

Presentation to Members of the Real Estate Investment Network BC Chapter



ON THE MOVE

INITIATIVES
PRINCE GEORGE
IN STEP · ON COURSE

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About Initiatives Prince George

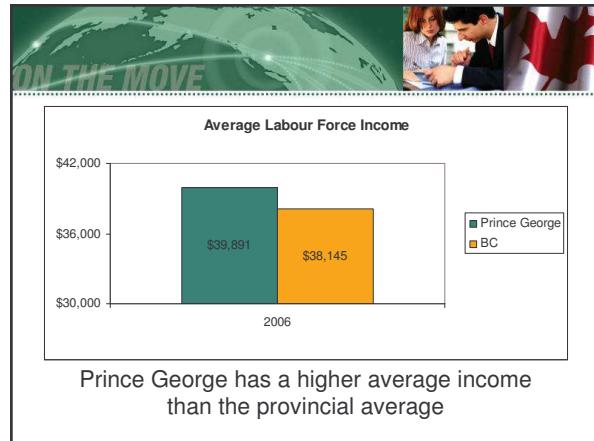
- Economic Development Corporation
 - Owned by City of Prince George
 - Private Sector Board
 - Independent & Highly Collaborative
 - \$2.3 million leveraged budget



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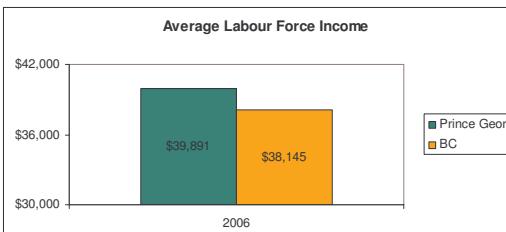
Today's talk ...

- Economy resilient, despite forest crisis
- Catalysts for growth and diversification
- PG and North attributes, keys to growth
- Next generation of infrastructure improvements: health and education enhancements, R&D, transportation, amenities important for growth



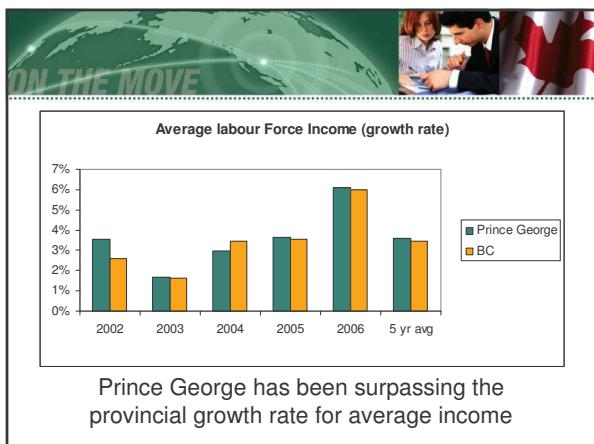
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Average Labour Force Income



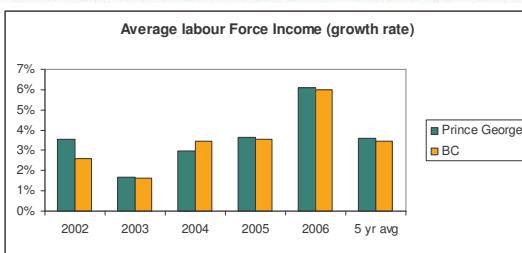
Region	Average Labour Force Income (2006)
Prince George	\$39,891
BC	\$38,145

Prince George has a higher average income than the provincial average



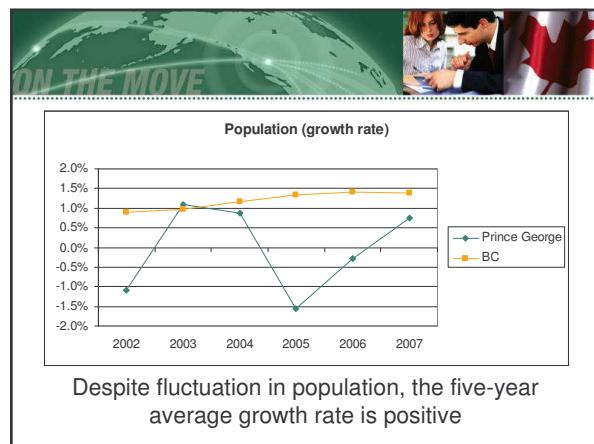
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Average labour Force Income (growth rate)



