

TRI-MUNICIPAL **REGIONAL** PLAN



TRI-MUNICIPAL ECONOMIC DEVELOPMENT STRATEGY

Economic Development Strategy

Final Report

March 2021



Submitted by: MDB Insight

PURPOSE OF THIS REPORT

The purpose of this report is to summarize key findings from the strategic development process that support the proposed strategic priorities, objectives and recommended actions.

How to Use This Report

As input to the forthcoming Tri-Municipal Regional Plan (to be detailed further as needed) in conjunction with Appendix I – Technical Report and Appendix II – Service Delivery Review.

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1. OVERVIEW

1.1 Introduction

In February 2018, the Government of Canada announced the phasing out of coal-fired electricity generation by 2030. In conjunction with this announcement, the government committed resources to support skills development and economic diversification for affected communities. This presented an opportunity for the Tri-Municipal Region to secure funding to develop a Tri-Municipal Plan.

In January 2019, Spruce Grove, Stony Plain, and Parkland County entered a formal partnership to strategically align their respective land use, servicing, and infrastructure plans by developing a regional plan Tri-Municipal Region. When complete, this Regional Plan (and its associated sub-plans) will help prepare and position the Region for the future by strategically and collaboratively guiding future economic development, land use, and triple-bottom-line (economic, social, and environmental) sustainability across the Region, with the best interests of each partnering municipality in mind and emphasizing 'shared investment – shared benefit' throughout the project¹.

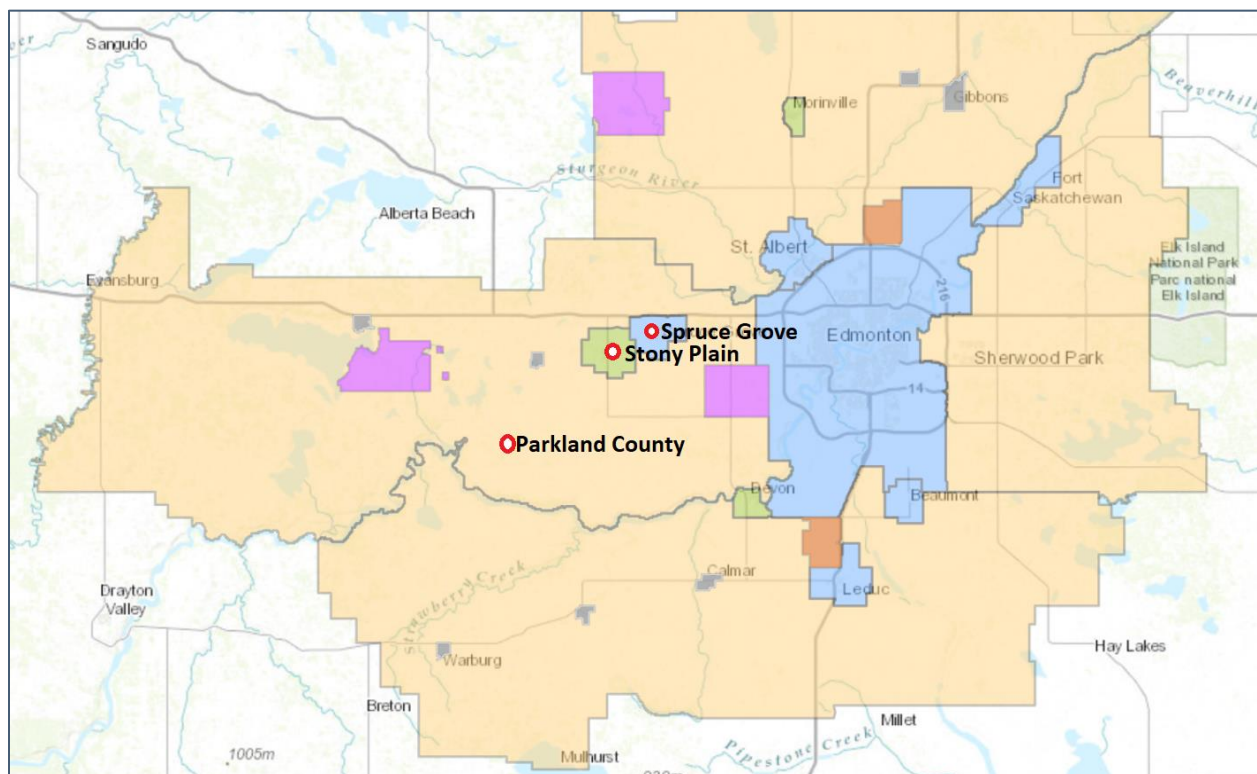


Figure 1: Edmonton Metropolitan Region with the Tri-Municipal Region highlighted
Source: EMRGIS (Edmonton Metropolitan Region Geographic Information Services), adapted by MDB Insight

A regional economic development strategy, by its nature, is broad in scope, identifying high-level strategic priorities considered essential to advancing the Tri-Municipal Region's growth and contributing to the municipalities' sustainability over the long term. This strategy's 3rd party recommendations

¹ Preferred Land Use Scenario Existing Conditions Report – Version 2.0, September 2, 2020.

inform and enable each partner community to achieve heightened local, regional, and global competitiveness individually and collectively. However, it must be noted that the plan's effectiveness relies on improved collaboration and cooperation between the three communities. In the absence of an established SISB framework, there is no commitment or rationale to implement a Tri-Municipal Economic Development Strategy. Further, the eventual Tri-Municipal Regional Plan will contain a Preferred Land Use Scenario and Strategy, which will inform opportunities for future commercial, industrial and residential development activity, the results of which are not reflected in this strategy.

With an integrated local economy and the changing and competitive nature of economic development, achieving the objectives that advance the Tri-Municipal Economic Development Strategy's stated priorities requires a different approach, orientation, and definition of regional economic development, including consideration of alternative service delivery opportunities. The strategy reflects how the nature of work is changing and how the skills, technology and infrastructure needed to support this shift are also changing. A Tri-Municipal Economic Development Strategy provides an opportunity to align economic development programming and related initiatives to achieve more sustainable growth over the longer term.

1.2 Strategy Development Process

The Tri-Municipal Regional Plan has an overall goal of improving governance, service delivery, fiscal capacity, and economic prosperity to benefit the citizens of the Region. The preparation of a Tri-Municipal Economic Development Strategy is a sub-plan to this effort that has been informed by:

- ◆ An assessment of the current economic development situation, strategies and service delivery in the Tri-Municipal Region;
- ◆ Consideration of existing plans, documents and materials from each municipal partner as well as their respective strengths;
- ◆ A review of the Current State Analysis and Municipal Services Strategy prepared by the Integration Consultant;
- ◆ Findings from the Competitiveness Review as well as other Tri-Municipal strategies prepared by other secondary consultants; and
- ◆ Population and employment projections developed for the Edmonton CMA and the Tri-Municipal Region by Applications Management.

The Tri-Municipal Economic Development Strategy is an encompassing strategy for investment attraction and business retention for the Tri-Municipal Region. A commitment to the vision, priorities, objectives, and required implementation effort in the Strategy represents a significant and necessary step forward in the collaboration and coordination of economic development between the three municipalities. A primary consideration for the Strategy has been identifying untapped opportunities for the three municipalities based on a 'shared investment for shared benefit' approach. An established SISB framework would add financial dimensions (e.g., ROI, IRR, etc.) to strategies and evaluations such as "best use of land."

1.3 Methodology

The Tri-Municipal Economic Development Strategy was developed in concert with input from the three municipal partners, the Integration Consultant, and the reporting prepared by other secondary consultants to ensure consistency in the Tri-Municipal Regional Plan's execution. The vision and values

have also framed the process set out in the three communities' corporate strategic plans and informed by research and analysis and input from a select number of external stakeholders.

