-profit local opportunities relevant to the KDO mission.*

*It prioritizes the provision of equity capital but may also provide business credit and project finance.*

### Rationale

Currently, almost all funds invested in RRSPs and mutual funds by Klondike residents are leaving the community and the Yukon and benefiting the Outside economy.

The existing Yukon Small Business Investment Tax Credit (SBITC) provides an incentive to invest in small local business but is currently only applicable to individual investor to individual business relationships. It does not enable investment pools to be created; the investments are business specific. Mobilizing equity from local investors to create local investment pools using a tax credit approach has proven extremely effective in Nova Scotia through the long-established and successful Community Economic Development Investment Fund (CEDIF) program, operating since 1999.

CEDIFs raise capital to create or invest in local business by selling shares to community members. A Corporation working under the Nova Scotia 'CEDIF' model allows identical incentives to the SBITC to be provided to a diversified portfolio of local investments and maximizes community capacity to stem the leakage of resident's investment capital.

A number of regulatory amendments are required from both Yukon Government and Government of Canada to facilitate the full tax incentive program. These have been clarified by professional accountancy advice (*Norman McIntyre, Mackay LLP*) in a letter of advice. In initial discussions with representatives of the Government of Nova Scotia department responsible for this program, it was indicated that assistance could be provided to Yukon with developing the regulatory requirements.

Once operational, the Corporation will:

- Be eligible for RRSP deduction minimum 22% and Yukon SBITC (or equivalent) 25% if appropriate regulatory adjustments are implemented, a total tax break of at least 47%
- Make annual public offerings of stock to community members
- Be governed by a Board elected by the stock holders to select investments
- Invest solely in qualifying enterprises within the Klondike

Further information on the Nova Scotia program can be found at the following links:

<http://www.gov.ns.ca/econ/cedif/background/>  
<http://www.gov.ns.ca/econ/cedif/funds/>

### Key Strategy Elements

- Introduce key officials in Yukon Government responsible for the Small Business Investment Tax Credit to the Nova Scotia model using articles from Canadian Centre for Community Renewal
- Organize and convene learning sessions involving KDO and appropriate economic development officials in the YG and Federal Governments
- Organize support to undertake the research necessary to determine the legislative changes required to pilot this approach in the Yukon and its costs over the first ten years
- Advocate for the changes and implement if successful

## STRATEGY 5 – PARTNERSHIP FORUM

*Develop partnerships to facilitate the collaboration required for agencies to engage and work effectively together*

### Rationale

There is currently no organized or systematic multi-stakeholder capacity in the Klondike region to engage key community partners and align local and regional institutions, organizations and agencies and provide for common community development advocacy.

### Key Strategy Elements

- Meet quarterly and as required to further discussion of matters of mutual interest between stakeholders
- Stay informed as to mandates and programs of local players
- Build effective working relationships with local players such as the municipality, Tr'ondëk Hwëch'in
- Develop coordinated advocacy positions for the necessary infrastructure, policies and legislation required to allow the Klondike Development Organization to achieve its vision

## STRATEGY 6 – COMMUNITY MARKETING

*The marketing and promotion of the Klondike quality of life to attract new residents who will contribute to building a thriving and adaptable northern community*

### Rationale

An aging population, declining school age population and concern within KDO to take pro-active action to prevent population decline is an underlying goal. Maintaining a critical mass of population sufficient to maintain and enhance the quality of life is viewed as an economic and social necessity. The Klondike competes in an open market place for residents and the primary role of the marketing is to promote the region as an attractive place to live as well as to execute the Communications Strategy, and promote the full range of services provided by KDO to the community and outside.