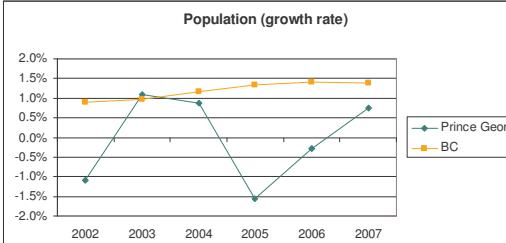
Year	Prince George	BC
2002	3.5%	2.5%
2003	1.5%	1.5%
2004	2.8%	3.2%
2005	3.2%	3.2%
2006	5.8%	5.5%
5 yr avg	3.2%	2.8%

Prince George has been surpassing the provincial growth rate for average income



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Population (growth rate)



Year	Prince George	BC
2002	-1.2%	1.0%
2003	1.0%	1.0%
2004	0.8%	1.1%
2005	-1.3%	1.2%
2006	0.5%	1.3%
2007	0.8%	1.3%

Despite fluctuation in population, the five-year average growth rate is positive

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Job Creation (growth rate)

Year	Prince George	BC
2003	~1.5%	~2.5%
2004	~2.8%	~2.2%
2005	~0.2%	~3.1%
2006	~0.4%	~2.9%
2007	~2.8%	~3.1%
5 yr avg	~1.6%	~2.8%

Prince George has seen positive job growth in each of the last 5 years

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Selected Major Employers

EMPLOYER	# OF EMPLOYEES	EMPLOYER	# OF EMPLOYEES
Northern Health Authority	3,174	Government of Canada	350
School District 57	2,200	Wal-Mart	300
Government of BC	1,500	Telus	258
Canfor Wood Products	1,210	McDonald's	250
Canfor Pulp	1,200	Costco	245
University of Northern BC	808	Treasure Cove Hotel and Casino	240
City of Prince George	757	Dunkley Lumber	230
Save-On Foods	475	Home Depot	185
College of New Caledonia	450	Lakeland Mills	175
CN Rail	400	BC Hydro	160
Aim-Hi	400	Sears Canada	130
ACS	350	Coast Inn of the North	125

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Major Employers by Industry Sector

INDUSTRY	EMPLOYERS WITH 100+ EMPLOYEES
Manufacturing	17
Wholesale and Retail Trade	16
Agriculture and Forestry	6
Administrative and Support Services	5
Construction	4
Transportation	4
Health Care and Social Assistance	4
Educational Services	3
Accommodation and Food Services	3

There are 70 employers in Prince George with more than 100 employees

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Current Challenges and Realities

- Mountain Pine Beetle epidemic
 - Estimated 80% of BC's marketable pine will be destroyed by 2013
 - Communities whose primary economic base is the forest industry will suffer hardships

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Current Realities

- Prince George's diversified economy
 - PG not feeling the effect of beetle-related forest industry issues as much as other, smaller communities
 - More diversified economy; other economic sectors developed and emerging

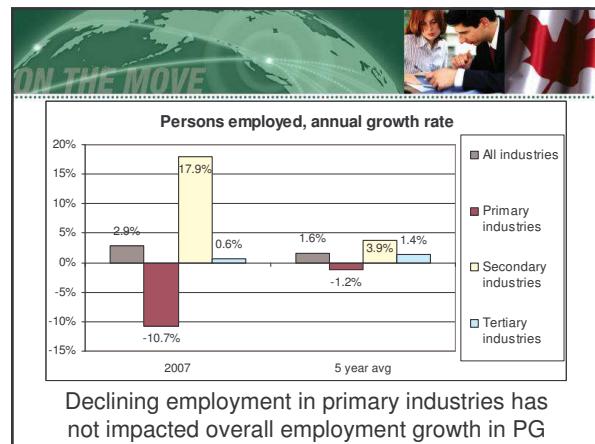
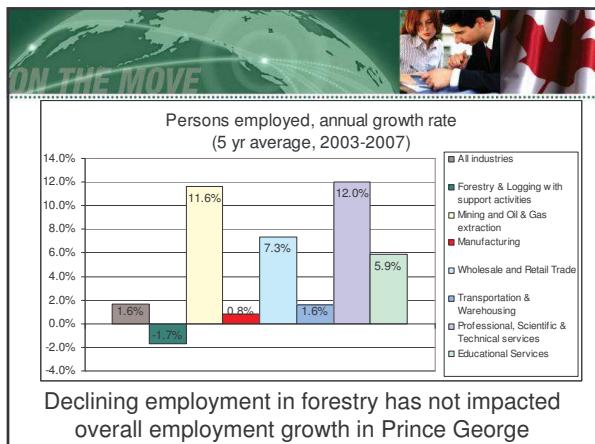
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Persons employed, growth rate (2007)

