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CAPITAL REGION BOARD



Economic Development Initiative

Volume 2: Edmonton Metropolitan Region Economic Development Strategy 2015-2018

May 21, 2015





Chair, Steering Committee
CRB Regional Economic Development Initiative

Dear Chairman Bruce:

RE: Edmonton Metropolitan Region Economic Development Strategy

In January, 2015 the Steering Committee invited economic development professionals from the Edmonton Metropolitan Region to work together to prepare a regional economic development strategy.

A working group, mandated by the regional economic development professionals drafted the attached regional economic development strategy. It is concise, and it focuses on those things that need to be done as priority efforts in the first few years of our work together. It addresses the fundamental priorities we will accomplish in the next few years to set the base for our collaboration over the coming decades.

The undersigned members of the Edmonton Metropolitan Region economic development working group recommend the attached strategy to the Steering Committee and the Capital Region Board.

Barbara McKenzie, Chair

Per: Guy Boston, City of St. Albert
Gerry Gabinet, Strathcona County
Tom Koep, Parkland County
Jordan Rumohr, Sturgeon County
Glen Vanstone, Edmonton Economic Development Corporation
Dave Walker, City of Spruce Grove

EXECUTIVE SUMMARY

The Edmonton Metropolitan Region Economic Development Strategy reflects the insight of regional economic development professionals and their recommendations to the Steering Committee providing oversight of this Strategy for the Capital Region Board.

The strategy provides the foundational elements that will prepare the region to win in the globally competitive environment of metropolitan economic development. We will present our region with a single voice. We will plan economic development and marketing together, for the whole region. We will position the region to win at a level that reflects our global ambition.

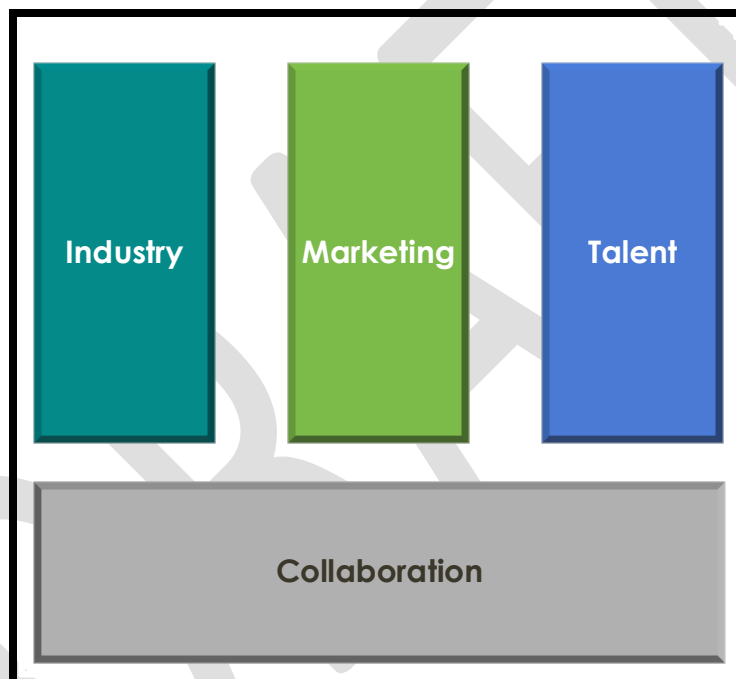
The Strategy focuses on the priorities for action in economic development in the region over the coming five years. The Economic Development Framework, sister document to the Strategy, outlines the framework for collaboration, the organization and the funding model for the initiative over the coming decade or more. The two documents should be reviewed together. The strategy is founded on the framework's vision, mission and values and responds to core critical success factors:

- **Vision for Economic Development** – “To be a business location of choice for global investment, by collaboratively building on regional assets”.
- **Our Economic Development Mission** – “Together, we strengthen the Edmonton Metropolitan Region’s global competitiveness, growth and innovation”.
- **Our Values** – In the Edmonton Metropolitan Region, we value:
 - Innovation
 - Collaboration
 - Sustainability
 - Excellence
 - Respect
- **Critical Success Factors** – There are key factors that must be right in order to succeed. Summarized, these are:
 - **Collaboration** – A strong and ongoing commitment to collaboration principles.
 - **Value for all** – Stakeholders trust each other and anticipate beneficial outcomes from their participation.
 - **Government Participation** – Federal and Provincial governments have shared interest in the success of the Strategy.
 - **Resourcing** – Resources must be found and resources must be pooled to succeed.

- **Communication/Visibility** – Successes must be highly visible to all stakeholders in the region.
- **Shared Performance Metrics** – Participating stakeholders will define success using a common language of performance measurement.

Strategic Priorities and Key Results

In this first economic development strategy, the focus is on foundational elements that underpin successful regional economic development organizations. The focus is on building shared data bases, on developing shared lead protocols, on fostering site selection tools and on preparing detailed plans together in three areas:



A commitment to collaboration is the core value underpinning the three pronged strategy.

Strategic Priorities are not listed in order of importance. Rather, **ALL strategic priorities are critical to the success** of the economic development strategy and all must be addressed in the course of the work.

1. **Marketing:** Edmonton's Metropolitan Region Strategic Marketing Plan aligns efforts around unified and coherent messaging to affect economic growth initiatives and increase exposure of the regional brand.
2. **Talent:** Edmonton Metropolitan Region supports attraction and activation of people with the skills and talent to strengthen the growth opportunities in our regional economy.

3. **Industry:** Partners identify opportunities and collaborate to grow and diversify strategic sectors of the regional economy to the benefit of all players.

Key Results (Objectives) for Regional Economic Development

Key Results or objectives are identified for each strategic priority as follows.

Strategic Priority 1: Marketing: Edmonton's Metropolitan Region Strategic Marketing Plan aligns efforts around unified and coherent messaging to affect economic growth initiatives and increase exposure of the regional brand.

Key Results

KR 1.1: A successful mechanism to communicate openly with regional marketing partners is in place.

KR 1.2: A unified regional brand is collaboratively developed and consistently used to market the region.

KR 1.3: A comprehensive, regional Strategic Marketing Plan is collaboratively developed and executed under the regional brand.

Strategic Priority 2: Talent: Edmonton Metropolitan Region supports attraction and activation of people with the skills and talent to strengthen the growth opportunities in our regional economy.

Key Results

KR 2.1: "[Ignite Edmonton](#)" is enhanced, expanded and accessible across the Edmonton Metropolitan Region.

KR 2.2: A regional workforce advocacy task force, inclusive of education institutions, influences workforce strategy and outcomes.

KR 2.3: A regional workforce strategy is collaboratively developed.

Strategic Priority 3: Industry: Partners identify opportunities and collaborate to grow and diversify strategic sectors of the regional economy to the benefit of all players.

Key Results

KR 3.1: A protocol for identifying and sharing economic development opportunities across the region is established and applied.

KR 3.2: A comprehensive baseline of regional economic development information and definitions is established and updated regularly.

KR 3.3: A regional database of projects, which is updatable and accessible, allows regional businesses to share information, prospects and opportunities.

KR 3.4: A uniform site selection information system is created based on best practices for site selection standards and a regional GIS data platform in an open data environment is established.

KR 3.5: An economic diversification strategy for the region is in place, with particular focus on key industries such as Agri-Business, Energy, Health, Cold Climate Technologies and Transportation.

Detailed strategies and tactics and implementation timelines and GANTT have been prepared as advice to the economic development organization that is established to execute the strategy.

The **Edmonton Metropolitan Region Economic Development Strategy 2015-2018** is the first collaborative effort of CRB specifically mandated by the Board on economic development. Future updates will refine and focus the strategy to our collective regional objectives.

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1.0 INTRODUCTION AND PROCESS: A REGIONAL ECONOMIC DEVELOPMENT STRATEGY

The Capital Region Board (CRB) made a unanimous decision to undertake facilitation of the region's first collaborative economic development strategy in November, 2014. Instructions to CRB management were to facilitate "a member/stakeholder based non-political entity" which would collaborate to prepare a regional economic development strategy.

The CRB, through its motion, has emphatically stated that that status quo approach to economic development needs to change. Going forward we will work together to tell our story of a great, sophisticated and growing metropolitan region that is ready to embrace new investment, new business and new creativity.

Our economic development collaboration will aggressively act to win more business and more investment in the competitive world of metropolitan development by presenting our region together, by presenting a singular message of welcome and interest, and by working under a regional brand and marketing that differentiates our region from the competition.

It is clear that the Edmonton region is in a global competition for growth and the Team is committed to success; however, success will not be achieved by incrementalism. Regional stakeholders must be committed to winning at a level that reflects a global ambition.

1.1 Background

A Steering Committee comprising the region's largest economic development non-political investment organizations was convened and initially met on December 3rd, 2014. Key decisions made at that meeting:

- **Prepare a Project Charter** defining relationships and responsibilities of key players for the duration of the project would be developed by the Steering Committee.
- **Develop a Greater Edmonton Region Economic Development Framework** addressing the long term relationships and responsibilities of the collaboration would be developed by the Steering Committee.
- **Prepare a Greater Edmonton Region Economic Development Strategy.** A high level economic development strategy based primarily on existing data and research of regional partners would be drafted by the regional economic development professionals and recommended to the Steering Committee for approval.

The first Edmonton Metropolitan Region Economic Development Strategy has been drafted by a working group of seven recognized professionals (the Working Group WG) and refined and finalized by the full team of some 30 economic development professionals (the Team) for approval of the Steering Committee. It defines the necessary components of a "high level"

economic development strategy and speaks to the sources of input to that strategy.

For the purpose of the following report, the key groups referenced are as follows:

Steering Committee (SC) – refers to the Steering Committee responsible for the overall execution of the CRB Economic Development Initiative.

The SC Chair – refers to the Chair of the Steering Committee.

The TEAM (TEAM) – refers to the group of 30 economic development professionals from the region who will collectively oversee the development of the strategy.

The Chair (Chair) – refers to the Chair of the economic development TEAM, who is appointed by the Steering Committee.

The Working Group (WG) – refers to a subset of seven economic development professionals who have prepared the draft economic development strategy for review by the TEAM and for recommendation to the Steering Committee.

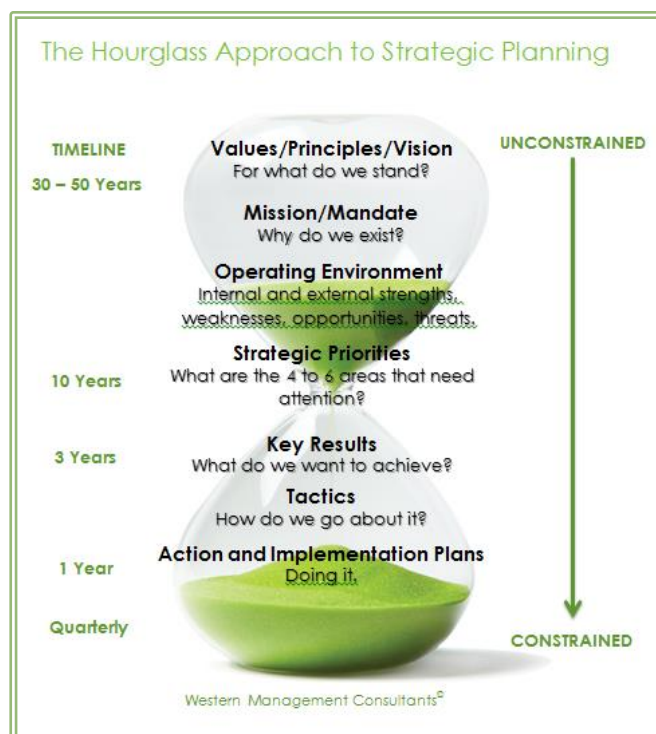
Western Management Consultants (WMC) – refers to the consultants who facilitated the process.

1.2 Components of the Economic Development Strategy

Core components of an economic development strategy for the region were addressed as follows:

- Economic Base and Situation Assessment
- Analysis and Regional SWOT Assessment
- Regional Economic Development Mission, Vision, Values, Operating Principles (MVVOP)
- Strategic Priorities for Regional Economic Development
- Key Results (Objectives) for Regional Economic Development
- Strategies and Actions Plans
- Implementation Timing, Performance Measurement, Realignment of Strategy

The components of economic development strategy align very closely to the key elements of strategic planning for organizations as illustrated in the “hourglass” graphic. At the highest level, Vision, Values, Operating Principles, and Mission/Mandate are determined by the governing group. For the purpose of this strategy, that group is the Steering Committee.



The Operating Environment comprises the economic base and situation assessment and the analysis and SWOT assessments for the region.

Strategic Priorities are those few areas of concerted focus at the regional level that will ensure our success. Key Results, or objectives, are identified for each Strategic Priority. And finally Strategies, Actions and Implementation Plans determine how we will go about achieving the objectives. Specific measurement of results and regular reviews of those measures and adjustment of strategies if required will ensure that the overall strategy remains on track.

1.3 Organization of the Economic Development Initiative and Team

Composition of the economic development TEAM and the Working Group (WG) included the professionals listed below. All professionals listed were invited to participate in the process.

