

# Village of Valemount Economic Recovery Strategy

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VILLAGE OF VALEMOUNT  
735 CRANBERRY LAKE ROAD  
VALEMOUNT, BC V0E 2Z0  
PH: 250-566-4435



STRATEGIES NORTH ADVISORY INC.  
467 ST. PAUL STREET  
KAMLOOPS, BC V2C 2J7  
PH: 236-425-4006

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## Background

### Overview

On July 22, 2024, the Municipality of Jasper and the surrounding area was evacuated due to wildfires. Highway 16 from British Columbia through Jasper National Park along with Highway 93 south to the Icefields were immediately closed to all commercial and tourist traffic. Valemount's 2022 Annual Report stated the Village as a "critical service provider for transportation of goods and people across the country",<sup>1</sup> so with an economy largely based on tourism and typically having otherwise significant commercial trucking in the area, Valemount was immediately negatively impacted by the fires and closures.

Due to the highway closures preventing access and smoky conditions, many tourists cancelled trips altogether. Valemount was cut off as a commercial stop, losing the overnight and refuel traffic it would typically get from traffic along Vancouver/Edmonton routes. Local businesses were unable to ship products or supplies in or out of the community. The highway closures crashed Valemount's peak revenue season, delivering a hard blow to its economy.

The highway would be completely closed for almost three weeks. On August 9, 2024, Highway 16 opened to reduced traffic and only fully opened another ten days later on August 19, 2024. Highway 93 opened to traffic on August 23, 2024 but routes were still impacted from both fear of further closures and lack of communication for their reopening. With summer coming to an end and the days starting to cool, Valemount's residents and businesses lost their busiest part of the year.

In November 2024, Valemount engaged Strategies North Advisory to assist the community in providing recovery management services. As part of these efforts, Strategies North is undertaking communications and engagement with community, government and organization relationship building, economic advisory, and proposal funding coordination. The desire for these efforts is to have Valemount be able to undertake a coordinated strategy, working in collaboration with government and other stakeholders to provide the community its needed support and resources.

The Village of Valemount has faced adversity before and wants to grow despite the challenges it faces. In 2006, the local sawmill, employing nearly 20% of Valemount's population, shut down and permanently closed in 2009. This was one of the first tests of resilience for the community but unlike residents of some small towns in similar situations, Valemount's people remained. As a beautiful middle-of-everywhere place surrounded by multiple mountain ranges, provincial parks, and recreation sites, tourism then grew to be the local dominant industry. The most northern of only 14 resort municipalities in British Columbia, Valemount has persisted through the COVID-19 pandemic, a Trans Mountain

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<sup>1</sup> Village of Valemount, *2022 Annual Report*. (Valemount, BC: Village of Valemount), 2023.

Pipeline boom and bust, and will now rebound through the 2024 highway closure impacts with the right recovery actions and support.

## The Wildfires: Valemount's Response

The Jasper wildfires forced thousands to evacuate on short notice, most without a plan of where to go. The Municipality of Jasper and Jasper National Park issued an evacuation order, simply telling people to use Highway 16 towards British Columbia.<sup>2</sup> 16,000 evacuees arriving in the middle of the night - almost 15 times the population of Valemount - were welcomed into the community with open arms. Valemount Mayor Owen Torgerson said "[Valemount is] a kin community to Jasper. We'll do whatever we can for our neighbours"<sup>3</sup> after spending the first night directing the flood of traffic. Businesses and organizations opened their doors, allowing evacuees to rest, shower, and eat, and provided them goods and services at no cost to them. Almost every building with space in the community was open and looking to help out, from churches and the food bank to hair stylists giving free cuts and an RV park opening up their sites to any and all evacuees and asking for nothing in return, even when doing so put financial strain on themselves.



Providing emergency accommodation, preparing meals, and offering services, Valemount's response was immediate. The community came together, juggling an interprovincial crisis event with little capacity themselves, showing how important having strong businesses and organizations in a place like this is. When disaster strikes, British Columbia as a province and Canada as a



country rely on the support of local businesses and community groups. These people and organizations step up because it's needed, even though it can be difficult. However, it is important to ensure that those businesses and organizations are not overly disadvantaged because of the help they provide, and that they survive to be there for the future. There is a collective responsibility to make sure the businesses, organizations, and communities that stepped up are supported. They weren't just vital in the moment, they're key to the long-term prosperity of the community.

<sup>2</sup> Municipality of Jasper, "Wildfire Timeline," (Jasper, AB: Municipality of Jasper), 2024.

<sup>3</sup> Macdonald, Nancy, "Jasper evacuees huddle in Valemount, watching in disbelief as details of wildfire's devastation emerge," *The Globe and Mail*, July 25, 2024.

\* Photos courtesy of Lianne Abbott

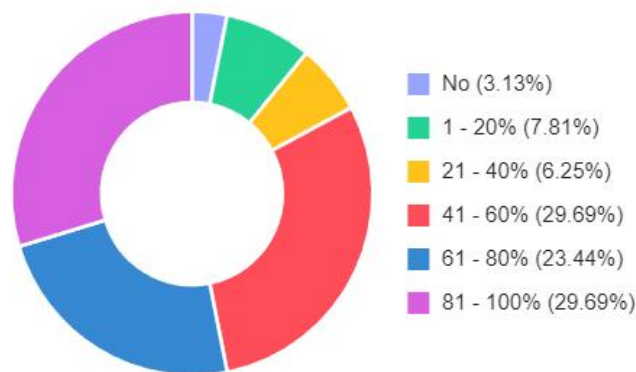
Once the needs of evacuees were addressed, Valemount then looked to their own business’ and organizations’ health. Some had now increased costs of their own, and many began to express concerns about the impacts of the wildfires and closures on the Village and its economy.

