

Dialogues on Readiness

Preparing for Industrial Development in Northern BC Communities: Terrace



Prepared by the Community Development Institute
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Marleen Morris and Greg Halseth
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Availability

Copies of this project report may be accessed through the UNBC Community Development Institute's website at:

<http://unbc.ca/community-development-institute/research-projects>

Project Reports

1. **Dialogues on Readiness:** Executive Summary
2. **Dialogues on Readiness:** Kitimat
3. **Dialogues on Readiness:** Prince George
4. **Dialogues on Readiness:** Prince Rupert
5. **Dialogues on Readiness:** Terrace

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1. Dialogues on Readiness

Preparing for Industrial Development in Northern BC Communities

Northern BC is in a period of growth not seen since the 1950s-1970s era of province building. Communities and regions are experiencing transformational change as the industrial, manufacturing, and natural resource sectors – including oil and gas, mining, forestry, and energy – expand and renew.

Over the past several months, a broad consensus and common interest has emerged among government, community, business, and industry for a better understanding of the opportunities, pressure points, and processes associated with the development of large industrial projects. People have expressed the need for all parties to better understand each other's roles, processes, and pressure points throughout the project lifecycle, including proposal development, review, construction, and operation.

The **Dialogues on Readiness** project was designed to develop a better understanding of these issues. The project explored the following themes:

- The level of understanding of the process and timing associated with the development of large projects in the community.
 - Information about the phasing and staging of large industrial projects.
- Community factors that need to be considered in order to be prepared and ready for large industrial projects.
- Capacity in areas including local workforce, housing, education, health, community services, community amenities, the voluntary sector, transportation networks, and local economic and business development.
 - Community processes and mechanisms for enhancing readiness, building community capacity, and engaging government, industry, business, and the community.

The research in this phase of the **Dialogues on Readiness** project was conducted in Kitimat, Prince George, Prince Rupert and Terrace during the summer of 2013 and focused on the oil and gas sector.

2. Methodology

2.1 Research Ethics

The University of Northern British Columbia Research Ethics Board must review all research conducted by the Community Development Institute. The Board reviewed the interview questions in the spring of 2013 and permission to perform the study was granted. Upon agreeing to take part in the project, each participant signed a consent form (see Appendix A), which outlined the purpose of the study and stated that their participation was voluntary and that their contributions would remain anonymous and confidential.

2.2 Key Informant Interviews

Participants from four Northern BC communities (Prince Rupert, Kitimat, Terrace, and Prince George) agreed to take part in this study. Participants included individuals from a range of sectors: local government, education, industry, not-for-profit organizations, health care, economic development, cultural organizations, emergency services, social services, and the local business community.

Each participant was invited to participate via email. Their contact information was obtained through public records, referrals from other interested community members, or through the local advisory committee member that assisted the Community Development Institute in this project. For Terrace, 15 interviews were completed.

2.3 Interview Questions

The interview questions (see Appendix B) were sent out in advance to give participants time to reflect on the topics and focus on a few areas of particular relevance to them. The interview included five major sections.

Part 1: Participants were asked about their previous experience with the oil and gas industry, including information about roles and lessons learned.

Part 2: Participants were asked how informed they felt about the oil and gas projects proposed for Northern BC, as well as the source and quality of the information they received.

Part 3: Part 3 focused on questions about community readiness for major oil and gas industrial projects; participants were asked to identify present and future pressures and opportunities facing their communities.

Part 4: Community preparation was the focus of Part 4. This section explored a number of subtopics, including housing, labour force, skilled trades, post-secondary education and training, Kindergarten to Grade 12 education, health care, community and social services, economic development services, public safety, recreation and sports facilities and programs, cultural facilities and programs, transportation, business, and the environment. For each of these topics, participants were asked what the community has done to get ready, what needs to be done and by who, and what happens if nothing is done. Due to the breadth of this portion of the interview, participants were asked only to comment on those areas that they felt were particularly relevant to their knowledge, expertise, or personal interest.

Part 5: Participants commented on community vision and coordination, in order to determine whether organizations are taking steps to identify community needs and opportunities, whether they are creating a plan for how the community can align itself to get ready for potential oil and gas projects, and whether they are working to establish collaboration between the many key individuals and organizations in the communities, including industry and government.

2.4 Analysis

All interviews were digitally recorded. Notes were made from the recording of each interview to identify the main points and themes. These notes were sent back to each participant for review to ensure that their views were accurately reflected. Responses to the interview questions were then sorted by topic and compiled into a main summary. From this, common themes were identified through a qualitative content analysis. In addition, a number of unique observations and innovative suggestions were identified. The report follows the same pattern as the interview questionnaire.

3. Terrace: A brief profile

Terrace is located on the Skeena River in west central British Columbia, within the traditional Tsimshian territory. With a population of approximately 11,500 people (Statistics Canada, 2011), Terrace is the third-largest city in Northern BC. In 1996, Terrace's population reached a high of 12,800 people. Terrace is bisected by the Yellowhead highway, which runs east to west.

In 1912, Terrace's first sawmill was established to manufacture railway ties for the Grand Trunk Pacific Railway, which linked the city to Prince George and other parts of Northern BC. During the Second World War, the Skeena River highway was constructed for US soldiers posted in the area. This road connected Terrace to the port at Prince Rupert, allowing for product shipment to anywhere in the world.

Historically, Terrace has been heavily dependent on forestry, but with the industry downturn in the early 2000s the city's largest mill, Skeena Cellulose, closed; causing some residents to leave town to find work. Today, Terrace is a regional service and supply hub for northwestern BC and is home to a regional airport, hospital, Wal-Mart, Canadian Tire, Northwest Community College, and a satellite campus of the University of Northern British Columbia. These amenities have prompted some employees of Kitimat's Rio Tinto Alcan aluminum smelter to reside in Terrace and commute to work.