Edmonton Metropolitan Region Economic Development Strategy TEAM and Working Group		
WG	Name	Representing
WG	Barbara McKenzie Chair	Leduc Nisku Economic Development Assoc.
	Bert Roach	Beaumont
	Patrick Earl	Bon Accord
	Doug Sullivan	Bruderheim
	Milad Asdaghi	Devon
	Brenda Otto	Stony Plain
	Lanny Boutin	Gibbons
	Schaun Goodeve	Morinville
	Pat Nicol	Redwater
WG	Jordan Rumohr	Sturgeon County
WG	Tom Koep	Parkland County
	Jim Newman	Lamont County
	Jordan Evans	Leduc County
WG	Gerry Gabinet	Strathcona County
WG	Guy Boston	St. Albert
WG	Dave Walker	Spruce Grove
	Luke Pantin	Leduc
	Mark Morrissey	Fort Saskatchewan

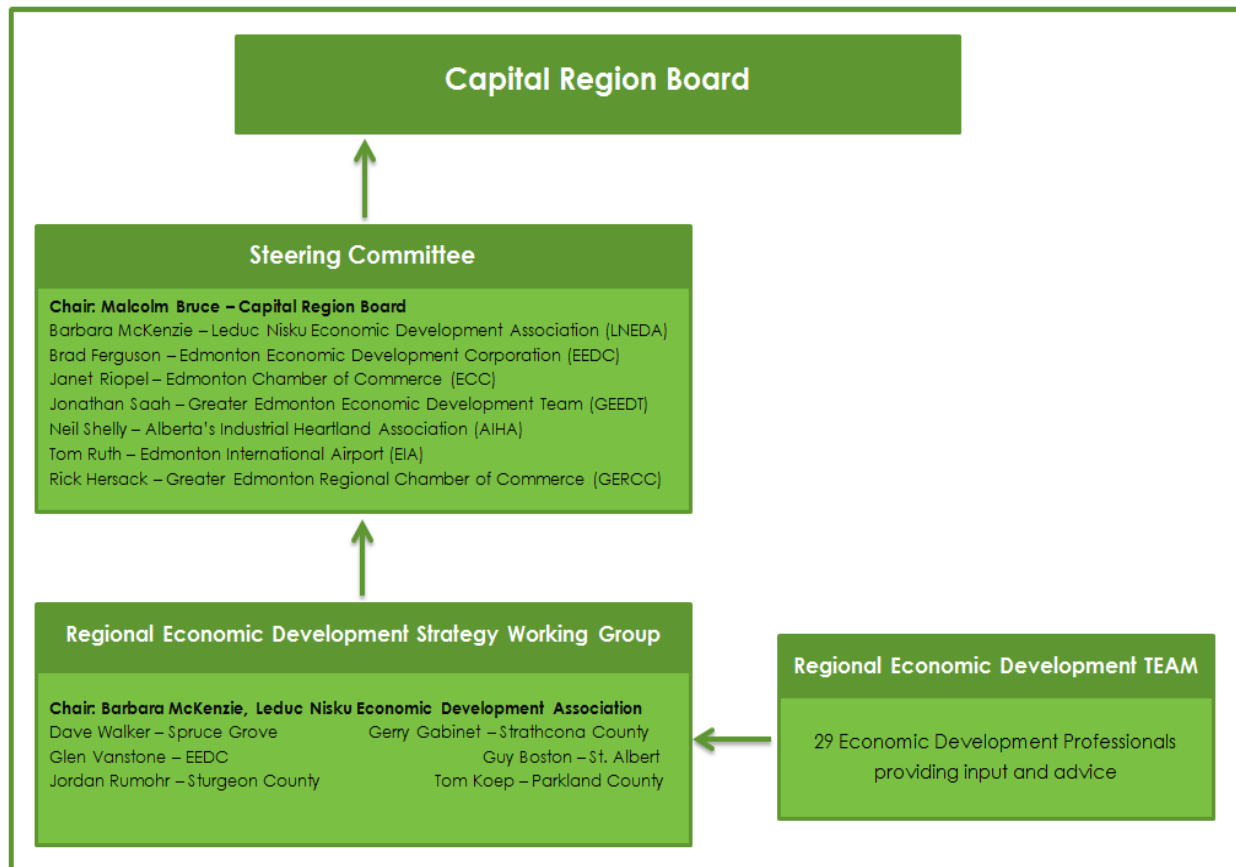


Edmonton Metropolitan Region Economic Development Strategy TEAM and Working Group		
WG	Name	Representing
	Paul Ross	Edmonton
WG	Glen Vanstone	Edmonton Economic Development Corporation
	Neil Shelly	Alberta's Industrial Heartland
	Doug Sullivan	Lamont Region Economic Development Initiative
	Kathy Rodberg, CAO	Calmar
	Elaine Milliken, Deputy CAO	Lamont
	Robert Proulx, CAO	Legal
	Christine Burke, CAO	Thorsby
	Shawn Patience, CAO	Wabamun
	Christine Pankewitz, CAO	Warburg

The Chair of this group, Barbara McKenzie, CEO of the Leduc Nisku Economic Development Association was appointed by the Steering Committee (SC) and sits as a member of that group. She keeps the Steering Committee updated on the activities of the TEAM and the WG, and ultimately presents and recommends the completed strategy to the Steering Committee. The overall structure of the organization recommending to the Capital Region Board is illustrated following.



Edmonton Metropolitan Region Economic Development Initiative Governance Structure



The Chair led the Economic Development Working Group and TEAM through the strategy-making and approval processes, facilitated by WMC. The Working Group (WG) worked with WMC to develop the material and “recommendations”, essentially the content of the strategy between meetings of the TEAM. TEAM provided input to the WG during its work and by way of review of the draft final strategy.

The Chair will take the draft Strategy to the Steering Committee for review and approval. The Steering Committee worked with WMC to prepare the Mission, Vision, Values and Operating Principles that guided the strategy process. These were shared with the WG early in the process and the WG and the TEAM had the opportunity to suggest changes as the process unfolds.

1.4 Process and Schedule of Meetings

The Strategy was prepared in a facilitated process of six milestone meetings of the Working Group/TEAM. The process and timing of these meetings was as follows.



The Chair kept the Steering Committee informed throughout the process. The Steering Committee contributed the following:

- Prepared Mission, Vision, Values, and Operating Principles for the economic development strategy; and
- Finalized and approved the Strategic Priorities as drafted by the Working Group, and ultimately approved the strategy internally and recommend it to the Capital Region Board.

2.0 EDMONTON METROPOLITAN REGION VISION AND MISSION FOR ECONOMIC DEVELOPMENT

2.1 Vision for Economic Development

The vision for the Edmonton Metropolitan Region for economic development describes a realistic future and suggests how we will get there.

To be a business location of choice for global investment, by collaboratively building on regional assets.

2.2 Economic Development Mission

Together, we strengthen the Edmonton Metropolitan Region's global competitiveness, growth and innovation.

2.3 Values

In the Edmonton Metropolitan Region, we value:



- **Innovation** – The Edmonton Metropolitan Region Economic Development Framework values courageous and bold new development and growth. Members embody a “can do” attitude.
- **Collaboration** – “If one wins, we all win”. The Edmonton Metropolitan Region Economic Development Framework strength lies in its emphasis on collaboration and transparency

between all members of economic development in both the public and private sectors to grow one of Canada's largest economic engines.

- **Sustainability** – The Edmonton Metropolitan Region Economic Development Framework will strive to incorporate current practices to economic development that improve the triple bottom line (economy, environment, social).
- **Excellence** – Members strive to provide quality services and programs to all stakeholders by maintaining the highest standards of skills and knowledge.
- **Respect** – The Edmonton Metropolitan Region Economic Development Framework and its leaders treat each other with respect and professionalism.

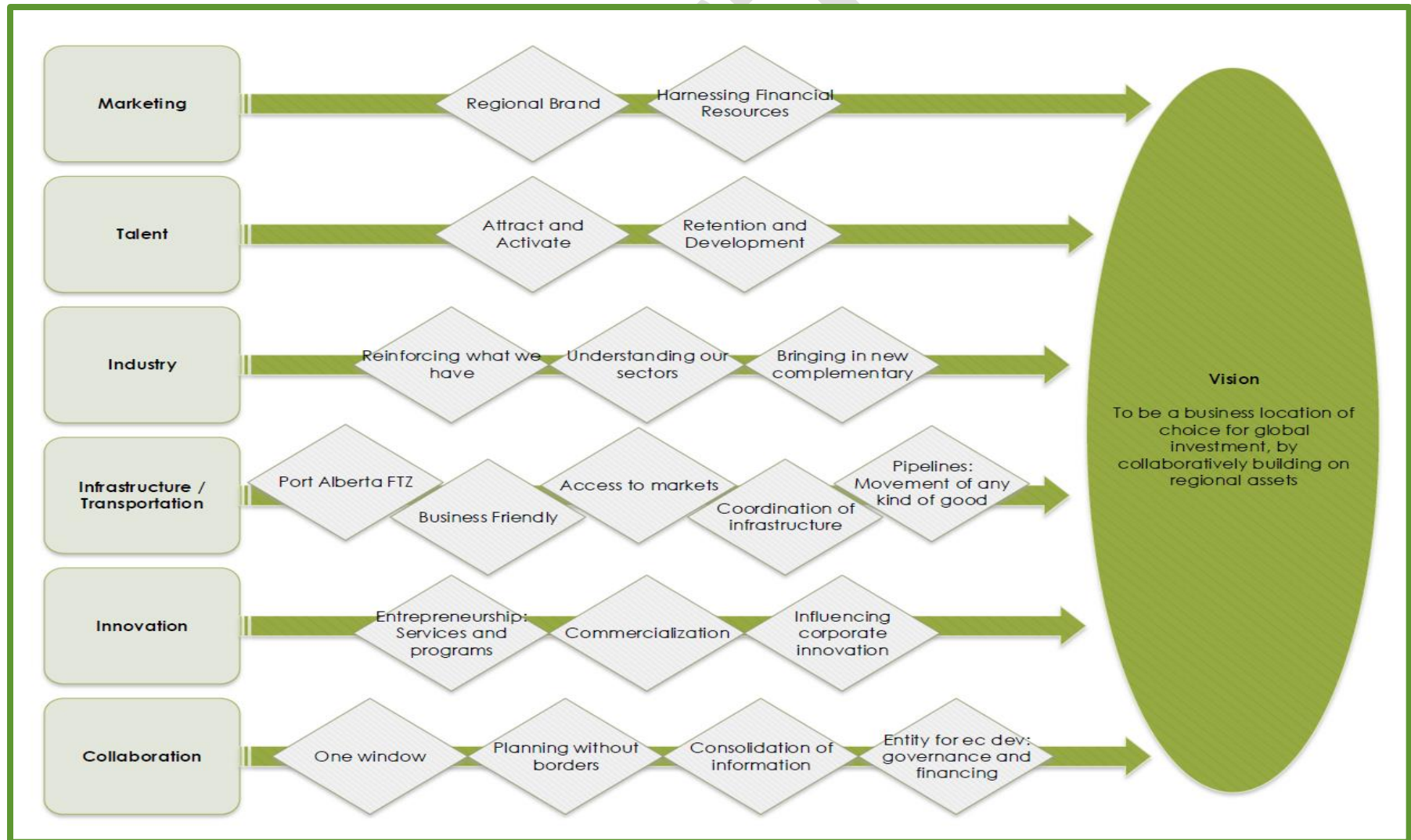
2.4 Operating Principles

Operating principles are the code of conduct that guides the face-to-face relationships of the members of the Edmonton Metropolitan Region Economic Development Framework.

- We are inclusive in all our activities and decision making, and seek to enhance collaboration among stakeholders.
- We respect local autonomy and understand the roles and responsibilities of our colleagues.
- Once a consensus based, collaborative decision is made, we will each represent that decision and speak with one voice.

2.5 Regional Areas of Influence

The Steering Committee made a significant contribution to the Framework and Strategy by identifying the six areas of influence that must be addressed regionally to realize the vision.



The working group determined that three areas of this concept can be addressed directly by the economic development strategy.

- Marketing
- Talent
- Industry

The areas of infrastructure, Innovation and collaboration must be addressed by regional stakeholders outside the specific areas of focus of the economic development strategy. They are foundational and critical to success.

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3.0 ENVIRONMENTAL SCAN AND STRATEGIC ASSESSMENT

The objective of this section is to characterize the situation and future prospects for the Edmonton Metropolitan Region at a high level and based on secondary materials. The environmental scan sets the base, at a very fundamental level, for regional economic development planning in the Edmonton Metropolitan Region.

The following section provides a high level summary of the economy of the Edmonton Metropolitan Region. A detailed analysis of the Region can be found in Appendix 1 and addresses:

- Gross Domestic Product
- Industry Sectors
- Industrial Land Supply
- Infrastructure
- Demographics
- Labour Force
- Business Characteristics
- Institutional Characteristics

This information was used by the Edmonton Metropolitan Region Economic Development working group to help in the development of a SWOT analysis and inform the development of strategic priorities for the region.

Information was synthesized from Statistics Canada, Avison Young, the Province of Alberta, the Conference Board of Canada, and individual economic development reports provided by each of the 24 member municipalities of the Capital Region Board. Past consultant reports commissioned by the Capital Region Board were also referenced.

