

Klondike Development Organization

STRATEGIC PLAN

2021

Adapted Directions,
New Opportunities

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1. PURPOSE

Klondike Development Organization (KDO) has not conducted comprehensive strategic planning since its start up plan approximately 10 years ago. Since that time both KDO and our community have changed. Dawson City has been experiencing rapid population growth, and further demographic changes. Our current economic context is generally positive however tourism is experiencing a recession with lingering uncertainty about the future due to Covid-19.

We now have a decade of experience under our belt, have completed a significant body of community research, tested and trialed numerous activities, and also achieved a number of our goals, especially related to solutions in affordable rental housing. A confluence of factors has led our board and staff to identify both a need and opportunity for the organization to re-orient itself and prioritize new goals and activities. Reflecting and doing some necessary pathfinding has re-engaged all members of our organization in the work KDO does.

This plan sets out a big-picture vision, our long-term goals and our strategies for achieving these. It adopts a definition of community economic development and the principles we will apply to our activities. Finally, it describes our plan to move to financial self-sufficiency.

2. BACKGROUND

2.1 Starting Out

In 2007 the City of Dawson commissioned a Community Economic Development Report (*Hardy Spruce Development, 2007*). 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. Through this, the 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. Tr'ondëk Hwëch'in was an interested partner and later delegated representation to the KDO to Chief Isaac Incorporated.

Following pathways stemming from the original vision, KDO has grown into its role as Dawson City's grassroots community and economic development vehicle.

2.2 Regional Economic Development Planning Context

Tr'ondëk Hwëch'in led a multi-year planning process for their Traditional Territory which includes the Klondike. In an early phase of this, an 'Economic Scan and Assessment of Potential for Development' (Vector Research et al, 2008) identified ten key barriers to development from which KDO adopted an active leadership role in:

- Improving access to capital and small business support
- Developing leadership and cooperation
- Improving awareness of investment opportunities
- Increasing adequate and mortgage-able housing

Planning activities led by Tr'ondëk Hwëch'in continued, culminating in a Regional Economic Development Plan (approved in 2015). Prior even to this plan being formally adopted, Tr'ondëk Hwëch'in began implementing elements of the plan with financial support from the governments of Canada and Yukon. Two years of community-based projects came out of this and represents a highly productive time, where a number of long-standing community-based initiatives were advanced through collaboration between Tr'ondëk Hwëch'in and various stakeholder organizations including Klondike Development Organization.

The Regional Economic Development Plan (REDP) has served as an excellent guiding document and call to action, but it is due for an update since many of the specific community-level project and activity recommendations have now been tried or implemented. Nevertheless, the plan still offers strong direction in a broad sense, and it is not accidental that that the activities undertaken by our organization over the past several years reflect the stated goals of the REDP:

- Sustainable population growth
- A diverse economic base
- Local benefits from major development projects
- Available and affordable housing
- Year-round business and employment base
- Quality infrastructure
- Sustainable, well-paying jobs
- Attractive Quality of Life

The REDP also identifies strategic initiatives in:

- Human assets
- Place Assets
- Business Assets

This is a framework we continue to find useful.

3. MANDATE

During two facilitated workshops with our Board of Directors and staff, the organization took a big-picture perspective and checked in on our guiding statements. The result was that we re-affirmed our vision, but we revised our mission to better reflect the current social and economic context of the Klondike and the experiences, learning and changes of the past decade on our organization's present makeup, resources and priorities.

3.1 Vision

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

3.2 Mission

To focus multi-stakeholder collaboration on diversifying and strengthening the local economic base through:

- pro-active strategies and services aimed at retaining and growing a healthy population and business base
- strengthening economic and social sectors critical to the future of the Klondike
- addressing strategic gaps in services that foster the vitality, resilience and sustainability of our community

3.3 Principles

Since the term 'economic development' can have different meanings for different people and contexts, we re-affirmed that the area of the field in which we are able, grounded and actively working is that of Community Economic Development. This too can be defined in various ways; therefore, we find it useful for KDO to broadly adopt Simon Fraser University's definition of Community Economic Development (CED):

"An inclusive and participatory process by which communities initiate and generate their own multiple bottom-line solutions to economic problems."

