

# COWICHAN INDUSTRIAL LAND USE STRATEGY

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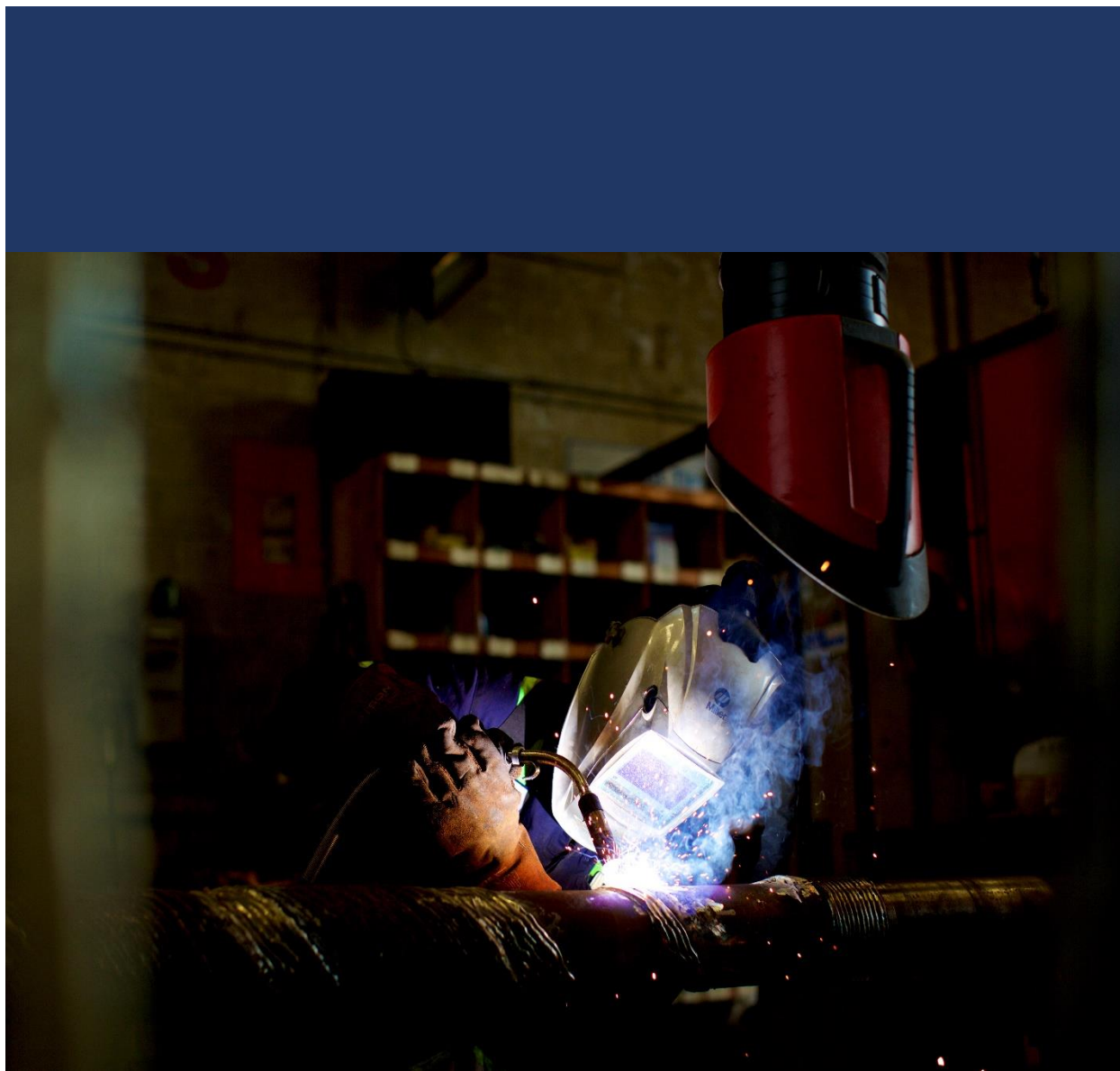
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## 1. EXECUTIVE SUMMARY

*“The need to manage, develop and expand the footprint of key employment lands must be a critical priority for local government.”*



# 1.0 EXECUTIVE SUMMARY

## 1.1 PURPOSE OF THE STUDY

Economic Development Cowichan began working with Urban Systems in February 2018 to create a Cowichan Industrial Land Use Strategy that would:

- 1) **Explore the concerns of existing industries** in the Cowichan region who are undertaking or considering expansion activities.
- 2) **Analyse the current employment trends and industrial land base** to determine if sufficient employment lands exist in Cowichan and to determine the size and character of industrial lands needed for the future.
- 3) **Suggest the type of partnerships** needed to open up new industrial lands.
- 4) **Examine current industry trends** in Cowichan and the surrounding region to suggest sector development priorities for Cowichan that will fuel job growth.

The definition of “industry-based jobs” is undergoing a transformation in Cowichan. While there is still a high concentration of jobs in traditional industries such as mining, quarrying and large-scale manufacturing related to lumber mills and forestry, new strengths are emerging in construction, design, and other innovation-based sectors.

Yet with less than half a percentage point of the total land base in Cowichan zoned or designated as industrial, the need to manage, develop and expand the footprint of key employment lands must be a critical priority for local government if the diversification of our local employment base is to continue. In a region where the cost of living related to housing and transportation is rising dramatically, local industries play an essential role in providing high paying jobs for local residents living and working in Cowichan.

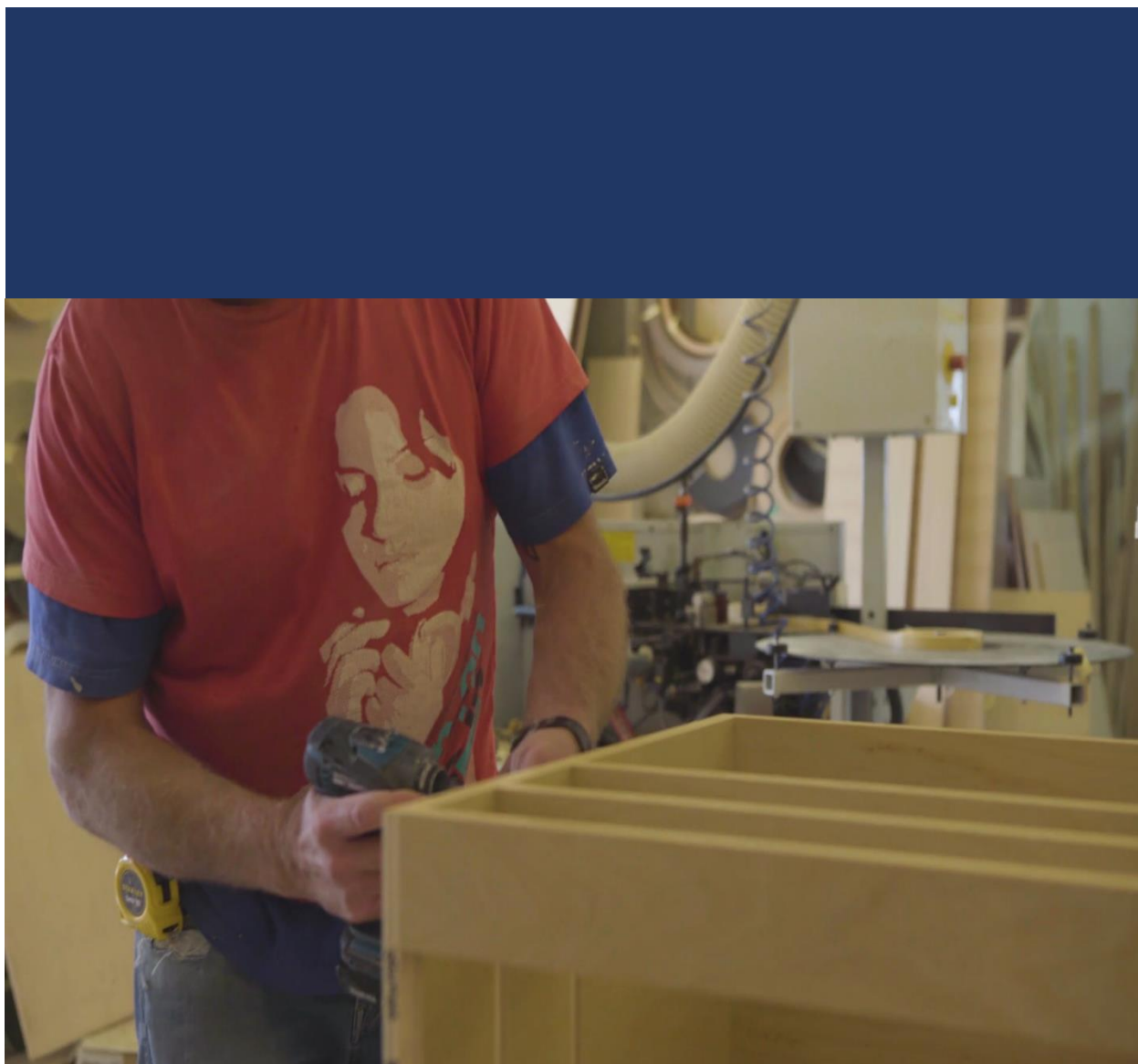
The Cowichan Industrial Land Use Strategy has emerged against the backdrop of concurrent planning initiatives like the harmonization of the CVRD’s Official Community Plans (OCP). Various municipal zoning, OCP and development review processes are also being completed at the Town of Ladysmith, the City of Duncan, the Municipality of North Cowichan, and the Town of Lake Cowichan.

These initiatives underscore the need for shared communication and cooperation across all local government jurisdictions with respect to industrial land use planning. The Cowichan Industrial Land Use Strategy aims to provide a resource for the CVRD and member municipalities in directing and supporting future industrial growth.

Planners and industry stakeholders agree that progress in streamlining the development approval processes across all jurisdictions related to industrial development is possible. These improvements can include pre-zoning of industrial lands in appropriate areas to reduce the time requirements related to securing development permits and rezoning. To provide enhanced service to developers and the public, the CVRD can also consolidate and provide access to GIS data to the three municipalities lacking this service.

The development of the strategy has already resulted in numerous benefits. An *Industry Advisory Panel* created in conjunction with the study has helped to build relationships between local government, regional industry players, landowners, and First Nations representatives. Industrial (and by extension, employment land) development is now on the radar regionally and the notion of working collaboratively to promote new sector development in Cowichan is gaining traction.

As competition and demand for industrial land becomes more acute in Cowichan, the relationships that open the door to new, innovative and sustainable industrial land use development will ultimately define the success of this strategy.



## 2. INTRODUCTION

*“The strategy has benefited from the input of a broad range of stakeholders who ensured a balanced perspective on how to frame current industrial land use challenges and potential opportunities.”*

## 2.0 INTRODUCTION

### 2.1 PROJECT METHODOLOGY

Development of the strategy centered on four distinct activities:

- A GIS Inventory Analysis
- A Labor Force Trend Analysis
- Stakeholder Consultation
- Sector Growth Assessments

#### 2.1.1 *GIS Inventory Analysis*

The GIS analysis of industrial lands in the Cowichan region drew upon comprehensive data provided by the CVRD and the municipalities. The analysis looked at zoned and designated industrial lands, as well as lands that used for industrial purposes based on actual use code.

Including forestry lands, the total area of zoned and designated industrial land within the Cowichan Region is 1,493 hectares, or 0.44% of the overall land base. Adding the BC Assessment Authority actual land use codes increased the total land area of industrial land to 2,193 hectares.

#### 2.1.2 *Labour Force Trend Analysis*

In this section of the strategy, 2016 Statistics Canada information on labour force trends in Cowichan informed the development of industrial land demand projections. Extrapolation and constant share models helped to create the employment based projections.

#### 2.1.3 *Stakeholder Consultation*

The stakeholder consultation process surrounding the development of the strategy included:

- In person meetings with an **Industry Advisory Panel**, made up of business owners, commercial realtors, developers, and First Nations representatives from across the region. Over the course of developing the study, the panel met on three separate occasions to discuss current challenges and opportunities for industries in Cowichan.
- **Key stakeholder interviews**, conducted in-person and through telephone discussions held by Urban Systems and Economic Development Cowichan with manufacturing, marine, construction, design, processing and other key sector representatives.
- **An on-line survey** conducted with 51 industry stakeholders residing within business parks and industrial areas throughout Cowichan. As a precursor to this activity, Economic Development Cowichan toured industrial areas throughout the region to gather anecdotal information from businesses and to encourage participation in the survey.

- **A half-day workshop held with municipal planners** to review issues related to industrial land supply, development approvals and relevant trends. Planners also took part in an extensive survey that helped to frame the recommendations to local government outlined in this strategy.

#### *2.1.4 Sectoral Growth Assessments*

The strategy includes overviews of the sectors driving demand for industrial land in Cowichan.

The sectors that will be an important source of demand for industrial land in the present to medium term include:

- Construction (primarily residential)
- Manufacturing, (including the sub-sectors of design, specialty food manufacturing and medical and bio-tech)
- Forestry and Pulp and Paper
- Transportation and Warehousing
- Combined retail-industrial showrooms and production facilities
- Cannabis
- Marine Services

Each of these sectors and associated business types has specific requirements for industrial land and buildings. Suggestions for encouraging the growth of emerging sectors are included in the **Action Plan Recommendations** (Section 7.0 of the strategy.)



## 2.2 STAKEHOLDER CONSULTATION RESULTS

### 2.2.1 Industry Advisory Panel Meetings

During the course of producing the study, three sessions took place with an **Industry Advisory Panel** that drew its representation from different areas of the Cowichan region. This multi-sectoral team of advisors provided insight on emerging industrial land use trends and demand in the region and offered suggestions on how to improve the development approval process.

Economic Development Cowichan would like to acknowledge the support and guidance provided by the following Industry Advisory Panel participants:

Gary Powers, Promac Group (Koksilah Industrial Park)  
 Brian Hebbert, Commercial Realtor, Royal LePage (Duncan)  
 Sharon Horsburgh, Western Stevedoring (Cowichan Bay)  
 Grant McKinnon, Pacific Homes (Cobble Hill)  
 Denis Madsen, Tower Fence and Concrete (Shawnigan Lake)  
 Balbir Parhar, Parhar Group (Koksilah Industrial Park, Parhar Business Centre)  
 Michael Waites, Former CEO, Finning International (Cherry Point)  
 Ehren Madill, Madill Office Company (Ladysmith)  
 Josh Handysides, Malahat First Nations (Mill Bay)  
 Doug Irving, Commercial Realtor, Remax (Duncan)  
 Doyle Childs, Commercial Appraiser (Duncan)  
 John Gillis, Centurian Lumber (Chemainus)

The following insights stemmed from the three advisory panel discussions:

#### 1. Emerging Sectors and Trends

- The forestry sector continues to have direct impact on the growth and strength of complementary industries in Cowichan like machine shops and service industries.
- Residential growth is generating demand for commercial and industrial services in the region as new entrepreneurs move to Cowichan.

#### 2. Land Affordability and Demand

- Affordability is a key driver of demand for industrial land in the Cowichan region. Land values in the Langford area are in the range of \$1.2 million per acre while values within the CVRD are closer to \$450,000 to \$600,000 per acre, depending on location and services.
- Many current industrial and commercial landholders are unwilling to sell their properties as they continue to see land prices rising in a constrained regional market. This influences the availability of readily developable industrial land.

- Smaller industrial lots are in greater demand than larger lots. Commercial realtors and industry representatives noted that the highest demand is for 0.5 to 2.0 acre zoned and fully serviced industrial lots suitable for a 20,000 or more square foot warehouse in a location that is close to the highway. This type of land demand represents upwards of 50% to 75% of overall market demand.
- The availability of land (particularly in Northern Cowichan) is constrained by the amount of vacant land that is held by private forestry, lumber and pulp and paper mill companies. Access to these lands could be negotiated with industry in collaboration with the Province of British Columbia.

### **3. Transportation**

- Some industries believe the Malahat Highway is a constraint to growth and doing business in the CVRD. However, several industry panel participants noted the benefits of more competitive land prices in the Cowichan region combined with strategic access to markets in both North and South Vancouver Island.
- Advisory panel members contended the E&N Rail (Island Corridor) Line should be recognized for its potential to move freight and commuters in support of industry.

### **4. Leaseholds**

- For smaller industries, there is strong demand for smaller 1,000 to 2,000 sq. ft. building units, with more limited demand for larger 5,000 sq. ft. units. From a developer perspective, this correlates with the preference for 15,000 to 20,000 sq. ft. multi-tenant buildings.

### **5. Development Approval Processes & Servicing**

- There is a general frustration amongst industrial business owners in the region regarding the length of time that is required to approve development permits and rezoning applications. This issue influences the cost recovery on investment and is a key driver in determining whether new businesses will locate in Cowichan or whether existing businesses will expand.
- A lack of serviced land is an impediment for new businesses seeking opportunities to locate in the Cowichan region.

## 2.2.2 Key Stakeholder Interviews

Urban Systems conducted stakeholder interviews with various traditional and emerging industries that are representative of Cowichan's industrial base. The interviews helped identify emerging employment and market development trends and land use challenges and opportunities.

### 1. Catalyst Paper (now Catalyst Paper Excellence, Crofton)

The Crofton mill is the largest paper mill operation in Canada. It has operated at its current location for more than 60 years. The mill produces 700,000 tonnes of pulp and paper annually out of a facility covering 1.7 million sq. ft. and 350 acres of land. Current full-time staffing totals 600 employees and up to 500 additional contract workers annually manage production demand.

Paper Excellence sees the location of its deep-sea docks at its Crofton site as a leading competitive advantage in obtaining access to supplies and primary inputs. The company's locational disadvantages include the cost of manufacturing in BC and the distance to overseas markets. Growth opportunities for the company in the Cowichan region will be driven by opportunities for product diversification, continued demand for paper in China and the opportunity to leverage the waste fibre being that is produced by forestry and sawmill operations in Cowichan and surrounding regions.

### 2. Western Stevedoring (Cowichan Bay)

Western Stevedoring has operated its Cowichan Bay Terminal on a 10-acre site for the last 16 years. The property is capable of handling 60 million board feet of lumber but is currently operating at approximately half that volume. Western Forest Products Sawmill is located adjacent to the Cowichan dock.

Western Stevedoring does not own the Cowichan Bay property but they are the primary tenants and have a Crown lease that continues to 2038. During the past decade, use of the shipping terminal has been impacted by storm damage and global economic forces. Western Stevedoring maintains sub-leases with Western Forest Products and with Western Canadian Marine Response Corporation that store their equipment at the Cowichan dock.

Western Stevedoring currently employs a contingent of 85 full-time staff. Key drivers of change for the company could include the potential implementation of a barge service to Everett, Washington, and the completion of treaty claims related to the site by Cowichan Tribes. Uncertainty around the extension of Western's lease beyond 2038 makes it difficult to rationalize capital improvements to the terminal, particularly the estimated \$8 million required to repair 2012 storm damage.

### **3. Broken Coast Cannabis (North Cowichan)**

Broken Coast is a producer of medical marijuana operating a two- storey, 45,000 sq. ft. facility on 4.5 acres of land in the Drinkwater Road area of North Cowichan. Their facility currently employs approximately 110 full-time staff, two thirds of which are based in either Nanaimo or Victoria. These current staffing levels will change dramatically over the next three years when the major expansion planned by their parent company Aphria comes into effect.

Broken Coast Cannabis sees the opportunity for related business growth alongside the rise of medical and recreational marijuana production through the continued growth of the specialty food-manufacturing sector. Broken Coast Cannabis has purchased a 50-acre parcel of land on Drinkwater Road and is currently designing a new 300,000 square foot facility.

### **4. Pacific Energy (Area E, Koksilah Industrial Park)**

Pacific Energy is a manufacturer of high quality fireplaces and gas stoves based in the Koksilah Business Park (Electoral Area E). The company has been operating out of its 2975 Allenby Road location for 24 years and is one several long-standing export businesses operating out of the Koksilah Industrial Park.

Pacific Energy maintains an 80,000 sq. ft. facility and an auxiliary laboratory building on a 6.2-acre site. The company currently employs 160 full-time staff. The company cites access to labour the availability of services, access to phase-three power, and affordable land and labour costs (relative to Victoria and the Lower Mainland) as their leading competitive advantages for operating at their current location. The disadvantages related to their location include a lack of ability to expand at their current site, a lack of alternate zoned and serviced industrial land in the CVRD, and the cost of transporting goods and equipment on and off Vancouver Island.

Over the next five years, Pacific Energy is planning to undertake significant research related to the development of new products. As product demand is currently outstripping supply, the company is actively exploring means of increasing production efficiencies.

### **5. Live-Edge Design (Area E, Koksilah Industrial Park)**

Live-Edge Design is a specialty wood furniture manufacturer focused on the construction of high quality, customized products made from Big Leaf western maple, walnut, fir and elm. The company is currently located on Mearns Road within the Koksilah Industrial Park, where it has operated for the past 13 years.

The company operates out of an 8,700 sq. ft. facility on a 0.33-acre property. Current staffing levels include 25 full-time and three part-time staff. Live Edge cites convenience and easy access for employees and proximity to key suppliers as the key advantages of its current location.

Disadvantages include low visibility for potential customers traveling through the industrial park, shipping and logistics costs, and the need for road maintenance and infrastructure upgrades on Allenby Road and the Trans-Canada Highway. Additional challenges for Live Edge include accessing staff that are skilled in the wood working techniques the company requires. Most of Live Edge's customers are not located on Vancouver Island, which requires Live Edge to ship off-island at a cost of roughly 5% of product value, as well as an additional 5 to 7% to move the product elsewhere in North America.

Live Edge is predicting growth of 5 to 10% on average over the next 5 years, depending on economic conditions. Accordingly, the company sees the need to grow its staff and double the size of its current facilities if a suitable location can be located.

Live Edge identified that within the Cowichan region, wood product manufacturers could ideally co-locate in a cluster, making use of wood waste, exploring new ways of processing wood waste, and sharing (residential and business) customer bases.

### 2.2.3 Online Survey Results

The online survey helped create a better understanding of the individual and global concerns of local industrial park occupants related to their operational, infrastructure and expansion needs. Across the region, the online survey received 51 responses. Listed below are some of key survey findings:

- The majority of companies (51%) had a local or regional market focus, while 37% indicated their primary market was Vancouver Island. Most businesses indicated that sales are either increasing (70%) or stable (28%), with only one business (2%) indicating a negative trend.
- The median land area for surveyed businesses was 1.2 acres.
- In terms of workforce retention or attraction issues, surveyed firms indicated a lack of skilled workers was their greatest workforce-related challenge. Lack of appropriate housing and public transportation options followed as the second and third largest challenges.
- More than 50% per cent of the online survey participants indicated they plan to maintain their current location, while **42% indicated they wish to expand at their location or another site within the Cowichan Valley.**
- When asked to identify the top three industrial land-related issues, survey participants indicated that that lack of **new industrial land supply, business taxes and tax rates, and zoning regulations and restrictions**, combined with the **timing of approvals** were their leading concerns.

### 2.2.4 Planning Consultations

As part of the engagement process, Urban Systems met with planners from throughout the Cowichan region to discuss industrial land-related issues.



The findings from a municipal planner survey acted as a starting point for a half-day workshop with planners. The workshop and survey provided the following insights:

### 1. Overall Industrial Activity

- During the 2013 to 2017 period, industrial building permit activity averaged \$4.2 million per year, though this figure includes a period low total of \$1.3 million in 2013. The 2014 to 2017 annual average is \$4.9 million.
- Although commercial growth has been steady, Ladysmith has not seen new industrial development within the past three years and there has been no recent industrial development in Lake Cowichan. North Cowichan saw more than \$4 million in industrial permits approved in 2015, but less than \$1 million approved in the past three years.

### 2. Remaining Capacity

- In the CVRD, planners noted that the Koksilah and Fisher Road industrial areas are almost fully built out, however it is believed there is potential for intensification. There are also development opportunities in South Cowichan with the potential of developing the Bamberton Lands and other lands near this location.
- In Ladysmith, significant capacity is concentrated in South Ladysmith, an area that requires a significant investment in servicing.
- In North Cowichan, the Scott Road industrial area has 25% remaining capacity and there is new development in progress on Drinkwater Road. There is also development potential for light industrial at the intersection of Bell McKinnon Road and Norcross Road, the Chemainus waterfront and the potential for densification at the Chemainus Industrial Park.
- In Lake Cowichan, planners reported 14 acres of vacant, yet un-serviced lands along Highway 18.

### 3. Future Land Development Potential

- Planners noted that the region could look into accommodating more mixed residential and light industrial use in support of home-based businesses to overcome the financial barriers to entry for some entrepreneurs.
- It was noted that local government could consider investing in industrial parks to facilitate new development and open up opportunities for expansion. Campbell River provides an example where the growth of waterfront commercial activity has been prompted through the municipal purchase of key waterfront holdings.

