BACKGROUND AND CONTEXT

Kimberley is a town in southeastern British Columbia with a population of approximately 6,500 people. The discovery of a rich mineral deposit in 1892 resulted in the development of one of the world’s largest mines in Kimberley. The Sullivan Mine which operated from 1909 until its closure in 2001, employed nearly 3,500 people at its peak.

The mine was consistently one of the world’s biggest sources of lead and zinc, producing over $20 billion in lead, zinc, and silver that was processed at nearby smelters in Trail and Nelson, BC. Although mining was the backbone of the local economy, Kimberley was also situated close to lumber mills and served as a locomotive maintenance facility for the Canadian Pacific Railway.

As early as the late 1960s, the municipality started to explore options to diversify the economy. Situated in the Rockies, the community recognized Kimberley’s enormous recreational potential and began exploring ways to attract visitors. In 1973, the council decided to adopt a Bavarian theme which included the creation of a pedestrian only shopping area and transforming the downtown area so that it resembled a small mountain village in the alps which led to Kimberley becoming known as the Bavarian City of the Rockies. This was the beginning of Kimberley’s transition from a traditional mining town into a tourist destination.

After almost a century of continuous operation, the decision to close the Sullivan Mine in Kimberley, British Columbia posed a serious threat to the future survival of the town. This case study takes a look at how a municipality and a mining company worked in partnership to plan for closure and to combine their resources to secure the long-term success of Kimberley.

In the 1980s there were some preliminary discussion about the eventual closing of the Sullivan mine but it wasn’t until the early 1990s, roughly ten years before the expected closure, that planning became more deliberate.

The combination of strong municipal leadership and a more open and collaborative attitude from the company was creating a constructive environment to consider the future of Kimberley following the closure of the Sullivan mine. According to one report, the relationship between

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2. Setting Priorities

The community identified two main areas of focus: i) The economic and financial sustainability of the municipality of Kimberley, and; ii) Managing the environmental legacy of the Sullivan mine.

3. Diversification

In tackling the issue of Kimberley's financial viability, Teck recognized that the closure of the mine represented a $2.0M loss of tax revenues to the municipality of Kimberley. In order to mitigate this loss, the City of Kimberley and Teck worked with the community to define a vision that leveraged the area's natural assets to diversify the future economic development of Kimberley by creating a four season resort built around golf and skiing.

4. Acquiring Land

The municipality of Kimberley had to negotiate with the Teck to purchase some of the mine property as the city didn't have sufficient land of their own to develop the project.

5. Public-Private Cooperation

Working in partnership, the company and the city of Kimberley approached the province for support that allowed them to put together a more attractive opportunity for developers that resulted in joint ventures to unlock the future economic development of Kimberley by creating a four season resort.

6. Enabling Institutions

To promote economic development and facilitate the transformation of Kimberley from a mining town into a resort community, the town established a non-profit development corporation (Kimberley Community Development Society) to plan, develop, promote and operate some of the city's economic assets. The use of not-for-profit entities provided the municipality with greater flexibility to manage risks.

» CHALLENGE

Managing the closure of a mine that had been in operation for almost 100 years in an environmentally, socially and economically responsible way.

» APPROACH

In early 1999, the company announced that the mine was no longer viable and that it would be closing in 2001. The number of mineworkers dropped from 2,000 to 650 in 2000. With the impending mine closure and job losses many people moved away raising concerns about Kimberley’s survival. The announcement raised some fundamental questions: How could Kimberley broaden the city's tax base to compensate for the loss of revenues from the mine closure while diversifying employment and transitioning from mining to a tourism-based economy? Below are some of the steps in the transition process:

1. Public Consultation

In 1991 the company submitted a mine closure and reclamation plan to the Ministry of Mines of British Columbia which led to the creation of the Sullivan Mine Public Liaison Committee (SMPLC) as a means to engage the public in the review of the plan. Members of the Committee included the Kimberley City Council, the East Kootenay Environmental Society, the Ktunaxa Kinbasket Tribal Council and the Union.


reinvest earnings from the operation of commercial ventures while minimizing the burden on the municipal budget.

7. Community Outreach

Managing the environmental legacy of the mine, Teck worked closely with the Kimberley and the community through the SMPLC as a way to disseminate information about closure plans and to address community concerns about environmental issues associated with mine closure and reclamation.