Current industry projects include mineral extraction activity and the construction of BC Hydro's Northwest Transmission Line along Highway 37 North. Terrace is also benefitting from the industrial development in Kitimat, as businesses and residents from that community take advantage of the retail, wholesale, and service sector in Terrace.

4. Dialogues on Readiness Interview Results

For the City of Terrace, the *Dialogues on Readiness* project conducted 15 interviews; 13 in-person, and two by telephone. This is an analysis of the information that the interviewees provided in response to questions about community readiness for possible large-scale industrial projects, particularly in the oil and gas sector.

4.1 Part 1: Previous Experience and Lessons from Large-Scale Industrial Projects

4.1.1 Have you had previous experience in dealing with large-scale industrial projects?

Many interviewees in Terrace have experience with large-scale industrial projects, gained by working in the forestry industry over past decades, or at least being familiar with forestry as the formerly dominant industry in the community. Some also have direct experience with the Rio Tinto Alcan Modernization Project in Kitimat, or other industrial projects in the Kitimat/Terrace area.

4.1.2 What was your role(s) dealing with large-scale industrial projects?

Interviewees' involvement with previous large-scale industrial projects varied with their professional and volunteer/leadership roles in the community which included: community and economic development staff working directly for industry; elected local government officials, local government staff; partners in multi-agency studies and initiatives; local business owners; community and social service staff; and educators.

4.1.3 What lessons have you gained from previous experiences with large-scale industrial projects?

A question about key lessons from previous experiences was asked because these are often valuable in informing approaches to current projects.

It was noted by the interviewees that some of the proponents of oil and gas projects are international corporations and are unfamiliar with Canadian culture and processes. For these companies, elements of project development that are particularly new are First Nations culture and involvement, the expected level of consultation and transparency with communities, and Canadian processes for regulation and engagement. It is anticipated that this lack of familiarity with project development in Canada may impact relations with the community.

The oil and gas sector is new to Terrace and the surrounding area. It was felt that the employment, community, and land impacts related to proposed projects would be different from previous industrial experiences in Terrace. Lack of experience with the oil and gas sector makes it particularly challenging for the community to know how to be ready for projects, although working in a collaborative and organized way and sharing information will minimize the challenges.

Participants felt that it is important for the company proponents to have a presence in the community, ideally through establishing a community office, creating frequent opportunities for communication to increase trust and legitimacy in the community.

4.2 Part 2: Awareness and Information

4.2.1 How informed are you about proposed oil and gas projects in this area, what are your sources of information, and what kinds of information are you getting?

How informed do you feel?

The interviewees who are most directly involved with the proponents through economic development and project review feel quite informed. Others, who are not as directly involved with the proponents, feel less informed about the projects. With regard to community awareness, many interviewees felt that residents are not well-informed about the specifics of the projects and what the community implications of these projects will be.

What are your sources of information?

Some interviewees are accessing information directly from the industry project proponents through conversations with them, community meetings, consultations, email and newsletter updates, project information on company websites, and seeking out investor-targeted information. There is a sense that much of the general community gets their information from media and social media, and through word of mouth, such as informal conversations in coffee shops around town.

What kinds of information are you looking for?

Some people are reviewing information about the project timelines and specifics in order to learn more about the business opportunities and training needs. Others are seeking information about what is going on with the environmental assessment process. Many mentioned that they think that residents are seeking a range of information to gain an overall picture of how these projects will be developed and what the impacts on the community will be through the various phases of development, so that they can form their own perspective and opinions.

Are there gaps in the information you are getting?

Since the oil and gas industry is new to the region, there is not much knowledge about the regulations, approval processes, or the environmental and social implications of the sector's activity. The interviews suggest that the oil and gas industry needs to provide information about the sector so that the community is in a better position to understand the project proposals that are coming forward and evaluate their impact through the various phases of development and operations. It was noted that the project proponents are not the preferred source of this type of information; better sources would be a neutral agency or organization or an industry association.

Participants felt that there are not enough opportunities for in-depth and multi-perspective discussion about the projects in the community so that people can ask questions and understand the implications. While companies offer information about various projects during community meetings, there is little opportunity for interaction and dialogue. There is a lot of media coverage

that is either positive or negative, but sources of information that offer a concise, neutral, balanced, and trustworthy perspective do not exist. Interviewees stated that there is a lack of information from various sources that differentiate or explain short-term construction impacts and the long-term impacts and benefits of these projects in the community. There is a concern that, until the investment decision is made and approvals have been obtained, any investment by the community or individuals is highly speculative.

4.3 Part 3: Community Readiness

4.3.1 What are some key pressures the community faces as it prepares for potential oil and gas industrial projects?

The purpose of asking interviewees to name key pressures was to gauge which overall issues – both concerns and opportunities – first come to mind.

The infrastructure needs of the community were top of mind for many interviewees in Terrace. They felt that the community needs to invest and catch up on improvements as soon as possible in order to ensure that these are in place to facilitate the construction phase of these projects. They were, however, concerned that the oil and gas projects will not contribute to the tax base in Terrace because the projects will be located outside of the city boundary.

Some interviewees felt people in the community do not want to be overly optimistic about these projects until the approvals have been given, the projects are confirmed, and investments are made. They attributed this attitude to the fact that the economy in Terrace has experienced downturns and upswings over the past 10 to 15 years, which has made people skeptical about potential investment in the community. Some interviewees said that the community is not sure about what it needs to do to prepare. Conversely, other interviewees said that preparation for these projects has been discussed at length in the community. These participants felt that residents have a good understanding of what needs to be done, and now is the time for action.

4.4 Part 4: Community Preparation

Interviewees were invited to describe pressures associated with potential oil and gas projects, what is being done to get ready to address them, what needs to be done to get ready, and what will happen if the pressures are not addressed. Interviewees provided information based on their professional role and knowledge, and some also offered insight based on general knowledge they bring as residents.

