

THE GREATER SUSSEX HAMPTON REGION

ECONOMIC RESPONSE PLAN

MARCH 2017



ECONOMIC RESPONSE PLAN

In response to the suspension of operations by PotashCorp due to tough global market conditions in January 2016

Lead by the Sussex and District Chamber of Commerce and the Town of Sussex

- The Chamber engaged the community through consultations lead by Blair Hyslop that attracted over 150 people
- The Town arranged strong financial support to fund this project


ACOA took the lead with 50% funding, NB PETL provided 36% and PotashCorp stepped up with the remainder



APPROACH FOLLOWED

Town of Sussex issued an RFP for Economic Development Coordinator

Our approach provided for

- Economic Development Coordinator (Thompson&Associates)
 - Diagnostics on 15 affected companies (NuFocus)
 - Strategic Plan development (NuFocus)
 - Communications Plan (Pamala McKay)
 - Implementation Plan (from all involved)
 - Implementation (Thompson&Associates)
- 

ROLE OF THE ECONOMIC DEVELOPMENT COORDINATOR

Work with individuals or companies looking for information to grow their business or to establish in the region

Work to coordinate the other aspects of the project

Work with government departments and agencies to enhance the region

Work to implement the strategic and communications plans with the region and its leaders

One thing was the Online Survey “Greater Sussex-Hampton Region Business Survey” which showed

Greater Sussex-Hampton Region Business Survey

80% of businesses had not reduced the number of their employees

Close to 45% of respondents had not seen a reduction in their business

When asked “Do you have confidence in the local economy” they said

Yes, it is strong.	16.98%
Yes, but it will take a few years to adjust to the closing of the mine.	47.17%
No, the economy is not very strong.	35.85%

Greater Sussex-Hampton Region Business Survey

When asked “How do you see your own business performing in the next few years” they said

Strong and growing. Plan to add employees.	28.30%
Holding its own but no real growth expected.	54.72%
Shrinking due to weak market conditions.	16.98%



ECONOMIC DEVELOPMENT STRATEGIC PLAN

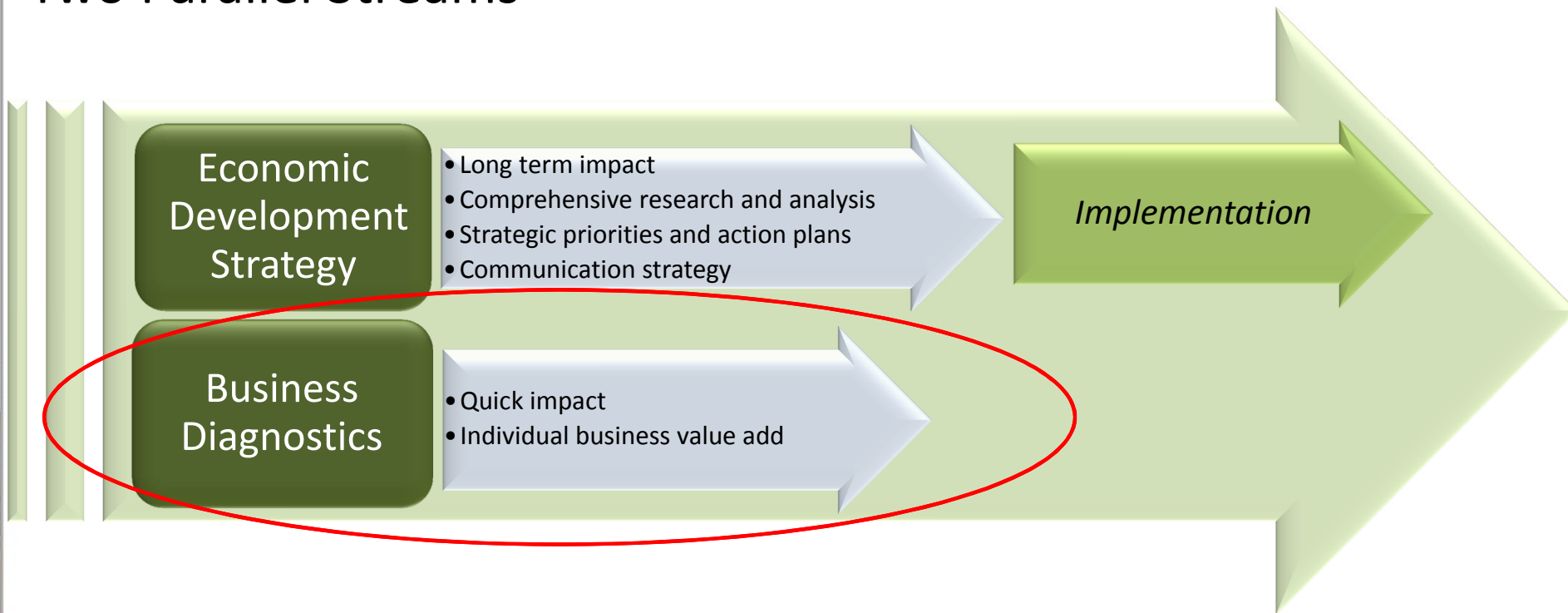
Public presentation

March 1, 2017

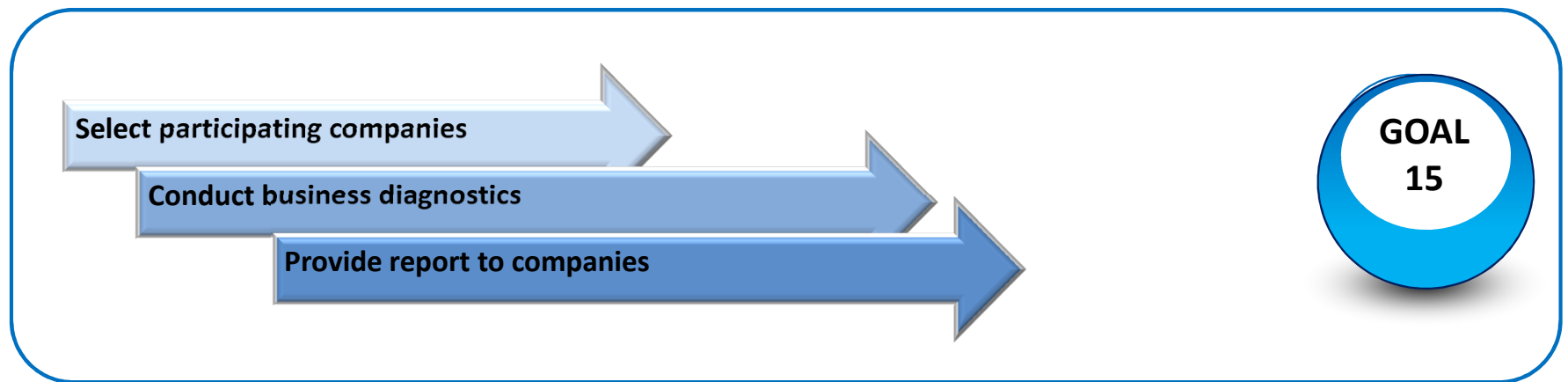
NuFocus

ECONOMIC DEVELOPMENT STRATEGIC PLAN

Two Parallel Streams



Business Diagnostics- Process Overview



- Diagnostic is comprised of 3 meetings with the companies
 - General discussion on business history
 - Business Model Analysis
 - SWOT Analysis
- Diagnostic Report and Recommendations