## Community Engagement

### Stakeholder Consultation

In response to business and organization’s concerns, the Village of Valemount in partnership with Tourism Valemount created and distributed an initial survey for local businesses and organizations. Responses were collected between August 13th and 19th, with 64 businesses responding. Over half of the businesses were tourism accommodations, tour operators, or destination amenities. Another 16% was restaurant and food service, 7% was retail, and 20% was other including healthcare, personal services, forestry, materials and supplies, manufacturing, and more. Of the respondents, 62 (**97%**) indicated that the closures had already negatively impacted their business. **Almost 77%** of respondents stated that more than 50% of their business revenue was generated in the summer season. When asked if they were experiencing a reduction in revenue during the closure times, 97% of respondents said yes and almost 30% indicated that they were experiencing a large **reduction in revenue of 81-100%**, with a respective average and median loss of **\$35,000 and \$15,000**.

Have you experienced a reduction in anticipated revenue?



When asked in the survey whether the businesses thought the current financial supports and resources that they had available would be sufficient to help them remain viable until a return to normal operations, **70% of respondents said no**. This highlights the serious worry local businesses and organizations faced and are continuing to face.

On December 6, 2024, a secondary impact survey was developed for businesses and other organizations to further quantify the impact now that the immediate events of the July/August closures had passed. As of December 16th, 16 organizations and businesses responded to the survey. When asked about employment, six businesses had just one employee/were owner/operated, six businesses had 2-4 employees, one business had 5-10 employees, and two businesses had greater than 10 employees. Half had part-time employees, the others did not. In this later impact survey, the average and median reported revenue losses were **\$46,520 and \$35,000** respectively. There are a few potential reasons for the increase in these amounts over the previous survey. First, is that the August

survey was conducted while impacts were still active, and so losses would increase over time. Secondly, with a smaller sample size, these amounts are influenced more by extreme numbers including one business who reported a \$250,000 loss. Finally, it is likely that businesses who were affected the most would be more likely to respond to the additional survey.

Beyond loss of revenue, businesses were also asked if they had incurred additional costs, with 50% saying yes, and those with the highest reported additional costs being **because of the support they provided to Jasper evacuees**. The main ways businesses were affected overall was from reduced tourist traffic, cancellations, and delays in receiving/shipping items. Due to the impacts, over half (56%) of businesses reported having to reduce hours or lay off employees, with a reported **33 positions having their hours reduced and 5 positions laid off**. For funding assistance thought to be needed, the average and median amounts were **\$33,340 and \$25,000** respectively, lower than the losses and costs reported but similar amounts. Many businesses discussed the desire for increased marketing efforts of the community, and 7 of the 16 indicated that a low-interest loan would be helpful. Recovery funding was desired for operating costs, payroll, rent, and utilities.

In addition to the surveys distributed, Strategies North conducted additional one-on-one discussions with 11 businesses and organizations over the phone and via a specific email address created for Valemount recovery efforts. Businesses from a variety of industries were contacted, from retail to specialty service, hospitality, and resource extraction. In these one-on-one discussions, stakeholders were consulted about what resources might be available to them, what their main challenges were, and what they believed to be most important for the development of the report and Strategy.

Strategies North had further conversations with Tourism Valemount, discussing Valemount tourism needs and efforts both from a recovery and growth perspective. The discussion highlighted both challenges and opportunities. Challenges include funding cuts, staffing shortages, and limited housing, which affect the ability to expand operations and provide services. Additionally, better coordination and communication within local organizations are needed to drive promotional efforts. Tourism Valemount indicated future strategies could focus on attracting younger demographics, particularly millennials and international visitors, through targeted marketing campaigns and partnerships with regional and national organizations. There is also strong potential in infrastructure development, utilizing available land for new projects, and expanding services like the Visitor Centre. Addressing these gaps and capitalizing on emerging opportunities can play a pivotal role in supporting economic resilience and year-round tourism growth beyond initial recovery.

Discussions with other individuals and organizations that will remain anonymous reiterated these points, highlighting the desire to continue to develop tourism while Jasper is rebuilding, though fewer tourists may naturally visit the area because of the expected decrease in Jasper tourism. Additionally, the reliance on summer visitors was noted to see what can be done to strengthen winter tourism as well as explore other industries, circular

economies, and partnerships including with surrounding First Nation communities in order to build further economic resilience.

## Community Meeting

On November 27th, 2024, Strategies North Advisory hosted an open meeting in the Valemount Village office for local businesses and organizations. The meeting was held to connect with the businesses directly, identify challenges caused by the closures, and provide an opportunity to share experiences and help shape recovery efforts. Businesses shared that they were still paying off or just recently paid off COVID-19 CEBA loans when the closures happened. Others had made investments in their businesses planning for an increased busy season, taking on debt and/or hiring new employees in preparation. Unlike in Jasper, where business interruption insurance payouts could help cover some of the losses, Valemount businesses discussed being **unable to make successful insurance claims to help ease the financial impacts**.

Attending business owners said that the approach to reopening the roads was confusing for both businesses and tourists as to when they would be available for travel. Some production and shipping companies were unable to meet promised delivery dates, and missed lucrative times for wholesale shipments and purchases preparing for Christmas. With this and tourists cut off from visiting, it had not only an immediate revenue impact but also a reputational one, with tourists opting to go elsewhere and customers finding other non-Valemount suppliers to avoid further closures and uncertainty.

Similar to what was in the engagement surveys, the businesses discussed Valemount needing additional opportunities to strengthen year-round tourism over only summer tourism, conduct broader marketing for the area, and develop other industries.