The starting point for a Tri-Municipal Economic Development Strategy was a comprehensive analysis of the local and broader regional and provincial economy. This resulted in the preparation of a Technical Report (Appendix I) that assessed the Tri-Municipal Region's recent economic performance against a select range of demographic and economic indicators considered relevant to the development of the strategy and combined with an analysis of current and emerging business and industry sector trends. Consideration was also given to existing economic development strategies, reports, and studies that impacted a regional economic development agenda.

In addition to the preceding, a service delivery analysis was completed to ascertain the current situation for delivering economic development services and programming by the three municipalities (Appendix II). Information for this review was collected by the Integration Consultant during a working session with the three municipalities in the summer of 2020 and supplemented with a review of available documents and reports, as noted above.

It should be noted that the Tourism sector is not specifically addressed in this economic development strategy despite it being part of the economy and reflected in current economic development programming. Tourism was not referenced in the RFP for this strategy, and it was specifically excluded in the RFP for the Competitiveness Study. This sector does not have specific industry coding and is treated statistically through the Tourism Satellite Account. The TSA does not produce data at the municipal level and cannot be addressed in the same manner as other sectors. Further, tourism development has been addressed in part by the Cultural Strategy and the Recreation Strategy completed as part of the Tri-Municipal Regional Plan.

The Technical Report and Service Delivery Analysis findings have formed the basis for developing the priorities, objectives, and recommendations contained in the Tri-Municipal Economic Development Strategy. The effect is to have the Tri-Municipalities assume a more collaborative and proactive role in developing a diverse regional economy and ensuring the fiscal stability that supports three vibrant communities' growth.

The priorities, objectives, and actions in the strategy reflect the input of the municipality's subject matter experts (SMEs) derived from a workshop conducted on January 19, 2021.

2. ECONOMIC CONTEXT

The Tri-Municipal Region, like many other communities across Alberta, has been heavily impacted by the oil and gas sector's volatility. Low and unstable oil prices have affected job creation and growth, infrastructure, and economic opportunity in the sector. Declining investment has reduced oil sands development and energy projects, along with related manufacturing, infrastructure, and business services investment. Notwithstanding this, the communities of Parkland, Stony Plain and Spruce Grove have realized growth over the years due to economic diversification into agri-food, engineering and construction, and industrial fabrication. Commercial growth in retail, professional and medical services has also been enabled by the rapid population growth in the Region. While all three communities have made progress with their economic development priorities, there is a shared desire to align land use, service delivery, and infrastructure investment for the shared benefit of the Region.

This section of the report highlights the key insights that resulted from an evaluation of the Municipalities' current economic development strategy and program execution and an understanding of the Region's demographic, employment, and development trends. A full examination of the Region's current economic context is provided as *Appendix I: Technical Report*.

2.1 Historic and Projected Growth

2.1.1 Alberta

Alberta's economy was projected for recovery in early 2020 due to renewed business investments in oil production and pipeline capacity expansion². However, as of January 2021, the province's near-term economic outlook remains uncertain due to the ongoing impact of COVID-19 and the volatility of the oil and gas sector.

From February to April, employment in the province declined by more than 360,000 jobs, reaching the lowest point in April 2020. As the first lockdown was eased, employment across the province witnessed a recovery in keeping with broader national trends. From May 2020 to September 2020, the province saw employment rise by 206,800 (10% net increase), with sectors including trade, accommodation and food services, health care, construction showing the highest increases.

² RBC. (2019). Alberta – Making steps in the right direction. Provincial Outlook, December 2019. Source: <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/alta.pdf>

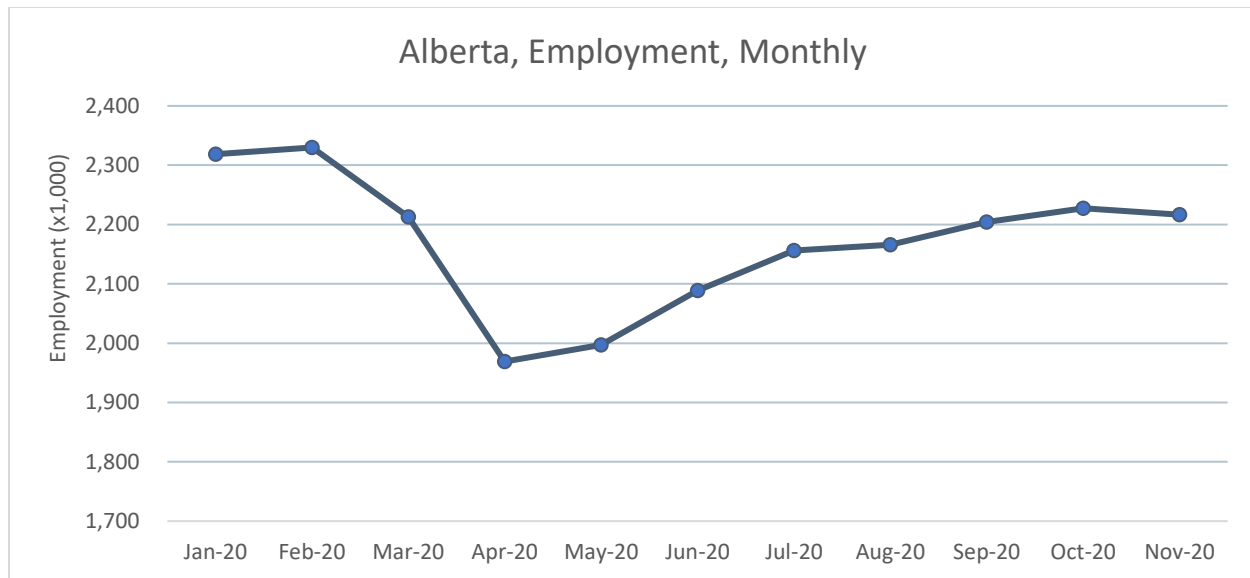


Chart 1: Employment, monthly and seasonally adjusted, Alberta, Jan – Nov 2020

Source: Statistics Canada. Table 14-10-0287-01

ATB Financial³ predicts that Alberta's real GDP is forecast to grow by 3% in 2021. The province's economic recovery will be a long haul as it will take until 2023 for annual GDP to surpass pre-COVID levels⁴. The main variables affecting recovery will continue to be the impact of the pandemic and the state of the global oil industry.

Considering the energy sector, even if the oil demand fully recovers globally, Alberta's capital spending will remain low in 2021 (\$7.1 billion compared to \$22.8 billion in 2019), resulting in lower business investment and job growth⁵. Estimates show that reduced spending in exploration and production could result in a supply shortage, with forecasts showing West Texas Intermediate (WTI) Benchmark of at least \$60 a barrel into 2022. Alberta's Recovery Plan⁶ identifies that the oil sector will thrive through increased access to the global market due to pipeline construction despite these conditions.

As per the Alberta Major Projects database⁷, pipeline projects account for \$27.3B in private and public sector investment across Alberta (19% of total project investment). This includes the Trans Mountain Pipeline Expansion, the proposed Heartland Pipeline and the Keystone XL Pipeline.

The recent suspension of the Keystone XL project⁸ does indicate short-term risks, including the loss of jobs and investment and higher cost to transport oil through rail and trucks. However, other ongoing

³ ATB Economics prepares ATB Financial's Alberta Economic Outlook. ATB Financial was established as Alberta Treasury Branches and is now the largest Alberta-based financial institution, owned by the Province of Alberta.

