



February 28, 2019

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Re: Chamber of Mines response to the City of Yellowknife Strategic Plan Interview

Thank you for the opportunity to contribute to the Yellowknife Strategic Plan discussion. Please find attached important observations reported back from our members on the survey questions:

- The Chamber of Mines' fulsome and focused presentation to City Council regarding support for the mineral industry is not reflected. Neither are any of the presentations around bringing hydro power to the North Slave for Yellowknife and mining reflected.
- There is no mention of the mineral industry, exploration, mining or hydropower, yet it's likely Yellowknife's largest private sector benefactor. Mineral industry should get same focused attention as tourism and post-secondary initiative.
- The document should strengthen the Council's largest campaign promise, to reduce the cost of living and doing business in Yellowknife. Cost of power being is an obvious way to do so.

We are concerned that the omission of mineral industry and Taltson power in the survey could bias responses from other stakeholders. Hopefully the omissions in the survey don't mean the pillars of the City's strategic plan have already been decided.

It is critically important that the mineral industry figures prominently in the City's strategic plan. The city was built on it, and its potential to contribute to future growth and wealth creation is enormous. Despite a significant decline in new investment, exploration and mining still are the NWT's largest private sector industry, and the NWT is still blessed with extraordinary mineral wealth. As the transportation and business hub of the North, Yellowknife continues to be the biggest beneficiary. The City of Yellowknife needs to actively encourage mineral industry development if this is to be sustained.

We hope that the responses we have provided to you in the survey and in the attached will be helpful to you in embedding the minerals industry and power in the Yellowknife Strategic Plan.

Yours truly,

NWT & NUNAVUT CHAMBER OF MINES

Tom Hoefler
Executive Director

c.c.: Yellowknife Mayor and Council
YK Chamber of Commerce / NWT Chamber of Commerce / NWT & NU Construction Association

The Survey

Question	Chamber of Mines Response
Project Context	In regards to wording in the grey box, we would respectfully say that this should be turned round, ie, the Strategic Plan should inform policy, or we might not get anywhere if policy is allowed to control it, and out-of-the-box thinking will not occur.
Page 5: Yellowknife’s Strategic Context	
1. What do you see as the City’s core mandate and responsibility?	<p>Financially responsible to tax payers.</p> <p>Look after needs of residents.</p> <p>Always looking for opportunities for growth, efficiencies, economic opportunities, etc. This would include looking at:</p> <ul style="list-style-type: none"> • Administration and O&M costs and their appropriateness for a City of this size, and for revenues received? • Efficiency and technologies • Building on strengths, eg, like mineral exploration and mining; • Not waiting for opportunity to come, but going out and grabbing it. Eg, the discovery of diamonds was fortuitous for YK, and the city benefitted. Now with it declining, the City needs to get active in attracting that investment again. <p>A strong vision that includes mineral industry support; it’s a vision in the City crest, and in “Diamond Capital” tag line.</p>
2. What are the City’s core services?	<p>Water, sewer, roads and public safety (provision and maintenance) should be primary as they are non-discretionary.</p> <p>Other public services like recreation facilities and programs are secondary, as they are discretionary.</p>
3. What do you think are the greatest external opportunities and threats facing the City of Yellowknife at present, and over the next 10 years?	<p>Opportunities:</p> <ul style="list-style-type: none"> - Attracting new companies to the north to invest money in mineral exploration

Chamber of Mines Responses to City of YK Strategic Plan Stakeholder Review

	<ul style="list-style-type: none"> - Support sustainable development of successful mining projects and encourage new employees to move here - We are hopeful there are some new mines coming, but many of them are closer to other communities, who will benefit. That's OK if you make YK the attractive shopping / business centre for them. Pursue that too. - Reduce dependence on diesel by supporting development of Taltson Energy project and other green energy alternatives. That green power will also rely on an "anchor" customer to justify the large investment. Mining is that anchor customer, and without it YK will likely not get the government investment in it. - Expand Tourism opportunities by supporting Yellowknife Historical museum project near city boat launch. Will add to the City's romantic past and history (which we are also building today. Maybe the mines will donate a big haul truck to you for display). - Investigate and build opportunities for business and employment around mine site reclamation projects. You already have Giant mine remediation, but Snap Lake is coming, as is Diavik; maybe others. Make Yellowknife the mine site reclamation expertise capital too. - Support, encourage and celebrate new mines in other parts of NWT and also in Kitikmeot of Nunavut, and maximize their benefits in Yellowknife – jobs, business, workers spending, etc. <p>Threats:</p> <ul style="list-style-type: none"> - Future closure of Diamond mines and the negative effects that will have on falling housing value, City tax base, outmigration (look at what happened in YK when the gold mines closed in the 1990s, division occurred – great recession, GNWT offered money to people to buy homes in YK. Then see how it improved when Diavik diamond mine was approved – huge relief and economic turnaround) - Rising cost of Living. When mines close, without their revenue replacement, the tax base in YK will be affected, and create a cycle of increasing taxes. - Alternatives for non-government jobs/jobs for seasonal workers
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Chamber of Mines Responses to City of YK Strategic Plan Stakeholder Review