“Community economic developers focus on creating inclusive local economies, developing nourishing livelihood opportunities, building on local resources and capacities, increasing community control and ownership, enhancing the health of the environment, and encouraging community resilience.”

Further to this and checking in on our organizational values as they relate to the strategies and activities we intend to pursue, the following 5 Principles of CED were also adopted:

- 1- Livelihood focused
- 2- Diverse and inclusive
- 3- Sustainable
- 4- Place-based
- 5- Community controlled

4. GOALS

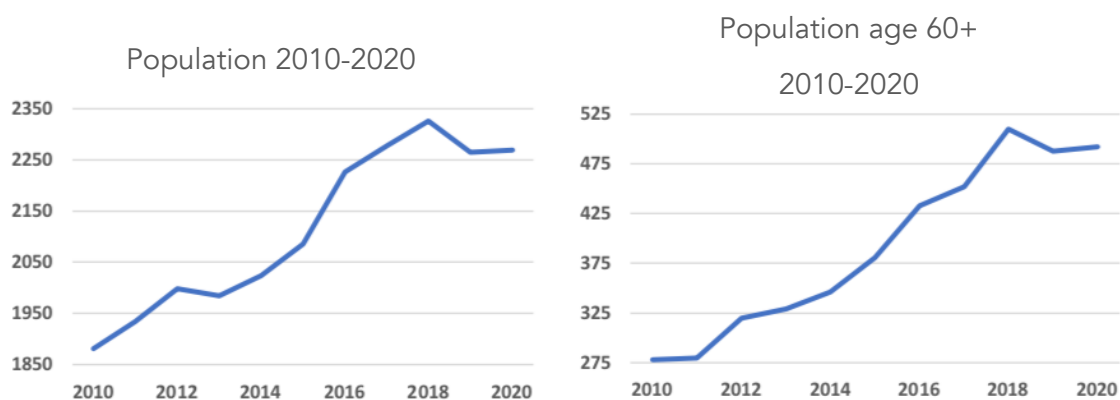
4.1 Community Economic Development Goals

The goals of the Regional Economic Development Plan remain relevant and KDO's activities will continue to support these (see above, section 2.2).

4.1.1 Population

At the time of KDO's formation, a demographic analysis (2009) revealed that rural Yukon communities such as Dawson City were experiencing dramatic shifts in demographic profile. The Klondike was seeing growth in the seniors/over 54 group and progressive decline in children/youth and in its primary labour force (ages 20-54).

Although we are now experiencing broad population growth, activities aimed at fostering an open and diverse rural community that provides opportunities for and is attractive to younger, working individuals and families are still needed. The economic resilience of the Klondike is in part reliant on maintaining an optimal population level and demographic profile that supports a wide range of local goods and services and sustains our valued Dawson 'quality of life'.



Over the past ten years Dawson City's population grew by over 20% but the community continues to age as 55% of the growth was in the over 60s segment. Our goal now is to continue the successful community revitalization of our first decade while focusing on strategies that will have the maximum impact on young population growth.

4.2 Organizational Goals

4.2.1 Increased Community and Partner Engagement

For various reasons (partly funding related, partly preoccupation with developing housing, and most recently impeded by the pandemic), we have not recently been able to host events bringing together wide dialogue with community leaders, organizations, and governments. We found that a great deal of value was derived from the partnership forum format that the organization used in earlier years.

Going forward we aim to revive these fora as a semi-annual activity. We will also explore other means of connecting more broadly to the community to foster information and knowledge sharing, cross-sector relationship building, and resource mobilization.

4.2.2 Financial Sustainability

Financial support for our community economic development projects has been provided primarily by Government of Yukon, Economic Development and the City of Dawson. This has largely worked well, despite some lean years and uncertainty. We have been able to complement and leverage this funding to access federal and other territorial dollars at times for unique initiatives.

Going forward, we understand that resources may become increasingly sparse from these sources, and with that in mind, we will expand on a goal of becoming more financially self-reliant through the establishment and growth of social enterprises. See section 6 below.