- To better support marine-based businesses, both commercial and recreational, consideration should be given to the potential locations of enhanced or expanded marine industrial servicing and logistics companies in the Cowichan region. Key Cowichan Marine Development areas include Cowichan Bay, Bamberton, Ladysmith, and Crofton.
- To ensure future employment lands, Official Company Plans should include policies to protect the industrial land supply. Consideration should also be given to the industries that create the highest levels of well-paid employment.
- Land supply challenges can be addressed with “smarter design” of current industrial sites.

#### **4. Development Application Processes**

- There was consensus that development application timelines across the Cowichan Region requires attention. Different jurisdictions reported struggling with insufficient staff resources in dealing with a high volume of development applications.
- The Cowichan Region could consider the potential to pre-zone industrial lands in specific areas to reduce the time requirements related to development permits and rezoning.
- Prior research of transportation and servicing requirements for potential industrial sites could be undertaken so that this work is already completed when industrial land applications are made.

#### **5. Zoning Classification and GIS Coordination**

- The CVRD is already pursuing an initiative to coordinate zoning classifications to standardize zones and make them less prescriptive. Zoning should also accommodate residents that want work within close proximity to where they live.
- GIS data access should be coordinated through the CVRD. Ladysmith, Duncan and Lake Cowichan do not have GIS capacity and would appreciate access to the CVRD system. The CVRD and North Cowichan use compatible GIS data.
- An enhanced GIS function could also facilitate improved sharing of geographic information regarding the availability of industrial land supply by type and parcel size.

There was discussion about creating an online tracking portal that would allow businesses, residents and staff to view all the development information on any given property in the region. The Capital Regional District has recently created a development-tracking portal and the Municipality of North Cowichan has launched Building North Cowichan ([www.northcowichan.ca/buildingnorthcowichan](http://www.northcowichan.ca/buildingnorthcowichan)). These sites provide users with municipal and applicant contact information, mapping, staff reports and other materials related to process tracking and hearing dates.



### 3. LABOUR FORCE TRENDS

*“Between 2011 and 2016, the most notable sectors for labour force growth in the Cowichan Region were Construction and Manufacturing. Together these sectors grew by more than 600 people, which accounted for nearly 20% of the growth across all sectors.”*

## 3.0 LABOUR FORCE TRENDS

### 3.1 LABOUR FORCE & POPULATION PROJECTIONS

In 2016, the Cowichan Region had a total potential labour force of just under 40,000 members. The regional unemployment rate (7.4%) was 0.7% higher than that of the province overall (6.7%). The labour force and employed labour force participation rates were 57.4% and 53.1% respectively, compared to 64% and 60% for British Columbia as a whole.

The Cowichan Region expects to see population growth averaging 0.8% per year over the next 25 years, with the population reaching approximately 88,280 residents by 2021 and 103,016 by 2041.

- Nearly 70% of total growth projected for the next 23 years is expected to occur within the resident age cohort of 75 years of age or older.
- There is a projected net decrease of population between the ages of 55 and 74.
- Growth amongst the 25 to 44-year-old age groups will increase by more than 1.1% annually.

Table 1: Population Projection, Cowichan Region, 2018 to 2041

Cowichan Population Projection, 2018 to 2041							
Age	2018	2021	2031	2041	Change, 18-41		
					#	%	Annual %
<15	12,430	12,633	13,092	14,061	1,631	13%	0.5%
15 to 24	8,878	9,022	9,212	9,403	525	6%	0.3%
25 to 34	7,972	8,127	9,786	10,210	2,238	28%	1.1%
35 to 44	9,666	10,216	10,736	12,450	2,784	29%	1.1%
45 to 54	10,723	10,268	11,731	12,315	1,592	15%	0.6%
55 to 64	14,610	13,981	11,090	12,540	-2,070	-14%	-0.7%
65 to 74	12,758	13,955	14,106	11,501	-1,257	-10%	-0.4%
75 to 84	6,161	7,232	11,801	12,233	6,072	99%	3.0%
85+	2,540	2,846	4,725	8,303	5,763	227%	5.3%
<b>Total</b>	<b>85,738</b>	<b>88,280</b>	<b>96,279</b>	<b>103,016</b>	<b>17,278</b>	<b>20%</b>	<b>0.8%</b>

## CHANGES IN THE COWICHAN LABOUR FORCE

*3.1.1 Labour Force Growth Trends, 2011 to 2016 (Source: Statistics Canada)*

- The Cowichan Region's labour force grew by just under 3,100 members between 2011 and 2016, reaching approximately 39,000 in 2016. Over 27% of that growth occurred in goods-producing sectors, while 73% occurred in service producing sectors.
- Cowichan leans more toward the **goods producing sectors** than either the Capital or Nanaimo Regional Districts, which have goods-to-service-producing labour force ratios of 12:88 and 18:82, respectively.
- Amongst the 36,975 Cowichan Region residents in the employed labour force, nearly 27,000 or 73% had a 'usual place of work' in either the region or elsewhere. Another 10.6% or 3,915 resident worked at home in the Cowichan Region, while nearly 6,000 had no fixed work place (indicating that they likely work in mobile industries such as construction).
- Within the **goods-producing** space, the most notable sectors for labour force growth in the Cowichan Region were **Construction and Manufacturing**. Together these sectors grew by more than 600 people, which accounted for nearly 20% of the growth across all sectors. The **Primary Resource Industries** accounted for 7% of growth, adding 200 people to their employment ranks.
- Within the **service-producing** sectors, **Administrative and Support Services** (including waste management and remediation) accounted for 16% of all growth. The **Accommodation and Food Services** sector also saw overall growth of 12.5%.
- During the 2011-16 period **mining, quarrying and gas extraction activities grew by 58.5% and information technology and cultural industries grew by 39.4%.**
- Three sectors saw decreases in labour force participation, including **Public Administration, Arts, Entertainment and Recreation** and **Real Estate**.



Table 2: Cowichan Region Labour Force Change, 2011 to 2016

NAICS Sector	Labour Force		Nominal Change (# in labour force)	Percentage Change (by sector)*
	2011	2016		
<b>Goods-Producing Industries</b>	<b>8,385</b>	<b>9,215</b>		
11 Agriculture, forestry, fishing and hunting	1,910	1,990	80	4.2%
21 Mining, quarrying, and oil and gas extraction	205	325	120	58.5%
22 Utilities	160	185	25	15.6%
23 Construction	3,515	3,805	290	8.3%
31-33 Manufacturing	2,595	2,910	315	12.1%
<b>Service-Producing Industries</b>	<b>27,585</b>	<b>29,825</b>		
41 Wholesale trade	810	865	55	6.8%
44-45 Retail trade	4,740	5,030	290	6.1%
48-49 Transportation and warehousing	1,325	1,425	100	7.5%
51 Information and cultural industries	355	495	140	39.4%
52 Finance and insurance	1,060	1,110	50	4.7%
53 Real estate and rental and leasing	645	620	-25	-3.9%
54 Professional, scientific and technical services	1,975	2,240	265	13.4%
55 Management of companies and enterprises	20	35	15	75.0%
56 Administrative and support, waste management and remediation services	1,355	1,850	495	36.5%
61 Educational services	2,565	2,755	190	7.4%
62 Health care and social assistance	4,710	4,985	275	5.8%
71 Arts, entertainment and recreation	915	900	-15	-1.6%
72 Accommodation and food services	2,585	2,970	385	14.9%
81 Other services (except public administration)	1,730	1,935	205	11.8%
91 Public administration	2,795	2,610	-185	-6.6%
<b>TOTAL</b>	<b>35,970</b>	<b>39,040</b>	<b>3,070</b>	<b>8.5%</b>

\*Note: Significant growth in percentage terms does not necessarily equate to significant growth in nominal terms as it is dependant on the size of the given sector.



Sectoral labour force growth has been evaluated in terms of both percentage change and nominal change over the 2011 to 2016 period. The colours included in the above table highlight sectors with significant growth (darker green) to significant contraction (darker red). These period changes can be quite different in percentage vs. nominal terms, which accounts for the relative size of a given sector.

## 3.2 CHANGES IN LABOUR FORCE CONCENTRATION

In the table below, each industry sector's **Location Quotient (LQ)** is analysed. LQ analysis demonstrates how concentrated a particular industry or cluster of industries is within a region compared to a larger reference point (in this case, the province of BC). This type of analysis helps to:

- Determine which sectors may have a competitive advantage in the region
- Identify emerging sectors that may be critical to the region's future
- Identify declining sectors

Industries with higher LQs are typically export-oriented industries that bring money into a region, rather than circulating money that is already within the region (as is typical of sectors like retail and restaurant food and beverage). Industries with high LQs and high employment help stabilize a region's economic base because of the jobs they create and their multiplier effect on other sectors.

The analysis below shows the relative change in LQ for the employed labour force in the Cowichan Region between 2011 and 2016. An LQ of more than 1.0 suggests a strong local concentration of sector or industry activity.

*Table 3: Changes to LQ within the Cowichan Region Labour Force, 2011 to 2016*

Industry (NAICS)	LQ (2011)	LQ (2016)	Change in LQ (2011-2016)	Total Employment (2016)
<b>Goods-Producing Industries</b>				
11 Agriculture, forestry, fishing and hunting	2.21	2.09	-5%	1990
21 Mining, quarrying, and oil and gas extraction	0.53	0.87	65%	325
22 Utilities	0.75	0.91	22%	185
23 Construction	1.28	1.22	-5%	3805
31-33 Manufacturing	1.12	1.15	2%	2910
<b>Service-Producing Industries</b>				
41 Wholesale trade	0.56	0.64	14%	865
44-45 Retail trade	1.14	1.10	-4%	5030
48-49 Transportation and warehousing	0.71	0.69	-3%	1425
51 Information and cultural industries	0.37	0.46	23%	495
52 Finance and insurance	0.72	0.72	0%	1110
53 Real estate and rental and leasing	0.74	0.69	-7%	620
54 Professional, scientific and technical services	0.70	0.70	1%	2240
55 Management of companies and enterprises	0.00	0.49		35
56 Administrative and support, waste management and remediation services	0.90	1.07	19%	1850
61 Educational services	0.96	0.97	1%	2755
62 Health care and social assistance	1.18	1.12	-6%	4985
71 Arts, entertainment and recreation	1.07	0.99	-8%	900
72 Accommodation and food services	0.94	0.90	-4%	2970
81 Other services (except public administration)	0.98	1.07	9%	1935
91 Public administration	1.22	1.27	4%	2610
<b>Legend - Employment Concentration</b> <span style="background-color: #90EE90; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> High <span style="background-color: #FFFFE0; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> Medium <span style="background-color: #FAFAD2; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> Average <span style="background-color: #FFDAB9; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> Low				

Sectors with location quotients higher than the provincial average are highlighted in green. Those with lower than the provincial average are highlighted in red.

Local governments need to pay particular attention to industries with high LQ's not only for the jobs they provide, but also for their multiplier effect—the jobs they create in other dependent industries like retail trade and food services.

### 3.3 EMPLOYMENT ACTIVITY BY SECTOR

A review of employment activity by sector provides insights into how these sectors impact the demand for industrial land. This analysis includes a review of historic employment levels by industry sector between 2011 and 2016, as sourced through Statistics Canada data.

In Cowichan, the industry sectors that have the greatest impact on demand for industrial land are:

- Mining, quarrying and oil and gas extraction
- Manufacturing
- Wholesale trade
- Transportation and warehousing

Employment in these industry sectors represents 14% (5,525 employees) of the Cowichan Region's labour force. Between 2011 and 2016:

- The mining, quarrying, and oil and gas extraction, industries declined in size in the Province and grew by 120 employees in Cowichan
- Manufacturing constituted 12% of the labour force regionally
- Employment in manufacturing increased for both the Province and the Region
- Wholesale trade experienced a decline in employment in the Province but grew in the Cowichan region
- Transportation and warehousing increased in the Province by 9% and in the Region by 8%

*Table 4: Industry Sectors Labour Force Change, 2011-2016*

Industry (NAICS)	British Columbia			CVRD		
	Labour Force		Labour Force Change (%)	Labour Force		Labour Force Change (%)
	2,011	2,016	2011-2016	2,011	2,016	2011-2016
Total	2,171,470	2,305,690	6%	35,965	39,945	11%
21 Mining, quarrying, and oil and gas extraction	23,445	21,995	-6%	205	325	59%
31-33 Manufacturing	139,700	149,455	7%	2,595	2,910	12%
41 Wholesale trade	86,590	79,190	-9%	810	865	7%
48-49 Transportation and warehousing	112,795	122,425	9%	1,325	1,425	8%

Major industry sectors that have recorded the most significant labour force growth in the Cowichan region between 2011 to 2016 period include construction (more than 290 new employees) and manufacturing (more than 315 employees).

This level of growth is on par with non-industrial growth sectors, such as retail trade (+ 290), professional/scientific/technical services (+ 265), health care/social assistance (+ 275), and accommodation/food services (+ 385).

Within the growth sectors generating demand for industrial land, the following subsectors have additional growth potential in Cowichan:

### **Manufacturing Sectors**

- Beverage and other Food manufacturing (e.g. health foods)
- Other wood product manufacturing (e.g. custom furniture and home products)
- Machine shops and related materials manufacturing
- Custom ship and boat building
- Agri-tech (e.g. specialty cannabis production)

### **Wholesale Trade Sectors**

- Electrical, plumbing, heating and air conditioning equipment and supplies wholesalers
- Construction, forestry, mining, and industrial machinery equipment and supplies wholesalers
- Recyclable material merchant wholesalers
- Agricultural supplies merchant wholesalers

### **Transportation and Warehousing**

- Scheduled air transportation
- Specialized freight trucking
- Warehousing and storage



## 4. EMPLOYMENT BASED INDUSTRIAL LAND DEMAND PROJECTIONS

*“To keep pace with the expected demand for industrial land in Cowichan, we need to open up approximately 5.75 hectares of serviced land for industrial use each year for the next eight years.”*



## 4.0 EMPLOYMENT BASED INDUSTRIAL LAND DEMAND PROJECTIONS

### 4.1 EXTRAPOLATION METHOD

This method of projecting industrial land use demand compares estimated employment growth rates against anticipated overall population growth in the Cowichan region, and converts employment growth to industrial land based on ratios of industrial land usage by sector and employment density per acre.

As shown in Table 5 below, industrial land-based employment is projected to grow by 10% between 2016 to 2026; translating to incremental industrial land demand of between 60 to 119 acres (24 and 48 hectares).

*Table 5: Employment Projections (Extrapolative) and Implications for Industrial Land Demand*

Employed Labour Force with Usual Place of Work by Sector		2011	2016	2021	2026
Employment in primary industries <sup>1</sup>		990	1,100	1,156	1,210
Population based employment <sup>2</sup>		11,310	15,513	16,303	17,062
Tourism based employment <sup>3</sup>		3,130	5,333	5,603	5,864
Industrial based employment <sup>4</sup>		4,810	5,020	5,274	5,520
		20,240	26,965	28,336	29,655
Total employment on industrial land <sup>5</sup>		7,484	8,766	9,211	9,640
			3.21%	0.99%	0.91%
Incremental growth in employment on industrial land (vs 2016)				445	874
Share of incremental growth employed locally <sup>6</sup>	82%		0	365	717
Incremental growth in industrial land demand (acres) <sup>7</sup>					
Low				30	60
High				61	119

Notes:

1. Employment in primary industries includes jobs in agriculture, forestry, fishing, hunting and mining oil and gas extraction.
2. Population-based employment includes jobs in finance, insurance and real estate, business service, institutional and 50% of retail trade jobs.
3. Tourism-based employment includes jobs in accommodation, food and beverage and other service sectors and 50% of retail trade jobs.
4. Industrial-based employment includes jobs in manufacturing, wholesale trade, construction, transportation and storage and utilities.
5. Total employment on industrial land is based on 100% of industrial-based jobs, plus 20% of the population-based employment and 10% of the employment in tourism and in primary industry.
6. Based on the 2016 calculation of employment in Cowichan Region verses the total number of people employed at their usual place of work, the incremental growth of people employed locally is estimated at 82%.
7. The assumed average employment density is 6 to 12 people per gross acre.

## 4.2 CONSTANT SHARE (WITH LQ ADJUSTMENT) METHOD

The constant share employment projection approach assumes that the local share of a larger region's activity (in this case, the Cowichan Region as a share of BC) remains constant over time. The projection therefore applies sector-specific growth rates for British Columbia, as reported in the *British Columbia Labour Market Outlook* report, to the employed labour force data for the Cowichan Region.<sup>1</sup> This approach has the benefit of using readily available provincial-level projection data. The downside of this approach is that it may under-estimate growth potential in some sectors where the region has an existing or emerging competitive advantage.

As with the Extrapolative projection reported above, employed labour force projections by sector are translated to industrial land demand through application of ratios of industrial land usage by sector and employment densities per acre. The resultant forecast shows incremental demand for 47 to 95 acres (19 to 38 hectares) of industrial land between 2016 and 2026.

*Table 6: Employment Projections (Constant Share) and Implications for Industrial Land Demand*

Employed Labour Force with Usual Place of Work by Sector		2011	2016	2021	2026
Employment in primary industries <sup>1</sup>		990	1,100	1,081	1,060
Population based employment <sup>2</sup>		13,520	15,513	16,337	17,437
Tourism based employment <sup>3</sup>		5,340	5,333	5,658	6,095
Industrial based employment <sup>4</sup>		4,810	5,020	5,123	5,255
		24,660	26,965	28,198	29,847
Total employment on industrial land <sup>5</sup>		8,147	8,766	9,064	9,458
			1.47%	0.67%	0.85%
Incremental growth in employment on industrial land (vs 2016)				298	692
Share of incremental growth employed locally <sup>6</sup>	82%			245	568
Incremental growth in industrial land demand (acres) <sup>7</sup>					
Low				20	47
High				41	95

See "Notes" on previous page.

<sup>1</sup> Available at workbc.ca: *Labour Market Outlook 2018*.



## 5. INDUSTRIAL LAND INVENTORY

*“Given the importance of industrial land to the Cowichan region’s tax base, it will be important to balance the anticipated need for employment lands.”*

## 5.0 INDUSTRIAL LAND INVENTORY

### 5.1 OVERALL LAND BASE

A review of the region's industrial land relative to the overall land base provides insights into how industrial land competes against other land uses in Cowichan. Due to the sheer volume of forestry lands in Cowichan, this review provides analysis both with and without the impact of this sector.

Including forestry lands, the Cowichan region comprises nearly 341,000 ha of land, of which 266,000 ha or about 78% is classified as Forestry. Through this lens, zoned and designated lands within the region break down as follows:

Land Use (Zoned/Designated)	Total Area (ha)	% of Land Base
1. Forestry	266,406	78.12%
2. Agricultural	30,025	8.80%
3. Parks and Institutional	24,978	7.32%
4. Residential	12,173	3.57%
5. First Nations	4,484	1.31%
<b>6. Industrial</b>	<b>1,593</b>	<b>0.47%</b>
7. Commercial	703	0.21%
8. Mixed Use	488	0.14%
9. Transportation	109	0.03%
10. Utility	55	0.02%
<b>Cowichan Region Totals</b>	<b>341,016</b>	<b>100.00%</b>

As outlined in the Regional District of Nanaimo's industrial land supply and demand study (completed in 2013), the RDN had 1,347 ha of zoned industrial land, representing approximately 0.67% of total land area. **The City of Nanaimo, which has a higher ratio of industrial land compared to the Cowichan region, is currently experiencing a shortage of readily available zoned and serviced industrial land.**

If the land base classifications for Cowichan are adjusted to include actual industrial land uses as coded by BCAA, the numbers and proportions for industrial land increase to 2,293 ha or 0.67% of the overall land base:

Land Use (Zoned/Designated/Actual Use)	Total Area (ha)	% of Land Base
1. Forestry	266,317	78.10%
2. Agricultural	29,571	8.67%
3. Parks and Institutional	24,883	7.30%
4. Residential	12,117	3.55%
5. First Nations	4,483	1.31%
<b>6. Industrial</b>	<b>2,293</b>	<b>0.67%</b>
7. Commercial	702	0.21%
8. Mixed Use	485	0.14%
9. Transportation	109	0.03%
10. Utility	55	0.02%
<b>Cowichan Region Totals</b>	<b>341,016</b>	<b>100.00%</b>

If forestry lands are netted out of the land base calculations (bringing the total land base down to under 75,000 ha) the proportions across the remaining major land use categories still indicate a low proportion of industrial, commercial and mixed-use land, relative to agricultural, park, institutional and residential lands.

Land Use (Zoned/Designated)	Total Area (ha)	% of Land Base
1. Agricultural	30,025	40.24%
2. Parks and Institutional	24,978	33.48%
4. Residential	12,173	16.32%
5. First Nations	4,484	6.01%
<b>6. Industrial</b>	<b>1,593</b>	<b>2.13%</b>
7. Commercial	703	0.94%
8. Mixed Use	488	0.65%
9. Transportation	109	0.15%
10. Utility	55	0.07%
<b>Cowichan Region Totals</b>	<b>74,610</b>	<b>100.00%</b>

If BCAA actual use code industrial is included in the calculations, the land base proportions change as follows:

Land Use (Zoned/Designated)	Total Area (ha)	% of Land Base
1. Agricultural	29,571	39.59%
2. Parks and Institutional	24,883	33.31%
4. Residential	12,117	16.22%
5. First Nations	4,483	6.00%
<b>6. Industrial</b>	<b>2,293</b>	<b>3.07%</b>
7. Commercial	702	0.94%
8. Mixed Use	485	0.65%
9. Transportation	109	0.15%
10. Utility	55	0.07%
<b>Cowichan Region Totals</b>	<b>74,699</b>	<b>100.00%</b>

Given the importance of industrial land to the Cowichan region's tax base juxtaposed against anticipated population growth, it will be critically important to balance out the **anticipated need for employment lands**. Achieving fiscal balance across the region will require offsetting the costs associated with residential land development with new commercial and industrial development.



## 5.2 INDUSTRIAL LAND BY REGION

Mapping for all areas of the Cowichan region was completed by using data sources provided by the CVRD and each of the region's municipalities. To gauge the extent of the Cowichan region's industrial land, data was coordinated and summarized to include:

- Zoned Industrial lands
- Actual Use Industrial (as flagged by BCAA for assessment purposes)
- Designated (OCP) Industrial lands

It is important to evaluate the overall universe of industrial lands, including those zoned for industrial purposes, those designated in the OCP for industrial purposes (which may or may not be zoned or used for industrial purposes), as well as lands which are currently being used for industrial regardless of their zoning or designation class.

### 5.2.1 Total Industrial Lands by Region

Including designated, zoned, and actual use industrial (across all land use types), the Cowichan region contains 2,600 ha or 6,427 acres of industrial land. This figure differs from the previously calculated total of 2,293 ha as reported on the previous page, as the 2m600 ha figure includes water lots. The regional distribution of this land is as follows:

<b>Cowichan Region Industrial Lands</b>			
Zoned, Designated, and Actual Use Code			
Industrial			
<b>Municipality</b>	<b>Area (ha)</b>	<b>Area (ac)</b>	<b>% of Total</b>
North Cowichan	970.4	2,398.3	37%
A - Mill Bay / Malahat	346.6	856.6	13%
Town of Ladysmith	292.9	724.0	11%
E - Cowichan Station / Sahtlam / Glenora	214.2	529.4	8%
D - Cowichan Bay	194.4	480.4	7%
B - Shawnigan Lake	151.2	373.6	6%
H - North Oyster – Diamond	114.7	283.5	4%
F - Cowichan Lake South / Skutz Falls	93.3	230.5	4%
I - Youbou - Meade Creek	83.2	205.7	3%
C - Cobble Hill	82.2	203.3	3%
G - Saltair / Gulf Islands	48.3	119.3	2%
Town of Lake Cowichan	8.9	22.1	0%
<b>Cowichan Region Totals</b>	<b>2,600.3</b>	<b>6,426.7</b>	

If water-based industrial uses are netted out, the totals by municipality adjust as follows:

<b>Cowichan Region Industrial Lands</b>			
Zoned, Designated, and Actual Use Code Industrial - Net of Water Lots			
<b>Municipality</b>	<b>Area (ha)</b>	<b>Area (ac)</b>	<b>% of Total</b>
North Cowichan	775.3	1,916.1	39%
A - Mill Bay / Malahat	341.6	844.3	17%
Town of Ladysmith	194.4	480.4	10%
E - Cowichan Station / Sahtlam / Glenora	159.6	394.5	8%
D - Cowichan Bay	151.2	373.6	8%
B - Shawnigan Lake	93.3	230.5	5%
H - North Oyster – Diamond	83.2	205.7	4%
F - Cowichan Lake South / Skutz Falls	77.4	191.3	4%
I - Youbou - Meade Creek	69.7	172.3	4%
C - Cobble Hill	33.0	81.7	2%
G - Saltair / Gulf Islands	8.9	22.1	0%
Town of Lake Cowichan	2.5	6.2	0%
<b>Cowichan Region Totals</b>	<b>1,990.1</b>	<b>4,918.7</b>	

### 5.2.2 Cowichan Region Industrial Lands by Actual Use Code

The extent of land actually being used for industrial purposes as classified by BC Assessment is as follows:

<b>Cowichan Region Industrial Lands</b>			
Actual Use Code Industrial Lands (net of Forestry Lands)			
<b>Municipality</b>	<b>Area (ha)</b>	<b>Area (ac)</b>	<b>% of Total</b>
North Cowichan	664.9	1643.0	27%
A - Mill Bay / Malahat	248.6	614.3	10%
D - Cowichan Bay	192.4	475.4	8%
B - Shawnigan Lake	138.1	341.2	6%
E - Cowichan Station / Sahtlam / Glenora	128.5	317.5	5%
Town of Ladysmith	107.3	265.1	4%
H - North Oyster – Diamond	61.3	151.5	2%
F - Cowichan Lake South / Skutz Falls	55.5	137.1	2%
G - Saltair / Gulf Islands	48.2	119.1	2%
C - Cobble Hill	42.8	105.8	2%
I - Youbou - Meade Creek	20.8	51.4	1%
Town of Lake Cowichan	2.6	6.4	0%
<b>Cowichan Region Totals</b>	<b>1,711.0</b>	<b>4,227.9</b>	

Netting out water-based properties from the total, the adjusted actual use code industrial area becomes 1,359 ha (3,358 acres).

