



HINTON BUSINESS VISITATION SURVEY

Update on Recommendations – One Year Later

Community Futures West Yellowhead

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Hinton Business Visitation Program – One Year Later

This report is an update on the Business Visitation Program conducted by Community Futures West Yellowhead in the town of Hinton in 2015. A number of significant economic events are discussed as well as updates to recommendations made in the original study in 2015.

Changes to Minimum wage in Alberta

At the time of the Business Visitation program survey in Hinton in 2015, the provincial government had just announced changes to the minimum wage in the province. Effective October 1, 2015, the hourly wage for most employees was raised to \$10.20 from \$9.95 and increased to \$10.70 for employees serving liquor. As of October 1, 2016, the liquor server minimum wage will be abolished in Alberta and the minimum wage for all employees will rise to \$12.20 per hour. The minimum wage will increase on October 1, 2017 to \$13.60 per hour and finally to \$15.00 per hour by October 1, 2018.¹

As the majority of minimum wage workers are found in the retail trade sector in Alberta², there are concerns about the health of this industry in the region as these changes are implemented. As stated in the 2015 Hinton Business Visitation Study Final report, 97% of businesses interviewed from the retail sector in Hinton expressed that the minimum wage increase will negatively affect their business.³ Over the past year, CFWY has heard from a number of retail clients that their businesses are being directly affected by the negative downturn in the economy in Alberta. This is supported by a report from ATB Chief Economist Todd Hirsch in May 2016 that retail sales are slipping but are still higher than the rest of the country.⁴ Any follow up on the Hinton Business Visitation Program survey from 2015 in the future should include specific questions for the retail industry focused on plans and changes to their business model because of changes to the minimum wage in Alberta.

Forestry industry

The spread of the mountain pine beetle in the Athabasca Valley has impacted the health of the pine population on the eastern edge of Jasper National Park that borders with forestry industry businesses surrounding Hinton. The Jasper National Park Mountain Pine Beetle Management Plan (2016) acknowledges that “intervention is triggered when there may be adverse effects on neighboring lands” (page 11) and has implemented a plan to reduce the number of available trees for outbreaks through prescribed fire in the Athabasca Valley and the Fiddle Range. Access to the eastern border of the National Park is challenging as there is little or no road access in that area. Road access is required for small machinery that is used to remove single or small areas of multiple tree outbreaks.⁵

¹ <https://work.alberta.ca/employment-standards/minimum-wage.html> - For more information, follow this link to information from Alberta Labour on the proposed change to the minimum wage in Alberta.

² Alberta Low Wage Profile for April 2015 to March 2016 gives a detailed description of the employees in Alberta who are currently receiving minimum wage <https://work.alberta.ca/documents/alberta-low-wage-profile.pdf>

³ Hinton Business Visitation Program, page 22

⁴ “Retail sales are slipping but showing signs of stabilizing” The Owl, May 20, 2016

⁵ More information on Jasper National Park’s Mountain Pine Beetle Management Plan 2016 can be found at <http://www.pc.gc.ca/eng/pn-np/ab/jasper/plan.aspx>

Oil and gas industry

As with all the communities in the West Yellowhead region, the downturn in the oil and gas industry has effected Hinton over the past year. This is compounded by the wildfires in Fort McMurray in May 2016 that disrupted oil sands production in that area.⁶ Many local small businesses are restraining their operational spending until 2017 when the economy is expected to make a slow recovery. Also of importance, the unemployment rate in the province hit 8.6% in July 2016 which was a twenty-two year high in Alberta.⁷

Update on Hinton Business Visitation Program Recommendations: One Year Later

The Hinton Business Visitation Program offered a number of recommendations in the summer of 2015 based on key findings and themes discovered through interviews with businesses. It is not the intention of Community Futures West Yellowhead to act on all of these recommendations as many do not fit with our mandate; instead, these are potential goals and recommendations based on the discussions held with the businesses for future economic development in Hinton.

Area 1: Increase Community Engagement

- Goal 1: Perform quarterly business walks to engage with local businesses and stakeholders
- Goal 2: Facilitating regular stakeholders' meetings to recommit community leaders to the overall community vision
- Goal 3: Encourage businesses to engage and communicate regularly with Hinton stakeholders to be proactive to issues or red flags, acknowledging areas of needed improvement and making positive changes
- Goal 4: Designate an individual or group to conduct interviews with closing or relocating businesses. Record the information and direct red flags to appropriate departments and stakeholders.
- Goal 5: Educate employers on best practices while doing business with a higher minimum wage, including retention of staff

During Small Business Week 2015, Community Futures West Yellowhead organized a day long business walk in the town of Hinton. Participants included Town of Hinton administration and council, Community Futures West Yellowhead board members and staff, Hinton and District Chamber of Commerce board members and staff and Alberta Labour. Since that time, the Chamber and Alberta Labour has continued to do business walks in the town of Hinton with members of their organization and to welcome new businesses to the community.

