

Theme 4: Local Economy

Imagining who we could be: A local economy story

Diverse. That one word describes the community's economy in 2040 and for those who knew it back when, that puts the community in a whole new light. Resource industries, long the dominant players, now share the economic platform with mountain recreation and leisure, arts and culture, education and health and in every one of those areas, we've become the West Yellowhead hub. Grab a treat from the sidewalk vendor, and we'll hop the tour bus for a whirl through this bustling community.

Passing streets alive with outdoor art and inviting gathering spots, we're tempted by the busy specialty stores and services that make "shop local" a happy reality. Many shops have a unique flair, proof that a truly creative class has taken root here; people who bring creativity to their work and want to live in a creative environment. Some came to study at Alberta's newest campus, and never left. Heightened interest in art, heritage and culture has translated into enticing museums and galleries with one-of-a-kind finds including the hand-painted snowboard standing outside that shop, made right here from West Fraser wood.

Indeed, our community's presence in forestry is expanding to include such products as furniture and root medicines harvested from the forest floor. Other industry clusters are forming around medicine, green industry and tourism. Many are plugged into one or more of the renewable energy sources now available here, which include micro hydro, solar, geothermal, bioenergy not to mention the wind farm standing on the horizon.

At Innovista, our tour joins a group of industrial leaders attracted by the park's status as a centre of excellence for eco-industrial business. Here one tenant's waste becomes another's starting material, saving money for both. Meanwhile, work rolls ahead on Innovista Phase II, a research and development business park with a one-stop business incubation centre.

The Hinton service area has become a tourism magnet not only for industry, but for medicine and heritage. What better place than here, where adventure options also abound. It's now the hub of the Yellowhead for mountain biking, with expanded facilities, linked trails, shops, training and must-do competitions. Biking is also on the menu at the new indoor recreation facility. This popular centre also offers a climbing wall, a waterslide, gathering spots and places to eat or shop. Not to mention a full slate of bike trips, ski weekends and other activities.

Time for lunch and the dining options are fine. We choose the farmers' market, where fresh and locally processed foods look as good as they taste. Some come from our community garden and greenhouse, which is making a profit. Among the gardeners are students, who learn entrepreneurial skills even as they earn money for school programs - with seniors volunteering as mentors.

With continuing population growth, this community is an economic hub like none other. It has come to consensus on whether or not to become a city, finally putting that issue to rest. Highway 40 is upgraded and busier than ever, a direct link to northern beauty and to the port at Prince Rupert. The Highway 16 bypass is pushed back to the distant future. Beyond a doubt, the next time global resource prices fluctuate, our community will cushion the ride.



"I would like to see Hinton as a safe, family oriented, little metropolis. I want to spend my hard earned paycheque here, nowhere else. I want people to be proud to live in Hinton."

Community Consultation Participant

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Who we are: A local economy snapshot

Strategically situated along the vital Yellowhead Highway (Highway 16), the town of Hinton is well positioned to serve as a go-to hub for the trading region. Our local economy is driven by the extraction and processing of pulp, lumber, coal and gas and supplemented by the hospitality, retail, public service, tourism and health service sectors.

This industry composition allows our workforce to enjoy higher than provincial median income. On the other hand, it results in an income split that sees some workers paid significantly more than others.

Relying as much as we do on the resource sector also exposes businesses and employees to swings in global commodity markets. Given that reality, we are seeking to diversify our economic base by fostering sustainable local businesses. As a bonus, diversification will expand the community's shopping options, which are more limited than many would like.

“The Town of Hinton is blessed with an abundance of beauty, resources and people who combine to make it one of the most attractive and vibrant communities in Alberta. Its bustling oil and gas, mining and forestry industry, its geographic location as the Gateway to the Rockies and its diverse community demographics and culture make Hinton an attractive place to live, work, play and invest.”

Town of Hinton Economic Development Committee
Community Diversification Plan, 2010



589 Business licenses issued by the town , 2009 - Up from 515 in 2005

Town of Hinton



What do we mean by local economy?

Economy refers to the activities related to producing and distributing goods and services. A flourishing and diverse local economy, an essential dimension of sustainability, depends on creating a community in which people want to live, work and do business.

Local businesses and industries form the backbone of Hinton's economy. Given the right culture, work force and environment, resilient local enterprises will help move our community toward sustainability.

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Our local economy strengths

Business profile

Our community functions increasingly as an economic hub, attracting trade from Valemount in British Columbia to the western portion of Yellowhead County in Alberta, and from Cadomin north to Grande Cache. About 22,000 residents live within those bounds; 35,000 including Edson and area.

We are home to approximately 650 businesses, including 590 within town boundaries, according to the Town of Hinton. Major employers are Teck Resources (coal), West Fraser Mills Ltd., Sherritt International (coal), Alberta Health Services, Grande Yellowhead Public School Division, Evergreen Regional Catholic School Division and the Town of Hinton. Anticipated future growth includes new coal mining operations that will significantly expand employment while raising environmental concerns.