Whenever possible, current information on the Capital Region municipalities was used for the analysis. However, for most available data the Edmonton Census Metropolitan Area is the official geographical area encompassing 'Greater Edmonton' used by Statistics Canada. It contains all of the municipalities of the Capital Region Board with the exception of Lamont County. This document references several economic forecasts and projections. In all cases, these forecasts have not been updated to fully reflect the impact of low oil prices on the Edmonton CMA's economy in the short term. The focus of the plan is longer term, and it is assumed that the region will recover from the immediate short cycle issues.

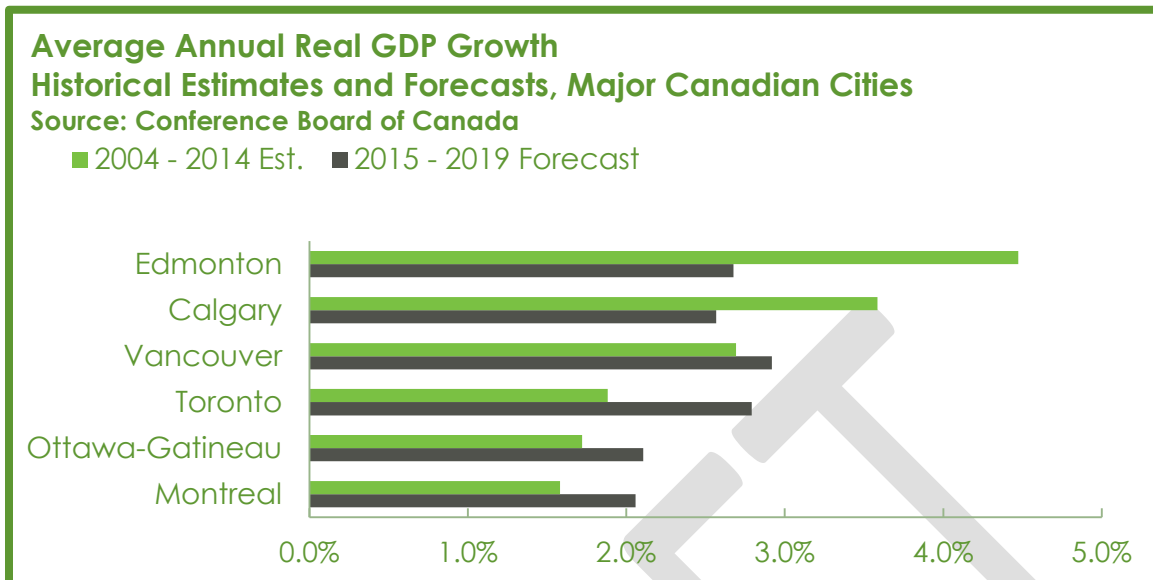
3.1 Summary and Conclusions from the Environmental Scan

The conclusions we would make from the environmental scan work can be summarized as follows:

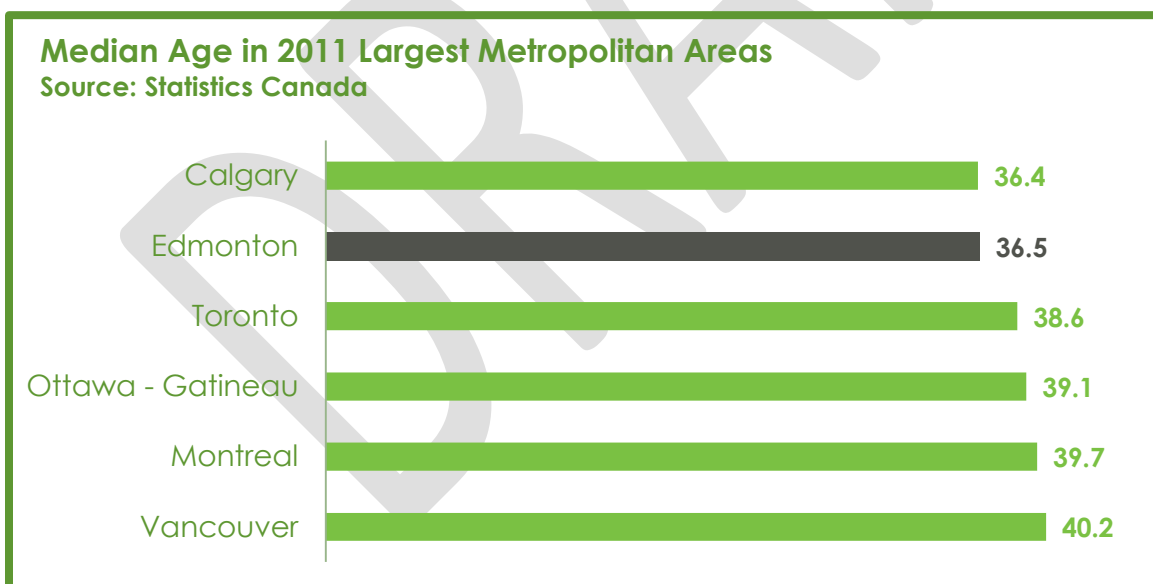
- The Edmonton Metropolitan Region has performed very strongly as an economic region in Canada, at or near the top in most economic indicators for the last two decades.



- Despite the present oil and gas cyclical downturn, forecasters see a future of growth and prosperity for the region and for Alberta.

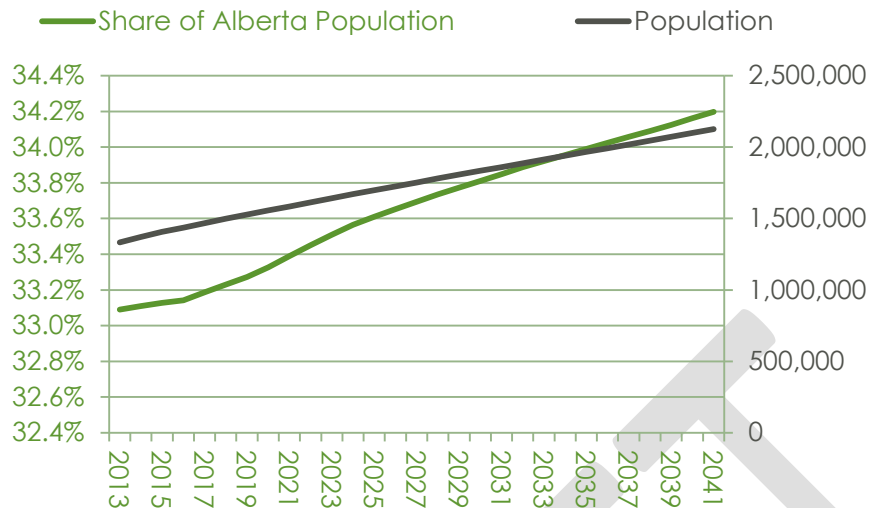


- The Edmonton Metropolitan regional population will remain among the younger metro populations in Canada. The regional population is anticipated to grow to just under 2.24 million by 2044, building on its high growth rates of past decades and increasing its share of the total Alberta population.



Edmonton CMA Population Forecast 2013 - 2041

Source: Government of Alberta



- The regional labour force is educated, particularly in technical certifications, demonstrates high participation rates, experiences low unemployment, and has among the highest average household income and personal disposable incomes in Canada. Labour force growth rates have been among the highest in the country.

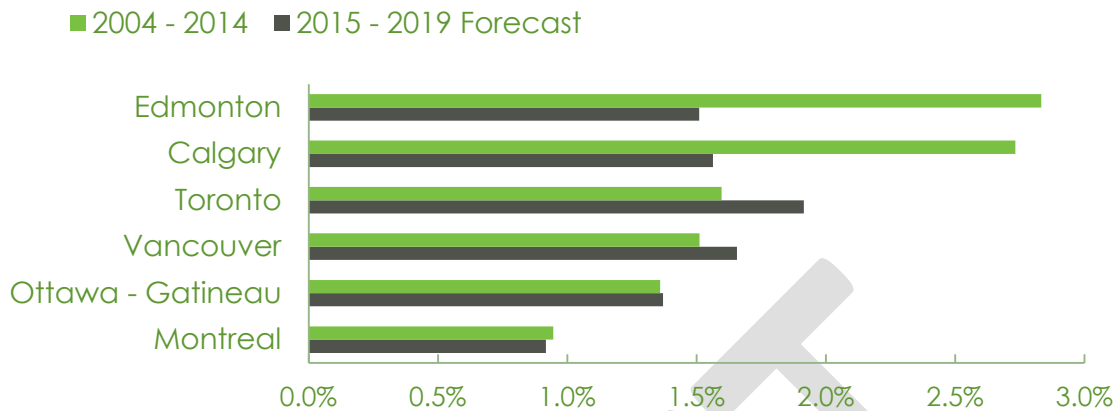
Median Family Income in 2012 Largest Metropolitan Areas (dollars)

Source: Statistics Canada



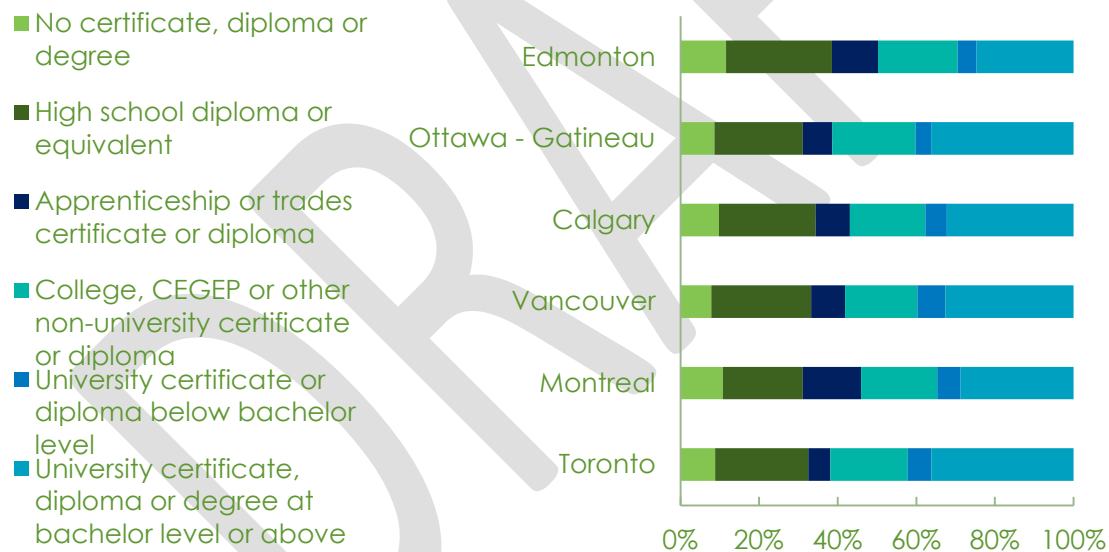
Average Annual Labour Force Growth Historical and Forecasts, Major Canadian Cities

Source: Conference Board of Canada



Employed Labour Force by Educational Attainment 2011 Major Canadian Cities

Source: Statistics Canada

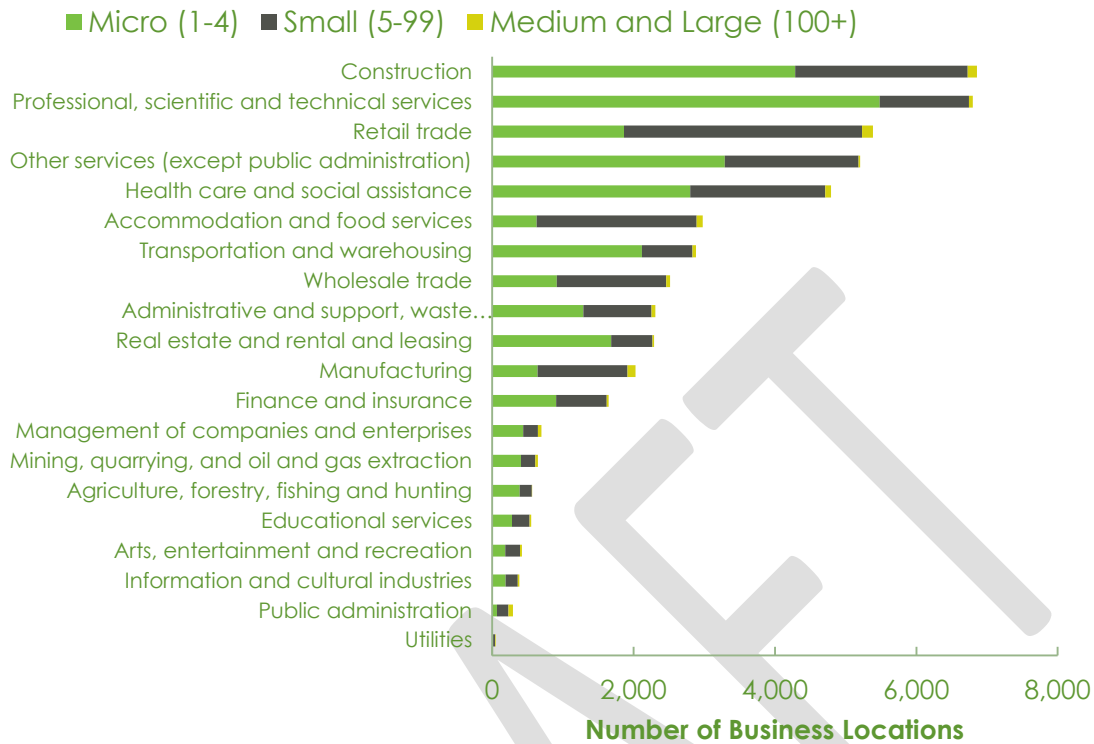


- Regional businesses are primarily smaller business, and these businesses are the focus of much of the entrepreneurial and scale up support offered in the region.



