



# Economic Development Strategy

Town of Paradise

January 6, 2015

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# EXECUTIVE SUMMARY

Paradise seen from above





# 1 EXECUTIVE SUMMARY

In recent years Newfoundland and Labrador's economy has surged to unprecedented heights. Gross Domestic Product in the province grew by 5.9% from 2012 to 2013, leading all other Canadian provinces. At the same time, investments in the province reached record levels at \$12.3 billion (an increase of over 30% from 2012). While overall oil and gas related investment has driven this economic growth, events over the last several months have once again demonstrated the risk of dependence on the oil and gas sector. With the price per barrel of oil still struggling to find a bottom, in 2015 the Province is projected to lose between \$400 and \$700 million in revenues.<sup>1</sup> Taken together, these events underscore the importance of economic diversification – when negative market forces affect one sector of the economy other economic engines must be strong enough to shoulder the burden.

Importantly for Paradise, there are growing opportunities in economic and fiscal diversification – an important goal of local business and community leaders. Further diversification is contingent upon an investment in infrastructure, marketing and customer service. With competition for business investment in the St. John's CMA at an all-time high, the town's municipal, community and business leaders must be relentless in their pursuit of entrepreneurs and investors or risk not living up to its potential.

In this context, the *Town of Paradise Economic Development Strategy* identifies opportunities and goals for the future prosperity of the Town of Paradise. The Strategy provides an understanding of the town's economy; it further examines the challenges and opportunities faced by Paradise, with a focus on improving investment readiness. This fact-based understanding was informed by consultation with local and regional stakeholders that helped to shape a series of priority directions for the community. To this end, the Strategy outlines a critical path for the Town and its partners as it strives to optimize its economic development potential. This critical path is built on four steps with each step supported by specific action plans.

One of the key considerations in the effective implementation of this Strategy will be an understanding of how the Strategy is to be resourced. This includes the financial resources required to move forward and the ability to clearly identify the roles and responsibilities between Town Council, municipal staff, and local and regional stakeholders. With a number of action items identified by the Strategy receiving "highest of high priority" status, it is important to recognize that an increase in resources is required to facilitate the swift and successful implementation of these actions.

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<sup>1</sup> Randall Bartlett. TD Economics. 2015 Quarterly Economic Forecast. [www.td.com/document/PDF/economics/qef/qefdec2014\\_canada.pdf](http://www.td.com/document/PDF/economics/qef/qefdec2014_canada.pdf)



The following sections within this executive summary highlight the most important facets of the entire Strategy.

## Methodology

The methodology used to develop the Strategy combined research and analysis of the planning context in Paradise and the province with a comprehensive consultation and engagement process with local and regional business and community leaders. The research also included an investment readiness exercise to create a “real world scenario” to measure the capacity at the Town of Paradise to fulfill requests for information by potential investors. These research and consultation efforts provided a foundation from which to create informed strategic directions for Paradise with resulting actions on how to implement those directions.

## Local Planning Context

The Town of Paradise is located within the St. John’s Census Metropolitan Area (CMA) in the Province of Newfoundland and Labrador. Paradise is one of the fastest growing municipalities in Canada (84% growth in population from 2001 to 2011). Over the past decade, Paradise has been successful in attracting new development opportunities and new businesses through a series of favourable development incentives and its strategic proximity to St. John’s. With this growth, however, there have been significant infrastructure challenges requiring considerable local investment to reduce bottlenecks in the community. In recent years, many of the Town’s infrastructure investments have been realized, which has benefited the Town’s strong residential and commercial-industrial base. Accordingly, the Town of Paradise is now well poised to build on its many assets to optimize its position to sustain its current level of prosperity well into the future.

Until recently, the Town of Paradise has been operating within the backdrop of a “sizzling” provincial economy, largely centered in the St. John’s CMA. In 2013, the Real Gross Domestic Product (GDP) in the province grew by 5.9% leading all other Canadian provinces (almost double the rate of the next highest), while investments in the province reached record levels at \$12.3 billion (an increase of 31.4% from 2012). Investments were driven largely by major resource projects in the oil and gas, utilities, and mining sectors. Provincial household income reached a 30 year high in 2013, driving retail sales to also reach a 30 year high. The unemployment rate was at a 40 year low at 11.4%. Roughly 50% of the economic activity for the province is based in the St. John’s CMA.

## PROJECT METHODOLOGY

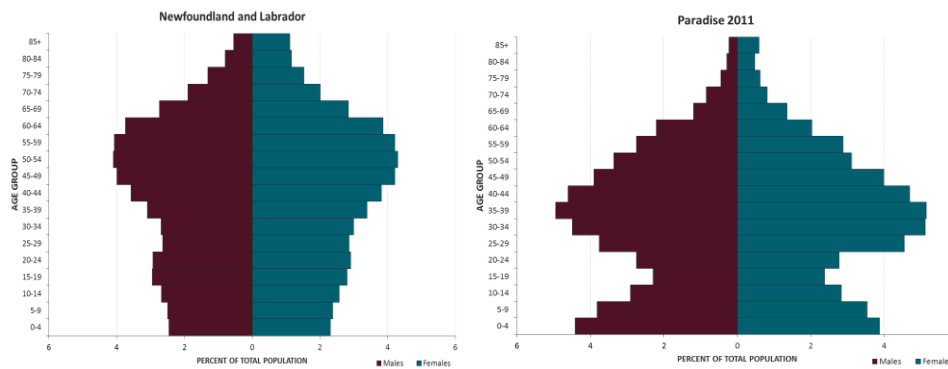




## Major Demographic Trends

As of 2011, the demographic structure of Paradise was considerably different from the overall structure of Newfoundland and Labrador. The proportion of the working age population (24 to 50 years old) and younger age groups (0 to 14 years old) in Paradise are much larger when compared to the provincial population. Looking ahead, these differences are expected to play a significant role in the formation of local public policy and infrastructure. Paradise, for example, will need to provide more capacity for its schools while the rest of the province will focus on providing services to seniors to allow them to age in place. Moreover, job creation and retention will require a unique approach when compared to the broader provincial needs.

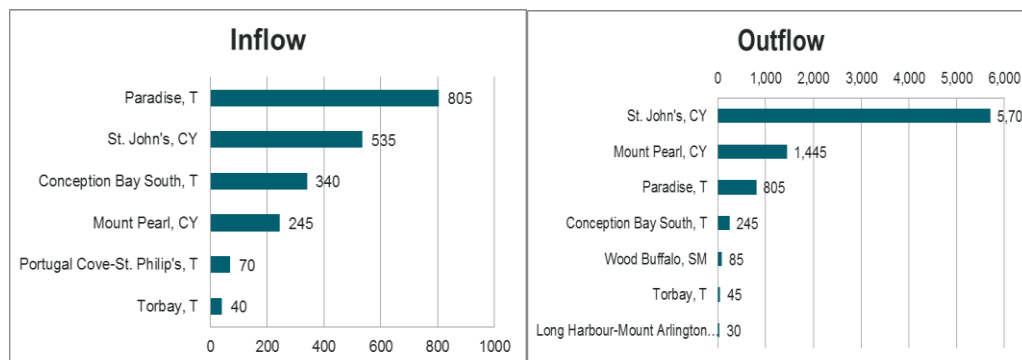
### PARADISE AND NEWFOUNDLAND AND LABRADOR POPULATION PYRAMIDS, 2011



Source: Statistics Canada. 2011. National Household Survey. Community Profiles. Adapted by Millier Dickinson Blais Inc.

While the Town of Paradise’s working age population is relatively large relative to provincial trends, roughly 70% of the total labour force in Paradise commutes outside of the municipality for work each day. Labour force leakage to the City of St. John’s and Mount Pearl, in particular, affects labor force development in Paradise. The large amount of labor force leakage to neighbouring communities represents a significant source of lost economic activity within the municipal borders of the Town of Paradise.

### DAILY COMMUTING PATTERNS, 2011



Source: Statistics Canada-2011 National Household Survey.



## Competitive Advantages & Disadvantages

### Competitive Advantages

One of Paradise's largest competitive advantages is its relatively large inventory of available land for development. This inventory positions Paradise well for continued residential and business growth compared to other Avalon Peninsula municipalities. Paradise's competitive costs of doing business, including favourable development costs, taxes, and property prices, have helped to draw new business and investors to the community. Continued competitive costs of doing business position Paradise well to continue to attract investment in the community.

A relatively young, well-educated, and affluent population is another strong competitive advantage enjoyed by Paradise. These demographic characteristics position Paradise well to create new opportunities for residents to work and shop within the community. With a municipal leadership that is quick to adopt policies that support the community's needs (such as increasing transportation and recreation infrastructure), local business leaders view Paradise as a good place to do businesses.

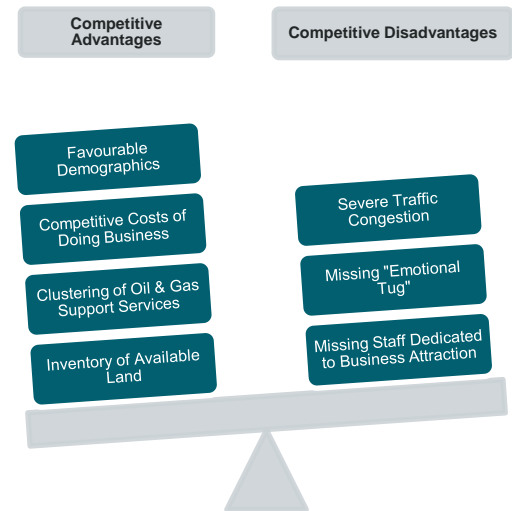
### Competitive Disadvantages

Paradise must overcome a number of competitive disadvantages before it can realize its full potential. First, there are significant gaps in the way the municipality works to attract new businesses and investors to the community. Without a dedicated staff member actively marketing Paradise to potential investors, any work to bring new business into the community is conducted on an 'ad hoc' or 'one-off' basis.

A further challenge is the missing "emotional tug" of residents towards the Town of Paradise. With the majority of residents having moved to the community from elsewhere, there is a concern that residents might not necessarily feel motivated to support local business. Instead, residents frequent businesses outside of the community to suit their needs. With roughly half of the population of Paradise leaving the community every day for work and the majority of shopping destinations located outside of Paradise, this lack of an emotional tug is exacerbated.

Finally, Paradise is well-known for its severe traffic congestion, both in and out of town during rush hour. Traffic congestion is one of the first things business and community members raise when asked about Paradise. While being addressed, this well-known traffic issue is a significant competitive disadvantage for the community as residents and businesses leave or overlook the community for other areas without the same issues.

### OVERVIEW OF PARADISE'S COMPETITIVE ADVANTAGES & DISADVANTAGES





## Mock Site Selection Findings

The site selection exercise highlighted the Town's strengths and weaknesses when responding to a Request for Information (RFI) by a potential investor. The exercise found that the Town's planning staff is well versed in the technical requirements associated with new developments and associated development charges and development process requirements. When pressed with "tough" questions beyond the scope of the RFI, the planning staff offered informed responses and had extensive knowledge of existing developments and potential sites for future developments. Staff were good verbal communicators and created a cordial atmosphere for discussion.

The exercise, however, revealed some major weaknesses that need attention. In particular, the Town's planning staff are not "sales oriented" in their response and discussions for the RFI, instead focusing on delivering the requested information without necessarily considering the implications of that information for a potential investor/developer. The Town's presentation of RFI findings was not a "pitch" of the Town and why it is the best place to invest, but rather more of a technically driven discussion with a lack of visual aids when presenting potential sites for development (e.g. no printed or branded maps). In this regard, a lack of a dedicated economic development officer to coordinate responses to RFI in a sales oriented manner was identified as a major gap in the service delivery of the municipality.

## The Critical Path for Paradise

A series of key principles articulated by community and business leaders throughout the length of the research and engagement activities of the project have been adopted to help guide the setting of strategic priorities for Paradise. These principles are:

- Adopt an explicit culture of 'customer first' service within the municipality
- Promote strategic business and residential growth, not growth for its own sake
- Improve residents' quality of life by fostering a strong local sense of place
- Ensure the Town of Paradise's fiscal sustainability
- Seek to diversify the local economy and business composition
- Pursue inter-municipal collaboration to further economic development goals

### THE CRITICAL PATH FOR PARADISE







## **Critical Path Step 1: Commitment to Service Excellence and Increasing the Town’s Economic Development Capacity**

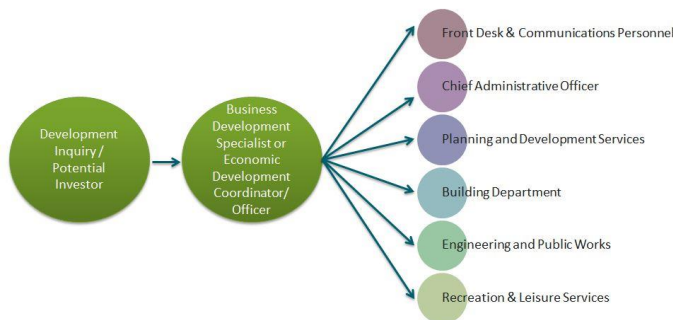
Good customer service will leave a positive impression, build and enhance business relationships, land deals for new development, and ensure future referrals.

Across Canada there are communities with processes in place to ensure excellence in client management and customer service for potential new investors and existing businesses. If the Town can convey the message that customer service is a priority to investors and entrepreneurs and deliver on its promise, Paradise will attract significant investment attention.

The Town of Paradise has room to improve in a number of areas related to economic development. First and foremost, the Town is without a singular point of contact for developers or potential investors. On the Town’s existing website under the “starting a business” tab, the Chief Administrative Officer is listed as the primary contact (although the phone number and email address provided on this page direct investors to the Town’s generic contact details). The communication channels between the Town and potential investors are inconsistent and applied differently according to each new inquiry. For many projects, clients need to contact multiple departments within the Town. If the coordination with neighbouring municipalities or external service providers is involved, there would also be multiple contact points.

As the competition for private sector investment becomes more intense, the Town of Paradise must offer tailored services designated to specific investors -- there is a need for a flexible structure and business process to serve the customers more efficiently and effectively. A business development specialist or economic development coordinator/officer position which would be responsible for understanding the need of business clients, and coordinating services and information for them would position Paradise well for future economic development. All other Town departments would then work to support the specific needs of the coordinator in ensuring potential investors in Paradise are convinced that Paradise is right for them.

### TOWN OF PARADISE INVESTMENT INQUIRY PROCESS - RECOMMENDED



Source: Millier Dickinson Blais Inc. 2014.



GOALS AND ACTIONS FOR CUSTOMER SERVICES INCREASING THE TOWN'S ECONOMIC DEVELOPMENT CAPACITY

Goals	Actions (Paradise's Role)	Priority
<b>1. Increase Economic Development Capacity</b>	<ol style="list-style-type: none"> <li>1. Create and full time Business Development Specialist or Economic Development Coordinator/Officer Position</li> <li>2. Maintain a detailed source of community data including skills inventory, a community profile, labour market statistics, and up to date business directory. Ongoing updates should be provided (minimum semi-annually for all but Skills Inventory which is annual)</li> <li>3. Develop and maintain a vacant land and storefront inventory</li> <li>4. Develop and maintain a 'shovel ready' development land inventory</li> <li>5. Work towards the gold standard of investment readiness</li> </ol>	<ol style="list-style-type: none"> <li>1. Highest</li> <li>2. High</li> <li>3. Medium</li> <li>4. High</li> <li>5. Low</li> </ol>
<b>2. Create a culture of Customer First service and create one-stop service and business process</b>	<ol style="list-style-type: none"> <li>1. Educate and engage Council and Senior Staff to create a customer services environment and filter it through the entire organization</li> <li>2. Prepare "ready to go" collateral material to expedite customer service</li> <li>3. Create expedited service channels and process to serve urgent cases</li> <li>4. Identify channels and process to provide tailored services to new business customers and redevelopment need</li> <li>5. Build relationships and partnerships through customer services by solving problems and streamlining information</li> <li>6. Track communication and project work with investors, stakeholders and the business community through a customer relationship management (CRM) system</li> <li>7. Develop a "one team" Paradise approach to investment attraction efforts. Once an opportunity is identified Town staff should know who the local stakeholders are in the community and region that need to be brought into the room. Staff should compile and maintain a list of HR, real estate, accounting, legal, and financial professionals.</li> </ol>	<ol style="list-style-type: none"> <li>1. High</li> <li>2. High</li> <li>3. Medium</li> <li>4. Medium</li> <li>5. Medium</li> <li>6. Medium</li> <li>7. Medium</li> </ol>
<b>3. Establish customer service standards and customer expectation</b>	<ol style="list-style-type: none"> <li>1. Upgrade and commit to service standards</li> <li>2. Identify service process and time expectation</li> <li>3. Streamline regulations and make it easy and transparent for developers</li> </ol>	<ol style="list-style-type: none"> <li>1. High</li> <li>2. High</li> <li>3. Medium</li> </ol>



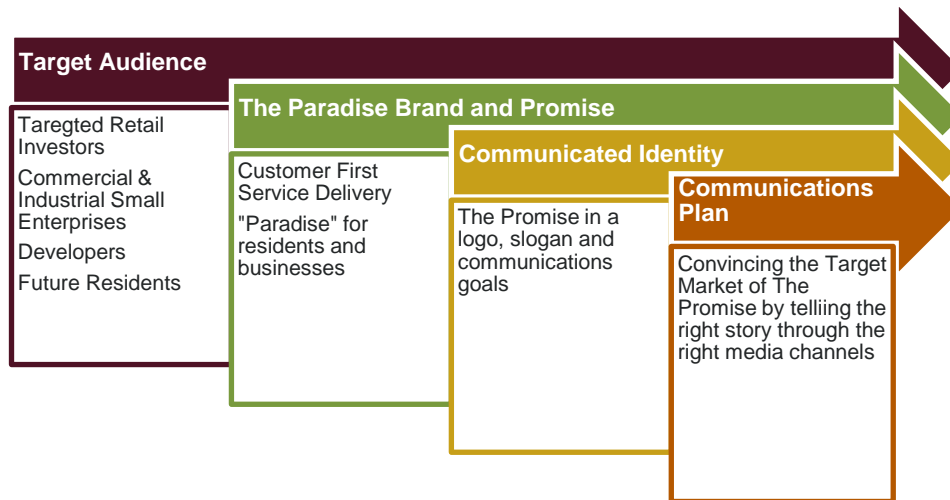
## **Critical Path Step 2: Place Making and Improved Communications**

Paradise has undergone tremendous population growth over the last decade. As a result, the majority of Paradise's current residents did not grow up in the community. This demographic reality poses several challenges for Paradise as it seeks to forge an identity and move beyond its traditional moniker as simply a bedroom community for St. John's.

In this regard, it is important to understand a community identity takes time to create. In other "new" communities, a shared sense of place and sense of community pride has taken decades or generations to establish. Therefore the Town must be realistic with its expectations. It will take some time before residents feel a deep sense of loyalty or obligation to support the community and local businesses. With that said, the Town has already made significant inroads towards this goal. Civic investments in the arena and signature community events have already paid dividends. Residents and local businesses have noted their happiness and appreciation for these community amenities.

Moving forward, the Town should devote resources to addressing this community short-coming because it undermines the Town's ability to differentiate itself as a great place to live and do businesses. To this end, establishing a brand of customer first service excellence as described above will help to differentiate the Town and support messages to a number of target markets.

### OBJECTIVES AND TARGET MARKETS OF PARADISE'S COMMUNICATIONS STRATEGY







GOALS AND ACTIONS FOR PLACE MAKING AND IMPROVED COMMUNICATIONS

Goals	Actions (Paradise's Role)	Priority
<b>1. Increase the awareness, understanding and support for economic development within Paradise</b>	<ol style="list-style-type: none"> <li>1. Create a communication channel between Council and the private sector and showcase Council support for business development</li> <li>2. Engage frequently with businesses (e.g. meetings, celebrations)</li> <li>3. Engage professionals in key business and community promotion</li> </ol>	<ol style="list-style-type: none"> <li>1. High</li> <li>2. High</li> <li>3. Medium</li> </ol>
<b>2. Establish Town as a Partner for economic development</b>	<ol style="list-style-type: none"> <li>1. Identify potential internal and external partners with financial benefits and business opportunities</li> <li>2. Engage local non-profit and volunteer groups for economic development activities</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Medium</li> </ol>
<b>3. Activate Customer First Service experience</b>	<ol style="list-style-type: none"> <li>1. Illustrate The Promise of Customer First Service Delivery through the Town's Identity</li> <li>2. Develop a Communications Plan that identifies the channels to convey The Promise</li> </ol>	<ol style="list-style-type: none"> <li>1. High</li> <li>2. High</li> </ol>
<b>4. Create community identity and unity</b>	<ol style="list-style-type: none"> <li>1. Identify or create social gathering places or occasions for people to meet and build network of relationships that creates a true community</li> <li>2. Promote local brands whenever possible</li> <li>3. Source Town purchases from local retailers</li> <li>4. Establish a formalized volunteer recruitment program</li> <li>5. Focus particularly on new residents in the community as a means of engaging them in community life.</li> <li>6. A personal welcome: To support community cohesion and the strengthening of the Town's image as a place to live and work, new local residents and workers should have a personal welcome. A volunteer or the coordinator would meet them in person, collect and maintain contact information and provide them with a welcome package that introduces them to community services. Ongoing communications would be provided to the newcomers, sharing news about community activities, tips on enjoying life in Paradise, and welcoming new people.</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Medium</li> <li>3. High</li> <li>4. Medium</li> <li>5. Medium</li> <li>6. Medium</li> </ol>

**Critical Path Step 3: Supporting Local Businesses**

Fostering a supportive business environment in which the Town's existing businesses can grow and thrive is extremely important. Many times community leaders and the media are caught up in the excitement of luring new companies to their area, only to realize that they are replacing companies who have been 'lured' someplace else.

Few people would argue with the assertion that existing businesses are important to the local economy. Over the last two decades studies have documented the impact of existing businesses on job growth. Other studies have examined the impact of businesses on maintaining strong local economies through investments in the social



fabric of the community. Finally, existing businesses are always a primary source of information about the community for companies looking to relocate.<sup>2</sup>

In this context, the Town should initiate a business retention and expansion program (BR+E). The primary objectives of this program include:

- Connecting local businesses to the resources and services they need to be even more competitive.
- Measuring, evaluating and developing strategies to address the needs of local businesses.
- Helping local businesses to identify and overcome barriers to growth, and providing a tailored solution to connect clients with the resources and services they need to succeed.

In time, this program will become an umbrella under which a number of business supporting activities will occur. Tailored business workshops, shared industry training, and local business networking are a few examples of these activities. In sum, this program will deliver on the Paradise Brand and Promise as outlined in the previous step in the critical path.

#### GOALS AND ACTIONS FOR SUPPORTING LOCAL BUSINESSES

Goals	Actions (Paradise’s Role)	Priority
<b>1. Retain existing business; expand existing business; Identify new business opportunities related to existing businesses</b>	<ol style="list-style-type: none"> <li>1. Engage regular communications with existing businesses, maintain on-going dialogues and develop a business culture within the Town</li> <li>2. Conduct a sector specific business BR+E survey (different sector each year or six months) Answer the questions:               <ul style="list-style-type: none"> <li>• What barriers to growth need to be removed?</li> <li>• What opportunities exist in the broader economy as well as for individual businesses?</li> </ul> </li> <li>3. Showcase recent success</li> <li>4. Identify ambassadors in the business community to advocate for the Town</li> <li>5. Ensure Municipal Plan is consistent with local goals</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. High</li> <li>3. High</li> <li>4. Low</li> <li>5. Highest</li> </ol>
<b>2. Develop promotional/marketing material that portrays The Promise; Promote small business</b>	<ol style="list-style-type: none"> <li>1. Encourage development of local space that allows for small professional services agencies like engineers, accountants, legal services, public relations and internet/website services</li> <li>2. Market and promote the Lone Eagles environment within Paradise</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Medium</li> </ol>

<sup>2</sup> Henry M. Cothran. (2013). Business Retention and Expansion (BRE) Programs: Why Existing Businesses Are Important. University of Florida. The Institute of Food and Agricultural Sciences (IFAS).



## **Critical Path Step 4: Targeted Investment Attraction**

“Targeted Investment Attraction” contains a wide spectrum of opportunities which have presented themselves throughout the strategic planning process. Admittedly it is a broad statement of focus; however, the importance of this array of opportunities must be emphasized as the Town becomes more pro-active yet selective in its approach to development. In the years ahead, Paradise will strengthen its economy with initiatives that move beyond the traditional maxims of expanding the tax base through unbridled residential and industrial growth.

In accordance with the “Guiding Principles for Economic Development in Paradise” this step in the critical path is centred on the promotion of strategic business and residential growth, not growth for its own sake. This step also supports the diversification of the local economy with the ultimate goal of improving residents’ quality of life and fostering a strong local sense of place.

### **Retail Development**

The resident population and business community have voiced keen desire to expand the retail, food and personal services available in Paradise. In other words, residents would prefer to travel a shorter distance for their day-to-day goods and services. Looking ahead, while there are opportunities to encourage more local retail development, the Town should be cautious about the types of retail businesses it encourages. Regional market saturation is a primary concern for many ubiquitous retail goods and services. Population thresholds to support certain retail businesses must be considered at the regional scale. Since municipal boundaries are generally irrelevant to consumers it will be prudent to encourage the development of regionally unique retail offerings. Whenever possible, retail developments should be geographically positioned to service civic amenities in the hopes of creating more complete “community hubs”.

### **Residential Development**

Single-detached homes define the majority of the local residential housing stock. As the Town’s population ages and their needs begin to change, there will be a need for more diverse residential options. Encouraging a broader range of housing densities, with varying price points will serve the town and its population well. Increased residential densities will also support the viability of public transit. In the same vein, encouraging more mixed land uses with residential and commercial/ retail fosters self-sustaining neighbourhoods.

### **Industrial and Commercial Development**

Paradise is in a privileged regional position to have developable industrial and commercial lands. With this position, the Town should be selective in the types of development it encourages and approves. Serviced employment lands are a precious commodity and should be treated accordingly. The Town should seek out those developments which maximize the Town’s return on investment. For example, the Town should:





- Move to the highest and best use of serviced industrial lands
- Pursue high rates of site coverage
- Encourage development of prestige office space

The development of prestige office space will facilitate the growth of the town's, already well established, professional scientific and technical services sector. Paradise is home to a large number of sole proprietors who work in this space. Some of these sole proprietors are considered 'Lone Eagles'; they are knowledge workers with highly transportable skills, such as writers, analysts, accountants, sales professionals, manufacturers' representatives and other advisors. Most Lone Eagles live in large cities, but many are moving to smaller neighboring a better quality of life. While Paradise is still part of the "big city" it has many smaller town characteristics and amenities. Given the relative cost of office space in St. John's, Paradise is well positioned to attract a large number of these professionals.

### **Regional Approach to Development**

As noted in a recent report from the Harris Centre at Memorial University, integrated regional approaches to development help to avoid the traditional problem of creating winners and losers. Instead, regional approaches to economic development focus on identifying potential strengths and acting to make a region economically stronger together.<sup>3</sup>

The St. John's CMA has been a hotbed for investment over the last decade. Oil and gas related activities have transformed the economic and built landscape of the entire region. Today, however, the region's communities are no longer satisfied with just job creation or increased tax assessment; nor should they be. It is now about strategically aligning investment with the strengths of each community. From this perspective, there are some investments that make sense for Conception Bay South and not for Paradise or vice versa. Accordingly, building and maintaining close relationships with the region's economic development and planning community will foster more strategic developments at the regional level. In time, these relationships may be formalized to include official memorandums of understanding for lead generation and follow-up protocols. In time, this approach will pay dividends for Paradise and its neighbours.

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<sup>3</sup> David Freshwater et al. 2014. Local Labour Markets as a New Way of Organizing Policies for Stronger Regional Economic Development in Atlantic Canada. The Harris Centre of Memorial University.