<p>4. What makes the City unique for residents, businesses, and tourists?</p>	<p>Mining history and mining benefits (which could be publicized more).</p> <p>Strong private sector in mining and exploration which is under threat and could use help through this strategy.</p> <p>Location is somewhat romantic, end of the road, wilderness jumping off point.</p> <p>It's also the jumping off point for mineral exploration in the NWT and much of western Nunavut and even high Arctic. It's cheaper for Baffinland Iron Mine, for example, to truck freight to YK, and then fly to the mines as it's a shorter distance than flying from Montreal. Build on this advantage.</p> <p>Aurora viewing, long days/nights, cold, diamonds and gold and other future and past mining.</p>
<p>Page 6: Assessing Strategic Opportunity areas</p>	
<p>1. What is your perspective on the list of initiatives under each of the following strategic opportunity areas (see following slides)?</p>	<p>The minerals industry needs more profile and focus. The post-secondary initiative has been given its own focus, as has tourism. Mining and exploration, which are the biggest private sector industry in the NWT – and likely Yellowknife too – and upon which Yellowknife was created and still relies upon significantly is buried under general economic development strategy.</p> <p>It is critically important that the city, at the least, sustain the benefits of mining, which are currently under threat. There is also opportunity to grow this part of the economy too.</p> <p>Tourism and a polytechnic certainly offer a diversity to the economy but it is not clear they will rely on some of the existing businesses and should exploration and mining decline, there is a risk of losing some businesses rather than maintaining or growing new ones.</p> <p>Implementing the City Hall “open for business” initiative should also include “open for exploration and mining business”.</p>
<p>2. Are there initiatives that do not make sense to pursue?</p>	<p>Implementing the City Hall “open for business” initiative is not actually an opportunity to grow the economy, rather is a tool to help identify how.</p>

Chamber of Mines Responses to City of YK Strategic Plan Stakeholder Review

	Replace it with a specific initiative on “Mineral Industry” just as you’ve provided specific initiatives on Tourism and Post-Secondary.
3. Are there other initiatives that we should be considered?	Add a specific initiative on “Mineral Industry” just as you’ve provided specific initiatives on Tourism and Post-Secondary. See also answers to #3 on page 5.
4. What role do you see your organization playing in helping the city achieve these initiatives?	We can help with information and guidance on our industry, and expert advice on how to strengthen it. It is important that the City also do an economic analysis of the current level of mineral industry benefits, threats and opportunities. From comments we received, the City relies on GNWT for information. We can help the City in its own work to understand our industry better. Refer to our fulsome letter and presentation to City Council on our industry and power. See: http://www.miningnorth.com/_rsc/site-content/Chamber-news-releases/2019-01-15-ChamberMines-Letter-toYKCityCouncil-with-attach.pdf
Page 7: Opportunities to grow and diversify Yellowknife’s economy	
1. Implement a City Hall “Open for Business” initiative • Simplify by-laws and create opportunities for growth	Add “Open for <u>Mining and Exploration</u> Business” too. First, understand the minerals industry’s importance to Yellowknife. Do the economic analysis as due diligence to get the fulsome picture. Second, understand and insist that the City has a role to play in the health of this industry, and vice versa, that industry is extremely important to the health of YK.
2. Deliver a robust and diversified tourism sector • Ensure that the governance structure will be effective in supporting economic growth	Industry travelers are tourists too. Since exploration has diminished due to lack of northern support and complexities, that business tourism has fallen. By supporting regrowth and rejuvenation in mineral exploration and mining, business tourism can grow again. Consider changing the wording from “Delivering” to “Supporting”. Is it the City’s business to deliver tourism, or is that left up to tourism operators and other entrepreneurs?