Edmonton CMA Business Locations by Industry and Number of Employees as of Dec. 2013

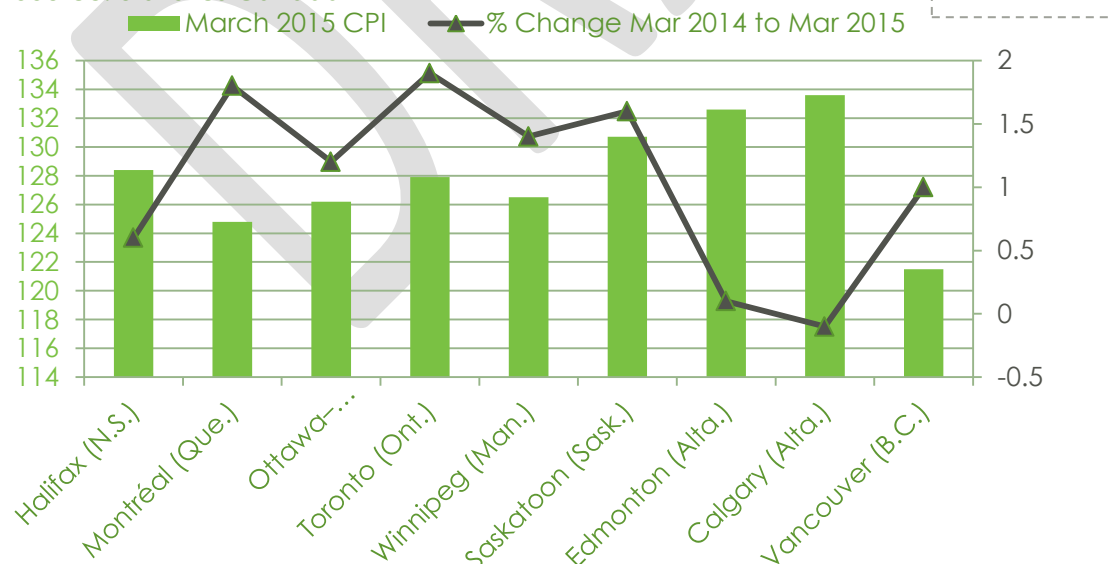
Source: Statistics Canada



- Regional costs are among the highest in Canada, based on the CPI index.

March 2015 Consumer Price Index by Metropolitan Region

Source: Statistics Canada



- Higher education is a regional strength, with six highly regarded and recognized educational institutions.

3.2 SWOT Assessment for the Edmonton Metropolitan Region

Strengths and Weaknesses in relation to economic strategy are considered to be “inside” our regional system and are generally matters that we can address or leverage to our advantage. Opportunities and Threats are usually thought of as coming from “outside” our system or region. In some cases we can capitalize on them (e.g. a market opportunity) and in other cases our region would have little ability to control or influence the matter (e.g. value of the Canadian dollar).

Identified below is a short list of those elements of the SWOT that are considered most important to consider as we prepare the economic development strategy.

Strengths	Weaknesses
<ul style="list-style-type: none"> Access to nearby natural resources Quality education system that supports industry An entrepreneurial ecosystem in the region Modern infrastructure Strong logistics network Stable and safe geo-political and environmental climate Trade agreement and legal/commercial system maturity. Agreements can be trusted. High disposable income and strong consumer spending 	<ul style="list-style-type: none"> High cost environment in the region Low productivity/improvement environment Business complacency Excess reliance on oil and gas Incentive and policy environment is not as competitive as global competitors Import and export imbalance Historic reliance on major projects Communication bandwidth limitations Access to tide waters (distance to ocean ports and international markets)



Opportunities

- Infrastructure enhancements to support growth
- Ancillary business around our core industries and major projects
- A leader in sustainable solid waste management and recycling
- Cost sharing from other levels of government for new industries
- The region positioned as THE place for investment to access Northern Canada, Energy Tech, Health Technology, Agri-Tech, Value added petrochemicals
- Regional Brand established

Threats

- Exposure to resource price fluctuations
- Fluctuating value of Canadian dollar
- Changing policy decisions by other orders of government
- Increasing focus on environment, greenhouse gas emissions, and contribution to climate change requires a concerted effort

These key issues and opportunities for the region, once agreed by the regional partners, are the key drivers of the economic development strategy.

3.3 Strategic Assumptions

Strategic plans are forward-looking, strategic documents which are based in no small part on the assumptions one makes about the future. The assumptions that underpin the Edmonton Metropolitan Region are identified following.

3.3.1 Funding and Government

- No significant reduction in municipal funding from the Province.
- The Federal election does not change the policy landscape for energy dramatically; only minor changes in carbon policy is assumed.
- Neutral or minor impacts affecting municipalities are expected as a result of Provincial legislative change.
- The economic development strategy is compatible with other initiatives of the CRB.
- Post-secondary funding reductions by the Provincial and Federal governments will limit the ability of higher education institutions to act aggressively in R & D and as partners in commercialization of ideas.
- Interprovincial trade and mobility is improved through policy and regulatory changes. Common platforms and standards for education, training and certification improve labour mobility across Canadian provinces.

- The region continues to pursue trade corridor relationships within Alberta and beyond.
- A shared regional Framework and funding mechanism to support this strategy is in place.

3.3.2 Economic Assumptions

- Oil prices stabilize in the \$60-70 range by 2018.
- The Canadian dollar stabilizes in the range of \$.75 - \$.85 US.
- Interest rates will rise modestly over the next three years.
- That oil and gas markets stabilize in the coming three years.
- That physical access to markets with capacity to handle our resources is put in place.
- US economic growth will continue to provide opportunities for economic development in the Edmonton Metropolitan Region.
- Investment interest in the Edmonton Metropolitan Region continues to be high for the coming 3-7 years as a result of continued economic activity and market interest.
- The Edmonton Metropolitan Region improves and expands its relationship to the North and its role as an economic gateway to Northern activity.
- Small to medium enterprises continue to dominate the regional economy.
- Economic activity continues to be incorrectly reported by being over-represented in Calgary Head Offices rather than where it is generated regionally. Edmonton region GDP is under-reported by over \$21 billion annually as a result.

3.3.3 Major Projects

- Current or planned investments in major projects in the region are expected to continue.
- A number of major projects in oil and gas will be approved and continue to move into development, generating jobs and economic growth in the region during the period of this strategic plan.
- Shale gas development in the USA trails off to some extent because of lower oil prices, and then stabilizes at this lower level of activity.
- Oil by rail continues to be a dominant means of responding to present demand levels until major pipelines are approved and constructed.

3.3.4 Technology

- Technological improvements in oil and gas continue to improve the viability of conventional and unconventional recovery in Alberta.
- Green technology at the local plant level is translated to international opportunities.
- Carbon capture technologies are leading edge and internationally known.
- Technological innovation in all sectors and the region's economic clusters provide opportunity for reduced input costs, commercialization of new ideas, and economic diversification.

3.3.5 Regional Image

- That the movement attempting to stop oil sands extraction remains active.
- Awareness of the Edmonton region remains low.

3.4 Critical Success Factors

Critical Success Factors are characteristics, conditions or variables that have a direct and serious impact on the effectiveness, efficiency and viability of any particular initiative. They must be reflected in the economic development strategy.

- **Collaboration** – A strong and ongoing commitment to collaboration principles including awareness of shared purpose, reciprocity, and engagement is critical to success. Openness, transparency, focus, and accountability are required of stakeholders. Effective collaborative governance structures must be established to plan, assess, execute and evaluate economic development strategy. Industry must be involved meaningfully as a collaborative partner in the strategy.
- **Value for all** – Stakeholders trust each other and anticipate beneficial outcomes from their participation. Their meaningful participation must produce a meaningful return of value for each participant.
- **Government Participation** – Federal and Provincial governments have shared interest in the success of the Strategy and each assumes an active role in supporting this initiative. Key results and tactics are compatible with Provincial and Federal objectives and include opportunities for multi-level participation. Regional partners work with provincial, national and international economic development organizations to advance the region.
- **Resourcing** – Achieving successful outcomes through this strategy will depend on an effective allocation of resources, both human and capital, on key initiatives, programs and

projects. Resources must be found and resources must be pooled to succeed. The potential for participation of senior governments, municipalities, institutions and industry must be explored.

- **Communication/Visibility** – It is critical that the accomplishment of Key Results demonstrate a reasonable rate of return to participating stakeholders. Equally critical is that successes are highly visible to all stakeholders in the region. Sub-regional initiatives and successes must be promoted and celebrated. Publicly celebrating prosperity and benefits to public and private sector interests is key to success in the longer term.
- **Shared Performance Metrics** – Participating stakeholders will define success using a common language of performance measurement. These measures will be incorporated into regular and frequent reports on the achievement of outcomes.

The economic development strategy includes Strategic Priorities and Key Results that speak directly to the above critical success factors. However, these critical success factors are also embedded in the very fabric of the approach to all elements of the strategy.

4.0 STRATEGIC PRIORITIES AND KEY RESULTS FOR EDMONTON METROPOLITAN REGION ECONOMIC DEVELOPMENT

This section addresses the few, critical priorities that must be the focus for economic development at the Edmonton Metropolitan Regional level as we collectively move toward greater collaboration and presentation of our region to our markets.

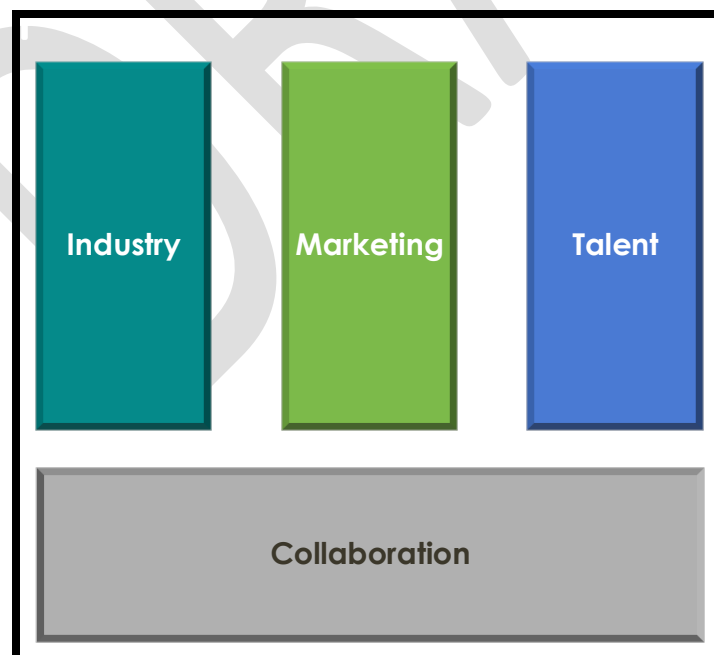
4.1 Focus on Foundational Elements

In this first economic development strategy, the focus is on foundational elements that underpin successful regional economic development organizations. The focus is on building shared data bases, on developing shared lead protocols, on fostering site selection tools and on preparing detailed plans together.

The Working Group has taken the view that we are setting the stage for decades of collaboration among our many economic development organizations. Together we are building a foundation that will provide solid, ongoing support for our collective planning and our marketing efforts.

The Steering Committee has addressed the question of what organization structure will oversee execution of this plan, and ultimately that group will address funding requirements.

The Working Group has focused on those foundational strategic priorities that will move our region forward in economic development in the coming three to five years. They focus our collective economic development efforts on Marketing, Industry, and Talent.



4.2 Support for the Strategy

There are many other areas of focus that require attention. The Working Group considers some of these to be critical support elements underpinning the strategy.

A **new collaborative model** ensures that local, sub-region, regional and extra-regional economic development professionals are empowered to work more closely together toward the success of the Edmonton Metropolitan Region. Focusing on building our experience with **collaboration** through successively more challenging initiatives is one of these elements. Economic development professionals empowered and supported to work together, will build collaboration as they experience successful outcomes.

Infrastructure provides the base for growth, and it must be planned and developed in a strategic fashion to support growth. Economic development professionals will provide input on regional infrastructure priorities for economic development in order to support growth.

Innovation is also a key element in regional economic development. The regional collaboration will increasingly foster business innovation, incubation, commercialization and promotion of success in support of the strategic plan.

4.3 Strategic Priorities

Strategic Priorities are the critical area of focus for regional partners. They are the most important areas of collaborative focus to drive success. Three areas of focus will drive the economic development strategy to 2019 and beyond.

Strategic Priorities are not listed in order of importance. Rather, **ALL strategic priorities are critical to the success** of the economic development strategy and all must be addressed in the course of the work.

1. **Marketing:** Edmonton's Metropolitan Region Strategic Marketing Plan aligns efforts around unified and coherent messaging to affect economic growth initiatives and increase exposure of the regional brand.
2. **Talent:** Edmonton Metropolitan Region supports attraction and activation of people with the skills and talent to strengthen the growth opportunities in our regional economy.
3. **Industry:** Partners identify opportunities and collaborate to grow and diversify strategic sectors of the regional economy to the benefit of all players.