### **Cowichan Region Industrial Lands**

Actual Use Code Industrial Lands - All Land Use Zones (net of Water Lots)

<b>Municipality</b>	<b>Area (ha)</b>	<b>Area (ac)</b>	<b>% of Total</b>
North Cowichan	588.2	1453.4	24%
A - Mill Bay / Malahat	243.7	602.2	10%
D - Cowichan Bay	45.1	111.4	2%
B - Shawnigan Lake	138.1	341.2	6%
E - Cowichan Station / Sahtlam / Glenora	128.5	317.5	5%
Town of Ladysmith	82.9	204.8	3%
H - North Oyster - Diamond	13.2	32.6	1%
F - Cowichan Lake South / Skutz Falls	55.5	137.1	2%
G - Saltair / Gulf Islands	2.4	5.9	0%
C - Cobble Hill	37.9	93.7	2%
I - Youbou - Meade Creek	20.8	51.4	1%
Town of Lake Cowichan	2.6	6.4	0%
<b>Cowichan Region Totals</b>	<b>1,358.9</b>	<b>3,357.8</b>	

### **5.2.3 Vacant Industrial Lands (as designated by BC Assessment)**

### **Cowichan Region Industrial Lands**

Flagged as Vacant (BCAA) - Net of Riparian Buffers

<b>Municipality</b>	<b>Area (ha)</b>	<b>Area (ac)</b>	<b>% of Total</b>
Municipality of North Cowichan	165.8	409.7	35%
A - Mill Bay / Malahat	75.4	186.3	16%
Town of Ladysmith	66	163.1	14%
I - Youbou / Meade Creek	60.9	150.5	13%
F - Cowichan Lake South / Skutz Falls	43.1	106.5	9%
B - Shawnigan Lake	22.7	56.1	5%
E - Cowichan Station / Sahtlam / Glenora	19.5	48.2	4%
C - Cobble Hill	10.2	25.2	2%
D - Cowichan Bay	9.7	24.0	2%
Town of Lake Cowichan	4.5	11.1	1%
H - North Oyster/ Diamond	0.3	0.7	0%
G - Saltair / Gulf Islands	0	0.0	0%
<b>Cowichan Region Totals</b>	<b>478.1</b>	<b>1,181.4</b>	

The vast majority of 'vacant' area (87% in total) is located in North Cowichan, Mill Bay / Malahat (Electoral Area A), the Town of Ladysmith, the Youbou / Meade Creek area (Electoral Area I) and the Cowichan Lake South / Skutz Falls area (Electoral Area F).

Of the identified 478 ha of vacant land, just 21% has an average parcel slope of 5% or less. Developers typically seek out this slope category to ensure optimal site development and to keep remediation costs in check<sup>2</sup>.

A revised breakdown of lands with less than a 5% slope is provided in the table below:

<b>Cowichan Region Industrial Lands</b>			
<b>Flagged as Vacant (BCAA) - Net of Riparian Buffers - 0 to 5% Slope</b>			
<b>Municipality</b>	<b>Area (ha)</b>	<b>Area (ac)</b>	<b>% of Total</b>
Municipality of North Cowichan	63.2	156.2	63%
I - Youbou / Meade Creek	22.1	54.6	22%
E - Cowichan Station / Sahtlam / Glenora	10.9	26.9	11%
A - Mill Bay / Malahat	3.2	7.9	3%
Town of Ladysmith	0.8	2.0	1%
F - Cowichan Lake South / Skutz Falls	0.2	0.5	0%
<b>Cowichan Region Totals</b>	<b>100.4</b>	<b>248.1</b>	

North Cowichan's 'vacant' lands break down as follows:

<b>Municipality of North Cowichan</b>		
<b>Vacant Industrial Lands (0 to 5% Slope)</b>		
<b>Zoning Class</b>	<b>Area (ha)</b>	<b>Area (ac)</b>
Heavy Industrial	49.7	122.8
Light Industrial	13.5	33.4
<b>Vacant Totals</b>	<b>63.2</b>	<b>156.2</b>

Youbou / Meade vacant lands fall mainly into two classifications:

<b>Electoral Area I - Youbou / Meade Creek</b>		
<b>Vacant Industrial Lands (0 to 5% Slope)</b>		
<b>Zoning Class</b>	<b>Area (ha)</b>	<b>Area (ac)</b>
Heavy Industrial	14.0	34.6
Light Industrial	6.4	15.8
Parks and Institutional	1.8	4.4
<b>Vacant Totals</b>	<b>22.2</b>	<b>54.9</b>

<sup>2</sup> This is not to say that development does not occur on slopes greater than 5%. In a supply-constrained region in particular, sites with average slopes of greater than 5% are likely to account for a greater proportion of vacant/available sites.

### 5.2.4 Water Based Lands

The Cowichan Region contains an estimated 344 ha of zoned or designated water-based industrial lands. The primary distribution of this land is as follows:

Location	Amount	Primary Ownership
CVRD Area A (Mill Bay)	4.8 ha	Malahat First Nation
CVRD Area C (Cobble Hill)	4.8 ha	
CVRD Area D (Cowichan Bay)	75.9	Western Stevedoring
CVRD Area H (North Oyster / Diamond)	36.5 ha	
Ladysmith	56.0 ha	Town of Ladysmith/Stz'uminus First Nations
North Cowichan	166.1 ha	Catalyst/Paper Excellence/Western Forest Products
<b>Total</b>	<b>344.2 ha</b>	

The above land areas include water lots zoned or designated for industrial use, and do not include water lots where actual use is classified as industrial. For example, the water lots surrounding the Western Stevedoring Terminal in Cowichan Bay are not zoned for industrial use, so the area of these water lots is not included in the 268 ha total.

The Capital Regional District and the Nanaimo Regional District currently have a constrained industrial land supply. In the Cowichan Region, a competitive advantage exists for water based industrial lands that are located within close proximity to other industrial lands. In these instances, a greater potential for a co-relationship between shipping and distribution exists.

The Malahat First Nation has significant land holdings that could support marine services operations, as does Ladysmith in the South Ladysmith area. Both Cowichan Bay and North Cowichan have operating deep sea ports with additional capacity that could be the catalyst for attracting marine service businesses.

## 5.3 FIRST NATIONS LANDS

Industrial land use discussions took place with **three of the nine** indigenous communities in Cowichan.

### 5.3.1 Malahat First Nation

Malahat First Nation controls two geographic areas with an industrial land focus:

- **Malahat Business Park** is an on-reserve property totaling 52 acres slated for a range of mostly light and medium industrial businesses on smaller industrial parcels (2 to 5 acres).
- **Bamberton Lands** is made up of 350 acres of land that are intended to create economic development and revenue opportunities for Malahat First Nation and meet the growing demand for a range of industrial uses in the South Cowichan region. There are currently four tenants operating on the Bamberton Lands:
  - *Ruskin Construction* – specialized contractor providing design-build, bridge, marine, foundation, railway & aerial pipeline construction services.
  - *Lehigh Heidelberg Cement* – long-standing cement manufacturer in the Cowichan region.
  - *Kinsol Timber Systems* – specialized construction firm focused on building and conserving timber and hybrid-timber structures, including custom homes, bridges, and institutional buildings. Kinsol is a prospective tenant for the launch of the above-outlined Malahat Business Park.
  - *Coast Mountain Resources* – a producer of construction aggregate based at the Bamberton Quarry, which provides related products and services mainly to markets in Greater Victoria, South Vancouver Island, and other West Coast

Given the extent of the Bamberton Lands current quarrying activity, this 350-acre property is not likely to be developable for other industrial purposes for at least a decade. In the immediate future, the 52-acre Malahat Business Park is being explored for development on a long-term lease basis. Malahat First Nation estimates that approximately 30 acres of serviced industrial land will come on stream within the park during the coming decade.



### 5.3.2 Cowichan Tribes

Discussions with Cowichan Tribes regarding industrial land use issues touched on the following strategic priorities:

- **Training and Skills Development:** There is a clear recognition from Cowichan Tribes that education and training opportunities to develop sector-specific skills critical to well-paid jobs in industrial sectors is vital to the economic health of both the region and Cowichan Tribes.
- **Cowichan Bay (Treaty Land negotiation):** Cowichan Tribes is in the process of negotiating a treaty with the governments of Canada and British Columbia, which would ultimately see them become the property owners of the Cowichan Bay marine lands currently occupied by Western Stevedoring.
- **Opportunity for Industrial Development on a Long-Term Lease Basis:** Cowichan Tribes is planning an industrial land component through treaty negotiations that could bring land to market on a long-term lease basis. Though most businesses and sectors in the Cowichan region market have a preference toward owning land, the constrained supply of lands available for purchase could attract new market interest in leasehold properties.
- **Potential Longer-Term Redevelopment:** There could be potential to explore longer-term industrial redevelopment of under-developed or contaminated sites (For example, Cowichan Tribes' Planning Area 12, a 67-ha site containing Cowichan Valley Recycling, the Thorne gravel pit and the former landfill.)

### 5.3.3 Stz'uminus First Nation

Discussions with Stz'uminus First Nation, developers of the mixed-use Oyster Bay node north of Ladysmith, indicated a strong desire to participate in the development of new industrial lands for Cowichan.

While historical industrial land uses throughout the region have tended to develop sporadically and organically over time, Stz'uminus sees potential to consider longer-term business attraction and retention approaches oriented around clean technology and the clustering of complementary development.

Stz'uminus' interest in the evolution of the Cowichan region as a key economic sub-region at the heart of Vancouver Island has close ties to both the province of BC's Clean Economy Initiative and the Vancouver Economic Alliance's Foreign Direct Investment Initiative work (Phase 1 – 2018). Stz'uminus First Nation also has a role to play in developing industrial lands that are currently held by the Crown south of Ladysmith, and in developing the marine supply, aquaculture and marina expansion components of the Ladysmith Waterfront Area Plan.

The Town of Ladysmith is actively exploring this area's potential for expanded marina capacity, as well as waterfront lands to support additional marine service uses over time, and has held initial conversations with Stz'uminus First Nation to evaluate potential business relationships.

#### *5.3.4 Ts'uubaa-asatx (Lake Cowichan) First Nation*

Ts'uubaa-asatx First Nation's primary areas of focus in land development are within the residential, recreational residential, and tourism-recreation commercial sectors. Although there are no immediate plans to pursue industrial land development within their current land holdings, the Ts'uubaa-asatx Nation is exploring additional Crown acquisitions near their reserve that could have implications for future development. In the interim, the Ts'uubaa-asatx is a strong supporter of business development collaborations in the Lake Cowichan/Western Region.

## 5.5 PROJECTED AREAS FOR NEW INDUSTRIAL LAND DEVELOPMENT

With the Cowichan region population expected to increase by over 17,000 residents by 2041, new industrial development will play a significant role in providing high quality employment opportunities and generating tax revenues needed for municipalities to achieve fiscal balance. Opportunities for new industrial development across a range of target sectors cannot be accommodated within the existing vacant and underutilized land inventory for the following reasons:

- While a first cut review of vacant industrial lands (net of riparian areas) in the Cowichan Region shows nearly 480 available hectares, this figure is significantly reduced (to 100 hectares) when consideration is given to typically developable slopes for industrial users (<5%);
- Amongst the lands classified as ‘vacant’, average parcel sizes in most areas are under 1.2 hectares (3 acres). This can accommodate some user groups but is below a sufficient lot size for most medium and large industrial users. The typical range of lots sought by medium to large scale users are 5 to 10 acres, with some users seeking more than 40 acres.

In the coming decade, the private sector will play the lead role in developing available lands outlined in this section. Strategically located properties may also come on stream through lands held by the Malahat, Stz’uminus, and Lake Cowichan First Nations and Cowichan Tribes.

Local governments can support the process of bringing privately held industrial land on stream by supporting regional planners to expedite the development applications surrounding these properties and where possible, granting access to services. Where applicable, local governments can also pre-zone strategic properties and re-examine allowable uses on commercial land to accommodate a wider range of light industrial activities. In areas like the Parhar Business Centre for example, manufacturing activities like food processing and beverage production are already gaining traction.

Local governments can also support land intensification, the adoption of highest and best use standards at strategically located industrial parks in North Cowichan (Chemainus), Area E (Koksilah), Area C (Cobble Hill/Fisher Road), and Area B (Shawnigan Lake). Within the various OCP and rezoning processes that are taking place across the region, an opportunity exists to acknowledge that self-storage and private recycling facilities have little or no capacity to support high-paying employment opportunities.

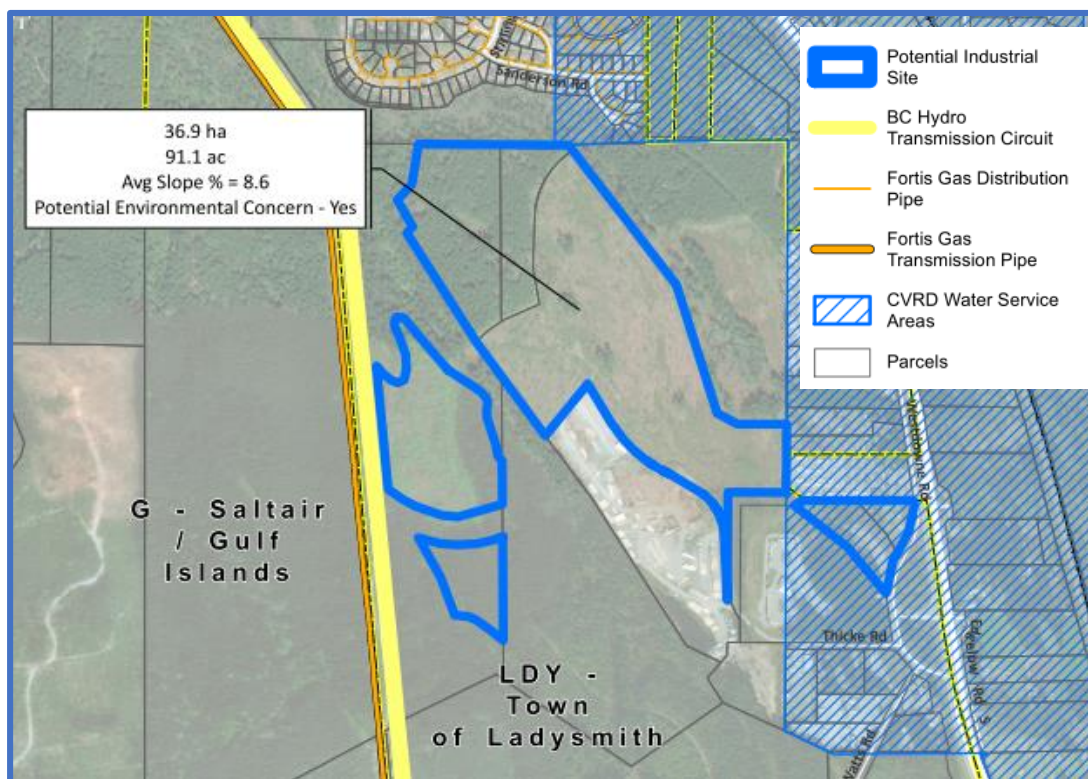
A sampling of projected areas for new industrial development is contained in the following sub-section maps and descriptions. Full-scale maps of potential future industrial areas appear in Appendix B of this report. These projected areas do not provide an all-inclusive summary of where new activity may occur.

### 5.5.1 Ladysmith area

#### South Ladysmith Area plan

There are a number of Crown parcels in the South Ladysmith area designated for light industrial and business park use as part of the South Ladysmith Area Plan. Vacant lands for potential industrial expansion in this area are outlined in the map below.

- Land Area: 36.9 ha or 91.1 ac
- Average Slope: 8.6% (optimal would be 5% or less)
- The majority of the parcels indicated are zoned for heavy industrial, with the northern-most lands reserved for light industrial (as buffer for residential areas to the north). The triangular parcel in the lower right section of the map is zoned light industrial / business park. A development permit has already been issued for one of the parcels.
- For some areas, providing access via new collector and local roads will be required.



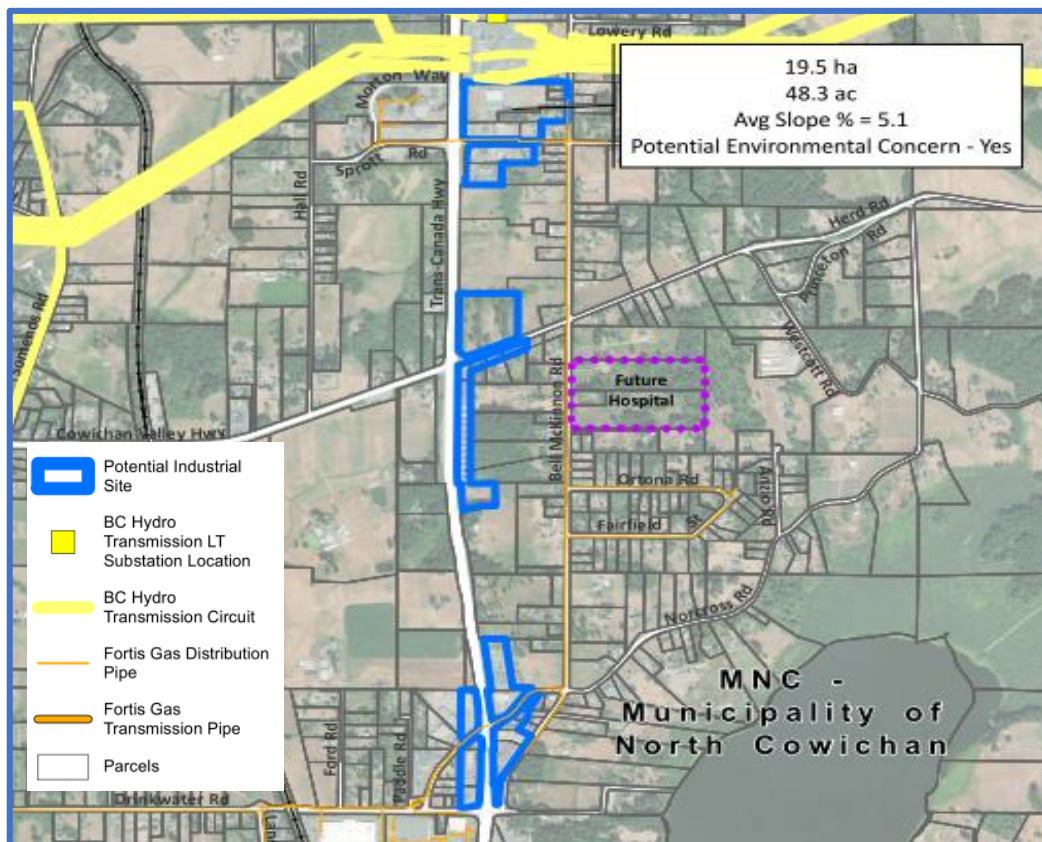
### 5.5.2 North Cowichan area

North Cowichan is home to a large proportion of the Cowichan region's industrial land and includes a number of areas with future industrial development potential.

#### Bell McKinnon Local Area Plan

North Cowichan created the Bell McKinnon Local Area Plan in response to the anticipated development opportunities arising from the servicing needs of the new Cowichan District Hospital. Vacant and underutilized lands for potential light industrial activities that could align with the new medical facility are outlined in the map below.

- Land Area: 19.5 ha or 48.3 ac over three separate clusters of properties.
- Average Slope: 5.1% (near optimal range).
- OCP designations include highway service commercial / neighbourhood commercial (northern clusters) and regional shopping centre (southernmost cluster).
- Land use designation includes mix of highway commercial, commercial, and industrial (some rezoning may be required to accommodate light industrial businesses).
- Servicing will need to be provided as development takes place.

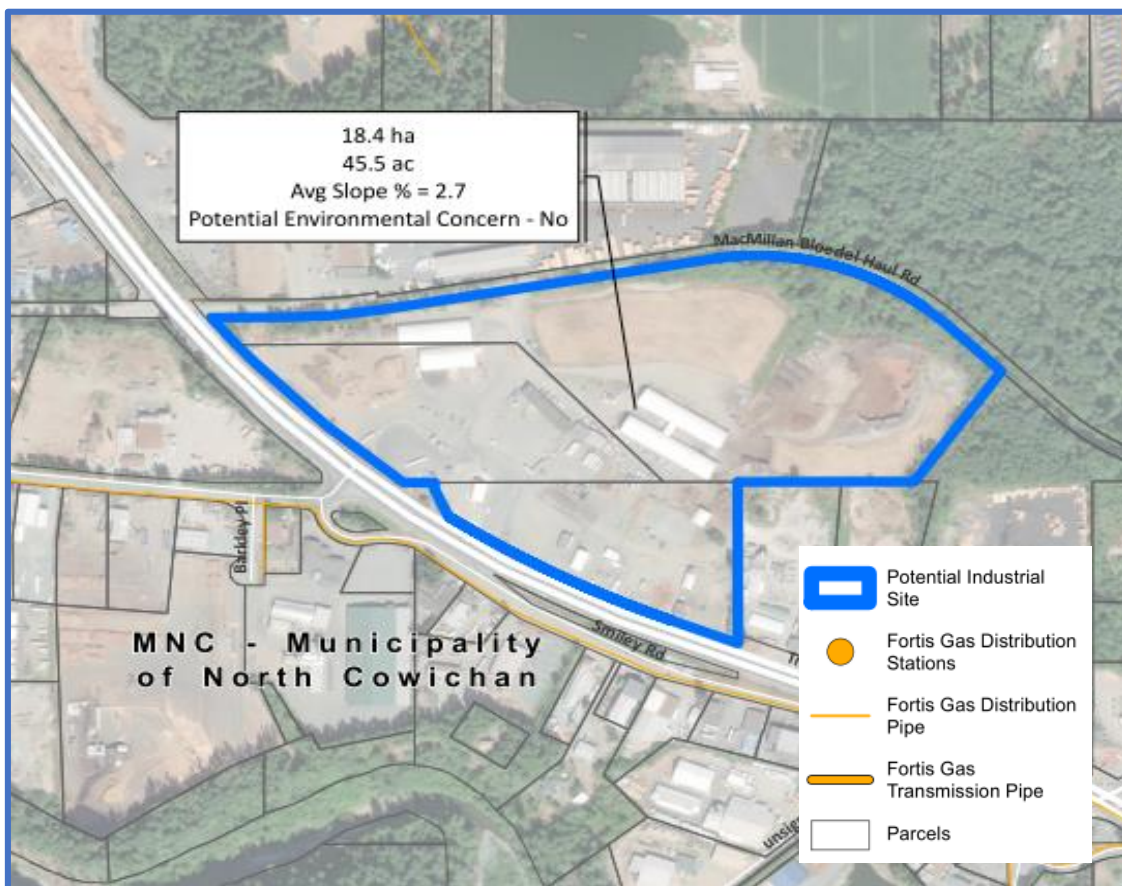




## Coast Environmental Lands

Composting and soil remediation currently takes place at the Coast Environmental property. Given the site's size, orientation relative to the Trans-Canada Highway, intensity of development (low density), and relatively flat topography, this is not deemed to be the site's highest and best use. Additional opportunities for higher intensity light industrial development could exist here if the current operation can either be relocated or condensed in a smaller area of the property. This activity is unlikely under the current ownership although there has been recent history of subleasing portions of this property.