4.4.1 Housing

Housing: Pressures

It was observed by a number of people interviewed that an influx of workers has caused rents in Terrace to increase significantly. Currently, there is a lack of affordable housing in the community, which has created difficulty for those with low or fixed incomes.

Given this situation, there were differing opinions among interviewees about whether Terrace should be encouraging oil and gas companies to arrange accommodation for short-term (3 to 5 years) construction workers in community dwellings or in construction camps. Advantages to the local economy are more likely if people are housed in the community, but there are concerns that this would produce a short-term housing shortage, which would hurt many long-time residents and a surplus of housing in the long-term, which could negatively impact the housing market.

According to several people interviewed, social housing and seniors housing are in short supply in the community, and demand is expected continue to increase, particularly through the construction phase of these projects. Concern was expressed that the anticipated industrial growth would increase demand for rental housing, which would, in turn exacerbate the housing affordability issue for residents who are already expending more than the recommended 30% of income for rent.

Interviewees noted that the housing stock in Terrace is aging and there is a need for new housing of various types, including townhouses and apartments that will be desirable to incoming workers.

Housing: What is already happening to get ready

Those interviewees involved with housing issues highlighted the fact that the City of Terrace and non-profit societies are partnering to develop a small number of new non-profit social housing units. They mentioned that the City has a Housing Task Force and has adopted a housing policy and plan. Further, they indicated that, within the coming year, the City will complete an updated housing assessment and revise zoning to encourage a variety of housing types. It was noted that the City is receiving a lot of interest and inquiries for different forms of housing. It should be noted,

however, that interviewees not involved with housing issues were not aware of the City's housing initiatives and projects.

It was learned through the interviews that Northwest Community College is looking at updating student campus housing, which would address concerns about accommodating students who bring their families with them to school, and particularly First Nations students.

Housing: What needs to be done to get ready

Interviewees indicated that housing needs associated with industry projects are not well-known in terms of housing types, numbers of units, and timeline. It was suggested that industry proponents need to provide a better sense of the short-term and long-term housing needs, based on the construction phase and operational phase needs.

Should the proposed oil and gas projects be approved, participants felt that they should be harnessed as opportunities to build catalyst housing projects that diversify the types of housing that are available in Terrace, provide housing that attracts young families, and develop affordable options. There are waiting lists for all types of social housing in the city and these bottlenecks need to be addressed with additional social housing. This will require creative partnerships with social agencies including those at a provincial level, non-profits, and industry partners. In addition, community champions are needed to lead housing projects that are currently being led by overburdened volunteer organizations.

4.4.2 Labour Force

Labour Force: Pressures

It was mentioned in the interviews that the population in Terrace decreased over the last decade. Many people moved away to find work during the long economic downturn. The population is slowly increasing again, providing a larger local labour force to draw on. Interviewees observed that since the oil and gas industry is new in the region, most local residents do not have industry-specific experience and require training. There is uncertainty about policies of the oil and gas companies and contractors around local hiring, and a desire to ensure that local jobs include skilled labour and professional positions that offer long-term employment and build the capacity of the local labour force.

Labour Force: What is already happening to get ready

A Northwest Regional Workforce Table has been convened, a needs assessment for labour has been conducted, and a jobs coordinator position for the area has been created. A Labour Management Plan for the region has also been completed.

Labour Force: What needs to be done to get ready

To enable preparation of the labour force, interviewees suggested that there is a need for detailed information about industry's labour needs and timeframes, both for short-term construction and long-term operational employment related to the projects. This information should include data on both direct and indirect jobs. In addition, certainty about the local hiring policies of companies and contractors is required, including information about the types of jobs that will be filled locally. Interviewees stressed that the availability of local jobs will be a key factor in securing support from the community. It was noted that industry connections and clear communication with both First Nations and local governments are essential.

4.4.3 Post-Secondary Education and Skilled Trades Training

Post-Secondary Education and Skilled Trades Training: Pressures

Interviewees involved in the training field observed that people embarking on skilled trades training need to be prepared to complete prerequisite courses. In order to assist these students, Northwest Community College (NWCC) is developing programs to support students for successful training and employment outcomes. Through the interviews it was learned that industry and First Nations will work together to support First Nations people in pursuing opportunities for higher-paying, long-term industry jobs.

Interviewees mentioned that colleges are experiencing challenges in offering the trades programs required by industry. Several factors were mentioned, including difficulty in retaining trades instructors because wages and benefits are much higher in industry, the cost of up-to-date equipment, and the cost of offering courses in small and remote communities.

Post-Secondary Education and Skilled Trades Training: What is already happening to get ready

Interviewees spoke to the work that NWCC is doing to develop trades programs and partnerships with industry participation (Coastal Pathway Partnership). NWCC is working directly with First Nations communities on training programs that help people to develop skills for more technical and professional jobs. Much of the training is happening with mobile training programs.

It was noted that post-secondary education institutions in Northern BC are working in partnership to offer courses locally where possible and to bring in other colleges' courses and curriculum as needed. They are also developing protocols and agreements across education institutions to recognize courses and prerequisites so that students can meet educational needs at several schools in Northern BC.

Post-Secondary Education and Skilled Trades Training: What needs to be done to get ready

Interviewees mentioned that NWCC and First Nations are working together to develop programs in business, health and social services, in addition to trades training. This approach recognizes that oil and gas investment in the region will create both direct and indirect job opportunities. Interviewees noted that some students may also benefit from life skills programs in order to be fully prepared for the workforce. The college is also working with high schools to strengthen and expand collaborative programs that focus on trades training. One example of this is the Accelerated Credit Enrolment in Industry Training (ACE IT) dual credit program which allows high school students to earn college trades credits, accelerating their placement once they graduate from high school.