Business Model Analysis

- Analysis of:
 - Revenues by product offering / market segments
 - Not like P&L reporting
 - Gross profits (% and \$ contribution to overhead)
 - Market Growth potential (L, M or H)
 - Company's growth potential (L, M or H)
 - Capacity (% unused, investment to add)
- Identification of new products/markets
 - Reason why to pursue these products
 - Revenue potential
- Determine emerging core/strategic businesses

SWOT Analysis by function

- Step One: Brainstorm **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats
- Step Two: Sort Strengths and Opportunities by Tactical vs. Strategic value (explain the difference)
 - Record strategic strengths separately and compare to differentiation analysis
 - Record strategic opportunities separately and evaluate if these align with conclusions made during business model analysis
- Step Three: Group weakness by internal functions and rank by relative importance
- Step Four: Revisit functions strengths and weaknesses more systematically



Business Diagnostics

Results to date

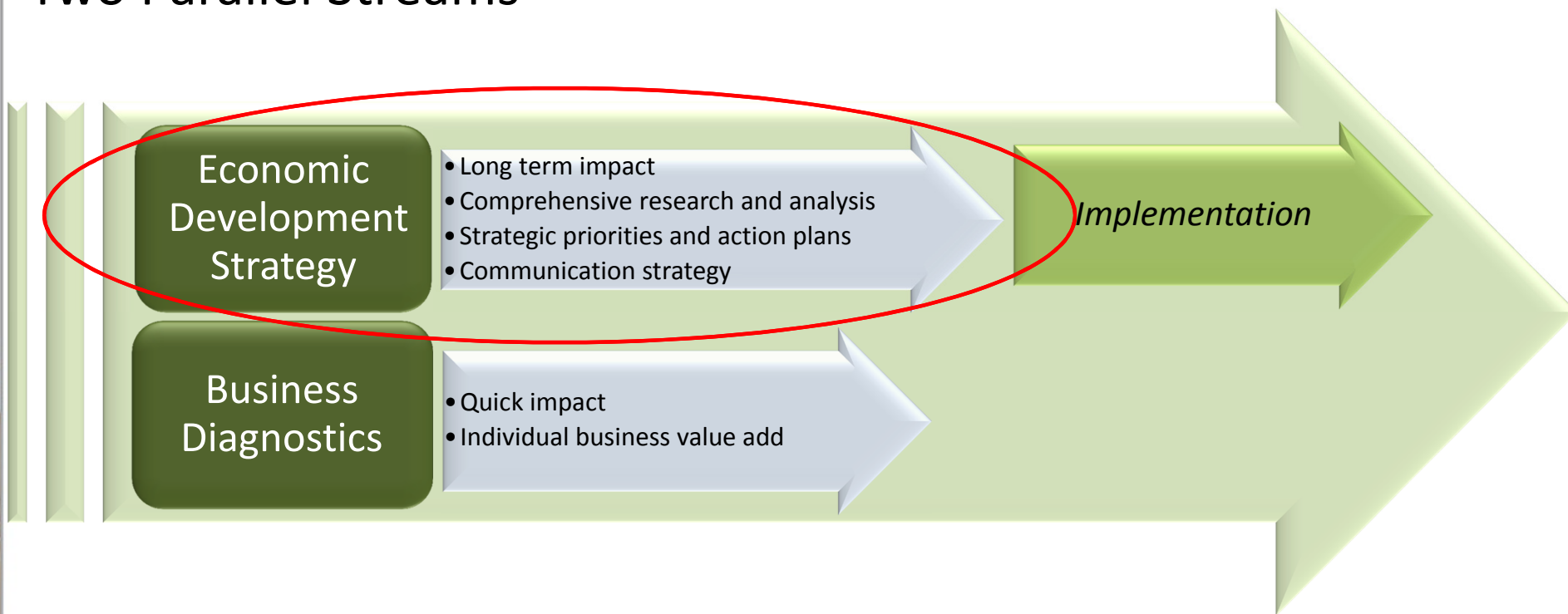
We have completed the diagnostics with 12 companies, final reports will be delivered over next 2 weeks

- Have had initial meetings and started planning with 3 more companies
- To date, more than 80% of the diagnostic clients have either continued with consulting services or invested in capital projects, taking advantage of the PCS fund