GOALS AND ACTIONS FOR TARGETED INVESTMENT ATTRACTION

Area	Goals	Actions (Paradise's Role)	Priority
<p><b>1. Retail Development</b></p>	<ol style="list-style-type: none"> <li>1. Meet the need of self-sufficient community (while not competing directly with St. John's)</li> <li>2. Promote local brand and local shops</li> <li>3. Leverage retail to support the creation of community hubs</li> </ol>	<ol style="list-style-type: none"> <li>1. Using existing market analysis, provide a Paradise wide market analysis and marketing plan for local shops that developers will use in their promotions</li> <li>2. Identify local brands that are worth promotion and market Made In Paradise</li> <li>3. Introduce policies to encourage the geographic positioning of retail developments adjacent to civic amenities.</li> <li>4. Through the new MDP or the creation of a new CIP, establish tight façade and signage guidelines along major transit corridors</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Medium</li> <li>3. Highest</li> <li>4. Highest</li> </ol>
<p><b>2. Residential Development</b></p>	<ol style="list-style-type: none"> <li>1. Diversity the types of housing available in Paradise</li> <li>2. Increase unit densities to support the viability of public transit</li> <li>3. Foster self-sustaining neighbourhoods</li> </ol>	<ol style="list-style-type: none"> <li>1. Identify medium-high density residential nodes and zone them accordingly.</li> <li>2. Introduce minimum density requirements for large scale developments</li> <li>3. Encourage more mixed use commercial and residential developments within the Municipal Plan.</li> <li>4. Encourage community walkability between residential and commercial / retail developments with rigid site plan guidelines.</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Medium</li> <li>3. Highest</li> <li>4. Highest</li> </ol>



Area	Goals	Actions (Paradise's Role)	Priority
<b>3. Industrial and Commercial Development</b>	<ol style="list-style-type: none"> <li>1. Maximize tax assessment from serviced employment lands</li> <li>2. Encourage office space to support Lone Eagles</li> <li>3. Foster an environment for small business growth</li> </ol>	<ol style="list-style-type: none"> <li>1. Continue to attend oil and gas related trade shows (ensure a regional approach is taken with these activities)</li> <li>2. Engage in targeted investment attraction activities in partnership with local businesses</li> <li>3. Explore partnership opportunities with Memorial University to support local businesses through internships, work placements, co-op programs and mentorship opportunities.</li> <li>4. Identify and attract new business opportunities that enhance the value chains of existing business in Paradise</li> <li>5. Identify and promote existing local office space to be occupied by Lone Eagles.</li> <li>6. Coordinate with developers to ensure new prestige office space is a priority for future developments.</li> <li>7. Consider the introduction of a minimum site coverage requirement in the Municipal Plan.</li> </ol>	<ol style="list-style-type: none"> <li>1. Ongoing</li> <li>2. Medium</li> <li>3. Medium</li> <li>4. Medium</li> <li>5. High</li> <li>6. High</li> <li>7. Highest</li> </ol>
<b>4. Regional Approach to Development</b>	<ol style="list-style-type: none"> <li>1. Work with other communities in the region to enhance the regional competitiveness</li> <li>2. Build and maintain relationships with the region's economic development and planning community</li> <li>3. Establish formalized lead generation and handling protocols with regional partners</li> <li>4. Leverage regional / provincial community funding opportunities</li> </ol>	<ol style="list-style-type: none"> <li>1. Work collectively with other regional communities to develop joint initiatives (share the cost of business workshops etc.).</li> <li>2. Establish stronger relationship with community ACOA representative</li> <li>3. Establish partnerships with regional agencies and NGO's to support and enhance program delivery. The Town can leverage existing programming offered by provincial agencies and non-profit groups, to provide local businesses with additional resources and educational opportunities. For example, Export Development Canada and the Business Development Bank of Canada provide resources and training seminars to help business throughout the country grow and expand. There is currently a push by these organizations to support ICT and technology related business developments. Collaborative opportunities should be explored in relation to the business park.</li> <li>4. Actively attend events and seminars throughout the region to: build the Town's network of business contacts; show support for regional initiatives; generate awareness of the Town and learn industry and municipal best practices.</li> <li>5. Play a greater role in the Mount Pearl-Paradise Chamber of Commerce</li> <li>6. Play a Greater Role in the St. John's Board of Trade</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Highest</li> <li>3. High</li> <li>4. High</li> <li>5. High</li> <li>6. High</li> </ol>



# INTRODUCTION



Two of Paradise's younger residents at the local Skate Park



## 2 INTRODUCTION

In recent years Newfoundland and Labrador's economy has surged to unprecedented heights. Gross Domestic Product in the province grew by 5.9% from 2012 to 2013, leading all other Canadian provinces. At the same time investments in the province reached record levels at \$12.3 billion (an increase of over 30% from 2012). While overall oil and gas related investment has driven this economic growth, events over the last several months have once again demonstrated the volatility of the oil and gas sector. With the price per barrel of oil still struggling to find a bottom, in 2015 the Province is projected to lose between \$400 and \$700 million in revenues.<sup>4</sup> Taken together, these events underscore the importance of economic diversification—when negative market forces affect one sector of the economy other economic engines must be strong enough to shoulder the burden...

The Town of Paradise is located within the St. John's Census Metropolitan Area (CMA) in the Province of Newfoundland and Labrador. Over the past decade (with a tremendous 84% growth in the population from 2001 to 2011), Paradise has been successful in attracting new resources, new development opportunities, and new businesses through a series of favourable development incentives. With this growth, however, there have been significant infrastructure challenges requiring considerable local investment to reduce bottlenecks in the community. In recent years, many of the Town's infrastructure investments have been realized, which has benefited the Town's strong residential and commercial-industrial base. Accordingly, despite the recent downturn to the oil and gas sector, the Town of Paradise is well poised to build on its many assets to optimize its position and to sustain its current level of prosperity well into the future.

### 2.1 Project Objectives

The *Town of Paradise Economic Development Strategy* identifies opportunities for development and goals for the future prosperity of the Town of Paradise. The Strategy provides a fact-based understanding and plan that outlines the current state of the Town's economy. The Strategy further examines the growth challenges and opportunities faced by Paradise and then explores leading and emerging trends in investment readiness and business retention and expansion in municipalities across Canada. This fact-based understanding is combined with an extensive consultation with local and regional stakeholders to create a number of strategic directions for a prosperous future for the Town of Paradise. The Strategy outlines the opportunities associated with the strategic directions and includes an action plan detailing how to achieve each of the proposed goals.

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<sup>4</sup> Randall Bartlett. TD Economics. 2015 Quarterly Economic Forecast. [www.td.com/document/PDF/economics/qef/qefdec2014\\_canada.pdf](http://www.td.com/document/PDF/economics/qef/qefdec2014_canada.pdf)





## 2.2 Why this needs to be a Living Document

The Town of Paradise Economic Development Strategy is a foundation on which to continue to develop a prosperous local economy. The activities included in the action plans all have a time line so that they can be prioritized and resources allocated appropriately. That being said, it is important to recognize that the Strategy should not be treated as a static document. The findings in this report should continually be re-assessed as the context of Paradise changes, including changes in the economy, demographics, and provincial and regional developments. By treating the Strategy as a living document, the Town of Paradise can ensure that the findings remain relevant and contribute towards the overall objectives of supporting the continued economic prosperity of the Town of Paradise.

## 2.3 Methodology

The methodology used for the Town of Paradise Economic Development Strategy combined strong research and analysis of the current planning context in Paradise and the Newfoundland and Labrador economy with a comprehensive consultation and engagement process with local business and community leaders, and regional and external organizations. The research phase also included an investment readiness exercise to create a “real world scenario” to measure the capacity at the Town of Paradise to fulfill requests for information by potential investors. These research and consultation efforts provided a foundation from which to create informed strategic directions for Paradise with resulting actions on how to implement those directions.

The detailed components of the methodology include:

- **Project Launch** - Project initiation, work plan, outreach consultation plan and confirmed report outline
- **Research and Engagement** - Background review, economic base analysis, an online survey, two focus groups (one with leaders in the Paradise business community, and the other with the EDSSC), key informant interviews, and an investment readiness exercise
- **Strategic Directions & Action Planning** - SWOT analysis, competitive advantages and disadvantages, selection of future directions and opportunities, action planning, and draft final report to the EDSSC
- **Project Conclusion** – Finalizing the Economic Development Strategy and final presentation to the EDSSC and Town Council

FIGURE 1: PROJECT METHODOLOGY





## 2.4 Report Structure

The Town of Paradise Economic Development Strategy is organized into a number of sections:

**Section 3** provides an overview of the growing regional economy of the province of Newfoundland and Labrador and how the Town of Paradise is situated within that economy. Information on the demographic, economic, and labour force profile for Paradise is also presented. A summary of all consultation activities (survey, focus groups, and interviews) can also be found in this section. The section concludes with a summary of the investment readiness assessment for Paradise.

**Section 4** outlines the strengths, weaknesses, opportunities and threats for the Town of Paradise and its associated economy. The discussion continues by detailing Paradise's competitive advantages and disadvantages. The section concludes by exploring some of the sectors creating economic growth in Paradise, and highlights some of the guiding principles for economic development in Paradise.

**Section 5** introduces the guiding contextual considerations for economic development in Paradise. It then presents the critical path steps required to advance the Town's economic development agenda.

**Sections 6** provides distinct actions plans to support each of the critical path steps outlined in section 5.

A number of **Appendices** are also included with additional information that expands on the sections presented in the main body of the report.



An aerial photograph of a residential neighborhood. A prominent, light-colored, winding road curves through the center of the image. The surrounding area is densely packed with houses of various colors and styles, interspersed with green trees and grassy lawns. The overall scene depicts a typical suburban or rural residential development.

# WHERE ARE WE NOW?

Gosse's Road and surrounding neighbourhoods.





# 3 WHERE ARE WE NOW?

## 3.1 Provincial Economic Overview

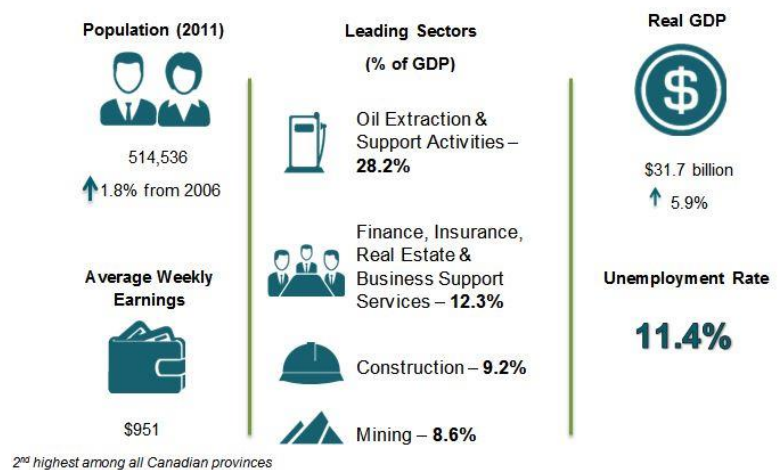
The economy of Newfoundland and Labrador was very strong in 2013. Real Gross Domestic Product (GDP) in the province grew by 5.9% from 2012 to 2013, leading all other Canadian provinces (almost double the rate of the next highest), while investments in the province reached record levels at \$12.3 billion (an increase of 31.4% from 2012). Investments were driven largely by major resource project developments such as the Hebron project in the oil and gas sector, the Muskrat Falls project in the utilities sector, and Vale’s nickel processing facility in the mining sector. Household income reached a 30 year high in 2013, driving retail sales to also reach a 30 year high. The unemployment rate was at a 40 year low at 11.4%.

### 3.1.1 Key Sectors Responsible for the Strong Provincial Growth<sup>5</sup>

A number of sectors are leading the strong provincial economic growth. They are:

- **Oil & Gas** - Oil extraction and related support activities accounted for 28.2% of provincial GDP in 2012, more than double any other one industry. Offshore oil royalties accounted for 24% of total provincial revenues from 2012-2013, with a cumulative production value of oil in the province totaling \$102 billion since 1997.
- **Real Estate** - The number of residential sales declined in the province, though residential prices increased by 5.3%. In the St. John’s CMA, the average MLS®<sup>6</sup> residential price was \$301,300, up by 5.5%.
- **Construction** - Investment in the provincial construction sector grew by 33.1% from 2012 to 2013 rising to \$10.2 billion (the highest gain among all Canadian provinces). The construction sector accounted for 9.2% of provincial GDP in 2013 and was led primarily by private sector investments in resource based major project activity (representing 80% of

Fast Facts about the Province of Newfoundland and Labrador (2013)



Source: Statistics Canada, 2011 Census Profile; Economic Research and Analysis Division, Department of Finance, Government of Newfoundland and Labrador, "The Economy 2014: Provincial Economic Overview"

<sup>5</sup> Economic Research and Analysis Division, Department of Finance, Government of Newfoundland and Labrador, "The Economy 2014"

<sup>6</sup> MLS is the Canadian Real Estate Association’s Multiple Listing Service



the sector investment). Construction sector employment and wages have each doubled since 2001, with 2013 being the highest level of employment in the sector ever recorded in the province.

- **Mining** - The mining sector accounted for 8.6% of provincial GDP in 2013, with a total value of \$3.7 billion (down 4% from 2012). This decrease was due to lower provincial nickel production combined with decreases in world prices. Despite these decreases, total employment associated with mining in 2013 was the highest level in the history of the province.
- **Tourism** - Tourism contributed \$467.4 million to the Newfoundland and Labrador economy in 2013, with tourism receipts growing by 10.1% since 2011. The tourism industry saw a slight decrease in non-resident visitors in 2013, dropping by 1.5% to 497,000 non-resident visitors, but remains an emerging economic contributor to the province.

Economic activity in the province is expected to remain strong in 2014 with a forecasted increase in capital investments around major projects of 2.4%, an increase in oil production by 1.8% and an increase in the value of mineral shipments by 2%. Growth in the province, however, is expected to be smaller in 2014 than in 2013 due to lower levels of investment and employment at Vale's nickel processing facility in Long Harbour as the construction phase moves into the commissions and production phase. Both the Hebron and Muskrat Falls projects are expected to continue to post high levels of investment and employment as construction continues on each project.

### 3.1.2 St. John's Census Metropolitan Area<sup>7</sup>

The St. John's Census Metropolitan Area (CMA) is the capital region for the province of Newfoundland and Labrador and includes St. John's and a number of surrounding towns including Conception Bay South, Mount Pearl, and Torbay.<sup>8</sup> The Town of Paradise is also part of the St. John's CMA.

The St. John's CMA is the major hub of economic activity for the province, accounting for about 50% of Newfoundland and Labrador's GDP. Mirroring the strong provincial economic performance of recent years, the St. John's CMA has experienced strong economic growth, including:

- Increases in resident earnings by more than 57% since 2005 (representing the second largest increase in median total family income among major Canadian cities between 2010-2011)
- Growth in retail sales of 71% (more than \$1 billion) since 2003
- A historically low unemployment rate of 6.1% in 2013

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<sup>7</sup> City of St. John's, "State of the Economy – St. John's Metro", 2014

<sup>8</sup> The complete list of town's included in the St. John's CMA includes Bauline, Bay Bulls, Conception Bay South, Flatrock, Logy Bay-Middle Cove-Outer Cove, Mount Pearl, Paradise, Petty Harbour-Maddox Cove, Portugal Cove-St. Phillip's, Pouch Cove, St. John's, Torbay, and Witless Bay



- Significant declines in office and industrial vacancy rates since 2005, with new office space under construction in the downtown core
- Growth in the tourism sector by 66% in the St. John's CMA since 2003, leading to tourism revenues of \$214.3 million in 2012 and the second highest hotel occupancy rate (73.4%) of all major Canadian destinations in 2013
- Growth by 57% in passenger traffic at the St. John's International Airport (reaching a record high in 2013)

Figure 2 illustrates the specific types of businesses that have been growing in the St. John's CMA from 2009 to 2012. These specific business areas offer a useful reference for Paradise as it seeks to continue to attract non-residential development to the community. The most common growth areas identified relate to professional services, with the growth of engineering services, real estate agents, and lessors of non-residential buildings representing some of the greater increases in the number of new businesses in the St. John's CMA. The growth of professional services businesses supports the fact that there is a growing need for more office space within the St. John's CMA.

FIGURE 2: ST. JOHN'S CMA DETAILED LEVEL SECTOR TRENDS BY TOTAL BUSINESS COUNTS, 2012 -2009

Detailed Sub-Sector Description	2012	2009	% change 2012-2009
Software Publishers	17	7	142.9%
Offices of All Other Health Practitioners	53	29	82.8%
Human Resources Consulting Services	21	12	75.0%
Investment Advice	35	21	66.7%
Other Management Consulting Services	64	39	64.1%
Engineering Services	257	191	34.6%
Real Estate Agents	229	171	33.9%
All Other Professional, Scientific and Technical Services	128	104	23.1%
Offices of Accountants	110	92	19.6%
Offices of Lawyers	190	160	18.8%
Lessors of Non-Residential Buildings (except Mini-Warehouses)	431	369	16.8%
Insurance Agencies and Brokerages	65	58	12.1%

Source: Canada Business Patterns Data. 2009, 2012.

The St. John's CMA is forecasted to continue to grow in 2014 and beyond, but at a slower pace than previously recorded. Personal incomes are expected to continue to grow helping to bolster consumer spending and contribute to the continued steady growth in the retail trade sector.





## 3.2 Local Planning Context and Economic Base Analysis

Roughly 38% of the province’s population resides in the St. John’s CMA. This population has been steadily increasing for 12 consecutive years. While the City of St. John’s population has grown by 7% during this time, the population in the communities surrounding the city has grown by 23%. This larger increase in the surrounding municipalities is highly attributable to the jump in housing prices (a 113% increase since 2005) and the increasing cost of living in the City of St. John’s. As housing and consumer prices increase, residents are drawn to surrounding areas that offer less costly alternatives.

The Town of Paradise has benefitted from this growth in the St. John’s CMA, experiencing a tremendous 84% increase in the population from 2001 to 2011.<sup>9</sup> With an average price for absorbed single-detached housing at \$375,803, living in Paradise offers residents of the Avalon Peninsula a low cost housing alternative relative to neighbouring municipalities in the area (please see Figure 3 below for full details).

FIGURE 3: AVERAGE PRICE (\$) OF ABSORBED<sup>10</sup> SINGLE-DETACHED UNITS, ST. JOHN’S CMA

Submarket	Total		
	YTD 2013	YTD 2012	% Change
City of St. John’s	422,019	424,374	-0.6
Conception Bay South	350,667	334,466	4.8
Mount Pearl	377,103	324,193	16.3
<b>Paradise</b>	<b>375,803</b>	<b>376,958</b>	<b>-0.3</b>
Torbay	405,610	425,619	-4.7
Remainder of the CMA	409,026	374,448	9.2
St. John’s CMA	395,388	38,439	2.1

Source: Canada Mortgage and Housing Corporation, *St. John’s CMA Housing Market Housing Outlook Seminar*, March 5<sup>th</sup>, 2014

While this boom in residential growth in the Town of Paradise has brought significant new resources and development opportunities for the municipality, it also highlighted some significant infrastructure deficits that needed to be addressed to account for the increase in residents. The most talked about infrastructure challenge by residents and business leaders is the significant traffic congestion in the community during the work week’s rush hour.

<sup>9</sup> Statistics Canada, Census of the Population 2006 & 2011

<sup>10</sup> The Conference Board of Canada identifies a dwelling as being “absorbed” when a binding, non-conditional agreement is made to buy or rent the dwelling.



### 3.2.1 Planning for the Future

Given the infrastructure challenges that have emerged, the Town of Paradise has been proactive and successful in the planning and development of a number of new investments to the community that aim to resolve issues that have emerged with the rapid growth of the municipality. Some of the major investments include:

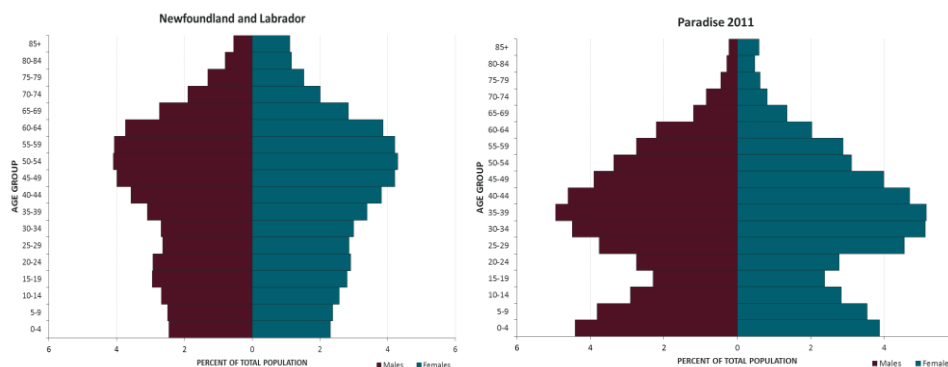
- A new double ice surface recreation arena
- Upgrades to critical road networks
- Upgrades to water and sewer assets
- Implementation of a recycling program and attracting of a green depot for recycling electronic waste, used paint, and used beverage containers
- Expansion of industrial lands
- Improvements to community based program development and recreation facilities (such as trail networks)
- Completion of new traffic studies

The Town of Paradise continues to ensure necessary investments for the community are being accommodated for into the future through the municipality's *Strategic Plan 2013-2017* and *Municipal Plan 2004-2014*. As of writing of this report, the Municipal Plan is in the process of being updated and is scheduled to be adopted in 2015.

### 3.2.2 Demographic Profile

As of 2011, the demographic structure (Figure 4) of Paradise was considerably different from the overall structure of Newfoundland and Labrador. The proportion of the working age population (24 to 50 years old) in Paradise is larger when compared to the provincial population, while the younger age group (0 to 14 years old) reveals a similar pattern. These population trend differences play a significant role in the public policy and infrastructure development needs of Paradise. Paradise, for example, will need to provide more capacity for schools while other areas will focus on providing services to seniors to allow them to age in place. Efforts on job creation and retention also need to be strengthened for Paradise to retain their resident labour force in town.

FIGURE 4: PARADISE AND NEWFOUNDLAND AND LABRADOR POPULATION PYRAMIDS, 2011

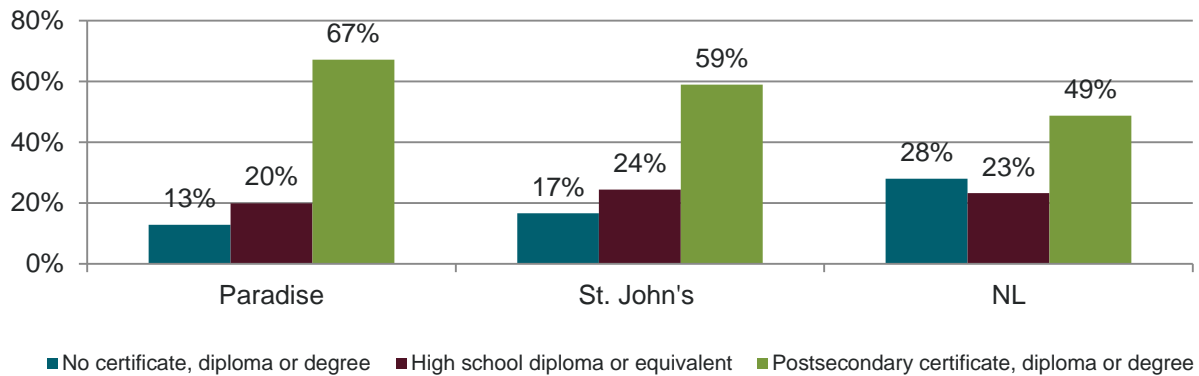




Source: Statistics Canada. 2011. National Household Survey. Community Profiles. Adapted by Millier Dickinson Blais Inc.

In terms of education, the education status for the population in Paradise is relatively high (as seen in Figure 5). Residents of Paradise have a relatively higher percentage of the population that has obtained a postsecondary level of education and a relatively lower percentage of the population with no education above the high school level compared with the City of St. John's and the Province.

FIGURE 5: EDUCATIONAL ATTAINMENT BY DEGREE AND POPULATION, 2011



Source: Statistics Canada - 2011 National Household Survey.

### 3.2.3 Labour Force Profile

The top occupations for Paradise residents (as seen in



Figure 6 below):



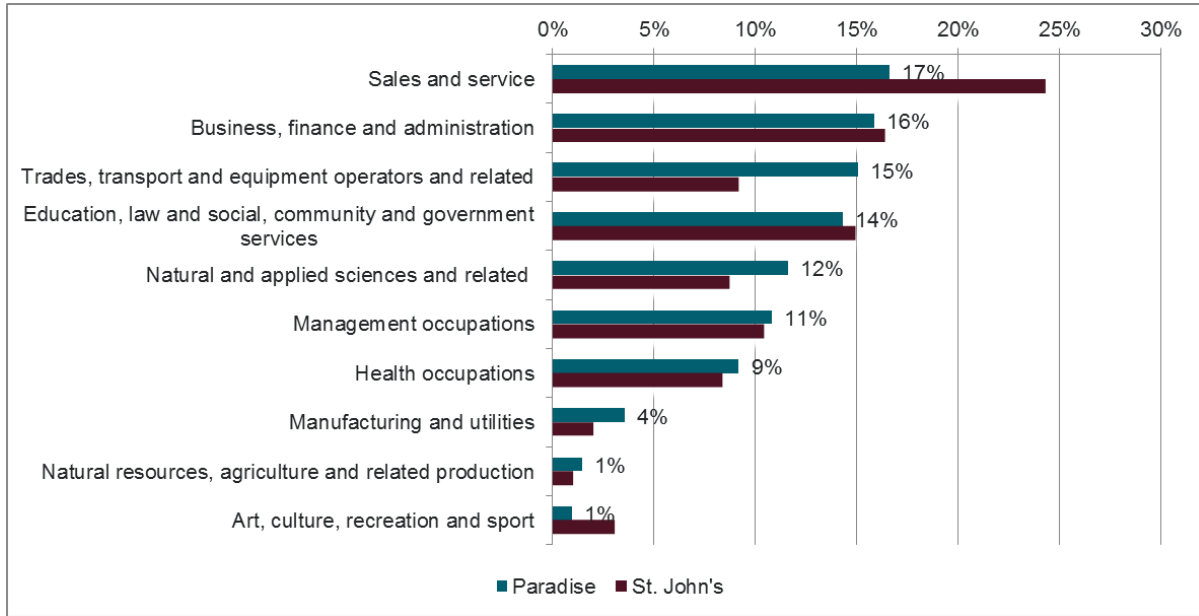


- Figure 30 Sales and service (1,790 jobs)
- Business, finance and administration (1,710 jobs)
- Trade, transport and equipment operators (1,625 jobs)
- Education, law and social, community and government (1,540 jobs)

Note these job figures are based on occupation by place of work. Therefore, these jobs may be located outside of Paradise, but are filled by residents of Paradise.



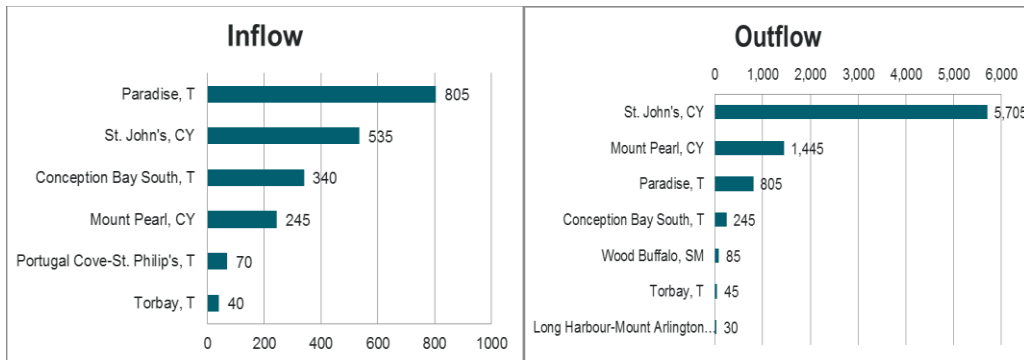
FIGURE 6: EMPLOYMENT BY OCCUPATIONAL CATEGORY, 2011



Source: Statistics Canada - 2011 National Household Survey.

While the Town of Paradise’s workforce fills these jobs, the bigger story is that roughly 70% of the total labour force in Paradise commute outside of the municipality for work each day (as seen in Figure 7 below). Labour force leakage to the City of St. John’s and Mount Pearl in particular is critical to understanding any labor force development in Paradise. The large amount of labor force leakage to neighboring communities further reinforces the mentality in the region that Paradise is a “bedroom community”.