It was noted by a number of interview participants that education and training facilities at NWCC need significant upgrades, and there is a key opportunity to develop a vision and the partnerships with industry to improve the learning infrastructure for the area. It was learned through the interviews that NWCC would like to attract students from outside the region to Terrace. Increasing student numbers is believed to be key to strengthening the quality and breadth of courses and programs. Interviewees also noted that housing at the college needs to be upgraded.

4.4.4 Education – Kindergarten to Grade 12

Education – Kindergarten to Grade 12: Pressures

Participants predicted that as the population grows in response to economic opportunity associated with industrial development it will be necessary to re-open schools and programs that have been idle for some time. High schools are working strategically to develop close relationships with colleges and other partners for skills training. Interviewees commented on a troubling and continuing trend: many students are not completing high school, and graduation rates are particularly low among First Nations students.

Education – Kindergarten to Grade 12: What is already happening to get ready

It was noted that high schools and colleges are developing close relationships that will allow high school students to try out trades programs, explore what their successful path forward would look like, and shadow college students. High schools and colleges are also developing an introduction to trades programs for Grade 10 students, designed to promote the ACE IT program.

Education – Kindergarten to Grade 12: What needs to be done to get ready

Through the interviews it was learned that the School District has developed a conceptual proposal for a 'school of choice' for trades and employment in the region, which is being discussed at the provincial level. Those involved indicated that dialogue will continue in order to plan and coordinate new programs and services.

4.4.5 Health Care

Health Care: Pressures

Mills Memorial Hospital is over forty years old, and through the interviews, it was learned that it is on a waiting list for facility upgrade and expansion. It is the only regional hospital, and serves a large outlying area.

The nature of the anticipated oil and gas projects means that the health system in Terrace would be challenged in the short term to serve the large number of workers who would be in the community for the construction phase of the oil and gas facilities. Once the construction phase is complete, however, the long-term operational phase workforce will be significantly smaller.

It was noted by interviewees that the experience in other resource communities suggests that the health system also needs to be prepared for an increase in the conditions associated with community and personal change, including substance abuse, addictions, violence, and domestic violence.

Health Care: What is already happening to get ready

Through the interviews, it was learned that Northern Health is working with a planning committee in order to identify impacts of the oil and gas industry on health care needs. This group is looking specifically at lessons from the Peace District. Northern Health has also completed research on the health impacts of work camps to inform their advice, preparations, and response.

Health Care: What needs to be done to get ready

Participants stated that a study is needed on the anticipated burden of oil and gas projects on health care service and facilities in Terrace. Interviewees recognized that the availability and quality of health services are key elements of a resident attraction strategy, and this should influence decisions to allocate additional capacity to local and regional health services in Terrace.

4.4.6 Community and Social Services

Community and Social Services: Pressures

It was highlighted through the interviews that social services in Terrace are being stretched to meet current demands. These demands are anticipated to increase during the construction phase of the projects. Social impacts related to industry projects are already emerging, and social service demands will continue to increase as the population grows and the community changes. Government assistance funds given to low-income people have stayed constant, but it is increasingly difficult for recipients to survive on this fixed amount because their rent and cost of living is increasing as industry speculation and activity intensifies. There is a sense that the composition of the community is quickly changing with new residents from other places and First

Nations residents from nearby communities moving to Terrace. Over the past year, many people have come to Terrace because they hear of work opportunities through media and other sources, but when they arrive they are not able to find employment. Evidence of this is seen at the food bank where there is an increasing number of new households that need to be served on regular basis, including single men, single moms with children, and seniors.

New industrial activity is expected to provide employment for people who have the required skills for jobs. There are some concerns, based on experiences in other places, that a rapid increase in incomes and a large temporary workforce will result in increased community and social issues, for example alcohol and drug abuse.

Community and Social Services: What is already happening to get ready

The interviews revealed that many volunteer-run social agencies in town are already responding and reacting to changing and mounting community needs; for example, the Skeena Diversity Society is offering programs to welcome and include newcomers.

NWCC courses are training students not only with technical skills; they are also teaching responsible money management. These courses will improve individual wellbeing, as well as avert binge spending and the associated social consequences (alcohol and drug abuse and other criminal activity) that can affect the general community. NWCC also offers counseling services to students, and there has been an increase in uptake leading to long waiting lists for these services.

Community and Social Services: What needs to be done to get ready

Interviewees commented on the need for an integrated approach to social service delivery. This will require better information about the construction and operations phases for planning purposes. It will also require collaboration among service providers.

Interviewees identified a number of needs for community and social services in Terrace. People are concerned about the lack of affordable childcare. This prevents many people, mostly women, from obtaining employment and training. There is also a need for more government-funded professional services, especially mental health, addictions, and youth services. Similar to health care, specialized social services should be provided regionally from Terrace. These services should be coordinated with and augment those that are provided by local volunteer-based organizations.

As workforce recruitment increases, new residents need to be integrated and welcomed into the community. Information regarding the community and community services will need to be available. It was suggested that newcomers should be encouraged to volunteer and contribute to the community.

Participants said there needs to be more consideration of the interests and well-being of lower-income people in Terrace to ensure that they have the opportunity to participate fully in the economic and social life of the community.

4.4.7 Economic Development

Economic Development: Pressures

Interviewees recognized that, should the proposed oil and gas projects go forward, the community will be presented with both opportunities and challenges in terms of leveraging short-term projects to create long-term benefit. While the oil and gas industrial projects would not be located within the city boundaries, interviewees felt Terrace would benefit from the increased trade and retail activity and is well-positioned as a service centre for the northwest region. Terrace is supporting calls for regional revenue sharing in recognition of the fact that, while it would not receive property taxes from industrial projects outside of the municipal boundaries, it will have to deal with many of the impacts, including increased traffic and facility use.