### Key Strategy Elements

- No specific elements of a strategy are put forward at this time. It is recommended that priority be given to other strategies in this framework before an active promotional and marketing strategy is designed. One key reason is that unless the housing challenge is addressed there is not a basis for successfully attracting and retaining an influx of new residents
- A Communications Strategy including a community engagement program is developed in year one
- A resident attraction and retention strategy will be developed in year three
- Community promotional materials including websites and brochures will be developed in year four

**Klondike Development Organization is not in the tourism marketing business.  
Klondike Visitors Association is the Destination Marketing Organization for Klondike.**

## STRATEGY 7 - SOCIAL ENTERPRISE

*Establishment of social enterprise partnerships and ventures owned at least in part by KDO that use entrepreneurial methods to meet identified community needs and accomplish strategic objectives. They will provide profits for re-investment in the core mission.*

*The focus will be on developing and supporting enterprises that will improve the year-round quality of life and population base so as to sustain and grow a healthy regional economy.*

From the Strategic Investments in Northern Economic Development Targeted Investment Program guidelines, (Canadian Northern Economic Development Agency):

*'Social economy enterprises are run like businesses, producing goods and services for the market economy, but they manage their operations and redirect their surpluses in pursuit of social and community goals. Rather than cash returns, social economy enterprises may grow out of community economic development strategies involving citizens, governments, the voluntary sector, business, learning institutions and other partners.'*

### Rationale:

The 'Economic Scan and Assessment of Potential for Development' identifies services residents believe are missing. These must be available to improve the year-round quality of life and grow the population base:

- Year round recreational activities
- Trail system for walking and hiking – with maps and guidebooks
- Bus service - on a regular basis in the summer and rolled back in the winter
- Rental vehicles
- Dentist
- Scheduled health services, like physiotherapy
- Improved internet bandwidth and cellular coverage
- Year-round Laundromat
- Accounting firm (there are bookkeepers)
- General practitioner lawyer
- Insurance/real estate agents
- Capacity to buy more locally grown food year round
- Community greenhouses and cold storage facility
- Bakery
- Fur dealers (retail outlet - selling the tanned hides directly to the tourists)

There are existing examples of social enterprises in the Klondike. The most prominent is the operation of Diamond Tooth Gerties by the Klondike Visitors Association, an enterprise that employs over 70 people and redirects all revenues to goals that include the promotion of visitor interest in Klondike and enriching the social and cultural fabric of the community. City of Dawson offers cable television and the Humane Society operates an animal boarding service.

