

CAMA Awards 2011

City of Powell River, BC

2011 Willis Award for Innovation

(Population between 20,001 and 100,000)

Agreement in Principle and Business Plan: City of Powell River and Catalyst Paper Corporation

Facing a steady decline in the pulp and paper industry, the City of Powell River has worked cooperatively with the community's major employer, Catalyst Paper Corporation, to amicably negotiate an agreement over taxation concerns, while keeping the mill running and identifying new revenue streams to replace lost taxes.

The taxation issue began in 2004 with Catalyst's warnings of a pulp and paper industry crisis. Powell River promptly lowered the Class 4 Industrial Tax rate to ease the company's tax burden. Catalyst later commissioned a study to look at the services they actually used. As a direct result of this study, Catalyst looked to the provincial and local governments for assistance.

The City worked with Catalyst Paper executives and provincial government staff to resolve the matter. A number of innovative solutions were actively explored to address the potential loss of a major employer. The result of these meetings was a signed Agreement in Principle identifying ways to reduce the taxation and encouraging alternate ways of satisfying both the City's and Catalyst's financial needs.

In October 2010, the City developed and finalized a Business Plan identifying new revenue streams, which is now being discussed with the BC government. Powell River has committed to making a sustainable future their priority. The City has had to think outside the box in matters of economic survival and they challenge other communities to do the same.