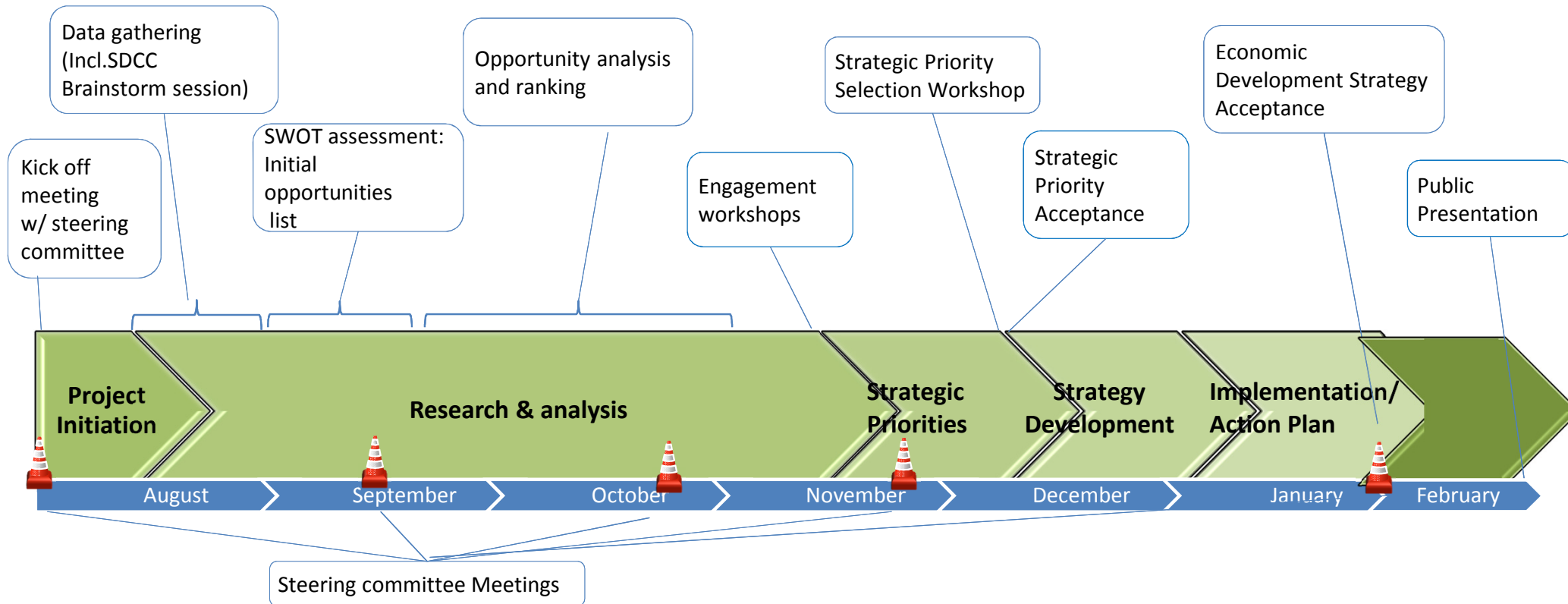


ECONOMIC DEVELOPMENT STRATEGIC PLAN

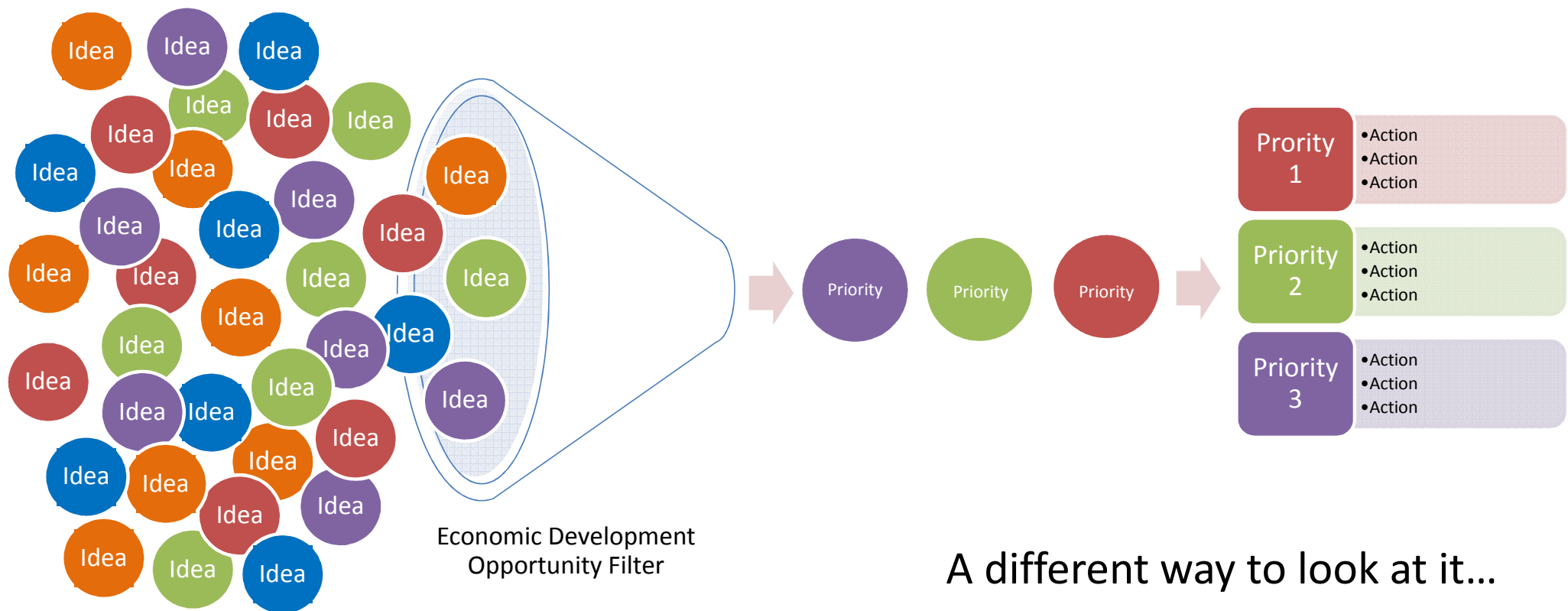
Two Parallel Streams



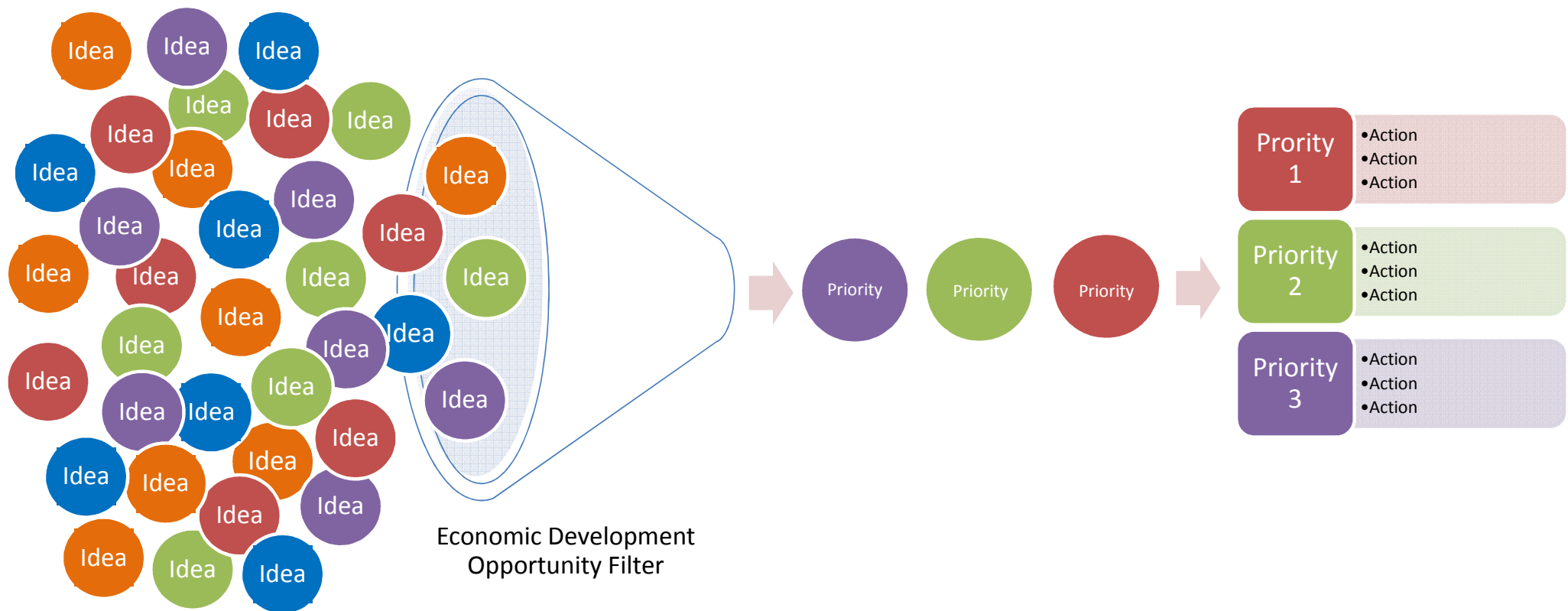
Economic Development Strategic Plan- Process Overview