4.2.3 Human Resources Stability

We currently have a single staff position, our Community Economic Development Officer. Due to the diverse nature of our operations and activities, this position includes broadly:

- implementing CED projects
- sourcing and reporting on funding
- sourcing and delivering on consulting contracts

- managing construction and social enterprise projects
- managing operations of our apartment buildings
- office and financial administration

While this position is offered at a minimum of 30 hours per week, funding gaps and other uncertainties have placed a burden on staff by reducing hours below the offered 30 hours per week in lean times. This policy is no longer tenable as it places recruitment and retention of a critical resource and organizational strength at risk.

Going forward, we commit to a goal of guaranteeing the agreed fixed number of employed hours to our staff. We will absorb financial shortfalls through use of earned revenue (from social enterprises) rather than obliging our staff to 'do more with less' or take unpaid time off to remain within budget.

5. STRATEGIES

5.1 Our Strategic Community Economic Development Model

For KDO to be an effective agent of Community Economic Development, we will endeavor to cover broadly the areas of expected CED practices, but with a focus on activities that will both leverage and enhance the Klondike's **people, place and business assets**.



KDO's operations are separated into two streams, with distinct financial profiles:

Stream 1: Research, Planning & Facilitation

These activities are enabled via government funding.

Stream 2: Social Enterprise Management

These activities operate on a cost-recovery, market-revenues basis.

Both streams contribute to the further development of the three community economic asset categories previously identified in the Regional Economic Development Plan: people, place and business.

5.2 Strategies

Community Economic Development is best served by the combined efforts of multiple parties.

Our strategies are oriented toward filling in gaps.

In addition to three levels of government contributing essential services, infrastructure and leadership that are critical to economic development in our community, Dawson City is fortunate to have multiple organizations focused on advancing and supporting specific sectors. Some key examples include:

- Dawson City Chamber of Commerce- Local business networking, promotion and advocacy
- Klondike Institute of Art and Culture and Yukon School of Visual Arts- Placemaking via arts events and programming, and supporting artist development
- Klondike Placer Miners Association- Mining sector advocacy, marketing and support
- Klondike Visitors Association- Destination marketing and tourism business promotion
- Yukon University, Dawson Campus- Training and education (labour market development)

We will reinforce and expand on partnerships while operating in ways that complement the mandates and operational spheres of such other organizations, businesses and governments in the Klondike. The following represents not an exhaustive list of economic development strategies for Dawson as a whole (see Regional Economic Development Plan, Tr'ondëk Hwëch'in), but the strategies that we have identified as priorities for us to fill in gaps in existing efforts and fall within the capacities of our organization to undertake.

Research, Planning & Facilitation Stream (funding driven)

1- Community research

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

We will continue to conduct research about our community, targeting economic sectors and social trends that will provide information to assist business planning, local developments and initiatives, project funding applications and investment

2- Investment attraction

We will promote Klondike investment opportunities by sharing research and providing information to investors, businesses, organizations and governments. Currently, key approaches include:

- Implementing or facilitating activities in the Investment Attraction Plan. This 2017 plan recommends a series of community marketing and business retention and expansion activities, some of which we could undertake
- Facilitating access to capital via administrative support for the Dawson Community Investment Co-Operative
- Assisting entrepreneurs to access business planning and other support services (connecting to existing providers based in Whitehorse, etc.)

3- Key sector development

We will work to develop key community-based sectors where gaps exist, or if requested and/or positioned to do so, provide assistance to other organizations, sector leaders or governments to conduct activities such as planning exercises, funding applications, facilitated discussions, engagement and partnership development. All with an eye to making progress in strategic areas. Currently, key areas include:

a) Fostering community vitality and openness and enabling incremental population growth by supporting the needs of people to live and work in Dawson:

- Land development
- Housing
- Childcare (enabling economic participation)

b) Fostering community sustainability and resilience:

- Agriculture
- Renewable Energy

4- Placemaking

We will further leverage place assets to foster community vitality. Areas to support include:

- Downtown revitalization activities (including greening and beautification efforts, animating empty sites, adaptive re-use of heritage buildings, and generally leveraging Dawson's place assets to attract people to live and work in our community).
- Supporting the addition of amenities, services and infrastructure as required.