⁴ ATB Economics. (2020). Alberta Economic Outlook October 2020. Source: <https://www.atb.com/siteassets/pdf/company/insights/outlook/alberta-economic-outlook-october-2020.pdf>

⁵ ATB Economics. (2020). Alberta Economic Outlook October 2020. Source: <https://www.atb.com/siteassets/pdf/company/insights/outlook/alberta-economic-outlook-october-2020.pdf>

⁶ Government of Alberta. (2020). Alberta's Recovery Plan. Source: <https://www.alberta.ca/assets/documents/alberta-recovery-plan.pdf>

⁷ <https://majorprojects.alberta.ca/>

⁸ The Keystone XL project was a \$1.5 billion equity investment that was estimated to export at least 820,000 barrels of Alberta crude to the US market and create 7,400 high paying jobs in Canada,

pipeline projects, including Enbridge's Line 3 replacement⁹ and the Petrochemicals Incentive Program,¹⁰ remain key to secure investment and growth in the sector. Over the long term, investments in the oil and gas sector will depend on global demand for Alberta's future oil production. Carbon pricing adds another layer of consideration to the province's investment in the oil and gas sector, as carbon taxes are set to increase to \$50/tonne in 2022. Given these uncertainties, there is an increasing emphasis in the region on diversification within the energy sector and growth in technology, manufacturing, agriculture and related industries.

Current initiatives, including the Job Creation Tax Cut, provide an attractive environment for new business investment. It will accelerate creating an estimated 55,000 new full-time private-sector jobs and stimulate \$13 billion in economic growth. The Innovation Employment Grant and additional investment of \$175 million into the Alberta Enterprise Corporation will serve to support the growth of the technology and innovation sector and expand access to venture capital for early-stage start-up companies, respectively.

ATB Economics identifies growth prospects for the province include technology and digital sectors, agriculture and agri-food and renewable energy and clean technologies. Current evidence shows that agri-business will continue to be a significant economic driver for the province, contributing \$8.5 billion in GDP and employing close to 73,000 Albertans. On a year-to-date basis, food manufacturing sales outperformed the overall manufacturing sector, up by 7% as of July, while total manufacturing sales were down by 17%. Alberta's Recovery Plan¹¹ lays out significant opportunities for the sector through the following strategies: enhancing value-added processing capacity, expanding export opportunities and access to key global markets, expanding irrigation infrastructure, and ensuring access to fibre to support jobs and investment.

Looking into the future, as the energy, construction and manufacturing industries diversify with a focus on technology-based development, the professional, scientific, and technical services (PSTS) will see growth due to the need for specialized engineering services, testing laboratories, and computer programming and software development. ICT and digital media sectors will continue to grow due to technology adoption and automation and higher demand for technologies including virtual and augmented reality, artificial intelligence (AI) and blockchain technology, and 3D printing 5G mobile.

2.1.2 Edmonton CMA

The Edmonton CMA is the largest in Canada by area and comprises the majority of Alberta's Division No. 11, an essential part of the Edmonton-Calgary Corridor. Edmonton CMA's GDP and employment trends were used to provide context for the Tri-Municipal Region's growth. Data for the same was adapted from the *Tri-Municipal Regional Plan-Growth Forecasts: Assumptions* prepared by Applications Management.

Similar to provincial trends, the regional economy is expected to witness steady long-term population growth. As the most urbanized area of the province, the Edmonton-Calgary Corridor will continue to witness high migration levels and outpace the provincial growth average, with over 80% of all Albertans

⁹ TD Economics. (2020). Provincial Economic Forecast: It's Always Darkest Before Dawn. Source: <https://economics.td.com/provincial-economic-forecast>

¹⁰ <https://www.alberta.ca/alberta-petrochemicals-incentive-program.aspx>

¹¹ Government of Alberta. (2020). Alberta's Recovery Plan. Source: <https://www.alberta.ca/assets/documents/alberta-recovery-plan.pdf>

living in this region by 2046¹². Future population growth in the province and the region will be driven by migration, particularly international migration. This is particularly relevant as trends point to lower natural increase and population ageing.

Edmonton CMA's economic growth rates show a contraction of 8% real gross domestic product (GDP) from 2019 to 2020. Sectors impacted the most included real estate and rental and leasing, construction, manufacturing, and mining, quarrying, and oil and gas extraction. However, building on provincial trends, the CMA is expected to recover, albeit at a slower rate of 3% compared to higher historical rates.

While historically, GDP growth was driven by the goods-producing sector (i.e., oil and gas extraction, manufacturing, and primary resources), current and future growth are expected to be led by services sectors. Major growth drivers include real estate, healthcare, education, finance and insurance, professional, scientific, and technical services. Within the industrial sector, construction, oil and gas extraction and manufacturing will continue to drive growth.

Over the next ten years, the CMA's employment is forecasted to increase by 22% to more than 800,601 jobs by 2030. The service sector is projected to show growth of 22%, with accommodation and food services and health care showing the highest net increase in job numbers. Jobs in knowledge economy sectors¹³ also show growth, accounting for a net increase of 25,286 jobs. Employment in the goods-producing sector also shows growth, led by construction and manufacturing sectors. Long-term projections show an employment base of 1.2 million jobs by 2059 for the Edmonton CMA.

2.1.3 Edmonton Metropolitan Region

While the *Tri-Municipal Regional Plan-Growth Forecasts: Assumptions* provided important context regarding growth and employment assumptions within the Edmonton CMA, a study of EMR¹⁴ and its industry sectors enables an understanding of the Tri-municipal Region's overall economic conditions.

The EMR is the dominant hub for northern Alberta and comprises a diverse mix of industry clusters, including healthcare, manufacturing, and wholesale trade. Considering the LQ's (*Chart 2*), healthcare and manufacturing are high concentrated clusters, while the business concentration in sectors including trade, accommodation and food services, transportation and warehousing, construction, finance and insurance and educational services are on par with the province.

Energy production is a crucial sector for the EMR. Between 2017-2018, federal spending on R&D in this sector increased by 14% (\$67m), focusing on energy efficiency and hydrocarbon spending, carbon capture, utilization, and storage. The sector is concentrated in Alberta's Industrial Heartland¹⁵, with over 40 national and multinational companies and \$40 billion in current capital investment¹⁶.

Within the EMR, the city of Edmonton will witness the most growth as it serves as the hub for regional employment. The surrounding communities will continue to grow and meet residential growth needs.

¹² Treasury Board and Finance. (2020). Population Projects: Alberta and Census Divisions, 2020 – 2046. Source : <https://open.alberta.ca/dataset/90a09f08-c52c-43bd-b48a-fda5187273b9/resource/bb7c6ef6-ade5-4def-ae55-ef1fd5d4e563/download/2020-2046-alberta-population-projections.pdf>

¹³ Professional, scientific, technical services, educational services, finance and insurance and information and cultural industries.

¹⁵ Largest hydrocarbon processing centre in Canada and the centre of petrochemical activity in Western Canada.

¹⁶ <https://edmontonglobal.ca/energy/>

However, employment opportunities will be comparatively lower, resulting in a resident base that commutes to Edmonton city to work.

Technology and innovation play a significant role in the regional economy's growth and development with efforts that support petrochemical development, health research, emerging tech and AI hub, agriculture, food processing, and manufacturing industries. The University of Alberta, Alberta Machine Intelligence Institute (Amii), Google's DeepMind facility in Edmonton and key industry leaders including Google, Amazon, Toyota, IBM, Volkswagen, and Microsoft will continue to drive demand for new technologies and applications.