- Land Area: 18.4 ha or 45.5 ac.
- Average Slope: 2.7% (optimal range).
- The serviced property is zoned heavy industrial.



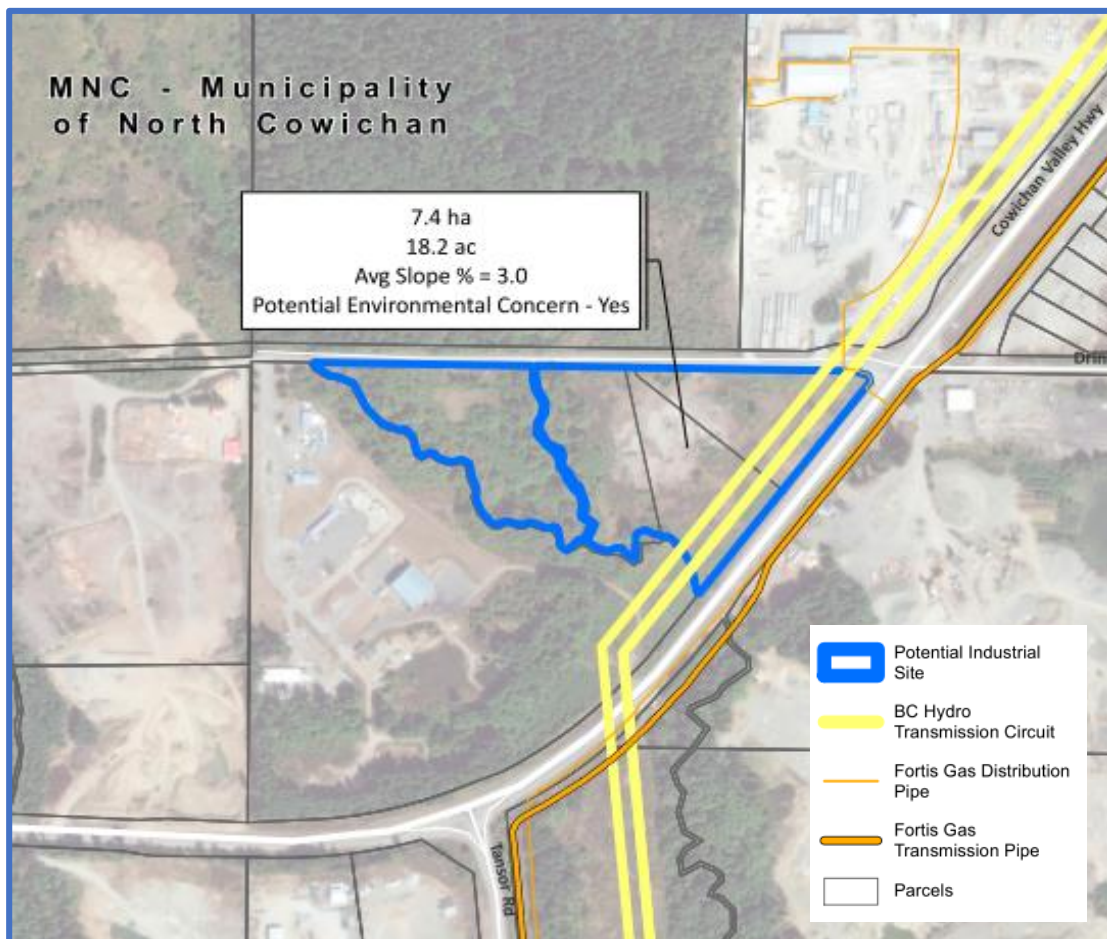
**Additional Note:** Centurian Lumber owns more than 30 acres of industrial land in the Chemainus area that it eventually hopes to use for small log breakdown into lumber and residuals. This will be dependent on the company securing a stable fibre supply.



## Bing Creek Recycling Area

These lands, adjacent to the Bing Creek Recycling facility and owned by the CVRD, are the subject of a proposed subdivision plan, which would create four new industrial lots ranging in size from 1.6 ha to 2.5 ha.

- Land Area is 7.4 ha or 18.3 ac over four parcels.
- Average Slope is 3.0% (optimal range).
- Designated for industrial use.
- Will require rezoning to permit the subdivision process.
- Serviced sites.
- Adjacent uses include the Bing Creek Recycling facility, Surespan Structures to the immediate northeast, and businesses such as Stone Pacific Contracting and Stoneridge Sand & Gravel directly south of the Cowichan Valley Highway.



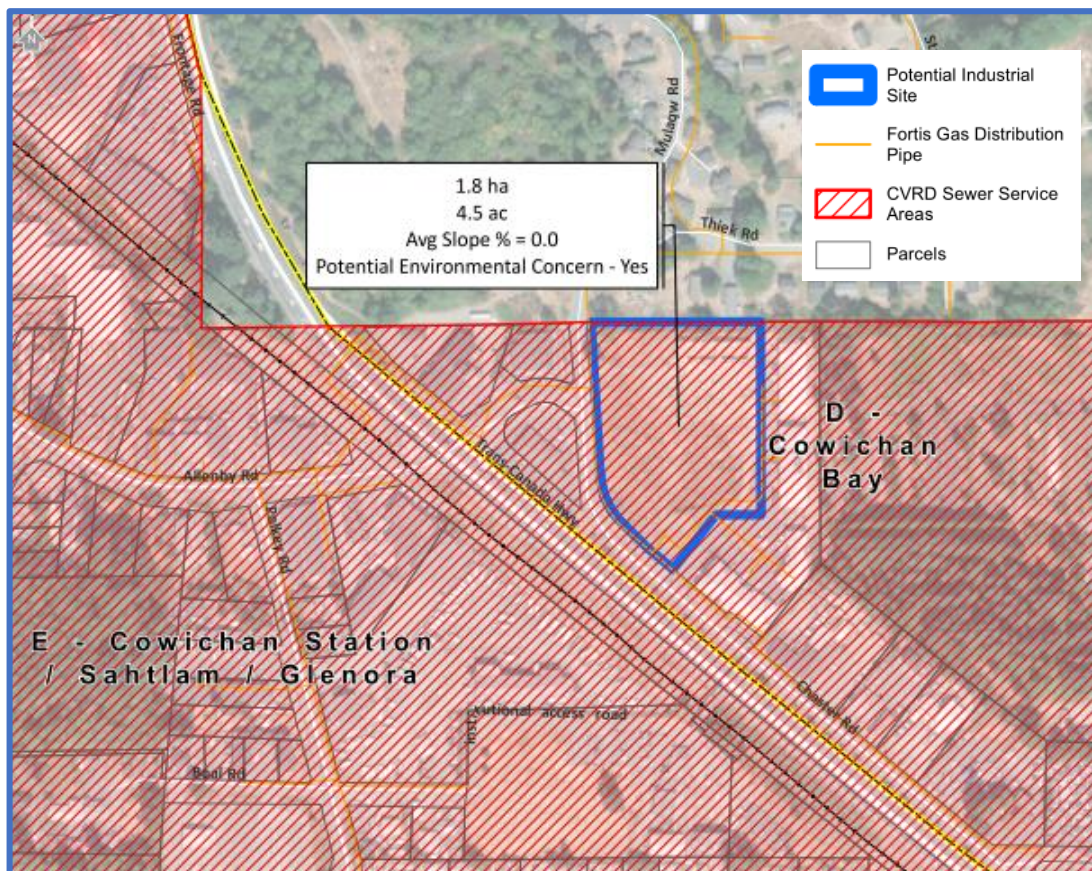
### 5.5.3 Duncan, Cowichan Bay, Koksilah and Fisher Road

Areas with industrial development potential in this area of the Cowichan region include the Parhar property, the Whippletree Junction commercial area, and the Fisher Road properties, which are currently the subject of a rezoning application.

#### Parhar Business Centre

Parhar Group has developed five light industrial service-commercial buildings totalling 75,000 square feet of floor area, with tenants including a distillery, a drywall installer, a food processor, and a furniture store. Although these holdings are not zoned industrial, the Parhar Business Centre has been included in this strategy because of its capacity to support these light industrial/manufacturing uses. The Parhar Business Centre includes six new buildings totalling 80,000 sq. ft., with the majority of this space targeted for 2,000 sq. ft. end users. Parhar Group hopes to initiate construction by March 2019.

- Land Area: 1.8 ha or 4.5 ac over four parcels.
- Average Slope: 0% (optimal).
- This area had previously been zoned for residential use and is now zoned for mixed-use residential/commercial. Parhar Group hopes to develop serviced sites in 2019.



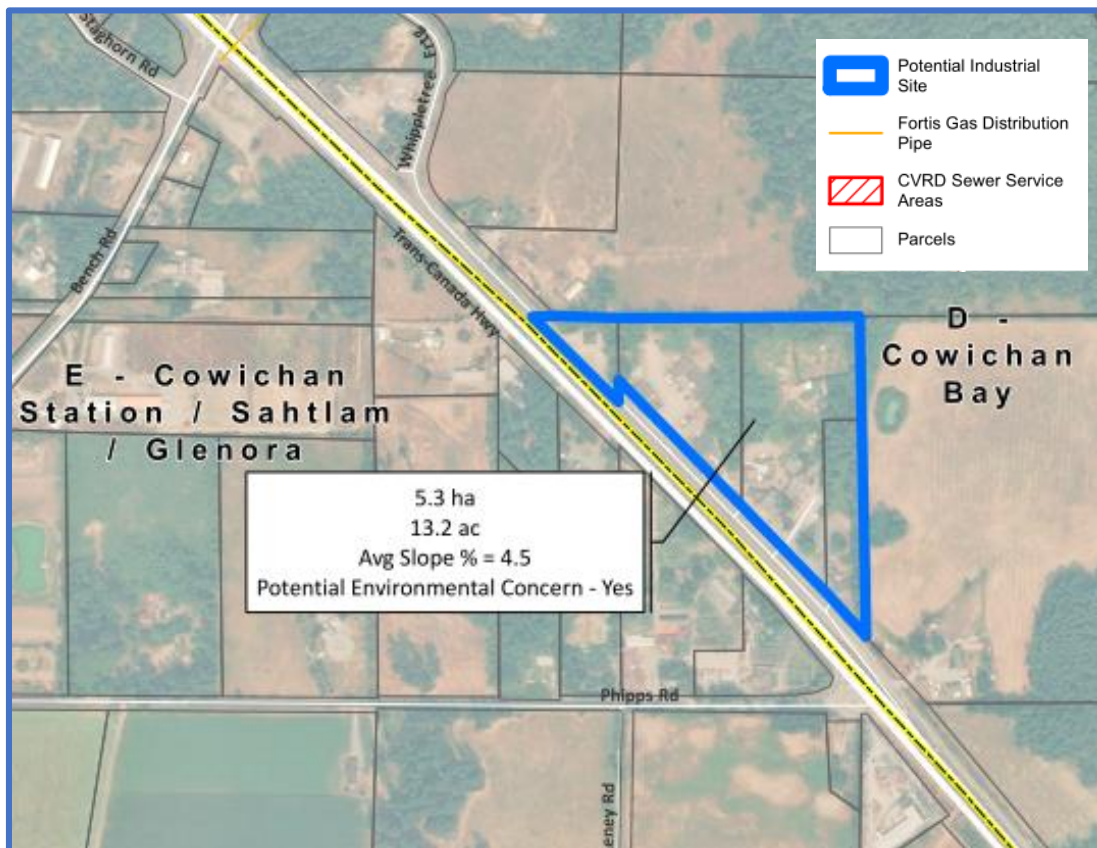


## Whippletree Junction

The Whippletree Junction area is an under-utilized (from a development intensity standpoint) commercial area located on the northeast side of the Trans-Canada Highway, north of Phipps Road. Currently home to a range of commercial operations, this area has the potential to meet some level of market demand for new smaller-scale light industrial uses.

- Land Area: 5.3 ha or 13.2 ac.
- Average Slope: 4.5% (within optimal range).
- Currently designated for residential and zoned for mixed-use residential / commercial use.
- Site servicing is limited.

Given the region's constrained supply and demand for smaller (i.e. 0.5 to 2-acre) lots to support local-serving businesses requiring relatively flat sites with high exposure / high visibility locations, the Whippletree Junction lands could be considered for future re-designation to light industrial use.



## Fisher Road Properties

The Fisher Road properties are the subject of a current rezoning application.

- Land Area: 6.0 ha or 14.9 ac.
- Average Slope: 3.8% (within optimal range).
- Currently zoned for agricultural use.
- The site is within close proximity to available servicing.
- Immediately adjacent light industrial and related business uses include the RONA Home Improvement Centre, Pacific Truss and a screen-printing operation.



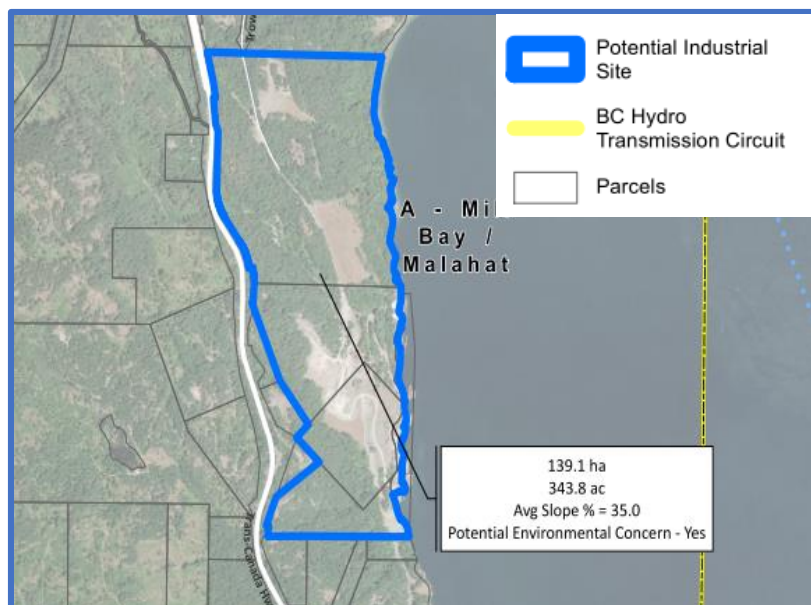
#### 5.5.4 Mill Bay, Shawnigan Lake and Malahat Region

Areas with significant potential for future industrial development include the Bamberton lands (Malahat First Nation), the Malahat Business Park (Malahat First Nation), and the Roy Aresh lands:

##### **Bamberton Lands (Malahat First Nation)**

Malahat First Nation is exploring plans for a wide range of uses for its Bamberton lands property, including a mix of light and medium industrial, as well as supporting commercial and other amenities. These plans could potentially incorporate a significant marine-services cluster focused primarily on meeting the maintenance and repair needs (e.g. boat and engine repair) of larger commercial and industrial operators. Malahat anticipates that the site will likely be available for such development within a decade and that current gravel extraction operations will continue over the short to medium term until developable sites (with suitable slopes) can be created. As noted earlier in this report, Malahat is exploring the potential relocation of several existing tenants to its Malahat Business Park property as catalysts for the planned industrial park development.

- Land Area: 139.1 ha or 343.8 ac.
- Average Slope: 35% (well beyond optimal range).
- Currently designated for both industrial (smaller portion) and rural resource (majority) use. Zoning includes heavy industrial, light industrial and agricultural use.
- Site will require servicing.
- Existing on-site industrial uses include Ruskin Construction, Lehigh Heidelberg Cement, and Kinsol Timber Systems.





## Malahat Business Park (Malahat First Nation)

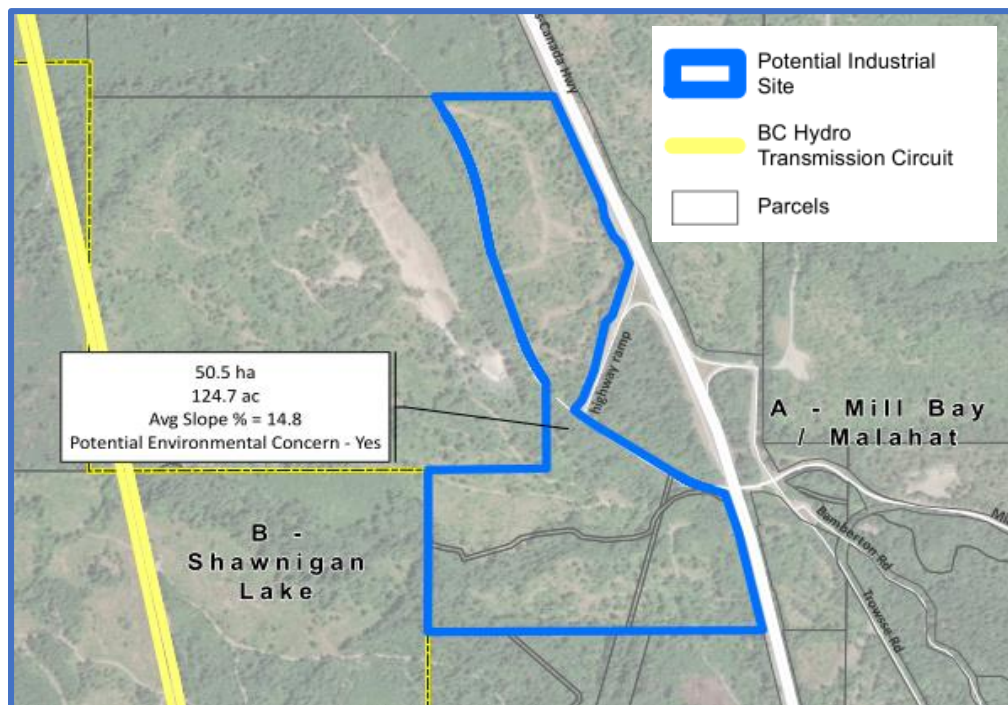
Malahat First Nation is planning a 52 acre (21 hectare) on-reserve light industrial business park immediately northeast of the intersection of Trowsse Road and Mill Bay Road. Malahat is exploring potential agreements with local governments to share development costs associated with servicing the property.

A range of industrial lot sizes are envisioned for Malahat Business Park, from 0.5 to 2.0 ha, with the intention of bringing to market for-lease supply to meet some market demand from local and regional-serving light industrial manufacturing and service businesses.

## Roy Aresh Properties

According to owner Roy Aresh, these properties are ready for industrial development but are subject to a regulation that requires connectivity to municipal services. If the CVRD finalizes the servicing requirement, Roy Aresh has expressed interest in developing the site for light industrial purposes.

- Land Area: 50.5 ha or 124.7 ac
- Average Slope: 14.8% (beyond optimal range)
- Currently designated for industrial use; current zoning includes business industrial and industrial / light industrial use.
- Site is currently un-serviced.





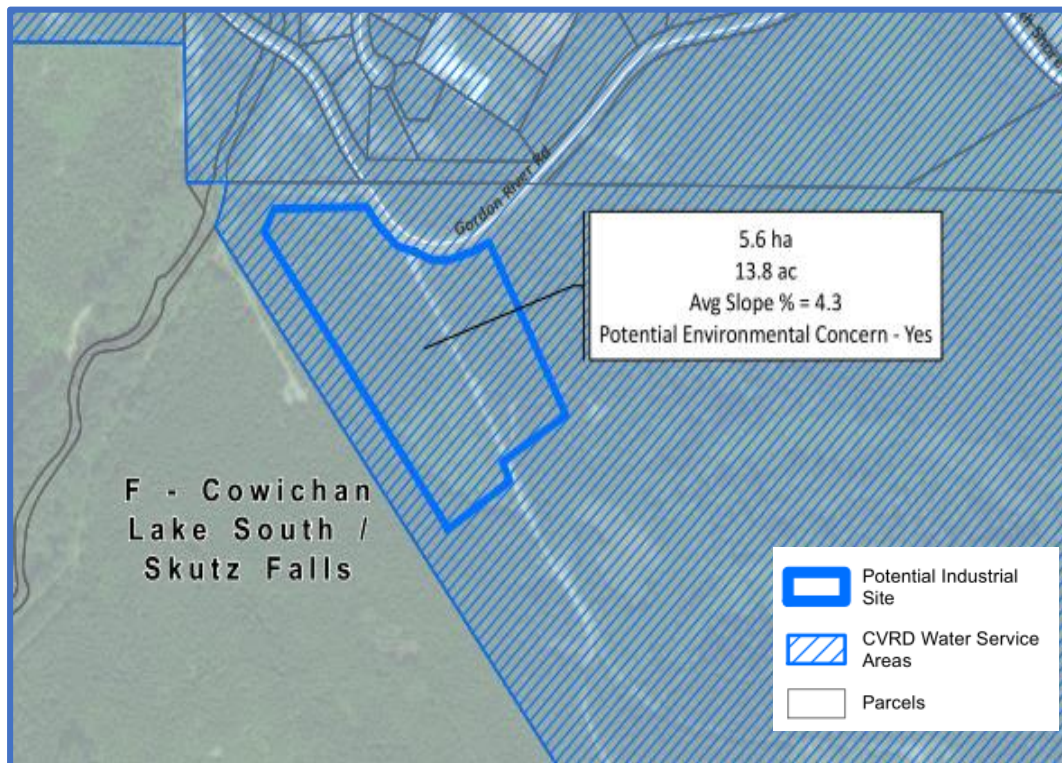
### 5.5.5 Lake Cowichan and the Western Region

This portion of the study area includes a number of potential areas for future industrial development, including the Couverdon Lands, Block 200 and the Youbou Lands.

#### Couverdon Lands

Within the concept plan for the Couverdon-owned lands near Lake Cowichan, the outlined property is designated for a mix of light industrial uses:

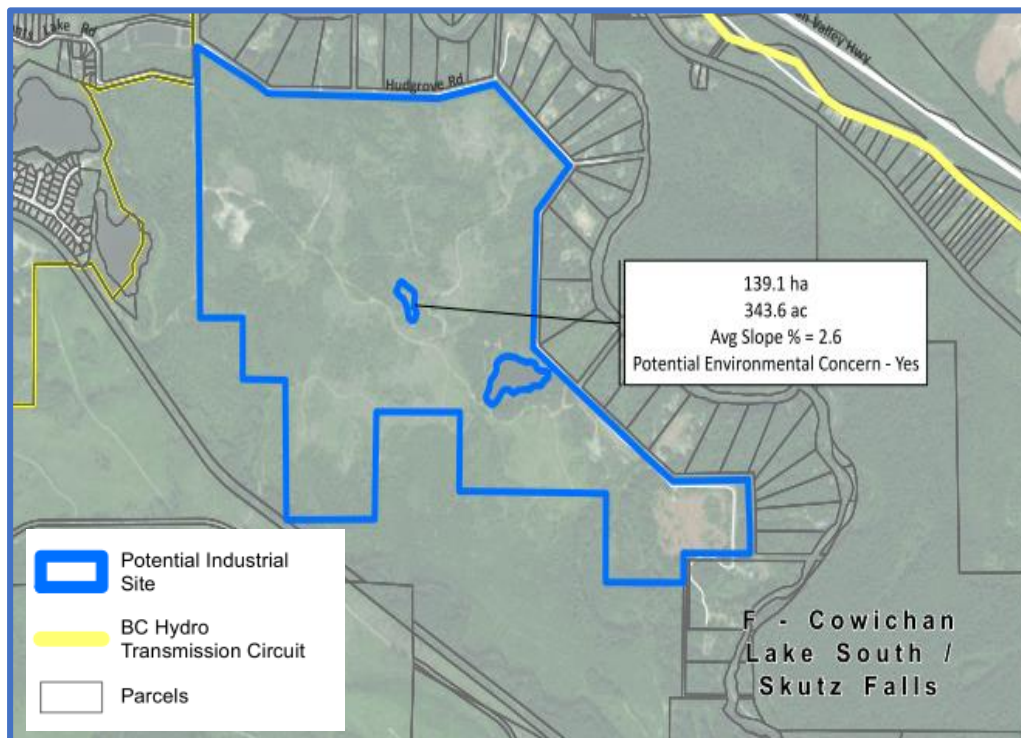
- Land Area: 5.6 ha or 13.8 ac
- Average Slope: 4.3% (within optimal range for development)
- Site is un-serviced and road access to the site will be required



## Block 200

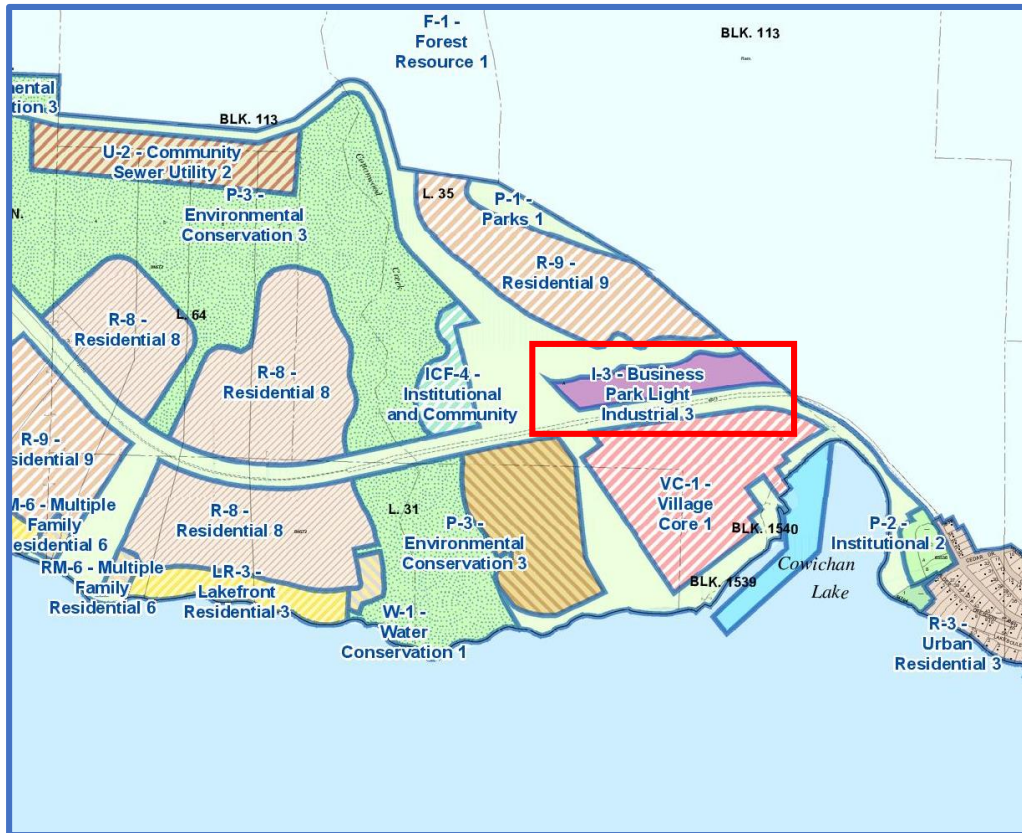
This unique site, which includes opportunities for mixed development, sits adjacent to municipal services. The municipality has recently approached the BC Ministry of Transportation and Infrastructure (MOTI) to develop an alternate access route close to the site from the main highway to Lake Cowichan.