⁶ For up to date information on how Alberta's economy compares to the rest of Canada, try this report from the BDC: https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/publications/monthly-economic-letter/pages/albertas-economy-is-flagging-but-overall-canada-is-doing-well.aspx?utm_campaign=MEL--Monthly-economic-letter--09-2016--NEWS--EN&utm_medium=email&utm_source=Eloqua&elqTrackId=90d3463d53824e74b6cd08ffc90f00b2&elq=ad1673274bfc466393584f628a3f1bae&elqaid=7974&elqat=1&elqCampaignId=628

⁷ For more information on what is considered the "second time effects" of the oil and gas downturn and wildfire in Fort McMurray on the rest of Alberta, review the work of RBC economist Robert Hogue. <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/alta.pdf>

There is continued success with the Hinton Business Support Network (BSN) as an opportunity for businesses, business support organizations and government to meet monthly and exchange information and community updates. This group helps to identify and address local and current business needs and labour market issues.

The Hinton and District Chamber of Commerce has actively supported a campaign to have businesses contact their MLA regarding the changes to the minimum wage. The Chamber has identified this issue as a concern and feels that it will have an impact on small business in the community.

Area 2: Celebrate and Encourage Business in Hinton

- Goal 1: Create a formalized welcome package for new businesses in Hinton and conduct interviews to find out what brought the business to the community.
- Goal 2: Create a support a formalized group of community stakeholders to monitor the community's progress and ensure the town's strategic direction stays relevant to Hinton's priorities and needs
- Goal 3: Create incentives for business development in key areas
- Goal 4: Focus on the retail and food business in Hinton in emergent issues

The Hinton and Region Economic Development Coalition (HREDC) recently released a new Welcome Package for all new businesses that obtained a business license in Hinton. This package contains information to help start-ups integrate into the business community as well as a number of supports to help businesses succeed.

In September 2016, the Town of Hinton adopted the Land Use Bylaw (LUB); this is a document that is reduced in length from the previous version and has revised content written in plain language to avoid confusion and create easier understanding of the developmental process for businesses.

Area 3: Increase communication

- Goal 1: Assist business owners with key topics and training on hot topic issues such as customer service in a non-threatening and passive way
- Goal 2: Create an interactive campaign for the people of Hinton about the advantages of living in Hinton. Hinton residents are the best ambassadors for the community.
- Goal 3: Increase communication with the general public through social media.

The Hinton Regional Economic Development Coalition (HREDC) initiated the #HintonFirst campaign in the spring of 2016 to focus on encouraging Hinton residents to think of Hinton first when "buying, selling, volunteering and recreating."⁸ The campaign had an extensive marketing launch throughout the spring and summer of 2016 in both traditional and social media with a focus on Hinton residents and businesses.

The Hinton and District Chamber of Commerce through their Travel Alberta Visitor Information Center had a local ambassador training program in the summer 2016. Local business owners brought staff to the tourism center to teach them to be ambassadors to promote the "Stay Another Day" program to tourists in Hinton.

⁸ Check out www.hintonfirst.ca for more details on how to take part in the #HintonFirst campaign

Area 4: Think strategically

- Goal 1: Create an Opportunity Development Fund or discretionary incentive available to the Hinton business community to be accessed for community projects
- Goal 2: Create a community asset inventory to take strategic advantage and a proactive approach to addressing current and future challenges and opportunities

Development permits in the Town of Hinton have seen an increase in 2016 with just over \$16 million in permits issues as of September 30, 2016. It can be expected that permits will continue at a steady pace to see an increase over the number of permits and subsequent permit value in 2016 over 2015.

There is noticeable development in the green square area of Hinton over the past year with new businesses opening in the former Landmark and IGA buildings. As well, businesses in this area have made an effort to improve their storefront through a number of beautification efforts. The #HintonFirst Public Market throughout the summer of 2016 was a partnership between HREDC, the Hinton and District Chamber of Commerce and the Town of Hinton and encouraged people passing through Hinton on Highway 16 to take part in a market featuring Hinton vendors.

Area 5: Invest in the future

- Goal 1: Develop and invest in youth entrepreneurship programming and continue to develop a leaderful community
- Goal 2: Support and create a regional economic development alliance

Both Community Futures West Yellowhead and the Hinton and District Chamber of Commerce were actively involved in the Junior Achievement program in 2016. Both groups are also members of the Regional Leadership Committee started by Junior Achievement Northern Alberta (JANA) to increase Junior Achievement programming in the West Yellowhead.

The Hinton Regional Economic Development Coalition (HREDC) was formed in late 2015 with the Town of Hinton, Hinton and District Chamber of Commerce and interested businesses as an economic development group. The aim is to create a community based approach to create better conditions for economic growth and employment generation. The duties of the HREDC are to:

- Advise during development of economic development strategies
- Advise on marketing plans
- Act as ambassadors/champions for new initiatives
- Be the eyes and ears for economic development opportunities
- Assist and provide support to economic development projects, issues and other matters.

For 2016, HREDC set the follow priorities:

- Campaign to inform business community and create a welcome package to new businesses
- #HintonFirst campaign
- Promote Hinton as a four season destination through a destination marketing plan
- Rejuvenation of green spaces
- Annual economic update on the economy in Hinton.