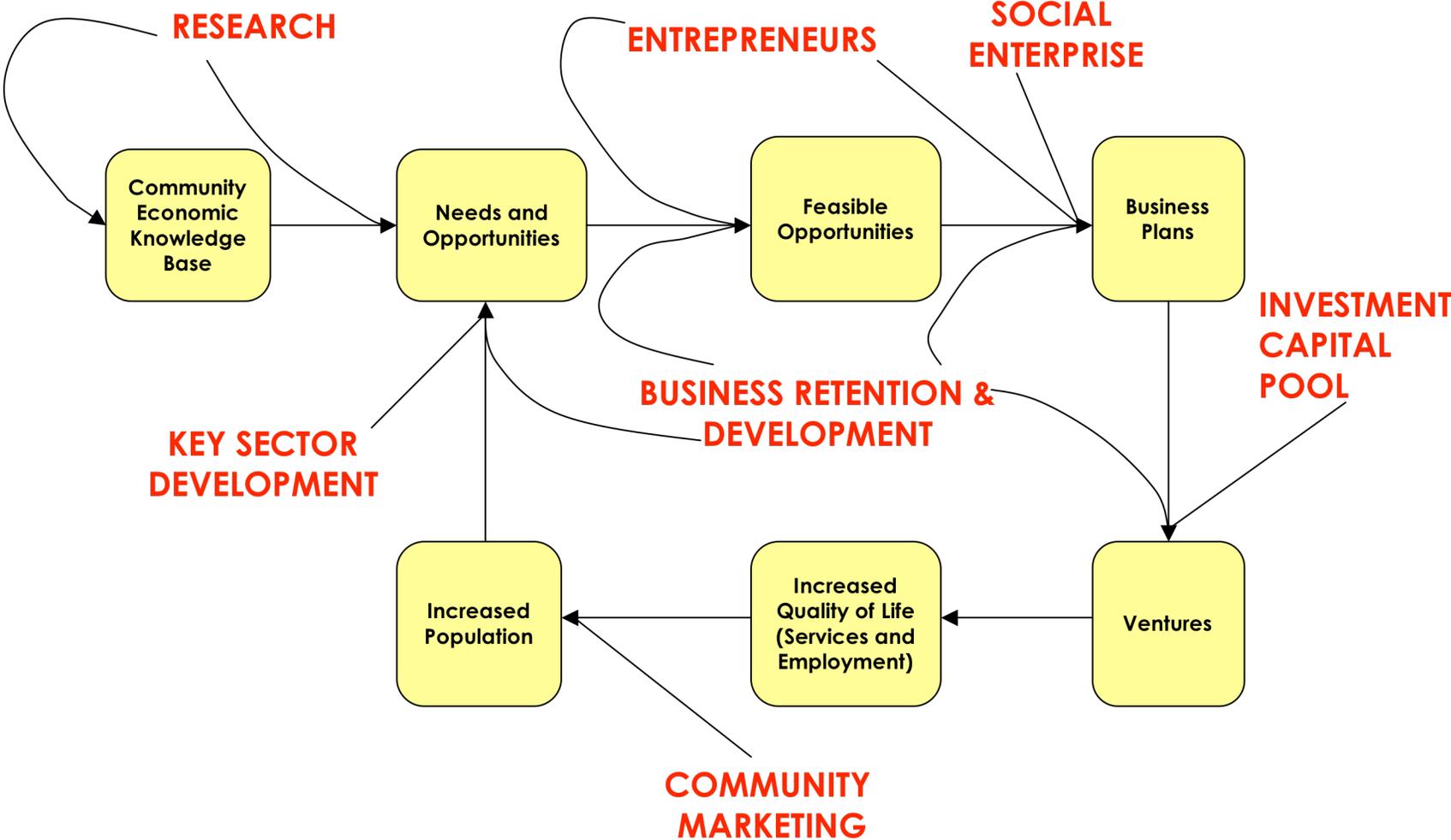
### Key Strategy Elements

#### **VENTURE DEVELOPMENT AND SELECTION**

A venture development system will be designed to determine community needs, identify business opportunities in the region and undertake the necessary feasibility studies and business planning required for developing and supporting social enterprises:

- Research & identify opportunities that exist to expand and diversify the population base
- Scoping Studies
- Feasibility Studies
- Business Plans

# KLONDIKE DEVELOPMENT ORGANIZATION SERVICE CYCLE



**VENTURE DEVELOPMENT INCREASES SERVICES, QUALITY OF LIFE AND POPULATION  
GENERATING ECONOMIC ACTIVITY AND WEALTH**

# FUTURE GROWTH

## COMMUNITY DEVELOPMENT

*Deliver programs that add capacity to existing organizations to assist them in achieving their community development goals and act as a mechanism for unincorporated groups to explore their ideas. Administer two grant funds with independent mandates, the Downtown Business Improvement Area and the Community Foundation.*

### Rationale

The economy is not separate from the community in which it operates. Residents need quality housing, recreational infrastructure, educational opportunities, restaurants and other amenities. These are quality of life necessities for the educated younger worker and family labour force that represents the target group of the population growth objective.

### Key Strategy Elements

#### **1) COMMUNITY DEVELOPMENT CAPACITY**

- Assists proponent of projects to develop community infrastructure to enhance the community. Support the proponent with a goal of building the capacity within the community for proponents to complete projects on their own.
- Be the “go to” place for information, coordination, and facilitation of community development projects.
- Develop capacity within proponents in proposal writing and project scoping, definition and management and fostering innovative new approaches.

