

SMART SPECIALIZATION IN NON-METRO CANADIAN REGIONS

Literature Review: The Boundary Region



APPLIED RESEARCH
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1. INTRODUCTION

The Boundary is a rural region in the southern interior of British Columbia, east of the Okanagan, west of the Kootenays, and north of the Canada-United States border. The Boundary is a sub-region within the Regional District of Kootenay Boundary. The area is on the traditional territories of the Syilx, Secwepemc, Sinixt, and Ktunaxa Peoples. The Kettle River flows across the region, stretching for 280 km until it reaches Christina Lake.

The estimated 2019 population of the Boundary region is 12,000 people, with an overarching trend of the declining population.^{1,2} Most of the region's population is concentrated in incorporated municipalities of Grand Forks (4,049), Greenwood (665), and Midway (649).³ The surrounding rural areas (Electoral Areas C / Christina Lake, D /Rural Grand Forks, and E) include seven unincorporated communities: Big White, Westbridge, Rock Creek, Bridesville, Beaverdell, Baldy, and Jewel Lake.

Historically, most the non-Indigenous settlements in the region were established to support the traditional resource-extraction industry. Much of the initial development from the mining industry (silver, gold, copper) has since closed. The current regional economy combines agriculture, value-added manufacturing, forestry, mining, and the public sector (education and healthcare services).^{9,3} New sectors like cannabis and technology-driven startups are slowly gaining traction in the region, offering new opportunities.¹ The region's heritage assets also hold potential for the film industry and tourism. Boundary residents often note regional assets like climate and the outdoor recreation opportunities as their primary reason for choosing the area.⁷

2. REGIONAL STRENGTHS

The community of Grand Forks has built on their resource extraction history, worked to diversify their economy, and is currently the leader in job creation in the Boundary. In 2020, according to EMSI job reports, the labor market generated 930 unique jobs in the region, 593 of which were in Grand Forks, the regional business hub.⁴

The proximity to the Canada-U.S. border has many existing and potential economic benefits for the Boundary region. Holidaymakers from the U.S. travel to the area during the summer months. The smaller U.S. border communities access the available amenities such as a pool or gym in nearby Grand Forks. According to the pre-COVID border crossing statistics⁵, personal and commercial traffic volume has remained relatively stable, indicating a strong economic bond.

The regional high-school graduation rate is on par with the provincial average. Grand Forks is the only community within the region that offers post-secondary education services through Selkirk College. However, the local Selkirk College satellite campus does not offer the College's full suite of programs, but rather is focused on Community Education and Workplace Training (CEWT) programs and Academic Upgrading courses.⁶

Multiple parks, golf courses, ski hills, and trail networks, including the Trans-Canada trail, attract tourists and outdoor enthusiasts to the Boundary. There is a great emphasis on improving outdoor recreation access in the region as it remains one of the main attractive qualities for 20% of newcomers.⁷

Big White is a world-class ski village that attracts skiers and snowboarders provincially, interprovincially, and internationally. Although the ski resort is geographically within the Boundary and some residents choose to recreate there, its economic ties are primarily with the nearby city of Kelowna and the Okanagan region.² Another chairlift-accessible mountain is the Phoenix Mountain, a small community-owned ski-resort located between Grand Forks and Greenwood.

The emerging cannabis sector offers new economic opportunity within the region.^{1,2} With three significant players emerging, the industry expects to be creating seasonal and full-time employment in the area.

One new addition to the economic potential is the recently announced provincially funded Food Hub initiative that has resulted in new food processing facilities in Rock Creek and Greenwood.⁸

Heritage is seen as a regional asset with the potential for development. For example, the Doukhobor community had settled around Grand Forks in the early 1900s and has been the community's core for decades. Another example is the local history around World War II when Japanese-Canadians were forced to abandon their homes and businesses on the coast and were relocated to internment camps in the Greenwood area. Across the Boundary there are museums dedicated to regional history as well as visitor centers.