Although the community does not have a traditional downtown, commercial shopping nodes exist in the Valley and the Hill to serve our community and surrounding region.

Our business community is supported by the Hinton and District Chamber of Commerce, which has more than 160 members.

Transportation Links

Located at the intersection of Highways 16 and 40 there are two increasingly important transportation routes where Hinton serves as a gateway to the Northern Rockies, to the west coast corridor and to global markets through Vancouver and Prince Rupert.

The community is also connected by air, with the Jasper/Hinton Airport offering chartered flights through Edmonton and other major urban centres to the rest of the world. CN Rail, VIA Rail and Greyhound stop here.

Transit services have increased in recent years thanks to leadership and partnerships. The Town of Hinton runs fixed route transit buses six days a week; Hinton Handibus offers door-to-door service five days a week and can be rented for private trips. Beaupre Bus Services operates the community's largest transit service, carrying workers for local employers. Taxis are also available for hire.

A network of trails also provides ways for cyclists and pedestrians to travel in and beyond town. As the system expands, its value for tourism and daily transportation is also increasing.

In rural areas, paved provincial primary/secondary highways and local roads facilitate travel. In addition, a network of unpaved resource roads carries traffic related to industry and tourism as well as everyday life.

Town plans have long considered the eventual need for a bypass while seeking to delay its construction by managing traffic flow. Continuing that effort, the current Transportation Master Plan calls for a major road linking Thompson Lake and Terrace Heights with Robb Road. This new link will reduce the mixing of local and through traffic and push the need for a Highway 16 bypass well into the future.



Highway bypass

Plans for a **bypass around Hinton** on the busy Yellowhead Highway have existed since the 1970s as part of Alberta Transportation's overall highway strategy. The four-lane Highway 16 is difficult for pedestrians and cyclists to navigate. On the other hand, a bypass would divert business from the community. Daily traffic volume along Highway 16 is significantly greater in town than east of town, according to Alberta Transportation:

- West of Switzer Drive: 11,110 vehicles per day in 2009 (down from 13,630 in 2005)
- East of Hwy 40: 4,040 vehicles per day in 2009 (up from 3,660 in 2005)

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Our local economy strengths continued

Our workforce

Our local labour force reflects the area's industrial mix, with more than 50% in sales and services, trades, transport and equipment operation. Our average level of education echoes that mix, tipping more toward the trades than elsewhere in Alberta. That said, the community is home to a strong subset of people with keen interest and ability in arts, culture and heritage.

The community has a significant shadow population of seasonal workers-as high as 10% during peak industrial activity. More than ever, our local worker's come from a mix of cultures. Alberta's most recent economic boom and resulting labour shortage caused many employers to hire workers from other countries, especially in the service and hospitality sector.

“Employment was the main reason for living in Hinton. This means that any softening of the economy may result in the working age population diminishing. However, there is also evidence that the key factors in population retention are the lifestyle available in Hinton and family ties.”

Town of Hinton Social Development Strategy
Hargreaves & Associates, 2009

Communication links

The community depends on a small number of telecommunication providers for telephone, Internet, satellite, broadband and wireless services. As in other rural Alberta centres, Supernet provides access to high speed internet in town, an asset for business development.



Unfortunately, rural residents and businesses do not have similar quality internet access. Issues include access, cost, speed and disruptions in service. There are also pockets with no cell service.



Cost of living

The real and perceived cost of living and limited availability of some goods and services can be disincentives to living here, particularly for residents at the low end of the income spectrum.

Affordability and access are issues not only for the workforce but also for businesses. Land prices are a particular concern. Business land prices in town along Highway 16 are relatively high. Overall, our real estate is less expensive than Jasper's and more in line with active real estate markets across Alberta.

“The diversification process is an ongoing endeavour that encourages the continual development of a community's economy to foster community growth, maintain quality of life, increase economic base, provide future opportunities for youth, and increase the capacity of the community.”

Town of Hinton Economic Development Committee
Community Diversification Plan, 2010

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Desiring diversity

Community leaders are committed to fostering a more diverse economy. In particular, they envision Hinton as a regional service hub for the following industry clusters: education, healthcare, retail services, tourism (especially outdoor and eco-tourism) and eco-industrial business. The Town of Hinton's Economic Diversification Strategy, developed with citizen input, provides a roadmap for achieving that goal. The strategy is available online at [www.hinton.ca/municipal-government/major-projects & plans](http://www.hinton.ca/municipal-government/major-projects-&-plans).

A diverse economy contributes to balanced population growth. Knowing that, the Hinton Economic Development Committee has set its sights on reaching a resident population of 12,000 by 2015, not including temporary workers. The committee anticipates the following economic and social benefits:

- Greater access to provincial and federal funding
- More capital and lending sources for citizens and businesses
- Position as a strategic hub within an emerging hub-and-spoke infrastructure strategy
- Ability to pursue additional education, recreation and infrastructure opportunities
- Expanded community capacity for leadership and volunteerism
- A critical mass needed to fuel diversification and expand employment options
- Ability to spread the costs of municipal services among more residents

Innovista, Canada's first eco-industrial park, provides an excellent example of the community's commitment to diversification. Launched in 2009 adjacent to Highway 16, Innovista incorporates a broad range of sustainability features, yet its .88-hectare to 2.84-hectare lots are competitively priced.