#### **2) DOWNTOWN BUSINESS IMPROVEMENT AREA**

- Manage grant programs for businesses and building owners to foster the redevelopment of existing businesses and encourage new businesses and housing by infilling the downtown core to capitalize on existing infrastructure. May include, but not limited to:
  - Façade improvement grant
  - No fee zone
  - Festival and event grants

#### **3) COMMUNITY FOUNDATION**

- Allow for donations that can be administered into local community development projects.

## **ANNUAL WORK PLANS**

## YEAR ONE 2010-11

### RESEARCH

#### Community Economic Knowledge Base

- 1) Undertake research project: 'Systematic business survey' to identify expansion and succession clients and business expenditure leakage targets
- 2) Undertake research project: 'Systematic household survey' to identify population determinants and household expenditure leakage targets

### KEY SECTOR DEVELOPMENT (HOUSING)

- 1) Initiate research, planning and convening to get comprehensive work underway on the sector
- 2) Conduct market research, clearly segmenting the market between ownership and rental, family and single. Analyze gaps for the current market (including summer peak) and projected impacts of increased mining activity
- 3) Identify land and building development opportunities and design a full housing strategy

### MARKETING

#### KDO Communications Strategy

- 1) Development of communications strategy including a comprehensive community engagement program to build awareness of KDO mission and services within and outside the community
- 2) Implement, review and maintain communications strategy

### PARTNERSHIP FORUM

- 1) Facilitate quarterly partnership building forums

## YEAR TWO 2011-12

### INVESTMENT CAPITAL POOL

- 1) Introduce key officials in Yukon Government responsible for the Small Business Investment Tax Credit to the Nova Scotia model using articles from Canadian Centre for Community Renewal
- 2) Organize and convene learning sessions involving KDO and appropriate economic development officials in the YG and Federal Governments
- 3) Undertake the research necessary to determine and prepare the legislative and regulatory changes required to pilot this approach in the Yukon and its costs over the first 10 years

### RESEARCH

#### Klondike Economic Statistics Reports

- 1) Development of reports
- 2) Review and maintain Klondike Economic Statistics Reports

#### Annual Strategic Review

- 1) Assess performance of year one work program against measurable indicators. Undertake review of strategic plan and adjust year-two work plan as necessary

### ENTERPRISE RETENTION AND DEVELOPMENT

#### Facilitation, Facilitation, Facilitation...

- 1) Take advantage of the review process to advocate for the scope of work, principal activities and responsibilities of the North Yukon Business Advisor to complement the three-part KDO facilitation strategy
- 2) Source an experienced project team, form a partnership and develop a proposal for an enhanced North Yukon Business Advisor service for the entire region
- 3) Develop information databases for the facilitation program
- 4) Develop the community assistance and mentoring network for the facilitation program

### MARKETING

#### KDO Communications Strategy

- 1) Implement, review and maintain communications strategy

### PARTNERSHIP FORUM

- 1) Facilitate quarterly partnership building forums

## **YEAR THREE 2012-13**

### **INVESTMENT CAPITAL POOL**

- 1) Advocate for the policy and legislation changes required and implement if successful
- 2) Generate awareness of Corporation with investors and venture proponents
- 3) Complete legal preparation for public offering of shares and facilitation of investor tax incentives
- 4) Execute Klondike Investment Corporation Public Offering No.1 with capital generation objective of \$225,000

### **RESEARCH**

#### **Klondike Economic Statistics Reports**

- 1) Review and maintain Klondike Economic Statistics Reports

#### **Annual Strategic Review**

- 1) Assess performance of year-two work program against measurable goals and objectives. Undertake review of strategic plan and adjust year-three work plan as necessary

### **ENTERPRISE RETENTION AND DEVELOPMENT**

#### **Facilitation, Facilitation, Facilitation...**

- 1) Deliver facilitation program

### **KEY SECTOR DEVELOPMENT**

- 1) Initiate research, planning and convening to get comprehensive work underway on the sector
- 2) Conduct market research and planning
- 3) Identify options and design a full sector strategy