Following the community meeting, Strategies North visited seven individual businesses on November 28th that were unable to attend the meeting. These visits were done at each place of business to ensure their perspectives were heard directly, providing an opportunity for one-on-one discussions about the impacts they've experienced operating and their thoughts on strengthening Valemount's economic resilience. High staffing costs and overhead were discussed, particularly in the absence of revenue to cover them. Many had mentioned the Trans Mountain Pipeline as both a blessing and a curse, bringing new people to the community but driving up the cost of housing and goods as well. After lulls from the pipeline work moving on in 2023 businesses were hoping for a successful 2024 season. Some of the businesses mentioned being hit hard after the closures, taking on evacuees from Jasper at high cost, providing services for free instead of for revenue or to what little tourists were in town.

The community and individual business meetings were an important element to the overall recovery strategy, and Strategies North considers the meeting to be a success for gathering information and community input as well as building connections in Valemount.



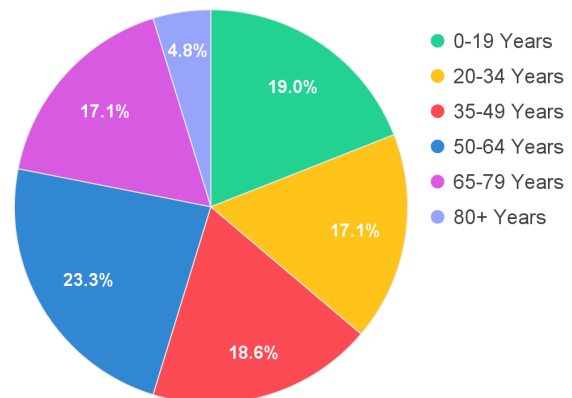
## Valemount Profile

### Demographics

#### Population

As of the 2021 Federal Census, 1052 people call the Village of Valemount home with a growth of 3% (31 people) over the 2016 Census.<sup>4</sup> This is modest but positive growth for the time period. Referring to the Census, the population of Valemount can be separated into the following six age demographics: 0-19, 20-34, 35-49, 50-64, 65-79, and 80+.

Valemount Population by Age (2021 Census)



The 0-19 age group (the second largest at 200 people, or 19% of the population), seems to be growing quickly. Through reporting from local businesses and organizations in Valemount during the community meetings and engagement, it's believed that **15-30 children** have been born in 2024 alone, a transformative amount over previous years, highly substantial for a town of just over 1000 people, and considerable compared to the growth rate recorded in the Census. Additionally, State of the Basin, a publication from Selkirk College that collects educational information for the Columbia Basin area puts the school enrollment for Valemount Elementary and Secondary in the 2022/2023 school year at 210, a figure greater than the previous Census's age group demographic.<sup>5</sup> Based on these factors, Valemount's population may be growing by virtue of its appeal to families and younger people.

#### Employment by Industry

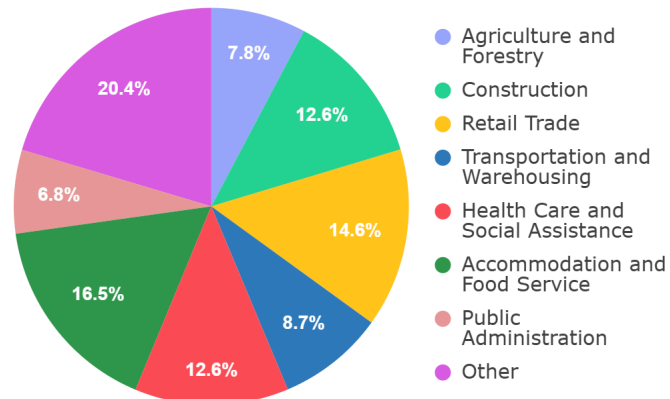
From the 2021 Census, the single largest employing industry in Valemount is Accommodation and Food Service, which makes up for **16.5%** of all jobs in the community. Behind it is Retail at **14.6%**, which is primarily geared towards tourism and necessity/household retail. Other notable and sizable employers are the Health Care/Social Assistance and Construction and Transportation Industries. The "Other Category" includes the remainder of industries in Valemount such as Private Administration, Manufacturing, Finance, as well as Specialty Services and Goods. Between all of the industries, the amount of the community's employment in tourism-related areas is potentially **30-40%**, or **160-220**

<sup>4</sup> Statistics Canada, *Census Profile, 2021 Census of Population: Valemount, Village [Census Subdivision], British Columbia*, released February 9, 2022

<sup>5</sup> Columbia Basin Rural Development Institute, "Student Enrolment," *State of the Basin*, 2023.

**jobs.** It can be reasonably assumed that there are some changes between 2021 and now, especially with the creation of new start ups in the community. However it is fairly likely that the shares of occupation by industry have stayed similar due to general trends in the community and show the importance of tourism and commercial trade to the area.

Occupation by Industry (2021 Census)



## Income

In 2021, the median total individual income within Valemount was **\$36,800**, with the Village Median Market income being **\$29,200**.<sup>6</sup> At this time the largest percentage of residents (36.0%) annually made \$20,000-40,000 net income, 18.6% of residents had under \$20,000 annual net income, and the best paid bracket at \$100,000+ annual net income made up only 6.4% of the population.

Incomes are lower in Valemount than British Columbia as a whole, but this is manageable as the cost of living is lower as well. However, lower incomes put strain on individuals during economic uncertainty. This is especially true when living in a small community where products and services now have to be imported at a higher cost, the economy pressures people to relocate to other areas, or in the case of housing and other costs being driven up, as was seen during the Trans Mountain Pipeline work due to the influx of people. It can be assumed that there may have been a general increase in net income during the Trans Mountain Pipeline project in the region, particularly for those involved with food service and accommodation. However, now that the pipeline has moved on, this could no longer be the case.