Efforts to foster our community's small business growth are also guided by the findings of a 2009 Business Vitality Index. Jointly commissioned by the Town of Hinton Economic Development Committee, Community Futures West Yellowhead and the Hinton and District Chamber of Commerce, that study identified ways to entice and support small businesses. Several steps have already been taken, including a basket of new tourism initiatives and a shop local campaign launched by the Chamber of Commerce.



Other goals for economic diversification include transition to a retirement and vacation home community; becoming a regional hub for post-secondary education; and fostering businesses and support and/or add value to the resource sector, such as the Foothills Research Institute and the Forest Engineering Research Institute of Canada.

“The high cost of living prevents a lot of people from moving to Hinton and also presents a challenge for businesses as business costs are higher than in other communities.”

Community Consultation Participant

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Community perspectives on local economy

Many residents consulted for the Community Sustainability Plan emphasized the importance of a more diversified economy. Besides wanting to minimize the impact of shifting global resource markets, respondents like the idea of fostering small businesses that “make and spend locally.”

Diversify our economy. “Diversification should be in the area of medical services, post-secondary education arts and culture, music and recreation (eco-style),” one resident said, “these would be region hub strengths.” Some suggested developing our trade corridor to Prince Rupert and putting energy into heritage tourism, for example by offering historical tours in period dress. Others saw wisdom in building on our resource riches by becoming leaders in energy sources such as wood waste pyrolysis, electricity co-generation, bio-diesel and wind. “We have lots of wind,” one noted.



“Ideally, it would be great to see emerging niches in our economy; however, our bread and butter is natural resource development and extraction, so one needs to be realistic in this area. We cannot compromise our bread and butter in the interest of developing trendy economies.”

Community Consultation Participant

Expand desirable careers. While hoping for a more diverse economy, some residents fear that efforts to diversify will result in lower paying jobs than the resource sector typically provides. Tourism offers a case in point. It’s a sector frequently mentioned as a natural fit, given our status as a Gateway to the Northern Rockies. Yet there is concern that the resulting work may be low paid and seasonal.

Improve our development climate. Residents cautioned that our development climate may limit economic growth. They expressed the following concerns:

- Although the community is well prepared for commercial and residential development, there is a shortage of serviced industrial land available for development
- Land and building values are keeping development away
- The town’s long-term planning process needs improvement
- Some development projects are not completed on time

Make it easier to use rail and bus. As one resident noted, while Via Rail and Greyhound services are viable and welcome, it can be a challenge to use them due to scheduling, cost and lack of secure overnight parking. Other residents also suggested expanding in-town transit service, stating “frequency is insufficient to meet people’s expectations.”

Moving beyond extraction

The **Foothills Research Institute** (formerly Foothills Model Forest) demonstrates that Hinton and area has what it takes to diversify its presence in the resource sector.

A leader in developing and sharing innovative science, the institute is advancing the field of integrated forest management in collaboration with more than 100 partners from around the world. Those include forest companies, governments, gas companies, Aboriginal communities, universities, environmental groups and not-for-profit organizations. Through the institute, Hinton is becoming known as a place to learn about sustainable forestry practice.



Make services available and affordable. Many residents said they cannot purchase everything they need in and near Hinton due to a lack of vendors. For the goods and services that are available, the perception is that costs are much higher than in Edson or Edmonton.

What's more, quality is seen to be lower, especially for groceries.

The 2010 Alberta Spatial Price Survey provides some data to check those perceptions. A survey of about 280 items found the average price of all commodities a shade lower in Hinton than in Edmonton, with an index of 97.3 to Edmonton's 100. Food prices were higher in Hinton, however, with an index of 104.3. Shelter appears less expensive than in Edmonton, with an index of 87.7 based on a survey of five locations.



Suggestions for expanding our retail sector include fine dining, authentic food, women's clothes, sporting goods and other specialty shops and souvenirs specific to Hinton.

“Employment was the main reason for living in Hinton. This means that any softening of the economy may result in the working age population diminishing. However, there is also evidence that the key factors in population retention are the lifestyles available in Hinton and family ties.”

Town of Hinton Social Development Strategy
Hargreaves & Associates, 2009

Achieving our local economy vision

The following strategies reflect the collective views of community stakeholders regarding the steps we must take to ensure the sustainability of the community's local economy

- Develop a diverse, balanced and vibrant economy.
- Develop Hinton as the regional hub of the West Yellowhead for all services.

These plans will almost certainly evolve. But this point in our history, they give us a united focus for moving forward together.

The actions we need to take to achieve these strategies are included in Appendix B.