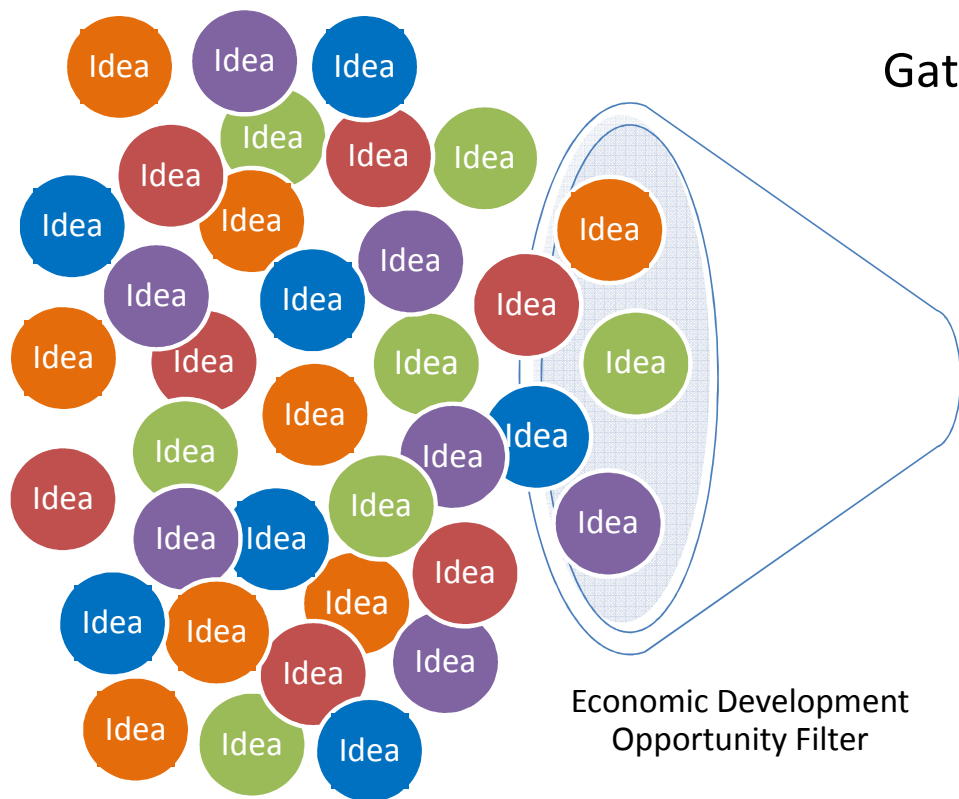
Economic Development Strategic Plan- Process Overview



Economic Development Strategic Plan- Process Overview



Economic Development Strategic Plan- Process Overview



Gathered information through numerous channels

- Chamber of commerce led brainstorm sessions
- Discussions with Subject Matter Experts
- Research through report databases for industry health and trends
- Exchanges with Government officials
- Explored best practices within and outside of the Province.