With a reported reduction in hours and layoffs because of the closures it can be surmised that many people in Valemount are making less than they were before the wildfire. This will affect the annual net income for 2024 and, should economic troubles continue, into 2025 as well.

## Tourism Industry

Valemount's current place in the tourism industry is as a resort/hospitality town. It primarily interacts with tourists by providing lodging and food service to support largely free activities such as mountain biking and hiking. There are several businesses who offer

<sup>6</sup> Statistics Canada, *Census Profile, 2021 Census of Population: Valemount*.

rentals to support these free activities. While there are some in-town businesses and organizations that do charge for recreational activity, they are mostly limited to winter activities such as snowmobiling, snow cat skiing, heli skiing, and dogsledding, or whitewater rafting in the summer.

Valemount boasts several key attractions that draw tourists year-round. The Valemount Bike Park, with many free-access trails maintained by Valemount and Area Recreation Development Association (VARDA), is a top summer destination with room to grow. For hikers, the area offers both more intense trails like Mt. Trudeau and Canoe Mountain and more casual options like Cranberry Marsh and Rearguard Falls. In winter, snowmobiling areas such as Allan and Clemina Creek, also maintained by VARDA, provide popular experiences. The nearby Mt. Robson Provincial Park is another draw for Valemount. The Village, due to its proximity, serves as a potential hospitality hub for those entering Mount Robson park for a day visit.

Importantly, while Valemount has many valuable and popular attractions, the local tourism industry has been geared towards being part of the chain of Jasper National Park, in the way of providing a secondary attraction before or after a tourist's visit to Jasper. With this said, Valemount provides similar outdoor experiences as Jasper, albeit at a generally lower cost and lower number of tourists. Valemount is smaller, but can be considered to still possess much of the same appeal that makes the National Park so popular.

A major struggle, noted by businesses and organizations in the community, is attracting tourists travelling through to stop in town and spend money at local businesses. For tourists, as attested by local organizations and businesses, a barrier is that some local businesses operate at either low or odd hours that lowers their convenience. Tourists coming to a largely closed downtown is an occasional issue as reported by stakeholders, a feature compounded by significant economic pressures from the recent highway closure.

Overall, the tourism industry of Valemount is full of potential for growth due to its natural surroundings, strategic location, and the rising popularity of outdoor attractions. That said, there are some hurdles to overcome like making local businesses more accessible, offering more services, and diversifying its attractions. By developing community infrastructure, improving marketing efforts, and supporting investment in local organizations and businesses, Valemount could position itself from being a stop along the way to becoming a more desired destination in its own right.

## **Community SWOT Analysis**

### **Strengths**

#### ***Involved and Collective Community***

Valemount embodies the culture and atmosphere of the northern small town. Businesses, organizations, schools and the municipality are deeply connected, sharing information, and

dedicated to overall community success. During the Jasper wildfire the community as a whole demonstrated its quality, with all hands on deck to help the evacuees as much as they were able, by volunteering their spaces, homes, goods, and time. Citizens are educated on what is happening in the community, and committed to ensuring that Valemount succeeds.

### ***A Perfect Place to Grow***

In spite of contractions surrounding the closing of the mill and the pipeline now moving past Valemount, the Village possesses a healthy and growing population, including young families and new people moving into the community. Valemount is also one of the few communities in the north that has been successful with healthcare access and in retaining doctors, as medical professionals coming to the community want to stay in it.

With suitable investment, there are opportunities for future business and land development including an industrial park just outside the community. New development can leverage Valemount's strategic location and access to transportation corridors, and presents a chance to diversify the local economy and further growth.

## **Weaknesses**

### ***Low Diversification***

After the permanent closure of Valemount's mill in 2009, Tourism has been the primary industry for the Village of Valemount. Most businesses are either partially or entirely reliant on tourist activity for income generation. Years with poor snowfall, or crises like the wildfire or COVID-19 have damaged Valemount's economy. Additionally, Valemount currently lacks many secondary but important services such as dentistry, specialty clinics, and orthodontics that would allow many working professionals and potentially entire companies to put their stake in the Village.

### ***Lack of External Domestic and International Knowledge of the Community***

Valemount has historically relied primarily on proximity for attracting visitors; being placed on the route between Jasper/Alberta and the Interior and Lower Mainland of British Columbia. It currently lacks as strong of a domestic and international presence as desired to draw more and varied tourists to the region.

## **Opportunities**

### ***Repositioning of Community Events***

While many of the Village's events do in fact attract tourists, Valemount could profit from having businesses and organizations better position themselves to engage in the influx of potential economic activity. In conducted interviews, stakeholders identified that many businesses (particularly those in food service) were not open to engage with tourists during

events. By better coordinating with and between business owners, the Village's economy can pick up much of this underutilized activity during and surrounding events.

### ***Tourism without Jasper***

The Jasper wildfire was a profound tragedy for its residents, and surrounding areas. Jasper needs time to recover its full presence in the tourism market, a presence that Valemount has historically relied on for visitor traffic. This presents both a need and opportunity for Valemount to expand its image outside of the Robson Valley. Valemount has the opportunity to position itself as the “place to go” in the region, and possesses many similar recreational and tourist attractions found in Jasper, and high availability for lodging.