- Land Area: 139.1 ha or 343.6 ac
- Average Slope: 2.6% (within optimal range for development)
- Portions of the site are designated for residential use
- Site would require servicing and access roads.



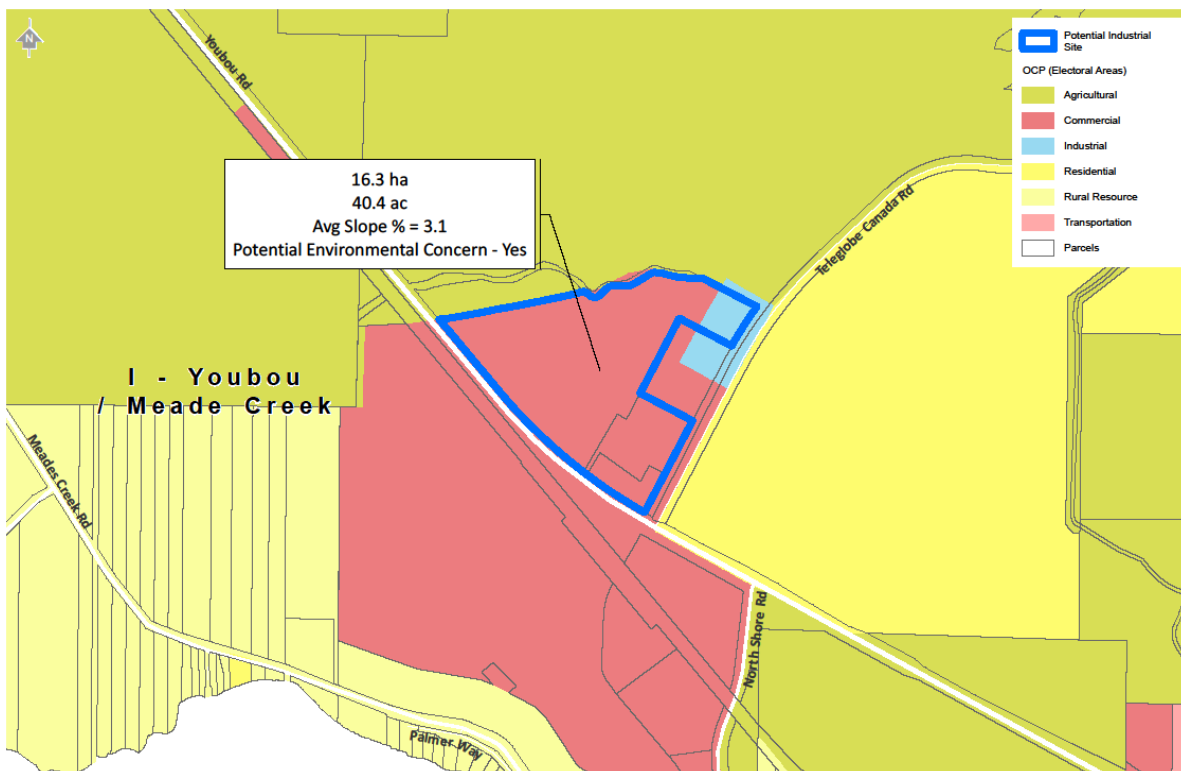
## Youbou Lands

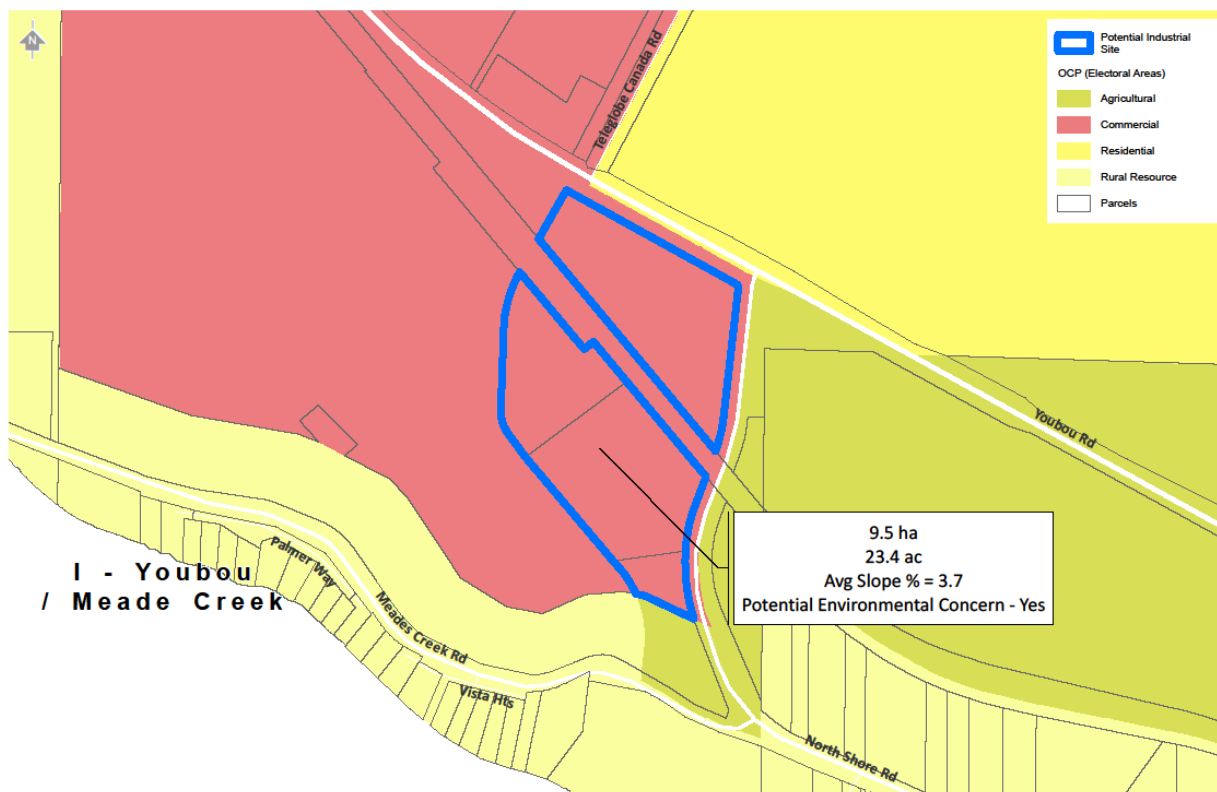
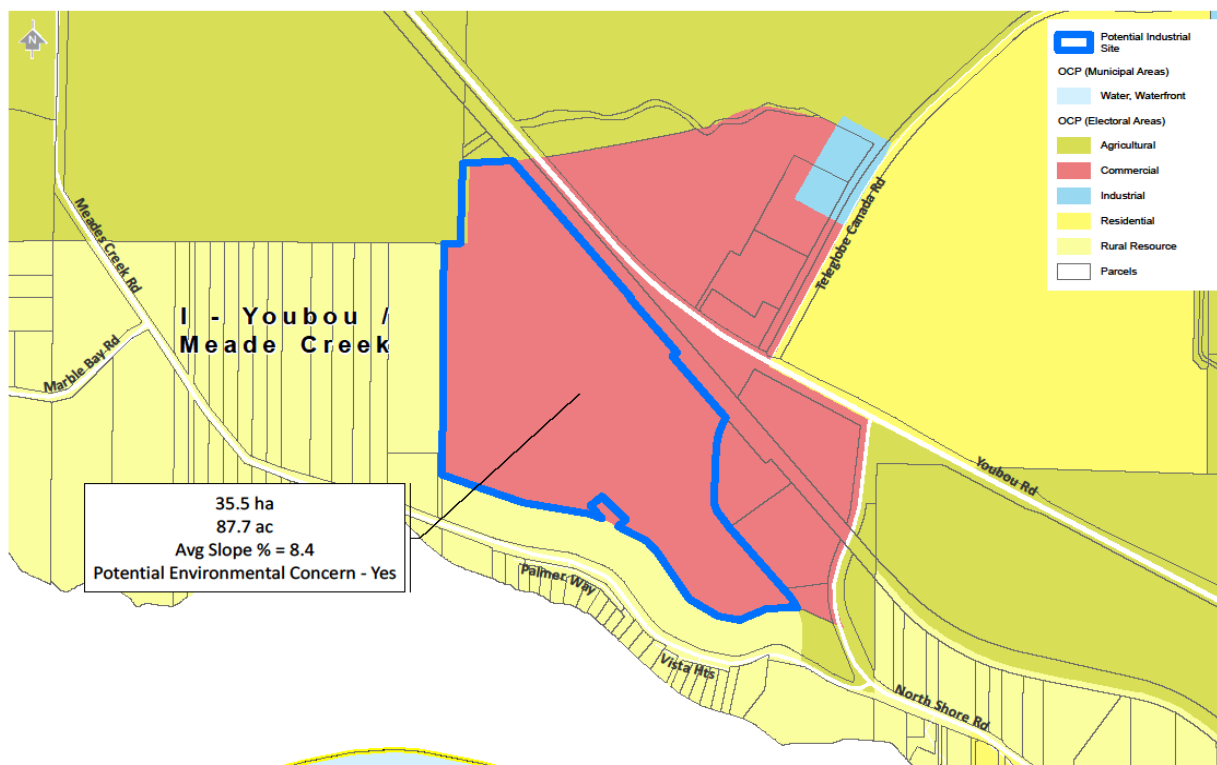
Within the existing Youbou Lands configuration, approximately 4.0 ha is zoned for light industrial use. The land is strategically located across from the designated Village Core area that envisions mixed residential and commercial use.



## Meade Creek Industrial Area

Within the Meade Creek Trans Canada Highway area, three parcels of industrial land totalling 61.3 ha (151 ac) exist. The 35.5 ha parcel south of the Trans Canada Highway has an average slope of 8.7. Immediately to the right parcel, the new Meade Creek Recycling Centre has been established by the CVRD on a 9.5 ha site. To the north of the Trans Canada Highway, a small number of resource-based businesses reside on a 16.3 ha property. Most of this parcel is un-serviced.









## 6. SECTOR DEVELOPMENT TRENDS

*“Within Cowichan, there is particular need for zoned and serviced parcels in the half acre to five-acre range to support new sector growth.”*

## 6.0 SECTOR DEVELOPMENT TRENDS

### 6.1 REGIONAL TRENDS

On Vancouver Island and within the Cowichan region, the following trends are of significance:

- **Increasing demand for port facilities.** With the growth in warehousing and distribution on Vancouver Island along with the growing number of manufacturing companies located in the Cowichan region, there will be increasing demand to ship goods from Vancouver Island.
- **Tightening of industrial land availability in both the Capital and Nanaimo Regional Districts.** Industrial land is becoming scarce in the Capital and Nanaimo Regional Districts, with the City of Nanaimo facing a shortage of developable industrial land.
- **The need for zoned and serviced industrial land in desirable locations.** Within Cowichan, there is particular need for zoned and serviced parcels in the half acre to five-acre range. These parcels can support a wide range of smaller to mid-sized business types and are vital to providing meaningful employment opportunities in the region.
- **Foreign Trade Zone Designation.** On September 24 2018, Vancouver Island received an official designation as a Foreign Trade Zone (FTZ). This designation will make exports more feasible for small-medium sized enterprises by providing a suite of programs designed to defer duties and taxes to improve cash flow. The Nanaimo Airport is planning to leverage the FTZ designation to attract businesses to facilitate the development of their vacant lands. Similar tactics could be employed in Cowichan to promote sector development.
- **Further outgrowth of the Nanaimo Airport.** The Nanaimo Airport Master Plan and Land Use Plan identify approximately 15 ha of land along the north portion of the airport taxiway (adjacent to the Trans-Canada Highway) as potential industrial land. Although the Nanaimo Airport sits outside the regional tax base, future development of this property will have a positive impact on employment in the Cowichan region.
- **The lack of readily developable land that is emerging in the Lower Mainland will shift additional demand to the Cowichan region.** The Cowichan region is a compelling location given its proximity to major Vancouver Island markets combined with lower housing and industrial land costs relative to Victoria and Nanaimo.



## 6.2 IMMEDIATE SECTOR OPPORTUNITIES

The industry sectors that will continue to exhibit a demand for industrial land in the **immediate term** include:

### 6.2.1 Construction and Design

The **construction industry** accounts for 8% of jobs in the Province and 10% of jobs in the Cowichan Region. Building permit activity has increased significantly throughout the CVRD indicating future demand for construction activity and housing starts. Construction of the new Cowichan District Hospital will also drive activity in this sector.

Continued population growth and demand for new housing will add to the viability of the 32 value-added wood design firms currently operating in the region. Related to both residential and commercial development, the region has a growing number of custom stonework, high-end furniture design and custom cabinetry operations that are already realizing opportunities for expansion.

To support these operations, **clusters of industrial land that combine opportunities for showroom and production space** could be further identified and supported. With retail-industrial land uses reaching saturation in the Nanaimo-area market, the Cowichan region could play an important role in filling this demand.

### 6.2.2 Manufacturing

The Cowichan region has a higher proportion of manufacturing jobs than the Provincial average, related to the continued connection between advanced manufacturing and forestry and the continued success of local manufacturing industries such as Pacific Homes and Pacific Truss.

Companies like Promac, Umbrella Welding, Surespan and West Coast Pre-Fab have direct links to the forest sector. They are also diversifying their product lines to reach new regional and international markets in other sectors. Several prominent manufacturing companies in Cowichan require heightened local government cooperation and support in their immediate and long-term plans for expansion and rezoning.

### 6.2.3 Specialty Food Processing

Specialty food processing has ties to the continued diversification of the agricultural sector in the region. Cowichan has about 630 farms that produce gross revenues of more than \$57 million.

Province wide, the largest contributor to revenue generation in agriculture is the food and beverage processing industry subsector, followed by specialty agriculture and seafood. With the continued growth of the wine, distillery, craft brewing and specialty food sectors in Cowichan, clusters of these activities are already developing in the Parhar Business Centre, the Koksilah Industrial Park, the Tansor Road industrial area, and other locations throughout Cowichan.

Companies like Arbutus Ridge Farms, Libre Naturals and Purica have paved the way for specialty food production locally, along with food suppliers like Farmer Ben's Eggs. The Province of British Columbia recently created an Agri-food and Seafood Strategic Plan that has the goal of increasing provincial revenues in this industry subsector to \$15 billion by the 2020.

The plan is centered on three key priorities, including increasing production, driving competitiveness, and building markets. **The Cowichan Region can capitalize on this growing subsector by creating food processing and agricultural innovation clusters.**

#### 6.2.4 Medical and Recreational Cannabis

Cowichan is currently home to a variety of large medical cannabis operations, including Broken Coast (located in North Cowichan), Harvest One/United Greeneries (located in Area D) and the newly established company Hollyweed North (located in Area B).

**Broken Coast** will see a significant infusion of investment capital over the next three to five years that will double its current workforce of 85 employees. Their expansion is creating the need for an additional 45,000 square feet in industrial space.

The company has recently acquired new expansion land, while Harvest One/United Greeneries is planning to expand the production facilities at its current location. Because local governments will continue to field requests for licensed medical cannabis companies to expand or locate in Cowichan, a streamlined regulatory and communication process should be established.

The legalization of cannabis in Canada has also opened up new industrial opportunities that are associated with the Micro Cultivation license introduced by Health Canada. It is now feasible for small to medium sized businesses to become licensed producers of cannabis and establish facilities on appropriately zoned parcels.

In the CVRD, cannabis-related land uses are primarily restricted to industrial zoned areas. The Malahat First Nation has been receiving a high number of enquiries around cannabis opportunities and anticipates seeing future growth in this sector.

## 6.3 MEDIUM TERM SECTOR OPPORTUNITIES

### 6.3.1 Technology and Clean Tech

In February 2018, Economic Development Cowichan completed the Cowichan Tech Strategy. Given that Cowichan is already home to a variety of up-and-coming tech firms working in digital technology, agri-tech and the applied technology sphere, the expansion of this important sector can be aligned with sector growth opportunities in food processing and advanced manufacturing.

The technology sector is an integral part of the Province's economy contributing \$14.6 billion to the GDP. The Province has responded to the growth of the sector by establishing new programs and private sector partnerships to support the expanded entry of women and indigenous people in the tech sector through initiatives like the BC Supercluster.

Within the Province's new **Clean Economy initiative**, there are opportunities for Cowichan to participate in the evolution of clean technology and the development of new energy sources and advanced water treatment facilities. Worldwide, the estimated market for clean energy, technologies, products and services is more than \$2.5 trillion.

Given the importance of adapting to climate change and diversifying the Cowichan region economy, now is an opportune time to evaluate how Cowichan can evolve to support:

- The creation of new alternative energy sources (e.g. biomass).
- More sustainable modes of transport and support for cleaner vehicles and transport systems.
- More effective clustering of commercial and industrial activities.

### 6.3.2 Aquaculture

Several First Nation bands within the CVRD have advocated for the revitalization of their traditional aquaculture industries and Stz'uminus First Nation sees the long-term potential of developing new aquaculture initiatives in conjunction with the implementation of the Ladysmith Waterfront Area Plan.

Limberis Seafood Processing is North America's foremost processing and purification facility for steamer clams and is a world-renowned seafood distributor of Manila clams. The family-owned company is located just north of Ladysmith. Smaller aquaculture operators like Raincoast Aquaponics are demonstrating local capacity for both horticulture and the production of small-scale land-based fish products. A new land based shrimp production facility, NexGen Aquaculture Vancouver Island Inc. (NAVI) is looking to create a state of the art, land-based aquaculture business at a commercial property in Cowichan Bay. NAVI hopes to create a 23,000 square foot facility dedicated to growing and harvesting jumbo shrimp.

Given the potential for local aquaculture business growth, the long-term development of the aquaculture industry could be further researched as part of a larger Cowichan Region Marine Services Sector Strategy.

### 6.3.3 *Transportation and Warehousing*

The Cowichan Region can benefit from its location between the Victoria and Nanaimo markets, anticipated population growth, its affiliation with the forestry sector and growth in local manufacturing activity to become a hub for transportation and warehousing. To activate this sector opportunity, further research and industry partnership, as well as exploration of transportation network improvements, particularly in the Air Transport and Marine Services Sector, will be required.

There may be future potential, for example, to support a new customs office, operated by the Canadian Border Services Agency, to clear boats traveling north from the U.S., as well as charter flights. Currently, these functions are being provided in Nanaimo, in Bedwell Harbour (Pender Island) and elsewhere in the CRD.

### 6.3.4 *Marine Services*

In surrounding regions such as the Capital Regional District, Nanaimo, and the Lower Mainland, the potential for developing marine-based industries in both the commercial and recreational sectors, is facing capacity issues. Marine-based industrial lands typically require significant land-based industrial capacity to support the marine services, and land-based industrial capacity in the Capital and Nanaimo Regional Districts, as well as the Lower Mainland are severely constrained. The Cowichan Region has the potential to create the industrial lands that can support future marine service opportunities.

As previously noted in this strategy, the growth in warehousing and distribution on Vancouver Island will drive the demand for marine shipping options. Catalyst's deep-sea docks at its Crofton site have the potential to open up shipping and marine servicing opportunities, as do the deep-sea facilities in Mill Bay (Bamberton) and Cowichan Bay. However, jurisdictional and servicing issues must be addressed before realizing the full potential of these waterfront lands.

Opportunities also exist to work with federal and provincial entities, such as the Canadian Border Services Agency and BC Ferries, to establish customs facilities and servicing opportunities along the Cowichan Region coastline.

A Marine Services Strategy would quantify the actual demand for shipping, marine servicing, aquaculture, and other water-based industrial land uses, while providing in-depth analysis of how to create effective partnerships amongst established and emerging marine-based land owners.

## 6.4 RELATED SECTOR OPPORTUNITIES

### *6.4.1 Air Transportation*

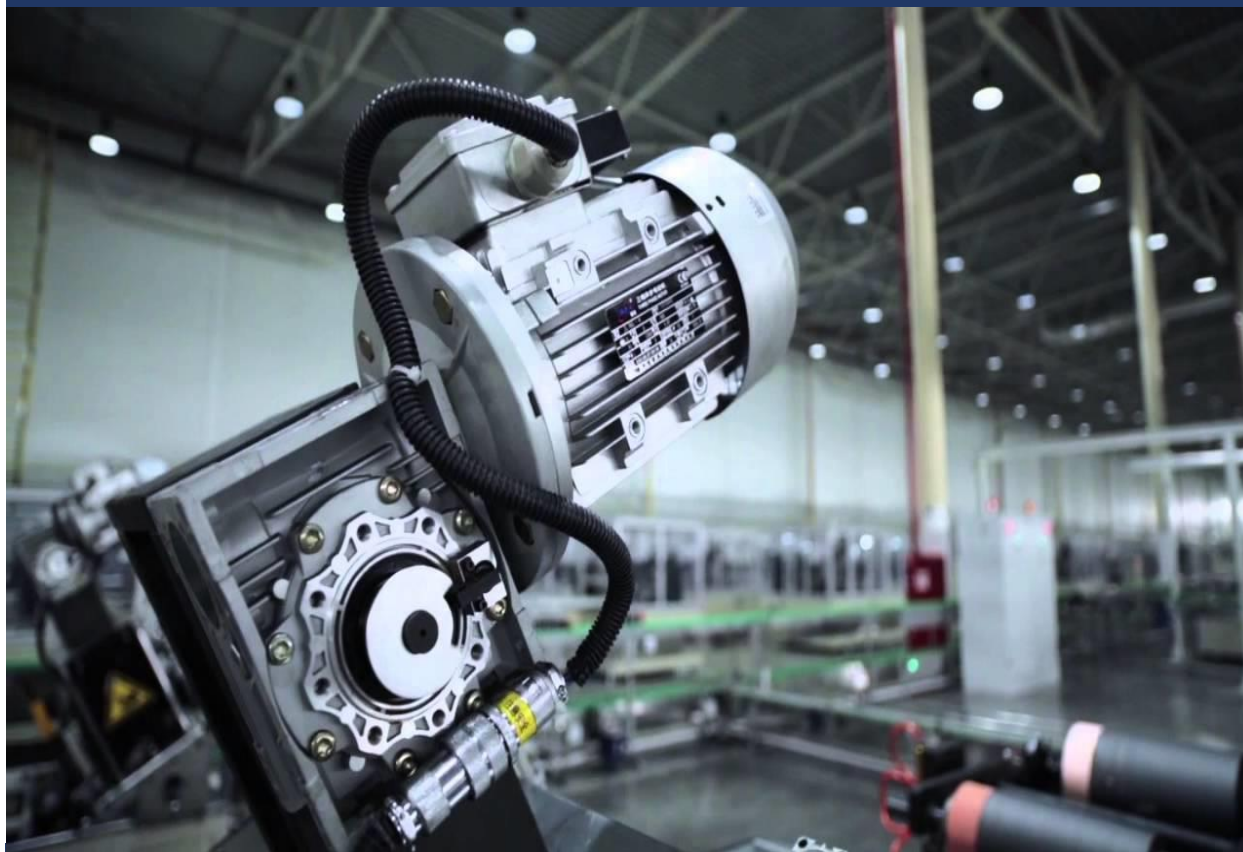
The CVRD is developing an Air Transportation Study that will examine the demand for new air transport infrastructure to support emergency management, fire protection, and the sector development aspirations of the region. The proposed study will also explore the feasibility of co-locating air transport and industrial park infrastructure.