Chamber of Mines Responses to City of YK Strategic Plan Stakeholder Review

<p>3. Move forward with the post-secondary initiative</p> <ul style="list-style-type: none"> • Grow and diversify Yellowknife’s knowledge economy 	<p>Similarly, perhaps this should be “help advance and support” the post-secondary initiative. Is GNWT not leading this initiative?</p> <p>Encourage and support the polytechnic school including economic geology and mineral industry training, building on the NWT’s economic strength, taking advantage of the workers who live here and building future workers for industry. This includes giving local Indigenous people the skills they need for prospecting and recognizing mineral occurrences that could become valuable resources.</p> <p>Consider linking to and expanding support for Yellowknife’s Kimberlite Trade Centre.</p> <p>We have many earth scientists and much mineral industry expertise resident in Yellowknife that is not being used, but could be to help do this.</p> <p>Encourage Yellowknife’s Education Districts to put earth science into the knowledge economy and help educate our youth on the relevance of rocks and minerals in their everyday lives.</p>
<p>4. Pursue an economic development strategy</p> <ul style="list-style-type: none"> • Conduct a health check on each sector 	<p>Conduct a health check on the mining sector, which is not looking good.</p> <p>Be due diligent and collect your own statistics on direct mining and exploration employment and mining and exploration business and tax revenues. Also conduct your own economic analysis on indirect benefits from this. Also examine potential effects of transfer payments from outmigration. Graeme Clinton is a local economist with Impact Economics, who could do this kind of work, as he is well plugged into the discussion already.</p> <p>Renew with action your “Diamond Capital of North America” identity line, with recognition of open for business and support for mining.</p> <p>Yellowknife used to be the exploration capital of the NWT and Nunavut, but that has slipped over the last 12 years. Yellowknife should add its voice and support to attract more exploration investment. YK must get into this discussion actively to find and make opportunities – I’m reminded of Archie in the 1990s who had the City attend PDAC and actively lobbied for mining</p>

Chamber of Mines Responses to City of YK Strategic Plan Stakeholder Review

	<p>benefits. Mining and exploration is the biggest opportunity. (of course, support other economic opportunities too!)</p> <p>Re-purposing remediated land at Giant Mine Townsite and at Con Mine. Revitalize areas with new development.</p> <p>Yellowknife is also the shopping capital for new mineral industry growth in the Kitikmeot region of Nunavut. Those workers are / will be paid top dollar, and they have no shopping communities nearby like Yellowknife. Be grateful for industry and community success outside of YK and try to keep it. (Worst case situation is an airline starts direct flights to Edmonton from Cambridge Bay, overflying YK).</p> <p>Similarly, become the supplier for the Kitikmeot region.</p> <p>Did you know that YK provides a trucking freight hub which supports flying materials and supplies to our mines to the north? Did you know that the Baffinland Iron Mine on Baffin Island is served by cargo flights from YK, since flying from Quebec would be too expensive? The road to YK reduces flying distance and costs. Build on that.</p> <p>Understand that YK is key to the NWT economy.</p> <p>Lower costs through a strategy, and use Taltson hydropower plan and the mineral industry to help drive that cost reduction. Historically, in the late 1940s, the Federal government provided cheaper hydropower to Yellowknife and used the Giant mine as the economic lever to help pay for the significant investment. Today, we have opportunity to bring Taltson power here to reduce costs and to replace the diesel power currently being generated, but it will again take the horsepower of larger customers like mining to make it happen. We have those opportunities if the City helps to seize and support them.</p> <p>Similarly, support the all-season road initiatives that will see more mineral development and benefit Yellowknife.</p>
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Page 8: Opportunities to strengthen Yellowknife’s local government	
<p>1. Establish long-term financial and asset management planning</p> <ul style="list-style-type: none"> • Develop a long-term financial plan for the fiscal sustainability and affordability of the City • Develop and resource an asset management plan to guide long-term capital investment 	<p>Of course! How can you not agree with sustainability and affordability?</p> <p>This Council’s largest campaign promise was to reduce the cost of living and doing business in Yellowknife – cost of power being the most obvious. The City needs to have a long term plan, particularly as we are seeing the freight train of mine closures coming at us in the next 5 years. This council should work to prevent us moving into an unhealthy financial situation, rather the opposite.</p> <p>In regards to cost of living, currently 52% of NWT mine workers live in southern Canada. Training and educating local residents can help offset this economic leakage, but so can reducing the cost of living. The GNWT and the mines conducted mine workforce surveys in 2009 and 2014 to determine why workers chose to live in the south. From the 2009 survey: “Non-NWT residents have concerns about moving to the NWT, the cost of housing and utilities being cited most often as a major concern.” From the 2014 survey: “As in 2009, of those NWT residents who were likely to leave the NWT in the next 12 months, cost of living was the main reason for considering a move.”</p> <p>In planning capital investment, a robust economic analysis of the effects of mine closures/decline would influence capital investment in non-discretionary vs non-discretionary projects, eg, whether significant investment in a pool should be made at this time.</p> <p>Yellowknife’s success in attracting and increasing resident participation in the minerals industry benefits the GNWT, and quite frankly everyone in the NWT. We are led to believe that the GNWT does not fund the City as fully as it should. We recommend a plan be made to seek more funding from the GNWT – specifically a greater share of the resource revenues that the City helps them receive. Use that too, to help keep the mineral industry strong in YK.</p>
<p>2. Establish a culture of continuous improvement</p> <ul style="list-style-type: none"> • Invest in training internal staff to improve capabilities 	<p>Absolutely invest in training. Observations from resident members of the Chamber say the overhead costs to run this city are too high as there is too much manpower. Training to find efficiencies could help with this.</p>