## **Threats**

### ***Downward Economic Spiral***

The biggest threat to Valemount is the prospect of a spiralling economic decline. Currently, many community businesses fear they are on the edge of closing their doors for the foreseeable future. In a small town, losing one business means potentially losing the ability to buy a good or service within the community. This can mean less money being spent in the community by virtue of fewer options, possible unemployment from business shutting down, and with less money now being spent in other businesses more may be lost - potentially creating a cycle that challenges recovery and eliminates job opportunities. If it gets to this point, this can be a difficult situation to recover from as it may mean less ability to attract both tourists and residents, the community becoming less attractive for future investment, and current residents needing to move elsewhere for more opportunity. Proactive recovery actions along with existing community resilience can help prevent this from occurring.

## **Economic Impact**

### **Pre-Wildfire Context**

Like many small towns transitioning from forestry, Valemount's economic position has fluctuated greatly over recent years. The permanent closure of the Valemount sawmill marked a turning point for the community. The Village pivoted toward tourism as its primary industry, leveraging its scenic location and outdoor recreation opportunities. While tourism would eventually become a strong economic driver, the transition left gaps in stability and employment. Businesses and residents adapted to the change in Valemount's economic outlook.

Tourism in British Columbia is one of the province's largest contributors to the economy, earning **\$18.5 billion in revenue** and contributing **\$7.2 billion to GDP** in 2022 - greater than all other primary resource industries such as mining, oil & gas, agriculture, and

forestry.<sup>7</sup> Valemount's Thompson Okanagan region has steadily grown its tourism industry, with the regional share of tourist expenditures rising 2.7% and total overnight expenditures increasing by 48% from 2013-2017.<sup>8</sup>

The COVID-19 pandemic was a major disruption after this shift. Travel restrictions and health measures hurt the tourism industry, heavily affecting businesses that relied on visitors. Many Valemount businesses took on Canada Business Emergency Account (CEBA) Loans, expecting to pay them off when traffic returned. Recovery from the pandemic started in 2022 as restrictions eased and travelers returned, but the economic foundation remained fragile. The Trans Mountain Pipeline construction brought a temporary increase of people during this time, with workers increasing demand for local services, accommodations, and businesses. Businesses invested heavily, hired staff, and purchased equipment to meet demand. A testament to the resiliency of the community, new start-ups were created during the last five years alongside COVID-19 and the pipeline work in the food service, retail, hospitality, and other services. Importantly, these entrepreneurs were primarily in the 30-40 age group, and were otherwise typical mom-and-pop shops.

Reportedly, pipeline activity brought a temporary boom to the community, while the hospitality industry had the struggle of trying to find enough beds for the workers, let alone the workers and regular tourist traffic. Businesses described the influx as feeling like an extra two thousand people living in the Village and that the town was constantly busy. During this time it was reported that the cost of living increased to match the influx of people, with things like housing units that would rent for hundreds of dollars prior to the pipeline project being rented for thousands during.<sup>9</sup> However, 2023 marked the last year of pipeline activity near Valemount and as the workforce left, businesses that had invested in themselves hoped for strong tourist seasons to sustain their growth. This rapid cycle of expansion and contraction strained businesses and local resources, leaving many vulnerable.

2024 looked to be a fine tourist year. Yet by July 2024, just before the busiest part of the season, **Valemount had not fully stabilized from the effects of the prior disruptions when the wildfires and highway closures occurred.** The fires created a cascade of direct, and indirect, economic impacts. Businesses still paying off CEBA loans, those that had hired more staff or purchased more equipment. While some level of closures were understandably necessary for safety during the wildfire, the process could have been managed differently and unlike other areas, **Valemount was unable to utilize insurance and didn't have access to sufficient recovery funds.** These compounding challenges emphasize the urgent need for recovery efforts to stabilize and rebuild the local economy.

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<sup>7</sup> Destination BC, *2022 Value of Tourism Snapshot* (Vancouver: Destination BC, February 29, 2024).

<sup>8</sup> Thompson Okanagan Tourism Association, *Thompson Okanagan Ten-Year Tourism Strategy*, updated 2019 (Kelowna, BC: Thompson Okanagan Tourism Association).

<sup>9</sup> Williams, Arthur, "Too Much Boom: Pipeline Workers Outnumber Residents in One Northern BC Village," *Prince George Citizen*, December 17, 2024.

## Total Effects

There are multiple ways that the closures affected Valemount's local economy. **Direct effects** are primary effects that occur when the first new dollar is spent in the community, and local businesses sell goods or services to the visiting tourist or to other customers. Direct effects can be broadly used to estimate the GDP contributed from an industry.

**Secondary effects, indirect and induced**, come after the first round of spending. With that dollar received from the tourist or other customer, a business can pay its suppliers, creating indirect effects. When suppliers are local or work a lot with many local businesses, these indirect effects grow. Induced effects are the other important secondary effect, and are the changes in spending from household income. When a dollar is spent in businesses, people employed in that business can earn an income which they can spend on things like their housing, groceries, personal services, and more. This provides revenue to other businesses and the cycle of economic impact can continue. Along each step of the cycle, there is tax revenue that is collected by the municipal, provincial, or federal level. Some of this tax revenue is reinvested in the local community, setting it up for further growth. This is a deeply intertwined relationship, and any shocks to any of the steps can have profound ripple effects.

Each dollar spent in an industry has an economic multiplier that attempts to capture the extent of the interconnectedness and secondary effects given a change in direct effects. For each industry and sector, these multipliers vary drastically between regions and local areas. For Valemount, given the reliance on tourism as its primary industry, tourism spending is expected to have a significant multiplier effect for the community with many supporting and local-only businesses indirectly reliant on it. Other industries along with tourism assumed to have significant multipliers in Valemount are forestry, food, and construction materials. The total impact for any changes in these industries is the combined amount of the direct, indirect, and induced impacts.