FIGURE 7: DAILY COMMUTING PATTERNS, 2011



Source: Statistics Canada-2011 National Household Survey.



### 3.2.4 Local Business Assessment

In terms of concentration, the following sectors (identified in Figure 8) exhibit the highest proportion of business establishments in Paradise as of 2013:

- Construction (208 businesses, 23.34% of total)
- Professional, Scientific and Technical Services (133 businesses, 14.93% of total)
- Real Estate and Rental and Leasing (95 businesses, 10.66% of total)
- Retail Trade (72 businesses, 8.08% of total)

FIGURE 8: PARADISE BUSINESS BY LOCATION AND SIZE, 2013<sup>11</sup>

	Total	Indeterminate	1-4	5-9	10-19	20-49	50-99	100-199	200-499	500 +	
23 Construction	208		76	72	30	16	13	0	0	1	0
54 Professional, scientific and technical services	133		73	49	9	1	1	0	0	0	0
53 Real estate and rental and leasing	95		74	18	2	0	1	0	0	0	0
44-45 Retail trade	72		21	22	14	9	4	2	0	0	0
81 Other services (except public administration)	68		27	30	6	5	0	0	0	0	0
62 Health care and social assistance	51		13	21	9	4	4	0	0	0	0
48-49 Transportation and warehousing	38		19	9	3	3	3	1	0	0	0
41 Wholesale trade	37		15	6	9	6	1	0	0	0	0
52 Finance and insurance	34		27	5	1	0	1	0	0	0	0
56 Administrative and support, waste management and remediation services	31		17	4	5	4	1	0	0	0	0
72 Accommodation and food services	28		5	3	9	7	4	0	0	0	0
55 Management of companies and enterprises	27		24	1	1	1	0	0	0	0	0
31-33 Manufacturing	20		7	0	2	5	5	1	0	0	0
11 Agriculture, forestry, fishing and hunting	17		13	1	0	2	0	0	1	0	0
71 Arts, entertainment and recreation	11		3	3	2	2	1	0	0	0	0
61 Educational services	10		5	4	0	0	1	0	0	0	0
21 Mining, quarrying, and oil and gas extraction	6		0	3	1	2	0	0	0	0	0
51 Information and cultural industries	4		3	0	0	1	0	0	0	0	0
22 Utilities	1		1	0	0	0	0	0	0	0	0
91 Public administration	0		0	0	0	0	0	0	0	0	0
Total	891		423	251	103	68	40	4	1	1	0

Source: Canadian Business Pattern, 2013

Overall, business establishments in Paradise are overwhelmingly characterized by small companies and enterprises that employ less than 10 people. In 2013, excluding the businesses consisting of the self-employed – which themselves are small enterprises – there were 251 businesses, or 28% of the total, that employed 1-4 people. An additional 103 businesses, or 12% of the total, employ 5-9 people.

It is important to note the scarcity of medium and large firms in Paradise's economy. This is of interest because small, medium and large firms are generally believed to provide different economic functions within an economy. Small firms are generally seen as the major source of new products and ideas, while large firms typically develop as products become more homogenous and firms begin to exploit economies of scale. The lack of mid-sized and large businesses in Paradise is concerning as these firms are typically more export oriented and generate higher operating surpluses.

<sup>11</sup> The establishments in the "Indeterminate" category include the self-employed/sole proprietors (i.e. those who do not maintain an employee payroll, but may have a workforce consisting of contracted workers, family members or business owners)



## Retail & Trade Area

Figure 9 illustrates the businesses in the retail and trade sector in Paradise in 2013. The retail businesses in Paradise are mostly small businesses employing fewer than ten employees and are largely concentrated in the sale of motor vehicles, gasoline, and building materials. Based on these findings, it is clear that the retail offerings in Paradise cover the basic services residents would expect in a community. Due to the high mobility of residents (as discussed earlier), Paradise is likely losing a significant amount of local retail spending as residents commute out of the community for work.

FIGURE 9: RETAIL AND TRADE BUSINESS, 2013

Business Types	Total	Indeterminate	1-4	5-9	10-19	20-49	50-99	100+
441110 - New car dealers	2	0	0	0	1	0	1	0
441120 - Used car dealers	10	6	2	2	0	0	0	0
441210 - Recreational vehicle dealers	2	0	1	0	1	0	0	0
441220 - Motorcycle, boat and other motor vehicle dealers	2	1	1	0	0	0	0	0
441320 - Tire dealers	2	0	1	0	0	0	1	0
442210 - Floor covering stores	2	0	1	1	0	0	0	0
442291 - Window treatment stores	1	0	1	0	0	0	0	0
442298 - All other home furnishings stores	1	1	0	0	0	0	0	0
443143 - Appliance, television and other electronics stores	1	0	1	0	0	0	0	0
444110 - Home centres	1	0	0	0	0	0	0	1
444190 - Other building material dealers	5	3	1	0	1	0	0	0
444210 - Outdoor power equipment stores	1	0	1	0	0	0	0	0
445110 - Supermarkets and other grocery (except convenience) stores	6	0	1	3	0	1	1	0
445120 - Convenience stores	9	1	3	5	0	0	0	0
445299 - All other specialty food stores	1	1	0	0	0	0	0	0
446110 - Pharmacies and drug stores	3	0	1	0	2	0	0	0
446120 - Cosmetics, beauty supplies and perfume stores	1	0	0	1	0	0	0	0
446130 - Optical goods stores	1	0	1	0	0	0	0	0
446199 - All other health and personal care stores	2	0	2	0	0	0	0	0
447110 - Gasoline stations with convenience stores	5	0	0	0	4	1	0	0
447190 - Other gasoline stations	3	3	0	0	0	0	0	0
452999 - All other miscellaneous general merchandise stores	3	1	0	1	1	0	0	0
453110 - Florists	1	0	1	0	0	0	0	0
453220 - Gift, novelty and souvenir stores	1	1	0	0	0	0	0	0
453920 - Art dealers	1	0	1	0	0	0	0	0
453999 - All other miscellaneous store retailers (except beer and wine-making supplies stores)	1	1	0	0	0	0	0	0
454110 - Electronic shopping and mail-order houses	2	2	0	0	0	0	0	0
454311 - Heating oil dealers	1	0	1	0	0	0	0	0
454319 - Other fuel dealers	1	0	1	0	0	0	0	0
<b>Total</b>	<b>72</b>	<b>21</b>	<b>22</b>	<b>14</b>	<b>9</b>	<b>4</b>	<b>2</b>	<b>0</b>

Source: Canadian Business Pattern, 2013

## Taxes, Fees and Business Incentives

Figure 10 provides a comparison of the different tax rates for Paradise and its neighbouring municipalities. Among the comparator communities, Paradise is at a medium level with respect to taxes and utility rates. Across the range of possible taxes, Paradise has rather comparable tax rates to its neighbouring communities. In this area, Paradise has neither an advantage nor disadvantage.





FIGURE 10: RESIDENTIAL, COMMERCIAL AND BUSINESS TAXES, 2013

Taxes	Paradise	Torbay	St. John's	CBS
Property Tax-Residential for Water and Sewer Per Annual Unit	\$500	\$300	\$615	\$475
Property Tax-Commercial for Water and Sewer Per Annual Unit	\$650	\$400	\$615	\$850
General Business Tax	15 Mils	15 Mils	17.33 Mils	15 Mils
Banks/Financial Services	70 Mils	60 Mils	67.39 Mils	115 Mils
Professional Services	18 Mils	20 Mils	N/A	N/A

Source: Torbay. 2013. Tax and Fee Structure; Mount Pearl; 2013 Schedule of Rates and Fee; Paradise, 2014 Schedule of Taxes and Rates; St. John's. 2013. Current Tax Rates; Conception Bay South. 2013. Tax Rates.

### 3.3 Summary of Community Engagement Findings

A number of consultation activities were used to engage local and regional stakeholders in the creation of the Town of Paradise Economic Development Strategy. These consultation activities incorporated perspectives of residents, local municipal staff, local community and business leaders, regional organizations, and government representatives.

Three outreach activities were used during consultations:

- **Online Survey** - An online survey was distributed by the Town of Paradise staff to generate input from residents and business and community leaders on economic development opportunities and priorities for Paradise. The survey was open from October 10<sup>th</sup>-21<sup>st</sup>, 2014 and generated a total of 73 responses.
- **Focus Groups** - Two focus group sessions were held in the Town of Paradise on October 22<sup>nd</sup> and 23<sup>rd</sup>, 2014. One focus group involved local business leaders (including some of the lead developers and industries in Paradise), while the other was directed to the Economic Development Strategy Steering Committee (EDSSC).
- **Interviews** - A series of telephone interviews were conducted with business and community leaders in Paradise and the surrounding area. These were open-end interviews each averaging approximately 30 minutes in length.

The main goals for each consultation activity involved generating input on economic development progress in Paradise over the last number of years, opportunities and challenges for the economy, elements that make Paradise a good location for business, defining a future vision for the community, and priority action items for the Town of Paradise into the future.

A summary of those consultation activities is presented in this section.

***For a more detailed look at the questions asked and responses generated from each of the individual consultation activities, please refer to the Appendix.***



### 3.3.1 Community Engagement Findings

#### Assets and Positive Developments in Paradise

Participants feel strongly that a number of positive developments have taken place in Paradise over the past five years, most especially in the development of the new industrial park, dealing with traffic and infrastructure upgrades, and confidence that the Town is becoming a more desirable and attractive place to live (with recreation amenities leading the way).

In particular, consultation participants see a number of strong assets for Paradise to continue to build from, including:

- A growing and young population
- A supportive municipality where staff and Council want people to thrive
- A relatively affluent community
- Well-developed industrial parks that are well located in relation to transportation routes and have a cluster of oil and gas businesses
- Available land for development
- Adjacency to good road transportation networks (i.e. TCH)
- A flexible approval regime in the municipal development department
- Infrastructure proximity to established networks in St. John's

#### Doing Business in Paradise

Overall, participants think the business climate in Paradise is strong. It was identified that the Town is generally supportive of business in the community and have done a good job in attracting a mix of industrial businesses. Specific elements that make Paradise a good location for business include:

- Availability and quality of high-speed telecommunications
- Access to transportation infrastructure
- Access to skilled and employable workforce
- Competitive costs of doing business (e.g. property prices, taxes, energy costs)

Though the business climate is good today, participants did identify that there have been a number of “growing pains” as the Town has expanded. Issues with zoning and having Town plans keep up with the pace of development were discussed, as well as development fee structures becoming outrageously high. Engaging the business community in meaningful ways to contribute to the community has also been missing.

#### Defining a Future Vision for the Community

Participants identified a number of future visions for the Town of Paradise. These individual visions have been amalgamated by common theme and include:

- **More commercial and service development** – more retail access in the community without having to go to St. John's or Mount Pearl. Catch up to the residential growth. Paradise needs to increase its business footprint and be a more



vibrant business community, especially as it relates to encouraging more oil and gas support businesses to establish themselves in Paradise.

- **Increased transportation infrastructure** – turn a transportation problem into a transportation friendly community.
- **Investments in needed infrastructure** – recreation infrastructure, sidewalks, water and sewer assets, and aesthetic improvements.
- **Self-sustainability** – maintain and improve infrastructure needs without incurring high levels of debt.
- **Continued growth** – become more of a self-sustaining community (not a bedroom community for St. John's) by becoming a centre for business and industry. Become a municipal leader that neighbouring areas look to for guidance. Become a community that people can play, live, shop, and work in.

### **Economic Development Opportunities for Paradise**

Participants see a number of opportunities for Paradise to capitalize on, including:

- Shifting to a community living approach by creating density where people can live, work, and shop all within a neighbourhood
- Capitalizing on the oil and gas sector and other industrial mega-projects in the province by continuing to specialize in the oil and gas support services sector and brand the business aims of the Town towards that sector in an overt way.
- Encouraging the development of a community / neighbourhood hubs by clustering retailers together
- Benefiting from the impending road development connecting Kenmount Road to the Manuel's access road and the TransCanada Highway. The connection presents a tremendous opportunity for the Town to link industrial parks within the community with greater access to the highway and a direct link to St. John's.
- Good availability of land to support business park expansions

### **Economic Development Challenges for Paradise**

Participants see a number of challenges or barriers to economic growth in Paradise that need to be addressed, including:

- A need for more affordable housing that is accessible to all walks of life (i.e. a single person, young families, and ageing populations)
- A slowing housing market
- Little diversification into other business streams in case the oil and gas sector crashes
- Traffic congestion creating difficulty accessing the industrial areas and frustration for residents
- A lack of amenities in Paradise. People have to leave the community to meet many of their needs which results in the residents contributing little in terms of local economy and spending money locally (beyond property taxes).
- A lack of prestige office space available in Paradise. The office space that does come online is swallowed up very quickly by the local business community.



## Priorities for the Future

Participants in the consultation activities would like to see the Town of Paradise focus on a number of areas to ensure the future prosperity of the community, including:

- Finding unique ways to create opportunities for affordable levels of housing
- Encouraging development standards to include beautification components in standard structures (i.e. statues, bridges) to create more focal points in town
- Creating more public transportation (such as a bus service doing a loop of the community). Public transportation was identified as especially important in supporting a Town Centre or other commercial, residential mixed development.
- Focusing on creating strong business retention and expansion efforts by talking to businesses to hear about their needs and wants
- Resolving the local traffic issues
- Defining a vision for the community (i.e. who they are and what the community wants them to be) and figuring out how programming can be created to meet that vision. Open up the dialogue and keep it fresh.
- Increasing local retail spending

## 3.4 Investment Readiness Assessment

### 3.4.1 Introduction

To measure the Town of Paradise's state of investment readiness, the Project Team conducted a mock site selection exercise. The Town of Paradise was given 48 hours to respond to a "typical" request for information (RFI) from a site selector. In this case, the exercise involved a fictional offshore engineering firm, which was seeking to expand its Vancouver based operations to Newfoundland. The RFI outlined a number of site specific requirements along with special considerations and information requests.

After 48 hours had passed, the Project Team met with Town staff for a presentation of their findings and to answer a series of follow-up questions. This was followed by a tour of potential sites that were meant to accommodate the needs of the fictional engineering firm. The results of this exercise and the Project Team's independent assessment of the Town's state of investment readiness are described below.

### 3.4.2 Mock Site Selection Findings

The site selection exercise served to highlight the Town's strengths and challenges/weaknesses when responding to a RFI.

#### Strengths:

- The Town's planning staff is well versed in the technical requirements associated with new developments





- Planning staff recited development charges and development process requirements with ease
- When pressed with “tough” questions beyond the scope of the RFI, the planning staff offered informed responses
- Staff had extensive knowledge of existing developments and potential sites for future developments
- Good verbal communicators and provided a cordial atmosphere for discussion

#### **Challenges/Weaknesses:**

- The Town’s planning staff is not “sales oriented”. They were focused on delivering the requested information without necessarily considering the implications of that information for a potential investor/developer
- The Town’s presentation of RFI findings was not a “pitch” of the Town and why it is the best place to invest. Instead, it was a technically driven discussion
- Potential danger of oversharing on limitations of developing certain sites too early in the pitch may lead investors to overlook Paradise before diving deeper into the investment opportunities.
- Lack of visual aids when presenting potential sites for development (no printed or branded maps)
- Lack of current inventory of available developable sites or rental units
- Lack of a dedicated economic development officer to coordinate responses to RFI in a sales oriented manner
- Capacity issues to field RFIs – not the planning staff’s primary job responsibility so unanticipated RFIs jeopardize the timelines of their ongoing projects
- The Town’s website is without supporting community information oriented towards site selectors

The following tables identify three levels of investment readiness.

- **The “Fundamentals of Readiness” table** - identifies those basic economic development functions and resources, which are found in most medium to large sized communities across Canada.
- **The “Progressive Readiness” table** - identifies those more advanced economic development functions and resources found in those communities across Canada, which are pro-active about investment attraction. These communities make on-going investments in their economic development capacity to ensure they are investment ready.
- **The “Gold Standard of Readiness” table** - identifies the leading edge economic development functions and resources, typically found in large urban centres across Canada. These communities invest considerable resources in their economic development capacity to aggressively attract investment and support potential investors with their site-selection process.



FIGURE 11: TOWN OF PARADISE INVESTMENT READINESS SCORECARD – FUNDAMENTALS OF READINESS

Fundamentals of Readiness			
Assessment Criteria	Possible Score	Score	Comments
A designated ED contact person in place (contact information appears on website and marketing collateral)	25	2	<ul style="list-style-type: none"> <li>• Contact information is on website (but for CAO, not EDO)</li> <li>• Contact information is also generic for the Town's office not to a specific individual (both phone and email etc.)</li> <li>• continuity and brand consistency is lacking with all materials</li> <li>• no ED contact info found on town map</li> </ul>
Map	10	3	<ul style="list-style-type: none"> <li>• Town brand not reflected on Map</li> <li>• Couldn't tell who to call to order more maps (no ED contact)</li> <li>• No indication of business parks</li> <li>• No indication of vacant zoned land vs built out lands</li> </ul>
"Quick Facts" Brochure	20	0	<ul style="list-style-type: none"> <li>• Nothing available online</li> </ul>
Community Profile	25	0	<ul style="list-style-type: none"> <li>• Not available on website</li> <li>• Only basic description of town and its history.</li> <li>• No useful statistics provided</li> </ul>
Approved ED Strategy	10	0	<ul style="list-style-type: none"> <li>• Economic Development Strategy under development,</li> <li>• Limited profile on the website</li> </ul>
Total	90	5	

FIGURE 12: TOWN OF PARADISE INVESTMENT READINESS SCORECARD – PROGRESSIVE READINESS

Progressive Readiness			
Assessment Criteria	Possible Score	Score	Comments
Hard Copy Kit Folder	10	0	<ul style="list-style-type: none"> <li>• No kit folder provided during site-visit</li> </ul>
Large Printed Brochure	10	0	<ul style="list-style-type: none"> <li>• No printed brochure available</li> </ul>
Small Printed Brochure	10	0	<ul style="list-style-type: none"> <li>• No printed brochure available</li> </ul>
Investment marketing plan that identifies goals and targets	10	0	<ul style="list-style-type: none"> <li>• Nothing found on the site</li> </ul>
Use of real estate listings service through site? web service to market available industrial and commercial properties	10	0	<ul style="list-style-type: none"> <li>• Nothing found on the site</li> </ul>
More extensive kit of electronic and hard-copy materials	10	0	<ul style="list-style-type: none"> <li>• Not available on site</li> </ul>
Business ambassador program in place to meet potential investors	10	0	<ul style="list-style-type: none"> <li>• Not mentioned on site, does not exist</li> </ul>
Economic development staff can quickly respond to inquiries	10	3	<ul style="list-style-type: none"> <li>• Town staff can respond to requests, but quality information takes time to generate on a one-off basis.</li> </ul>
Toll-free phone and fax number on all marketing collateral	10	0	<ul style="list-style-type: none"> <li>• Only local phone and fax number is given</li> </ul>
Total	90	3	

FIGURE 13: TOWN OF PARADISE INVESTMENT READINESS SCORECARD – GOLD STANDARD OF READINESS



Gold Standard of Readiness			
Assessment Criteria	Possible Score	Score	Comments
Website meets “advanced” requirements	10	0	No google analysts in place – no website search optimization measures
Clear differentiation from competing jurisdictions	10	0	• Nothing on site to say “Paradise is different than other places because...”
E.D. Staff have clear understanding of needs of potential investors.	10	0	• No dedicated staff in place; planning staff is tasked with this role. They are not in the head space of selling/ pitching Paradise.
Clearly defined marketing strategy identifying target sectors and target markets	10	0	• Not evident
Part of a regional investment team	10	0	• No
Local investment marketing team established	10		• No
Community reps participate in trade shows/missions related to target sectors	10	8	Yes- oil and gas trade and retail shows attended. Follow-up ROI metrics uncertain. Regional marketing approach to these missions is lacking
Community rep maintains contacts with media	10		• Unaware of this if it exists
Complete set of marketing collateral materials • target sector material	10	3	• Some hard copy materials are available
Consistency in branding	10	3	• Some hard copy materials are available
Total	100	11	

### 3.4.3 Investment Readiness Primary Gaps and Recommended Areas for Improvement

At present the Town of Paradise’s economic development capacity is limited in most areas. As demonstrated by the Town’s scores in the “Fundamentals of Readiness” table, Paradise is not well equipped to attract investment. The Town lacks the most basic of economic development resources, including a dedicated economic development officer and a branded quick facts brochure oriented towards site-selectors. To date, Paradise has benefited from a strong regional economy, which has driven local investment across the St. John’s CMA. In this sense, Paradise has been afforded the luxury of consistently motivated investors. These investors have sought development opportunities in Paradise despite the lack of the Town’s pro-active facilitation and support. Moving forward, it is important to recognize this luxury may not last. Accordingly, this is the time to shore-up the Town’s economic development resources and investment attraction capacity. To this end, the first step is creating a dedicated economic development position. In short order, the remaining gaps in the Town’s investment readiness (at the basic level) would be addressed by the individual who fills position. Over the medium term the goal for Paradise will be to round out its economic development resources by investing in more “progressive investment readiness” resources. Over the same period, several of the “Gold Standards of Readiness” should be pursued.



# PRIORITIZING ECONOMIC OPPORTUNITIES



Neil's Pond Walk: part of the Grand Concourse trail system





## 4 PRIORITIZING ECONOMIC OPPORTUNITIES

### 4.1 Strengths, Weaknesses, Opportunities and Threats Analysis

The Strengths, Weaknesses, Opportunities and Threats Analysis (SWOT) highlights the variety of priority areas for consideration when determining strategic directions for the Town of Paradise. The SWOT is an effective planning tool used to help compare the internal environment and conditions of the town's economy with the external environment around it. The SWOT is based on information collected through background research, stakeholder consultations, and industry insights (as presented in the earlier sections of this report).

In general, the SWOT is characterized in the following terms:

- **Strengths (Positive, Internal):** Positive attributes or assets currently present for Paradise and its economy
- **Weaknesses (Negative, Internal):** Local issues or characteristics that limit current or future growth opportunities for Paradise
- **Opportunities (Positive, Internal and External):** Areas where Paradise can encourage growth
- **Threats (Negative, Internal and External):** Trends that threaten the future of Paradise's economy or attractiveness to new industry, including local weaknesses or global changes in consumer demand and industry performance

***Please note that the various statements in the SWOT Analysis represent information emerging from participants in the consultation activities and general context of the Paradise economy. Statements in the SWOT do not necessarily reflect the conclusions or suggestions of the Project Team. Conclusions and suggestions from the Project Team can be found in later sections of this report.***

#### Strengths

**A Business Friendly Municipal Environment** – There is a strong feeling in the business community that the municipality is receptive and supportive of business in Paradise and that staff and Council want people in town to thrive. A flexible approval process in the development department also contributes to this supportive business environment and has resulted in the town having a good mix of industrial businesses and a good uptake from the small business community.



**Competitive Costs of Doing Business** – Paradise has competitive property prices, taxes, and development costs compared to neighbouring communities on the Avalon Peninsula which have helped to draw business and residents to the community over the past number of years.

**Ability to Address Emerging Community Challenges** – The municipal leadership has a strong ability and track record to recognize emerging challenges for Paradise and act to resolve them quickly. Paradise has also been successful in partnering with the Province to receive funding for new projects. Infrastructure and traffic planning is a good example, especially with investments in the expansion and improvement of road networks, a reduction of some of the choke points getting into and out of town, and the timing of lights to encourage greater traffic flow on the Outer Ring Rd.

**Strong Recreation Assets** – Investments in walking trails and a new arena are big assets for Paradise, improving residents' quality of life and making the community more attractive to visitors in neighbouring municipalities (who don't have the same level of amenities) as well as businesses looking to establish themselves in Paradise. The recreation amenities also offer new spin-off economic opportunities for small businesses looking to meet the needs of users of these recreation facilities. These recreation assets support a number of large-scale signature events in the community (such as Sun Splash-Paddle in Paradise and the Snow and Ice Winter Carnival).

**Good Industrial Park Development** - Development of the industrial parks in Paradise has been positive and has brought new people, new developments, and new businesses to the area (expanding the tax base). Development of the industrial parks was timed well with the boom of oil and gas in the province and has led to a cluster of oil and gas support businesses in town. The industrial parks are also well located in relation to major provincial transportation routes.

**Strategically Located in the St. John's CMA** - A booming provincial economy based largely in the St. John's CMA has allowed Paradise to be right in the middle of the area realizing large provincial opportunities and trends (especially in the oil and gas sector). New businesses and residential growth to Paradise have been the result of this booming provincial economy, and the community has benefited from the significant infrastructure assets of the region (such as road networks and high-speed telecommunications) adding to the value offerings to residents and businesses of being based in Paradise.

**Availability of Land** – Paradise has a good inventory of available land that can be used for future residential, commercial, and industrial development, whereas some neighbouring municipalities (such as Mt. Pearl) do not have much in terms of available land for development. As a result, Paradise has been a “go-to” area for commercial-industrial developments in the last number of years for the entire Avalon Peninsula.

**Favourable Demographics** – Paradise has a young working age population that is on average nine years younger than the provincial average of 44 years old. This young population is well educated and employed in greater numbers than residents of the City of St. John's. As a result, Paradise is a relatively affluent community with a larger



share of households with young children (compared to the provincial average). Also, the ability to attract a national grocer in Sobeys is a positive sign that Paradise has reached a population threshold that is appealing to some big retailers.

**Regional Presence** – Paradise has a number of good working relationships with its neighbouring municipalities. It is not uncommon for Paradise staff to connect with their regional counterparts to fulfill their work. Paradise has also carried out a successful marketing and branding initiative (“Paradise – the name says it all”) for itself that has received positive feedback and has positioned the community to have a greater presence in the region.

## Weaknesses

**Municipal Staffing Shortages** – There is a need to hire more municipal staff to meet growing demands on staff time by residents, businesses, and developers. A number of tasks need to be prioritized that the current complement of municipal staff are less able to accommodate for including reducing wait times for development applications, communicating on a regular basis with residents (and highlighting engagement efforts), producing updated information materials (i.e. brochures and statistics), and being proactive in attracting new businesses to the community.

**A Lack of Space in the Current Municipal Building** – Given the need for some new staff, there is a lack of space for in the current municipal building for any new staff to work from. There are cases in the last number of years where there was a budget to hire new staff that didn’t get hired because of this lack of space.

**A Need for More Strategic Thinking** – Paradise needs to plan for the future using sustainable economic development principles and not economic development “at any cost”. In its earlier days, any business development that came to Paradise was generally encouraged. With the recent growth in the community the town is being more selective in its approvals. That being said, key areas for development are disappearing quickly. The town needs to have a solid direction in place so that it ensures a sustainable path of development for the community.

**An Unengaged Business Community** – The business community is mostly operating in isolation of developments around them (with exception of some local entrepreneurs). The business community sees their operations in Paradise as a place to go work and stay under the radar, a feeling that is especially so for businesses in the industrial parks.

**Limited Local Economic Impact** – The economy of Paradise is mostly driven by support services to the City of St. John’s. A large number of residents that live in Paradise leave the community every day for work, spending money outside of the community. There are a limited number of competitive job opportunities for local residents to be employed in Paradise. There are also a limited number of prestige office spaces for lease that are greater than 2,000 sq. ft. to lease that prospective employers could use to establish themselves in Paradise.



**Traffic Congestion** – Traffic in Paradise is considered very bad by a large number of residents and business leaders. While work is being done to resolve the challenge, there is a need for more transportation infrastructure (i.e. roads, public transit) to help ease the flow of traffic into and out of Paradise.

**One Big Subdivision** – The image people have of Paradise is that it is one big subdivision. There is a missing sense of community where people are able to live, work, and play all within Paradise. With a large portion of the workforce leaving the community each day, and with school children in junior and senior high school being bussed to neighbouring municipalities, there is a gap in the full range of opportunities residents can enjoy in Paradise. The majority of amenities are not accessible within walking distance or a short drive.

**A Missing “Emotional Tug”** - The majority of Paradise’s current residents did not grow up in the community. As a result, a lot of residents don’t feel a sense of loyalty or obligation to support the community and local businesses. They are more inclined to satisfy their own needs and wants by patronizing large chains in neighbouring areas.