Economic Development: What is already happening to get ready

Economic development agencies are working on both a regional and local basis to support and generate economic opportunities. Examples of projects and activities cited by interviewees include monitoring activity, developing industrial service directories, conducting a liquefied natural gas (LNG) study identifying supply requirements, and supporting proponents with information. Participants in the interviews noted that Terrace is working on strategies to attract new residents and new business development, such as hotels. The City commissioned a study on regional revenue sharing from oil and gas development, and is initiating discussion with the provincial government and others.

Economic Development: What needs to be done to get ready

Terrace is looking to develop and expand the City's industrial tax base so that it can increase the city's economic diversity and long-term prosperity. Participants noted that Terrace needs to continue collaboration with regional and provincial partners, as well as with industry, to ensure that it not only attracts short-term opportunities, but also establishes a framework for long-term benefits and legacy for the local economy. Interviewees highlighted that fact that Terrace has also placed a priority on pursuing economic development opportunities with neighbouring First Nations.

4.4.8 Business Development

Business Development: Pressures

Through the interviews, it was learned that many Terrace businesses are expanding to meet the needs of major oil and gas projects, as well as the growing service and retail needs in the region.

Some businesses have recently hired new employees and have increased revenues based on the economic activity and growth. It was recognized that businesses need to take advantage of opportunities in such a way that they are able to sustain success after a short-term construction boom. Local businesses are anticipating pressures related to the cost, quality, and supply of labour.

Business Development: What is already happening to get ready

Interviewees noted that business support agencies are helping local businesses to plan for upcoming opportunities, and are assisting with start-ups and transitions. Industry proponents and economic development agencies are providing information to local businesses so that they can take advantage of procurement opportunities with major projects and prepare for change.

Business Development: What needs to be done to get ready

Interviews emphasized that a clear understanding of the industrial and commercial service needs of large companies (and their contractors) is required so that local businesses can target these opportunities and plan for them.

4.4.9 Public Safety

Public Safety: Pressures

With regard to public safety, it was noted by interviewees that new oil and gas development in the community will present new challenges.

Fire Services and Emergency Management Services (EMS) are anticipating the need to provide training and specialized knowledge for fire suppression. This will be required in order to cope with new specialized industrial facilities and taller buildings that incorporate new materials and fire suppression features. Currently, the department is partly paid staff (8) and partly volunteer (30-40), and the department is anticipating that there will be increasing pressure to hire more paid firefighters as the specialized demands increase.

Police services are noticing an increase in diversity of calls, and highlighted a particular increase in domestic violence calls. With regard to issues related to work camps, it is anticipated that the on-site practices of the industry projects themselves will be stringent and tightly controlled, reducing the potential for mischief in the community.

Public Safety: What is already happening to get ready

Fire and EMS staff are receiving training on new response requirements. With regard to law enforcement, a crime prevention patrol in downtown Terrace has been effective at minimizing crimes and disturbances.

Public Safety: What needs to be done to get ready

Fire, EMS, and the RCMP have indicated that they will need to work with industry to establish agreements and protocols for collaboration and service. This will include determining facilities and equipment that may be required for increased responsibilities related to industry. As the population increases, all safety services will need to make the case for additional resources and receive additional staff in a timely manner to maintain community safety.

4.4.10 Recreation, Sports Facilities and Programs

Recreation, Sports Facilities and Programs: Pressures

Terrace has recreation facilities, outdoor recreation sites, and parks that the City relies on to attract and retain residents. The participants interviewed anticipate that new residents will likely be interested in a wider diversity of recreation services and may be accustomed to more modern facilities than Terrace has to offer. As the community grows and develops, it will be increasingly important to ensure that low- and moderate-income families can participate in recreation opportunities.

Recreation, Sports Facilities and Programs: What is already happening to get ready

Participants noted that there are currently a wide range of recreation and sports facilities and programs available in Terrace. There are also City and business-sponsored programs to assist low-income families to participate in recreation and sports.

Recreation, Sports Facilities and Programs: What needs to be done to get ready

Interviewees reported that Terrace is planning to discuss recreation and sport community legacy project investments with industry proponents; however, recreation needs will have to be considered in the context of other community infrastructure priorities.

4.4.11 Cultural Facilities and Programs

Cultural Facilities and Programs: Pressures

If, with the proposed oil and gas sector projects, the community grows and changes quickly, interviewees felt that it will be important to emphasize Terrace's culture and traditions, including a celebration of First Nations culture and traditions. This would provide a sense of history and place and could help newcomers settle into the community.

Cultural Facilities and Programs: What is already happening to get ready

Participants noted that industry proponents are supporting some of the community's defining cultural events, which is beneficial for integrating industry into the community and making them more familiar to residents.

Cultural Facilities and Programs: What needs to be done to get ready

A museum with archives was mentioned as a potential project. This facility would add to the historical and cultural infrastructure in Terrace, which would help attract and retain professionals, workers, and services to the area. Further research would be required to determine the scope and scale of the development. At the same time, funding partners would need to be identified and brought on board.

4.4.12 Transportation and Infrastructure

Transportation and Infrastructure: Pressures

Several interviewees emphasized that upgrades to transportation and infrastructure will be required in Terrace and the surrounding area as a result of additional demands from industrial development and growth. However, since most of these industrial projects will not be in the city's boundaries, local government will not have access to industrial tax revenue for these projects. For this reason, the City is pursuing regional revenue sharing arrangements with the provincial government.

With regard to local traffic flow, interviewees indicated that the capacity of crossings over the railway (rail crossing and overpass) is a key pinch point. Transportation planning and upgrades involve multiple parties and jurisdictions and usually require a long lead-time. In addition, water and sewer infrastructure is aging and the municipality lacks funds for upgrades.