For Valemount, the economic effects will not just be a one-time event as there may be impacts that could cause future challenges. This includes tourists finding other places to visit that they may repeatedly go to because they couldn't go to Valemount, travelling visitor and commercial traffic utilizing alternate routes that don't go through Valemount, and importantly the reputational impact of Valemount as a product supplier. Past customers may have found new suppliers that they will continue business with in the future. Valemount businesses that were suppliers struggled with receiving a lack of clear communication for the highway reopening, damaging relationships with customers passing that on through inaccurate estimates and delayed shipments.

## Lost Revenues

Many Valemount businesses operate at a loss during the winter and count on the summer to carry them through. That opportunity was unavailable to them this year because of the highway closures. With the main highways closed, there were limited tourist visits, few people stopping through, and the potential revenue during this time was lost. Many businesses saw immediate cancellations of tourist bookings, not only during the closures, but for the remainder of the year and into 2025. Businesses were unable to ship products east, losing that revenue. Because of the indirect and induced effects mentioned above, the less money the businesses first impacted received, the less they can spend at other businesses, decreasing their revenue. With average lost revenues in the tens of thousands being reported by businesses, this is a significant amount for the community and its residents.

The most noticeable impacts for Valemount are in the tourism industry. Destination BC statistics show that tourist visits contracted by 26% from 2023 to 2024. Consistently, the summer months (June 1 - September 30) have been the highest visited time in Valemount by tourists. Summer 2023 counted 8,494 visits, whereas summer 2024 **decreased to 5,738** visits.<sup>10</sup> In the May 2017 Regional Tourism Profile for Thompson Okanagan developed by Destination BC, each visitor to the region on average spends \$378.<sup>11</sup> While this value is not specific to Valemount, it can be used to approximate total revenue. In addition, Tourism Valemount currently estimates that due to price increases since that report and previous winter tourism reports done for Valemount, the total spend per visitor is closer to \$700. This put the estimated lost revenue for the decrease of 2756 visitors at **\$1,041,768 to \$1,929,200**. This is only the direct impact for tourism, the total impact for all businesses, tourism focused and not, is expected to be higher.

## Increased Costs

A major difficulty stemming from the highway closures was the sudden breakdown of supply chains for retail and wholesale. For those businesses in Valemount that export their products, many of their main customers are eastward, including Jasper. For businesses importing products and supplies, many relied on the eastern highways to bring these into the community. Businesses reliant on trade through Jasper experienced increased costs through having to find and plan alternate shipping routes, needing to source different suppliers - particularly on short notice, and inventory spoilage. In addition to the reduction in revenues, these increased costs hit local businesses hard.

Some Valemount businesses and organizations donated and/or provided services to Jasper evacuees out of their own pocket. Valemount Pines Golf & RV Park at one point **hosted 600**

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<sup>10</sup> Destination BC, *2024 Visitor Services Statistics Program* (Vancouver: Destination BC, 2024).

<sup>11</sup> Destination BC, *Regional Tourism Profile: Thompson Okanagan* (Vancouver: Destination BC, May 2017).



**evacuees** (a number over half the population of Valemount) on their site and did not charge them anything to be there. Hundreds of evacuees benefitted from the food, water, space, electricity, and labour that Valemount Pines provided, but the business now mentioned that they are in financial distress and facing risk of closure due to the increased costs hosting evacuees and the lack of visitors following. For the owners though, it was an easy choice having previously been on the other side of wildfires and relying on support in the past. CBC News: The National reported Valemount Pines’ story in July 2024,<sup>12</sup> showing the generosity of Valemount businesses like Valemount Pines Golf & RV Park and the community’s willingness to support others in times of crisis, even at their own expense. However, this placed additional financial strain on businesses already struggling multiple ways with reduced revenues and increased costs.

While increased costs are not as significant as lost revenues (and the inability to pay existing costs because of it), 70% of businesses in the December 6th impact survey reported having some form of increased cost. Across the entire community, this is hundreds of thousands of dollars of additional costs due to the Jasper wildfires and following highway closures.

## Employment

As with any business or organization, some sort of revenue is necessary to employ people and create jobs. Similar to direct, indirect, and induced effects of spending, the same can be thought of when it comes to jobs. Jobs earn an employee/business owner operator an income, which they then use to spend on housing, services, goods, taxes, and savings. This spending supports other jobs and investment in the community, making employment a critical factor for a community’s economy.

One way to analyze employment in a community is with Location Quotient (LQ). An area’s LQ is a measure of its specialization, showing the local amount of employment in a given industry relative to a broader average. According to BCStats, “a location quotient of 2 indicates that an area has twice as many jobs in a given industry relative to the size of the economy, while an LQ of 0.5 means there are half as many jobs”.<sup>13</sup> Below are McBride-Valemount 2020 location quotients compared with BC as a whole.<sup>14</sup>

Forestry	Mining, Oil and Gas	Fishing, Hunting and Trapping	Agriculture and Food	Tourism	High Tech Manufacturing	Public Sector	Construction	Film and TV	Other Basic
5.72	1.20	0.00	2.95	1.89	0.11	0.68	1.36	0.00	0.69

<sup>12</sup> CBC News: The National, “RV Park Lets Jasper Wildfire Evacuees Stay for Free,” YouTube video, posted July 30, 2024

<sup>13</sup> BCStats, *Local Area Economic Profiles*, released July 18, 2023 (Victoria: BCStats, 2023).

<sup>14</sup> BCStats, *Local Area Economic Profiles*.

