



CITY OF
YELLOWKNIFE

IT'S TIME TO LOOK UP BUSINESS IN YELLOWKNIFE



Every year in Yellowknife, governments and mining companies spend hundreds of millions of dollars with local businesses. More mines are planned for the area and in 2014, government, mining and oil and gas accounted close to 50 percent of the entire Northwest Territories' economy. Today, many Northern groups own successful businesses and will partner with the right firm to expand. But with the public and mining sectors eager to work with northern businesses, it helps to be here to take advantage of the opportunities.

photo Bob Wilson/City of Yellowknife

The capital of the Northwest Territories, this remarkably cosmopolitan city of roughly 20,000 is filled with well-educated families earning some of Canada's highest household incomes and spending 40 percent more than the Canadian household average. Yellowknife serves as the commercial supply hub for projects and communities across the entire NWT, which more than doubles the size of the market. And, with incredible wilderness just steps from downtown, the city is ready to be discovered as one of Canada's premier conference and meeting destinations.

July 2015



photo courtesy of the Diavik Diamond Mine

MARKET SIZE AND ACCESS

Yellowknife as a market is far larger than the number of people who live here. It's an industrial and commercial hub with an experienced mining-support industry serving the NWT and western Nunavut. That means every new project – from exploration to a mine or pipeline – all bring business to the community. The city's population in 2014 was 19,940, according to the NWT Bureau of Statistics, with projections forecasting continued growth to 20,239 by 2019.

Along with bringing in some of Canada's highest average household incomes (see chart below), each Yellowknife household also spends an average of \$86,381 per year. Given this level of spending, it's hardly surprising that Yellowknife-based franchises are often leaders in sales by outlet.

Goods can be shipped by air, road or barge. You can travel here by driving north from Edmonton or flying on one of five scheduled daily flights from Edmonton or Calgary. The completion of the Deh Cho Bridge across the Mackenzie River means the city's now connected by road year-round to southern Canada.

AVERAGE INCOME

Type	Yellowknife	Canada
Family	\$146,736	\$74,540
Personal	\$68,067	\$31,320

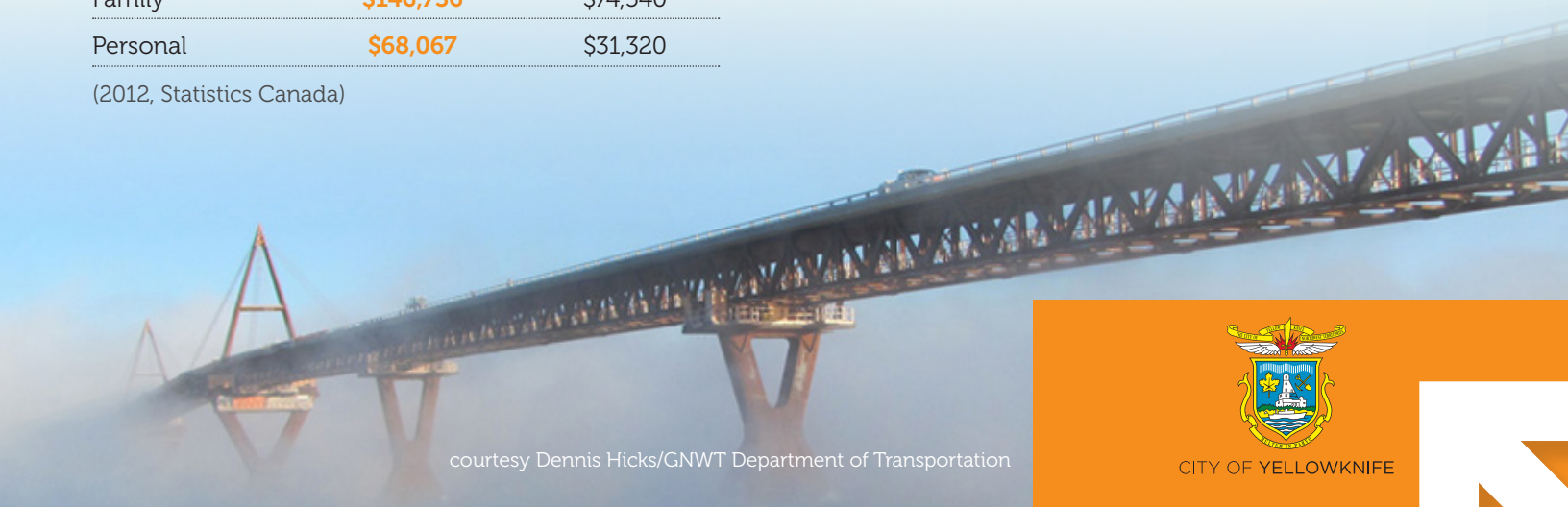
(2012, Statistics Canada)

LARGE-SCALE CLIENTS MINING AND GOVERNMENT

The Government of the Northwest Territories (GNWT) is Yellowknife's largest employer and an important client for many businesses. In 2013-2014, counting only contracts greater than \$5,000, the GNWT spent \$256 million on goods and services and \$370 million on construction. The federal government is also beginning its Giant Mine remediation project, expected to cost nearly \$1 billion dollars, much of which will likely be spent in Yellowknife.