5- Partnership development

We will leverage people assets to make progress on community goals by facilitating the collaboration required for agencies to engage and work effectively together on local initiatives. We will aim to host two research-based and results-oriented fora per year on current interest subjects.

Social Enterprise Stream (market revenue driven)

6- Operating social enterprises

In some cases, an entrepreneurial approach to satisfying a community need or demand may be the most effective approach, despite profits being too marginal for classic private enterprise to take a given venture on.

KDO will continue to launch social enterprises in areas that address service or infrastructure gaps benefitting community-based economic goals or strategies for the Klondike. While marginal, these enterprises will establish own-source revenue generation for us in the long term. Currently, key areas of opportunity include:

a) We will continue to manage social enterprises in the following areas:

- Affordable rental housing

b) We will explore additional and/or new enterprises in:

- Affordable rental housing
- Affordable home ownership
- Renewable energy
- Land development
- Consulting and facilitation services
- Other

6. FINANCIAL PLAN

6.1 Budget

We target an annual budget of \$115,000 to implement our strategic plan. This will retain our one employee, being our Community Economic Development Officer, maintain our office and engage specialist contractors as projects require.

Proposed Budget 2021			
Expenses			
Employee	75,000		
Office	14,000		
Contractors	20,000		
Audit & Bookkeeping	6,000		
	\$115,000		
Revenue			
Social Enterprise Mgt.	10,000	9%	
City of Dawson	35,000	30%	
Yukon Government	70,000	61%	
	\$115,000		

6.2 Current Revenues

6.2.1 Social Enterprises

In response to our community's ongoing housing shortage, partnerships with the City and Yukon Housing saw us constructing two 8-unit affordable rental apartment complexes in 2017 and 2019. These operate close to their business plan projections, including generating enough revenue to cover KDO employee time spent on their combined management. We have also been able to set aside \$10,000 annually for each building into a maintenance reserve to secure our ability to continue to offer quality housing as the apartments age.

At this time, our social enterprises (the apartments) generate 9% of our budget. While operating very close to cost recovery at present, the apartments have potential to generate good income after mortgage financing is paid off in 15-20 years.

We are (hopefully) close to achieving a third social enterprise initiative, this time in the form of a solar power generating project, or Independent Power Producer (IPP) that would supply electricity to the Yukon Energy grid.

Government funding signified a critical portion of the construction costs of our social enterprises, but thorough business planning and subsequent diligence in management enables KDO to operate them without further funding support.

6.2.2 Government Funding

Annual project-based funding through the municipality, Yukon, and sometimes Canada has been the financial foundation enabling our organization to undertake community economic development initiatives and offer services. Fulfilling the role set out for us a decade ago, KDO has found a niche in learning about our local socio-economic situation, sharing that information, collaborating with others to solve problems, taking action to fill in gaps and contributing to Dawson City's ability to grow and flourish. None of this would have been possible without the encouragement and support of both the Government of Yukon and the City of Dawson.

We are proud of our collective achievements, and the fact that other groups now look to us for assistance in achieving their own goals is validating. Looking ahead, we aim to continue many of these inherently funding-dependent activities because they are worthwhile and offer broad benefit. We will continue to seek financial support from government partners over the next decade, but as a strategy to reduce the risk and uncertainty inherent in sourcing external revenues where changing priorities could result in reductions or even withdrawal of support, we will endeavour to grow our social enterprise stream and gradually increase our earned revenue to funding ratio.

City of Dawson

The City has been consistently supportive with \$35,000 per year. We are in year two of a 2-year agreement.

Yukon Government

The Department of Economic Development has been consistently supportive via differing project-specific amounts each year, with the exception of a period when a new Regional Economic Action and Development Initiative (READI) was being piloted. Project funding remains available through a new Economic Development Fund.

Government of Canada

Canada has been a periodic source of funding for special projects (for example our Solar IPP).