While some of the results may be skewed to the inclusion of McBride and surrounding areas to Valemount, they still provide some insights. Above 1.25 is typically considered a high LQ, indicating the region with Valemount has **forestry, agriculture and food, tourism, and construction as key industries**. These are all industries that would be hit hard from the closures with no tourists and restrictions on commercial trucking.

The highway closures, both through the decrease in revenue and the increase in costs, have reduced jobs in Valemount. For tourism, the employment impact ratio for jobs is estimated to be **1.17**, meaning that for every one tourism job lost, **0.17 indirect and induced jobs (0.08 and 0.09 respectively) are lost** in supporting industries (indirect jobs) and because the job loss causes less spending (which in turn causes the induced job loss).<sup>15</sup> 33 positions were reported as having reduced hours and 5 positions were reported as laid off from the December 6th impact survey. This would have ripple effects with a calculated 6 additional positions having reduced hours and one additional position being laid off from indirect and induced impacts, from just the 16 businesses that responded. The total consequence of reduced hours and layoffs in the community is likely much higher considering all of the businesses in Valemount and those that did not respond to the survey.

## Recovery

### Goals and Objectives

While Valemount was spared physical wildfire damage, the economic impacts of the highway closures present unique challenges. With no visible destruction, no ability for insurance claims, and no clear pathway for external support, the community faces unseen but substantial challenges like potential business closures and job losses. It is important to implement recovery efforts to address the impacts before they become harder to overcome.

With that, there are two primary goals in regard to supporting Valemount's economy following the COVID-19 pandemic, Trans Mountain Pipeline bust, and most recently the wildfire highway closures: **Recovery and Growth**. Recovery efforts are intended to support the immediate need faced by businesses in order to prevent job loss and business closures. Growth efforts are beyond immediate needs and are focused on ways the local economy can grow, business marketing efforts can be increased, and the community can diversify and create economic resilience.

It is important to focus first on recovery actions to prevent the downward spiral that can tank a local economy and devastate a community. The objective for these initiatives is to deploy them quickly, before the next summer, and broadly to the businesses that need it.

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<sup>15</sup> BCStats, *Local Area Economic Profiles*.

This is to allow businesses to have the funding support they need to sustain operations or reopen next operating season.

Objectives for growth actions are to implement resources to assist the community to grow for future seasons. This can take form as support and training for individual businesses, new marketing efforts, and for the Village of Valemount as a whole to invest in community infrastructure, look at ways to develop new amenities, form new partnerships, and diversify the local economy.

From July 2023 to July 2024, Community Futures Fraser Fort George conducted interviews with 210 businesses in the Fraser-Fort George Regional District. This included 55 businesses in the Robson Valley – Canoe and Electoral Area H, evenly spread between McBride, Valemount, and outlying areas. The outcome of these interviews noted:

*“The economy of the Robson Valley-Canoe relies heavily on forestry, tourism, and agriculture, making it vulnerable to sector-specific downturns and climate change unpredictability. The mixed economic impacts of the Trans Mountain Pipeline project further highlight the need for diversification and sustainable practices. Businesses in the Robson Valley-Canoe require comprehensive financial and educational support to navigate these challenges and leverage opportunities...”<sup>16</sup>*

Key challenges were described as supply chain issues, struggles with marketing, and difficulties finding skilled workers. A gap in support that was said to require attention included difficulties accessing loans and grants, and a need for streamlined loan processes and increased financial support, including for cash flow management and diversification. As part of Valemount’s economic recovery efforts, Valemount must work with stakeholders to address these challenges and gaps and help ensure that both recovery and growth goals are supported.

## Proposed Action Plan

As a municipality, Valemount cannot provide direct support such as grants, loans, or tax breaks to businesses. For Valemount businesses, the Village should look to work with both the BC provincial and federal government for funding support. Based on self-reported survey data, further community engagement, and calculated amounts of losses, the estimated amount to meet immediate community recovery needs is **\$1,500,000**. This amount is anticipated to be sufficient to assist the majority of affected businesses with payroll and staffing costs, operational expenses, and costs required to continue until the next operating season. Valemount should discuss with the levels of government, starting

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<sup>16</sup> Community Futures Fraser Fort George, *Regional Business Liaison Outreach Program 2023-2024 Report* (Prince George, BC: Community Futures Fraser Fort George, 2024).

with the Government of British Columbia, to have this amount of funding available. Throughout this process, Valemount will work with Strategies North Advisory and other organizations as identified to help progress the initiatives.

To deploy funding while meeting available capacity and legal requirements, the provincial government should have the amount allocated and available on an application basis for affected businesses and organizations. The funding can be administered through existing mechanisms via Northern Development Initiative Trust, Columbia Basin Trust, or Community Futures. Main reasons to administer funds this way are because of the level of familiarity among local entities with these organizations, their ability to administer the funding, and being a third party separate from the Village to have confidentiality and impartiality from community affairs. Once an application process is available, the Village of Valemount and Strategies North will communicate it to eligible businesses and organizations and provide support in connecting them with available resources.

Separate from discussions regarding economic impacts of the closures, Valemount should work with the Government of Alberta for support to provide to businesses and organizations that had increased costs due to hosting or providing goods and services to Jasper evacuees. When the evacuation order was given, Jasper and Alberta directed people to British Columbia. The fact that the businesses and organizations in Valemount opened their doors at their own expense should not disproportionately burden them for their generosity. Support from the Government of Alberta would not only acknowledge the contributions made but also strengthen BC/Alberta cooperation in disaster response and recovery efforts.