8. Land Reclamation

The company launched land reclamation work on more than 1,000 hectares that were disturbed during the operation of the mine. Work included re-contouring land, re-vegetation of trees and plants and monitoring of soil and plant toxicity.

9. On-going Environmental Remediation

The company built infrastructure and hired staff to manage water treatment facilities required to control the flow of contaminated mine drainage and tailings effluent on an ongoing basis.

10. Demonstration Project – The Sun Mine

The City of Kimberley collaborated with Teck Resources Limited and the EcoSmart Foundation to develop a one-megawatt solar power plant on the site of former Sullivan Mine concentrator. The project is a first of its kind for British Columbia and provides Kimberley with a long-term source of revenue from the sale of energy.

By the time it was finalized in 2001, the reclamation costs exceeded $70 million, with a focus on recreating useful natural habitat in areas affected by the mine. The final plan has received widespread recognition from regulatory agencies as an excellent example of cooperation between a municipality and a company to work in partnership to ensure the social, economic and environmental sustainability of a mining community.

> RESULTS

The Sullivan mine closure has received international recognition for its proactive reclamation and mine closure work both on the environmental side and in helping the community rebrand itself. Some of the more notable results include:

3. CSR Case Study: Teck Cominco, Building a culture of responsibility, Government of Canada.

- Economic Transformation & Diversification

Kimberley has made a successful transition from a company town whose livelihood was dependent on the extraction and processing of minerals to a self-reliant four-season resort community with a growing knowledge based economy that serves the region. The ownership and management of a ski hill, the commissioning and construction of several golf courses, the operation of a campsite and the eventual packaging and sale of the ski resort and golf courses to a developer provided the city of Kimberley valuable revenues, a stronger and more predictable tax base and a competitive advantage in attracting people looking for a new place to live or retire.

- SunMine

The City of Kimberley has collaborated with Teck and other strategic partners in British Columbia to develop the SunMine project, a unique solar energy program. The project, which has been built on a reclaimed piece of land where the Sullivan Mine concentrator was located, makes use of Sullivan’s roads, substations, security fencing and transmission lines, which significantly enhanced the economic feasibility of the project. SunMine has 4,032 solar-cell modules, mounted on 96 solar trackers which follow the sun’s movement, producing 1 Megawatt of electricity, or enough energy for 250 homes. It is BC’s largest solar project, Canada’s largest solar tracking facility, and the first solar project in B.C. to sell power to the BC Hydro grid thereby providing the City of Kimberley with a steady source of income from the sale of energy.

- Reclamation

Teck has pioneered the use high density sludge treatment to process acid drainage water from the Sullivan mine and has replanted grasses and trees as part of its commitment to remediate approximately 1,000 hectares of land that were disturbed during the operation of the mine. While the land is unlikely to ever be available for residential or commercial development it has reduced the visual scars on the landscape and improved conditions for wildlife and recreational uses.
LESSES LEARNED

The size and complexity of the Sullivan Mine closure combined with the rebranding of the City of Kimberley as a resort destination provides a valuable source of interesting and relevant experience to share with other resource communities. Some of the lessons learned by Kimberley include:

01 The Importance of Local Leadership
The process which led to the development of a mine closure plan and economic development strategy for Kimberley required active and sustained participation of leaders from the city, the mine and the community, however, to do so required a more open and transparent approach to dialogue and engagement than had traditionally been used. Local leaders have an instrumental role to play in creating the enabling environment to build trust, confidence and an openness to approaching issues and challenges as partners rather than as adversaries.

02 Partners for Development
The development of a partnership between the municipality and the mining company was critical to the success of the project. The strong and collaborative relationship that emerged between the City of Kimberley and Teck allowed them to team up, creating a unified voice and shared vision when seeking support from the Province, investors or the community.

03 Plan for Closure
It is important for communities to understand the life of all mines is finite and that their closure can come much sooner than expected due to factors beyond their control. In order to ensure a positive legacy, new mines must plan for closure from the beginning and existing mines must engage stakeholders, sooner rather than later, so that they can help shape the future they want to have for their community.

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The Sustainable and Inclusive Communities in Latin America (CISAL) Program is an initiative of the Federation of Canadian Municipalities (FCM) that seeks to strengthen local governments in mining contexts of Colombia and Peru to achieve greater social benefits and sustainable economic opportunities for communities. The Sustainable and Inclusive Communities in Latin America program is undertaken with the financial support of the Government of Canada provided through Global Affairs Canada.