### **SOCIAL ENTERPRISE**

#### **Venture Selection and Development**

- 1) Undertake a community-wide assessment of needs and opportunities
- 2) Undertake a series of scoping studies. Four identified ventures from the preceding needs and opportunities assessment encompassing two opportunities of large size and two of small size

### **MARKETING**

#### **KDO Communications Strategy**

- 1) Implement, review and maintain communications strategy

### **PARTNERSHIP FORUM**

- 1) Facilitate quarterly partnership building forums

## **YEAR FOUR 2013-14**

### **INVESTMENT CAPITAL POOL**

- 1) Execute public 'Call for Proposals' and assess, select, negotiate and complete investments
- 2) Execute Klondike Investment Corporation Public Offering No.2 with capital generation objective of \$225,000

### **RESEARCH**

#### **Klondike Economic Statistics Reports**

- 1) Review and maintain Klondike Economic Statistics Reports

#### **Community Economic Knowledge Base**

- 1) Undertake research project: 'Systematic business survey' to identify expansion and succession targets
- 2) Undertake research project: 'Systematic household survey' to identify expenditure leakage targets

#### **Annual Strategic Review**

- 1) Assess performance of year-three work program against measurable goals and objectives. Undertake review of strategic plan and adjust year-four work plan as necessary

### **ENTERPRISE RETENTION AND DEVELOPMENT**

#### **Facilitation, Facilitation, Facilitation...**

- 1) Deliver facilitation program

### **KEY SECTOR DEVELOPMENT**

- 1) Initiate research, planning and convening to get comprehensive work underway on the sector
- 2) Conduct market research and planning
- 3) Identify options and design a full sector strategy

### **SOCIAL ENTERPRISE**

#### **Venture Selection and Development**

- 1) Undertake two feasibility studies of ventures identified in the immediately preceding scoping studies, encompassing one large size venture and one small size venture
- 2) Undertake a business plan of one identified venture from the preceding feasibility series
- 3) Undertake a community-wide assessment of needs and opportunities
- 4) Undertake a series of scoping studies. Four identified ventures from the preceding needs and opportunities assessment encompassing two opportunities of large size and two of small size

### **MARKETING**

#### **Resident Attraction and Retention**

- 1) Develop attraction and retention strategies for residents

#### **KDO Communications Strategy**

- 2) Implement, review and maintain communications strategy

### **PARTNERSHIP FORUM**

- 1) Facilitate quarterly partnership building forums

## **YEAR FIVE 2014-15**

### **INVESTMENT CAPITAL POOL**

- 1) Execute public 'Call for Proposals' and assess, select, negotiate and complete investments
- 2) Execute Klondike Investment Corporation Public Offering No.3 with capital generation objective of \$225,000

### **RESEARCH**

#### **Klondike Economic Statistics Reports**

- 1) Review and maintain Klondike Economic Statistics Reports

#### **Annual Strategic Review**

- 1) Assess performance of year-three work program against measurable goals and objectives. Undertake review of strategic plan and adjust year-four work plan as necessary

### **ENTERPRISE RETENTION AND DEVELOPMENT**

#### **Facilitation, Facilitation, Facilitation...**

- 1) Deliver facilitation program

### **KEY SECTOR DEVELOPMENT**

- 1) Initiate research, planning and convening to get comprehensive work underway on the sector
- 2) Conduct market research and planning
- 3) Identify options and design a full sector strategy

### **SOCIAL ENTERPRISE**

#### **Venture Selection and Development**

- 1) Undertake two feasibility studies of ventures identified in the immediately preceding scoping studies, encompassing one large size venture and one small size venture
- 2) Undertake a business plan of one identified venture from the preceding feasibility series
- 3) Undertake a community-wide assessment of needs and opportunities
- 4) Undertake a series of scoping studies. Four identified ventures from the preceding needs and opportunities assessment encompassing two opportunities of large size and two of small size