**Slow Down in Housing Prices** – The housing market in Paradise has slowed in recent years indicating that the market may have reached a mature stage. Demand for housing may decrease and vacancy rates may increase as residents see neighbouring areas as having greater potential for investment.

**Not an Aesthetically Pleasing Community** – Paradise is largely characterized by urban sprawl with no main focal point to the community. Sign pollution along the main corridor of Topsail Rd. and unattractive industrial areas that are close to main thoroughfares contribute to the need to work on the community’s aesthetics.

**Pressures to Create Industrial Development** – Paradise has marketed itself for a number of years as a place for the oil and gas industry to establish itself. There is a need now to market more towards commercial and retail developments to help support the growth in the residential population. Pressure exists, however, to develop lands for industrial purposes in a way that converts potential commercial and retail space into industrial space.

## Opportunities

**Re-Think what it Means to Live in Paradise** – New developments need to effectively combine residential, commercial, and industrial elements to create clusters of recreation, housing, retail, and employment. Paradise should encourage more mixed-use zoning surrounded by residential and the development of a Town Centre and open space recreation areas. Incorporating beautification components in standard structure construction (i.e. statues, bridges, etc.) should be another consideration. It is important to work with developers to generate buy-in into these types of developments and encourage them to contribute through their own development work. A proposed development by Canadian Offshore Investment Ltd. (COIL) is a good example of a potential future development combining these elements.





**Focus on Higher Density Residential Development** - Residential development needs to diversify to include higher density, more cost effective units (i.e. duplexes, townhouses, and small apartment buildings) to create more affordable housing in the community and attract more first time home buyers that can't afford single-detached homes. For Paradise to continue to grow, there is a need to accommodate the middle of the road consumer's ability to buy a home (i.e. young and growing family, single, and seniors). Paradise should work with residential developers to create incentive programs to encourage more of these types of developments (e.g. a reduced permitting fee).

**Differentiate the Retail Experience** – Paradise is in a position to develop a relatively unique retail experience by creating a cluster of retail businesses that are easily accessed by walking from store to store. Retail options in town are sparse, and neighbouring municipalities largely have big box store retail experiences where consumers have to drive from store to store. Developing a different retail experience in Paradise presents an opportunity to become a unique regional destination. The Karwood Market retail development is a good opportunity that builds on this idea.

**Build from a Good Base of Recreation Assets** – Expansion of the recreation assets in Paradise has resulted in a greater sense of community and creates an image of a family-friendly community. There is opportunity to go a bit further with the recreational assets with a swimming pool, YMCA, gym, and creating more of a bike friendly destination (for the trails especially). Creating more cultural venues and general gathering spaces will help build the community by giving residents opportunities to have more positive interactions with each other. By continually enhancing and building from existing recreation assets, Paradise is ensuring that people are staying in the community and that new people are coming in and that new business opportunities are being created to support users of the recreation facilities.

**Expanding Transportation Infrastructure** – New construction and planning for transportation infrastructure presents a number of large opportunities for Paradise. One example includes the impending road development connecting Kenmount Road to the Manuel's Access Road and the Trans-Canada Highway. This connection will create a new access point to the community and will more conveniently link the Octagon Pond Industrial Park to the City of St. John's.

**Create an Industry Brand** - Brand Paradise in an overt way as a place for specific industries to establish themselves. Support this brand and messaging by identifying and targeting specific industries and ensuring the appropriate infrastructure is in place to support them (such as office space). The presence of already existing industries can be heightened by attracting more high income jobs in those industries, citing already existing clusters as a prime motivator to locate in Paradise. Important industries to further develop include oil and gas support services, professional and scientific services, and transportation services (i.e. highlighting that Paradise be an interim link in the supply chain with lay-down yards and using available land that other areas don't have).



**More Focused Promotions of the Town** – Hiring new staff devoted to economic development, special events promotion, and communications would help Paradise build an enhanced image and extend their brand into new areas. Ideas include hiring a Communications Director, hiring an Economic Development Officer, and coordinating the formation of an Economic Development Committee that includes staff from each department to get together to discuss what is needed to draw more business to town and how they can implement new ideas. Ensuring Paradise’s brand is included in all promotional materials and that contact information is given for each area of public inquiry (e.g. starting a business) would also be valuable.

**Generate Buy-In for Paradise’s Vision** – Engage residents and the business community to understand how Paradise’s current brand and vision relate to them. Create an engagement plan on how to keep business and residents engaged in a continual discussion on the future of the community and how that future can be enhanced through community involvement.

**Focus on Current Business Retention and Expansion** - Talk to existing businesses to better understand what they need and how Paradise can best support their growth. Businesses want to have the municipality effectively engage with them to feel valued in the community. This engagement may also encourage the business community to become more involved in the future planning of the town.

**Create More Formal Opportunities for Regional Collaboration** – Continue to work closely with neighbouring municipalities and encourage more formal structures to be adopted to allow for more regional collaboration. An example could include creating a Memorandum of Understanding or lead protocols to ensure that potential new business leads for the Northeastern Avalon are directed to the best positioned community that can meet their business needs.

**Support a New IT Oriented Technology Park** – There may be an opportunity to create a new IT oriented Technology Park for young entrepreneurs in Paradise, targeting start-up technology companies. The City of St. John’s has been trying to establish one but can’t seem to overcome some of the challenges in property and rental costs needed to realize the opportunity. Paradise could facilitate the process by subsidizing office space and by developing a cluster of IT start-ups to make it attractive to other start-ups.

**Tourism Opportunities** - Paradise is strategically located close to the ready-made and established tourism market of the North East Avalon. Paradise could capitalize on this position by aligning itself with regional tourism bodies focused on developing the natural and unique cultural attractions in the region.

**New Restaurant Potential** – The local demands in Paradise are for restaurants which cater to young couples with small children with a limited amount of disposable income. The best restaurants to meet that demographic are low overhead chain restaurants with a small location footprint (delivery and takeout is also recommended). The most likely success would be a chain restaurant that doesn’t have a local presence in the Northeastern Avalon that is different enough than already existing chains. The



opportunity is likely with a chain with a fancy, glossy, high-class exterior, with a beautiful high end dining room that serves chain level cuisine (something like The Keg).

## Threats

**Reliance on the Oil and Gas Economy** – Concerns exist as to the alternative economic drivers for the Paradise economy if the oil and gas industry boom ends. There is a need to move beyond a resource based local economy to a broader services based economy.

**Competition from Neighbouring Municipalities** – Given the close proximity of municipalities within the St. John's CMA, developments in Paradise's neighbouring areas offer a potential to significantly influence the ability of Paradise to further develop their residential, commercial, and industrial bases. An example of this is the Glencrest Development near the Paradise border that may attract residents and commercial and industrial businesses away from Paradise. The industrial lands for Glencrest are currently being serviced and will be ready in two years, with commercial development projected to be ready in three years, and residential ready in four years.

**Growing Too Quickly** – There is a real danger that if growth in Paradise continues too quickly, major infrastructure upgrades will not be able to keep up and could threaten the quality of life in the community. An example of this would be with sewer capacity.

## 4.2 Competitive Advantages and Disadvantages

The results of the SWOT analysis provide a detailed list of Paradise's strengths, weaknesses, opportunities and threats. While no two communities are identical, Paradise shares many similarities to other municipalities on the Avalon Peninsula, such as Torbay, Mt. Pearl, and Conception Bay South. Some of these similarities include strategic proximity to a booming provincial economy centred in the City of St. John's, as well as access to good transportation and infrastructure networks. While these similarities represent important strengths for the Town of Paradise, they do not give a clear picture on the unique aspects of Paradise that business investors would be looking for in particular.

Looking at competitive advantages and disadvantages is helpful in differentiating Paradise from these other communities. Paradise's competitive advantages form the basis of the unique value proposition the community offers to new businesses and potential investors, while competitive disadvantages are the factors that the Town needs to address to minimize the effects of barriers, particularly if they are affecting important target industries.

A key component of this economic development strategy is to build on Paradise's competitive advantages and resources in a way that will spur new and greater investment and development in the community, while also presenting pathways to



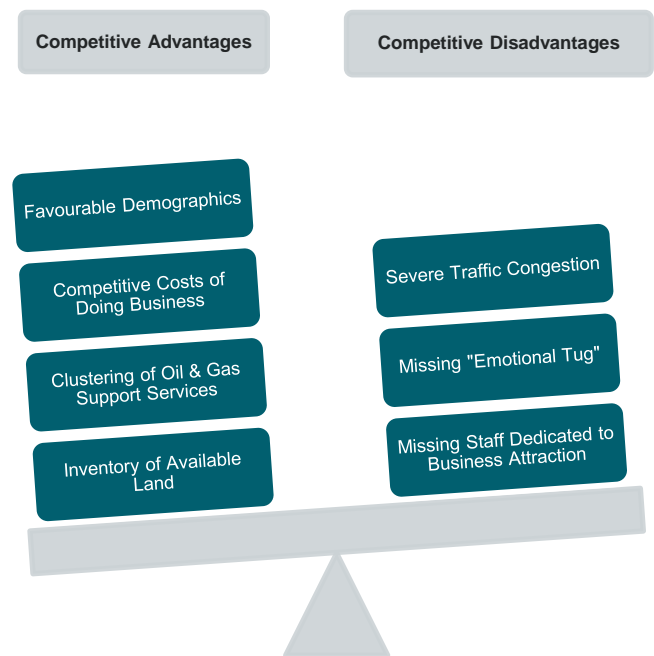
identify and rehabilitate any competitive disadvantages that threaten the growth potential of the community.

### 4.2.1 Competitive Advantages

One of Paradise’s largest competitive advantages is the community’s relatively large inventory of available land for development. This inventory positions Paradise well for continued residential and business growth compared to other Avalon Peninsula municipalities that do not have comparable amounts of available land. Paradise has historically capitalized on the availability of this land to develop successful commercial and industrial areas that have resulted in a large clustering of oil and gas support services, as well as other professional and scientific based businesses. Paradise’s competitive costs of doing business, including favourable development costs, taxes, and property prices, have helped to draw new business and investors to the community. Continued competitive costs of doing business position Paradise well to continue to attract investment in the community.

A relatively young, well-educated, and affluent population is another strong competitive advantage that Paradise enjoys. These demographic characteristics position Paradise very well for creating new opportunities for residents to work and shop within the community. With a municipal leadership that is quick to adopt policies that support the community’s needs (such as increasing transportation and recreation infrastructure), and that appeals to a large swathe of business sectors, the Town of Paradise is positioned well for sustained future growth.

FIGURE 14: OVERVIEW OF PARADISE'S COMPETITIVE ADVANTAGES & DISADVANTAGES



### 4.2.2 Competitive Disadvantages

Paradise has a number of significant competitive disadvantages that need to be addressed in order to realize its future growth potential. Firstly, there are real gaps in the way the municipality works to attract new businesses and investors to the community. Without a dedicated staff member actively marketing Paradise to potential investors, any work to bring new business into the community is done on an ad hoc basis. This strategy is unlikely to result in Paradise realizing its potential as it relates to business investment in the community.



A further challenge is the missing “emotional tug” of residents towards the Town of Paradise. With the majority of residents having moved to the community from elsewhere, there is a concern that residents might not necessarily feel motivated to support local business, frequenting those businesses outside of the community that most suit their needs. With roughly half of the population of Paradise leaving the community every day for work and the majority of retail businesses for the area located outside of Paradise, this lack of an emotional tug is exacerbated.

Finally, Paradise is well-known for its severe traffic congestion coming into and out of the community during rush hour. Traffic congestion is one of the first things business and community members raise when asked about Paradise. Though being addressed, this well-known traffic issue is a significant competitive disadvantage for the community as residents and businesses leave or overlook the community for other areas without the same issues.

## 4.3 Creating Economic Growth in Paradise

### 4.3.1 What is Economic Development?

**Definition of Economic Development:** Economic development is rooted in the premise that initiatives must ultimately increase the total wealth within a community. There are two main ways to do this:

1. **Export Development** – any initiative that brings new money into the community:
  - starting/attracting a business that sells products/services outside the community
  - attracting visitors who then buy local products/services
  - encouraging existing business to sell their product/service outside the community
2. **Import Substitution** – any initiative that keeps money in the community:
  - encourage people and businesses to buy their goods/services locally rather than importing them from another community
  - starting or attracting new businesses that recognize the leakage and provide a product/service to stop it

In strong local economies, locally generated wealth changes hands many times before it is spent outside. The impact of these drivers and subsequent circulation is job creation, property investment and local taxation.

Taken together, these two philosophies form the fundamental direction for economic development programs. If economic development programs are meant to increase wealth in the community (and for the community) then initiatives should be directed to improving export development (primarily) and improving import substitution (secondarily).





### 4.3.2 Implications for the Town of Paradise

Paradise is home to nearly 900 businesses, but it still lives in the shadow of St. John's. On any given work day over 7,000 people leave Paradise to work in another city or town. When they are outside of Paradise, they may shop, eat or even get a haircut. Every dollar spent by these commuters represents "leakage" from Paradise's local economy. This leakage reduces the multiple effect of resident's household spending and ultimately decreases the Town's tax revenues. Every community suffers from some "leakage", but these commuting patterns make Paradise particularly susceptible. Offering more local retail options and creating a more self-sustaining community will help curb this leakage, but given the town's proximity to St. John's it will never successfully compete head-on. In other words, encouraging import substitution is an important economic development mantra, but should be considered secondary to export oriented wealth generation. To this end, Paradise is far better equipped to compete with St. John's in traditional industrial sector development than retail. Paradise has a young, well educated work force, and competitively priced serviced employment lands. It is well positioned to cultivate leading edge professional firms both in and out of the oil and gas sector.

### 4.3.3 A Note on the Importance of Non-Residential Development

Paradise has grown at a healthy rate over the last decade. However, residential growth alone cannot sustain an economy over the longer term. Areas throughout the "Sun Belt" in the U.S, especially suburban areas surrounding Phoenix or Las Vegas are prime examples of the extreme end of the spectrum. Population growth and associated residential construction was the base upon which those economies were built. The most recent recession and credit market volatility has revealed just how crippling an over-reliance on residential expansion and population-related industries like retail and personal services can be to an economy.

It is not just an over-reliance on residential construction that can have negative effects on an economy's sustainability. The most recent economic downturn also pointed to the importance of non-residential assessment in light of reliance on more primary industries as well. The 'credit crunch' created by the collapse of the U.S. housing market had profound effects on Canada's strongest industries. The tightening of the credit markets across the globe slowed exploration in oil and gas, as well as shelved a number of projects.

While they fared comparatively better than industries in most other provinces during the downturn, industries throughout Newfoundland and Labrador's economy were still affected by this downturn. Looking ahead it will be important for Paradise to grow its local knowledge-based export-oriented/non-primary sectors, including professional services. These sectors relate more to the export of knowledge from Newfoundland and Labrador's skilled population base, rather than the export of products tied to



commodities. As such, they are subject to fewer fluctuations than many of the more industrial, export-oriented sectors.

Overall, non-residential development is critical to the development of a community's "basic" (export-oriented) and "non-basic" (population-related) economy. Continued growth in non-residential assessment is vital for Paradise.

## 4.4 Guiding Principles for Economic Development in Paradise

Through the consultation and research activities conducted for this project, a series of principles have been articulated by the community, and hence adopted by the consulting team, to guide the setting of priorities.

1. Adopt an explicit culture of 'customer first' service within the municipality
2. Promote strategic business and residential growth, not growth for its own sake
3. Improve residents' quality of life by fostering a strong local sense of place
4. Ensure the Town of Paradise's fiscal sustainability
5. Seek to diversify the local economy and business composition
6. Pursue inter-municipal collaboration to further economic development goals



An aerial photograph of Octagon Pond, a large body of water surrounded by dense evergreen forests. Several sailboats are anchored in the pond. In the background, a town is built on a hillside overlooking the water. The sky is clear and blue.

# WHERE DO WE WANT TO GO? THE CRITICAL PATH FOR PARADISE...

A view of Octagon Pond and some of the recreation opportunities available



## 5 WHERE DO WE WANT TO GO? THE CRITICAL PATH FOR PARADISE...







## 5.1 Critical Path Steps for Paradise

### 5.1.1 Critical Path Step 1: Commitment to Service Excellence and Increasing the Town's Economic Development Capacity

It is one thing to be open for business. It is another thing to be open and ready for business. Good customer services will leave a positive impression, build and enhance business relationships, land deals for new development and ensure future referrals.

Across Canada there are communities with processes in place to ensure excellence in client management and customer service for potential new investors and existing businesses. The Town of Ajax, Ontario, for example, invented Ajax Priority Path<sup>12</sup>, which uses a team of professionals to personally help companies navigate through the site plan approval process. Customers enjoy expedited site plan and building approvals, enabling them to fast-track their business plans.

While larger communities tend to invest more resources to be “investment ready” there are many examples of communities smaller than Paradise, which are ready for business. With that said, the leading edge communities in this regard are found outside of Newfoundland. The Township of North Grenville, Ontario is a community of 15,000, which has adopted a client-focused initiative and become part of its investment-readiness measures. This approach has drawn accolades from Ottawa-based developers, who are a key target market.

During the consultation process and investment readiness assessment, the Project Team identified a series of short-comings related to the Town's economic development capacity. In this regard, the Town of Paradise has room to improve in a number of areas. First and foremost, as illustrated by the figure below, the Town is without a singular point of contact for developers or potential investors. On the Town's existing website, under “starting a business” webpage the Chief Administrative Officer is listed as the primary contact; although the phone number and email address provided on this page direct investors to the Town's generic contact details ([info@townofparadise.ca](mailto:info@townofparadise.ca) etc.).

Based on the Project Team's observations, the communication channels between the Town and potential investors are inconsistent and applied differently according to each new inquiry. For many projects, clients need to contact multiple departments within the Town. If the coordination with neighbouring municipalities or external service providers is involved, there would also be multiple contact points.

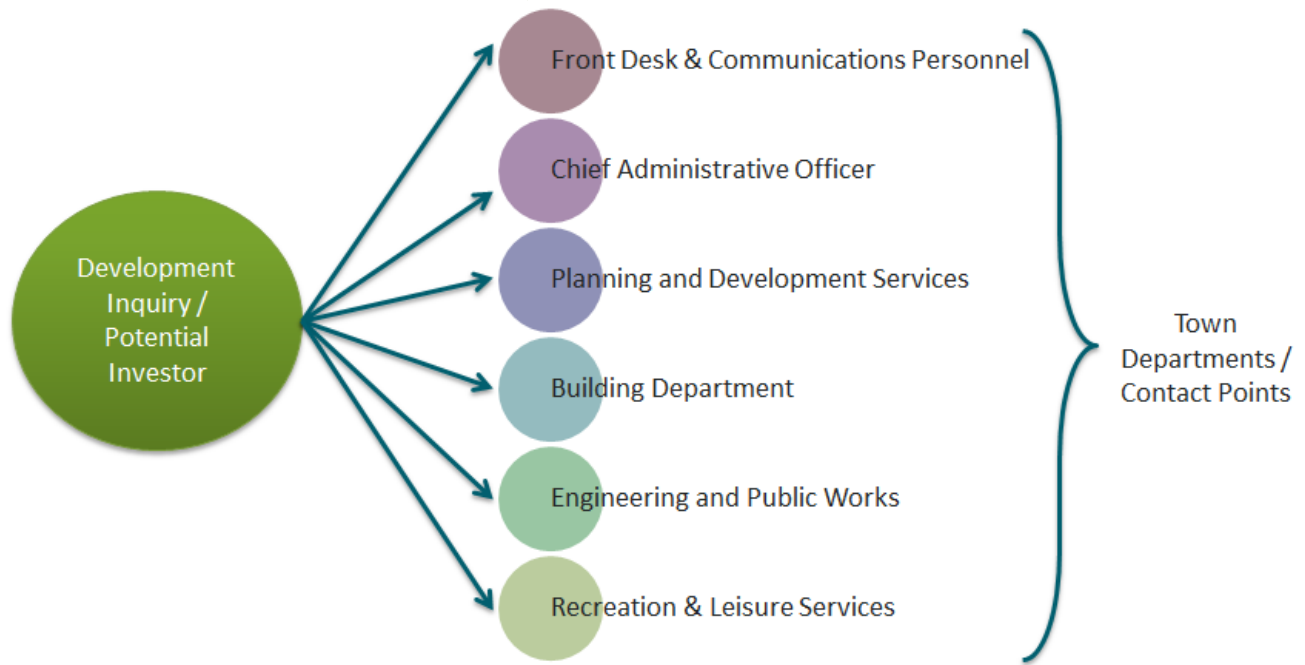
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<sup>12</sup> <http://www.ajaxfirstforbusiness.ca/en/ajax/prioritypath.asp>





FIGURE 15: TOWN OF PARADISE INVESTMENT INQUIRY PROCESS - CURRENT

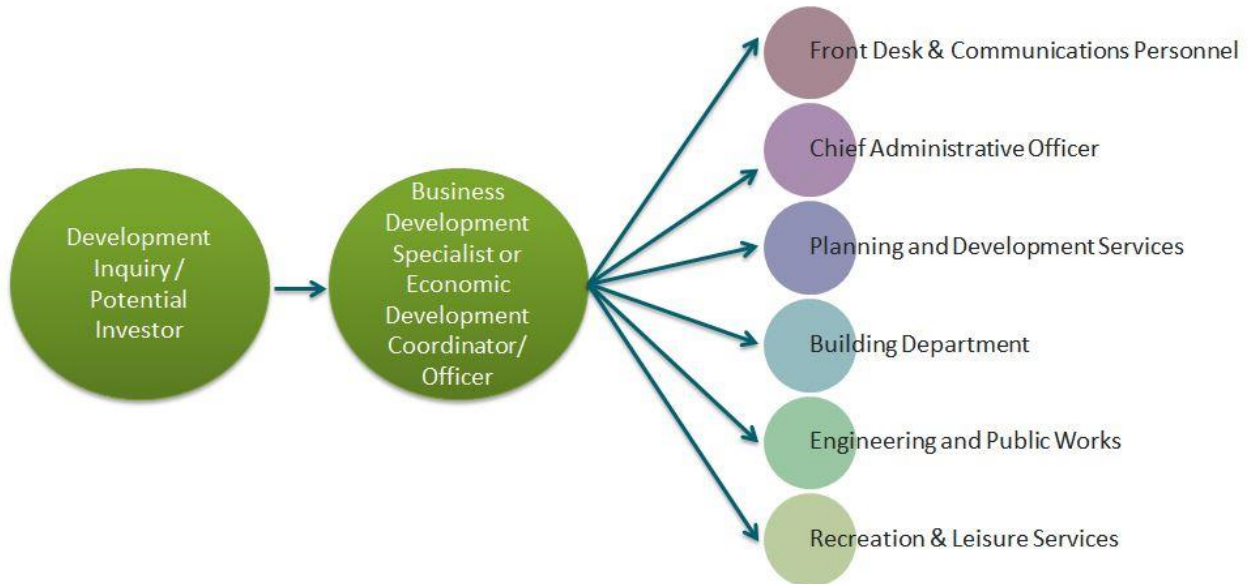


Source: Millier Dickinson Blais Inc. 2014.

The current service structure enables each department to serve well within the department function, but is less flexible to serve across departments, which is required to facilitate the majority of development applications/projects. As the competition for private sector investment becomes more intense, the Town of Paradise must offer tailored services designated to specific investors -- there is a need for a flexible structure and business process to serve the customers more efficiently and effectively. Therefore, we recommend a business development specialist or economic development coordinator/officer position as one-stop service point of contact. The position would be responsible for understanding the need of business clients, and coordinating services and information for them. All other Town departments will serve as a think tank supporting the specific needs of the coordinator, and their clients, on a case by case basis.



FIGURE 16: TOWN OF PARADISE INVESTMENT INQUIRY PROCESS - RECOMMENDED



Source: Millier Dickinson Blais Inc. 2014.

Customer service could be a significant competitive differentiator for the Town of Paradise. If the Town can convey this message to investors and entrepreneurs in the region and then deliver on its promise it will attract significant attention.

### 5.1.2 Critical Path Step 2: Place Making and Improved Communications

One interview participant highlighted a considerable barrier for Paradise. She said, “Paradise lack’s the *emotional tug* typically found in Newfoundland communities”. Paradise has undergone tremendous population growth over the last decade. As a result, the majority of Paradise’s current residents did not grow up in the community. This demographic reality poses several challenges for Paradise as it seeks to forge an identity and move beyond its traditional moniker as simply a bedroom community for St. John’s.

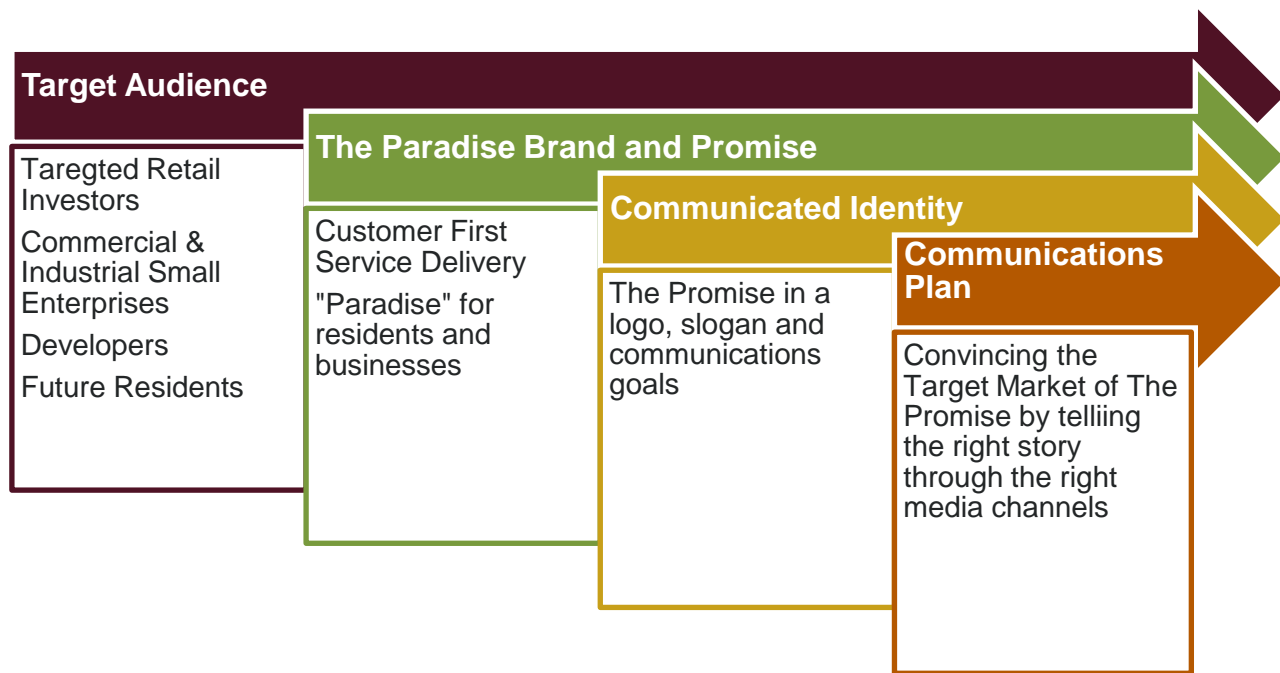
In this regard, it is important to understand a community identity takes time to create. In other “new” communities, a shared sense of place and sense of community pride has taken decades or generations to establish. Therefore the Town must be realistic with its expectations. It will take some time before residents feel a deep sense of loyalty or obligation to support the community and local businesses. With that said, the Town has



already made significant inroads towards this goal. Civic investments in the arena and signature community events have already paid dividends. Residents and local businesses have noted their happiness and appreciation for these community amenities.

Moving forward, the Town should devote resources to addressing this community short-coming because it undermines the Town's ability to differentiate itself as a great place to live and do businesses. To this end, establishing a brand of customer first service excellence as described above will help to differentiate the Town and support messages to a number of target markets as shown in the figure below.

FIGURE 17: OBJECTIVES AND TARGET MARKETS OF PARADISE'S COMMUNICATIONS STRATEGY



The message of "Customer First Service Delivery" will resonate with all of the economic development strategy's target markets. Each of these individuals believes they are special and that the biggest investment any of them will ever make (e.g. starting a business, buying a house, buying land for development) deserves special attention. And they are right!