Chamber of Mines Responses to City of YK Strategic Plan Stakeholder Review

<ul style="list-style-type: none"> • Ensure effective and efficient processes for all City operations 	<p>Our industry constantly looks for efficiencies to deal with the marketplace, and it often means hard decisions with respect to jobs, unfortunately.</p>
<p>3. Develop a cycle and process for regular comprehensive review of City policies</p> <ul style="list-style-type: none"> • Establish defined process for the regular review of City policies on a set cycle to ensure relevance and drive continuous improvement 	<p>Sounds logical.</p> <p>Good. Continuous improvement is a mantra of our mining industry too.</p> <p>The City might consider using an independent evaluator when evaluating policies that need to be addressed.</p>
<p>4. Establish clear service level standards for key City programs and services</p> <ul style="list-style-type: none"> • Service level standards will be established for the City’s high demand and/or resource intensive programs and services to support performance management and longer-term resource allocation decisions 	<p>Establish what those key programs and services are.</p>
<p>Page 9: Opportunities to sustain Yellowknife’s quality of life</p>	
<p>1. Fix public transit</p> <ul style="list-style-type: none"> • Strengthen the service model to respond to current user needs, and to attract new users to the system 	<p>No comment.</p>
<p>2. Address pressing social issues</p> <ul style="list-style-type: none"> • Public intoxication • Homelessness (10-year homelessness plan) 	<p>No comment.</p>
<p>3. Deliver better affordability and sustainability</p> <ul style="list-style-type: none"> • Design and implement program for LICs for home and building energy retrofits 	<p>What are LICs?</p>
<p>4. Support micro-initiatives</p> <ul style="list-style-type: none"> • Call for, and provide seed funding to, smaller resident or organization-led initiatives that support the social and environmental advancement of Yellowknife 	<p>Add to this: change social advancement to socio-economic advancement.</p> <p>Under environmental advancement add: get Yellowknife off diesel power.</p>

<p>OTHERS</p>	<p>Take into consideration changing demographics of the city with increasing senior population for all potential initiatives and services.</p> <p>Maintain parks and green spaces, geology and natural environment.</p> <p>Better affordability-Taltson Energy project will allow for future growth and affordability.</p>
<p>Page 10: Opportunities to support land development and assessment growth in Yellowknife</p>	
<p>1. Housing diversity</p> <ul style="list-style-type: none"> • Develop policies and programs that incent local investment in the development of diverse housing stock, including student housing, affordable market housing, and social housing, that addresses the different needs of Yellowknife’s resident population 	<p>No comment.</p>
<p>2. Downtown revitalization</p> <ul style="list-style-type: none"> • Prioritize recommendations for implementation from the THEIA Report • Work with the development community to design policies and plans that support the development or redevelopment of properties in the downtown 	<p>What is the THEIA report?</p> <p>If there is nothing to offset the diamond mine closure, then you will have a major need to redevelop not just downtown, but other retail areas too.</p>
<p>3. Reduce barriers to development across the City</p> <ul style="list-style-type: none"> • Undertake red tape reduction review while keeping in mind the uniqueness of Yellowknife and its goals for development 	<p>Of course. Who would say NO to cutting red tape?</p> <p>Recommend an independent evaluation of the City Administration's size and effectiveness.</p>
<p>General Observations</p>	
<p>We made quite a detailed and focused presentation to City Council on behalf of NWT’s biggest private sector. Its importance should be reflected in the survey. Will its absence create a bias through your other interviews?</p>	<p>Please find the Chamber’s fulsome letter and presentation to City Council on our industry and power here: http://www.miningnorth.com/rsc/site-content/Chamber-news-releases/2019-01-15-ChamberMines-Letter-toYKCityCouncil-with-attach.pdf</p>