Although there will likely be a reduction in private investment over the next few years due to the uncertainty surrounding oil prices and the post-pandemic economy, there are still many significant projects currently underway in the Edmonton region. The largest projects are in real estate, including residential, commercial, and industrial projects. In 2020, there were 70 projects under construction in the Region with a cumulative value of more than \$22 billion. There are also 40 proposed projects with a total investment value exceeding \$11 billion. This includes Inter Pipeline's Heartland Petrochemical Complex, a \$4 billion project to diversify and strengthen the existing large-scale natural gas liquids (NGL) processing business. In September 2019, TELUS announced an additional investment of \$16 billion over the next five years to expand Alberta's broadband network infrastructure¹⁷. The investment is expected to provide better healthcare technology access, prepare the province for 5G resources, and support increased IoT capabilities and agriculture technology.

¹⁷ EMRB. (2020). Edmonton Metropolitan Region Broadband Current State Situation Analysis – May 2020 Draft. Source: <https://emrb.ca/Website/media/PDF/DRAFT-BroadbandCurrentStateAnalysis-May2020.pdf>

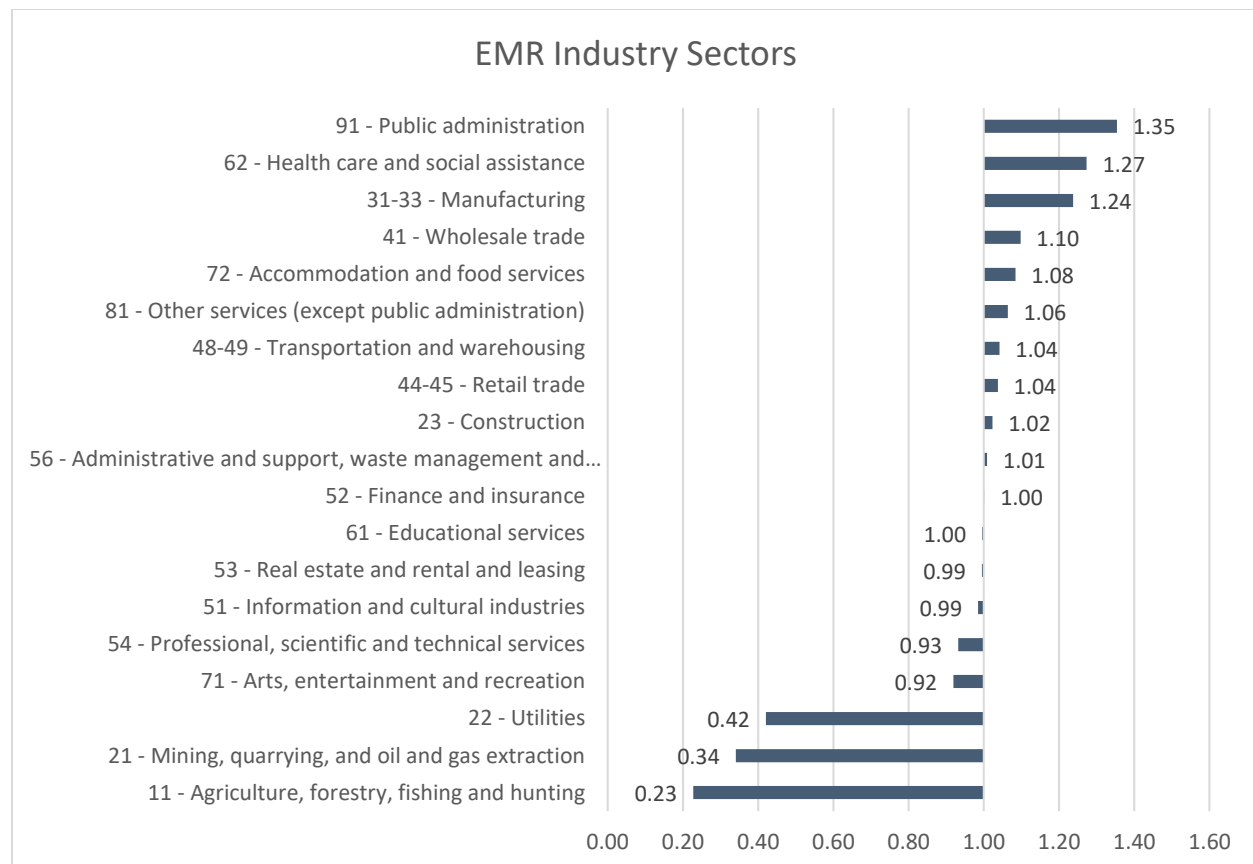


Chart 2: Industry Sectors, EMR, Location Quotient to Alberta, 2020

Source: Canadian Business Counts, June 2020

2.1.4 Tri-Municipal Region

The Tri-Municipal Region is home to over 87,000 residents and 8,500 business establishments. It is a key part of an evolving regional economy, shifting from goods-producing sectors to the services-producing sector.

When considering population trends, the Region's population is anticipated to reach approximately 158,743 people by 2059, representing an average annual growth rate of 2%. Like historical trends, Spruce Grove is projected to account for most of the population increase and will continue to be the dominant/largest urban centre of the Region. By the end of the forecast period, the population shifts older, with seniors making up 21% of the population compared to only 13% in 2019. The ageing population will impact the region's programs and services to ensure that municipal spending is best allocated for the community's needs. While the Tri-Municipal region is expected to have an ageing population, the portion of the population over 65 at the end of the 40 years is lower than the rest of the Edmonton CMA, indicating that other parts of the CMA are ageing faster than the Region.

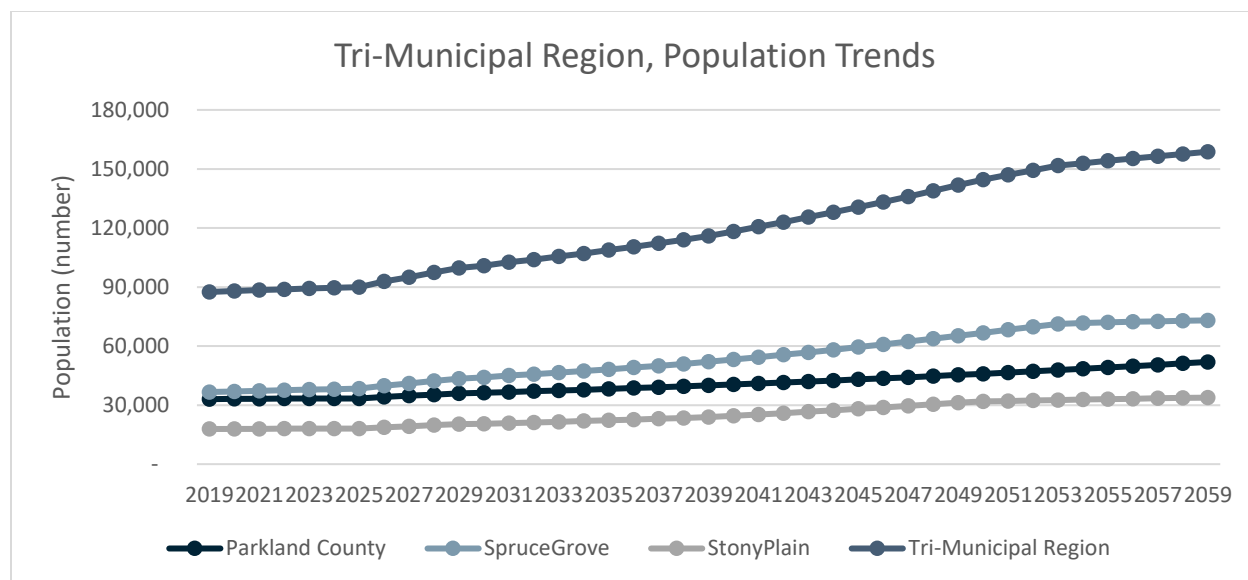


Chart 3: Historical, Current and Forecast Population Trends, Tri-Municipal Region, 2019-2059

Source: Applications Management, adapted by MDB Insight

In the short term, employment in the Tri-Municipal region is expected to decline by approximately 3%, consistent with the Edmonton region for the period. The industries that see the most impacts over the short term are information and cultural industries, manufacturing, and other services (except public administration). It is expected that most industries impacted by COVID-19 would recover by 2024, with some industries witnessing a permanent shift in economic activity, including higher technology adoption.