The message also plays against commonly held (and easily held) perceptions of governments as bureaucratic monoliths who do not care about their customers until it is time to collect taxes or vote in an election. Paradise will truly differentiate itself as long as it delivers on The Promise.

In addition, if this message is delivered in partnership with developers it will carry even more weight. To great effect, the City of Leduc, Alberta, partnered with residential



developers on joint “Build With Us!” radio spot advertisements that broadcast out across the Edmonton region. This is easily imagined in Paradise who could do the same with its commercial, industrial and residential developers in the St. John’s CMA market. If the partners were to also jointly create supporting hard copy and website materials the outreach package would be complete and then it is a matter of selling to complete the deals.

### 5.1.3 Critical Path 3: Supporting Local Businesses

The next step is fostering a supportive business environment in which the Town’s existing businesses can grow and thrive. Recruitment as an economic development activity has its limitations. Many times, community leaders and the media are caught up in the excitement of luring new companies to their area, only to realize that they are replacing companies who have been ‘lured’ someplace else.

Few people would argue with the assertion that existing businesses are important to the local economy. Over the last two decades studies have documented the impact of existing businesses on job growth. Other studies have examined the impact of businesses on maintaining strong local economies through investments in the social fabric of the community. Finally, existing businesses are always a primary source of information about the community for companies looking to relocate.<sup>13</sup>

In this context, the Town should initiate a business retention and expansion program (BR+E). The primary objectives of this program include:

- Connecting local businesses to the resources and services they need to be even more competitive.
- Measuring, evaluating and developing strategies to address the needs of local businesses.
- Helping local businesses to identify and overcome barriers to growth, and providing a tailored solution to connect clients with the resources and services they need to succeed.

In time this program will become an umbrella under which a number of business supporting activities will occur. Tailored business workshops, shared industry training, and local business networking are a few examples of these activities. In sum, this program will deliver on the Paradise Brand and Promise as outlined in the previous step in the critical path.

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<sup>13</sup> Henry M. Cothran. (2013). Business Retention and Expansion (BRE) Programs: Why Existing Businesses Are Important. University of Florida. The Institute of Food and Agricultural Sciences (IFAS).



## 5.1.4 Critical Path 4: Targeted Investment Attraction

“Targeted Investment Attraction” contains a wide spectrum of opportunities which have presented themselves throughout the strategic planning process. Admittedly it is a broad statement of focus; however, the importance of this array of opportunities must be emphasized as the Town becomes more pro-active yet selective in its approach to development. In the years ahead, Paradise will strengthen its economy with initiatives that move beyond the traditional maxims of expanding the tax base through unbridled residential and industrial growth.

In accordance with the “Guiding Principles for Economic Development in Paradise” this step in the critical path is centred on the promotion of strategic business and residential growth, not growth for its own sake. This step also supports the diversification of the local economy with the ultimate goal of improving residents’ quality of life and fostering a strong local sense of place.

At a more tactical level, this step has implications for the Town’s residential, commercial (primarily retail) and industrial future developments. This step also speaks to the need for Paradise to expand its “economic development sand box” to work more closely with its regional counterparts.

### **Retail Development**

The resident population and business community have voiced keen desire to expand the retail, food and personal services available in Paradise. In other words, residents would prefer to travel a shorter distance for their day-to-day goods and services. Looking ahead, while there are opportunities to encourage more local retail development, the Town should be cautious about the types of retail businesses it encourages. Regional market saturation is a primary concern for many ubiquitous retail goods and services. Population thresholds to support certain retail businesses must be considered at the regional scale. Since municipal boundaries are generally irrelevant to consumers it will be prudent to encourage the development of regionally unique retail offerings. Whenever possible, retail developments should be geographically positioned to service civic amenities in the hopes of creating more complete “community hubs”.

### **Residential Development**

Single-detached homes define the majority of the local residential housing stock. As the Town’s population ages and their needs begin to change, there will be a need for more diverse residential options. Encouraging a broader range of housing densities, with varying price points will serve the town and its population well. Increased residential densities will also support the viability of public transit. In the same vein, encouraging more mixed land uses with residential and commercial/ retail fosters self-sustaining neighbourhoods.





## Industrial and Commercial Development

Paradise is in a privileged regional position to have developable industrial and commercial lands. With this position, the Town should be selective in the types of development it encourages and approves. Serviced employment lands are a precious commodity and should be treated accordingly. The Town should seek out those developments which maximize the Town's return on investment. For example, the Town should:

- Move to the highest and best use of serviced industrial lands
- Pursue high rates of site coverage
- Encourage development of prestige office space

The development of prestige office space will facilitate the growth of the town's, already well established, professional scientific and technical services sector. Paradise is home to a large number of sole proprietors who work in this space. Some of these sole proprietors are considered 'Lone Eagles'; they are knowledge workers with highly transportable skills, such as writers, analysts, accountants, sales professionals, manufacturers' representatives and other advisors. Most Lone Eagles live in large cities, but many are moving to smaller neighboring a better quality of life. While Paradise is still part of the "big city" it has many smaller town characteristics and amenities.

In this light, an increasing number of smaller communities neighboring metropolitan cities have been successful with an approach of attracting these types of business people. For instance, Prince Edward County, Ontario, has focused much of their entire economic development campaign around this class of individual as well as agri-food producers and tourism operators (see [www.buildanewlife.ca](http://www.buildanewlife.ca)).

Lone Eagles' infrastructure requirements are few, which means limited investment by Paradise. Efficient telecommunications (mobile phone coverage, broadband access), reliable courier service and access to an airport are all attributes inherent to Paradise. Creating spaces where these Lone Eagles want to work is the real challenge. At present, Paradise has limited prestige office space suitable for shared office arrangements. Given the relative cost of office space in St. John's, Paradise is well positioned to attract a large number of these professionals.

## Regional Approach to Development

As noted in a recent report from the Harris Centre at Memorial University, integrated regional approaches to development help to avoid the traditional problem of creating winners and losers. Instead, regional approaches to economic development focus on identifying potential strengths and acting to make a region economically stronger together.<sup>14</sup>

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<sup>14</sup> David Freshwater et al. 2014. Local Labour Markets as a New Way of Organizing Policies for Stronger Regional Economic Development in Atlantic Canada. The Harris Centre of Memorial University.



The St. John's CMA has been a hotbed for investment over the last decade. Oil and gas related activities have transformed the economic and built landscape of the entire region. Today, however, the region's communities are no longer satisfied with just job creation or increased tax assessment; nor should they be. It is now about strategically aligning investment with the strengths of each community. From this perspective, there are some investments that make sense for Conception Bay South and not for Paradise or vice versa. Accordingly, building and maintaining close relationships with the region's economic development and planning community will foster more strategic developments at the regional level. In time, these relationships may be formalized to include official memorandums of understanding for lead generation and follow-up protocols. In time, this approach will pay dividends for Paradise and its neighbours.





# ACTION PLANS



# 6 ACTION PLANS

## 6.1 Interpreting the Action Plans

This provides a series of action plans which directly support the critical path described above. These actions plans should be interpreted in the following context.

### Timing and priority

In the actions tables to follow, the level of priority has been based on several criteria including:

1. The level of immediacy based on the Town's economic development objectives
2. The potential to contribute to the overall economic vitality and sustainability of Paradise
3. The resources required (i.e. the capacity to implement given the current state)
4. The logical sequence of actions, with each building from the last; in some cases, these are identified as separate steps to support the same overall action

The priority level assigned to each action item also corresponds to a specific timeframe. The time frame for each priority level may be operationalized as:

- Highest – immediately
- High – within a year
- Medium – within 3 years
- Low – 3-5 year

### Performance Management

Performance measurement is a tool to determine how well a job has been done using both qualitative and quantitative information and activities. The following reasons make it important to track activity and performance.

- Providing public accountability
- Assisting with human resources management
- Using results to improve performance
- Identifying the return on investment

An effective economic development office must measure and communicate these results.

Unfortunately, performance measurement in economic development is not a common practice. This is something of an unacceptable situation and is slowly changing as economic development professionals see the merits in tracking performance so they can improve their operations. To a large degree though, they are reacting to negative circumstances – only tracking because their stakeholders are forcing them. Governors



of municipal dollars cannot be blamed, however, as they are being increasingly pressured by their constituents to do more with less.

Below each of the action plans, presented below, are several logical performance metrics. It is recommended that the Town carefully consider each metric before their application. A couple questions to consider before their use include:

- Is there enough information to consistently inform this metric over time?
- Are there enough resources to consistently monitor the metric?
- Does the metric effectively demonstrate the success or failure of the action?

If any of these questions cannot be answered with a definite “yes” than the Town should consider a different measure.





## 6.2 Action Plan - Commitment to Service Excellence and Increasing the Town’s Economic Development Capacity

FIGURE 18: GOALS AND ACTIONS FOR CUSTOMER SERVICES INCREASING THE TOWN’S ECONOMIC DEVELOPMENT CAPACITY

Goals	Actions (Paradise’s Role)	Priority
<b>1. Increase Economic Development Capacity</b>	<ol style="list-style-type: none"> <li>1. Create and full time Business Development Specialist or Economic Development Coordinator/Officer Position</li> <li>2. Maintain a detailed source of community data including skills inventory, a community profile, labour market statistics, and up to date business directory. Ongoing updates should be provided (minimum semi-annually for all but Skills Inventory which is annual)</li> <li>3. Develop and maintain a vacant land and storefront inventory</li> <li>4. Develop and maintain a ‘shovel ready’ development land inventory</li> <li>5. Work towards the gold standard of investment readiness</li> </ol>	<ol style="list-style-type: none"> <li>1. Highest</li> <li>2. High</li> <li>3. Medium</li> <li>4. High</li> <li>5. Low</li> </ol>
<b>2. Create a culture of Customer First service and create one-stop service and business process</b>	<ol style="list-style-type: none"> <li>1. Educate and engage Council and Senior Staff to create a customer services environment and filter it through the entire organization</li> <li>2. Prepare "ready to go" collateral material to expedite customer service</li> <li>3. Create expedited service channels and process to serve urgent cases</li> <li>4. Identify channels and process to provide tailored services to new business customers and redevelopment need</li> <li>5. Build relationships and partnerships through customer services by solving problems and streamlining information</li> <li>6. Track communication and project work with investors, stakeholders and the business community through a customer relationship management (CRM) system</li> <li>7. Develop a “one team” Paradise approach to investment attraction efforts. Once an opportunity is identified Town staff should know who the local stakeholders are in the community and region that need to be brought into the room. Staff should compile and maintain a list of HR, real estate, accounting, legal, and financial professionals.</li> </ol>	<ol style="list-style-type: none"> <li>1. High</li> <li>2. High</li> <li>3. Medium</li> <li>4. Medium</li> <li>5. Medium</li> <li>6. Medium</li> <li>7. Medium</li> </ol>
<b>3. Establish customer service standards and customer expectation</b>	<ol style="list-style-type: none"> <li>1. Upgrade and commit to service standards</li> <li>2. Identify service process and time expectation</li> <li>3. Streamline regulations and make it easy and transparent for developers</li> </ol>	<ol style="list-style-type: none"> <li>1. High</li> <li>2. High</li> <li>3. Medium</li> </ol>

### POTENTIAL PERFORMANCE METRICS

- Number of new business licenses
- Number of companies that have expanded and been retained
- Number/value of permits
- Jobs created (i.e. fulltime, part-time, contract, seasonal) due to new businesses and start-ups, business relocation and existing businesses expanding



## 6.3 Action Plan - Place Making and Improved Communications

FIGURE 19: GOALS AND ACTIONS FOR PLACE MAKING AND IMPROVED COMMUNICATIONS

Goals	Actions (Paradise's Role)	Priority
1. Increase the awareness, understanding and support for economic development within Paradise	<ol style="list-style-type: none"> <li>1. Create a communication channel between Council and the private sector and showcase Council support for business development</li> <li>2. Engage frequently with businesses (e.g. meetings, celebrations)</li> <li>3. Engage professionals in key business and community promotion</li> </ol>	<ol style="list-style-type: none"> <li>1. High</li> <li>2. High</li> <li>3. Medium</li> </ol>
2. Establish Town as a Partner for economic development	<ol style="list-style-type: none"> <li>1. Identify potential internal and external partners with financial benefits and business opportunities</li> <li>2. Engage local non-profit and volunteer groups for economic development activities</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Medium</li> </ol>
3. Activate Customer First Service experience	<ol style="list-style-type: none"> <li>1. Illustrate The Promise of Customer First Service Delivery through the Town's Identity</li> <li>2. Develop a Communications Plan that identifies the channels to convey The Promise</li> </ol>	<ol style="list-style-type: none"> <li>1. High</li> <li>2. High</li> </ol>
4. Create community identity and unity	<ol style="list-style-type: none"> <li>1. Identify or create social gathering places or occasions for people to meet and build network of relationships that creates a true community</li> <li>2. Promote local brands whenever possible</li> <li>3. Source Town purchases from local retailers</li> <li>4. Establish a formalized volunteer recruitment program</li> <li>5. Focus particularly on new residents in the community as a means of engaging them in community life.</li> <li>6. A personal welcome: To support community cohesion and the strengthening of the Town's image as a place to live and work, new local residents and workers should have a personal welcome. A volunteer or the coordinator would meet them in person, collect and maintain contact information and provide them with a welcome package that introduces them to community services. Ongoing communications would be provided to the newcomers, sharing news about community activities, tips on enjoying life in Paradise, and welcoming new people.</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Medium</li> <li>3. High</li> <li>4. Medium</li> <li>5. Medium</li> <li>6. Medium</li> </ol>

### POTENTIAL PERFORMANCE METRICS

- Number of volunteers
- Attendance at community events
- Average length of development approval



## 6.4 Action Plan - Supporting Local Businesses

FIGURE 20: GOALS AND ACTIONS FOR SUPPORTING LOCAL BUSINESSES

Goals	Actions (Paradise's Role)	Priority
<b>1. Retain existing business; expand existing business; Identify new business opportunities related to existing businesses</b>	<ol style="list-style-type: none"> <li>1. Engage regular communications with existing businesses, maintain on-going dialogues and develop a business culture within the Town</li> <li>2. Conduct a sector specific business BR+E survey (different sector each year or six months) Answer the questions:               <ul style="list-style-type: none"> <li>• What barriers to growth need to be removed?</li> <li>• What opportunities exist in the broader economy as well as for individual businesses?</li> </ul> </li> <li>3. Showcase recent success</li> <li>4. Identify ambassadors in the business community to advocate for the Town</li> <li>5. Ensure Municipal Plan is consistent with local goals</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. High</li> <li>3. High</li> <li>4. Low</li> <li>5. Highest</li> </ol>
<b>2. Develop promotional/marketing material that portrays The Promise; Promote small business</b>	<ol style="list-style-type: none"> <li>1. Encourage development of local space that allows for small professional services agencies like engineers, accountants, legal services, public relations and internet/website services</li> <li>2. Market and promote the Lone Eagles environment within Paradise</li> </ol>	<ol style="list-style-type: none"> <li>3. Medium</li> <li>4. Medium</li> </ol>

### POTENTIAL PERFORMANCE METRICS

- Number of new business licenses
- Number of companies that have expanded and been retained
- Number/value of permits



## 6.5 Action Plan - Targeted Investment Attraction

FIGURE 21: GOALS AND ACTIONS FOR TARGETED INVESTMENT ATTRACTION

Area	Goals	Actions (Paradise's Role)	Priority
<b>1. Retail Development</b>	<ol style="list-style-type: none"> <li>1. Meet the need of self-sufficient community (while not competing directly with St. John's)</li> <li>2. Promote local brand and local shops</li> <li>3. Leverage retail to support the creation of community hubs</li> </ol>	<ol style="list-style-type: none"> <li>1. Using existing market analysis, provide a Paradise wide market analysis and marketing plan for local shops that developers will use in their promotions</li> <li>2. Identify local brands that are worth promotion and market Made In Paradise</li> <li>3. Introduce policies to encourage the geographic positioning of retail developments adjacent to civic amenities.</li> <li>4. Through the new MDP or the creation of a new CIP, establish tight façade and signage guidelines along major transit corridors</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Medium</li> <li>3. Highest</li> <li>4. Highest</li> </ol>
<b>2. Residential Development</b>	<ol style="list-style-type: none"> <li>1. Diversity the types of housing available in Paradise</li> <li>2. Increase unit densities to support the viability of public transit</li> <li>3. Foster self-sustaining neighbourhoods</li> </ol>	<ol style="list-style-type: none"> <li>1. Identify medium-high density residential nodes and zone them accordingly.</li> <li>2. Introduce minimum density requirements for large scale developments</li> <li>3. Encourage more mixed use commercial and residential developments within the Municipal Plan.</li> <li>4. Encourage community walkability between residential and commercial / retail developments with rigid site plan guidelines.</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Medium</li> <li>3. Highest</li> <li>4. Highest</li> </ol>



Area	Goals	Actions (Paradise's Role)	Priority
<b>3. Industrial and Commercial Development</b>	<ol style="list-style-type: none"> <li>1. Maximize tax assessment from serviced employment lands</li> <li>2. Encourage office space to support Lone Eagles</li> <li>3. Foster an environment for small business growth</li> </ol>	<ol style="list-style-type: none"> <li>1. Continue to attend oil and gas related trade shows (ensure a regional approach is taken with these activities)</li> <li>2. Engage in targeted investment attraction activities in partnership with local businesses</li> <li>3. Explore partnership opportunities with Memorial University to support local businesses through internships, work placements, co-op programs and mentorship opportunities.</li> <li>4. Identify and attract new business opportunities that enhance the value chains of existing business in Paradise</li> <li>5. Identify and promote existing local office space to be occupied by Lone Eagles.</li> <li>6. Coordinate with developers to ensure new prestige office space is a priority for future developments.</li> <li>7. Consider the introduction of a minimum site coverage requirement in the Municipal Plan.</li> </ol>	<ol style="list-style-type: none"> <li>1. Ongoing</li> <li>2. Medium</li> <li>3. Medium</li> <li>4. Medium</li> <li>5. High</li> <li>6. High</li> <li>7. Highest</li> </ol>
<b>4. Regional Approach to Development</b>	<ol style="list-style-type: none"> <li>1. Work with other communities in the region to enhance the regional competitiveness</li> <li>2. Build and maintain relationships with the region's economic development and planning community</li> <li>3. Establish formalized lead generation and handling protocols with regional partners</li> <li>4. Leverage regional / provincial community funding opportunities</li> </ol>	<ol style="list-style-type: none"> <li>1. Work collectively with other regional communities to develop joint initiatives (share the cost of business workshops etc.).</li> <li>2. Establish stronger relationship with community ACOA representative</li> <li>3. Establish partnerships with regional agencies and NGO's to support and enhance program delivery. The Town can leverage existing programming offered by provincial agencies and non-profit groups, to provide local businesses with additional resources and educational opportunities. For example, Export Development Canada and the Business Development Bank of Canada provide resources and training seminars to help business throughout the country grow and expand. There is currently a push by these organizations to support ICT and technology related business developments. Collaborative opportunities should be explored in relation to the business park.</li> <li>4. Actively attend events and seminars throughout the region to: build the Town's network of business contacts; show support for regional initiatives; generate awareness of the Town and learn industry and municipal best practices.</li> <li>5. Play a greater role in the Mount Pearl-Paradise Chamber of Commerce</li> <li>6. Play a Greater Role in the St. John's Board of Trade</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Highest</li> <li>3. High</li> <li>4. High</li> <li>5. High</li> <li>6. High</li> </ol>

### POTENTIAL PERFORMANCE METRICS

- Amount of private investment leveraged from public investment
- Dollar value of public investment in development projects
- Local regional partnerships – number of partnerships, size of partnerships, type of partnerships
- New business investment attracted – dollars and number of businesses
- Residential density



# CONCLUSION – A CALL TO ACTION



Enjoying a game of soccer in Paradise





## 7 CONCLUSION

This Strategy has been informed by primary and secondary research and by direct input from the Town of Paradise’s leadership. It is intended to build on the historical success of Paradise, but also recognizes the limits of this success and the need for greater momentum and leadership if Paradise is to achieve lasting and sustainable economic growth.

It must be said, however, that economic development by its nature is a dynamic landscape, impacted by a wide range of internal and external stakeholders with opinions and ideas on how sustainable economic development is to be achieved. This becomes apparent when consideration is given to the scope and variety of projects that can be described as “economic development”.

One of the key considerations in the effective implementation of this Strategy will be an understanding and communication of how the strategy is to be resourced. This includes the financial resources required to move forward and clarity of roles and responsibilities between the Town’s Council and municipal staff, and local and regional stakeholders. This is relevant from the perspective of potential residents and businesses, investors and visitors to Paradise and their desire for a one stop approach to gathering information and assistance and understanding where future partnership might emerge.

With so many of the action items identified by the Strategy receiving “highest of high priority” status, it is important to consider the current capacity of the Town to address these items. An increase in resources is required to facilitate swift and successful implementation of these actions.

# APPENDIX



Children at play: Rotary Paradise  
Youth and Community Centre



# 8 APPENDIX

## 8.1 Provincial Economic & Planning Context

### 8.1.1 The Province of Newfoundland and Labrador<sup>15</sup>

The economy of Newfoundland and Labrador was very strong in 2013. Real Gross Domestic Product (GDP) in the province grew by 5.9% from 2012 to 2013, leading all other Canadian provinces (almost double the rate of the next highest), while investments in the province reached record levels at \$12.3 billion (an increase of 31.4% from 2012). Investments were driven largely by major resource project developments such as the Hebron project in the oil and gas sector, the Muskrat Falls project in the utilities sector, and Vale’s nickel processing facility in the mining sector. Household income reached a 30 year high in 2013, driving retail sales to also reach a 30 year high. The unemployment rate was at a 40 year low at 11.4%.

#### Leading Sectors

The oil and gas industry led the strong provincial economic results, accounting for 28.2% of GDP in 2012 compared to the next highest industry at 12.3%. In total, the goods-producing sector<sup>16</sup> accounted for over half of the economy of the province (52.7%) in 2012 compared with the services producing sector (47.3%).

#### Oil & Gas<sup>17</sup>

Oil extraction and related support activities accounted for 28.2% of provincial GDP in 2012, more than double any other one industry. Offshore oil royalties accounted for 24% of total provincial revenues from 2012-2013, with a cumulative production value of oil in the province totaling \$102 billion since 1997. Production in Newfoundland and Labrador offshore oil developments

Fast Facts about the Province of Newfoundland and Labrador (2013)



Source: Statistics Canada, 2011 Census Profile; Economic Research and Analysis Division, Department of Finance, Government of Newfoundland and Labrador, "The Economy 2014: Provincial Economic Overview"

<sup>15</sup> Economic Research and Analysis Division, Department of Finance, Government of Newfoundland and Labrador, "The Economy 2014: Provincial Economic Overview"

<sup>16</sup> Which includes 1) Agriculture, Forestry & Logging 2) Fishing, Hunting & Trapping 3) Mining 4) Oil Extraction and Support Activities 5) Manufacturing 6) Construction 7) Utilities

<sup>17</sup> Ibid – "Oil and Gas"





currently accounts for approximately 35% of Canada's total conventional light crude production.<sup>18</sup>

The oil and gas industry in Newfoundland is projected to continue to perform well with increased exploration activity in 2014. Statoil, Husky and Black Spruce Exploration are drilling wells and conducting seismic programs in the Flemish Pass Basin southeast of St. John's and in sites off the west coast of Newfoundland.

## Real Estate<sup>19</sup>

The real estate sector in the province remained active in 2013 though exhibited signs of more moderate growth than previous years. Housing starts fell by 26.3% in 2013 (compared to 2012) reflective of drops throughout the Maritimes and Canada as mortgage regulations were tightened and mortgage rates increased. This drop was seen even more prominently for *multiple* housing starts (i.e. row and semi-detached homes, apartments and condominiums) which fell by 43% in the St. John's CMA<sup>20</sup> (the largest market for this housing in the province) after posting good growth in 2012. Overall, the number of residential sales declined in the province, though residential prices increased by 5.3%. In the St. John's CMA, the average MLS®<sup>21</sup> residential price was \$301,300, up by 5.5%.

Commercial activity in the sector was thriving in 2013 as a result of the strong provincial economic performance. Increased demand for office space (especially in the St. John's CMA) led to increased rental rates and new construction of commercial properties. This increased demand from 2008-2013 by oil companies and firms that support oil companies (in particular) led to the total office space in the St. John's CMA growing by 23.6%.

Looking ahead, the residential real estate market is expected to have modest future gains in the total number of sales transaction and resale price. Housing starts are expected to remain comparable to 2013 levels.

## Construction<sup>22</sup>

Investment in the provincial construction sector grew by 33.1% from 2012 to 2013 rising to \$10.2 billion (the highest gain among all Canadian provinces). The construction sector accounted for 9.2% of provincial GDP in 2013 and was led primarily by private sector investments in resource based major project activity (representing 80% of the sector investment). Construction sector employment and

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<sup>18</sup> City of St. John's website, "<http://www.stjohns.ca/doing-business/economy-and-statistics/strategic-sectors/offshore-energy>"

<sup>19</sup> Ibid – "Real Estate"

<sup>20</sup> St. John's Census Metropolitan Area (CMA) is the capital region for the province of Newfoundland and Labrador and includes the City of St. John's and a number of surrounding towns.

<sup>21</sup> MLS is the Canadian Real Estate Association's Multiple Listing Service

<sup>22</sup> Ibid – "Construction"





wages have each doubled since 2001, with 2013 being the highest level of employment in the sector ever recorded in the province.

Investment in residential construction fell by 6.4% in 2013 but remained high at \$1.7 billion relative to historical rates of investment. Increases in expenditures on renovations (3.3%) helped to offset lower investments in new residential dwellings (-10.7%)

Construction investment in the province is expected to continue to post strong performances in 2014 led by non-residential construction spending associated with the oil and gas and mining sectors. Residential investment is expected to remain around \$1.7 billion.

## **Mining<sup>23</sup>**

The mining sector accounted for 8.6% of provincial GDP in 2013, with a total value of \$3.7 billion (down 4% from 2012). This decrease was due to lower provincial nickel production combined with decreases in world prices. Despite these decreases, total employment associated with mining in 2013 was the highest level in the history of the province.

A main driver for the provincial mining sector is in iron ore. The province experienced an increase in iron ore production in 2013 in response to a 10% increase in demand from Chinese markets coupled with a 5% increase in world iron ore spot prices (nickel and copper prices were down 14% and 8% respectively).

The mining sector in the province is expected to remain strong in 2014. Iron ore production is expected to increase and the value of mineral shipments is expected to increase by about 2% to \$3.8 billion.

## **Tourism<sup>24</sup>**

Tourism contributed \$467.4 million to the Newfoundland and Labrador economy in 2013, with tourism receipts growing by 10.1% since 2011. The tourism industry saw a slight decrease in non-resident visitors in 2013, dropping by 1.5% to 497,000 non-resident visitors, but remains an emerging economic contributor to the province.

The vast majority of non-resident tourists to the province arrived by air in 2013 (up 2% from 2012), with an estimated \$372.5 million in spending (up 3.7% from 2012). Both non-resident auto and cruise traffic both saw decreases in 2013, but while auto traffic levels have been declining for four years in a row, cruise statistics in 2013 represented the second highest number of cruise visitors and expenditures to the province on record. The cruise industry in 2012 experienced record levels of cruise visitors and expenditures to the province (surpassing the previous records set in 2007). From

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<sup>23</sup> Ibid – "Mining"

<sup>24</sup> Ibid – "Travel & Tourism"



2011-2013, the cruise industry in the province has doubled, bringing in \$7.1 million dollars to the provincial economy. Though growing, the cruise industry represented only 0.6% of the total tourism revenues generated in the province in 2013.

## Provincial Outlook<sup>25</sup>

Economic activity in the province is expected to remain strong in 2014 with a forecasted increase in capital investments around major projects of 2.4%, an increase in oil production by 1.8% and an increase in the value of mineral shipments by 2%. Growth in the province, however, is expected to be smaller in 2014 than in 2013 due to lower levels of investment and employment at Vale's nickel processing facility in Long Harbour as the construction phase moves into the commissions and production phase. Both the Hebron and Muskrat Falls projects are expected to continue to post high levels of investment and employment as construction continues on each project.