Industry	Growth Rate
All industries	33.3%
Forestry & Logging with support activities	2.9%
Mining and Oil & Gas extraction	-26.3%
Manufacturing	22.2%
Wholesale and Retail Trade	9.0%
Transportation & Warehousing	21.4%
Professional, Scientific & Technical services	-18.5%
Educational Services	-5.4%

Declining employment in forestry has not impacted overall employment growth in Prince George

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Growth and diversification opportunities

- Manufacturing and Services
 - Established manufacturing infrastructure
 - Opportunity to move beyond wood products and forestry services to new industries
 - 56% of manufacturing firms engaged in activities not directly related to wood or paper products

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Growth and diversification opportunities

- Mining and Oil & Gas
 - \$275.1M in mining exploration expenditures in Northern BC (2007)
 - Good reason to anticipate more mining developments over the next 5 years
 - Opportunity to diversify service and supply activities from forestry to include mining, oil and gas

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Growth and diversification opportunities

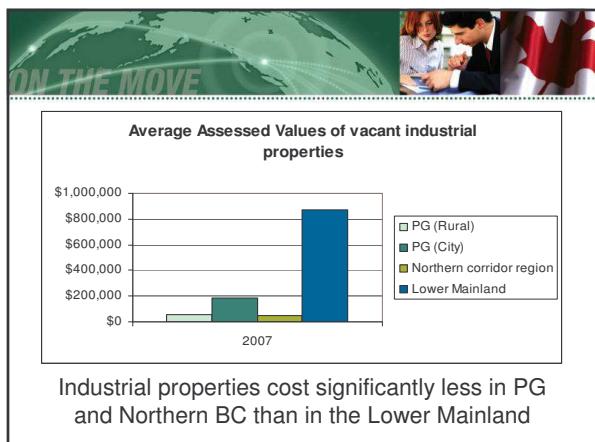
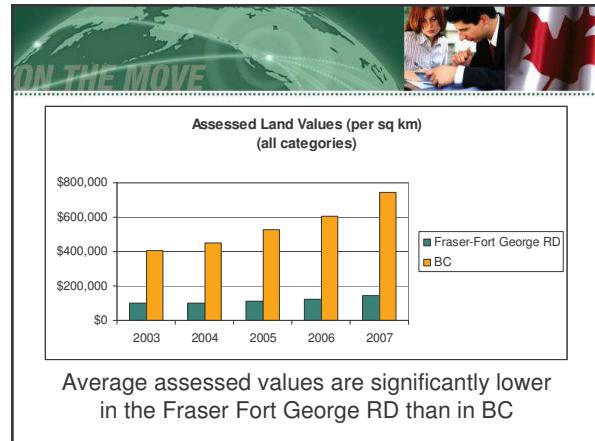
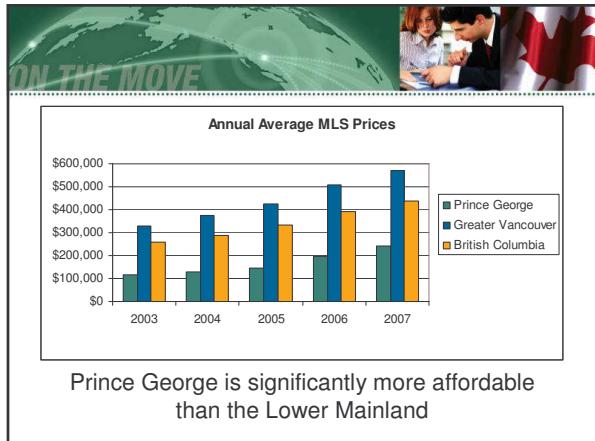
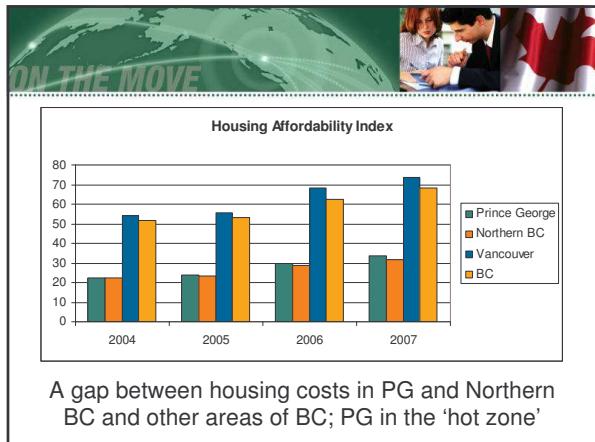
- Transportation
 - New infrastructure investments are attracting new business activities
 - \$33M airport expansion
 - \$20M CN intermodal facility
 - Port of Prince Rupert \$170M Fairview terminal expansion