6.3 Future Revenues

Our organizational goal of financial self-sufficiency leads us to aim for reduced reliance on government funding streams over time, while increasing our own-source revenues from social enterprises, eventually to a target of 100%. Generating sufficient profits in marginal social enterprises to support activities that are currently funded (research, etc.) will be a challenge, but for conceptual planning purposes we have adopted an ambitious target timeframe of 10 years to achieve this.

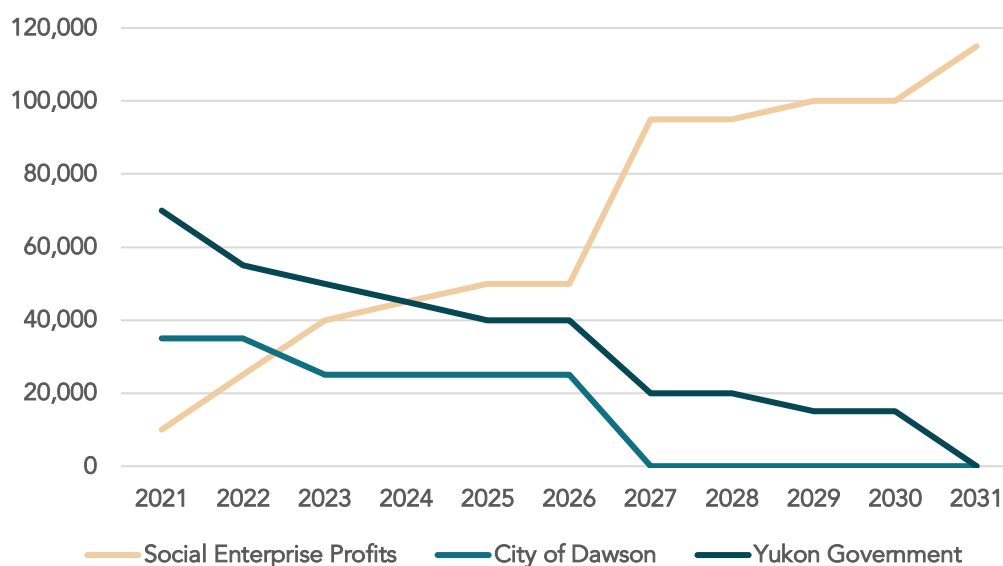
Our Social Enterprises stream will operate in diversified enterprise areas that are consistent with our mission and principles. In addition to continued provision of rental housing, we will explore opportunities in renewable energy, land development, and consulting and facilitation services.

Consulting service contracts are differentiated from funded Community Economic Development (CED) projects. Service contracts are initiated by the client and their needs, rather than us. For these we will seek compensation at professional market rates, whereas KDO's CED projects will continue to be funded at the lower, cost recovery rates.

New social enterprises will require access to investment capital. Two sources are identified for further exploration as the business cases and plans for enterprises are proven:

- Our equity in existing enterprises such as the rental apartment buildings; and
- Community investment capital through Dawson City Investment Co-Operative

Projected Revenue Sources



APPENDIX 1- BOARD PLANNING WORKSHOPS

In order to re-engage our board and staff, and re-visit KDO's guiding statements, we held two facilitated workshops on April 8 and 10, 2021. Participants felt energized at the end of each session, and keen to continue our work.

Saturday planning session at the Downtown Hotel →



Identifying our strengths.