### **MARKETING**

#### **Resident Attraction and Retention**

- 1) Implement attraction and retention strategy for residents

#### **Community Promotional Materials**

- 1) Develop promotional brochure
- 2) Develop promotional website

#### **KDO Communications Strategy**

- 1) Implement, review and maintain communications strategy

### **PARTNERSHIP FORUM**

- 1) Facilitate quarterly partnership building forums

	INVESTMENT CAPITAL POOL	RESEARCH			ENTERPRISE RETENTION AND DEVELOPMENT	KEY SECTOR DEVELOPMENT	PARTNERSHIP FORUM	COMMUNITY MARKETING			SOCIAL ENTERPRISE				
		Klondike Economic Statistics Reports	Community Economic Knowledge Base	Annual Strategic Review				Resident Attraction and Retention	Community Promotional Materials	KDO Communications Strategy	Venture Selection and Development				
				Measurable Indicators							Strategic Planning	Community 'Needs and Opportunities' Identification	Scoping Studies	Feasibility Studies	Business Plans
Feb-11			Systematic business survey			Housing sector market research	Facilitate forum			Communications strategy development					
Mar-11			Systematic household survey			Design housing strategy	Facilitate forum			Implement strategy					
Apr-11	Feasibility Study	Report development			Develop information databases Site availability inventory Local business inventory Licenses, permits, taxes & services, costs of business Develop new services to enhance existing programs Community assistance and mentoring network										
May-11															
Jun-11							Facilitate forum								
Jul-11		LAUNCH KLONDIKE ECONOMIC STATISTICS REPORTS													
Aug-11		Review and maintain reports													
Sep-11							Facilitate forum								
Oct-11	Business Plan														
Nov-11							Facilitate forum								
Dec-11															
Jan-12				Annual strategic review											
Feb-12															
Mar-12								Facilitate forum							
Apr-12	Entrepreneur and investor awareness				LAUNCH FACILITATION PROGRAM Deliver program Community assistance and mentoring network	Market research and planning									
May-12															
Jun-12							Facilitate forum								
Jul-12															
Aug-12															
Sep-12															
Oct-12	Legal set-up					Design strategy					Assessment				
Nov-12															
Dec-12							Facilitate forum								
Jan-13	LAUNCH KIC & PUBLIC OFFERING NO.1														
Feb-13				Annual strategic review									Scoping study of four opportunities		
Mar-13	Close offering						Facilitate forum								
Apr-13															
May-13	Call for proposals		Systematic business survey			Market research and planning			Strategy development					Feasibility study of two scoped opportunities	
Jun-13	Assess proposals						Facilitate forum								
Jul-13	Approve proposals													Business plan of one feasible opportunity	
Aug-13	Negotiate and complete investments														
Sep-13			Systematic household survey												
Oct-13	LAUNCH VENTURE 'A' AND VENTURE 'B'					Design strategy					Assessment			LAUNCH VENTURE NO.1	
Nov-13															
Dec-13							Facilitate forum								
Jan-14	Public offering No.2														
Feb-14				Annual strategic review									Scoping study of four opportunities		
Mar-14	Close offering						Facilitate forum								
Apr-14															
May-14	Call for proposals					Market research and planning			Implement strategy					Feasibility study of two scoped opportunities	
Jun-14	Assess proposals						Facilitate forum			Develop promotional website					
Jul-14	Approve proposals														
Aug-14	Negotiate and complete investments									LAUNCH WEBSITE				Business plan of one feasible opportunity	
Sep-14										Develop promotional brochure					
Oct-14	LAUNCH VENTURE 'C' AND VENTURE 'D'					Design strategy					Assessment			LAUNCH VENTURE NO.2	
Nov-14															
Dec-14							Facilitate forum								
Jan-15	Public offering No.3									LAUNCH BRICHURE					
Feb-15				Annual strategic review									Scoping study of four opportunities		
Mar-15	Close offering						Facilitate forum								