Over the next ten years, employment in the Tri-Municipal region is forecasted to grow by 8% to 38,288 jobs in 2029. The services sector currently accounts for close to 62% of the Region's employment base and is projected to account for a further 8% growth by 2030. The fastest-growing employment sectors in the services sector include health care and social assistance, professional, scientific, technical services and finance and insurance, accommodation and food services and transportation warehousing. Of the industrial sectors, transportation and warehousing and agriculture, forestry, fishing, and hunting exhibit the greatest potential for substantial employment growth.

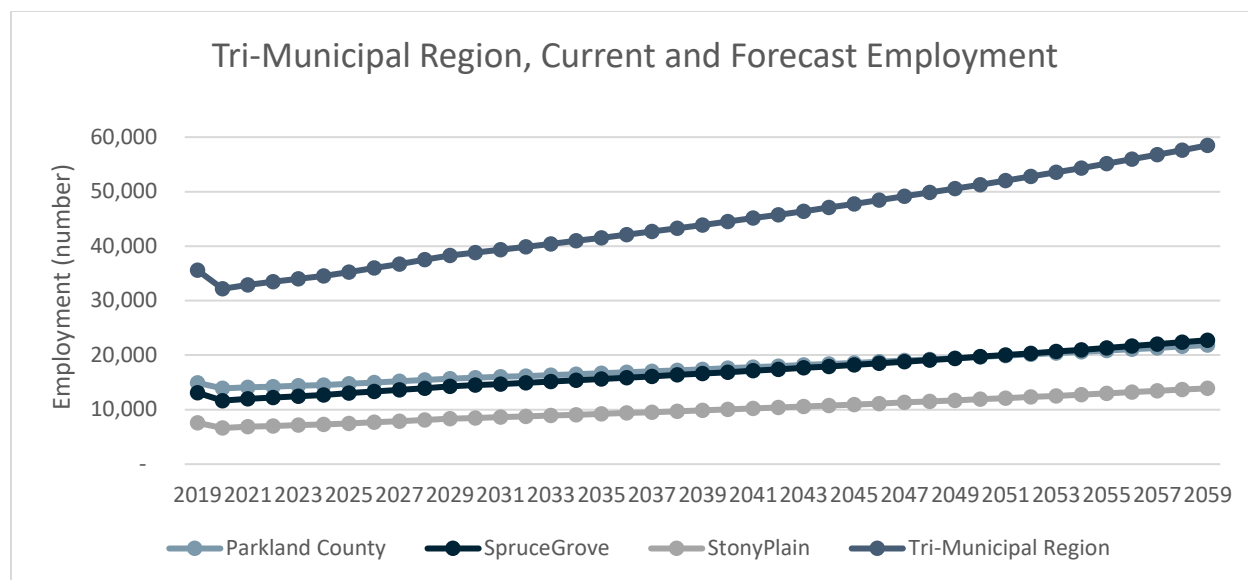


Chart 4: Employment Projections, Tri-Municipal Region, 2019-2059,
Source: Applications Management, adapted by MDB Insight

The Tri-Municipal region is unique in building on the regional economy and EMR's industry strengths in energy services, transportation, warehousing and logistics, manufacturing, information, communications, technology, and value-add agriculture.

It is important that the Region anticipates and responds to these target industries evolving needs to better position itself for sustained growth. The regional economy will need to embrace technology, data integration and automation to improve overall competitiveness and achieve sustainable growth. Efforts to support continued growth in the services sector will need to ease access to international markets for trade and investment, incentives and opportunities for product and process innovation, workforce development, and support infrastructure, most notably for broadband. The continued structural changes warrant a parallel response by the Tri-Municipal Region in the type and nature of employment lands and infrastructure, including the built form. As knowledge-based sectors continue to grow, major office, flex office, and multi-purpose facilities encompassing office and non-office use become increasingly important.

When considering these industrial sectors, future growth will need to account for the growing globalization of services and rapid technological adoption. Traditional industrial processes are becoming more capital/technology-intensive and automated, with lower labour requirements. These trends are expected to change the labour and land needs of the manufacturing and logistical sectors. However, demand will continue to be in locations where available employment lands have strong connectivity to regional transportation infrastructure. Furthermore, the continued outsourcing of local manufacturing will drive the need for new consolidated, large scale warehousing facilities (e.g., Amazon facility) to store and manage the distribution of goods produced locally and goods imported from abroad. With its links to food and beverage production and technology manufacturing, light manufacturing will continue to grow and require a reshaping of typical employment lands.

The Region should make sure that it has the labour force required to participate in an evolving economy over the long term. Currently, 54% of the Region's labour force commute outside the Region to work¹⁸, primarily in knowledge-based sectors including health care and social assistance, professional, scientific and technical services, finance and insurance and educational services. Construction, retail trade and mining, quarrying, and oil and gas extraction are also seeing a net outflow of labour. This suggests that there may not be sufficient employment opportunities for the community residents, something noted in the Competitiveness Review of the Tri-Municipal Region. The Region also has a relatively lower proportion of knowledge workers¹⁹ at 51% than the Edmonton CMA at 56%. Over the long-term, the Region is projected to grow to a workforce of more than 58,000. The occupations projected for the highest increase are in the retail, food services and construction sectors. While this ensures the Region will continue to be a regional service centre, it does not reflect the opportunities to support residents' higher-value employment opportunities.

Leveraging the significant opportunities associated with population and employment growth also requires consideration of current and future housing needs. Attracting young and educated professionals and families to the Region requires, in part, good quality of place experience and a range of housing options, including rental accommodation. Affordable housing options may not focus on Parkland County due to its rural nature and the higher median incomes of residents, and the comparatively low proportion of households in need. This places increased pressure on Spruce Grove and Stony Plain to provide a broad range of housing options to cater to young professionals. The Tri-Municipal Housing Needs Assessment identifies that while progress has been made in adding new multi-unit developments, including rental and condominium units, there is a growing demand for more small, affordable units, particularly in the more urban areas of the Region. A Housing Needs Assessment and Strategy are being completed as a component of the Tri-Municipal Regional Plan.

Fiscal Capacity

Fiscal capacity refers to a municipality's relative ability to pay for municipal services and fund infrastructure that supports the local economy's growth and development. Each municipality of the Region is compared to other municipalities in Alberta of a comparable municipal status (e.g., city, town, rural). Below is a summary of some fiscal capacity measures outlining the current situation and a forecast of how this is expected to change based on each municipality's growth forecasts. Additional detail is provided in Appendix I – Technical Report.