Projecting beyond 2014, the province forecasts that economic activity will remain high in 2015, but with smaller growth than previous years. Beyond 2015, the provincial economy is expected to contract as some major resource projects progress past peak levels. Production from other major resource projects (such as Hebron, Muskrat Falls, the White Rose Extension and Alderon's Kami project) is expected to provide significant boosts to the provincial economy into the future. It is also anticipated that new offshore oil and gas reserves will create significant opportunities to boost the future economic outlook for the province.

### 8.1.2 St. John's Census Metropolitan Area<sup>26</sup>

The St. John's Census Metropolitan Area (CMA) is the capital region for the province of Newfoundland and Labrador and includes St. John's and a number of surrounding towns including Conception Bay South, Mount Pearl, and Torbay.<sup>27</sup> The Town of Paradise is also part of the St. John's CMA.

The St. John's CMA is the major hub of economic activity for the province, accounting for about 50% of Newfoundland and Labrador's GDP. Mirroring the strong provincial economic performance of recent years, the St. John's CMA has experienced strong economic growth, including:

- Increases in resident earnings by more than 57% since 2005 (representing the second largest increase in median total family income among major Canadian cities between 2010-2011)
- Growth in retail sales of 71% (more than \$1 billion) since 2003

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<sup>25</sup> Ibid - "The Economy 2014: Expectations"

<sup>26</sup> City of St. John's, "State of the Economy – St. John's Metro", 2014

<sup>27</sup> The complete list of town's included in the St. John's CMA includes Bauline, Bay Bulls, Conception Bay South, Flatrock, Logy Bay-Middle Cove-Outer Cove, Mount Pearl, Paradise, Petty Harbour-Maddox Cove, Portugal Cove-St. Phillip's, Pouch Cove, St. John's, Torbay, and Witless Bay



- A historically low unemployment rate of 6.1% in 2013
- Significant declines in office and industrial vacancy rates since 2005, with new office space under construction in the downtown core
- Growth in the tourism sector by 66% in the St. John's CMA since 2003, leading to tourism revenues of \$214.3 million in 2012 and the second highest hotel occupancy rate (73.4%) of all major Canadian destinations in 2013
- Growth by 57% in passenger traffic at the St. John's International Airport (reaching a record high in 2013)

## Strategic Directions<sup>28</sup>

The St. John's CMA (the city of St. John's in particular) has four priority sectors that are currently driving the economy:

- **Offshore Energy** – The main supply base for the Canadian offshore petroleum industry. The city is home to many international oil companies and supply and service firms to the oil and gas industry. Most of the province of Newfoundland and Labrador's oil-related GDP is attributed to the St. John's area where large oil companies have their offices. The oil industry in the St. John's area alone accounted for 5,000-6,000 jobs and \$800 million for the local economy (in 2004).<sup>29</sup>
- **Ocean Technology**<sup>30</sup> – Quickly becoming known as a City of Ocean Excellence, the area is home to world class research and development facilities and personnel. The area is at the forefront of Canada's ocean technology industry and contributes roughly \$250 million to the provincial economy.
- **Arts & Culture** – Prioritized and supported through a number of cultural development channels that has led to an abundance of art galleries, theatres, studios, and live performance venues in the area. A higher percentage of the labour force in the St. John's CMA are employed in arts and culture occupations compared to the Canadian average.
- **Tourism** – Tourism revenues have grown by 66% over the past 10 years reaching \$362.37 million in 2011. These increases have led to increases for many tourism related sectors, including accommodation providers and cruise tourism. Tourism has taken the form of increased development of historic site, festivals and events, arts and culture, outdoor experiences, and new marketing initiatives.

The St. John's CMA is forecasted to continue to grow in 2014 and beyond, but at a slower pace than previously recorded. Personal incomes are expected to continue to grow helping to bolster consumer spending and contribute to the continued steady growth in the retail trade sector.

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<sup>28</sup> City of St. John's, "Roadmap 2021: A Strategic Economic Plan for St. John's"

<sup>29</sup> City of St. John's, "Local Economic Impact Study of the Offshore Oil and Gas Industry", 2004

<sup>30</sup> Activities in this sector include offshore energy, ocean observation and science, navigation and communications, remotely operated vehicles, autonomous underwater vehicles, subsea technologies, simulation, transportation, defence and security, and education and training.



## Population Growth & Housing

Roughly 38% of the province’s population resides in the St. John’s CMA. This population has been steadily increasing for 12 consecutive years. That being said, while the City of St. John’s population has grown by 7% during this time, the population in the communities surrounding the city have grown by 23%. This larger increase is highly attributable to the jump in housing prices (a 113% increase since 2005) and the increasing cost of living in the City of St. John’s. As housing and consumer prices increase, residents are drawn to surrounding areas that offer less costly alternatives.

Figure 22 highlights the low cost of housing in Paradise relative to the City of St. John’s and other communities in the St. John’s CMA. With an average price for absorbed single-detached units of \$375,803, the Town of Paradise offers favourable conditions for continued residential growth. It is interesting to note that prices in Paradise remained relatively constant between 2012 and 2013, whereas Mount Pearl and communities that are part of the “remainder of the CMA” designation saw large price increases.

FIGURE 22: AVERAGE PRICE (\$) OF ABSORBED<sup>31</sup> SINGLE-DETACHED UNITS, ST. JOHN’S CMA

Submarket	Total		
	YTD 2013	YTD 2012	% Change
City of St. John’s	422,019	424,374	-0.6
Conception Bay South	350,667	334,466	4.8
Mount Pearl	377,103	324,193	16.3
<b>Paradise</b>	<b>375,803</b>	<b>376,958</b>	<b>-0.3</b>
Torbay	405,610	425,619	-4.7
Remainder of the CMA	409,026	374,448	9.2
St. John’s CMA	395,388	38,439	2.1

Source: Canada Mortgage and Housing Corporation, *St. John’s CMA Housing Market Housing Outlook Seminar*, March 5<sup>th</sup>, 2014

### 8.1.3 The Town of Paradise

The Town of Paradise experienced a tremendous 84% growth in the population from 2001 to 2011.<sup>32</sup> This growth brought new resources and development opportunities to Paradise while also highlighting infrastructure deficits needing to be addressed to account for the increase in residents. The Town of Paradise has positioned itself through its Strategic Plan 2013-2017 and Municipal Plan 2004-2014 to ensure that necessary investments are being considered for the continued success of the community.

In particular, Paradise has been successful in recent years in the planning and development for a number of new investments to the community, including:

- A new double ice surface recreation arena

<sup>31</sup> The Conference Board of Canada identifies a dwelling as being “absorbed” when a binding, non-conditional agreement is made to buy or rent the dwelling.

<sup>32</sup> Statistics Canada, Census of the Population 2006 & 2011





- Upgrades to critical road networks
- Upgrades to water and sewer assets
- Implementation of a recycling program and attracting of a green depot for recycling electronic waste, used paint, and used beverage containers
- Expansion of industrial lands
- Improvements to community based program development and recreation facilities (such as trail networks)
- Completion of new traffic studies

### Strategic Plan 2013-2017

The Town of Paradise Strategic Plan 2013-2017 charts out a vision, mandate, and mission for Paradise to build on recent local growth and achieve a number of priority goals for the community. These goals include important infrastructure investments and upgrades, recreation developments, business park expansion, and access to affordable housing (a complete listing can be seen in Figure 23). These priority areas are identified by Council as the primary focus for investment and decision-making for Paradise until 2017.

FIGURE 23: PARADISE STRATEGIC PLAN PRIORITY GOALS, 2013-2017

Goals	Description
Expansion and maintenance of internal road networks	Expand and maintain the Town's road networks as Paradise continues to grow
Identification of another major access for Paradise	Strong need for another major access and egress for Paradise
Continuation of water/sewer upgrades and expansion	Ensuring important basic infrastructure for residents and businesses is available and that there is a plan in place to maintain and improve these assets
Continued development and improvement of Paradise Business Park	Ensuring the business park is a preferred location for businesses by improving partnerships and increasing development standards
Improved accessibility to affordable housing	Increase access to affordable housing and to diversify development regulations to better accommodate higher density housing
Planned development of an integrated linear trail system	Develop linear trail ways within and between larger trail systems around ponds and other natural areas within Paradise where they can be properly planned and developed
Octagon Pond development and partnerships	Continue to develop the site with a nature park and create other assets and facilities that will make the area a premiere nature and recreation destination
Continued development of the long range financial plan to ensure financial sustainability	Incorporate all strategic initiatives identified by Council and build on the work that has already been completed by the Town

### Municipal Plan 2004-2014

The Town of Paradise Municipal Plan 2004-2014 establishes guidelines for the future development of the municipality by creating a 10-year land use strategy. The Municipal Plan combines the town's goals of creating a pleasant, healthy, and safe environment for residents with Council's dedication to financial accountability.

A number of goals to guide Council are laid out in the Municipal Plan:



- To promote orderly development, the economical use of municipal services, compatibility between adjacent land uses, reservation of open space, and environmental conservation
- To encourage diversified economic growth in order to build up a favourable base for municipal assessment and to generate employment
- To develop an appropriate mix of retail, office, and service facilities to serve residents
- To increase the commercial and industrial base of the Town
- To provide land for an adequate quantity and mix of housing to serve the needs of the population
- To meet the growing needs of the community for cultural and recreational opportunities
- To provide, where possible, a full range of municipal services to residents in the most economical manner
- To provide a safe and efficient internal and external transportation network to serve Paradise
- To provide for the health, safety, welfare, and enjoyment of the general public
- To preserve important aspects of the natural environment
- To achieve long-term financial stability by managing expenditures on municipal services while broadening the assessment base for municipal revenues

The Municipal Plan outlines a number of regulations for residential, commercial, and industrial land-uses in Paradise. It is interesting to note that a *future industrial general* land-use designation is made in the Plan to reserve land for the medium and long-term industrial and economic development of Paradise. This forward thinking recognizes the strategic location of Paradise in relation to major transportation corridors in the region and the abundant supply of land in Paradise to accommodate a mix of light industries, commercial uses, and heavy industries.



## 8.2 Demographic, Economic, and Labour Force Profile

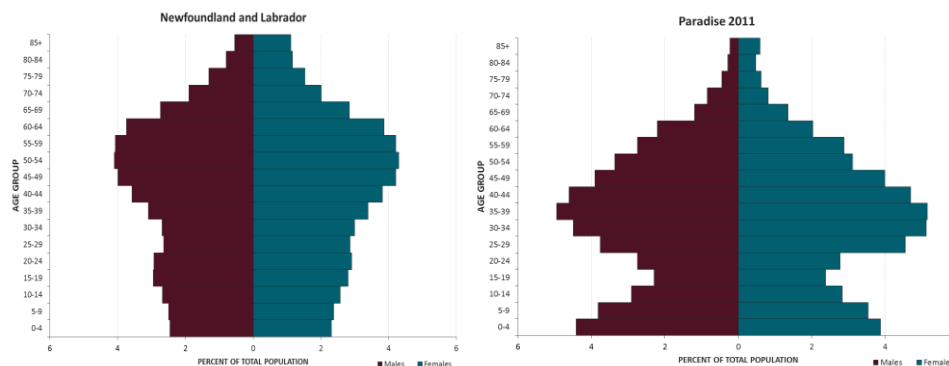
### 8.2.1 Population

As of 2011, Paradise had a total population of approximately 17,695. From 2006 to 2011, the Town's population increased by 40.6%. The rate of population growth is in contrast to the provincial average, which increased by a mere 1.8% from 2006 to 2011.

Moving forward, the Newfoundland and Labrador Statistics Agency (NLSA) predicted a steady growth of the population in St John's CMA to 2035. At the medium case scenario, it has been projected with about 0.5% annual growth rate.

As of 2011, the demographic structure (Figure 24) of Paradise was considerably different from the overall structure of Newfoundland and Labrador. The median age of population in Paradise was 35.2, which was 9 years below the provincial median of 44.

FIGURE 24: PARADISE AND NEWFOUNDLAND AND LABRADOR POPULATION PYRAMIDS, 2011



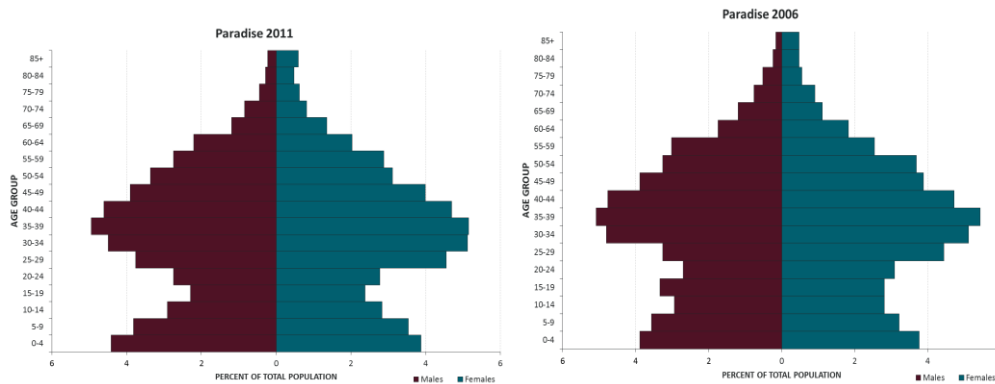
Source: Statistics Canada. 2011. National Household Survey. Community Profiles. Adapted by Millier Dickinson Blais Inc.

As shown in the figure above, the population for the working age, 24 to 50 years old, in Paradise was proportionally greater than that in the province. The younger age group, 0 to 14 years old, reveals similar pattern. Therefore, public policy and infrastructure development need to be able to support these differences in demographics. Paradise, for example, will need to provide more capacity for its schools while the rest of the province will focus on providing services to seniors to allow them to age in place. Efforts on job creation and retention need to be strengthened for Paradise to retain the labor force. Otherwise, people would move to other places for jobs.

Figure 25 compares the population structure of Paradise between 2006 and 2011. According to the figure, the population structure of Paradise resembles similar patterns for nearly all age groups in those two years. It indicates a healthy and steady population growth over the period. Most likely, Paradise attracted more working age population to the Town over the period.



FIGURE 25: PARADISE POPULATION PYRAMID, 2011 OVER 2006



Source: Statistics Canada. 2011. National Household Survey. Adapted by Millier Dickinson Blais Inc.

## 8.2.2 Household Characteristics

With respect to household size, as measured by average number of persons in census family, Paradise has similar family size than found across the rest of the province. As of 2011, Newfoundland and Labrador's average number of persons per census family was 2.7, while the town's was 2.9. Between 2006 and 2011, the average number of persons in each census family has increased in both the town and the province, from 2.8 to 2.9 for Paradise, and from 2.5 to 2.7 for the province.<sup>33</sup>

As of 2011, a larger proportion of Paradise's households were also home to children with 47.7%. This is well above this provincial average of 34.6%. This disparity can be explained by Paradise's relatively large proportion of adults who are at the stage of their life course with high rates of fertility.

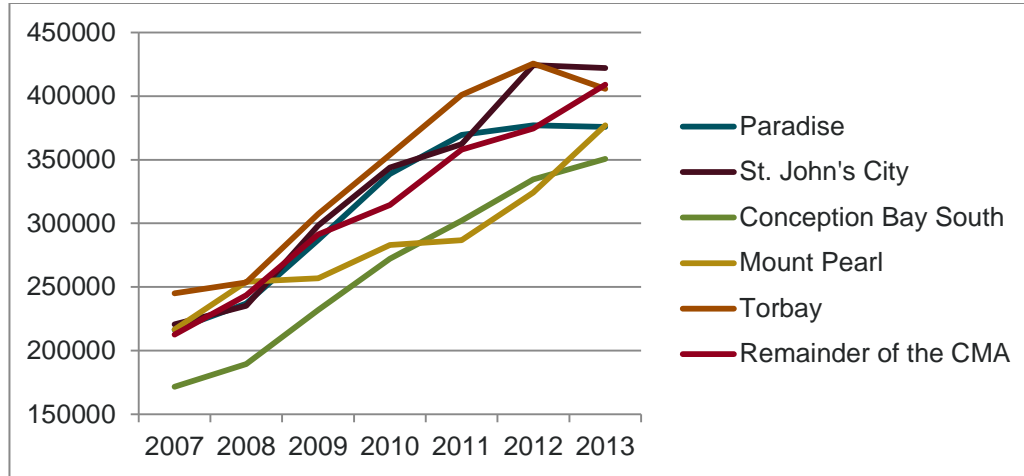
Over the last seven years, the housing stock of St. John's metro area has experienced steady appreciation, resulting from an influx of capital and the resurgence of the provincial economy. As shown in Figure 26, as of 2011, the average value of Paradise's single detached homes was about \$370,000, which was the second highest average housing value in the area. However, the average value of single-detached units for Mount Pearl surpassed Paradise in 2013. And the average value for Conception Bay South appreciated much faster than Paradise from 2011 to 2013. In general, the steady increase of the housing value in the region was attributed to the recent development of oil and gas in the region. More young people settled in the region for affordable housing. As noted, the demand for housing is placing upward pressure on housing prices. The slowdown of average housing value in Paradise may indicate that the housing market in Paradise reached a mature stage. And the demand for housing in Paradise may be reduced.

<sup>33</sup> Statistics Canada. 2013. Newfoundland and Labrador (Code 35) (table). National Household Survey (NHS) Profile. 2011 Census. Statistics Canada Catalogue no. 99-004-XWE; Statistics Canada. 2007. Torbay. (Code3513) (table). 2006 Community Profiles. 2006 Census. Statistics Canada Catalogue no. 92-591-XWE.





FIGURE 26: AVERAGE PRICE OF SINGLE-DETACHED UNITS FOR ST. JOHN'S METRO, 2007 TO 2013

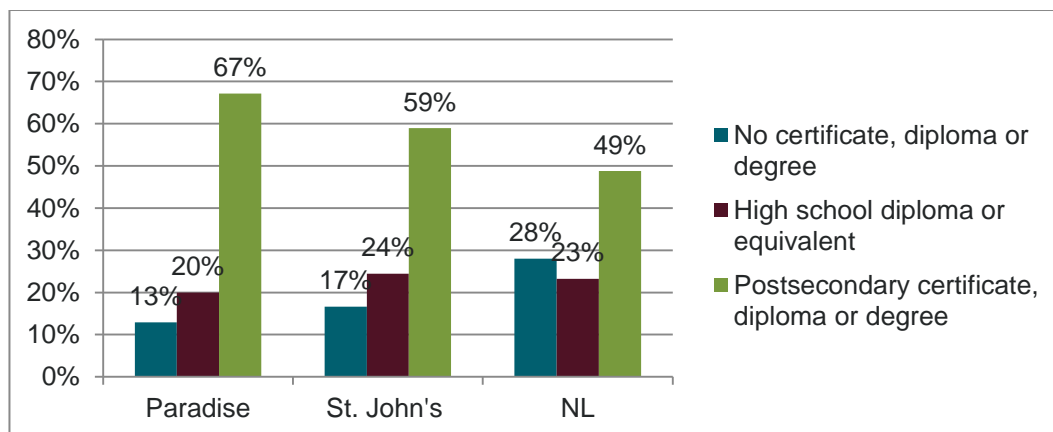


Source: Elton Management Consulting. 2012. Assessing the Future Impacts of Mega-Projects in St. John's Metro. Canada Mortgage and Housing Corporation, *St. John's CMA Housing Market Housing Outlook Seminar*, March 5<sup>th</sup>, 2014

### 8.2.3 Educational profile

Figure 27 illustrates the education attainment rates by degrees level, weighted against the population aged 15 years old and over in Paradise, St. John's, and Newfoundland and Labrador. Paradise has the highest percentage of the population obtained the postsecondary level of education, at about 67%, and the lowest rate in below high school level, at about 13%. Overall, education status for population in Paradise is relatively competitive in the region.

FIGURE 27: EDUCATIONAL ATTAINMENT BY DEGREE AND POPULATION WEIGHT, 2011



Source: Statistics Canada - 2011 National Household Survey.

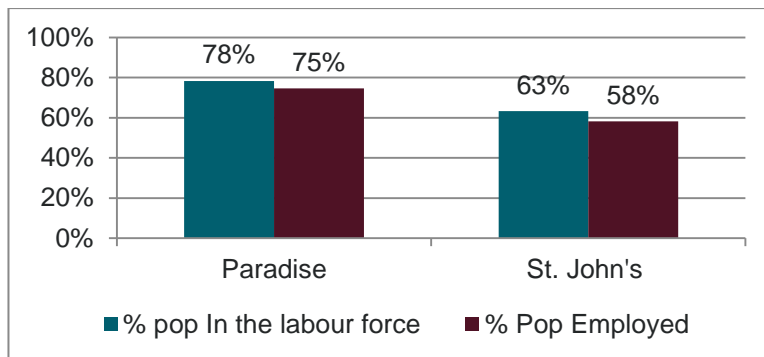


## 8.2.4 Labour Force Profile

### Employment

As of 2011 (Figure 28), Paradise has more population in labor force and employed than the City of St. John's among the total population aged 15 years and over. As such, the unemployment rate in Paradise is at a much lower level about 4.6%, while the unemployment rate for the City of St. John's is about 8.0%.

FIGURE 28: LABOUR FORCE AND EMPLOYMENT 2011



Source: Statistics Canada - 2011 National Household Survey.

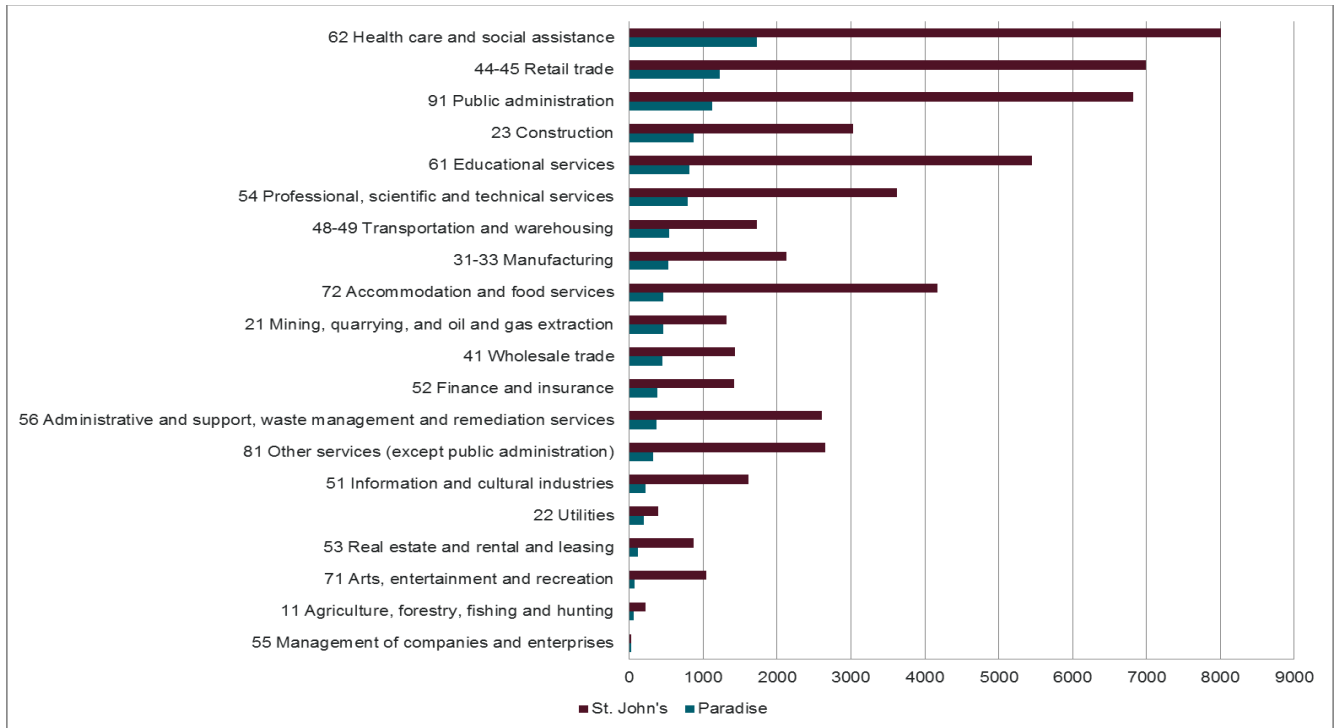
### Class of Workers



Figure 29 provides a complete breakdown of labour force activity by industrial sector as defined by the North American Industrial Classification System (NAICS) in Paradise and the City of St. John's. Measured in this way, Paradise's labour force in many ways is reflective of Newfoundland and Labrador. Both places share similar patterns in job distributions by NAICS code.



FIGURE 29: JOBS BY INDUSTRY SECTOR, 2011



Source: Statistics Canada - 2011 National Household Survey.



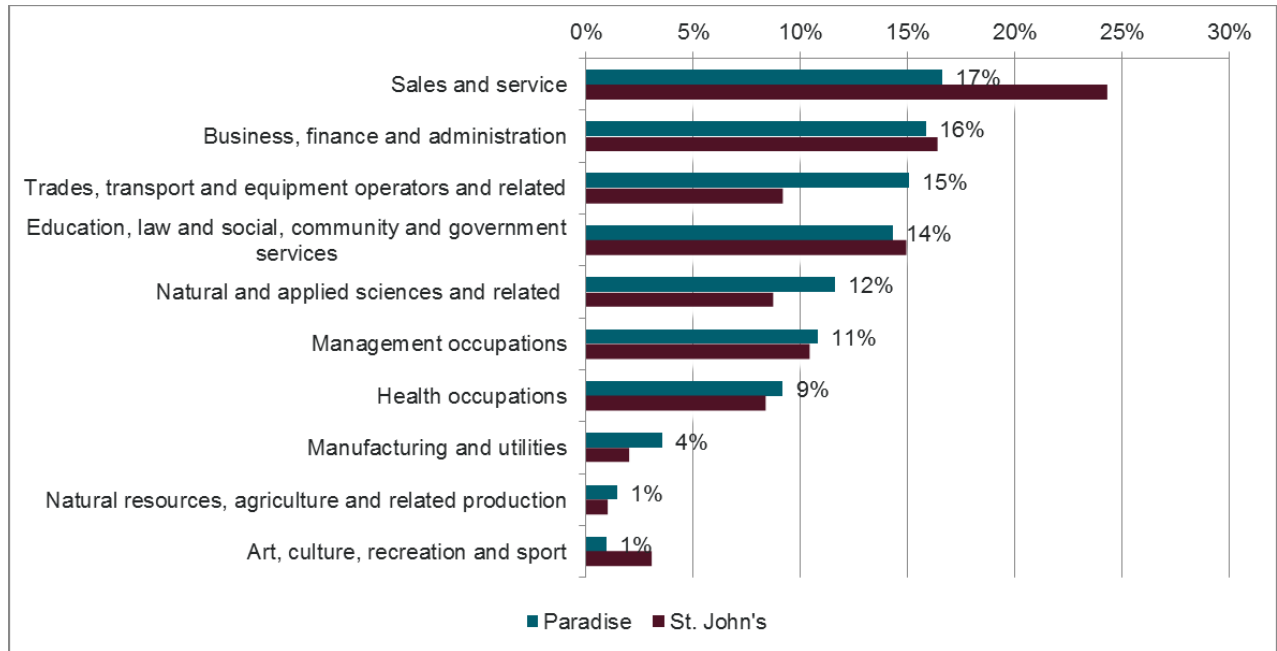
Figure 30 provides a complete breakdown of labour force activity by occupation. The top four occupations in Paradise are:

- Sales and service (1,790 jobs)
- Business, finance and administration (1,710 jobs)
- Trade, transport and equipment operators (1,625 jobs)
- Education, law and social, community and government (1,540 jobs)





FIGURE 30: JOBS BY OCCUPATION, 2011



Source: Statistics Canada - 2011 National Household Survey.

Paradise and the City of St. John's share similar occupation structure. Paradise is more competitive in Trades, transport and equipment operators and related occupations. But the sales and service occupations, and occupations in art, culture, recreation and sport in Paradise are under presented.