Transportation and Infrastructure: What is already happening to get ready

The airport has made several improvements and is developing a strategic plan to anticipate future needs. These projects have been undertaken to support the growth in air traffic that is expected as a result of proposed oil and gas projects.

Transportation and Infrastructure: What needs to be done to get ready

Interviewees felt that an infrastructure impact study is required to outline the need for road, rail, airport, sewer, and water capacity. It was noted that highways and arterial roads need to be upgraded to handle additional traffic demands. In addition, public transportation services to job sites, the airport and neighbouring communities need attention and improvement. It was suggested that the study also explore providing rail access to the City-owned industrial lands near the airport. This would increase the value of these lands to the local economy.

4.4.13 Environment

Environment: Pressures

Interview participants noted that industrial projects will be challenged to develop on the land with sensitivity to the environment and topography of the region. They noted that residents have significant ties to the land on a cultural, economic, and recreational basis, and some believe that the oil and gas industry's lack of experience in this area will be an issue. The community is weighing the long-term benefits of projects against the environmental costs.

Environment: What is already happening to get ready

Interviewees noted that environmental groups are hosting local conversations and environment-focused education about the proposed projects. It was noted, however, that these conversations are not being integrated into a larger conversation about the overall impact of these projects.

Environment: What needs to be done to get ready

It was suggested by a number of interviewees that further dialogue in the community is needed, which integrates long-term considerations about economy, environment, and community benefits and costs. As the planning for these projects moves forward, industry will be challenged to provide plans for maintaining the integrity of the land for traditional activities, including hunting, fishing, and recreation activities.

4.5 Part 5: Vision and Coordination

4.5.1 Identifying Community Needs, Opportunities, Challenges, and Bringing Groups Together to Plan

Current Initiatives

Interviewees reported that there is a strong interest in regional collaboration to bring together local government, regional government, First Nations, and economic development entities to coordinate strategies related to industrial development. A regional economic forum is being organized to further this objective. It is being proposed that partnerships be formed around a few key projects to build working relationships and trust. A priority item for action is regional revenue sharing, which needs to articulate a common regional interest to senior levels of government and industry.

At a community level, the City has organized task forces on key issues. In addition, a number of committees and work groups with specific mandates are working to collaborate with economic development.

Who is involved, leading, engaged, or missing?

Regional initiatives that were discussed are being organized through the K.T. Industrial Development Society (KTIDS) and the Northern Development Initiative Trust (NDIT; for example, the Invest Northwest project). Interviewees recognized the importance of involving all levels of government, as well as colleges, universities, and industry in collaborative planning. For practical purposes, however, a lead organization needs to step up to initiate and frame discussions.

At a community level, participants felt that it would be beneficial to bring together social and economic development groups to get a better understanding of one another's work and opportunities. This would help to set in place a platform on which discussions regarding opportunities and challenges could take place.

Collaboration with industry was discussed by interviewees. An idea was raised that industry proponents could be prompted to form an arms-length collaborative industry group with a mandate to collaborate for regional and local planning.

How could it be more effective?

With regard to developing a plan to take advantage of emerging economic opportunities and to meet community and social needs, it was felt that Terrace should communicate with communities that have gone through similar circumstances to learn from their experiences. Concern was expressed that even when a collaborative plan gets buy-in, the reality is that when difficulties or controversy arises, organizations will always defend their own interest over the common good.

Overcoming this will require developing a common vision and objectives, and building trust and collaborative capacity amongst community organizations.

It was noted that missing from most consultation initiatives are lower-income people, who tend to suffer the most significant impacts, yet are disenfranchised from making their views known. Outreach and consultation with these individuals, and the social service agencies that work with this population, is essential if their needs are going to be incorporated into plans for service delivery.

Where is funding coming from?

There was an understanding that the Northern Development Initiative Trust brings funding to economic development collaboration. An idea was raised to seek federal funding for collaborative initiatives and to invite industry contributions as well.

4.5.2 What is being done to develop a community vision, and what needs to be done?

Current Initiatives

The City of Terrace has an Official Community Plan and Terrace 2050 Strategy. Council is working toward a set of strategic initiatives to be accomplished during the current term, and in summer 2013 was reviewing the priorities for the current Council term (to 2014). Central to the vision is that Terrace wants to build upon its regionally central location advantage and its role as a service centre. There are many passionate visions and projects in the community, including downtown revitalization, workforce development, and economic development. The City makes efforts to communicate about major directions and the vision of the community, and it was suggested that it might partner with other organizations and industry to host community forums to discuss the major industrial projects being planned.

Who is involved, leading, engaged, or missing?

Interviewees indicated that the City's vision and plans were developed with input from community leaders, community groups and task forces, local and regional development agencies, and the public. Despite the focus on public input, community engagement and communications it was felt that these plans may not be familiar to the community at large. This was seen as an indication that other strategies for engagement may be required for future dialogues and projects.

How could it be more effective?

Participants felt that community visions could be stronger if they considered the regional opportunities and context. More is possible at a regional scale, and a regional vision brings in additional partners to help achieve the vision. First Nations and local governments are working

together more often, and their collaboration could create more opportunities. It was mentioned that Terrace could benefit from articulating its desired legacy from industrial projects, and that industry should be involved in this discussion. However, it was pointed out that Terrace is prevented from dreaming as 'big' as some would envision, because there are so many financial constraints and core needs, such as community infrastructure. It is challenging to balance community priorities, and it could be helpful to bring a trusted expert and facilitator in to provide perspective and a process framework, and to work with the community to encourage different patterns of thinking and discussion. It was suggested that this is a role that could be played by the Community Development Institute.

Where is the funding coming from?

Although interviewees felt that further visioning and dialogue was required to discuss community readiness for the proposed oil and gas projects, they were not able to identify funding sources for these dialogues.

5. Conclusion

The purpose of the *Dialogues on Readiness* project was to better understand the opportunities, pressure points, and processes associated with the development of large industrial projects.