Priority 1

- Action
- Action
- Action

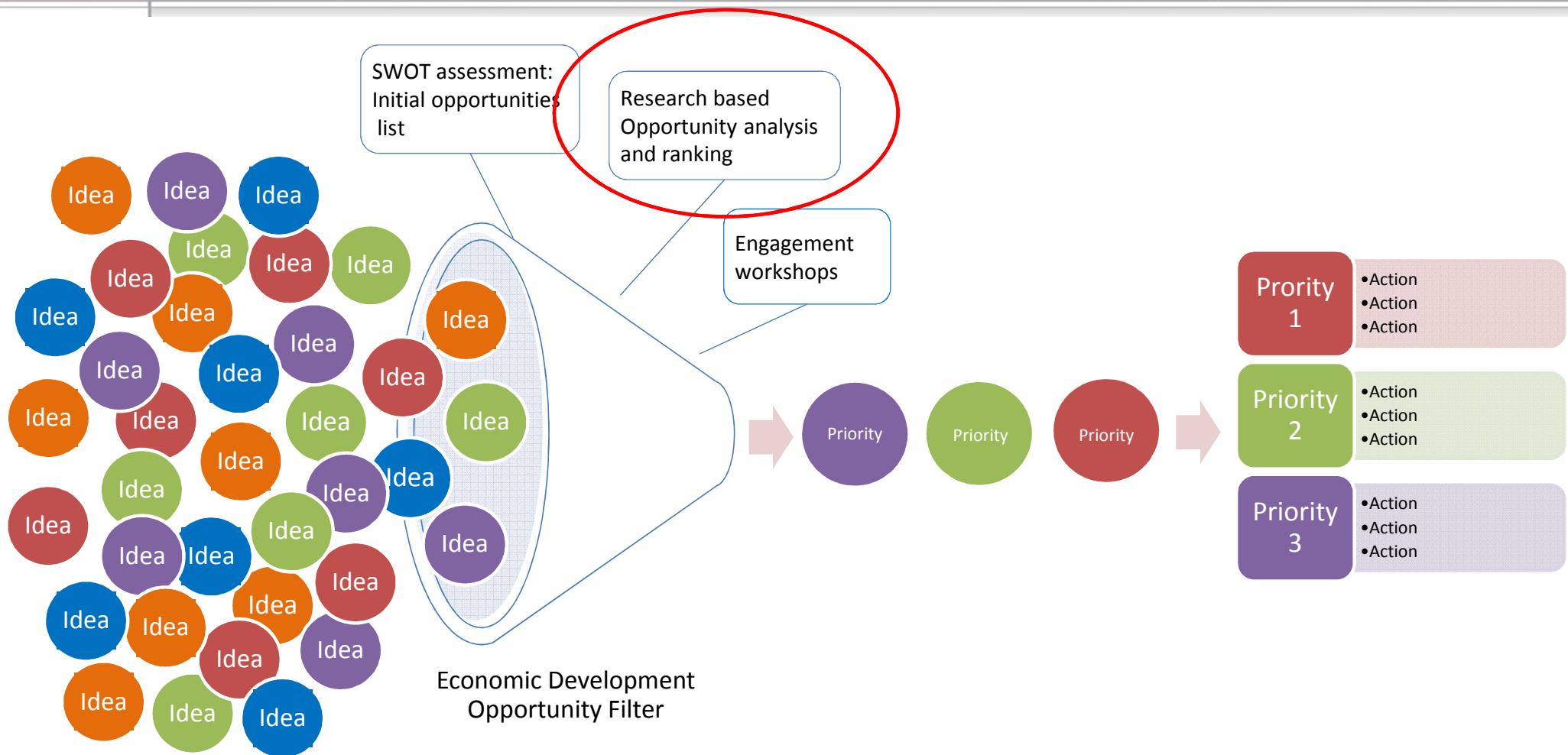
Priority 2

- Action
- Action
- Action

Priority 3

- Action
- Action
- Action

Economic Development Strategic Plan- Process Overview



Opportunity Analysis Matrix

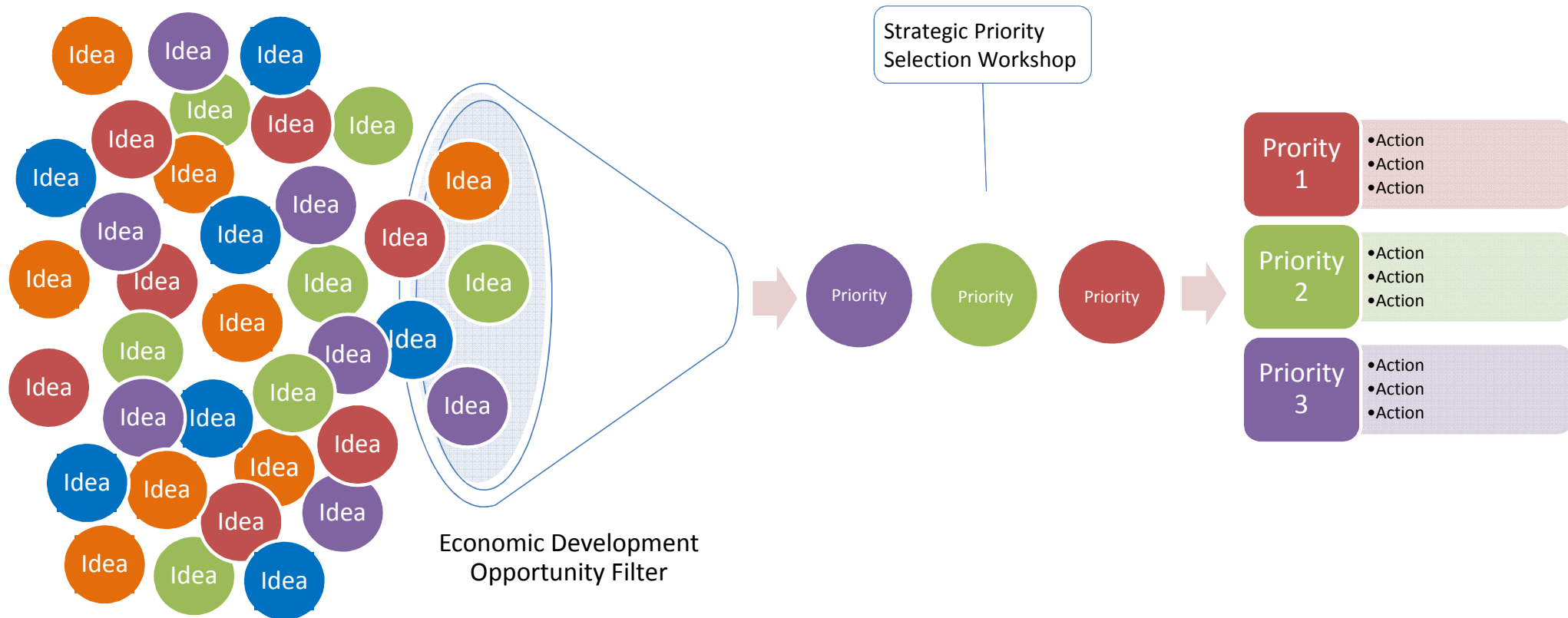
Potential Opportunity	Economic Impact Potential	Industry Landscape	Industry Trends	Resource Capacity/capability	Government Priority	Data confidence index
<ul style="list-style-type: none"> • Direct economic revenues that may be available to the region through such activities. • Factor of market size and what share we could access. 	<p>State of the industry:</p> <ul style="list-style-type: none"> • Which part of the lifecycle (emergent-mature-decay) • Fragmented vs consolidated • Room for new entrants? • Specialty niches? 	<ul style="list-style-type: none"> • Do we have the capabilities, skills, knowledge available to enter this space? • Do we have the necessary infrastructure available? 	<ul style="list-style-type: none"> • Which way is the market going?: <ul style="list-style-type: none"> • Growing/flat/receding trends 	<ul style="list-style-type: none"> • Alignment with government initiatives and investment strategies 	<ul style="list-style-type: none"> • Based on the quantity and quality of the information available. 	