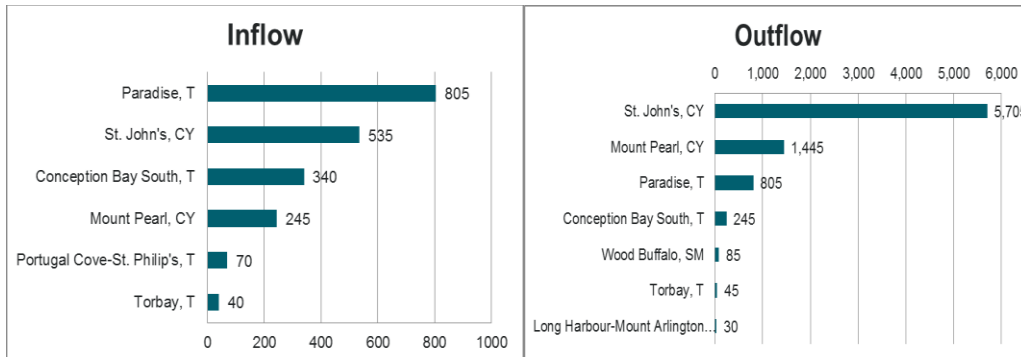
### 8.2.5 Commuting flows



Figure 31 describes the commuting flows into and out of Paradise on a daily basis for those individuals with a usual place of work. Labour force leakage to the City of St. John's and Mount Pearl is critical to the labor force development in Paradise. There are limits to this type of surveyed data. Some occupations that do not have a fixed place to work, like constructions, may not be reflected in the survey data.



FIGURE 31: DAILY COMMUTING PATTERN, 2011



Source: Statistics Canada-2011 National Household Survey.

The large amount of labor force leakage to the neighboring communities indicates less job opportunities in Paradise. It may attribute to lack of jobs creation efforts or lack of facilities that can host companies to provide jobs in Paradise. The situation put Paradise as a “bedroom” community to the region. Commuter studies find that people make decisions about where to live and work by trading off wages, housing prices, and commuting costs. School quality, transportation network quality, crime levels, and the local unemployment rate are additional factors for why people choose to commute rather than to live closer to their place of employment. Inevitably, the impact to Paradise is multifold.

## 8.2.6 Local Business Assessment

Statistics Canada’s Canadian Business Patterns Data provides a record of business establishments by industry and size. This data is collected from the Canada Revenue Agency (CRA). The business data collected for Paradise includes all local businesses that meet at least one of the three following criteria:

- Have an employee workforce for which they submit payroll remittances to CRA; or
- Have a minimum of \$30,000 in annual sales revenue; or
- Are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years.

The establishments in the “Indeterminate” category include the self-employed (i.e. those who do not maintain an employee payroll, but may have a workforce consisting of contracted workers, family members or business owners). It should be noted that the Canadian Business Patterns Data uses the CRA as a primary resource in establishment counts; therefore, businesses without a business number or indicating annual sales less than \$30,000 are not included. The population of these small, unincorporated businesses is thought to be in the range of 600,000 in all of Canada.

### Business Patterns Assessment

A detailed review of the business patterns data in 2013 for Paradise provides an understanding of the key characteristics that define the Town’s business community.



When combined with the broader industry analysis, the business patterns information will assist in understanding the key industry opportunities for Paradise.

Understanding the trends in business growth in the community provides valuable insight into the shape that future growth and investment in the region might take. It also provides an indication of where the priorities of the Town should lie, especially with regards to program development and delivery, and strategic planning.

In terms of concentration, the following sectors (identified in Figure 32) exhibit the highest proportion of business establishments in Paradise as of 2013:

- Construction (208 businesses, 23.34% of total)
- Professional, Scientific and Technical Services (133 businesses, 14.93% of total)
- Real Estate and Rental and Leasing (95 businesses, 10.66% of total)
- Retail Trade (72 businesses, 8.08% of total)

FIGURE 32: PARADISE BUSINESS BY LOCATION AND SIZE, 2013

	Total	Indeterminate	1-4	5-9	10-19	20-49	50-99	100-199	200-499	500 +	
23 Construction	208		76	72	30	16	13	0	0	1	0
54 Professional, scientific and technical services	133		73	49	9	1	1	0	0	0	0
53 Real estate and rental and leasing	95		74	18	2	0	1	0	0	0	0
44-45 Retail trade	72		21	22	14	9	4	2	0	0	0
81 Other services (except public administration)	68		27	30	6	5	0	0	0	0	0
62 Health care and social assistance	51		13	21	9	4	4	0	0	0	0
48-49 Transportation and warehousing	38		19	9	3	3	3	1	0	0	0
41 Wholesale trade	37		15	6	9	6	1	0	0	0	0
52 Finance and insurance	34		27	5	1	0	1	0	0	0	0
Administrative and support, waste management and remediation services	31		17	4	5	4	1	0	0	0	0
72 Accommodation and food services	28		5	3	9	7	4	0	0	0	0
55 Management of companies and enterprises	27		24	1	1	1	0	0	0	0	0
31-33 Manufacturing	20		7	0	2	5	5	1	0	0	0
11 Agriculture, forestry, fishing and hunting	17		13	1	0	2	0	0	1	0	0
71 Arts, entertainment and recreation	11		3	3	2	2	1	0	0	0	0
61 Educational services	10		5	4	0	0	1	0	0	0	0
21 Mining, quarrying, and oil and gas extraction	6		0	3	1	2	0	0	0	0	0
51 Information and cultural industries	4		3	0	0	1	0	0	0	0	0
22 Utilities	1		1	0	0	0	0	0	0	0	0
91 Public administration	0		0	0	0	0	0	0	0	0	0
Total	891		423	251	103	68	40	4	1	1	0

Source: Canadian Business Pattern, 2013

Overall, business establishments in Paradise are overwhelmingly characterized by small companies and enterprises that employ less than 10 people. In 2013, excluding the businesses consisting of the self-employed – which themselves are small enterprises – there were 251 businesses, or 28% of the total, that employed 1-4 people. An additional 103 businesses, or 12% of the total, employ 5-9 people. The five industries with the highest number of establishments employing fewer than 10 people were the same as for the ranking by sector total.

It is also important to note the scarcity of medium and large firms in the Town's economy. This is of interest because small, medium and large firms are generally believed to provide different economic functions within an economic region. Small firms are generally seen as the major source of new products and ideas, while large



firms typically develop as products become more homogenous and firms begin to exploit economies of scale. The lack of mid-size and large business in Paradise is concerning as these firms are typically more export oriented and generate higher operating surpluses.

## Retail & Trade Area

Figure 33 illustrates the businesses in the retail and trade sector in Paradise, as of 2013. As reported, there is no large retail business in Paradise that employs more than 100 people. The Town has businesses providing the basic services in retail. However, due to the high mobility of people in the region, people have the options to shop at other places, like where they work. As noted in many retail studies, small towns leak retail dollars to adjacent cities.

FIGURE 33: RETAIL AND TRADE BUSINESS, 2013

Business Types	Total	Indeterminate	1-4	5-9	10-19	20-49	50-99
441110 - New car dealers	2	0	0	0	1	0	1
441120 - Used car dealers	10	6	2	2	0	0	0
441210 - Recreational vehicle dealers	2	0	1	0	1	0	0
441220 - Motorcycle, boat and other motor vehicle dealers	2	1	1	0	0	0	0
441320 - Tire dealers	2	0	1	0	0	0	1
442210 - Floor covering stores	2	0	1	1	0	0	0
442291 - Window treatment stores	1	0	1	0	0	0	0
442298 - All other home furnishings stores	1	1	0	0	0	0	0
443143 - Appliance, television and other electronics stores	1	0	1	0	0	0	0
444110 - Home centres	1	0	0	0	0	0	1
444190 - Other building material dealers	5	3	1	0	1	0	0
444210 - Outdoor power equipment stores	1	0	1	0	0	0	0
445110 - Supermarkets and other grocery (except convenience) stores	6	0	1	3	0	1	1
445120 - Convenience stores	9	1	3	5	0	0	0
445299 - All other specialty food stores	1	1	0	0	0	0	0
446110 - Pharmacies and drug stores	3	0	1	0	2	0	0
446120 - Cosmetics, beauty supplies and perfume stores	1	0	0	1	0	0	0
446130 - Optical goods stores	1	0	1	0	0	0	0
446199 - All other health and personal care stores	2	0	2	0	0	0	0
447110 - Gasoline stations with convenience stores	5	0	0	0	4	1	0
447190 - Other gasoline stations	3	3	0	0	0	0	0
452999 - All other miscellaneous general merchandise stores	3	1	0	1	1	0	0
453110 - Florists	1	0	1	0	0	0	0
453220 - Gift, novelty and souvenir stores	1	1	0	0	0	0	0
453920 - Art dealers	1	0	1	0	0	0	0
453999 - All other miscellaneous store retailers (except beer and wine-making supplies stores)	1	1	0	0	0	0	0
454110 - Electronic shopping and mail-order houses	2	2	0	0	0	0	0
454311 - Heating oil dealers	1	0	1	0	0	0	0
454319 - Other fuel dealers	1	0	1	0	0	0	0
Total	72	21	22	14	9	4	2

Source: Canadian Business Pattern, 2013

## 8.2.7 Taxes, Fees and Business Incentives

Figure 34 provides a comparison of the different taxes rates for Paradise and its neighboring municipalities. Among the comparator communities, Paradise is at medium level with respect to taxes. Across the range of possible taxes, Paradise has much lower tax rates on banks and financial services, and professional services.





FIGURE 34: RESIDENTIAL, COMMERCIAL AND BUSINESS TAXES, 2013

Taxes	Paradise	Torbay	St. John's	CBS
Property Tax-Residential for Water and Sewer Per Annual Unit	\$500	\$300	\$615	\$475
Property Tax-Commercial for Water and Sewer Per Annual Unit	\$650	\$400	\$615	\$850
General Business Tax	15 Mils	15 Mils	17.33 Mils	15 Mils
Banks/Financial Services	70 Mils	60 Mils	67.39 Mils	115 Mils
Professional Services	18 Mils	20 Mils	N/A	N/A

Source: Torbay. 2013. Tax and Fee Structure; Mount Pearl; 2013 Schedule of Rates and Fee; Paradise, 2014 Schedule

### 8.2.8 Business Trends in the St. John's CMA

In 2010, the Conference Board of Canada described the St. John's Census Metropolitan Area and its regional economy as “sizzling” and identified it as having the highest productivity among 50 prominent cities across Canada. This “economic boom” has been sustained in recent years and has proceeded to exceed even the most aggressive growth projections for the region.

As explored in earlier sections, the economic performance in the CMA can be attributed to several large scale development projects in the province, notably in the mining and oil and gas sectors. Using Statistics Canada's Canadian Business Patterns Data, Figure 35 highlights those sectors with the highest rates of growth between 2009 and 2012, suggesting potential opportunities for Paradise as it looks to position itself for non-residential development.

FIGURE 35: ST. JOHN'S CMA SECTOR TRENDS BY TOTAL BUSINESS COUNTS, 2012 -2009

Industry Sector	2012	2009	% change 2012-2009
Public administration	132	101	30.7%
Construction	1,606	1,250	28.5%
Health care and social assistance	966	788	22.6%
Real estate and rental and leasing	1,176	962	22.2%
Educational services	155	131	18.3%
Professional, scientific and technical services	1,557	1,357	14.7%
Arts, entertainment and recreation	229	200	14.5%
Information and cultural industries	174	156	11.5%

Source: Canada Business Patterns Data. 2009, 2012.

Taking the analysis deeper, Figure 36 illustrates the specific types of businesses that have been growing in the St. John's CMA from 2009 to 2012. These specific business areas offer useful context for Paradise as it seeks to continue to attract non-residential development to the community. The most common growth areas identified relate to professional services, with the growth of engineering services, real estate agents, and lessors of non-residential buildings representing some of the greater increases in the number of businesses. The growth of professional services businesses in the St.



John's CMA supports the fact that there is a growing need for more office space within the St. John's region.

FIGURE 36: ST. JOHN'S CMA DETAILED LEVEL SECTOR TRENDS BY TOTAL BUSINESS COUNTS, 2012 -2009

Detailed Sub-Sector Description	2012	2009	% change 2012-2009
Software Publishers	17	7	142.9%
Offices of All Other Health Practitioners	53	29	82.8%
Human Resources Consulting Services	21	12	75.0%
Investment Advice	35	21	66.7%
Other Management Consulting Services	64	39	64.1%
Engineering Services	257	191	34.6%
Real Estate Agents	229	171	33.9%
All Other Professional, Scientific and Technical Services	128	104	23.1%
Offices of Accountants	110	92	19.6%
Offices of Lawyers	190	160	18.8%
Lessors of Non-Residential Buildings (except Mini-Wareho	431	369	16.8%
Insurance Agencies and Brokerages	65	58	12.1%

Source: Canada Business Patterns Data. 2009, 2012.



## 8.3 Sector Based Value Chain Analysis

As outlined in earlier sections of the report, the Oil and Gas Support Services sector and the Professional, Scientific, and Technical Services sector both constitute a relatively large proportion of the existing businesses in the Town of Paradise. These proportions are likely due to the close proximity of Paradise to the City of St. John's along with other strategic considerations such as the availability of land in Paradise and favourable business incentives.

An analysis of each sector is presented below highlighting the current business mix in Paradise as well as identifying the key support industries that offer potential for future development in each sector.

*Note that the "sole-proprietor" designation includes the self-employed (i.e. those who do not maintain an employee payroll, but may have a workforce consisting of contracted workers, family members or business owners).*

### 8.3.1 Oil and Gas Support Services

There are a total of 270 Oil and Gas Support Services businesses in Paradise as of December 2013 (an increase of 64% from December 2008). The majority of these businesses are:

- **Specialty Trade Contractors** – such as electrical and other wiring installation, plumbing, heating, and air-conditioning, painting and wall covering, and site preparation)
- **Residential Building Construction**
- **Professional, Scientific, and Technical Services** – such as engineering, landscaping, drafting, and surveying and mapping services specific to the oil and gas sector

Roughly 37% of the total for the sector are sole-proprietor businesses.

The Oil and Gas Support Services sector consists of establishments mainly engaged in providing support services, on a contract or fee basis, for the extraction of oil and gas.<sup>34</sup>

FIGURE 37: OIL AND GAS SUPPORT SERVICES BUSINESSES IN PARADISE, DECEMBER 2013

Industry (NAICS)	Total	Sole-Proprietor (% share)
Specialty Trade Contractors	113	34%
Residential Building Construction	64	34%
Professional, Scientific, and Technical Services	40	40%
Heavy and Civil Engineering Construction	22	50%
Administrative and Support Services	17	53%

<sup>34</sup> Statistics Canada, "North American Industry Classification System (NAICS) Canada 2012 – 21311 Support activities for mining, and oil and gas extraction"



Industry (NAICS)	Total	Sole-Proprietor (% share)
Non-residential Building Construction	9	56%
Support Activities for Mining	4	0%
Fabricated Metal and Machinery Manufacturing	1	0%
<b>Total # of Businesses</b>	<b>270</b>	<b>37%</b>

Source: Canadian Business Patterns, December 2013

There are a number of supporting business types for the Oil and Gas Support Services sector that would complement the existing mix of establishments in Paradise. Options are presented below that represent some of the top supporting businesses for the sector which the Town of Paradise should consider or continue targeting when looking to further develop the mix of businesses in the Oil and Gas Support Services sector. A number of other business establishment types that are part of the value chain but that may not present immediate priority areas for development are also included.

FIGURE 38: PRIORITY AREAS FOR GROWTH IN THE OIL AND GAS SUPPORT SERVICES SECTOR, PARADISE

Priority Areas Given Paradise's Existing Asset Base	
Scientific research and development services	Pipeline transportation
Transit and ground passenger transportation	Depository credit intermediation
Telecommunications	Automotive equipment rental and leasing
Petroleum and coal products manufacturing	Warehousing and storage
Other Business Establishment Types Part of the Oil and Gas Services Value Chain	
Lime and gypsum product manufacturing	Cement and concrete product manufacturing
Other non-metallic mineral product manufacturing	Machine shops, turned product, and screw, nut and bolt manufacturing
Glass and glass product manufacturing	Iron and steel mills and ferro-alloy manufacturing
Pesticide, fertilizer and other agricultural chemical manufacturing	Non-ferrous metal (except aluminum) production and processing
Natural gas distribution	Electric power generation, transmission and distribution

### 8.3.2 Professional, Scientific, and Technical Services

There are a total of 111 Professional, Scientific, and Technical Services businesses in Paradise as of December 2013 (an increase of 71% from December 2008). The majority of these businesses are in the fields of architecture and engineering (and related services) as well as management consulting services. Over half of the total for the sector are sole-proprietor businesses.

The Professional, Scientific, and Technical Services sector is composed of establishments that have production processes almost completely dependent on worker skills. Establishments in this sector sell expertise as their main product, making



available the knowledge and skill of their employees. Much of the expertise in this sector requires a university or college education.<sup>35</sup>

FIGURE 39: PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES BUSINESSES IN PARADISE, DECEMBER 2013

Industry (NAICS)	Total	Sole-Proprietor (% share)
Architecture, Engineering and Related Services	47	47%
Management Consulting Services	32	66%
Accounting, Tax Preparation, Bookkeeping and Payroll Services	15	47%
Other Professional, Scientific and Technical Services	13	62%
Legal Services	4	25%
<b>Total # of Businesses</b>	<b>111</b>	<b>53%</b>

Source: Canadian Business Patterns, December 2013

There are a number of supporting business types for the Professional, Scientific, and Technical Services sector that would complement the existing mix of establishments in Paradise. Each option below represents the top supporting businesses for the sector which the Town of Paradise should consider or continue targeting when looking to further develop the mix of businesses in the Professional, Scientific, and Technical Services sector.

FIGURE 40: PRIORITY AREAS FOR GROWTH IN THE PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES SECTOR, PARADISE

Priority Areas Given Paradise's Existing Asset Base	
Management of companies and enterprises	Office administrative services
Advertising and related services	Construction
Data processing services	Architectural, engineering and related services
Facilities support services	Travel arrangement and reservation services
Junior colleges, colleges, universities, and professional schools	Lessors of non-financial intangible assets (except copyrighted works)
Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	

<sup>35</sup> Statistics Canada, "North American Industry Classification System (NAICS) Canada 2012 – 541 Professional, scientific and technical services"





## 8.4 Full Value Chain Snapshots

Complete listings of business establishments located in Paradise in the Oil and Gas Support Services sector and the Professional, Scientific, and Technical Services sector are listed in the figures below. Information on the size of the business establishments by number of employees is also included.

### 8.4.1 Oil and Gas Support Services

FIGURE 41: COMPLETE LISTING OF OIL AND GAS SUPPORT SERVICES IN PARADISE, DECEMBER 2013

Industry (NAICS)	Total	Sole-Proprietor	Subtotal	# of Employees						
				1 - 4	5 - 9	10 - 19	20-49	50-99	100-199	200+
236110 - Residential building construction	64	22	42	24	11	5	2	0	0	0
541330 - Engineering services	34	13	21	19	2	0	0	0	0	0
238210 - Electrical contractors and other wiring installation contractors	21	5	16	9	2	3	1	0	0	1
238220 - Plumbing, heating and air-conditioning contractors	14	3	11	6	4	1	0	0	0	0
237210 - Land subdivision	11	10	1	0	1	0	0	0	0	0
238320 - Painting and wall covering contractors	11	7	4	3	0	0	1	0	0	0
238910 - Site preparation contractors	11	5	6	3	1	1	1	0	0	0
238350 - Finish carpentry contractors	10	4	6	3	1	1	1	0	0	0
238990 - All other specialty trade contractors	8	3	5	2	3	0	0	0	0	0
561722 - Janitorial services (except window cleaning)	8	5	3	1	1	1	0	0	0	0
561730 - Landscaping services	8	3	5	1	4	0	0	0	0	0
236220 - Commercial and institutional building construction	7	5	2	1	0	0	1	0	0	0
238310 - Drywall and insulation contractors	7	2	5	2	1	1	1	0	0	0
238390 - Other building finishing contractors	7	3	4	3	0	1	0	0	0	0
237310 - Highway, street and bridge construction	4	1	3	1	0	1	1	0	0	0
238299 - All other building equipment contractors	4	2	2	1	1	0	0	0	0	0
238330 - Flooring contractors	4	2	2	1	1	0	0	0	0	0
213118 - Services to oil and gas extraction	3	0	3	1	1	1	0	0	0	0
237110 - Water and sewer line and related structures construction	3	0	3	0	2	1	0	0	0	0
238110 - Poured concrete foundation and structure	3	0	3	2	1	0	0	0	0	0



Industry (NAICS)	Total	Sole-Proprietor	Subtotal	# of Employees						
				1 - 4	5 - 9	10 - 19	20-49	50-99	100-199	200+
<b>contractors</b>										
238140 - Masonry contractors	3	0	3	3	0	0	0	0	0	0
236210 - Industrial building and structure construction	2	0	2	1	0	1	0	0	0	0
237120 - Oil and gas pipeline and related structures construction	2	0	2	2	0	0	0	0	0	0
237130 - Power and communication line and related structures construction	2	0	2	1	0	0	1	0	0	0
238120 - Structural steel and precast concrete contractors	2	0	2	0	0	0	2	0	0	0
238130 - Framing contractors	2	1	1	0	0	0	1	0	0	0
238170 - Siding contractors	2	1	1	1	0	0	0	0	0	0
541340 - Drafting services	2	1	1	1	0	0	0	0	0	0
541360 - Geophysical surveying and mapping services	2	0	2	1	1	0	0	0	0	0
541370 - Surveying and mapping (except geophysical) services	2	2	0	0	0	0	0	0	0	0
213119 - Other support activities for mining	1	0	1	1	0	0	0	0	0	0
238150 - Glass and glazing contractors	1	0	1	1	0	0	0	0	0	0
238160 - Roofing contractors	1	0	1	0	1	0	0	0	0	0
238190 - Other foundation, structure and building exterior contractors	1	0	1	1	0	0	0	0	0	0
238340 - Tile and terrazzo contractors	1	0	1	1	0	0	0	0	0	0
332999 - All other miscellaneous fabricated metal product manufacturing	1	0	1	0	0	1	0	0	0	0
561799 - All other services to buildings and dwellings	1	1	0	0	0	0	0	0	0	0
<b>Total Economy</b>	<b>270</b>	<b>101</b>	<b>169</b>	<b>97</b>	<b>39</b>	<b>19</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>1</b>

Source: Canadian Business Patterns, December 2013



## 8.4.2 Professional, Scientific, and Technical Services

FIGURE 42: COMPLETE LISTING OF PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES IN PARADISE, DECEMBER 2013

Industry (NAICS)	Total	Sole-Proprietor	Subtotal	# of Employees						
				1 - 4	5 - 9	10 - 19	20-49	50-99	100-199	200+
541330 - Engineering services	34	13	21	19	2	0	0	0	0	0
541990 - All other professional, scientific and technical services	13	8	5	4	1	0	0	0	0	0
541690 - Other scientific and technical consulting services	10	6	4	4	0	0	0	0	0	0
541212 - Offices of accountants	9	5	4	3	1	0	0	0	0	0
541611 - Administrative management and general management consulting services	7	6	1	1	0	0	0	0	0	0
541619 - Other management consulting services	7	4	3	3	0	0	0	0	0	0
541380 - Testing laboratories	6	5	1	1	0	0	0	0	0	0
541620 - Environmental consulting services	5	4	1	1	0	0	0	0	0	0
541110 - Offices of lawyers	4	1	3	1	2	0	0	0	0	0
541612 - Human resources consulting services	3	1	2	2	0	0	0	0	0	0
541213 - Tax preparation services	3	0	3	2	0	1	0	0	0	0
541215 - Bookkeeping, payroll and related services	3	2	1	1	0	0	0	0	0	0
541340 - Drafting services	2	1	1	1	0	0	0	0	0	0
541360 - Geophysical surveying and mapping services	2	0	2	1	1	0	0	0	0	0
541370 - Surveying and mapping (except geophysical) services	2	2	0	0	0	0	0	0	0	0
541310 - Architectural services	1	1	0	0	0	0	0	0	0	0
541320 - Landscape architectural services	0	0	0	0	0	0	0	0	0	0
541350 - Building inspection services	0	0	0	0	0	0	0	0	0	0
541120 - Offices of notaries	0	0	0	0	0	0	0	0	0	0
541190 - Other legal services	0	0	0	0	0	0	0	0	0	0
541820 - Public relations services	0	0	0	0	0	0	0	0	0	0
541910 - Marketing research and public opinion polling	0	0	0	0	0	0	0	0	0	0
541930 - Translation and interpretation services	0	0	0	0	0	0	0	0	0	0
<b>Total Economy</b>	<b>111</b>	<b>59</b>	<b>52</b>	<b>44</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Source: Canadian Business Patterns, December 2013



## 8.5 Consultation Summaries

### 8.5.1 Survey Summary

An online survey was distributed by staff at the Town of Paradise to generate input from residents and business and community leaders on economic development opportunities and priorities for Paradise. The survey was distributed through online channels by the town and generated a total of 73 responses. The survey was open from October 10<sup>th</sup>-21<sup>st</sup>, 2014.

The survey was structured to identify key areas for consideration in the creation of the town's new economic development strategy including:

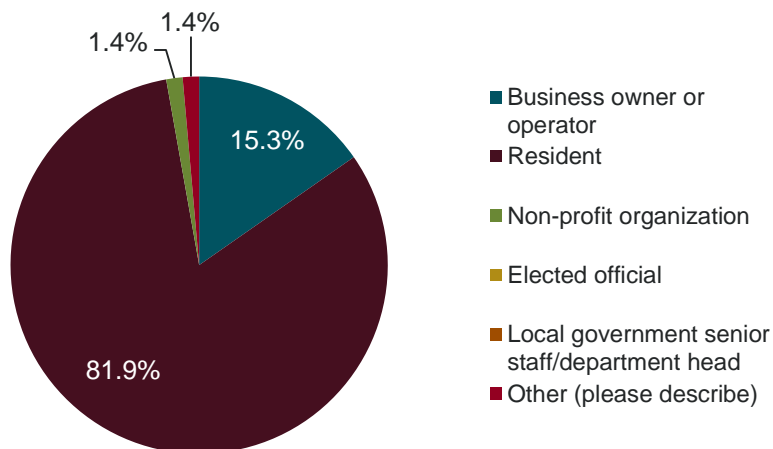
- How respondents would describe Paradise to potential investors
- Elements that make Paradise a good location for business
- Vision for the community in 5-10 years
- Opportunities and challenges for economic development
- Economic development objectives for the town

The survey was created using the online survey tool "Survey Monkey" and was designed in collaboration between staff at Millier Dickinson Blais and the Town of Paradise. Nine questions were included in the survey, combining both qualitative and quantitative survey techniques. All responses are confidential, with no individual response attributed to a name or organization.

#### 1. Survey Details

The vast majority of survey responses came from residents of the Town of Paradise (roughly 82% of the total responses). A smaller number of responses (15%) came from business owners or operators in the community.

##### Q1. ARE YOU RESPONDING AS...





In terms of key words used to describe Paradise to a potential investor, the majority of respondents identified the fast growth of the community, the youthful make-up of the population, and the strategic location as key selling messages. Respondents indicated that these factors have led to opportunity and potential for continued growth in the community. The word cloud below illustrates the key words respondents used, with the larger words indicating a higher number of mentions in answering the question.

Q2. WHAT KEY WORDS WOULD YOU USE TO PROMOTE THE TOWN OF PARADISE TO A POTENTIAL INVESTOR?



The survey also asked whether respondents consider the Town of Paradise to be a good location for a business to locate. The vast majority of respondents (86%) either strongly or somewhat agreed that Paradise is a good location for a business to locate. A minority of respondents (14%) didn't think Paradise was a good place for businesses to locate.

Question 4 followed up by asking respondents to identify what specific elements make Paradise a good location for business. The top factors identified are:

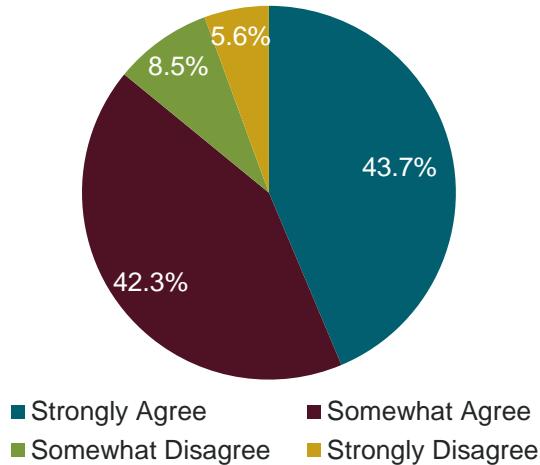
- Availability and quality of high-speed telecommunications
- Access to transportation infrastructure
- Access to skilled and employable workforce
- Competitive costs of doing business (e.g. property prices, taxes, energy costs)

The complete listing can be found in the Q4 figure and table below. The Q4 figure presents a rating average based on the various identified levels of importance, where a higher rating average indicates a higher level of importance to respondents.