Specifically, the project explored:

- The level of understanding of the process and timing associated with the development of large industrial projects.
- Community factors that need to be considered in order to be prepared and ready for large industrial projects.
- Mechanisms for readiness, community capacity, and the ongoing involvement by government, industry, and communities.
- This phase of the project was conducted in Kitimat, Prince George, Prince Rupert and Terrace, and focused on the oil and gas sector.

Through interviews with a broad cross-section of residents whose work or volunteer activities related to community readiness, it was found that a number of positive things are happening in Terrace:

- There is a high degree of collaboration between economic and business development agencies at the local and regional level.
- The City of Terrace has completed an Official Community Plan and the Terrace 2050 Strategy which outline the City's priorities for development.
- A needs assessment for labour has been completed by the Northwest Regional Workforce Table.
- There is good communication and coordination between economic, business, and workforce development initiatives.
- Post-secondary institutions are working with industry, First Nations, economic and business development agencies, and the K-12 school system to develop programs that will prepare people for the jobs that will be available in the region.
- Local businesses are expanding to meet the needs of industry.
- The City of Terrace has established a Housing Task Force and is partnering with non-profit societies to develop new social housing.

The interviews also identified a number of areas where participants felt that action was required in order to be prepared for potential large industrial projects in the oil and gas sector:

- Social and community service agencies need to be supported with increased capacity and better information about the impact of oil and gas sector investment so that they can anticipate and plan for increased service levels.
- Similar to the economic and business development organizations, social and community service agencies need to be supported to come together to discuss and develop community and regional plans for meeting service needs.

- There needs to be better communication, coordination, and collaboration between economic, business, community, and social development agencies in the community and region.
- Workforce development needs to involve industry, business, K-12 education, post-secondary education, and community representatives. The focus should be on developing the local workforce and, where required, attracting and retaining workers from elsewhere. The work needs to identify the broad range of job opportunities that will be available, including labour demands that will accompany a growing community; this includes health, education, professional, retail, tourism, hospitality, and government and non-profit organizations. It should also consider the direct, service, and supply job opportunities that will accompany the construction and operational phase of major industrial projects.
- There is a need to focus on educating youth and to increase high school graduation rates. Youth and their parents should be made aware of the career opportunities that will be available in the region, not only through direct employment with industry, but in service, support, public sector and community services, as well.
- The infrastructure deficit that Terrace is experiencing should be addressed so that the city can continue to develop economic and business opportunities. This will require partnerships with the Provincial government and possibly industry.
- Housing groups should continue to work together and with government, industry, and developers to provide a range of housing options in the community. This should include housing for post-secondary students in Terrace.
- The community and region would benefit from opportunities for in-depth, multi-perspective discussions about the oil and gas sector investments that are planned for the community.
- Given that the oil and gas industry is new to the area, there is a need for public education that builds awareness of the regulations, approval processes, timelines, and monitoring and reporting requirements for these projects.

Enhancing community readiness will better position the community and region to realize long-term benefit from the anticipated activity and investments by the oil and gas sector. Working together, the community and industry can realize the mutual benefit that comes from having a qualified workforce, an attractive community that can attract and retain workers, a strong and diversified business sector, and a robust community and social services sector. Building a resilient community with a sustainable economy will ensure that Terrace remains vibrant and viable well into the future.

6. Appendix A: Dialogues on Readiness Consent Form

Dialogues on Readiness: Preparing for Industrial Development in Northern BC

Purpose – A common interest has emerged among communities, regions, and industry for a better understanding of the opportunities, pressure points, and processes associated with the development of large industrial projects. The objective of the project is to further dialogue and understanding about this development, including mechanisms for readiness, community capacity, and the ongoing involvement by government, industry, and communities. This phase of the project will focus on developments in the oil and gas sector.

How Respondents Were Chosen – Interview participants were identified from publicly available lists as well as from local suggestions of people who have the potential to provide information on community readiness for industrial development.

Anonymity and Confidentiality – The names of participants will not be used in any reporting, nor will any information which may be used to identify an individual be used within the project reporting. All information shared in the interviews will be held in strict confidence by the researchers. All records will be kept in a locked research room at UNBC and will be accessible only to the research team. The information will be kept until the final project report is complete, after which time, shredding and file erasure will destroy all information related to the interview.

Potential Risks and Benefits - This project has been assessed by the UNBC Research Ethics Board. The project team does not consider there to be any risks to participation. It is hoped that by participating, people will be able to help prepare the community for large industrial investment.

Voluntary Participation - The interview will be audio recorded and a summary of key themes will be created. A key thematic summary of the interview will be sent to each interviewee, and they will have one week to provide any edits or corrections back to the research team. Participation in the interview is entirely voluntary and, as such, people may choose not to participate. Interviewees may choose not to answer any questions that make them uncomfortable, and they have the right to end their participation in the interview at any time and have all the information they provided withdrawn from the study and destroyed. The interview is expected to last 45 minutes.

Research Results - In case of any questions that may arise from this research, please feel free to contact Dr. Greg Halseth (250-960-5826; halseth@unbc.ca) or Marleen Morris (250-960-9806; mmorris@unbc.ca) of the Community Development Institute at UNBC.

Complaints - Any complaints about this project should be directed to the Office of Research, UNBC (250) 960-6735, or e-mail reb@unbc.ca.

I have read the above description of the study and I understand the conditions of my participation. My signature indicates that I agree to participate in this study.

(Name -please print)

(Signature)

(Date)

7. Appendix B: Dialogues on Readiness Interview Questions

Part 1: Opening Questions

1. Have you had experience in dealing with large scale industrial projects?
 - a. If so, where and when?
 - b. Was it during the planning phase, construction phase, or the operating phase of the project?
 - i. Prompt: Were these multi-year projects? Were there multiple projects involved?
2. What was your role?
3. What were the key lessons from your experience?