### *6.4.2 Rail Transportation*

Several project stakeholders mentioned the potential for the Island Corridor Project to support industrial growth through the reinstatement of freight and rail service through the Cowichan region.

### *6.4.3 Shawnigan Lake Eco-Industrial Park*

Shawnigan Lake Eco-Industrial Park is an industrial development project located on the corner of Stebbings Road and Shawnigan Lake Road. There is potential to divide the 14-acre site into five parcels and a total buildable area of 320,000 square feet. Site owner Pat Lintaman hopes to bring together a consortium of sustainable businesses that can foster the green development and power the site by an on-site biomass or renewable energy system.



## 7. ACTION PLAN RECOMMENDATIONS

## 7.0 ACTION PLAN RECOMMENDATIONS

The following recommendations emerged throughout workshops and discussions held with planners, industry members, regional and provincial economic development advisors and First Nations representatives. The recommendations provide an action plan for improving government processes related to industrial land development, creating sector growth and forming partnerships that will open up new industrial employment opportunities.

### 7.1 LOCAL GOVERNMENT RECOMMENDATIONS

To implement the local government recommendations listed below, establish a task force with membership from planners from across the region.

1. **Develop policies that value the conservation of existing industrial land and encourage the development of new industrial holdings**
  - Discourage the conversion of appropriately zoned industrial land to non-industrial uses.
  - Discourage development permit guidelines that impose unnecessary commercial development standards upon industrial land.
  - Support the development of innovative agreements for industrial lands in order servicing requirements.
  - Further explore the role that industries operating as home-based businesses in Electoral Areas of the CVRD play in supporting the development of new light industrial growth. Assess whether this activity is appropriate and how it can best regulated.
  - Assess the CVRD's policies related to food processing activities on ALR land to determine if they are adequately supporting the growth of the food processing industry.
2. **Streamline the Development Approvals Process**
  - Stakeholders identified complex regulatory processes and the length of approval processes as key barriers to industrial expansion in some (but not all) parts of the Cowichan Region. The inconsistency of processes across jurisdictions is problematic, particularly in a supply-constrained market.
  - Improvements to the approvals process can include:
    - Enhanced communication with applicants, particularly with those new to the region or unfamiliar with the development process. These communications can include pre-application checklists at the municipal level and access to the CVRD's new Development Handbook for electoral areas.
    - Straightforward, plain language application forms should be adopted across all jurisdictions.



- The Town of Ladysmith prepared a review of the development application process in May of 2018. Many recommendations contained in the review are now being implemented by the Town with the goal of speeding up and streamlining development application approvals. North Cowichan is creating a new development procedures bylaw aimed at producing a more collaborative and efficient development approval process.

The CVRD's new Development Handbook explains complex topics related to community planning and land use services in a simplified way. For developers and residents alike, the Handbook clearly defines the differences between types of development permit applications and the approval process for each application type.

### **3. Assess the Feasibility of Public Investment in New Lands**

- The Cowichan Region is faced with an inadequate supply of appropriately sized and serviced industrial lands located in prime locations. These lands are essential to attract and retain important industrial players of varying scale that can provide higher paying jobs in the region. Local government may wish to take the lead role as a developer of industrial lands because in some cases, the cost of acquiring lands and extending appropriate services cannot be quickly recovered by private developers.

### **4. Encourage Inter-Jurisdictional Revenue Sharing**

- The Cowichan Region could explore the potential for regional revenue sharing agreements in order to open up more serviced lands.
- The Union of British Columbia Municipalities noted that revenue sharing agreements have an important role to play in enabling regional economic development and coordination.

### **5. Coordinate and Consolidate Zoning Regulations**

- The Cowichan region has already begun an effort to coordinate and consolidate zoning regulations in electoral areas. Currently, each of the municipalities have different zoning bylaws representing local policy objectives.
- As the Cowichan region consolidates and amends zoning bylaws the zones and associated uses should be classified in ways that are easily interpreted by the public.
- Each of the municipalities in the region is currently undertaking zoning reviews & OCP amendments. As information is amended, a shared communications plan could be implemented.
- Across the region, existing industrial land regulations could be simplified to be less prescriptive regarding the types of uses allowed. Instead, the regulations should focus on potential impacts and where possible, pre-zoning.

## **6. Improve the Regional Coordination of GIS Data**

- As datasets across the CVRD are merged in OCP's and zoning bylaws, ensure this information is communicated regionally to planners, industry, developers and the public.
- If regional GIS information can be consolidated and made available publically with respect to CVRD and municipalities zoning bylaws, it would be easier for various users to access this information.
- A joint research activity could be conducted on how to create and share this data.

## **7. Create a Development Portal**

- During the Land Use Planner's Workshop, it was suggested the Cowichan region adopt an 'online development portal' system, similar to the system operating in Campbell River. This online tool would allow applicants to track the progress of rezoning and development applications.
- The portal could also enhance the information provided to property purchasers about the history and status of a given property.
- Economic Development Cowichan could also enhance its website by investing in software solutions that would allow available industrial properties to be profiled.

## **8. Review and Update Lands Designated for Industrial Use in the Region's OCPs**

- There are a number of key industrial businesses operating in Cowichan on lands not designated for industrial use. Lands that fall into this category could be protected for future industrial activity through re-designation.

# 7.2 PARTNERSHIP RECOMMENDATIONS

## **1. Continue to Develop the Industry Advisory Panel**

- Through the coordinating efforts of Economic Development Cowichan, an expanded Industry Advisory Panel can include membership from local industry, local First Nations representatives, planners from across the region and provincial and federal decision makers and granting agencies.
- A key activity of the panel should be to open up discussions with large-scale industrial landholders (Catalyst/Paper Excellence, Western Forest Products, Timberwest, and others) to discuss the potential for accessing their land base or intensifying industrial use on their holdings.

- The panel could also be responsible for reviewing the progress of local government initiatives to improve development processes, exploring the potential of emerging industrial sectors in the region and participating in business attraction strategies.
2. **Recognize the Value of Partnering with First Nations in Opening Up New Industrial Lands**
    - One critical aspect of the Industrial Land Strategy process has been the engagement of First Nations in exploring issues and opportunities related to industrial land development in the Cowichan region. In particular, the Malahat First Nation and Stz'uminus First Nation have the potential to open up new industrial lands if these lands can be serviced in partnership with local government and provincial partners.
  3. **Develop Promotional and Business Attraction Materials for Lower Mainland Clients**
    - Promote the Cowichan region to businesses and sectors to Lower Mainland clients seeking relocation of expanded operations. Leverage success stories to generate increased awareness of Cowichan as a desirable location for business.
  4. **Research, Promote and Identify New Locations for Industry Clusters**
    - A coordinated, inter-jurisdictional approach could determine which areas of the region are best suited to house particular industry sectors.
    - Conduct further research to identify ideal pairings between producers of waste energy and industrial users of that energy.
    - As part of any cluster development strategy, it would be worthwhile to explore the potential for co-operative shipping arrangements, including shared warehousing opportunities.

## 7.3 SECTOR DEVELOPMENT STRATEGIES

5. **Explore the Development of Potential for Key Emerging Sectors**
  - Through the work of Economic Development Cowichan, and in partnership with local stakeholders and the Industry Advisory Panel, explore emerging industrial sectors and clusters such as Clean Tech, Bio-Tech and Agri-Tech, Commercial and Recreational Marine Services and Food Processing.
6. **Raise Awareness of the Role of Industry in Cowichan**
  - Profile emerging industries on the Economic Development Cowichan website and through community forums.

- **Emphasizing the link between well-paying local industrial jobs and regional sustainability.** In an environment of rising housing costs and lower paying service jobs, new industrial employment will allow people a more equitable opportunity to live and work in Cowichan. In addition to producing diversified tax revenues, industries that provide meaningful local employment reduce carbon emissions related to residents commuting outside the region for better paying work. Local high-paying jobs also add to the social cohesion of communities.
- **Break down the stereotype that all industries have a detrimental environmental footprint.** This area of endeavor may include emphasizing the leadership role that some industries play in shaping environmental practise and creating new clean technologies.

## 7.4 SUMMARY OF RECOMMENDATIONS

### Local Government Recommendations

Recommended Activity	Priority	Project Lead
Develop policies that value the conservation of existing industrial land and encourage the development of new industrial holdings.	Medium Term/Ongoing	Local Government
Streamline the development approvals process.	Medium Term /Ongoing	Local Government
Assess the feasibility of public investment in new lands.	Medium Term	EDC
Research the potential for inter-jurisdictional revenue sharing.	Medium Term/Ongoing	Planners Advisory Group Local Government
Coordinate and consolidate zoning regulations.	Immediate/Ongoing	Local Government
Improve the regional coordination of GIS data.	Immediate	GIS (CVRD) EDC
Create a development portal.	Immediate	Local Government
Update lands designated for Industrial Use in the Region's OCP's.	Medium Term/Ongoing	Planners Advisory Group Local Government

### Partnership Recommendations

Recommended Activity	Priority	Project Lead
Continue to develop the Industry Advisory Panel.	Immediate/Ongoing	EDC
Recognize the value of partnering with First Nations in opening up new industrial lands.	Ongoing	EDC
Develop promotional and business attraction materials for Lower Mainland clients.	Immediate	EDC
Research locations for industry clusters.	Medium Term	EDC

### Sector Development Strategies

Recommended Activity	Priority	Project Lead
Explore Key Emerging Sectors (Clean, Bio and Agri-Tech, Marine Services and Food Processing)	Immediate/Ongoing	EDC
Raise Awareness of the Role on Industry in Cowichan	Immediate/Ongoing	EDC



## Appendix A

### *GIS Overview and BC Assessment Classifications*

# APPENDIX A - OVERVIEW OF THE GIS PROCESS

The **Cowichan Industrial Land Use Strategy** assesses the Cowichan region as a whole to establish a profile of the region's overall industrial land base. The GIS-based analysis coordinated and synthesized data provided by the CVRD and regional municipalities in order to:

- Provide a summary of the Cowichan region's industrial land base as a proportion of total land area.
- Assess the Cowichan region's inventory of industrially zoned and designated lands, as well as actual use code industrial lands (lands flagged as 'industrial' use by BC Assessment), some of which fall outside of designated and/or zoned properties.

Other key elements considered in this review included topography (slope) and the location of major municipal services.

The first step in the GIS workflow was to merge individual OCP and zoning feature classes for the 13 jurisdictions. Urban Systems then reclassified the merged zoning layer to create less detail.

Urban Systems then built the 5m contours depicting elevations and slope percentage. The slope depictions were used to calculate average slope for each individual industrial parcel in the study area. The slope parcels, OCP, Zoning and BCAA Industrial Actual Use Code parcels were then overlaid to join the attributes into a single master layer for querying and reporting.

This data was then overlaid with 30m riparian buffers and CVRD Water or Sewer serviced areas to create the final calculation of available industrial land. The last step was to attempt to remove duplicate parcels (originating in the parcel, and BC Assessment layers) from the final output layer.

Data inconsistencies may appear between how parcel layers and the OCP layer (without roads netted out), and the zoning layer (with roads and water zones are netted out) are defined.

## A.1 DISCLAIMER

Several data issues made precise analysis challenging. Topology issues in the Administrative Boundaries layer (gaps and overlaps) and the Parcel and BC Assessment Fabric layers (duplicate records) created inconsistent statistics. This sometimes created Zoning classes inside of jurisdictions that do not have matching values.

These spatial data issues mean statistics generated from this project are approximate only, over and above the typical qualifier of error contained in the attribute portion of the data.

Recommendations for improving GIS processes are included in the overall study recommendations.

## A.2 ZONING CLASSIFICATIONS

To consolidate and streamline industrial zoning classifications for the purpose of this region-wide inventory assessment, the following zoning reclassifications of municipal industrial zoning classes were amalgamated:

<b>USL Zoning Reclassification</b>	<b>Original Zoning Classes (data layers provided by Cowichan region municipalities)</b>
Business Industrial	<ul style="list-style-type: none"> <li>• Business Park Industrial – Commercial 1D</li> <li>• Business Park Light Industrial 3</li> <li>• Fisher Road Industrial 1E</li> <li>• Live/Work Industrial Zone</li> <li>• Recreational Vehicle Storage 1G</li> <li>• Ultra Light Industrial</li> </ul>
Light Industrial	<ul style="list-style-type: none"> <li>• Bamberton Light Industrial 1A</li> <li>• Eco-Industrial</li> <li>• I-1 (not in ZBL)</li> <li>• I-5 (not in ZBL)</li> <li>• Industrial – Light</li> <li>• Light Industrial 1, 1B, 1C</li> <li>• Mini Warehousing Industrial 5</li> <li>• Recreational Vehicle Storage Industrial 4</li> <li>• Restricted Light Industrial</li> <li>• Rural Transition Light Industrial, 1F</li> <li>• Special Light Industrial</li> </ul>
Medium Industrial	<ul style="list-style-type: none"> <li>• Auto Wrecking / Salvage Industrial 8</li> <li>• Medium Industrial</li> <li>• Railway Transportation 7</li> <li>• Transportation Industrial 3</li> </ul>
Heavy Industrial	<ul style="list-style-type: none"> <li>• Aggregate and Mineral Processing Industrial</li> <li>• Heavy Industrial, Heavy Industrial 2</li> <li>• Industrial, Industrial – Heavy</li> </ul>
Water Light Industrial	<ul style="list-style-type: none"> <li>• Marine Industrial</li> <li>• Shellfish Processing</li> <li>• Water Industrial</li> </ul>

With respect to actual use codes as classified by BCAA, the following actual use codes were included and excluded for the purposes of this analysis:

<b>Cowichan Region industrial uses Included in our Inventory</b>	
<b>Actual Use Code (BCAA)</b>	<b>Actual Use Description</b>
401	Industrial (Vacant)
402	Meat & Poultry
405	Bakery & Biscuit Manufacturing
408	Brewery
409	Winery
410	Distillery
414	Miscellaneous (Food Processing)
415	Sawmills
418	Shingle Mills
419	Sash & Door
420	Lumber Remanufacturing (When Separate from Sawmill)
422	IC&I Water Lot (Vacant)
423	IC&I Water Lot (Improved)
424	Pulp & Paper Mills (Including Fine Paper, Tissue & Asphalt Roof)
429	Miscellaneous (Forest and Allied Industry)
434	Petroleum Bulk Plants
436	Oil & Gas Transportation Pipelines
438	Miscellaneous (Petroleum Industry)
445	Sand & Gravel (Vacant and Improved)
446	Cement Plants
450	Rubber & Plastics Products
458	Furniture & Fixtures Industry
464	Metal Fabricating Industries
466	Machinery Manufacturing (Excluding Electrical)
468	Transportation Equipment Industry (Including Aircraft,
474	Miscellaneous & (Industrial Other)
478	Docks & Wharves
<b>Excluded from our Inventory</b>	
421	Managed Forest (Vacant)
428	Managed Forest (Improved)

# Appendix B

## *Industrial Land Maps*



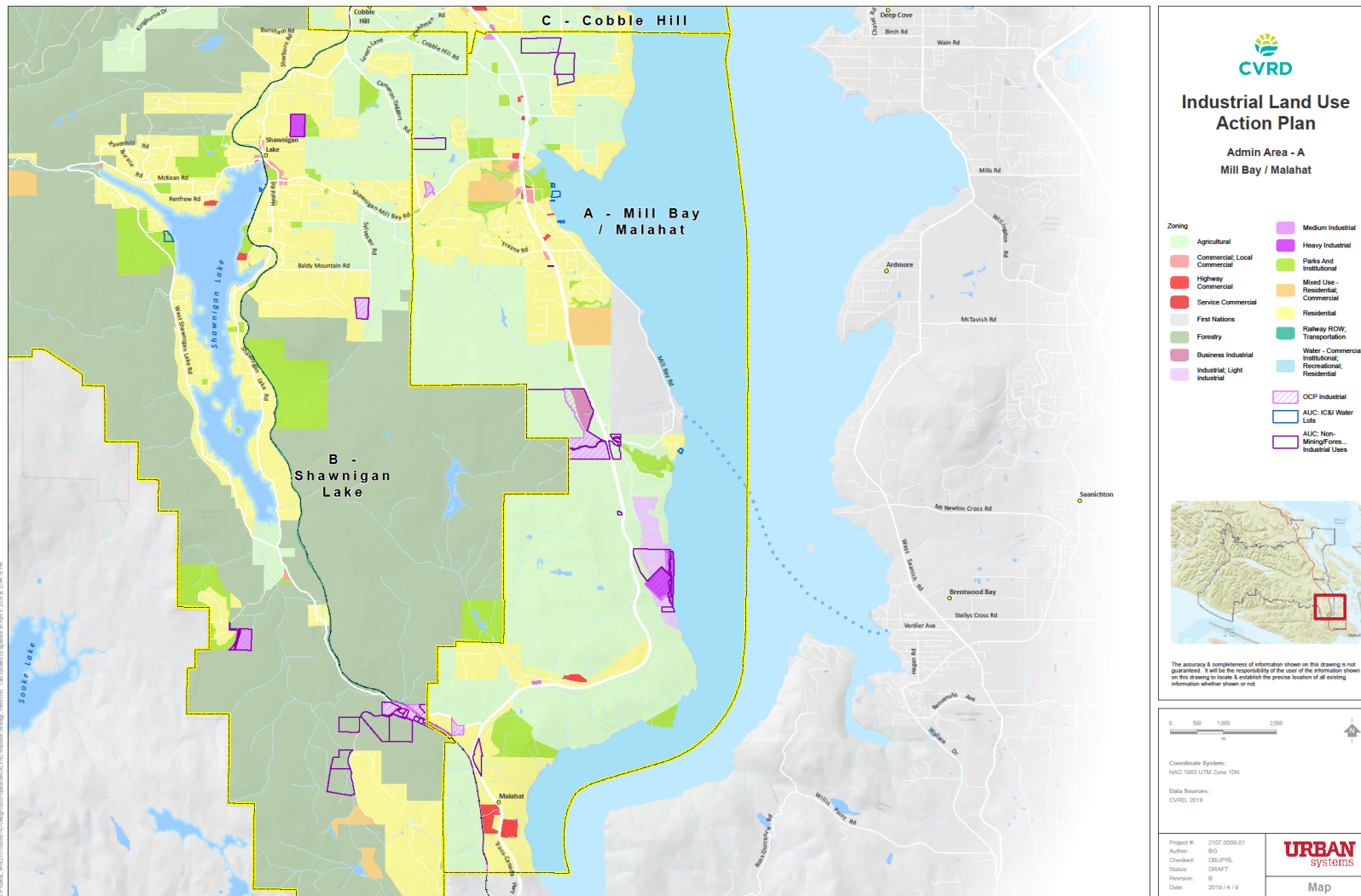
## B.1 INDUSTRIAL LAND MAPS OVERVIEW

In conjunction with the strategy, Urban Systems developed a variety of industrial-related land maps of the Cowichan region. In addition to the maps provided in this document, the following maps are available from Economic Development Cowichan:

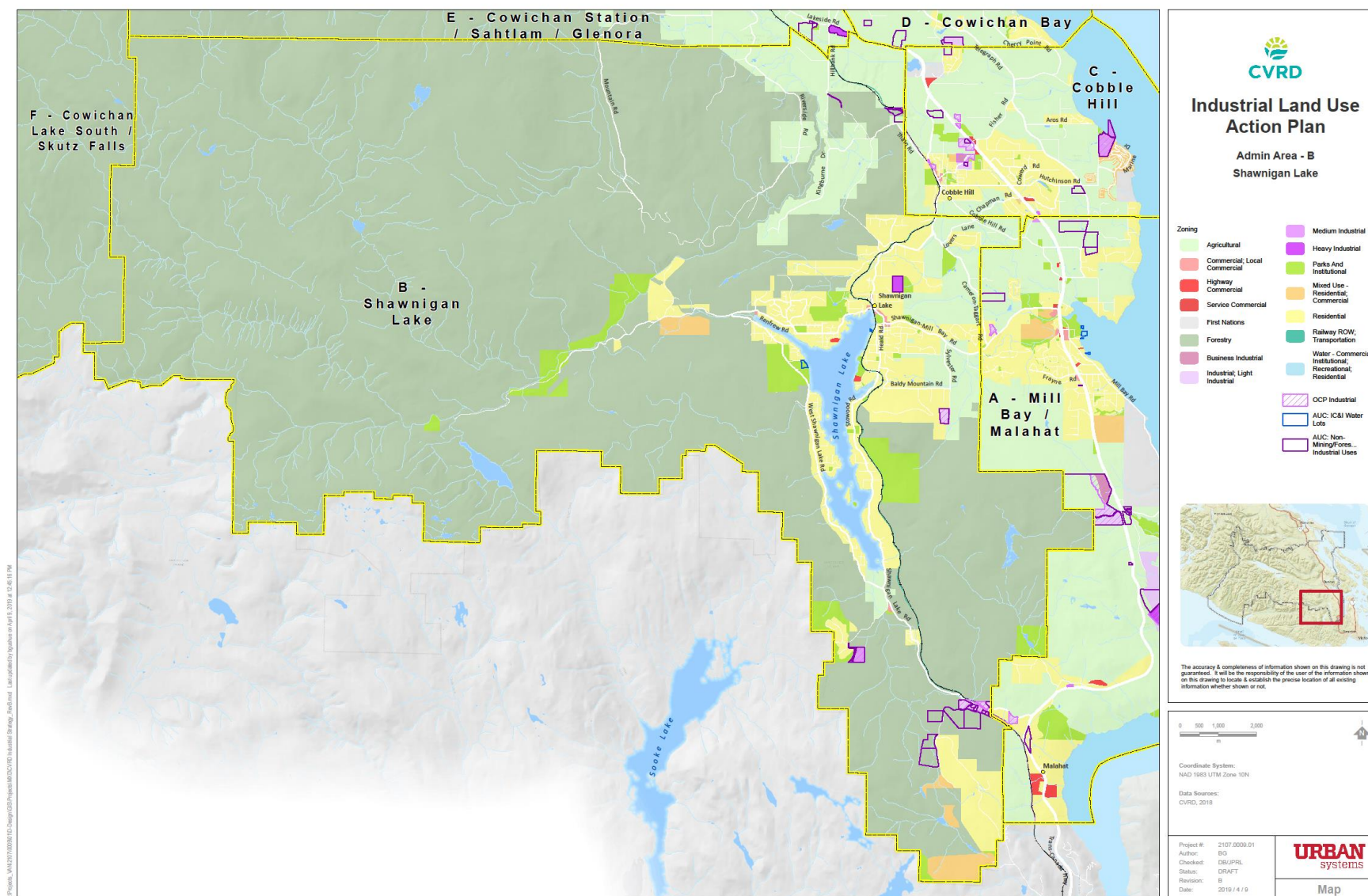
- Base maps of the Electoral Areas and Municipalities identifying the Agricultural Land Reserve, First Nations Land Holdings, Parks and the Urban Containment Boundary
- Servicing
- Population Density
- Reclassified Zoning
- Slope Analysis
- Industrial Areas with OCP Designation
- Industrial Areas with Zoning