Opportunity Analysis Matrix

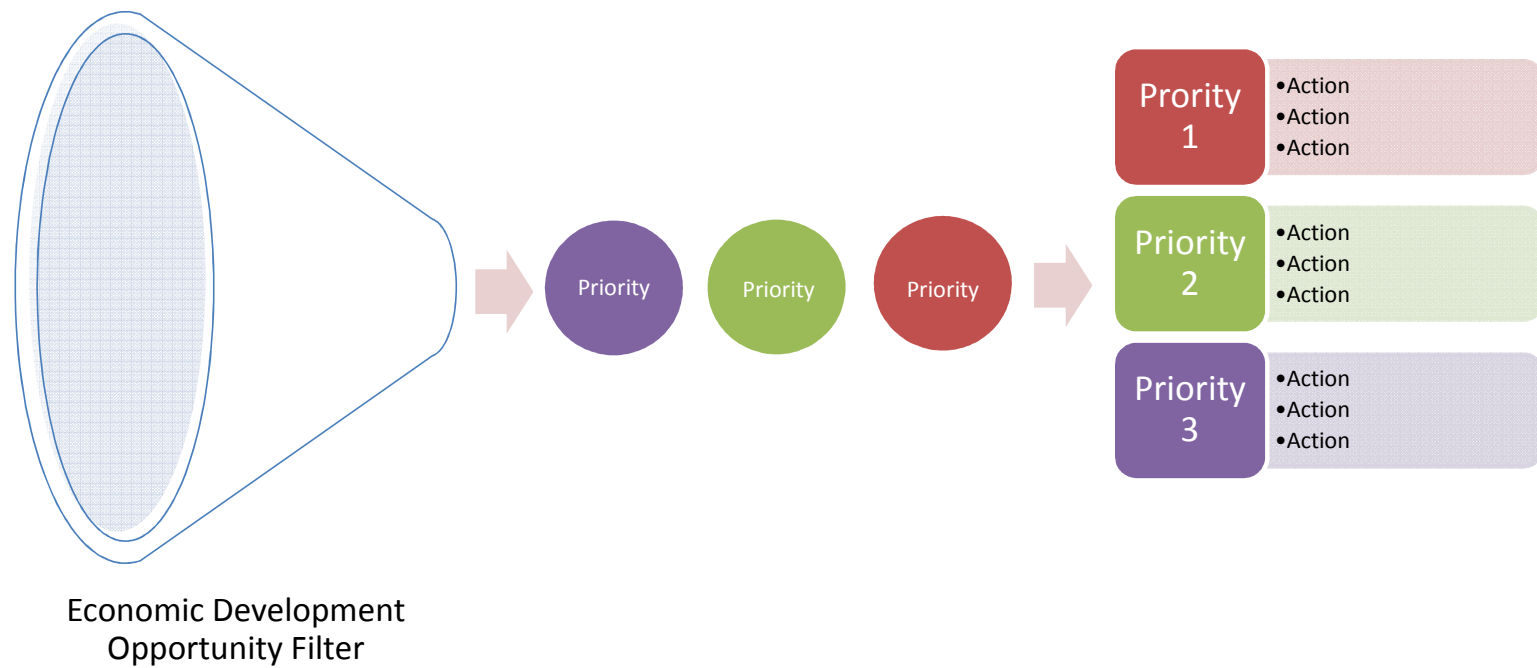
	X 1.5	X 1.2	X 1.2	X 1.3	X 1	%
Potential Opportunity	Economic Impact Potential	Industry Landscape	Industry Trends	Resource Capacity/capability	Government Priority	Data confidence index

- Since the impact of individual factors may vary in importance, each criterion was assigned a weight in order to calculate an overall score
- The overall score simplifies the comparison of opportunities.

Economic Development Strategic Plan- Process Overview



Economic Development Strategic Plan- Process Overview



Strategic priorities

The following shows the list of the top 7 strategic priorities (*Note: the group saw the first two priorities as equivalent in importance. The #1 & #2 ranking below is therefore interchangeable*) :

1. Unified Tourism and Arts & Culture
2. Geothermal Energy
3. Food production & processing
4. Low-cost energy (from existing natural gas sources)
5. Warehousing/distribution
6. Targeted and aligned retail development
7. Targeted and aligned training/education

Priority #1: Tourism and Arts & Culture

Tourism and Arts & Culture strategy

In each of these two sectors, organized groups are already setting direction and are engaged in a defined course of action. This strategy will build on what is already in place; we will fill any gaps and chart a course aligned with the economic development needs of the Region.

While tourism and arts & culture are distinct endeavours, the potential synergies between them are substantial enough to justify developing them in concert. For purposes of planning clarity, however, we will discuss them individually.



Priority #1: Tourism and Arts & Culture

Tourism strategy

In order to reach the stated tourism vision, we recommend the following two-phase approach to developing a tourism strategy:

Phase 1 (short term):

- Establish a Tourism strategy stakeholder task force, including Arts & Culture representation and participate in the “Bay of Fundy” Tourism strategy project.
- Develop a thorough understanding of the state of the tourism product, visitor experience, and infrastructure availability for the area
- Identify key product/experience gaps, partnership and business opportunities that are sustainable.
- Establish broad stakeholder group alignment by developing both short and long-term goals.
- Develop coherent short term tourism positioning plan and promote regional tourism offer

Phase 2

- Develop of a comprehensive RSC8 tourism strategy that will align with the Bay of Fundy strategy and the overall provincial tourism strategy.
- This strategy will define the Region’s “unique experience” value proposition. This value proposition will guide the Region’s tourism product development and attractions, as well as inform the retail experience development.
- Develop and implement a long-term tourism plan for RSC8. The plan will consider the feasibility of a tourism taxation instrument as a sustainable marketing funding source.

Priority #1: Tourism and Arts & Culture

Art & Culture Strategy

For the arts & culture group the strategy is simply to build on the extensive work already accomplished and focus on clear positioning and long-term sustainability.

- Work with the area municipalities to develop a clear long-term arts & culture policy framework to guide all Arts & Culture investment/development decisions in a coherent and sustainable manner. The framework will define guiding principles and priorities, ensuring that balanced and long-term thinking prevails. This will ensure long-term stability and encourage volunteers to continue investing time and energy in the “cause”. Many municipalities in New Brunswick have already developed such a policy framework and can serve as examples.
- Participate in defining the area’s “unique experience” value proposition and, from this, develop a regional art & culture brand positioning aligned with the policy framework.
- Secure long-term funding based on value propositions and policy.