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Forest Industry Realities

- The landscape may change, but BC's forests and forest industry will remain
 - BC forests made up of a variety of species
 - Forest restructuring will provide different employment opportunities
 - Transformation of the forest industry, not its death

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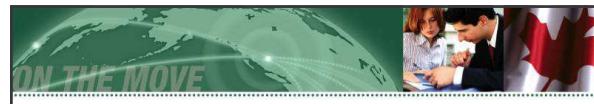


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Current Real Estate Activity

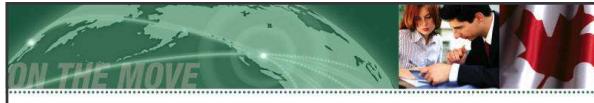
- Balanced market trending toward a buyer's market, 2008
- Sales / active listings ratio
 - May 2008: 21%
 - June 2008: 16%
- Active listings
 - June 30, 2008: 841
 - Five year average: 753



Health Infrastructure

Prince George is the major health care centre for Northern BC

- Access to a variety of quality health care services
- Centre of Excellence in Northern / Rural / Aboriginal Health moving forward
- Continued investment in facilities and services
 - \$50M redevelopment at PGRH
 - \$100M new cancer clinic by 2012



Education Infrastructure

Prince George is growing post-secondary education centre in Western Canada

- Core campuses UNBC and CNC
- More than 130 certificate, diploma and degree programs
- 9,000+ post-secondary students enrolled yearly
- Northern Med. Program – direct / indirect talent magnet
- Model for Other Programs – Engineering disciplines?



Transportation Infrastructure

Prince George is a major transportation hub

- Major highways intersect – 16 / 97
- International airport on circumpolar route; 400,000 travelers annually, 4th largest hub in BC
- Major rail system – north-south, east-west
- Rivers and Lakes – under-stated/-utilized recreational value
- Alberta interest in PG and North growing



Transportation Infrastructure

“Northern Decade” Focus Required

- Accelerate major highway four-laning – 16 & 97
- Technical & safety fixes – Hwy. 97 to Peace
- Airport build-out & marketing – logistics park, fuel & tech-stop, and Alberta passenger service
- Aggregate demand for CN Inter-modal
- Establish Northern Gateway Council – Prince Rupert, Prince George, & Edmonton



Advantages of Major Urban Centres and more, without the hassle

- Full suite of top-notch recreational facilities
- Wilderness at our back door
- Convention and meeting space
- All major retailers and Big Box
- Short commute and drive times – 10 minutes to everywhere
- More cultural amenities than similar-sized communities, 250,000+ service base
- And much, much more!