## B.2 OCP AND ACTUAL USE CODE INDUSTRIAL BY ADMIN AREA

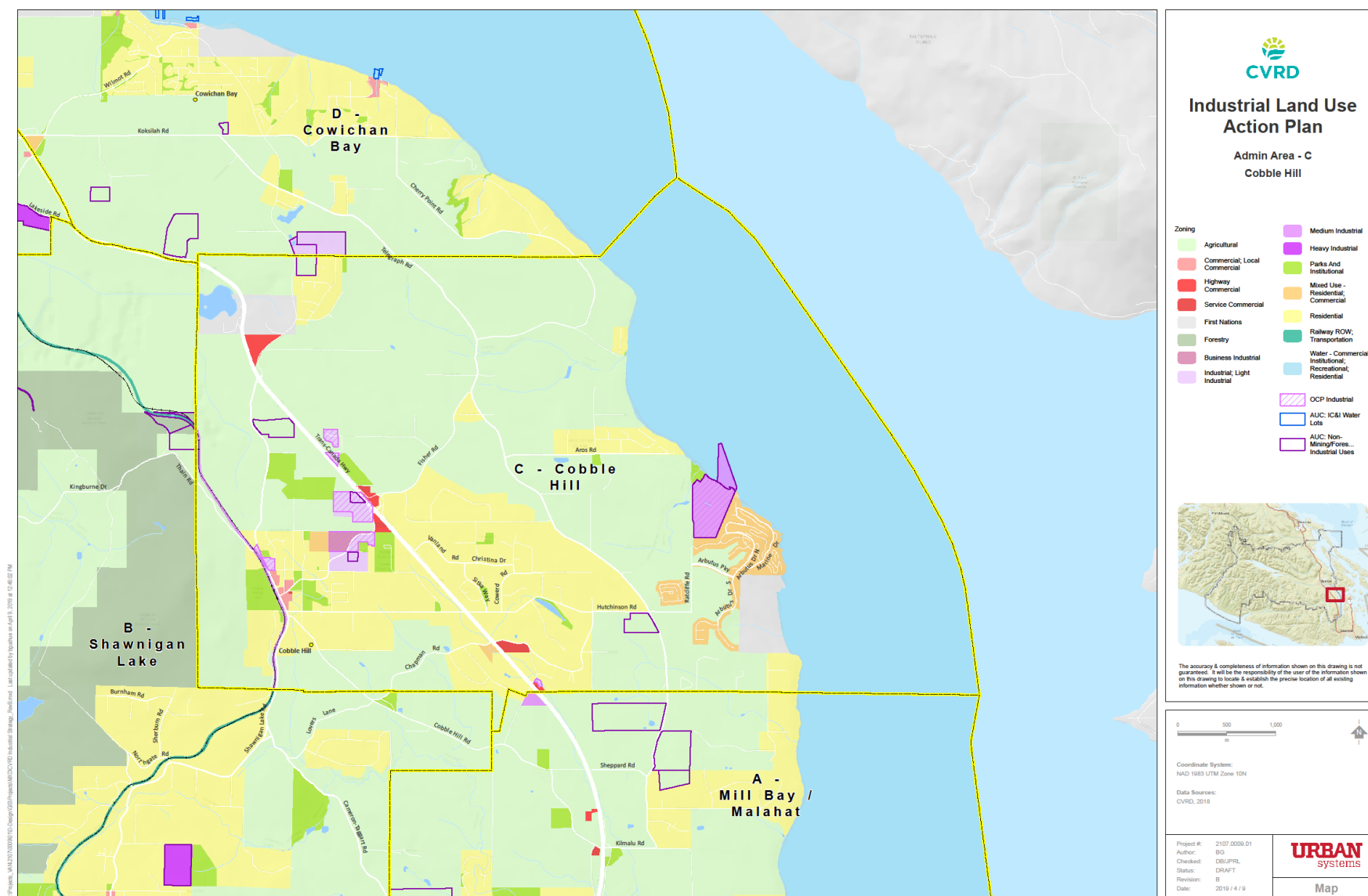
### *Electoral Area A – Mill Bay/Malahat*