City of Yellowknife

Stakeholder Interviews – Strategic Plan

February 2019

Project Context

- Yellowknife elected a new Mayor that ran on a platform of improving the City’s strategic planning and governance, strengthening the economy and collaborating with partners for results
- Mayor and Council have prioritized the development of a strategic plan for the City as the first task in 2019
- Aligned with the Mayor’s platform, the City is embarking on a strategic planning process to set Yellowknife on a growth trajectory; including advancing key council priorities, improving City governance and services to businesses and residents, and addressing existing and emerging socio-economic challenges
- It is in this context that Yellowknife engaged StrategyCorp to work with the Mayor, Council, and Administration to develop a new forward-looking strategic plan for the City



CITY OF YELLOWKNIFE

The City of Yellowknife is looking to modernize its municipal strategic plan, informed by a clear understanding of Yellowknife’s political and public policy context and operational and financial considerations, in a manner that will help the new Mayor & Council set actionable and achievable goals for the future

Project Overview

- The City of Yellowknife has engaged StrategyCorp to support the development of a new strategic plan that represents an updated and forward-looking vision for the City
- StrategyCorp is conducting external stakeholder interviews to gain perspectives and insights on where the City should focus efforts as a municipality to serve its residents and stakeholders. The feedback received from these discussions will be used to inform the refresh of the strategic plan
- Interviews will be conducted on a non-attributable basis by representatives from StrategyCorp. The following questions will guide the discussions.
- If you have any additional questions or comments, please send them to Lexi Ensor at ensor@strategycorp.com



Interview Questions

Yellowknife's Strategic Context

1. What do you see as the City's core mandate and responsibility?
2. What are the City's core services?
3. What do you think are the greatest external opportunities and threats facing the City of Yellowknife at present, and over the next 10 years?
4. What makes the City unique for residents, businesses, and tourists?

Assessing strategic opportunity areas

Please note that the identified strategic opportunity areas (presented on subsequent slides) are areas where the City can pivot and/or increase engagement and focus

1. What is your perspective on the list of initiatives under each of the following strategic opportunity areas (see following slides)?
2. Are there initiatives that do not make sense to pursue?
3. Are there other initiatives that we should be considered?
4. What role do you see your organization playing in helping the city achieve these initiatives?

Opportunities to grow and diversify Yellowknife's economy

Potential Initiatives

- 1. Implement a City Hall “Open for Business” initiative**
 - Simplify by-laws and create opportunities for growth
- 2. Deliver a robust and diversified tourism sector**
 - Ensure that the governance structure will be effective in supporting economic growth
- 3. Move forward with the post-secondary initiative**
 - Grow and diversify Yellowknife's knowledge economy
- 4. Pursue an economic development strategy**
 - Conduct a health check on each sector

Opportunities to strengthen Yellowknife's local government

Potential Initiatives

1. Establish long-term financial and asset management planning

- Develop a long-term financial plan for the fiscal sustainability and affordability of the City
- Develop and resource an asset management plan to guide long-term capital investment

2. Establish a culture of continuous improvement

- Invest in training internal staff to improve capabilities
- Ensure effective and efficient processes for all City operations

3. Develop a cycle and process for regular comprehensive review of City policies

- Establish defined process for the regular review of City policies on a set cycle to ensure relevance and drive continuous improvement

4. Establish clear service level standards for key City programs and services

- Service level standards will be established for the City's high demand and/or resource intensive programs and services to support performance management and longer-term resource allocation decisions

Opportunities to sustain Yellowknife's quality of life

Potential Initiatives

1. Fix public transit

- Strengthen the service model to respond to current user needs, and to attract new users to the system

2. Address pressing social issues

- Public intoxication
- Homelessness (10-year homelessness plan)

3. Deliver better affordability and sustainability

- Design and implement program for LICs for home and building energy retrofits

4. Support micro-initiatives

- Call for, and provide seed funding to, smaller resident or organization-led initiatives that support the social and environmental advancement of Yellowknife

Opportunities to support land development and assessment growth in Yellowknife

Potential Initiatives

1. Housing diversity

- Develop policies and programs that incent local investment in the development of diverse housing stock, including student housing, affordable market housing, and social housing, that addresses the different needs of Yellowknife's resident population

2. Downtown revitalization

- Prioritize recommendations for implementation from the THEIA Report
- Work with the development community to design policies and plans that support the development or redevelopment of properties in the downtown

3. Reduce barriers to development across the City

- Undertake red tape reduction review while keeping in mind the uniqueness of Yellowknife and its goals for development



Next Steps

Next Steps

- Based on feedback gained during interviews, a draft strategic plan will be developed for review by Council
- Strategic plan will be updated based on Council feedback and presented for approval by the end of March 2019



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