4.4 Key Results (Objectives) for Regional Economic Development

Key Results reflect what the region will accomplish in economic development during a specific time period. The key results for each Strategic Priority are identified following, for the reference period to the end of 2018.

Strategic Priority 1: Marketing

Edmonton's Metropolitan Region Strategic Marketing Plan aligns efforts around unified and coherent messaging to affect economic growth initiatives and increase exposure of the regional brand.

Key Results

KR 1.1: A successful mechanism to communicate openly with regional marketing partners is in place.

KR 1.2: A unified regional brand is collaboratively developed and consistently used to market the region.

KR 1.3: A comprehensive, regional Strategic Marketing Plan is collaboratively developed and executed under the regional brand.

Strategic Priority 2: Talent

Edmonton Metropolitan Region supports attraction and activation of people with the skills and talent to strengthen the growth opportunities in our regional economy.

Key Results

KR 2.1: "[Ignite Edmonton](#)" is enhanced, expanded and accessible across the Edmonton Metropolitan Region.

KR 2.2: A regional workforce advocacy task force, inclusive of education institutions, influences workforce strategy and outcomes.

KR 2.3: A regional workforce strategy is collaboratively developed.

Strategic Priority 3: Industry

Partners identify opportunities and collaborate to grow and diversify strategic sectors of the regional economy to the benefit of all players.

Key Results

KR 3.1: A protocol for identifying and sharing economic development opportunities across the region is established and applied.

KR 3.2: A comprehensive baseline of regional economic development information and

definitions is established and updated regularly.

KR 3.3: A regional database of projects, which is updatable and accessible, allows regional businesses to share information, prospects and opportunities.

KR 3.4: A uniform site selection information system is created based on best practices for site selection standards and a regional GIS data platform in an open data environment is established.

KR 3.5: An economic diversification strategy for the region is in place, with particular focus on key industries such as Agri-Business, Energy, Health, Cold Climate Technologies and Transportation.

4.5 Strategies and Tactics

The Working Group prepared high level strategies and tactics in support of each Key Result. They prioritized and ranked key results. They used this information to re-order key results and ultimately to inform the implementation timing and plan.

The strategies and tactics are included in a separate background document. Tactics will change over time and as circumstances change. Once the organization that will execute this strategy is put in place, its management team will review the tactics document and revise tactics to those most appropriate to their situation at that time. Those implementing the strategy will also expand the tactics to much more detailed and granular work plans, with more refined timing, performance measures and costing.

4.6 Implementation Timing and Priorities

The overall implementation GANTT chart following describes all key results in relation to timing and priorities. At key milestones of strategy execution, the economic development entity will review performance against agreed measures. Realignment of the strategy will occur if we are not meeting anticipated performance indicators. It is recommended that the strategy be a rolling three year strategy with an annual review and update.

The GANTT chart for strategy purposes describes activities at a high level. Those implementing the strategy will refine and detail these GANTT charts as each Key Result is being executed.



Edmonton Metropolitan Region Economic Development Strategy, 2015-2018: Implementation GANTT Chart																
STRATEGIC PRIORITIES AND KEY RESULTS	Year 1				Year 2				Year 3				Year 4			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Marketing																
1.1 Mechanism to communicate																
1.2 A unified regional brand																
1.3 Regional strategic marketing plan																
2 Talent																
2.1 Ignite Edmonton as regional hub																
2.2 Regional workforce advocacy task force																
2.3 Regional workforce strategy																
3 Industry																
3.1 Protocol for identifying and sharing opps.																
3.2 Comprehensive baseline information compiled																
3.3 Regional database of projects																
3.4 Site selection and regional GIS platform																
3.5 Economic diversification strategy																

4.7 Next Steps

This is the first strategy based on a regional collaborative model for economic development. Much of the strategy focuses on establishing basic tools and structures that will increase the potential for collaboration in an open environment where opportunities are shared. The Strategy is conservative in the sense that it supports taking the time to set the base for the next fifty years of collaboration between our 24 municipal partners and their respective economic development aspirations.

This Strategy does not address organization for execution. Rather, organization is considered within the overall Edmonton Metropolitan Region Economic Development Framework. This Framework addresses the long term memorandum of understanding which will guide the partnership in the future execution of economic strategies and tactics.

The Edmonton Metropolitan Economic Development Strategy addresses strategic priorities, key results and tactics to be accomplished in the next four years. It should be reviewed on a regular basis, and if its underlying assumptions or critical success factors are observed to change, the strategy should be updated. In the Edmonton Metropolitan Region environment, such changes could easily occur within the period of the strategy.

Finally, the partners in economic development should celebrate their successes along the way, building momentum in support of future collaboration and success.



Appendix 1:

Detailed Environmental Scan

1.1 Gross Domestic Product

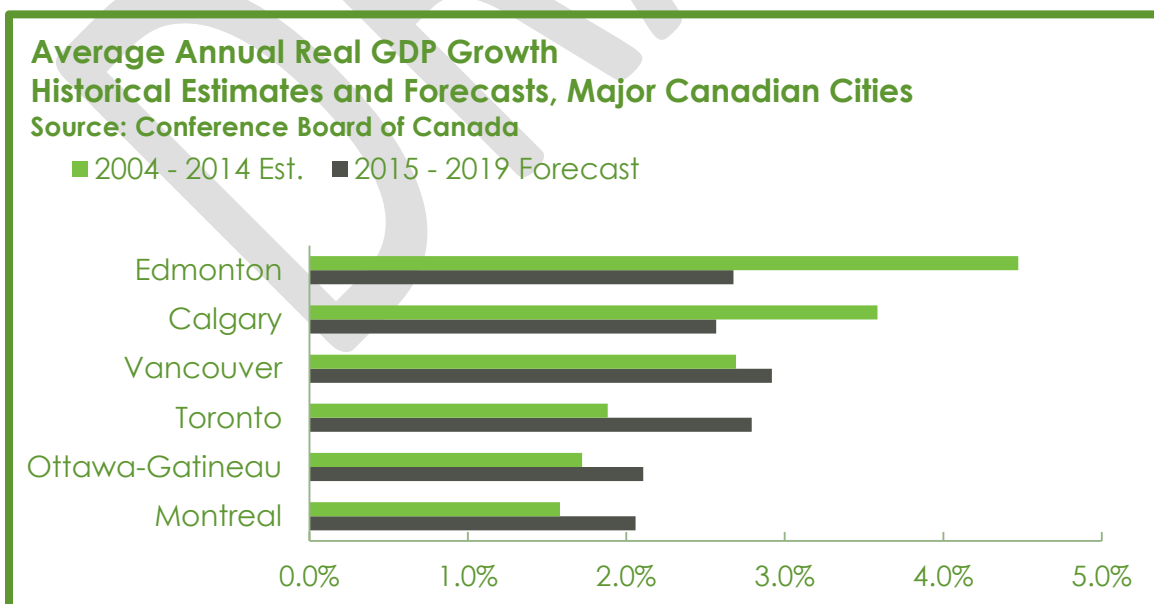
Gross Domestic Product (GDP) is a reflection of corporate revenue as it is driven by revenue generated by companies headquartered in that region, rather than business actually occurring in that region. As a result, GDP tends to be an unreliable indicator of true economic activity in the region. For instance, Refinery Monthly Sales is captured under the GDP growth of the head office for major companies, instead of where the plant is located. In Strathcona County alone, 21.2 Billion in GDP is recorded elsewhere and not in the region. The total GDP of the region therefore, is expected to be higher than officially recorded because bigger drivers, such as petroleum manufacturing, are not represented in the official number.

Knowing this limitation, the following summary is useful as a high-level indicator but should not be taken as granular fact, knowing that the Edmonton Metropolitan Region is likely doing better in terms of GDP than officially stated.

Highest GDP growth among major Canadian cities since 2009

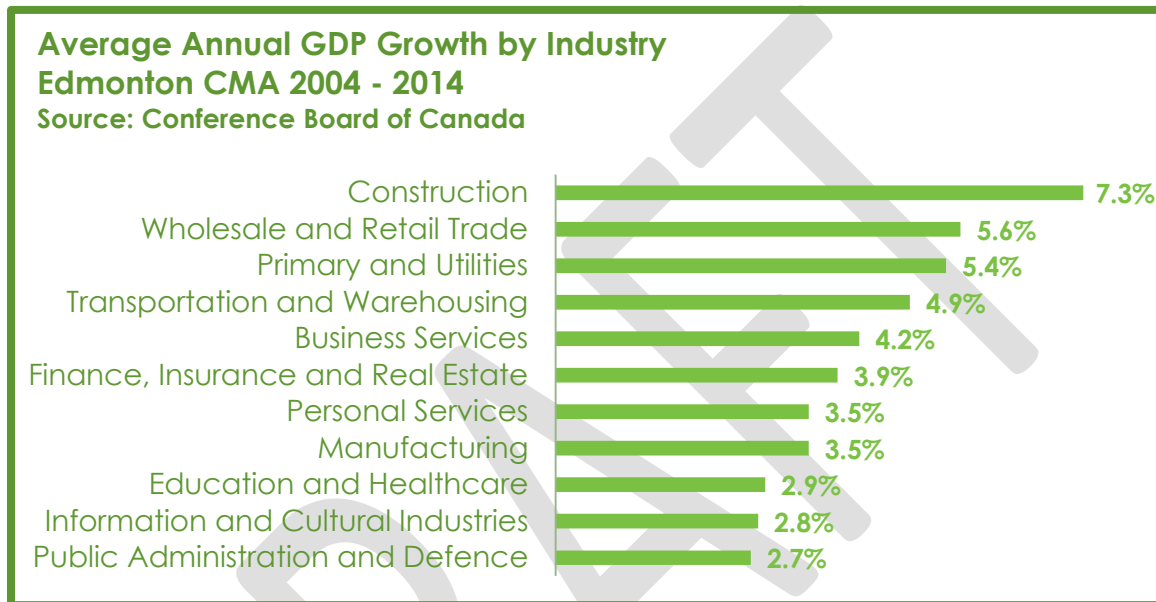
As of 2014, the Edmonton CMA's inflation-adjusted GDP was estimated at \$88 billion (2007 dollars). Since the last recession (2008-2009), the Edmonton CMA's GDP growth has been among the highest in Canada. Compared to Canada's six largest metropolitan areas (Toronto, Montreal, Vancouver, Calgary, Edmonton, and Ottawa-Gatineau), the Edmonton CMA saw the highest annual GDP growth rate in each year from 2010 to 2014, and has had the highest average annual GDP growth rate over the past decade at 4.5%.

The Edmonton area GDP, although understated by up to 25%, has been and is one of the stronger metropolitan regions in the country.



Growth at or above the Canadian average in all industries

The region's three largest industries by GDP are primary industries and utilities (16.9% of GDP), finance, insurance, and real estate (15.6%) and construction (12.2%). Over the past decade, the region's three fastest-growing industries in terms of average annual real GDP have been construction (7.3%), wholesale and retail trade (5.6%), and primary and utilities (5.4%). The slowest-growing sectors over the same time period were public administration (2.7%), information and cultural industries (2.8%), and education and healthcare (2.9%).

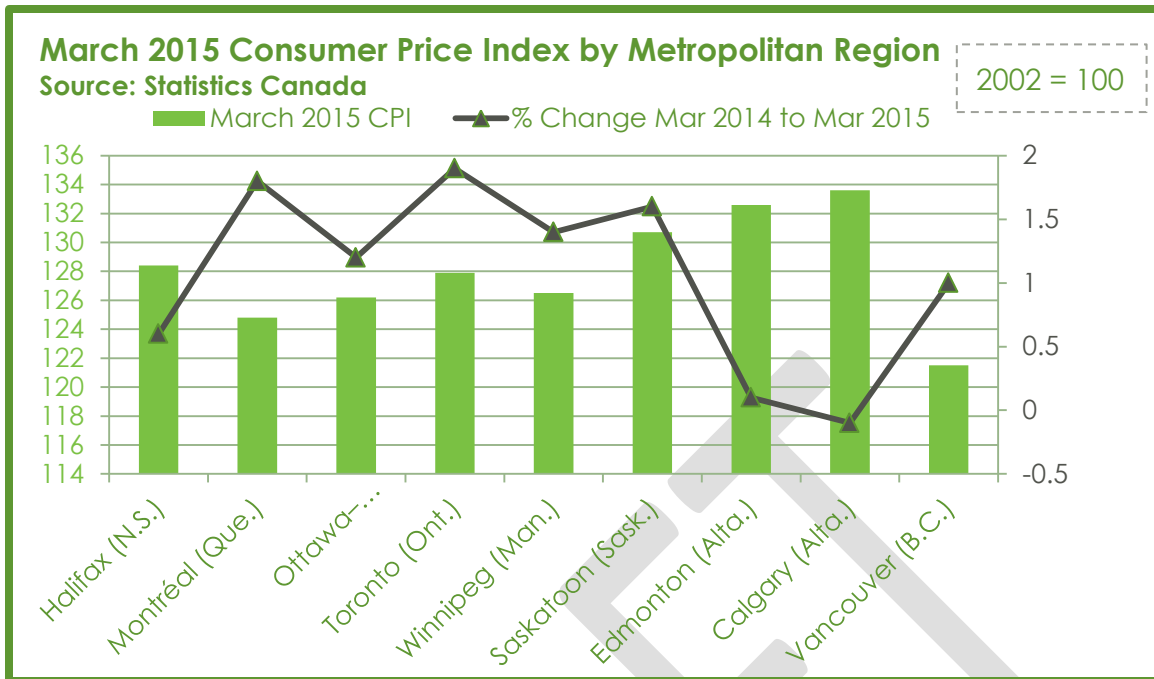


Forecasts predict slower growth for Edmonton in the short and longer term.