Parkland County – Parkland County's fiscal capacity is somewhat 'below average' compared to all rural municipalities in Alberta. The total assessment per capita in Parkland County is \$328,019 (2019) compared to \$443,343 for other rural municipalities. Parkland County also has a lower share of non-residential assessment as a proportion of total assessment (40%) than the average for all rural municipalities in Alberta (56%). This is partly due to more residential development in Parkland County than in many other rural municipalities in the province. It is noted that the County's fiscal capacity, while lower than average, is not in of itself a concern for the County's financial sustainability. Parkland County has an average level of Municipal Debt per capita compared to rural municipalities in Alberta and has a significant debt limit and debt servicing room.

¹⁸ Statistics Canada. Commuting Patterns. 2016

¹⁹ Knowledge workers analysed at National Occupational Classification (NOC) at the 1-digit level, NOC 0-NOC 5.

Spruce Grove – Spruce Grove has an ‘average’ fiscal capacity compared to other Alberta cities. In 2019, Spruce Grove’s total assessment per capita was \$165,106, which is above the average for all cities in Alberta of \$159,470. On the other hand, Spruce Grove has a below-average share of non-residential assessment over total assessment (18%) compared with the average for other cities in Alberta (23%). Over the historical period analyzed (2009-2019), its position vis-à-vis the average for Alberta cities has improved.²⁰ Spruce Grove’s municipal debt per capita has been increasing over the years from 2015 to 2019. Spruce Grove also has among the lowest Municipal Debt rates per capita of all cities in the province.

Stony Plain – Stony Plain has an ‘average’ fiscal capacity compared to other Alberta towns. Total assessment per capita is above the average for Alberta towns at \$151,922 compared to \$124,047. Stony Plain’s non-residential assessment as a share of total assessment is lower than the average for towns in Alberta at 16% compared to 22%. Stony Plain had a slightly higher than average Municipal Debt per capita when compared to towns in Alberta in 2017-2019. The Town utilizes a higher debt limit than similar size towns in Alberta at 38% in 2019.

Based on each municipality's growth projections, the fiscal capacity measured by non-residential assessment as a share of total assessment is summarized in the figure below. The fiscal capacity of both Parkland County and the City of Spruce Grove is projected to decline somewhat over the forecast period. Parkland County is projected to decline from just over 40% in 2019 to 37% by 2049. Spruce Grove’s non-residential assessment as a share of total assessment is projected to decline from 18% to just over 16% by 2049. The fiscal capacity of Stony Plain is projected to remain relatively constant over the forecast period.²¹

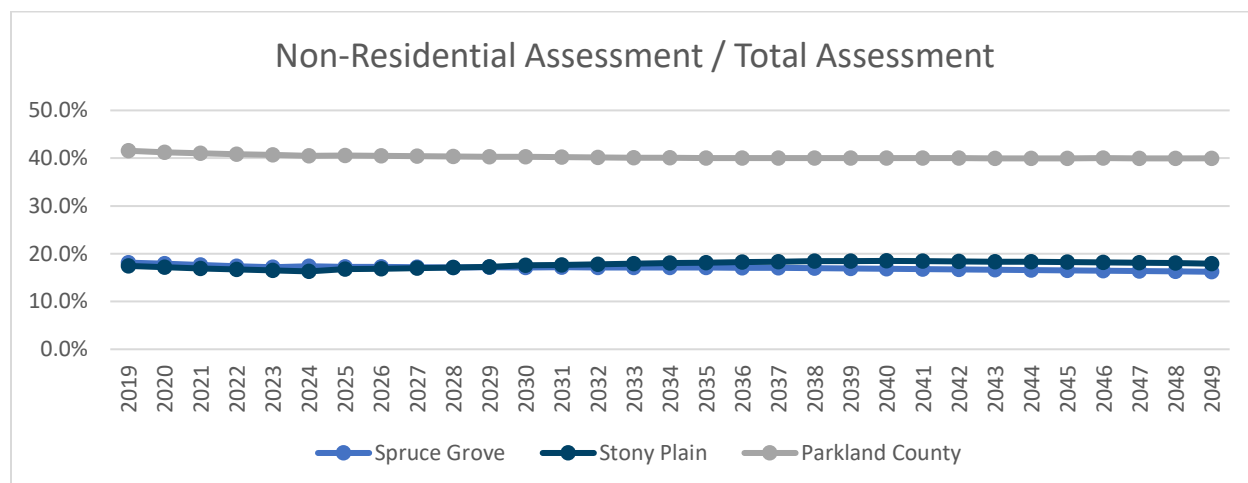


Chart 5: Non-Residential Assessment / Total Assessment, Tri-Municipal Region, 2019-2049
Source: Applications Management, adapted by MDB Insight

It should be noted that these projections do not include consideration of implementing the elements of the proposed Economic Development Strategy. These projections are also subject to change based on the municipal financial forecasts' alignment with those prepared as part of the Preferred Land Use

²⁰ The City of Fort Saskatchewan has a significantly higher share of non-residential assessment than the other Cities in Alberta.

²¹ The forecast data is based on estimates of 'live' assessment as compared to the historical data which is based on 'equalized' assessment. As a result, the historical and forecast fiscal capacity measures may not align.

Planning Scenario. Once these Tri-Municipal Plan components have been completed, the updated financial analysis and fiscal capacity projections will be updated and finalized.

2.2 Competitive Positioning

A central component of the Tri-Municipal Region's economic context is understanding its economic competitiveness to attract and retain business and industry investment attraction, particularly related to other comparable communities. Depending on the factors under consideration, regional competitiveness should foster collaboration between economic development practitioners and ensure that limited resources are targeted towards sectors and initiatives that would achieve the most success or seek to reverse an issue that may limit these efforts in the future.

2.2.1 Edmonton Metropolitan Region

Overall Competitiveness

The EMR, as the dominant hub for northern Alberta, is home to over 1.4 million people, representing 32% of Alberta's population. The EMR enjoys a young, growing population base with higher disposable incomes, strong infrastructure and access to markets, affordable housing, and a diversified labour force with strengths in trades and professional occupations. This places the EMR competitively among select peer communities, ranking 4th out of 7 comparator regions²² in general competitiveness, behind Denver, Vancouver, and Calgary while ahead of Houston, Boise, and Winnipeg.

The Region shows good comparability on the quality-of-life index compared to peer communities, which serve as a key factor for talent attraction and retention and create a vibrant commercial base. Housing affordability is also slightly lower than Calgary and Winnipeg, which, along with a young and growing population base present in the EMR, drives the quality of life and community attractiveness measures. Opportunities exist to capitalize on the higher average level of homeownership as it influences stability and purchasing power.

Sector Specific Competitiveness

The Tri-Municipal Region Competitiveness Review identified that in addition to its overall competitiveness, the EMR had demonstrated strengths in transportation, warehousing & logistics, value-added agriculture, retail/wholesale (commercial), manufacturing, energy services and information, communications & technology (Table 1).

Edmonton is well-positioned as a recognized energy services hub to attract drilling/fieldwork, fabrication, modular construction and technical, environmental and support services. As per the Competitiveness Review, Edmonton ranks behind Calgary, which has higher design engineering expertise. While the oil demand is expected to continue to decline, advancements in the sector will be innovation-driven and focus on technologies that allow for real-time drilling operations, remote monitoring and management of oil fields and gas reservoirs and maximizing upstream operations. Transportation, warehousing, and logistics operations are also changing in the EMR. While historically, the sector was influenced by energy sector needs, the growth of retail/wholesale (commercial) space is driving demands in this sector (e.g. Amazon). Similarly, manufacturing in the EMR was driven by metal fabrication to support upstream oil and gas development needs. In contrast, manufacturing firms are

²² A Competitiveness Review of the Tri-Municipal Region compared Edmonton Metropolitan Region against select peer locations within the United States and western Canada. Peer communities include Denver, Vancouver, Calgary, Houston, Winnipeg, and Boise.

now primarily focused on servicing existing oilsands projects' maintenance activities while also reducing costs by automating basic tasks.