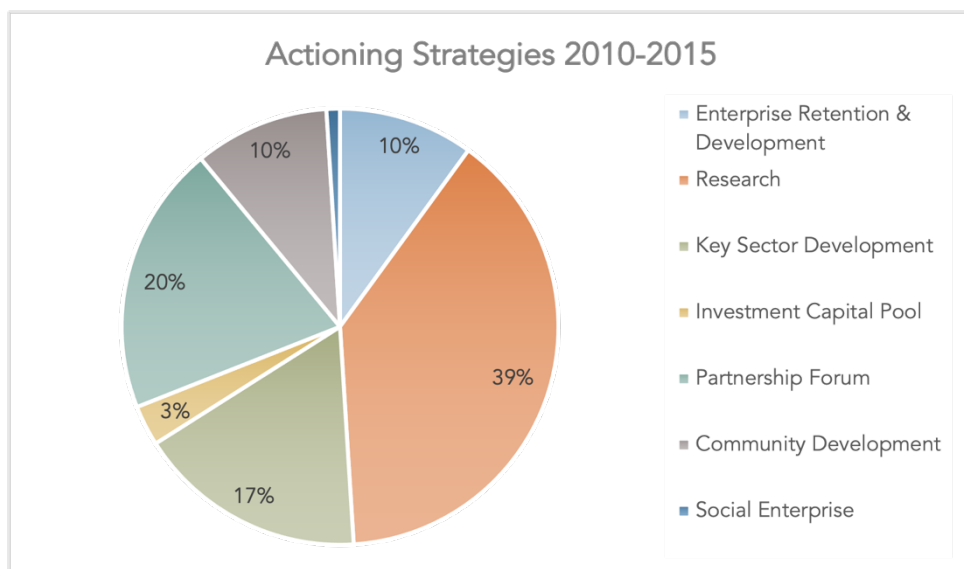


And successes.

APPENDIX 2- STRATEGY SHIFT OVER TIME

Since inception, we have been diligent in pursuing the strategies laid out for ourselves and remain focused on achieving the organizational vision and mission. Our strategies have received varying degrees of attention, time and resources over the past decade, reflecting changes in:

- maturing of the organization
- need and demand within the community
- opportunity
- financial resources to implement the strategies



APPENDIX 3- UPCOMING ACTIVITIES

KDO remains open to new projects and activities based on opportunity, community need, requests from organizations or governments, availability of resources, etc. Potential activities for the next one to three years may include but not be limited to:

Research, Planning and Facilitation Stream:

- Partnership forum (2 per year)
 - Host topic-focused community dialogue in an information-based and solutions-oriented framework
- Facilitate business and entrepreneur support activities
 - Develop partnership with Northlight Innovation/Yukonstruct to offer events, workshops or other activities in Dawson aimed at facilitating community awareness of and access to entrepreneur supports and training via Northlight Innovation and other services in Whitehorse
- Online investment attraction resources
 - Map-based property zoning, simplified access to permit and heritage guidelines etc.
- Prepare investment co-operative agreements and legal opinion for scaled up activity
- Downtown Revitalization Plan implementation (with City)
- Explore partnerships with Parks Canada and facilitate inter-government/organizational communication for building rehabilitation and/or property lease or management to facilitate access to under-used space resources
- Explore ways to assist levels of government in implementing positive community and economic development and infrastructure initiatives in ways that maximize local buy-in and benefits
- Explore ways to assist childcare sector expand space and/or availability
- Explore ways to assist agriculture sector development
- Conduct Dawson Business Survey in 2022 (post-pandemic)

Social Enterprise Stream:

- Construct solar IPP (pending funding decision, Gov. of Canada)
- Scoping and engagement for end use of City of Dawson heritage Bank of Commerce building
- Facilitate partnerships, communication and progress on residential lot development, including an interim/mini-development in Klondike Valley (pending City/YG approval)
- Complete concept for rehabilitation of heritage Transport Building
- Feasibility for co-working/innovation space with fiber-optic access
- Concept for seniors/accessible-oriented housing
- Concept for housing for SOVA
- Implement tiny home ownership and site lease pilot

APPENDIX 4- COVID-19 IMPACT ON PLANNING

COVID-19 remains a burden on communities and economies globally, and most of Dawson City's businesses and organizations have been significantly impacted by the loss of tourism and in-person activities. These impacts have highlighted the need for rural communities like ours to foster resilience in our social support systems and in our economies, and to improve our self-reliance and general sustainability in order to better weather crises in the future. The uncertainty intrinsic in this public health crisis is an important factor with regard to what specific activities may or may not be possible in the coming year. However, the high-level nature of this document allows us to plan without constant reference to the pandemic. It may be assumed that any and all of our initiatives will follow whatever guidelines are in place from Yukon's Chief Medical Officer to keep people safe.