Estimates and forecasts of the Edmonton CMA's GDP growth are produced by the Conference Board of Canada and the City of Edmonton. Both sources are currently predicting that Edmonton's GDP growth will slow beginning in 2015 and will remain modest and near the Canadian average during their forecast periods. From 2015 to 2019, the current Conference Board forecast is for Edmonton to average 2.7% annual GDP growth. The City of Edmonton predicts the Edmonton CMA will average 3.3% annual growth between 2015 and 2024. It's important to note that both forecasts have not yet been updated to reflect the impacts of current low oil prices.

Regional costs are amongst the highest in Canada, based on the CPI Index.

The Edmonton CMA experiences higher consumer prices based on the Government of Canada's standard basket of goods. CPI contains goods and services of unchanging quality and quantity and thus, reflects pure price increases. The CPI Index is set at 100 in 2002. In March 2015, the Edmonton CMA was at 132.6.



1.2 Industry Sectors

This section provides an overview of the Edmonton CMA's industry specialization using Location Quotients. Location Quotients are a measure of how concentrated an industry is in a given geographic area (e.g. the Edmonton CMA), relative to another geographic area (e.g. Alberta or Canada). In this analysis, Location Quotients are calculated using industry employment.

Based on these findings:

Areas of Concentration

Relative to Alberta, the Edmonton CMA is specialized in public administration, utilities (although this is the second-smallest sector in Edmonton with only 6,700 employees), and wholesale and retail trade.



Edmonton CMA Industry Concentration Relative to Alberta (2014)

Source: Statistics Canada



Growing Concentration

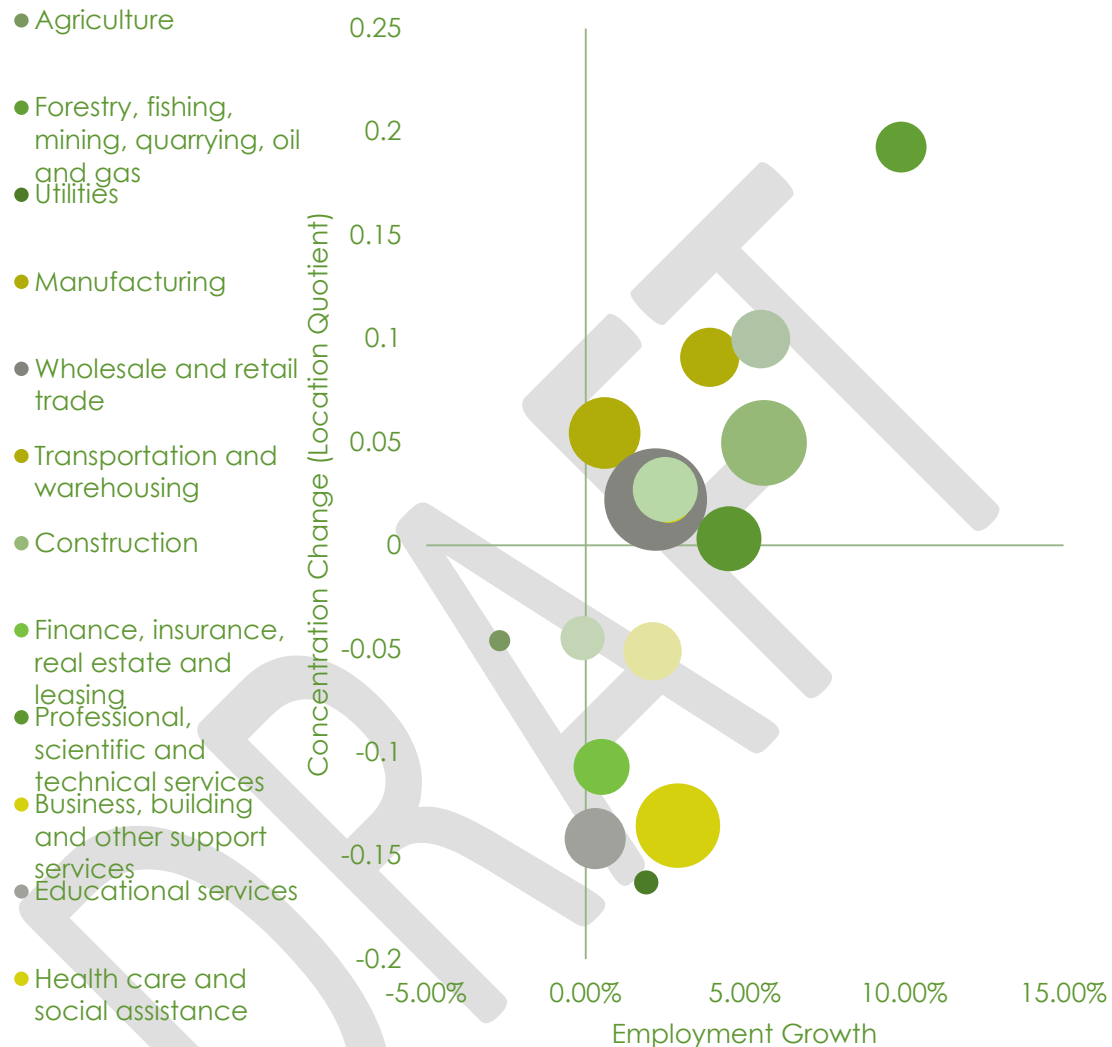
Since 2004, industries with increasing levels specialization include resource extraction, transportation and warehousing, construction, and manufacturing. This reflects the past decade's rapid oil sands development and the region's supporting role in this economic hub.



Changes in Industry Employment and Concentration Relative to AB, Edmonton CMA 2004 - 2014

(size = number of employees in 2014)

Source: Statistics Canada



1.3 Industrial Land Supply

Currently the Capital Region Board is preparing a Growth Plan update in part to review the Land Supply Profile of the municipalities in the Edmonton Metropolitan Region.

With strong demand over the past 5 years, Edmonton's industrial market has seen high levels of absorption and a corresponding decline in both available land and vacant warehouse space. Though development has by and large kept up with the market's desire for new high quality space, some parts of the region (such as Northwest Edmonton) have been rapidly approaching saturation.

Industrial Land Supply: City of Edmonton and Surrounding Districts

Source: Avison Young Industrial Market Report Q4 2014

	Total Inventory	Direct Vacancy	Sublease Vacancy	Vacancy Rate	Vacancy Direct	Vacancy Sublease
City of Edmonton	102,932,804	2,595,837	453,806	3.0%	2.5%	0.4%
Surrounding Districts	15,961,302	741,694	15,440	3.4%	3.3%	0.1%
Overall	118,894,106	3,337,531	469,246	3.0%	2.6%	0.4%

1.4 Infrastructure in the Region

Alberta's infrastructure spending is three times the average of other Canadian provinces. According to the 2014-17 Capital Plan and Strategic Partnership of the Government of Alberta, \$19.2 billion will be invested in public infrastructure. Alberta's infrastructure spending is in line with international standards. The following depicts infrastructure characteristics in the region:

- Power:** The Edmonton Metropolitan Region has excess generation capacity, which is expected to continue until 2041. The Western Alberta Transmission Line (\$1.65 B), Fort McMurray West Transmission Project (1.6 B) and the Sundance 7 Gas Fire Power Plant (\$1.6B) are all based in the Edmonton Metropolitan Region.
- Water:** Water and wastewater agreements are working well in the Edmonton Metropolitan Region. The region relies on water from the North Saskatchewan. There are 7 water treatment plants, with EPCOR supplying a majority of municipalities.
- Roads:** The road system is well connected in the Edmonton Metropolitan Region. There is north access to oil and gas operations in Fort McMurray (highway 63) and Grande Prairie (highway 43). There is access east and west via the Yellowhead highway (highway 16), and south (QEI) to the United States and Mexico via the Canamex Highway. The Anthony Henday Ring Road also increases connectivity. There can be bottlenecks in provincial corridors such as: Highway 16, Highway 43 north and west, Highway 28 and 28A, 63 north and QEI from Edmonton to Leduc.
- Rails:** The Edmonton Metropolitan Region has the distinct advantage of direct rail access, via CN and CP rail, to both the Port of Vancouver and the Port of Prince Rupert. There are 16 rail intermodal and storage facilities operated. Rail traffic is expected to significantly increase, related to activities in the Industrial Heartland and increased use of rail for energy exports, with specific advantages related to the ability to ship raw bitumen.
- Air:** Airports are nodes of opportunity in the Edmonton Metropolitan Region and not a limiter to growth in the region. There are 14 certified airports and registered aerodromes in the Edmonton Metropolitan Region, with 5 airports in the region that have significant infrastructure to meet expanding air traffic demand. The Edmonton Metropolitan Region is closer geographically to many Asian destinations when compared with other competing

city-regions in North America. Plans have also been developed for significant expansion at the EIA including the launch of the Foreign Trade Zone and increased capacity in the cargo village under Port Alberta.

- **Pipeline:** The Edmonton Metropolitan Region has a vast pipeline network throughout, with connections to the Pacific, Gulf Coast, eastern Canada and eastern United States. The current capacity of the pipelines does not meet future demand projections. Currently there is a challenge of setting aside surface land area for future pipelines. Land fragmentation and bottlenecks can restrict development especially in congested areas of Edmonton, Fort Saskatchewan and the Industrial Heartland.

There is a Master Transportation and Corridor Plan for the Edmonton Metropolitan Region in place, and it is reviewed annually as input into government's capital programs. There is a need to increasingly focus these updates on planning for multi-use corridors, transportation and logistics links. The Edmonton Metropolitan Region needs to look at streamlining infrastructure regulatory approvals.

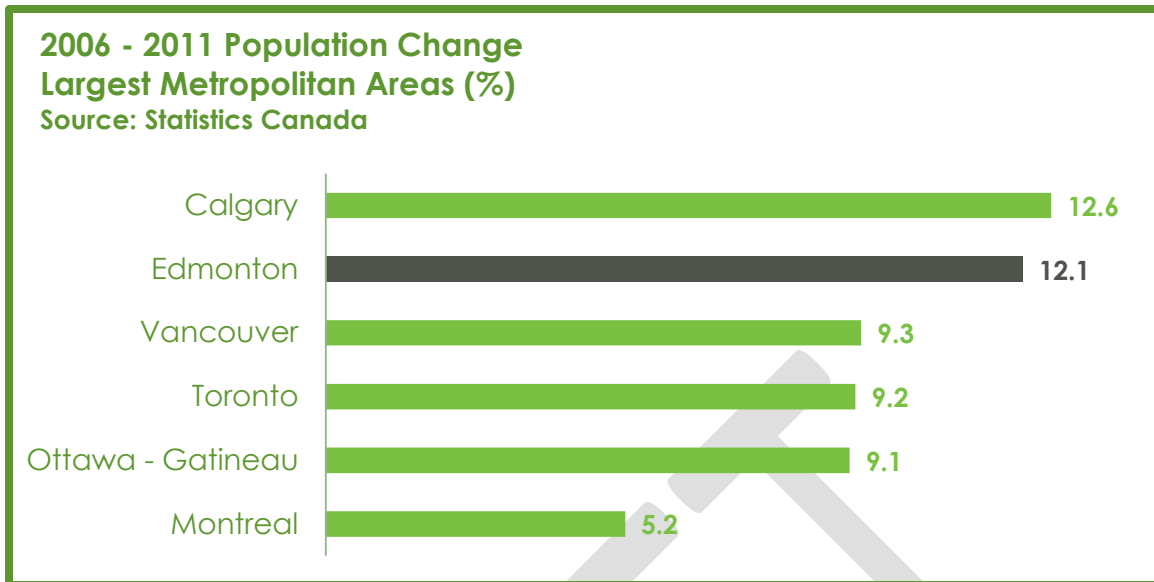
The Edmonton Metropolitan Region is serviced by modern, well maintained infrastructure to support its economic growth prospects. The region will continue to focus on maintenance and upgrading of infrastructure to keep pace with growth.

1.5 Regional Socio-Demographic Characteristics

The following demographic information compares six major Canadian metropolitan areas: Toronto, Montreal, Vancouver, Calgary, Edmonton and Ottawa-Gatineau.