This funding is envisioned to be similar to COVID-19 or disaster funding in its availability to community entities and speed in roll out. The Canada Emergency Business Account Loan is an example of this on a larger scale, provided by the Government of Canada. For other COVID-19 funding in the past, the Government of British Columbia has provided \$100 million towards fully funded non-repayable grants to support economic resilience, tourism, heritage and urban and rural economic development projects in communities under the Community Economic Recovery Infrastructure Program. There are other examples of potentially similar executions in recent history beyond COVID-19. In 2022, PacifiCan provided \$5.5 million to Community Futures for businesses and enterprising not-for-profits in communities impacted by wildfires, floods, and mill and mine closures, and in 2018 PacifiCan (then Western Economic Diversification Canada) provided \$1.3 million to Community Futures for small businesses located in communities hit hardest by wildfires.<sup>17</sup>

<sup>18</sup> Through these, businesses were able to receive professional advisory services, training, recovery expertise and support, and access to financing for rebuilding initiatives. In 2021, the Village of Lytton faced a terrible wildfire that destroyed much of the town. In response,

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<sup>17</sup> Government of Canada, "Government of Canada Announces Funding for Disaster Recovery in British Columbia," *Canada.ca*, September 2022.

<sup>18</sup> Government of Canada, "Small Businesses Impacted by Wildfires in British Columbia Receive Recovery Support," *Canada.ca*, February 2018.

the Government of British Columbia provided \$1 million of funding directly to the Village efforts to restart the local economy, and PacifiCan provided (and is still providing until March 2025) a Business Restart Program committing \$7.2 million in both non-repayable and repayable funding to businesses for a wide range of activities.<sup>19,20</sup> Most recently in response to the Jasper wildfires themselves, the Government of Alberta is committing \$2.5 million to tourism and business recovery and the Government of Canada is providing \$3.45 million in non-repayable funding directly for businesses, corporations and sole proprietorships alike, to support their recovery along with \$500,000 for Tourism Jasper for marketing and tourism recovery and growth.<sup>21,22</sup> These are a few examples of potential efforts that can be learned from to approach supporting Valemount's needs.

Eligibility and approval for any funding support can be developed between government, Valemount, and the administering organization (if it's not the government directly) but is recommended to be based on proof of loss of revenue and/or increased costs including costs incurred to support Jasper evacuation efforts and resident safety. Non-repayable grant funding is obviously preferred to ease the financial burden on businesses. However, low-interest loans with favourable repayment terms such as an interest-free period and delayed principal repayment could still provide a lot of support for many businesses and organizations. It would be especially beneficial to have loans be partially forgivable if spent on payroll, operating expenses, or equipment purchases. This would allow businesses time to recover their footing and make the most out of their next operating season, **benefit an estimated over 200 jobs**, and help ensure dollars go efficiently to where they're needed most. Businesses could be required to keep detailed records for how funds are spent, and ensure expenditures benefit business continuity or community growth.

Over the near future of Valemount's recovery initiative until the summer, Strategies North will communicate with individual businesses to connect them with existing funding opportunities they can access for marketing and growth, complementing any immediate recovery support that has been provided and helping further economic resiliency. The Village of Valemount itself can also look to secure external funding itself to invest in community infrastructure such as land development and main street revitalization (furthering past efforts done 15 years ago), conduct broad community marketing and tourism awareness, and continue community-to-community work with neighbouring community partners, focusing on economic development. Additional efforts can include expanding community events for tourism as well as conducting regular initiatives such as "buy local" and workforce development, once immediate recovery needs are supported.

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<sup>19</sup> Government of British Columbia, "Grant to support Lytton's wildfire recovery," *BC Gov News*, 2021.

<sup>20</sup> Government of Canada, "Business Recovery Funding for Lytton," *Canada.ca*, accessed December 18, 2024.

<sup>21</sup> Government of Alberta, "Supporting Jasper's Tourism Recovery," *Alberta.ca*, 2024.

<sup>22</sup> Shokeir, Peter, "Federal Grants to Assist Jasper Small Businesses with Wildfire Recovery," *Fitzhugh*, November 15, 2024.

## **Monitoring and Evaluation**

To help ensure the success of the Valemount Economic Recovery Strategy, ongoing monitoring and evaluation is important for adapting the approach and measuring progress towards the goals and objectives. Key activities and metrics include:

### **Discussions and Engagement**

Regular and meaningful engagement with key stakeholders will be conducted to monitor the recovery process and keep it aligned with community priorities and provide opportunities for input. This includes:

- Council updates in February and May 2025 to help ensure alignment of the initiative with Valemount's broader goals.
- A second in-person community engagement visit by Strategies North planned for March/April to gather further feedback from businesses and organizations, sharing progress and resources.
- Ongoing discussions with Valemount administrative staff to support regular communication, provide opportunities to address emerging challenges, and help ensure alignment with municipal operations.

### **Community and Stakeholder Surveys**

A follow-up survey is planned for late spring/early summer (April/May) to gather updated feedback from businesses, organizations, and other stakeholders. This will provide insight into how the recovery efforts are perceived and identify any emerging challenges or opportunities.

### **Funding Support**

Securing and effectively utilizing funding is critical to the recovery process. Strategies North will monitor funding applications made by the Village of Valemount, as well as approvals and other funding support pledges to the Village and businesses to ensure progress aligns with anticipated results.

### **Tourism Tracking**

Metrics such as visitor numbers and associated economic impacts can be tracked in 2025. These figures will be compared against baseline data from 2023 and 2024 to assess recovery trends and identify areas needing further intervention. The monitoring and evaluation process will rely on regular data collection, transparent reporting, and flexibility to adjust strategies as conditions evolve. Staying accountable to the community, Strategies North aims to help ensure Valemount's economic recovery is impactful and economic growth is sustainable.

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