When considering the value-added agriculture sector, Edmonton ranks above Boise and Winnipeg and, similar to Vancouver, with strong regional activity in cannabis, hemp, canola, beef, barley, and other products. The Regional Agriculture Master Plan (RAMP) projections suggest that increasing the ratio of value-added creation (food & beverage to farm sales) to a 3:1 ratio could result in an annual total direct economic output of \$25 Billion²³. Leveraging the economic opportunity within the sector requires targeted measures that support local farmers, enhancing food production through precision agriculture techniques, increasing access to rural broadband and improving the export capabilities of local firms.

Within the Information, Communications & Technology, Edmonton ranks below Denver, Calgary, Vancouver, and Houston, as the local labour force is not sufficiently meeting the sector's talent needs. Also, the quality of life factors that play an important role in talent attraction in the sector is seen to be lacking when compared to the selected peer communities

Sector	Competitiveness Results
Transportation, Warehousing & Logistics	<ul style="list-style-type: none"> ◆ Edmonton's central location and proximity to crucial transportation and logistics infrastructure reinforce its strengths in TWL. Access to other major markets is at a disadvantage versus higher ranked regions. ◆ Historically TWL has been more influenced by energy sector needs, now shifting to broader commercial activity
Value-Added Agriculture	<ul style="list-style-type: none"> ◆ Regional activity in cannabis, hemp, canola, beef, barley, and other products can provide new or enhanced value streams ◆ Weakness related to access to transportation and final markets
Retail / Wholesale (Commercial)	<ul style="list-style-type: none"> ◆ Region's relatively strong growth in population and household formation indicates the need for future commercial services ◆ Comparatively high occupation-specific employment levels in both retail and wholesale trade ◆ Linkages to transportation, warehousing and logistics strengths
Manufacturing	<ul style="list-style-type: none"> ◆ Edmonton's ranking is driven by medium-ranked wage levels and lower levels of occupation-specific employment in manufacturing. ◆ Manufacturing base historically has been dominated by heavy industrial fabrication for energy and mining
Energy Services	<ul style="list-style-type: none"> ◆ Edmonton's ranking is driven by medium-ranked wage levels and lower levels of occupation-specific employment in manufacturing. ◆ Manufacturing base historically has been dominated by heavy industrial fabrication for energy and mining
Information, Communications & Technology	<ul style="list-style-type: none"> ◆ Edmonton's ranking is driven by medium-ranked wage levels and lower levels of occupation-specific employment in manufacturing. ◆ Manufacturing base historically has been dominated by heavy industrial fabrication for energy and mining

Table 1: Sector-Specific Competitiveness, EMR
Source: Tri-Region Competitiveness Review

²³ EMRB. (2020). Regional Agriculture Master Plan (RAMP) Task Force. Source: <https://emrb.ca/Website/media/PDF/pkg-RAMPTaskForce-Feb27,2020.pdf>

2.2.2 Tri-Municipal Region

Overall Competitiveness

Building on the EMR's competitiveness, the Tri-Municipal Region is competitively positioned across various factors compared to most comparator communities²⁴. The Region enjoys several competitive advantages compared to peer communities, including being a lower cost option including taxes; a business-friendly reputation; good infrastructure linkages including rail, road and telecommunications; home to a young and growing population with affordable living and good quality of life.²⁵ It is also worth noting that the Region's competitive position is seen as stronger collectively than individually, reinforcing the value in presenting a regional front. Perceived weaknesses affecting the Tri-Municipal Region's current overall competitiveness include current workforce characteristics in industries and occupations of interest to site locators and the lack of permitted available lands and buildings to attract future users. Key considerations for positioning the Region for future economic growth include innovation, the applications of emerging technologies and internet connectivity.²⁶

Sector Specific Competitiveness

The Region's strongest competitive positioning is aligned to those of the EMR with transportation, warehousing and logistics, value-add agriculture, and energy services as the three predominant sectors where regional strengths align with those of the EMR and the investment attraction efforts of Edmonton Global and therefore represent logical priority areas for the Tri-Municipal Region.

The existing strengths of the Region create opportunities in technology adaption, automation, and AI applications in the following key sectors:

- ◆ Energy Services firms supporting the broader mining and oil and gas extraction sector, including manufacturing.
- ◆ Value-add agriculture with a targeted focus to increase access to final markets.
- ◆ Transportation and warehousing with a focus on the industry's commercial side (e.g. Amazon). However, it should be noted that with more tech-focused approaches, data interface, processing, and space management, there is a high potential for automation and lower employment levels for new investment.
- ◆ Professional, scientific, and technical services firms are deeply interwoven into all industries' current and future competitiveness, providing management, technical, engineering, accounting, architectural and computer system design fields, all essential to improving productivity and technology adoption. Remote-work requirements are accelerating communication technology adoption and leading to strong growth for the sector.

Building on these opportunities requires that the Region focus on key themes, including addressing labour force gaps, enhancing innovation, applying emerging technologies and improving data infrastructure. Strong marketing initiatives that position the Region's brand around relevant advantages are also vital for enhancing overall competitiveness. While the Acheson Industrial Park (Acheson) has seen steady growth with investor interest in light industrial, food manufacturing and

²⁴ ... A Competitiveness Review of the Tri-Municipal Region, Nichols Management, 2020.

²⁵ Ibid.

²⁶ Ibid

other sectors, the lack of permitted available lands and buildings to attract future uses affects the competitive positioning of the Region over the medium to long term.

Energy Services Strengths and Opportunities

Strengths	Opportunities
<ul style="list-style-type: none"> ◆ Very well-developed supply chain in the Region, serving as an international logistics hub for energy services ◆ Strong relationships between producers and service companies, including collaboration on equipment and processes ◆ Proximity to new artificial intelligence and technology clusters in Edmonton, including the University of Alberta innovation cluster ◆ The deep labour pool of skilled trades and professional ◆ Cluster development between companies, academia and applied researchers on energy ◆ Regional institutions (NAIT, University of Alberta) have various centres focused on applied research and training in the sector ◆ Large-scale fabrication and modular construction capacity ◆ A direct location along a significant telecommunications trunk line 	<ul style="list-style-type: none"> ◆ Downstream investment in value-add production (ex. petrochemical processing in AIHA) diversifies the production base and creates new supply chain opportunities ◆ Conversion of electrical generating plants within the Region to gasification could create opportunities for local suppliers ◆ Grid-scale geothermal, a growing international market, allows for leveraging on the Region's deep knowledge of in situ drilling and field servicing ◆ Leverage existing core competencies in energy services to expand cleantech ◆ Encouraging local businesses to invest in technology to support increased productivity
Specific Opportunities	
<p>The Energy Services sector opportunities build off the existing firms, education institutions, technologies, and services they develop and purchase. This includes those firms that utilize crane and energy service companies in Region and NAITs Spruce Grove Campus focusing on crane and hoisting equipment operation and drilling rig training. The following industries have significant concentrations of businesses and workforce that warrant further analysis.</p> <ul style="list-style-type: none"> ◆ 5413 Architectural, engineering and related services ◆ 5415 Computer systems design and related services and software publishers. ◆ 5415 Computer systems design and related services. ◆ 5416 Management, scientific and technical consulting services. ◆ 5419 Other professional, scientific and technical services. <p>Edmonton Global Identified Opportunities</p> <ul style="list-style-type: none"> ◆ Sensors and Artificial Intelligence ◆ Petrochemicals and Plastics Manufacturing <p>Business Expansion and Supply Chain Analysis opportunities with major employers include:</p> <ul style="list-style-type: none"> ◆ North American Construction Group ◆ Midwest Pipelines ◆ Absolute Crossings ◆ Schlumberger ◆ W-Five Seismic 	

- ◆ Site Resources
- ◆ Caliber Control
- ◆ KB Industrial Mechanics and
- ◆ Technichrome Industries²⁷.