Priority #1: Tourism and Arts & Culture

Sussex economic development strategy

	Resources			2017												2018											
	Budget	Resp.	External res.	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Priority #1: Tourism and Art & Culture Strategy																											
Tourism Phase 1(short term)																											
Establish tourism stakeholder task force		Adv Cor.																									
Bay of Fundy strategy participation		Adv Cor.	Consult.																								
Tourism product review & assessment		Adv Cor.	Consult.																								
Key product/experience gap assessment	\$5k	Adv Cor.	Consult.																								
Establish broad stakeholder group alignment		Adv Cor.																									
Short term positioning development & implementation	\$10k	Adv Cor.	Consult.																								
Tourism Phase 2 (long term)																											
Engage DTHC for tourism strategy support		Adv Cor. T.F.																									
Long term Tourism strategy development	\$25-35k	Adv Cor. T.F.	Consult.																								
Develop implementaion plan																											
Implement tourism plan	\$10-15k	Adv Cor. T.F.																									
Art & Culture Strategy																											
Sussex municipal cultural policy proposal		Ax																									
Sussex municipal cultural policy development	\$20-25k*	Sussex -Ax	Consult.																								
Sussex municipal cultural policy implementation		Sussex -Ax																									
Hampton municipal cultural policy proposal		Hampton-Ax																									
Hampton municipal cultural policy development	\$15-20k*	Hampton-Ax	Consult.																								
Hampton municipal cultural policy implementation		Hampton-Ax																									
Assess and plan additional A&C policy requiremets																											
Develop Art & Culture brand positioning	5-10k	Ax	Consult.																								
Secure sustainable funding		Ax																									

Priority #2: Geothermal energy development

Geo Dev Strategy

The flooded mine shafts of the closed potash plant present a unique economic development opportunity. This infrastructure could be repurposed to provide geothermal-based heating and/or cooling for high-demand applications at a cost substantially below alternative sources.

Geothermal heat could be a game changer for large-scale greenhouses or any other application requiring a large source of heating/cooling.



Priority #2: Geothermal energy development

Geo Dev Strategy

The strategy for developing the Geothermal Park is comprised of three key elements

- **Technical feasibility validation:** Before committing substantial investment, we must develop proof of concept with the help of reputable scientific and engineering resources. This stage should identify the overall capacity that could be generated, at what cost and over what period.
- **Business model development:** We need to develop a sustainable business model that will create substantial value for potential players. This should be preceded by a thorough analysis of the potential market demand for a low-cost heat source.
- **Business attraction program development:** We need to develop a program to inform and attract the highest value companies to the area.



Priority #2: Geothermal energy development

Sussex economic development strategy

	Resources			2017												2018											
	Budget	Resp.	External res.	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Priority #2: Geothermal energy development																											
Feasibility assessment funding application		EDC																									
Technical feasibility assessment (incl RFP)	\$50k	EDC	Consult																								
Business model development	\$20k	EDC	Consult																								
Business attraction program development	\$15-20k	EDC	Consult																								
"Geo Dev" administration structure devel.		EDC																									
Implementation		EDC																									

Priority #3: Food Production and Processing

Food Production and Processing Strategy

The Greater Sussex Hampton Region has a long history of food production and processing. The area is home to a significant portion of the provincial dairy industry and has well-established beef and pork production facilities and vegetable farming.

The Region has substantial production facilities for milk products, spices, peanut and almond butters and tea as well as a major bakery. Small-scale food processing is also underway and should continue to expand as more of the agriculture land in the Region comes back into production.

Considering the Region already possesses a well-developed and readily scalable infrastructure that supports large-scale food product manufacturing and their associated import/export needs, it makes sense to give this sector priority.

Priority #3: Food Production and Processing

Food Production and Processing Strategy

The food production and processing strategy is also comprised of the following elements:

- Validate the likelihood and dimensions of the projected dairy processing growth.
- Assess the potential ramifications of a threefold expansion of the dairy processing volumes in the area and ensure that primary and secondary support services are ready to meet the increased demands for existing services and create new service offerings where feasible.
- Inventory and classify the Region's support infrastructure capabilities and its scalability.
- Inventory and classify the Region's existing food processing capacity and capabilities.
- Inventory and classify the Region's agriculture lands to create a map of potential opportunities for new crop production, as well as a profile for agriculture investments.
- Establish a local food processing working group that will guide the future development of the sector and:
 - Establish new processing trend watch.
 - Ensure tight collaboration with food producers.
 - Promote the area's advantages to attract new players.

Priority #3: Food Production and Processing

Sussex economic development strategy

			Resources			2017												2018											
			Budget	Resp.	External res.	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Priority #3: Food production and processing																													
Validate "dairy growth" likelihood and magnitude		EDC																											
Feasibility assessment funding application		EDC																											
"Dairy growth" opportunity assessment	\$5-10k	EDC	Consult																										
Support infrastructure inventory & assessment	\$5-10k	EDC	Consult																										
Processing capacity capability inventory		EDC	Consult																										
Agriculture land inventory & assessment.		EDC																											
Establish local working group		EDC																											
-New processing trend watch		EDC- LWG																											
-Set up regular exchange with food producer		EDC- LWG																											
-Promotion for new company attraction	\$5-10k	EDC- LWG	Consult																										

Priority #4: Low-cost energy (from existing natural gas sources)

High-level strategy

Corridor Resources has operated a natural gas well field in the Sussex area for over 20 years and provided PotashCorp with a reliable energy supply. There is a moratorium on the fracking of natural gas wells in the province, which restricts the development of natural gas production. This sector has been a strong contributor to the regional economy through its exploration, drilling and production activities.

The strategy is to explore natural gas as an independent offering as well as a complementary/synergistic offering to the geothermal opportunity.

High-level action steps:

- Assess existing source supply capacity and projections for the future
- Perform feasibility study on local gas and gas from the pipeline being available local to us and economic conditions for obtaining it.
- Perform market assessment
- Develop business model

Priority #5: Warehousing/distribution

High-level strategy

The Region can position itself advantageously as a prime niche offering for Southern NB, in alignment with the growing economic activity generated by the above strategies. Focusing on these identified opportunities will not only provide essential synergy to help the said opportunities flourish, but also start to build additional critical mass in the warehousing and distribution sector that could be leveraged in the long term.

In the short term, it would be worthwhile for local area businesses to explore the merit of a multi-user owned distribution system.

High-level action steps:

- Establish a local warehousing/distribution working group and closely align/leverage existing provincial bodies.
- Determine feasibility of pooling needs and resources for a multi-user distribution service.
- Monitor economic development activity associated with geothermal potential and the food production and processing.

Priority #6: Targeted and aligned retail development

High-level strategy

While retail may not be an economic development driver in itself, it is an essential part of a balanced economic ecosystem. Economic development activities supported by a strong and strategically aligned retail sector will be much more successful and sustainable.

It will be important to ensure that retailers from the entire region engage in the alignment efforts. The goal is to ensure that everyone has a clear understanding of the Region's "unique experience" value proposition and how to contribute to delivering on these experiences consistently. This "unique retail experience" will align synergistically with the overall tourism experience.