Today, there are three diamond mines within short flights of Yellowknife. Along with De Beers' Snap Lake, there's also the Ekati mine, owned by Dominion Diamond Corp, which co-owns the Diavik Diamond Mine with Rio Tinto.

Over their lifetimes, these mines have spent billions of dollars with northern businesses, including about 70 percent of their yearly procurement budgets. In 2013 alone, the three mines spent a combined total of \$621 million on goods and services. With a fourth diamond mine under construction and several projects in advanced stages of development, the spending is expected to increase.



courtesy Dennis Hicks/GNWT Department of Transportation



CITY OF YELLOWKNIFE

DEVELOPMENT INCENTIVES THROUGH THE CITY OF YK

The City of Yellowknife offers a variety of development incentives. Of interest to businesses considering relocating to the city are tax breaks for developments that increase residential intensification in Yellowknife's downtown.

There are also incentives for Brownfield remediation and development, heritage preservation, integrated parking structures and LEED development. Visit yellowknife.ca and search "Development Incentives" for more details.

As well, if you're not sure how much it will cost to build your own facility, you can work with the City to predict construction costs, as well as a building's related operation and maintenance. All of the work is done to EnerGuide 80 standards, which will significantly lower heating and energy costs.



photo City of Yellowknife

Developers of The Point, a downtown condominium development, used the City's residential intensification program to lower the taxes paid on the project.

CONSTRUCTION

Yellowknife's residential and commercial building industry is booming. Between 2013 and the present, close to 1000 new residential units have been recently completed, are under construction or slated for development. There's also the Engle Business District, a commercial/industrial park with a new access road from the highway to make it even more attractive.

In July 2015, the City had 28 commercial and industrial lots available for sale in the Engle Business District and the nearby Enterprise Drive Extension subdivision. Visit yellowknife.ca and search "land for sale" to see the entire inventory.

FINANCING

If you're passionate about an idea, you can make it happen in Yellowknife. The city has a First Nations Bank and branches for BMO Bank of Montreal, CIBC, RBC Royal Bank, Scotia Bank and TD Canada Trust. There's also a branch of the Business Development Bank of Canada and the territorial crown corporation, Business Development and Investment Corporation (bdic.ca), which is geared towards viable businesses unable to access financing elsewhere.

There are also numerous alternative financing options, from small grants available through the territorial government's Support for Entrepreneurs and Economic Development (SEED) program, to loans at one of many development corporations which support local business start-ups and expansions. Two more commonly accessed funds are administered by the Akaitcho Business Development Corporation (nwtcfa.ca/Akaitcho.htm) and the Metis Dene Development Fund (nwtmddf.com). Both organizations fund both aboriginal and non-aboriginal businesses.

TAXES

From personal to corporate, the NWT's tax rates are competitive. Our small business corporate income tax is 4 percent and 11.5 percent for larger companies. There's also no retail sales tax on goods sold in the NWT, though the five percent Goods and Services Tax still applies.

FINDING EMPLOYEES

Like many places in Canada, Yellowknife is experiencing a labour shortage, but our local college and other agencies are working hard to improve the situation through skilled labour training programs.

Help is also available through the NWT Nominee Program. Jointly administered by the territorial government and Citizenship and Immigration Canada, the program is designed to fast-track applications for permanent residence. (immigratenwt.ca)

CITY OF YELLOWKNIFE'S ROLE

The City of Yellowknife actively promotes economic development and strives to make it as easy as possible for good business ideas to flourish.

To support this goal, we regularly check in with the business community for input into City strategies and other projects. This feedback helped us create an economic development and tourism strategy designed to draw visitors and investment dollars from across Canada and around the world.

We work with partners such as the Yellowknife Chamber of Commerce, NWT Tourism, NWT Chamber of Mines, Government of Northwest Territories, Visitors Association and CDETNO, the French Economic Development Agency. Plus, it's now easier than ever to start a business here.

Doing Business in Yellowknife: Just the numbers

\$1.86 } Shipping Air
/kilogram (over 500 kgs from Vancouver)

Commercial Bridge Tolls { \$77-\$392
(depending on number of axles)

\$30.38 } Labour – Average
(2014 Statistics Canada) Wages NWT/hour

Commercial Power Rate { \$15.99
/kWh (plus applicable riders)

62.9% } People with Post-secondary
Certificate, Diploma or Degree
2014 Labour Force survey, compared to 54.2% nationally

Ground Floor Retail Lease { \$15-\$32
per square foot/year

\$12-\$18 } Kam Lake Warehouse Lease
per square foot/year

Gas { \$133.9
cents/litre, regular unleaded (July 2015)

\$116.9 } Diesel (July 2015)
cents/litre

The City of Yellowknife has links, resources and additional information for interested investors and entrepreneurs at www.yellowknife.ca/en/doing-business.asp

communications@yellowknife.ca
(867) 920.5660



CITY OF
YELLOWKNIFE