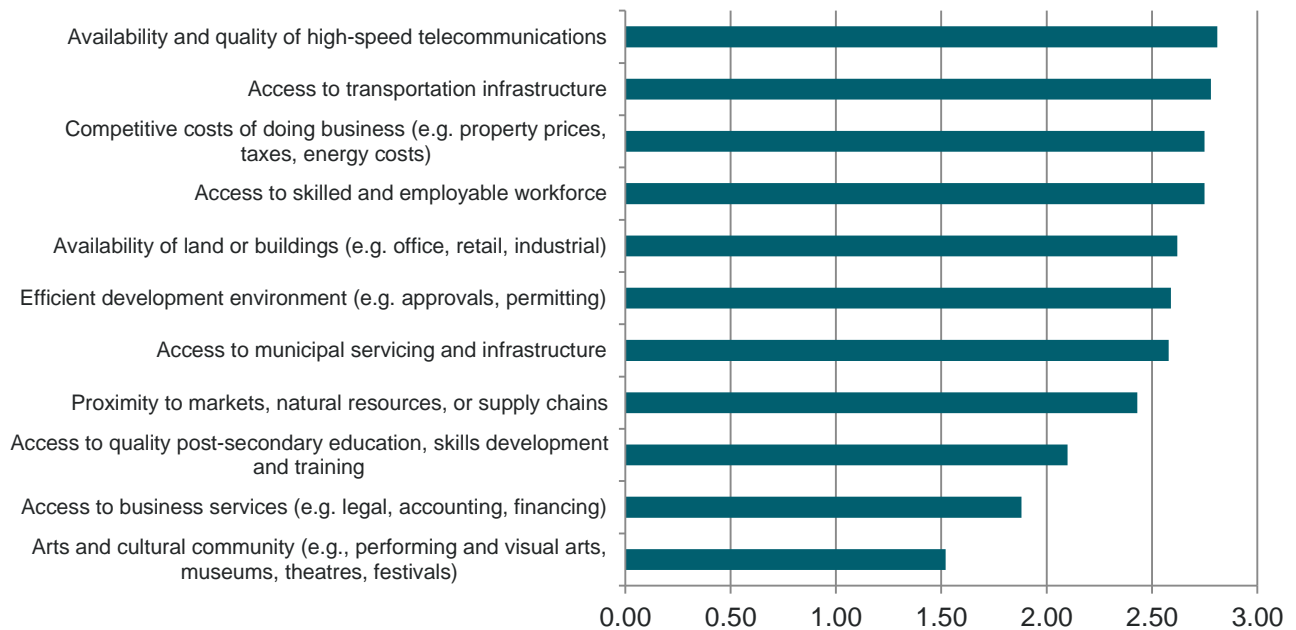




Q3. PLEASE INDICATE TO WHAT LEVEL YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT: THE TOWN OF PARADISE IS A GOOD LOCATION FOR A BUSINESS TO LOCATE



Q4. IN YOUR OPINION, WHAT MAKES PARADISE A GOOD LOCATION FOR BUSINESS?



**Answer Options**

	Not Important	Important	Very Important	N/A
Availability and quality of high-speed telecommunications	0	10	42	0
Access to transportation infrastructure	0	11	39	2
Access to skilled and employable workforce	0	13	38	0
Competitive costs of doing business (e.g. property prices, taxes, energy costs)	0	13	39	0
Availability of land or buildings (e.g. office, retail, industrial)	0	20	32	0
Efficient development environment (e.g. approvals, permitting)	1	19	31	1
Access to municipal servicing and infrastructure	0	22	30	0



Answer Options	Not Important	Important	Very Important	N/A
Proximity to markets, natural resources, or supply chains	2	24	23	2
Access to quality post-secondary education, skills development and training	10	25	15	2
Access to business services (e.g. legal, accounting, financing)	12	33	6	1
Arts and cultural community (e.g., performing and visual arts, museums, theatres, festivals)	26	19	3	4

Question 5 asked respondents to identify what their vision for the Town of Paradise is for the next 5-10 years. The main themes mentioned include:

- **More commercial and service development** – more retail access in the community without having to go to St. John’s or Mount Pearl for everything. Catch up to the residential growth.
- **Increased transportation infrastructure** – turn a transportation problem into a transportation friendly community.
- **Investments in needed infrastructure** – recreation infrastructure, sidewalks, water and sewer assets, aesthetic improvements.
- **Self-sustainability** – maintain and improve infrastructure needs without incurring high levels of debt.
- **Continued growth** – become more of a self-sustaining community (not a bedroom community for St. John’s) by becoming a centre for business and industry. Become a municipal leader that neighbouring areas look to for guidance.

Question 6 & 7 asked respondents to list the top three opportunities and challenges they see for business growth and development in Paradise. Responses were categorized into the main thematic areas and are presented in the table below.

Q6. PLEASE DESCRIBE THE TOP THREE OPPORTUNITIES YOU SEE FOR BUSINESS GROWTH AND DEVELOPMENT IN PARADISE & Q7. PLEASE DESCRIBE THE TOP THREE CHALLENGES YOU SEE FOR BUSINESS GROWTH AND DEVELOPMENT IN PARADISE.

Opportunities	Challenges
Supporting the oil and gas sector and related industries – proximity to booming St. John’s	Traffic congestion
Strategic location – transportation networks, proximity to large market in St. John’s	Infrastructure deficits
Availability of land – business park expansion	Competition with neighbouring communities – infrastructure already there, competitive taxes and fees
A growing community population – good retail potential and small business growth	Development regulations - slow to adapt to developer needs

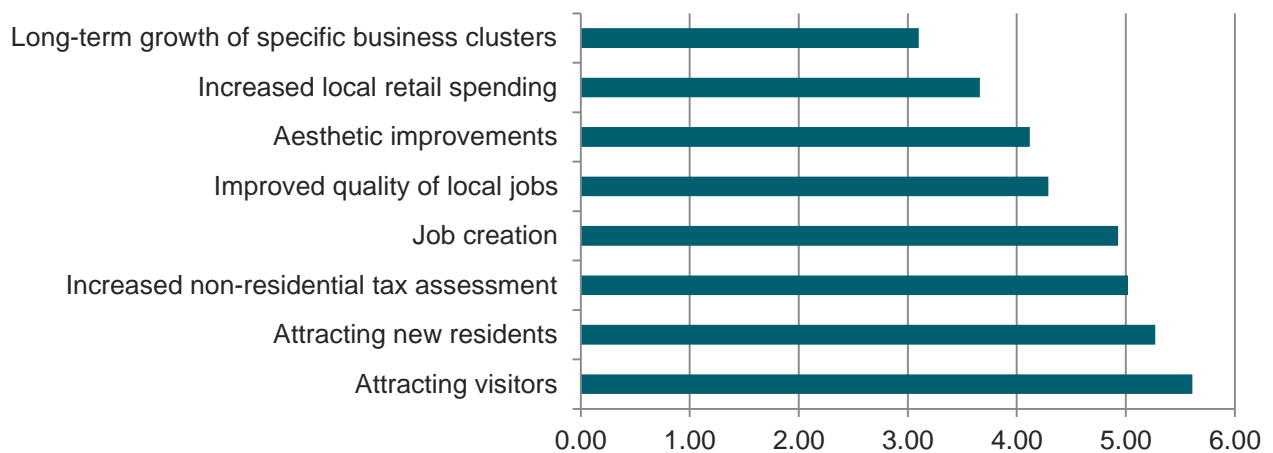


The survey concluded by asking respondents to rank the economic development objectives for the Town of Paradise from most important to least important. The highest ranked objectives are:

- Long-term growth of specific business clusters
- Increased local retail spending
- Aesthetic improvements
- Improved quality of local jobs

A complete ranking of the various objectives is included in the figure and table below. The figure presents a rating average based on the various rankings, where a lower rating average indicates an objective being ranked as more of a priority.

Q8. IN YOUR OPINION, WHAT SHOULD BE THE ECONOMIC DEVELOPMENT OBJECTIVES FOR THE TOWN OF PARADISE? PLEASE RANK IN ORDER FROM MOST IMPORTANT (#1) TO LEAST IMPORTANT (#8)



Objectives	1	2	3	4	5	6	7	8	Rating Average
Long-term growth of specific business clusters	14	7	5	5	3	2	3	2	3.10
Increased local retail spending	6	10	6	3	6	7	2	1	3.66
Aesthetic improvements	6	5	6	5	6	7	5	1	4.12
Improved quality of local jobs	2	5	8	10	5	4	5	2	4.29
Job creation	1	8	6	3	4	6	5	8	4.93
Increased non-residential tax assessment	6	2	1	7	6	6	5	8	5.02
Attracting new residents	4	1	6	5	4	6	4	11	5.27
Attracting visitors	2	3	3	3	7	3	12	8	5.61

## 8.5.2 Focus Group Summaries

Two focus group sessions were held in the Town of Paradise on October 22<sup>nd</sup> and 23<sup>rd</sup>, 2014. These focus groups asked participants questions to generate input on economic



development progress in Paradise over the last number of years as well as opportunities and challenges for future work. One focus group involved local business leaders (including some of the lead developers and industries in Paradise), while the other was directed to the Economic Development Strategy Steering Committee (EDSSC). Questions asked during the focus groups are included below with responses.

### **1. If you think back over the last five years, what progress or developments have been positive for Paradise?**

Participants thought that a number of positive developments have taken place in Paradise over the past five years, most especially in the development of the new industrial park, dealing with traffic and infrastructure upgrades, and confidence that the town is becoming a more desirable and attractive place to live (with recreation amenities leading the way).

In particular, participants discussed the following ideas:

#### **Business Development**

- Development of the industrial park has been positive. The last five years has really been the point that it has taken off.
- Development of the industrial park from Topsail Rd. around the whole area has brought people, development, business, and has worked to expand the tax base.
- Opening up additional industrial development in town was timed well with the major infrastructure of oil and gas taking off in the province.
- There is a new scale of business operations coming into town and there is a feeling of good support. Town is generally quite receptive to the merits of businesses setting up here and want to support that.
- Some new retail options in town → people looking forward to Sobeys coming in

#### **Traffic and Infrastructure**

- Infrastructure and traffic planning has been good, especially with the expansion and improvement of roads.
- Reduction of some of the choke points getting into and out of town → good investments in road network and timing lights on the Outer Ring Rd.

#### **Recreation and Town Desirability**

- Recognition of Paradise as a place where people want to be. In earlier days, residents connected with the town mostly to get residential applications. Now there is more interest in town plans and what will happen in the future.
- Expansion of the residential growth has been important → seeing a greater sense of community now (as a result of some of the infrastructure improvements like roads and multi-purpose centre). Trail systems are really good for the community.
- Paradise fits better for young families than some of the other neighbouring areas b/c of the recreation assets (such as trails). Redevelopment of an old steel mill site



into splash pads, park, tennis and beach volleyball is one example of how the town is creating new recreation assets.

- Town looks cleaner and better → ACAN factory an example of plans to continue to beautify the town
- Visibility of the town and marketing of the town seems progressive → ability to recognize their problems and act on them quickly
- Development of recreation and events is good (i.e. Tely 10, walking trails, outdoor concert venue)
- Quality of the residential growth has been good

## **2. How would you define economic development? What type of outcome is most important for Paradise?**

Participants were most interested in seeing Paradise re-imagine the way it does business by attracting more high paying jobs into the community while also creating clustered residential and commercial areas where services are easy to access. Thinking about sustainable ways to diversify the economy were also priorities that were discussed.

In particular, participants discussed the following ideas:

**Definition:** Process of providing situations and opportunities to allow existing and prospective industries to succeed

### **Business Attraction & Retention**

- Attraction of new businesses and growth of existing ones to help attract new people to come and work in the town. Take a two-pronged approach.
- Encourage more high paying jobs in Paradise and encourage more spin-offs to support those businesses. The community “empties” during the workday.
- Idea for a small IT oriented business park. St. John’s is trying to do this but can’t seem to overcome some of the challenges (rent being the biggest). Target start-up companies in particular.
- Need to overcome the gap between residential and commercial bases in the community.
- Opportunities for more office space growth in Paradise. Need to get some cornerstone tenants to come in and it will snowball.

### **New & Sustainable Planning**

- Need to plan using sustainable economic development and not economic development at all costs. Thinking about the future of decisions and not be too hasty in a decision. If the oil industry bottoms out, there needs to still be a base for the economy to succeed.
- Combine residential, commercial, and industrial in one. The COIL development is a good example of how to do this.





- Create clusters of attractions in Paradise (recreation, housing, retail, grocery stores). Need to think about what attracts people to live in St. John's and how to keep them in Paradise as they retire.
- Diversify the economy → start with retail so people can buy things nearby. Even if a place is a bedroom community, people should still be able to buy things locally. Local restaurants would be great too.
- Need more stable long term developments not tied to one particular industry like oil. Key is to move beyond a resource based economy to a broader services based economy. Might try attracting other regional businesses.
- Need to have more communication from the town with businesses and residents about what the town is doing.
- Need to have a focused strategy

#### **Local Quality of Life**

- Create a sense of community where people are able to live, work, and play
- More schools are needed. It divides the community not having Jr. or Sr. high schools.

### **3. What worries you about economic development in Paradise?**

The main worries of participants are:

- **Wait times for development applications** - Takes longer than it should from the time you put in an application for development to when you get the final approval. Level of getting approvals is getting on par with St. John's or worse (whereas it used to be much better and an asset that encouraged development in Paradise)
- **Competition** - Municipalities nearby are acting as a competitor to developments in Paradise (Glencrest development an example of a potential threat).
- **Lack of communication from the town** – Examples of tearing up the road in front of small businesses without any communication and the process of expropriating land for town purposes seems more like bullying and less like working with town businesses. Customer service from the town needs to be improved (word is getting around that Paradise is hard to deal with). Also, more public input and messaging on proposed developments and where proposals are in the pipeline would be good.
- **Strategic planning** - Years ago, any business development that came to Paradise was allowed. It has gotten a lot better these days with the town being more selective in its approvals but key areas for development are disappearing fast. Priority should be to have a solid plan in place.
- **Aesthetics** - Industrial areas that are not aesthetically pleasing should be screened off. There are some nice buildings in those areas but also some areas that are less appealing which makes it more difficult to promote an area. Some façade guidelines should be considered recognizing the town is in a different situation than when it first started.



#### 4. Where do you see the largest opportunities for Paradise with respect to its economy?

Participants see a number of residential, commercial, and industrial development opportunities for Paradise:

##### Residential

- Residential development needs to diversify to include duplexes, townhouses, and other cost effective housing to get first time home buyers in. There is a demand for affordable housing (under \$350,000). Have a better chance of approval for low or medium density in Paradise b/c of transportation issues (not likely to get high density in there).
  - **Town has done a terrible job at attracting different types of housing (seniors homes in particular)**
- Cost for a building permit in Paradise is much higher than neighbouring areas (\$5,000, doesn't matter what you're building). If Paradise doesn't remain competitive and get aggressive the community is going to lose out to neighbouring areas (Glenncrest development an example of a potential threat → industrial (currently being serviced, ready in a year and a half to two years, residential (probably four years), commercial (a year behind industrial)).
- Could do some more creative things with affordable housing like offering reduced permit fees
- Town's recreation amenities brings people from other areas to come walking, hiking. Neighbouring communities don't have comparable recreation offerings. Also, development of Octagon Pond could turn into a Quidi Vidi lake scenario like in St. John's.

##### Commercial & Industrial

- Need to encourage the development of a town centre by clustering retailers together. Other communities have big box stores where you have to drive from each store. Paradise could be different with a town centre where people could walk from store to store.
- More commercial development with retail space and residential supporting amenities (i.e. Kelsey Drive development)
- Continue and heighten the presence in the oil and gas industry. Take it to the next level by attracting more of the supporting services and jobs making the higher incomes. Oil related businesses seem to be the one's spending the money on the quality properties (manufacturing type businesses create a lot of jobs too).
- Need to have solid accessibility to commercial and industrial areas and be creative in the ways that is done. Are there other ways to look at access from adjoining municipalities? Need to make sure people can get to Paradise easily.



- Keep the workers that commute out of town for work in town by creating more local jobs

### **Other Ideas**

- Increase the presence of the hospitality industry in Paradise (i.e. hotels, conference centres, etc.)
- Create a technology park for young entrepreneurs. There is a real opportunity in Paradise to do this and there is demand. The town could facilitate the process by subsidizing office space or helping on some of the other barriers (e.g. creating a cluster and make it attractive). This might work for any other sector too that doesn't require to sell to the local population (selling generally outside of the community). There would probably be support from the province for this as well.

*In addition, some questions were asked exclusively to the EDSSC:*

### **5. Please describe the core economic development functions provided by the Town (currently)**

- Information is available and provided to prospective developers from an informed town staff
- The town has key representation at various shows and conferences (i.e. retail show, oil show in Houston & Norway/Scotland, St. John's offshore association conference).
  - **Need to build on that presence with revamped information take-aways to bring to these shows.**
- Production of basic promotional materials and statistics packages
  - **There is a need to create nice branded information to give to people that is updated on a regular basis and to have statistics that are sector based**
- Have development regulations and policies that are business friendly and encourage businesses to move in to town.

### **6. Please describe the core economic development functions that you would like to see provided by the Town (five years from now)**

- Would like to have a different set of problems → discussion becomes how to accommodate the demands of the industrial sector that has 150 workers and how the commercial sector can support that
- More online resources from the town for residents and businesses
- Increase staffing levels that allows for the generation of updated statistics, easy to read take-aways on the town and industry specific information (maybe an EDO?)



- Get more detailed in how specific geographic areas get developed and filled in (i.e. specific area plans). What is being put in place with the new municipal plan can reflect that and make this easy to do.
- Try to engage the naysayers in the community by finding ways to communicate information on the good work happening (Imagine Paradise initiative one example).

**a. What are the biggest challenges to providing these functions?  
Are they realistic?**

- Staffing is a barrier. Need to have more staff to meet the growing demands on staff time.
  - **Actual logistical space in the municipal building is a concern. There are a number of cases in the last couple years where there was a budget to hire new staff that didn't get hired because of a lack of space**

**7. Do you have any other comments you would like to discuss?**

- Need to make sure everyone at the town understands the different impacts that residential permitting and commercial permitting have. Commercial offers more revenue in a longer-term setting.
- What is the best way to sell the idea of hiring an EDO?
  - **Need to highlight the increased engagement with residents, the ability to produce nicer brochures, and the stronger liaison with the business community that an EDO can focus on.**
  - **Town needs a dedicated person to go out and attract companies (like Sobeys) or that can help developers through the approval process (could use guidelines to structure the process)**
- The housing market is softer in Paradise now. A few years ago, it was a case where a house was sold as soon as the for-sale sign hit the lawn. Not so anymore.
- Need to create a “myth busting” piece with updated data for the Town to tell an accurate story of Paradise. The story of Sobeys as an example where they came in with old population numbers and not much local information about Paradise and said the development wouldn't be a success at first. Everyone locally knows it will be a success.
- How does Paradise stack up to other communities in terms of staffing in the planning department?
- Right now there is nothing to slow someone down from driving through the town. Need something to encourage people to stop.



### 8.5.3 Interviews Summary

A total of 11 interviews were conducted by telephone with business and community leaders in Paradise and the surrounding area. Eight questions were discussed during the interviews exploring what the business climate is like in Paradise, a vision for a future Paradise, opportunities and challenges in achieving that vision, and priority action items for the Town of Paradise to focus on in the near future. Interviews were approximately 20 minutes in length.

A summary of the interview conversations is presented below arranged by each question asked.

#### **1. Please describe your organization/association/business and its relationship to economic development in Paradise.**

A variety of organizations, associations, and business representatives participated in the interview process, including:

- Private developers
- Federal government representatives
- Regional business organizations

These interviewees are all contributing to economic development in Paradise in a number of ways through either direct investment and development in the community, offering supporting programming and loans for local businesses and developments, or working directly in the community on economic development initiatives.

#### **2. How would you describe the business climate in Paradise?**

Overall, interviewees thought the business climate in Paradise is strong. It was identified that the Town is generally supportive of business in the community and have done a good job in attracting a mix of industrial businesses. There has also been a good uptake from the small business community.

Though the climate is good today, interviewees identified that there have been a number of growing pains as the Town has expanded. Issues with zoning and having town plans keep up with the pace of development were discussed, as well as development fee structures becoming outrageously high. Engaging the business community in meaningful ways to contribute to the community has also been missing.

It is seen as very important that all business planning be done with a long-term vision in mind.

#### **3. What is your vision for economic development in Paradise for the next 10 years? What do you want Paradise to be known for?**

Three main thematic areas were discussed by interviewees:

##### **Move Beyond a Bedroom Community**





Interviewees want Paradise to move away from being known as a bedroom community into a place that is a self-sustaining community. In particular, Paradise should:

- Be known for particular recreational or cultural elements to harness the talent and culture within the community that needs a place to be expressed
- Leverage growth in the residential sector into growth in the business sector
- Become a community that people can play, live, shop, and work in
- Work on the community's attractiveness
- Ensure key infrastructure (like roads) is built

### **Engage Stakeholders & the Community**

The municipality needs to find out what it means to live in Paradise and then communicate that outwards. Relate the vision and brand for the community to the business community and residents to generate buy-in. Create more opportunities for regional cooperation with neighbouring municipalities.

### **Target Specific Business Development**

It would be nice to see Paradise as a community that is well positioned and able to take advantage of the opportunities emerging in the Northeast Avalon. Paradise needs to increase its' business footprint and be a more vibrant community from a business perspective. Need to continue to grow the industrial business space by encouraging more oil and gas support businesses to locate in Paradise. There is also a strong need to diversify into a retail marketplace so as to differentiate the community from St. John's and Mt. Pearl (need more live and work type situations).

## **4. From an economic development perspective, what do you consider to be Paradise's most important assets?**

Interviewees see a number of important assets in Paradise:

- A growing and young population
- Recreation assets, including walking trails and a new arena that improve quality of life, draw people into the community, attract new business, and create economic spin-off opportunities. The arena and its surrounding landscape also provide ample opportunity for community oriented events (i.e. the sloped hill behind the arena has already attracted the attention of event promoters to be used for large-scale performances and events).
- A supportive municipality where staff and Council want people to thrive (other municipalities aren't as progressive)
- A relatively affluent community
- Well-developed industrial parks that are well located in relation to transportation routes and have a cluster of oil and gas businesses
- Available land for development
- Adjacency to good road transportation (i.e. TCH)



- A flexible approval regime in the municipal development department
- Infrastructure proximity to established networks in St. John's

## **5. What do you see as the most relevant challenges or barriers to economic growth in Paradise?**

Interviewees see a number of challenges or barriers to economic growth in Paradise:

- A need for more affordable housing that is accessible to all walks of life (i.e. a single person, young families, and ageing populations)
- A slowing housing market
- Paradise is a landlocked community. In many years, Paradise could become like the City of Mt. Pearl where they have nowhere to expand (will need to expand up)
- Not diversifying into other business streams in case the oil and gas sector crashes
- Traffic congestion creating difficulty accessing the industrial areas and frustration for residents
- A lack of amenities in Paradise. People have to leave the community to do pretty much anything which results in the residents contributing little in terms of local economy and spending money locally (beyond property taxes). Existing retail services are already available in neighbouring communities (box stores) which limits the opportunity for Paradise to develop its retail sector.
- Continued need for more recreation infrastructure and assets
- Need more open spaces for employees in industrial areas (connections to walking trails, parks)
- Public transit needs to be built out especially for shopping area developments
- Service and amenities will need to adjust to an ageing population (in 15-20 years). It is currently geared to a younger population.
- Most of the good locations for residential development are used up or are further outside of town
- Challenge developing land that is bordering on other municipalities that could inhibit development and servicing (if land is half in Paradise and half in St. Phillip's it makes it difficult if they both have different policies towards business development)
- There is a lack of prestige office space available in Paradise. The office space that does come online is swallowed up very quickly by the local business community.

## **6. What significant opportunities for economic development do you see for Paradise?**

Interviewees see a couple large areas of opportunity for Paradise:

### **Re-Imagine Paradise**



- Shift to more of a community living approach by creating density where people can live, work, and shop all within a neighbourhood
- Encourage more businesses, firms, or government branches to come into Paradise so that more people can work within the community
- Do things that make Paradise a destination (i.e. the double ice-rink will do that for a certain group of people). New developments in town should incorporate that type of destination thinking as well so as to give people a reason to come to Paradise more often.
- Build on the recreation assets that are coming online with new small business opportunities to meet the needs of recreation facilities users (i.e. a new rink means people are staying and coming into the community for hockey tournaments)

### **Target Specific Business Development**

- Capitalize on the booming oil and gas sector and other industrial mega-projects in the province. Continue to specialize in the oil and gas support services sector and brand the business aims of the town for that in an overt way. Align the infrastructure that is going into the industrial parks with what those types of companies are looking for to help entice them to establish themselves in Paradise.
- Could position Paradise as an interim transportation link in the supply chain, with lay-down yards and using available land that other areas don't have. Transportation might be a good opportunity being close to the St. John's airport and harbour and being the closest of all neighbouring communities to the TransCanada Highway.
- Expand the retail opportunities and services for the residents that are already in the community and the many other people travelling in the area. Could focus on retail amenities for quick purchases that residents need. Could also include some temporary retail work (pop-up retail options around events or different seasonal operations) combined with an open space to create new retail experiences for the region that are different than the big box store experience in surrounding area (CBS, Mt. Pearl).
- The impending Road development connecting Kenmount Road to the Manuel's access road and the TransCanada Highway presents a tremendous opportunity for the town. Once this connection is completed, the industrial park will have greater access to the highway and a direct link to St. John's.
- The COIL campus style proposed business park will be a tremendous opportunity for growth in Paradise

## **7. What activities would you like the Town of Paradise to focus on over the next 5 years?**

Interviewees would like to see the Town of Paradise focus on a number of areas over the next five years, including:



- Finding unique ways to create opportunities for affordable levels of housing. Work with builders to create programs where they are able to create buildings or units for the affordable housing target market.
- Go a bit further with recreational assets by bringing in a pool, YMCA, and gym
- More support for cultural venues
- Encourage development standards to include beautification components in standard structures (i.e. statues, bridges) to encourage the creation of more focal points in town
- Need to create more public transportation, even if it is just one loop through town
- Work on retaining businesses that are already in the community. Talk to businesses and hear about their needs and what they want. Encourage the business community to get more involved in the town and what it may mean to live and work in Paradise.
- Continue with Town Centre and open space area concepts. Tie the area in with the business industrial parks to give employees things to do. Get developers to buy into how the area will develop and encourage them to contribute to it through their own developments.
- Create more opportunities for residents to have positive interactions with each other. There is a need for more gathering spaces.
- Focus on new and better roads
- Create a profile of what already exists in terms of commercial development (i.e. # of employees in Paradise, what makes up the business concentration in Paradise)
- Open up some more crown lands for development
- Create partnerships with the provincial government to create more access points to get in and out of Paradise

## **8. Of those activities, which need to be a priority in the next 18 months?**

The highest priority items are:

- Looking at the housing market to assure that things are put in place to ensure alternative arrangements are made if the housing market stays sluggish. The market is saturated by a certain home type and price. The market is now one where people prefer to rent and not buy. If the Town wants to continue to grow, it needs to cater to the middle of the road consumer (young and growing family, single people, ageing population) and accommodate for their ability to buy a home.
- Building in more public transportation options to Town plans
- Strong business retention and expansion efforts focusing on talking to businesses to hear about their needs and wants
- Resolving the local traffic issues
- Defining a vision for the community (i.e. who they are and what the community wants them to be) and figuring out how programming can be created to meet that vision. Open up the dialogue and keep it fresh.