## Electoral Area B – Shawnigan Lake

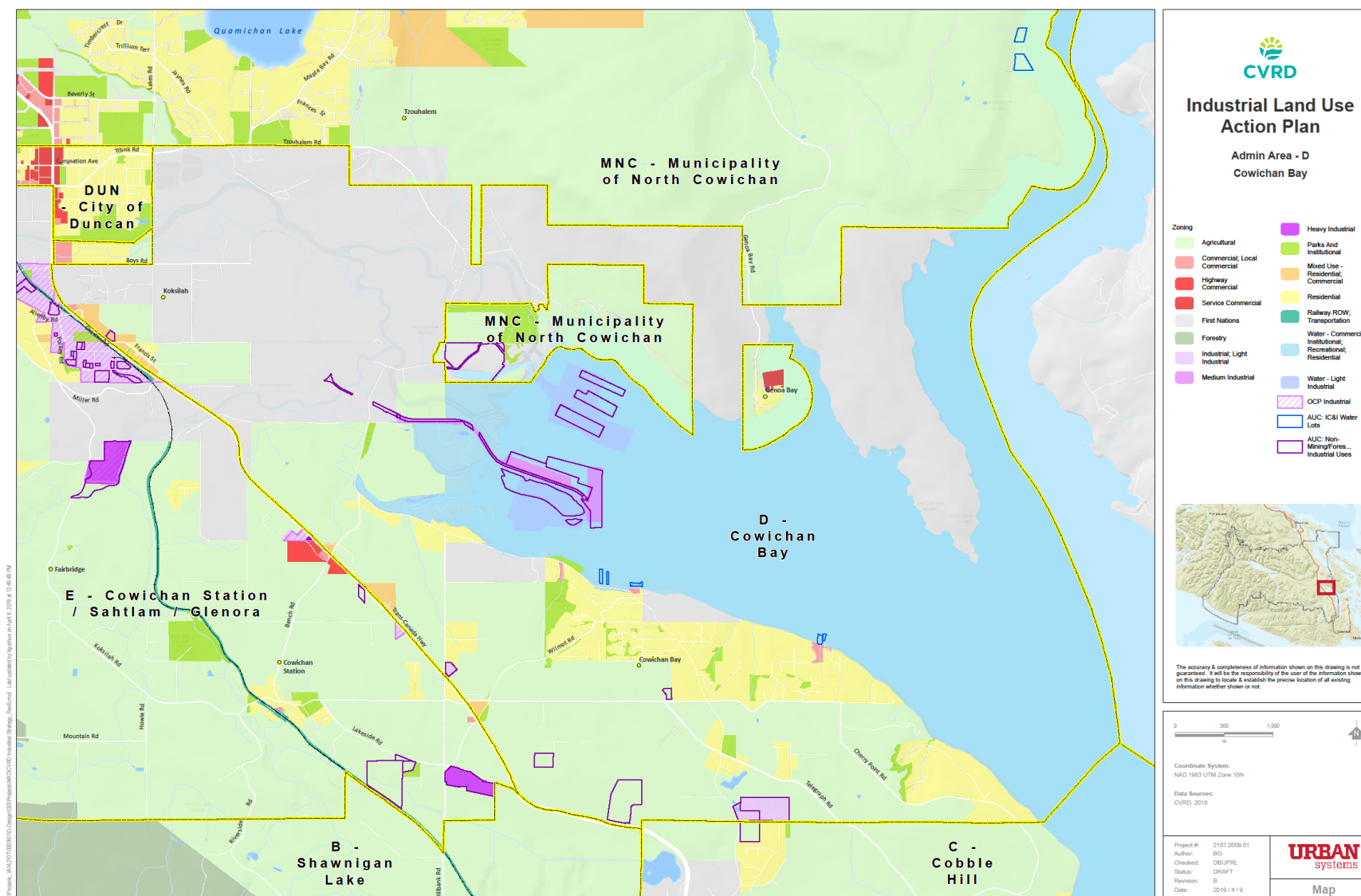


## Electoral Area C – Cobble Hill

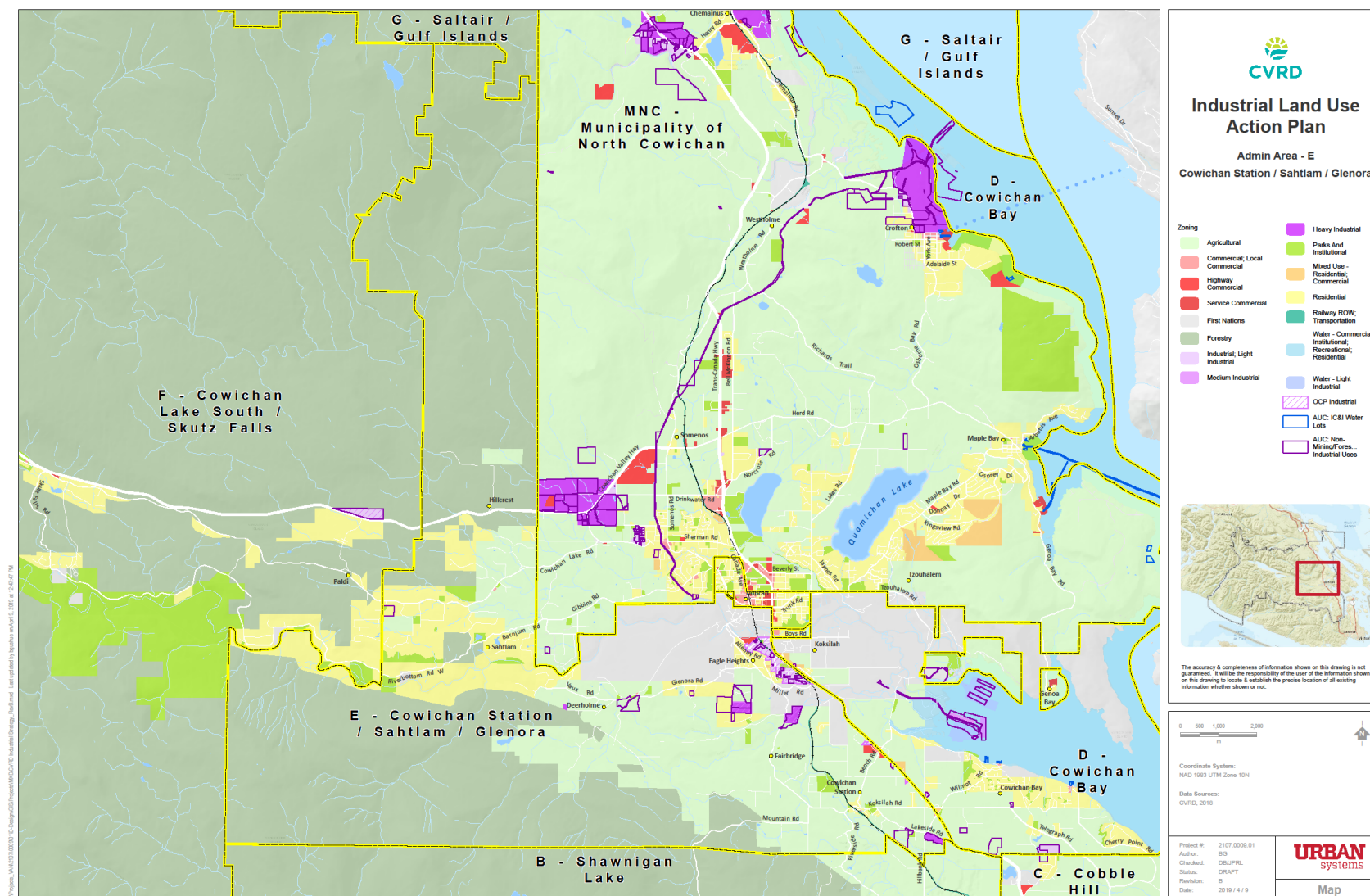




## Electoral Area D – Cowichan Bay

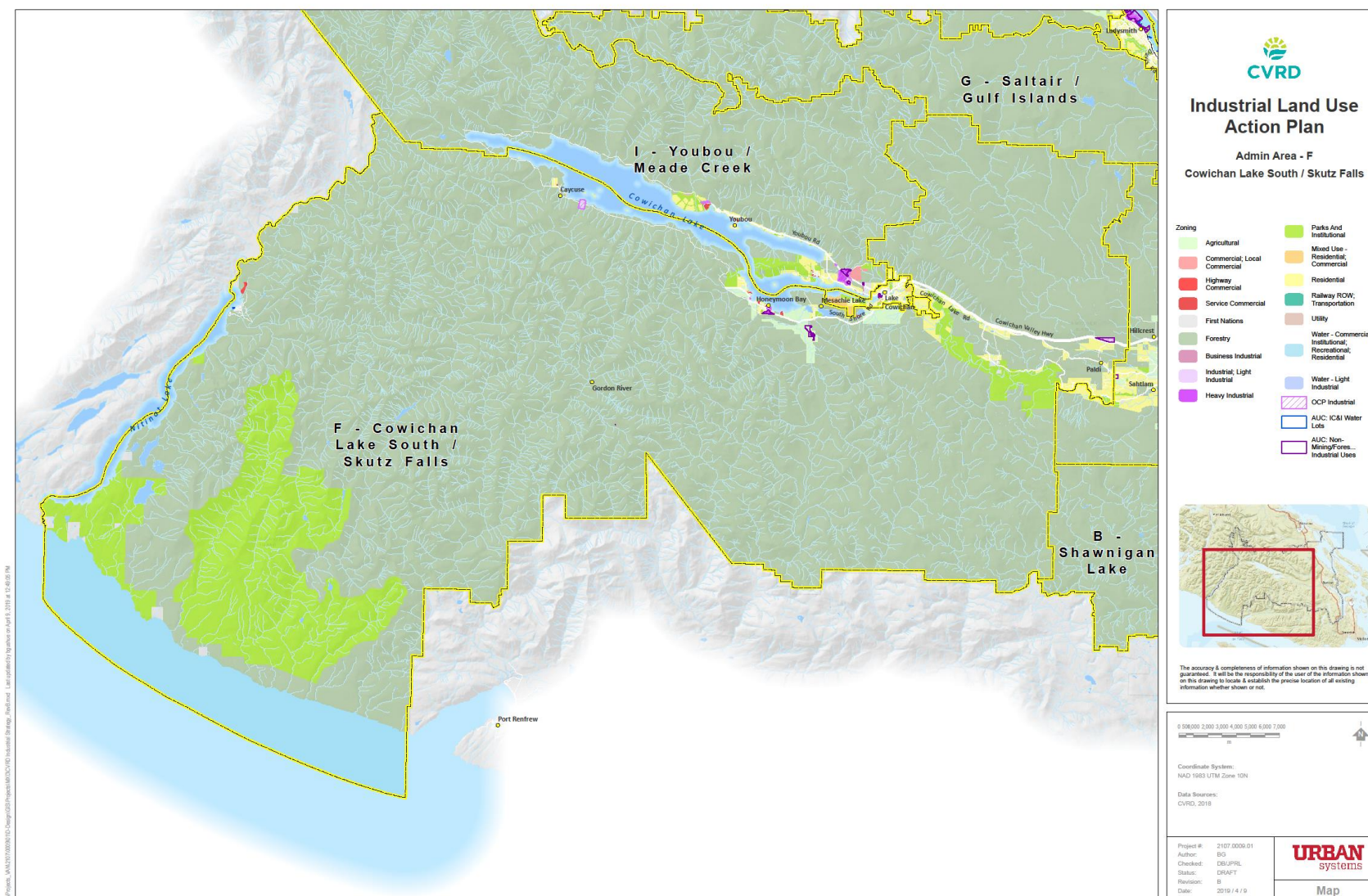


## Electoral Area E – Cowichan Station/Sahtlam/Glenora

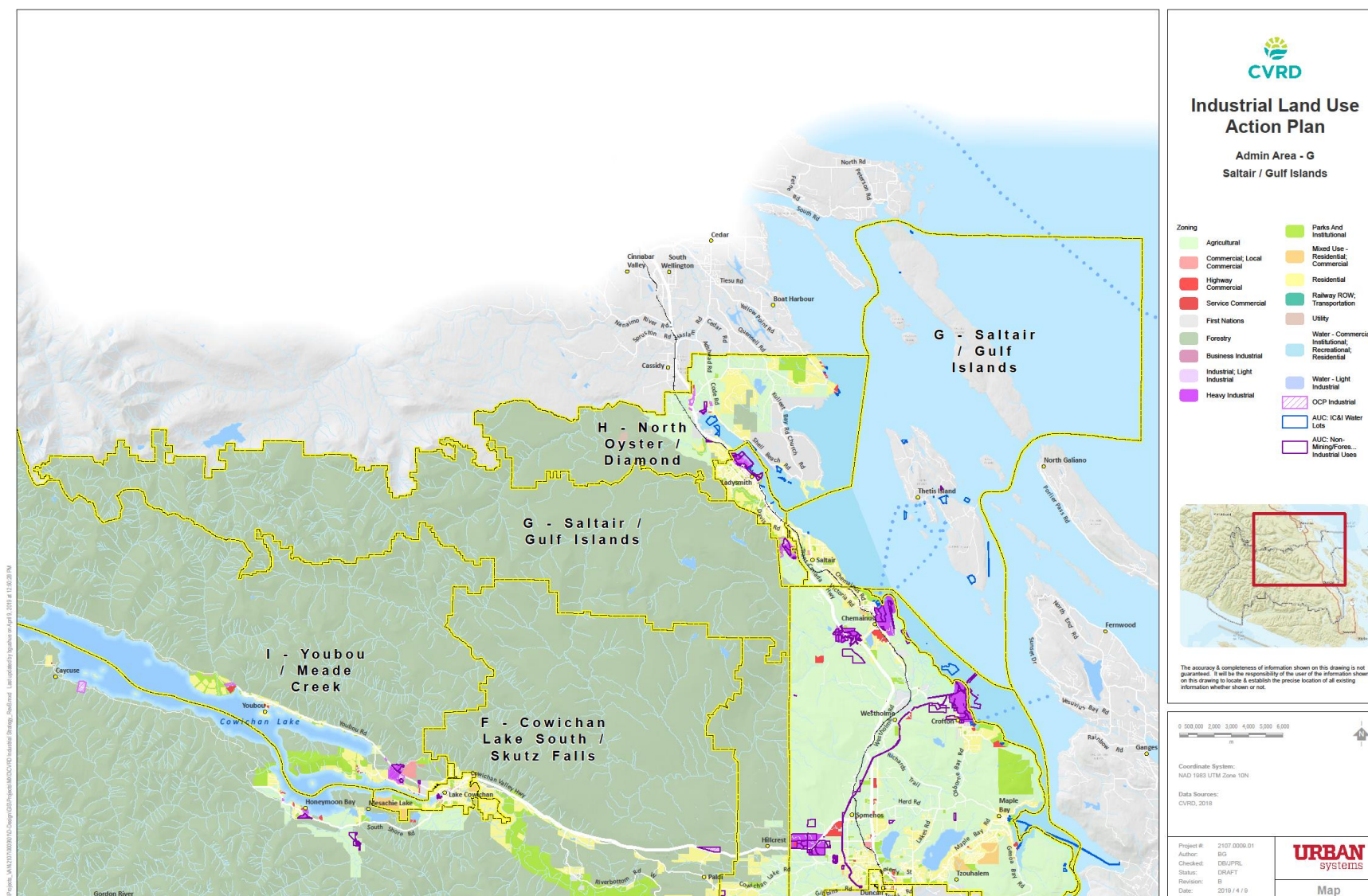




## Electoral Area F – Cowichan Lake South/Skutz Falls

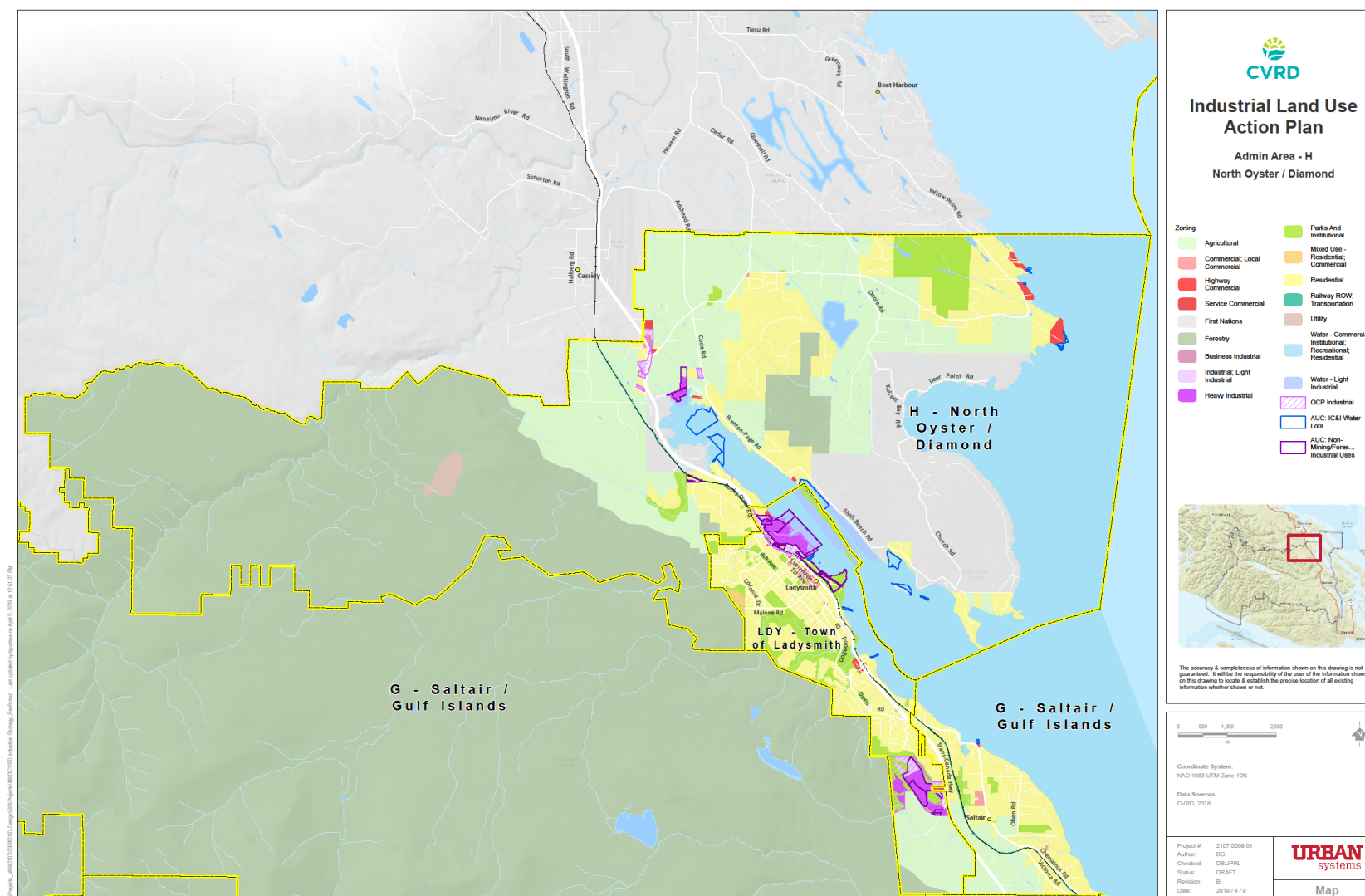


## Electoral Area G – Saltair/Gulf Islands

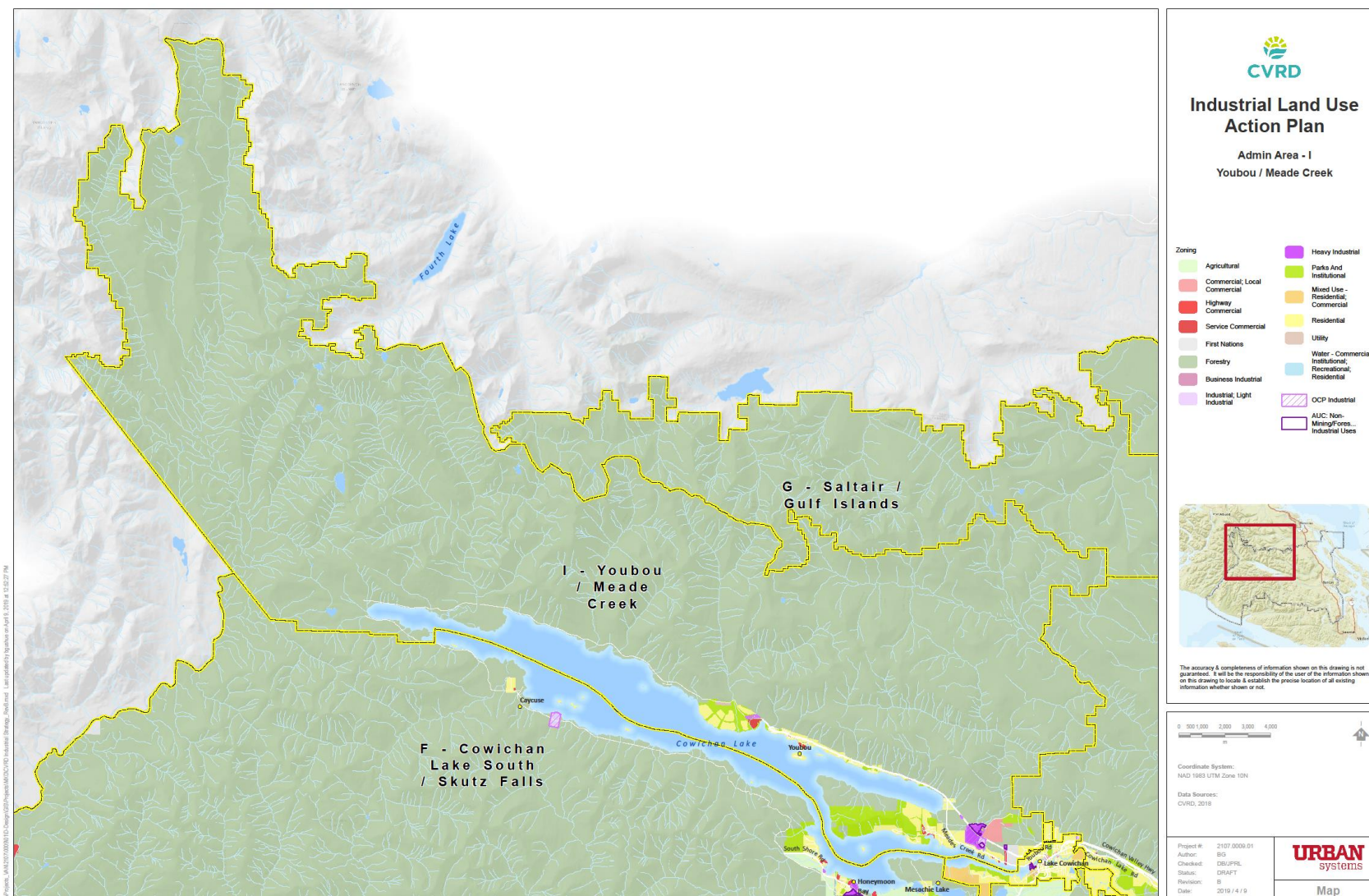




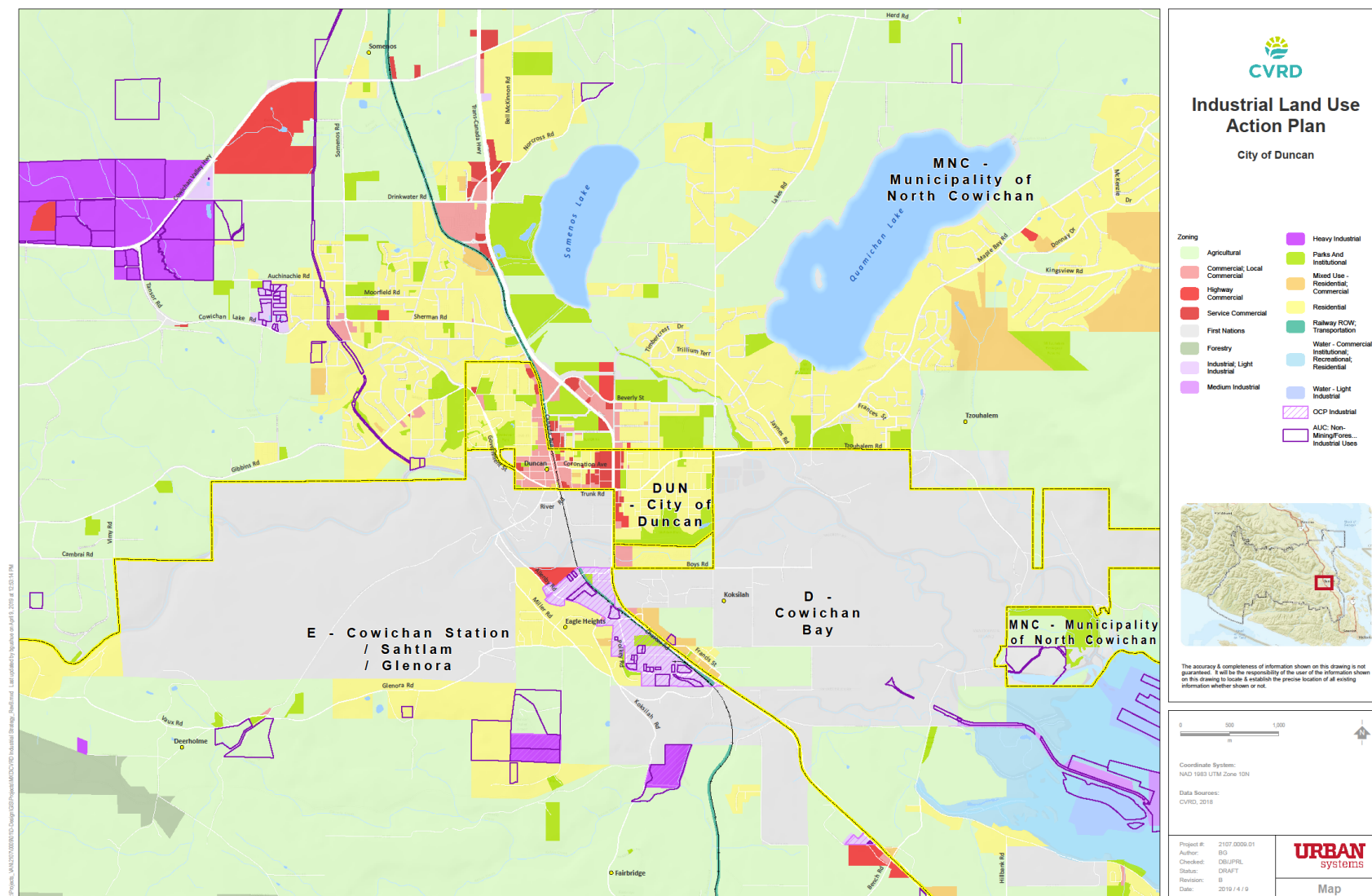
## Electoral Area H – North Oyster/Diamond



# Electoral Area I – Youbou/Meade Creek

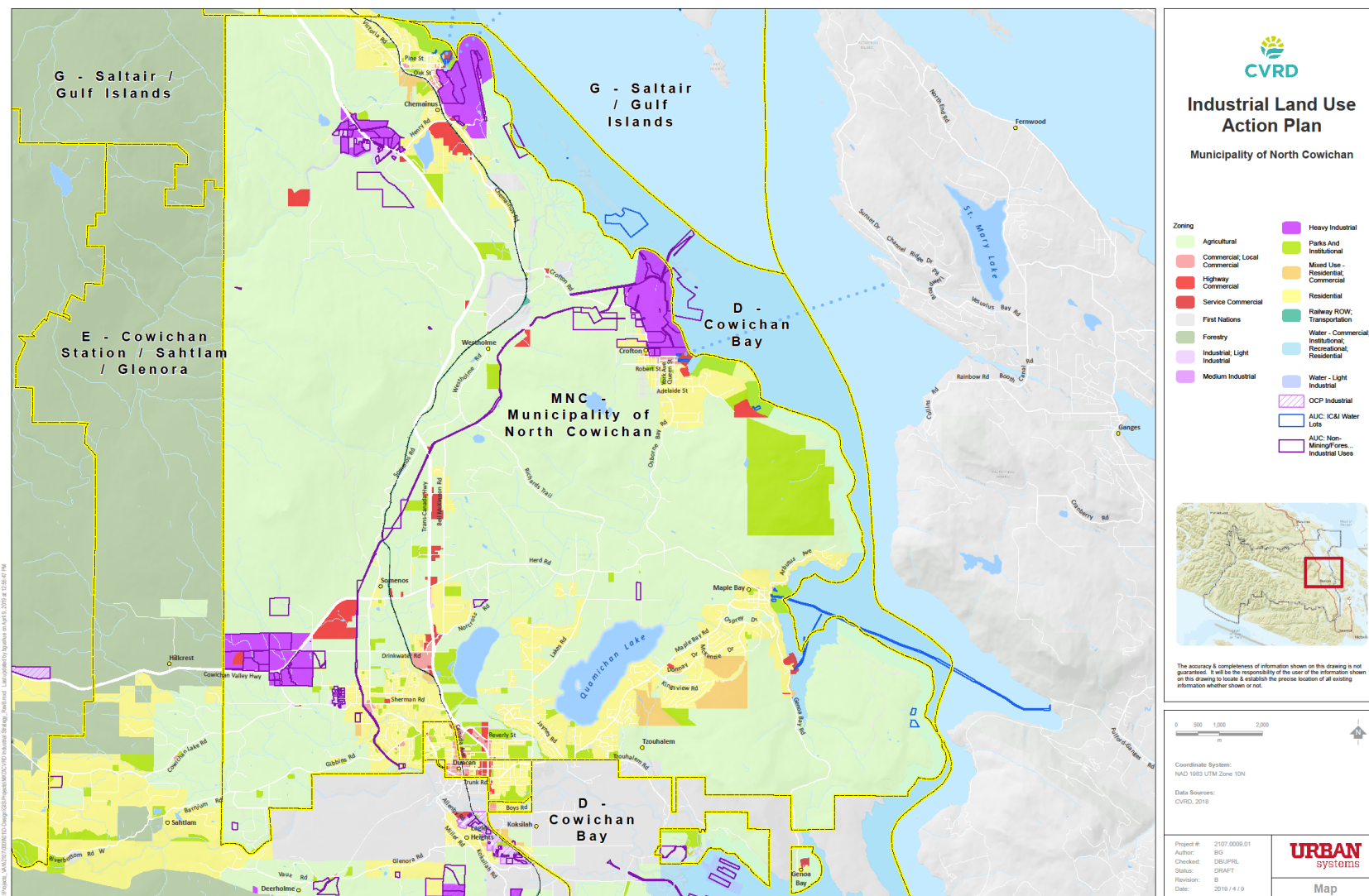


## City of Duncan



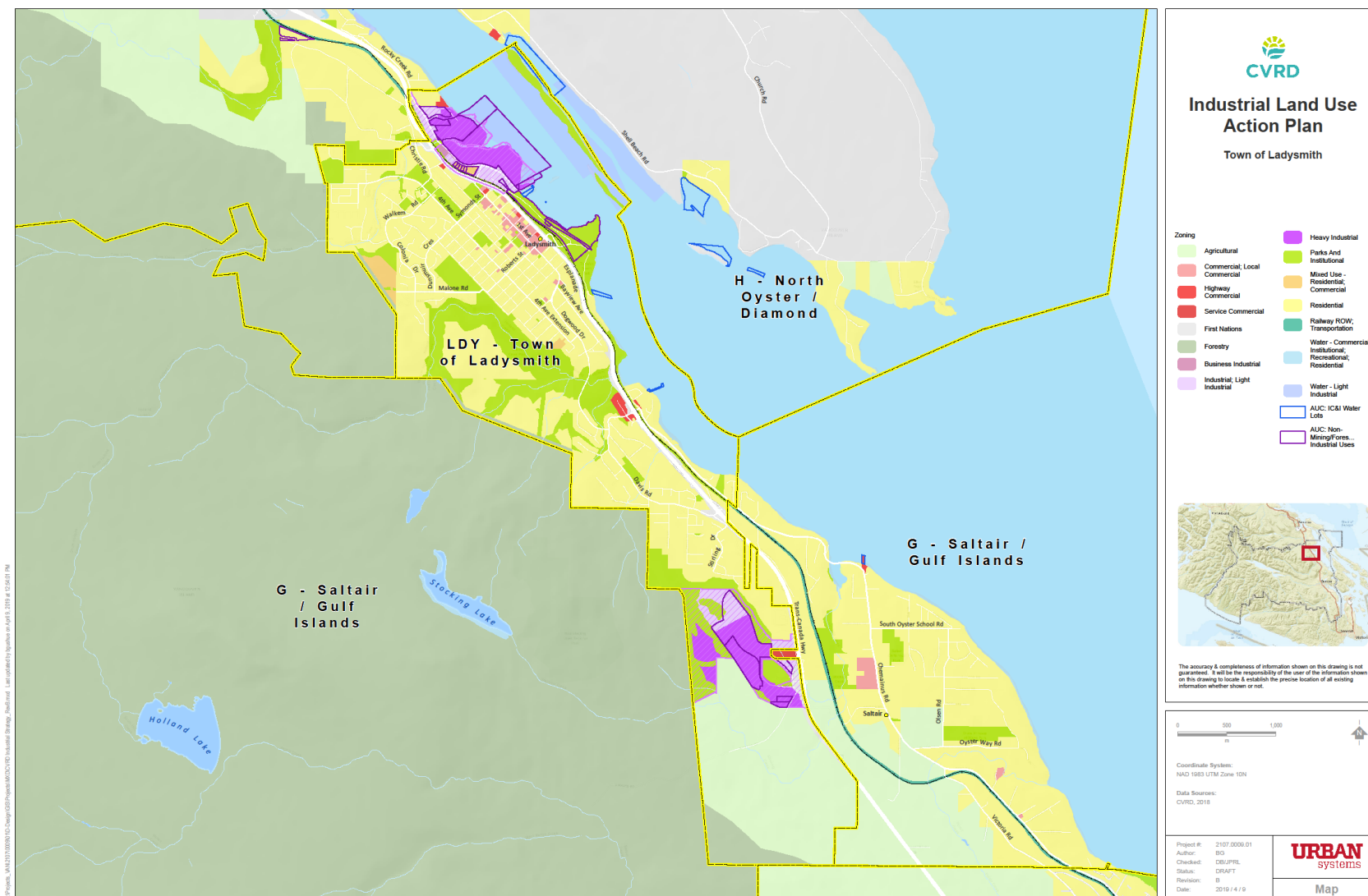


## Municipality of North Cowichan

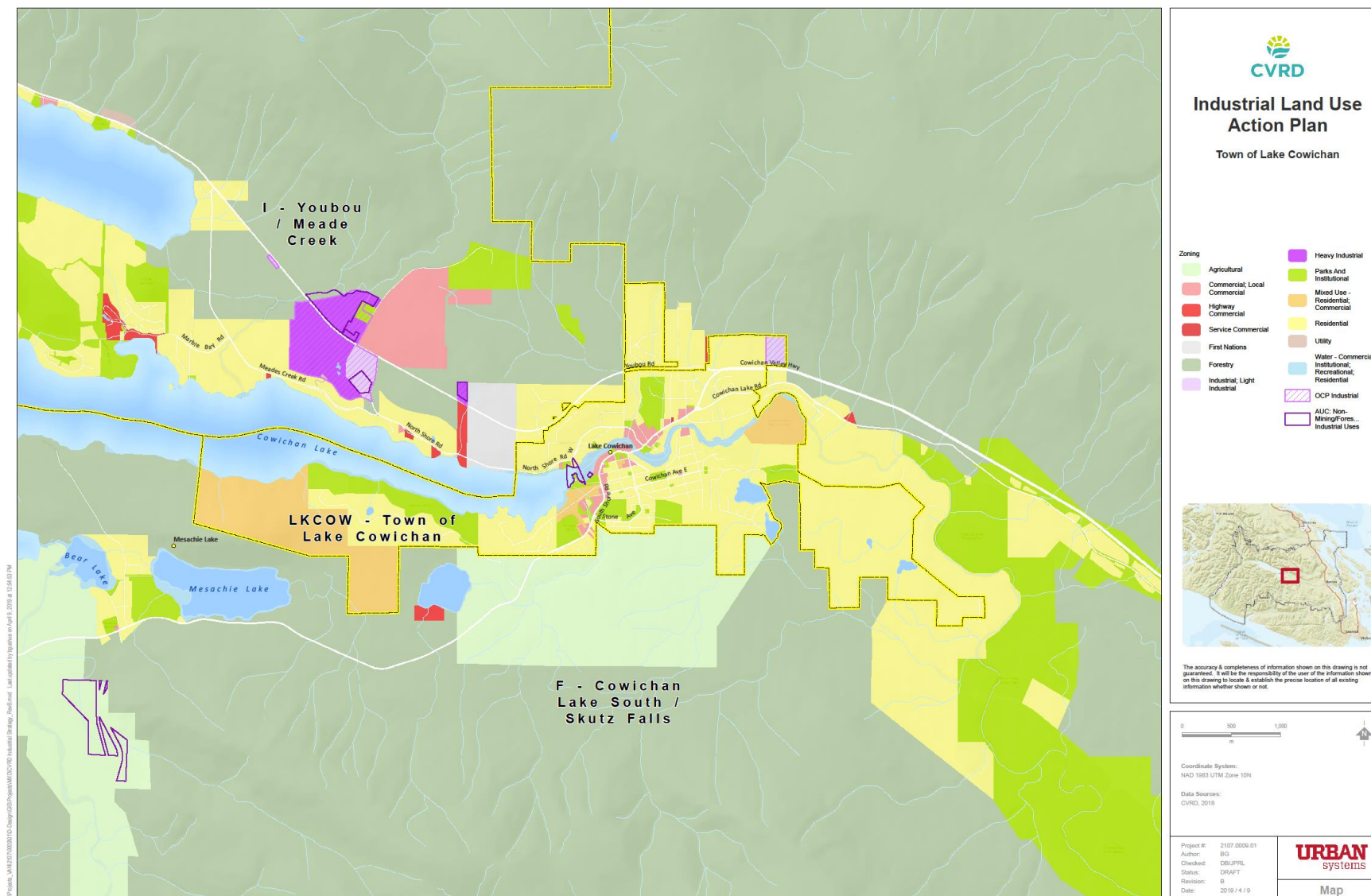




## Town of Ladysmith

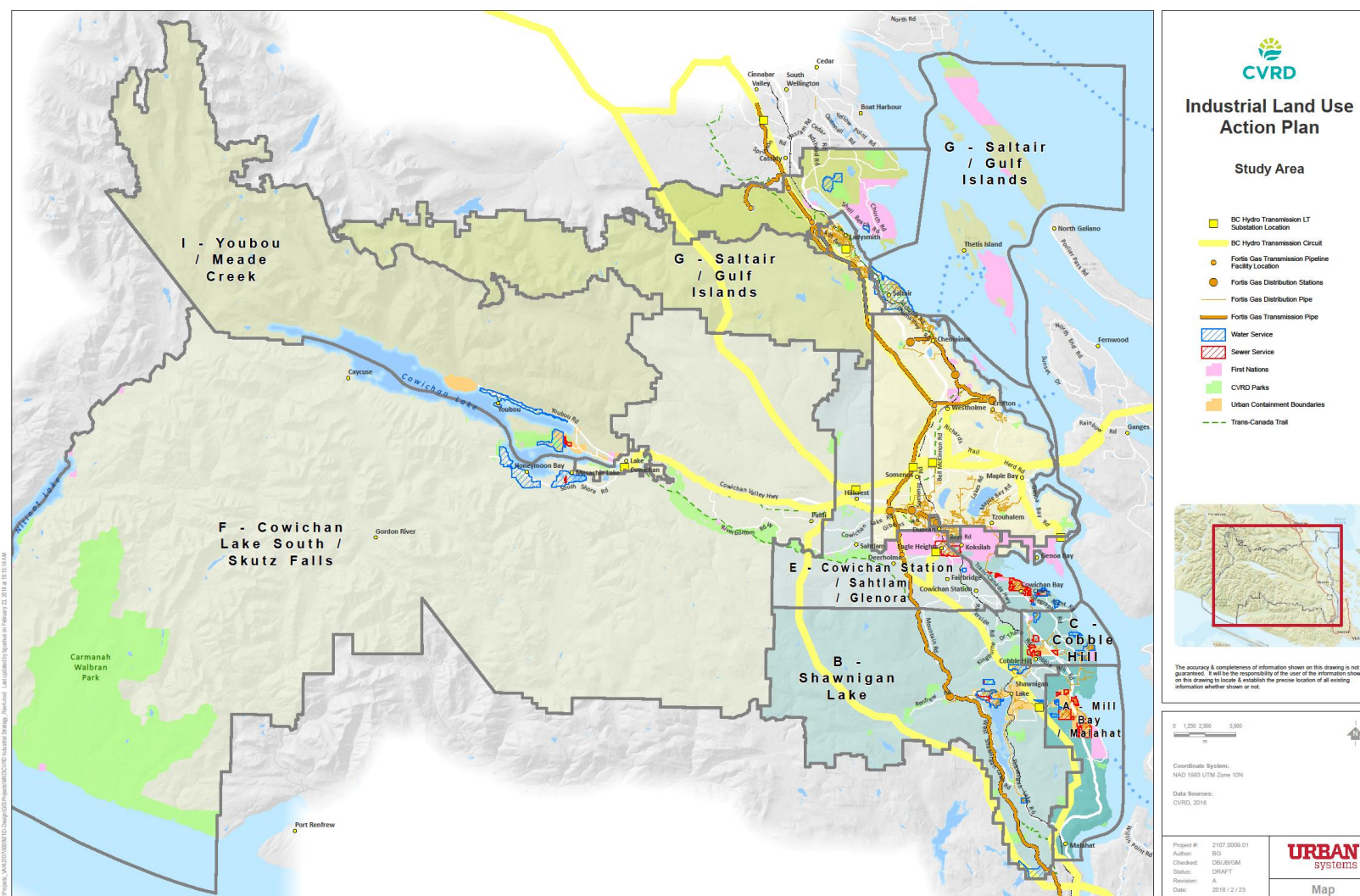


## Town of Lake Cowichan



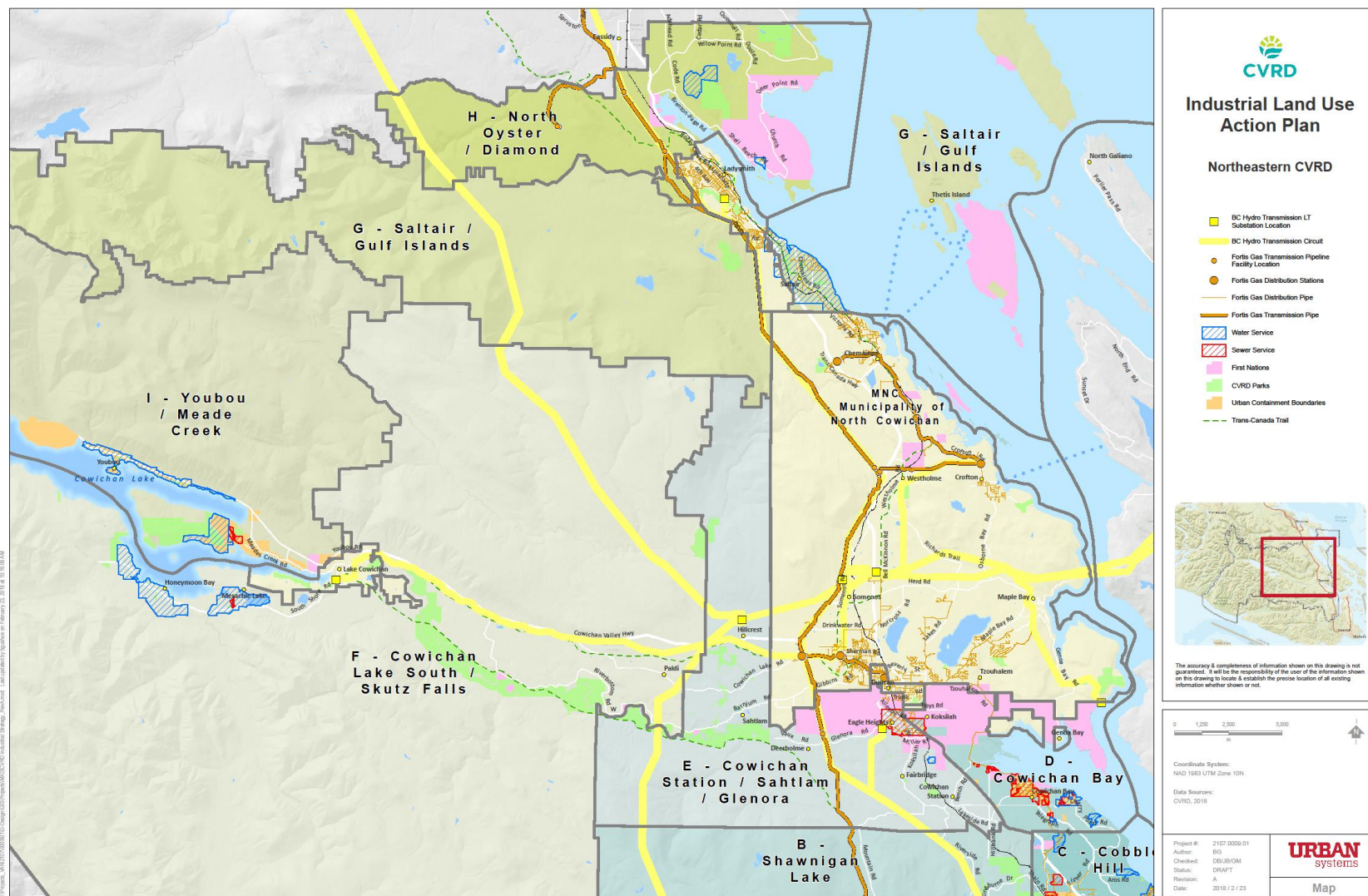
## C.3 INFRASTRUCTURE

### Study Area





## Northeastern CVRD



## Southeastern CVRD