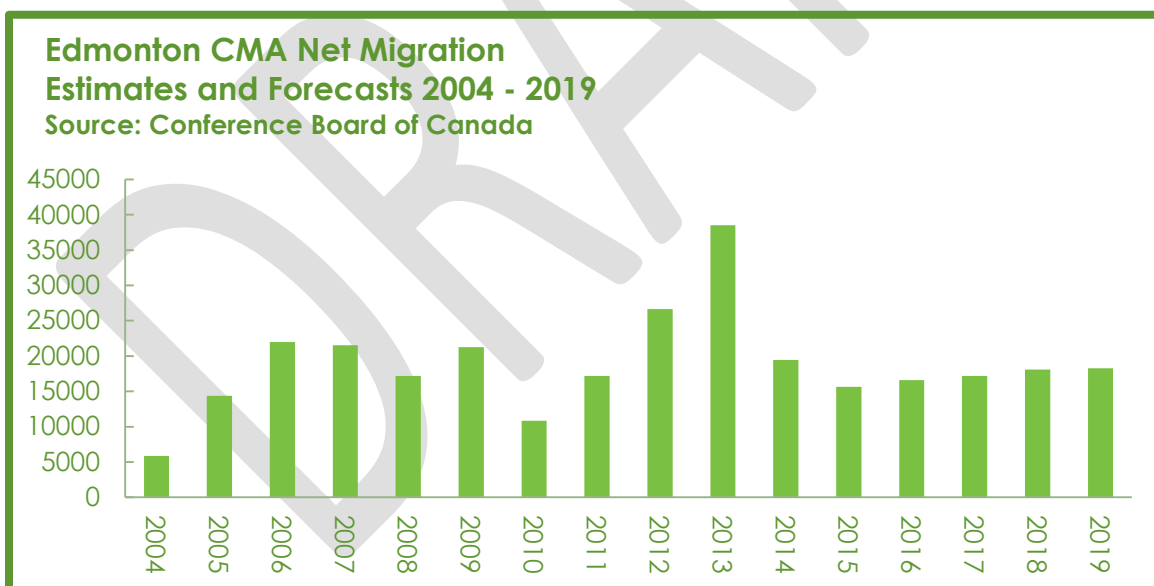
Edmonton CMA: Second-fastest growing population & highest net in-migration

Since 2006 the Edmonton CMA has been among the fastest growing metropolitan areas by population in Canada. Between 2006 and 2011 (the last two Census years) the region's population grew by 12.1%, second-highest among major Canadian cities after Calgary (12.6%). Growth has been driven by high net in-migration, individuals coming from outside of Alberta and Canada, which reached nearly 40,000 individuals in 2013.



Migration and population growth will peak in 2013, but will remain relatively high

According to historical data and the most recent available forecasts, 2013 was the short-term peak for net migration and population growth in the Edmonton CMA. Edmonton is still expected to be the second-fastest growing major Canadian metropolitan area over this time period.



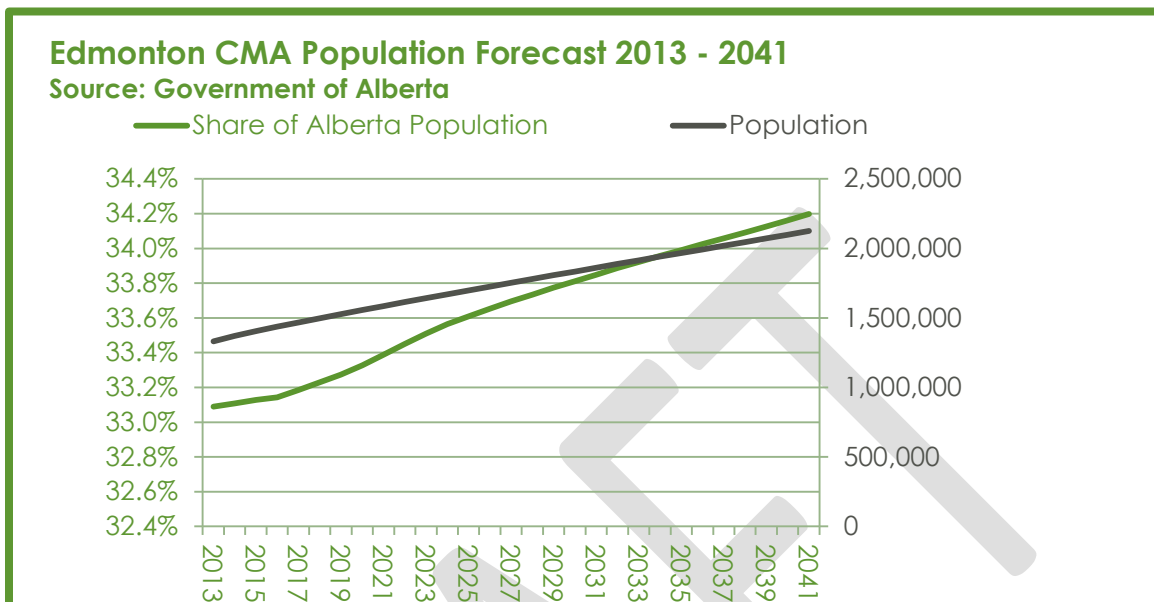
Population Forecast

By 2044, the Edmonton Metropolitan Region will need to accommodate over 50% more residents with the population reaching a potential peak of 2,235,100 residents by 2044, according to the CRB Growth Plan forecast.

The Edmonton Metropolitan Region is expected to be approximately 2,125,455 people by 2041

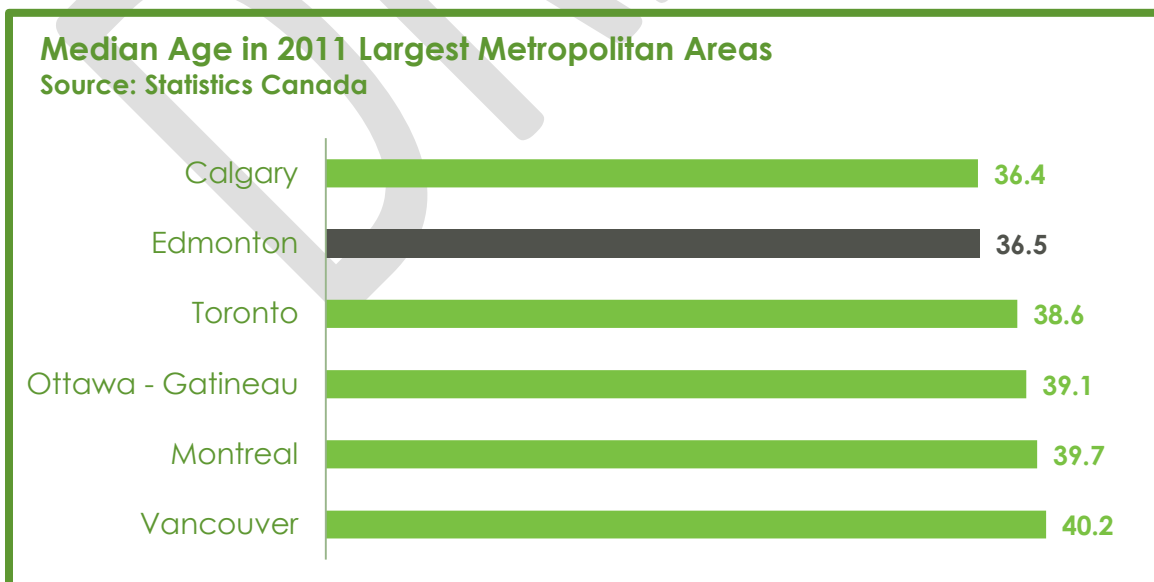


according to the Province of Alberta's Medium Growth Scenario, accounting for 34.20% of the province's population, a slight proportional increase from 2013. The Province is estimating an average annual population growth for the Edmonton area at 1.5% or higher annually.



Second-youngest population among major Canadian cities; not immune to long-term aging population

In 2011 the median age of the Edmonton CMA's population was 36.5 years, second-youngest among major Canadian metropolitan areas after Calgary (36.4). Like the rest of Canada, longer-term projections predict that the share of Edmonton's population age 65 and over will continue to grow, from 11.7% in 2012 to 15.7% in 2041.



Edmonton CMA: Second-highest median incomes in Canada, with a high percentage of apprenticeship, trades or college training

Edmonton region has the second-highest median income among major Canadian cities. As of 2012 the region's median family income from all sources was \$96,030, second to Calgary at \$98,300. This can likely be attributed to high wages for trade occupations in manufacturing, transportation, and construction industries servicing the oil sands, as Edmonton is able to sustain a high median income despite relatively lower levels of university education.

Median Family Income in 2012 Largest Metropolitan Areas (dollars)

Source: Statistics Canada



Share of Population 15 and Over with Bachelor's Degree or Higher, Largest Metropolitan Areas (%)

Source: Statistics Canada



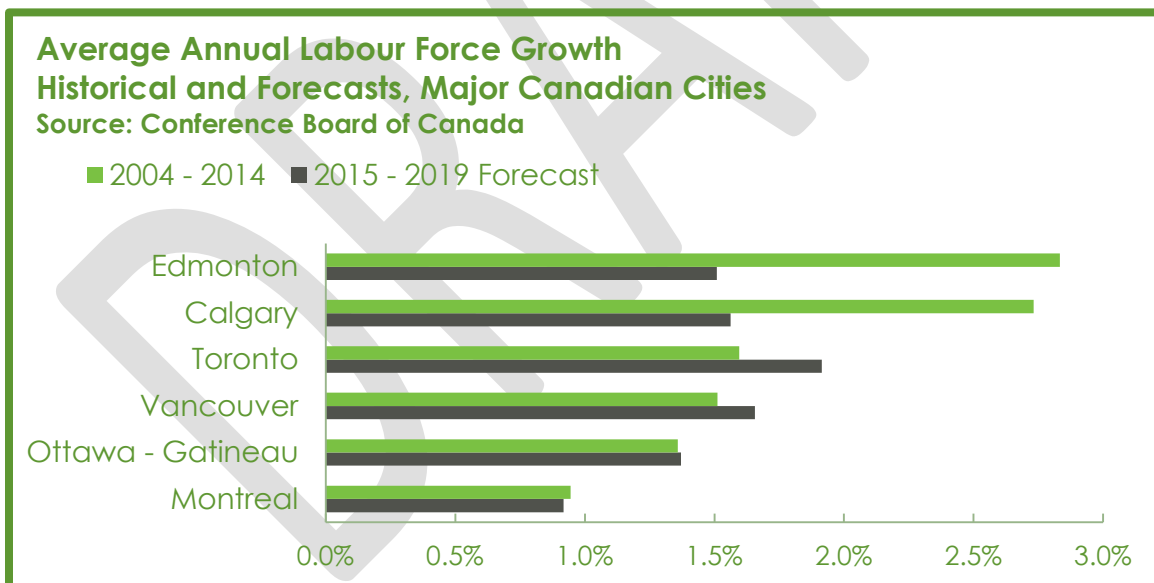
1.6 Regional Labour Force Characteristics

In 2044 the region will see demand for 1,000,000 jobs, an increase of 13,000 jobs a year to the area.

Overall, the Edmonton CMA's recent labour force statistics indicate relatively high demand and supply of labour - individuals appear to be moving to the region looking for employment and finding jobs. Projections from before the recent decrease in oil prices predict an overall labour shortage for Alberta.

Labour force growth highest in Canada 2004-2014

Between 2004 and 2014 the Edmonton CMA's labour force grew on average by 2.8% per year, the highest average growth rate among Canada's six largest metropolitan areas. High labour force growth can be attributed to high net in-migration and the strength of the regional job market. Current forecasts expect that over the short-term Edmonton's labour force growth will slow from 2015 to 2019, with average annual growth of 1.5%. This growth rate is roughly in line with forecasts for other major cities over the same time period. Our labour force relative to population will decline over the period to 2044, as is the case in many Canadian metropolitan areas.



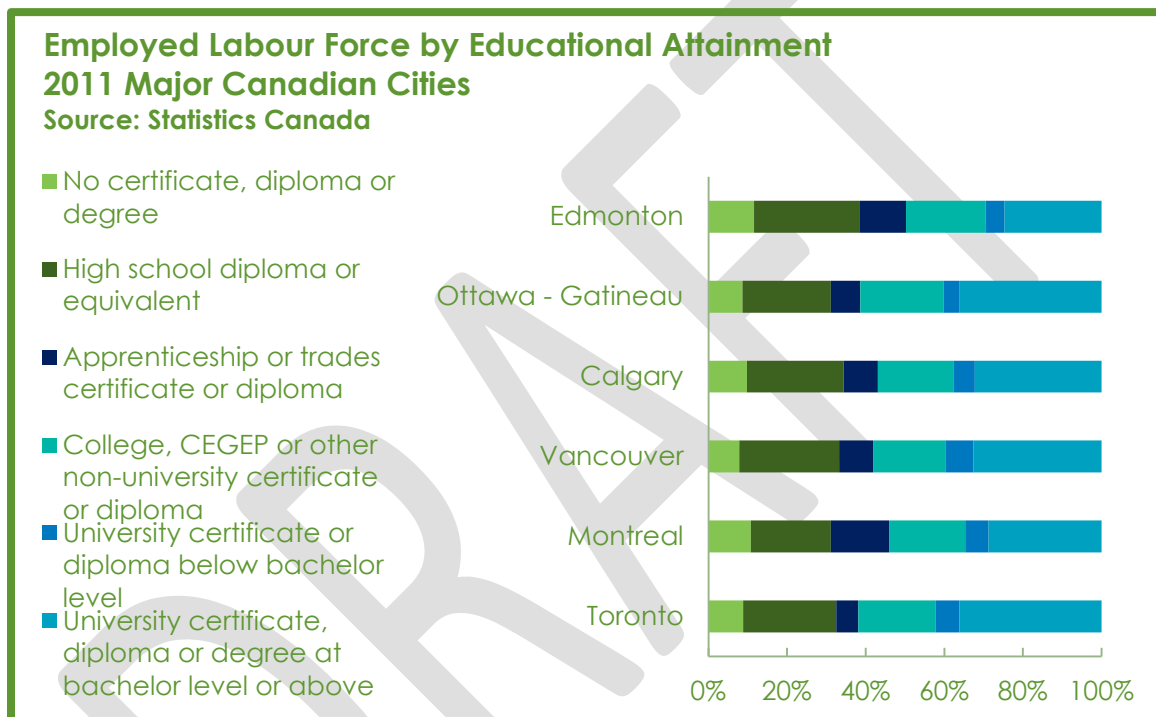
Labour force participation rates among the highest in Canada

The Edmonton CMA's 2014 labour force participation rate of 73.3% is also among the highest in Canada. High participation rates are indicative of a relatively strong job market and young demographics. Long-term projections are currently predicting that the region's participation rate will decline slightly over the next decade, to 72.7% by 2024. This forecast leaves the labour force participation rate well above the current rates of other metropolitan regions, with the

exception of Calgary.