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Population Characteristics

Population Age Groups	Prince George	BC
0 to 9 years	12.2%	10.3%
10 to 19 years	14.6%	12.9%
20 to 29 years	14.1%	12.4%
30 to 39 years	14.1%	13.3%
40 to 49 years	16.5%	16.5%
50 to 59 years	14.3%	14.8%
60 years and over	14.2%	19.8%
Median age	36.5	40.8

Prince George has a younger population than BC as a whole

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Population Characteristics

Educational Attainment, Total Population aged 20 to 64		
	Prince George (%)	BC (%)
Trades Certificate or Diploma	14.20%	11.54%
College certificate or diploma	19.45%	19.24%
University certificate, diploma or degree	18.58%	29.06%

Prince George has a higher proportion of the population with Trades education than BC as a whole

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Population Characteristics

Major Field of Study, total population with post-secondary certificate, diploma or degree	Prince George (%)	BC (%)
Architecture; engineering; and related technologies	26.0%	21.7%
Business; management and public administration	19.9%	20.7%
Health; parks; recreation and fitness	15.2%	14.3%
Social and behavioural sciences and law	8.2%	10.0%
Personal; protective and transportation services	7.8%	5.7%
Education	7.8%	7.7%
Agriculture; natural resources and conservation	4.9%	2.5%
Humanities	3.9%	5.7%
Physical and life sciences and technologies	2.8%	3.6%
Mathematics; computer and information sciences	2.0%	3.7%
Visual and performing arts; communications technologies	1.4%	4.3%

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Labour Force Characteristics

Labour Force by Occupation		
	Prince George (%)	BC (%)
Sales and service	25.4%	25.3%
Trades; transport and equipment operators and related	18.7%	15.5%
Business; finance and administration	17.4%	17.1%
Social science; education; government service and religion	8.7%	8.1%
Management	8.4%	10.5%
Health	5.6%	5.5%
Unique to processing; manufacturing and utilities	5.3%	4.2%
Natural and applied sciences and related	5.2%	6.3%
Unique to primary industry	3.7%	3.9%
Art; culture; recreation and sport	1.6%	3.5%

Labour Force dominated by Sales and service and Trades occupations

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Labour Force Characteristics

Labour Force by Industry	Prince George (%)	BC (%)
Other services	21.0%	20.6%
Business services	17.3%	19.9%
Retail trade	11.7%	11.4%
Health care and social services	11.1%	9.7%
Manufacturing	10.8%	8.6%
Educational services	7.4%	7.0%
Agriculture and other resource-based industries	6.1%	4.9%
Construction	5.9%	7.6%
Wholesale trade	4.6%	4.2%
Finance and real estate	4.2%	6.2%

Labour Force dominated by service industry employment

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Smart Growth on the Ground

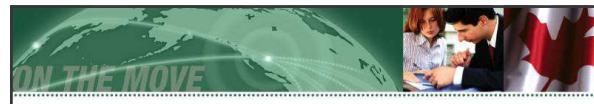
- Prince George will be the first Northern BC community to launch a Smart Growth project
- Focus on community-specific solutions for the downtown core, particularly around energy and climate change issues
- Long overdue and welcome!

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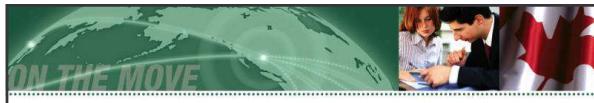
Centennial Trails Project

- Development of a comprehensive trail system
- Improve commuting and recreation opportunities
- Positive for attracting “creative class”



Performing Arts Centre / Cultural Precinct

- Locate in downtown core
- Catalyst for downtown revitalization
- Critical for broadening Prince George's appeal to “creative classes”
- Business case development underway



Initiatives Prince George Goal ...

To be the creative, energizing force that makes Prince George the integrated and sustainable manufacturing, transportation, supply and service centre; and inland gateway to Asia and North America.



Core Business Goal Supported by 10 Objectives

- 1) Create and market transportation and logistics parks
- 2) Establish heavy industrial presence outside airshed
- 3) Develop and communicate the PG brand to business
- 4) Establish formal economic partnerships, including at least one with First Nations
- 5) Leverage value of budget as measured by investments resulting from our activities



10 Objectives continued ...

- 6) Grow population by 1% to 2012
- 7) Grow jobs by at least 1000 by 2012
- 8) Attract manufacturing and export volumes to the region
- 9) Be a leading force, voice and advocate in key areas driving economic growth including competitive business climate, dangerous goods and corridor upgrades, air quality, regional collaboration, increase skilled workforce and attract skilled immigrants, downtown development, being a globally connected community
- 10) Facilitate business growth in mining, oil & gas



Conclusions

- Prince George has everything going for it!
- Resilient economic performance despite forest sector challenges
- Diversified regional supply / service centre
- Strategically positioned on growing transportation corridor
- Great time and place to invest!