The sense of community is vital in the region.^{2,9,18} The Boundary has been nourishing promoting a successful buy-local approach within the region. It is reported that over 70% of respondents attended farmers' markets, festivals, and local fairs.⁹

3. REGIONAL CHALLENGES

The region has a number of environmental concerns, including climate change. The region, particularly Grand Forks, was severely impacted by major floods in 2018 and is still in recovery. After a natural disaster, economic recovery typically is not instantaneous and may require a prolonged amount of time and coordinated efforts. After the 2018 flood, many unaddressed issues have been exposed during the recovery process.¹⁷ Other environmental issues are noted. For example, agriculture, clear-cutting, and climate change are contributing to deteriorating river conditions.¹⁰

The lack of housing is one of the critical regional challenges.^{1,2} Grand Forks and the surrounding area experienced a loss of housing inventory as a result of the 2018 flood when many properties became unlivable or condemned.¹⁰ Along with the aging infrastructure, the supply of affordable and rental housing is minimal.¹ The housing situation has brought attention from various government agencies and economic recovery foundations and new strategies and ideas are under development.¹⁰

Compared to the provincial averages, the median income across the region is low and the unemployment rate is high, although this may in part be due to the nature of the region's jobs.² In 2020, the median advertised salary was \$43,600, and 66% of listed employment did not require any prior experience or education.⁴ Job postings that require post-secondary education outside of healthcare, education, and government services were not common.

The Boundary region, and the community of Midway in particular, have a large portion of the population that is aging rapidly and has different needs, for example in terms of housing and care services.^{2,11} It is projected that care services (and related employment) will have to be expanded to support the aging population.

As with many rural places across Canada, access to broadband is inconsistent and can be limited.² Mobile network coverage is not reliable, mainly due to the region's topography and lack of private capital investment into the new infrastructure.

4. SECTOR OVERVIEW

Agriculture

The Boundary is hot during the summer months and relatively mild in the winter, allowing for a long growing season. Given the region's topology, finding suitable land for large-scale agricultural operations can be challenging. As such, it is perhaps not surprising that the agricultural sector seems to be dominated by small scale, independent operations. Although agriculture is one of the most discussed topics in the reviewed reports, the Boundary's cumulative agricultural output is substantial compared to other sectors, and the industry is referred to as struggling.¹² However, there are also indications of growth or strengthening within the agricultural sector. For example, two new orchards will be operating in the Boundary starting 2021.²

Cannabis

The Federal legalization of cannabis created new opportunities for the region as three major cannabis companies entered the sector within the Boundary. Rock Creek's SpeakEasy introduced a new approach to managing cannabis production by inviting legacy market growers to work under one roof. Christina Lake Cannabis is building a new high-end production facility in Christina Lake. BZAM, based in Midway, has plans to expand as well. The innovative partnership between these businesses could result in an additional 250 new jobs in the region².

Transport

The goods and services primarily reach the Boundary communities via highways (#3 and #33). A short private railroad, operated by OmniTRAX, connects Kettle Falls, WA, to Grand Forks. The railroad is used for a diverse industrial traffic base that includes lumber products and abrasives.¹³ There is a constant flow of goods across to the U.S. However, in March 2020, the railway owner announced plans for the track's future closure.¹⁴

Forestry

Forestry is another key industry in the Boundary. Softwood lumber remains one of the most significant contributors to the provincial gross domestic product output, estimated at \$12 billion per year.¹⁵ There are two mills located in Midway and Grand Forks, operated by Vaagen Brothers Ltd. and Interfor. Although curtailments affect employment periodically, the mills are major employers in the area.¹ Other forestry stakeholders include several plant nurseries operating around Grand Forks.

Manufacturing

There is manufacturing capacity in the region. Rockwool, an insulation factory, is a key player in the local economy around Grand Forks, providing direct investments in the community and indirectly injecting cash through payroll; they employ about 200 people.¹⁶ Following the 2018 flood, the company provided construction materials for the community.

Tourism

During the summer months, Christina Lake, the warmest lake in British Columbia, regularly attracts holiday makers from BC, as well as the neighboring USA and Alberta²⁰. It is considered a more affordable option to Okanagan, and many people choose Christina Lake as their summer home.¹ During the winter months, the tourist traffic is minimal.

Mining

There has been some renewed interest in the old copper mining operations from Teck around the Greenwood area. However, no immediate impact is expected since the mining projects in B.C. may take up to 10-15 years to become operational.²

Food Processing

It was noted that the region's food processing capacity is lacking.² However, the new food hub announcement by the ministry of agriculture should partially address the situation.⁸

Film industry

Heritage buildings in Greenwood attracted the film industry; however, jobs have not been created directly in the community.¹

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