High-level action steps:

The Region's retail sector will contribute greatly to the area's economic development by:

- Establishing structured leadership to unify the retail sector.
- Developing a "unique experience" definition for retail.
- Identifying the retail niche opportunities that the region can own as a specialty.
- Constantly reviewing the Region's retail health and developing and implementing appropriate action plans quickly.

Priority #7: Targeted and aligned training/education

High-level strategy

Early on, the community identified training and education as an economic development pillar. It should be understood, however, that this is a highly competitive sector. Going head-to-head with the competition in this sector, without a unique value proposition, is a tall order.

The Region has a location advantage that could be leveraged to provide these services to residents of the province's three major cities. There are emerging segments in training/education that are not necessarily well served, and the Region could potentially differentiate itself as a specialty centre for such offerings.

High-level action steps:

- Establish Training/education working group
- Monitor economic development activity, particularly for tourism, arts and culture.
- Perform market gap analysis for other needs.



NuFocus



Greater Sussex Hampton Region Communications Plan Update

Communications Plan update

- The Communications Plan evolved from the Economic Development Strategy and the seven strategic priorities identified over the past year
- It takes into consideration that this is a new approach for the Greater Sussex Hampton Region, therefore requiring time to gain traction
- The following presentation will touch on three key elements of the Communications Plan: the strategic considerations, the communication objectives and the recommended strategy

The strategic considerations

- The local, regional and federal governments have taken note of the difficult position the Greater Sussex Hampton Region is in and have identified resources to work with the region in helping to move it forward
- The Greater Sussex Hampton Region is strategically located in the province with a population of over 500,000 within a 95 km radius – within the golden triangle of Fredericton, Moncton and Saint John – the gateway to southern NB
- This is a region coming together with a story to tell – as stated by Marc Thorne, Mayor of Sussex, the community is “changing gears” as it is not just a one town industry

The strategic considerations

- The Greater Sussex Hampton Region will need a new identity, a brand which reflects everything the community stands for, including consideration of the seven strategic priorities
- Given limited budgets and resources, consideration must be given to the most cost effective communication methods (such as social media)
- Developing a website and building an inventory of regional assets is critically important for local, regional and international audiences
 - this will become the primary delivery tool to increase awareness and promote economic development for the Greater Sussex Hampton Region

Communication objectives

The primary objectives are as follows:

- 1) Express the outcomes of the community strategic plan to all internal audiences
- 2) Create awareness that development of an inventory of regional assets is necessary and requires participation from local business and service providers
- 3) Identify and engage community supporters to assist in promoting the Greater Sussex Hampton Region as an ***investment ready and open for business community***
- 4) Provide information to the local economy of the goods and services available in the area and the benefits of buying locally

Communication objectives

The secondary objectives are as follows:

- 5) Identify and engage third party supporters to verify the Greater Sussex Hampton Region is strategically located for investment opportunities
- 6) To ensure that the Greater Sussex Hampton Region has a regular, consistent and disciplined approach in sharing its story with key external stakeholders and potential investors that it is an ***investment ready and open for business community***
- 7) To achieve a balanced and fair response from media and all stakeholders throughout the process

The strategy

- Keeping in step with the two key pillars identified by the Sussex and District Chamber of Commerce; **building our industrial base**; and, **destination of choice**, the desire to overcome the loss of one of the region's largest employer is a key priority for the Greater Sussex Hampton Region
- Capitalizing on existing strengths will help to reposition the region and focus on sustainable economic growth
- A two pronged communications approach is recommended; an internal communications campaign and a public awareness campaign (or external communications campaign)
 - carried out over a six to nine month period from the date of commencement

Internal communications campaign

- Focus on participating in meetings with key stakeholders directly impacted by the loss of the mine, such as the local business community and partners to present the outcome of the strategic plan and stress the importance of having ***an investment ready community***
- The campaign will consist of various collateral materials, such as PowerPoint presentations, briefing notes, information fact sheets, social media content, media articles and an informative website
- Rollout of the campaign will be designed to ensure a focused approach on creating awareness that development of regional assets is necessary and requires participation

External/public communications campaign

- Focus on delivering the key messages directly and indirectly to various stakeholders, including the general public, elected officials and the media
- Messaging may need to be modified to reflect the objective as noted in the strategic priorities once they are fully developed and adopted
- The campaign will include engaging a few community members as advocates to deliver the messages via social media networks and also in person
- Like the internal communications campaign, this campaign will rely on an informative website, collateral materials and social media networks

Summary

- The Communications Plan includes a detailed list of intended audiences/stakeholders; proposed messaging for both the internal and external stakeholders; tactics; a roll out plan and timeline along with a suggested evaluation process
- It is important to note that the Plan is based on the most current information available. Circumstances could (and likely will) change which would require an update and perhaps alternative approaches to those recommended

Respectfully submitted,
Pamela McKay

NEXT STEPS

IMPLEMENTATION OF THE GREATER SUSSEX HAMPTON
REGION ECONOMIC RESPONSE PLAN

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WORK UNDERWAY

Development of a Request for Proposals for Technical Feasibility Study of the geothermal potential from the Penobsquis mine

Development of the Request for Proposals for the providing of the technology platform to create the “investment ready” web site promoting the benefits of the region

Development of the Asset Inventory profile to form the foundation of information for the “investment ready” web site

Working with the province to profile the agriculture and forestry land in the region



NEXT STEP-FOLLOW THE PLAN


Work with existing groups and organizations such as Adventure Corridor, AX, Chambers of Commerce, community groups

Establish working groups around priority areas to focus efforts in the specific fields of Tourism, Arts and Culture, Food Production and Food Processing

Work on establishing a marketing brand for the region

Engage with the responsible government departments and agencies to address the priority items in the plan

Keep the community informed and involved in the progress being made in following the plan



Conclusion

- The Greater Sussex-Hampton Region has taken the initiative to determine its economic future in the face of the potash mine closure. Led by the Sussex and District Chamber of Commerce, the community engaged in strategic brainstorming sessions to initiate the process of identifying a new economic prosperity path. That work constituted a foundation for the development and completion of this mandate.
- Clearly, great opportunities lie within the region's reach –not only to mitigate the negative impact of the Picadilly operations suspension, but also to reposition the region economically.
- This strategic plan is key in realizing a new economic future for the region. The comprehensive communication plan will be instrumental in bringing these strategies to life.
- Implementation of the plan rests in the capable hands of the Greater Sussex-Hampton Region leaders. They must ensure that each priority has the right champions in place to shift plans and priorities into action.
- This is just the beginning. The real work is ahead of us and will require tremendous effort, courage and sustained commitment.