Part 2: Awareness and Information

1. How informed do you feel about the oil and gas projects that are being proposed for this area?
 - i. Prompt: Differentiate for the different projects: Pipelines, LNG plants, refineries.
 - ii. Prompt: Balanced, comprehensive, up-to-date, understandable.
2. Where do you get your information?
 - i. Prompt: Media, social media, websites, organizations, other people (word of mouth).
 - ii. Prompt: Which sources are best? Why?
3. What kind of information are you getting? Why is it relevant to you?
4. Are there gaps in the information you are getting? Why would this information be relevant to you?

Part 3: Community Readiness

1. What are some of the key pressures the community is facing as it prepares for potential industrial development?
 - i. Prompt: labour force / availability of labour, transient people / workers, public safety, crime, housing, community services, environmental impact, noise, traffic.

Part 4: Community Preparation

I would now like to ask, probe a little deeper, into some specific areas related to community pressures and community readiness.

Housing

1. What are the pressures around housing?
 - i. Prompt: suitability of current housing stock, type and tenure of housing, cost, overcrowdedness, camps.
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Labour Force

1. What are the pressures around the labour force?
 - i. Prompt: shortage of workers, shortage of specific skills, cost of labour, retention / length of stay, local / non-local hiring, long distance labour commuting, Aboriginal hiring.
2. What is being done to get ready?
 - i. Prompt: recruitment / retention programs, marketing campaigns, industry/government/education collaboration.
 - ii. Prompt: Who are the opportunities focused on? Who should they be focused on?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Skilled Trades

6. What are the pressures around skilled trades training?
 - i. Prompt: local opportunities, right offerings available, timing (when courses are offered), Aboriginal focus, focus on long-term / chronically unemployed.
7. What is being done to get ready?
 - i. Prompt: recruitment / retention programs, marketing campaigns, industry/government/education collaboration.
 - ii. Prompt: Who are the opportunities focused on? Who should they be focused on?
8. What needs to be done to get ready? By whom?
9. What happens if this is not addressed?

Education and Training (Post-secondary)

1. What are the pressures around post-secondary education and training?
 - i. Prompt: local opportunities, right offerings available, timing (when courses are offered), Aboriginal focus, focus on long-term / chronically unemployed, student funding issues.
2. What is being done to get ready?
 - i. Prompt: recruitment / retention programs, marketing campaigns, industry/government/education collaboration.
 - ii. Prompt: Who are the opportunities focused on? Who should they be focused on?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Education (K-12)

1. What are the pressures around K-12 education?
 - i. Prompt: existing / anticipated school capacity, age, availability of higher level high school courses.
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Health Care

1. What are the pressures around health care?
 - i. Prompt: number of physicians, ER, other health professionals (physiotherapy, occupational therapists).
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Community and social services

1. What are the pressures around community and social services?
 - i. Prompt: availability of services to deal with / welcome the influx of new residents, anticipated social and crime issues, immigrant settlement.
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Economic development services

1. What are the pressures around economic development services?
 - i. Prompt: availability of services to develop or manage a community economic development plan, local business development, local business succession planning, business and industry attraction and retention, availability of market trend data for local business.
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Public safety

1. What are the pressures around public safety services?
 - i. Prompt: police, fire, ambulance, justice
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Recreation and sports facilities and programs

1. What are the pressures around recreation and sports facilities and programs?
 - i. Prompt: recreation facilities and programs, outdoor recreation, environment.
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?
4. Who should fund this?
5. What happens if this is not addressed?

Cultural facilities and programs

1. What are the pressures around cultural facilities and programs?
 - i. Prompt: cultural facilities and programs, groups and organizations.
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?

4. Who should fund this?
5. What happens if this is not addressed?

Transportation

1. What are the pressures around transportation?
 - i. Prompt: local / regional roads, industrial traffic, air line connections, rail connections.
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Business

1. What are the pressures around business and the retail / service sector?
 - i. Prompt: knowledge of procurement and contract opportunities, ability to recruit, skills, wage differentials with major employers, employee retention, cost, local cost of living, availability of business services (accounting, IT, marketing).
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Environment

1. What are the pressures around the environment?
 - i. Prompt: increased population, increased traffic, water supply and treatment, risk of accidents, greenhouse gas emissions.
2. What is being done to get ready?
3. What needs to be done to get ready? By whom?
4. What happens if this is not addressed?

Part 5: Community Vision and Coordination

1. What is being done to identify the community needs, opportunities, and challenges that will emerge as a result of the industrial investment?
 - i. Prompt: building community capacity, diversifying local economy.
 - a. Who is involved?
 - b. Are outside agencies and organizations engaged in the process?
 - ii. Prompt: provincial ministries / agencies, regional bodies.
 - c. Is there anyone missing from these dialogues?
 - d. Who is taking the lead?
 - e. What could be done to make this work more effective?
 - f. Who is currently funding this work?
2. What is being done to develop a vision for the community?
 - i. Prompt: for now, for the future? Is discussion based on community assets and aspirations?
 - a. Who is involved?

- b. Are outside agencies and organizations engaged in the process?
 - ii. Prompt: provincial ministries / agencies, regional bodies.
 - c. Is there anyone missing from these dialogues?
 - d. Who is taking the lead?
 - e. What could be done to make this work more effective?
 - f. Who is currently funding this work?
3. What is being done to bring groups in the community together to understand and plan for the needs, opportunities, and challenges that will emerge as a result of the industrial investment?
- a. Who is involved?
 - b. Are outside agencies and organizations engaged in the process?
 - i. Prompt: provincial ministries / agencies, regional bodies.
 - c. Is there anyone missing from these dialogues?
 - d. Who is taking the lead?
 - e. What could be done to make this work more effective?
 - f. Who is currently funding this work?