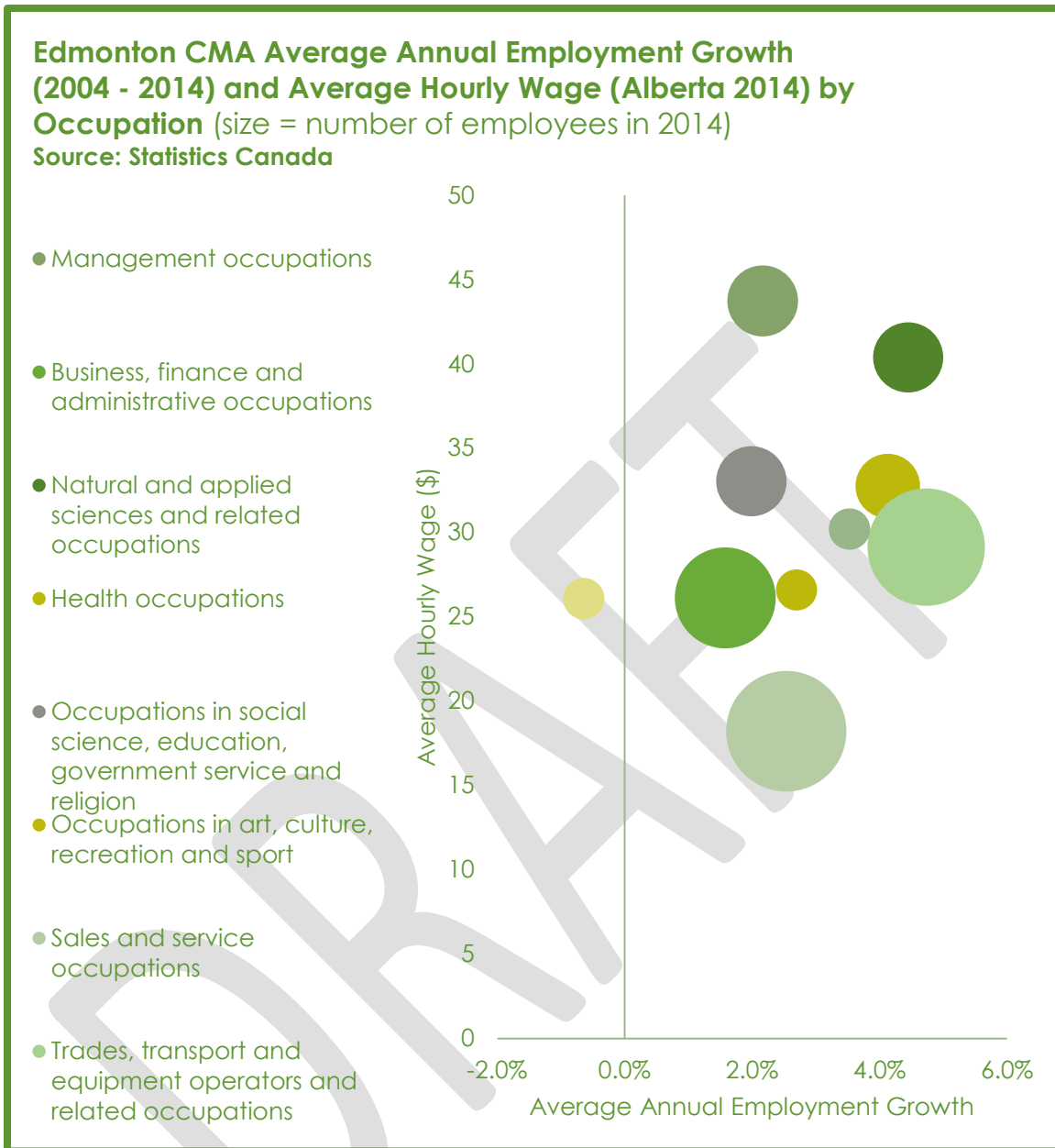
Skill profile reflects the Edmonton CMA's economic structure

The Edmonton CMA's labour force has the lowest percentage of individuals having earned a bachelor's degree or higher among major Canadian cities, at 24.6%. In contrast, 32.0% of the labour force holds an apprenticeship, trades certificate or a college diploma, the second-highest share in Canada after Montreal. The labour force's skill profile reflects the relative strengths of Edmonton's economy: manufacturing, transportation and logistics, and construction.



Edmonton CMA wages are relatively high, and high-wage industries have been growing rapidly

Comparable hourly wage data by occupation is not available across Canada at the city level. However in 2013, Alberta as a whole has the highest average wage among provinces at \$28.12 per hour, with Edmonton wages at \$26.68 per hour and Calgary wages at \$27.64 per hour. Several of Edmonton's fastest-growing occupational categories, such as natural and applied sciences and related occupations, trades, transport and equipment operators and related occupations, and health occupations, have high average wages.

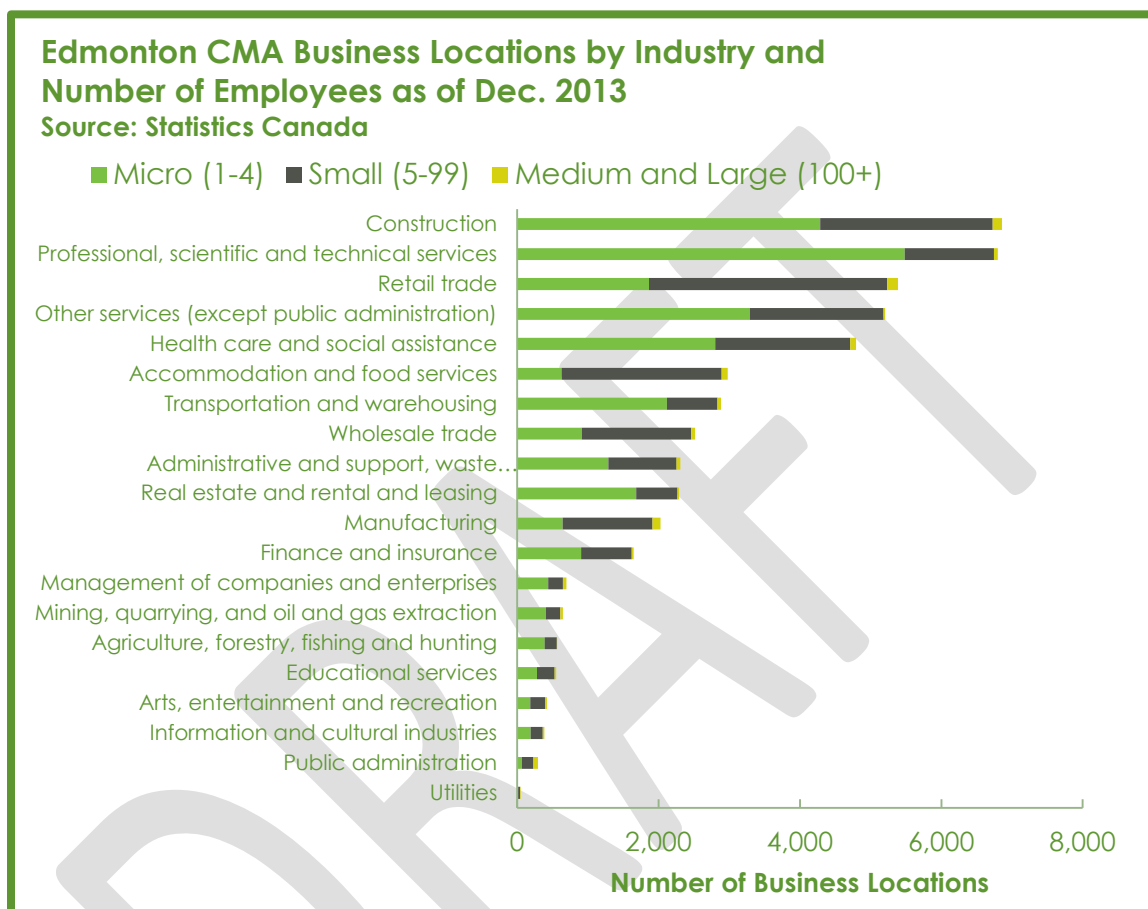


1.7 Regional Business Characteristics

For the purpose of this analysis, business counts are being used as a method of regional analysis. Note that business counts by industry do not account for employment or GDP contribution. For this reason, business location counts can be a misleading method of regional analysis. Solely looking at business counts does not give a full picture of a region's economy, because some industries naturally have more business locations with a small number of employees.

Industries with the highest number of business locations

The three largest industries in the Edmonton CMA by the number of business locations are construction (6,856 locations), professional, scientific and technical services (6,797 locations), and retail trade (5,385 locations).



The majority of the Edmonton CMA's businesses are small

As of December 2013, 97.8% of business locations are considered small, with fewer than 100 employees, and 56.5% are micro businesses with fewer than 5 employees. Small businesses in the region earn (collectively) very significant revenue, and are a leader in creating employment growth opportunities.

Business Growth Opportunities

There are opportunities for growth in the Edmonton Metropolitan Region to expand on existing strengths. The following are a few potential opportunities profiled multiple times in different Capital Region Board strategy documents:



Sector	Opportunity
Manufacturing, Engineering and Construction	Opportunity to innovate, be productive, export & highlight expertise in cold climate design.
Financial Services	Opportunity to enable industry growth and increase employment.
Alternative Energy, Clean Technology, Environmental Products & Services	Opportunity to build on water and waste management strength, capture market share for carbon capture and storage technology, and to export second generation biofuels.
Refined Petroleum Products	Opportunity to capture chemical manufacturing, fabrication and processing sales.
Health	Opportunity to profile expertise in biotechnology & expertise in medical devices and components of ICT (health information.)

1.8 Institutional Characteristics in the Region

Post-secondary educational Institutions

The Edmonton Metropolitan Region is home to six publicly funded post-secondary institutions and a host of private training schools, offering full range of training and educational options to over 180,000 full- and part-time students in the area. The quality of educational institutions in the region is exceptional.

University of Alberta is leading the way in research and innovation. It is ranked 4th in Canada in the list of research universities. It received a combined \$417,757,000 in 2013 in total external funding, down 7.7% from the previous year. The Northern Alberta Institute of Technology (NAIT) is largest trainer of apprentices within Alberta and Canada, accounting for 17 percent of national apprenticeships and more than half of all Alberta apprenticeships.

Research and Development (R&D)

Over the past few years, Edmonton region has seen increased collaboration between institutions with R&D capacity. Edmonton is also home to an array of biotechnology research centres. Edmonton maintains 3rd lowest cost for providing Service Sector R&D, amongst major comparable cities of Western Canada and Mid-Western U.S., according to 2014 KMPG Competitive Alternatives.

Research and innovation is already putting the Edmonton Metropolitan Region on global map. For example, TEC Edmonton, which was ranked 3rd top North American incubator in 2014 by UBI Index – Benchmarking Incubation Globally, has helped raise \$120 million for companies since 2008, placing it 10th worldwide.

Despite having a significant number of R&D bodies in the region, it remains somewhat challenging for small and medium scale business to draw venture capital to invest in R&D. According to PricewaterhouseCoopers, there are a high number of small businesses in the region who do not feel motivated to invest in product improvement since they lack access to



capital funds.

Commercialization

The Edmonton Metropolitan Region has been strengthening its capacity to improve research commercialization and product development. The Government of Alberta has introduced the Scientific Research and Experimental Development Tax Credit, which funds 10% of a company's R&D expenditure up to \$400,000, and the \$100 million Alberta Enterprise Corporation has been established to "help alleviate Alberta's venture capital shortfall and improve rates of technology commercialization".

The Edmonton Metropolitan Region hosts business incubators with focus on Information and Communications technology (ICT), agriculture, biotechnology, agricultural biotechnology, health, clean technology, and industrial product development. For example, Agri-value Processing Business Incubator in Leduc is a food development and business commercialization campus, which has led to over 80% of incubator graduates surviving beyond the first 5 years of their business' existence.