Value-add Agriculture (Agribusiness) Strengths and Opportunities

Strengths	Opportunities
<ul style="list-style-type: none"> ◆ Food Processing Development Centre provides research and development support for agricultural processing. ◆ The University of Alberta houses one of the strongest agricultural research programs in the country ◆ A good supply of trades that are required to maintain equipment and access to educated professionals in the food sciences ◆ Industry-led research centres, including DuPont Pioneer's seed research facility in Strathcona County ◆ Strong rail linkages with CN and CP ◆ Proximity to agricultural land provides good access to local inputs, excellent soil quality in the region 	<ul style="list-style-type: none"> ◆ Digital agriculture (Industry 4.0 concepts) in production aligns with regional strengths ◆ Hemp and cannabis production, including edibles and oils ◆ Introducing a pulse fractionation facility in the Region ◆ Increase clustering within producers, encouraging the use of by-products/waste for input in other production ◆ Requirement for lower cost, less skilled workforce aligns with a segment of workforce underutilized in energy and manufacturing sectors ◆ Local craft brewing and distilling due to regulatory shift
Specific Opportunities	
<p>The Value-add Agriculture sector requires access to industrial land, utilities, workforce, and transportation access. The Tri-Municipal region's lower cost of operations, location on the western train route, access to workforce and proximity to the Food Development make the region an attractive option.</p> <p>The following industries have significant concentrations of businesses and workforce that warrant further analysis.</p> <ul style="list-style-type: none"> ◆ 3331 Agricultural, construction and mining machinery manufacturing ◆ 3119 Other Food and Beverage Manufacturing ◆ 3121 Beverage manufacturing ◆ 3116 Meat product manufacturing ◆ 1151 Support activities for crop production ◆ 1152 Support activities for animal production <p>Edmonton Global Identified Opportunities</p> <ul style="list-style-type: none"> ◆ Plant Protein Processing (Pulse Fractionation) ◆ Sensors and Artificial Intelligence ◆ Plant Protein Food & Beverage Manufacturing ◆ Nutraceuticals <p>Business Expansion and Supply Chain Analysis opportunities with major employers include:</p> <ul style="list-style-type: none"> ◆ Champion Pet Foods, 	

²⁷ A Competitiveness Review of the Tri-Municipal Region, Nichols Applied Management Inc.

- ◆ Cargill Value Added Meats,
- ◆ Beemaid Honey,
- ◆ Sandyview Farms,
- ◆ EarthApples and
- ◆ RayAgro²⁸.

Manufacturing Strengths and Opportunities

Strengths	Opportunities
<ul style="list-style-type: none"> ◆ Manufacturing Advisory Council and work with Alberta Economic Development on sector-specific supports including advanced techniques ◆ The Alberta Metal Fabrication Innovation Program focuses on accelerating the adoption of advanced manufacturing and fabrication solutions ◆ Sizeable workforce with metalworking/machining and welding skillsets, supported by well-recognized education and training programs at NAIT ◆ NAIT Productivity Improvement Centre (PIC) including a hub for applied research ◆ Alberta Centre for Advanced MNT Products focuses on electronics hardware development, embedded systems and firmware, sensors, control systems, and autonomous transportation technologies ◆ Lower electricity and natural gas costs in the EMR ◆ Proximity to new artificial intelligence and technology clusters in Edmonton, including the University of Alberta innovation cluster 	<ul style="list-style-type: none"> ◆ Interest in the region for advanced manufacturing processes ◆ Modern manufacturing techniques are highly reliant on information technology and require reliable high-speed internet connectivity. ◆ Strong existing metal fabrication cluster and existing supply chains can pivot to complimentary markets ◆ Alberta population size approaching critical mass, a factor influencing manufacturers market selection ◆ Rapid real-time analytical capabilities of IoT technology can benefit the existing manufacturing of complex equipment in the region. ◆ Federal government policy now permitting immediate write-off of the full cost of manufacturing or processing goods to spur adoption of advanced technologies ◆ Momentum in this sector can be created by the Provincial Government's newly stated goal of becoming Western Canada's centre of excellence in plastics recycling
Specific Opportunities	
<p>Manufacturing in the region has become leaner and more efficient creating opportunities within Industry 4.0 and reshoring advanced manufacturing. Food manufacturing has a high potential for increased automation and reshoring. New techniques in modular construction fabrication for traditional industries are key.</p> <p>The following industries have significant concentrations of businesses and workforce that warrant further analysis.</p> <ul style="list-style-type: none"> ◆ 3273 Cement and concrete product manufacturing ◆ 3323 Architectural and structural metals manufacturing ◆ 3329 Other fabricated metal product manufacturing ◆ 3332 Industrial machinery manufacturing ◆ 3339 Other general-purpose machinery manufacturing ◆ 3362 Motor vehicle body and trailer manufacturing 	

²⁸ A Competitiveness Review of the Tri-Municipal Region, Nichols Applied Management Inc.

Edmonton Global Identified Opportunities

- ◆ Pharmaceutical Manufacturing
- ◆ Petrochemicals and Plastics Manufacturing

Business Expansion and Supply Chain Analysis opportunities with major employers include:

- ◆ Cam Tran,
- ◆ Rozen Steelworks,
- ◆ Sandhills Manufacturing,
- ◆ Stinger Fabrication,
- ◆ Filterboxx, Airland,
- ◆ Dematco,
- ◆ W North,
- ◆ Edmonton Trailers and
- ◆ Omnisport²⁹

Transportation and Warehousing Strengths and Opportunities

Strengths	Opportunities
<ul style="list-style-type: none"> ◆ Good air-cargo supported by an integrated ecosystem provides access to foreign markets via EIA. ◆ Multiple cargo-handling facilities, including access to cold-chain logistics capabilities ◆ Good access to ground transportation and routes that connect Edmonton to key markets in the United States ◆ Rail routes include CN and CP national line, provide a shipping advantage to Asia over many U.S. locations 	<ul style="list-style-type: none"> ◆ Growth in online retail, accelerated by the pandemic, will drive TW globally ◆ Growth of local TW market could grow as a result of reshoring supply chains brought on by pandemic-influenced challenges, particularly involving essential goods ◆ The Spruce Grove Transportation Master Plan indicates a potential connection of Highway 628 and the Whitemud Freeway, which would address Spruce Grove business park access constraints ◆ The proposed extension by Alberta Transportation of the over-dimensional load corridor would open fabrication, logistics and support service opportunities ◆ Larger, affordable laydown sites servicing Highway 43-based industrial activity ◆ Big data, including real-time monitoring requirements, drive business to locations with dependable high-speed internet
Specific Opportunities	

The Transportation and Warehousing sector is an enabler of the other identified sectors and is needed to support the growing ecommerce and fulfillment markets. There are cross-over opportunities with manufacturing, value add agriculture and energy services. The region's proximity to Edmonton, lower costs, and location on the western rail route make the region an attractive option.

The following industries have significant concentrations of businesses and workforce that warrant further analysis.

²⁹ A Competitiveness Review of the Tri-Municipal Region, Nichols Applied Management Inc.

- ◆ 4931 Warehousing and storage
- ◆ 4841 General freight trucking
- ◆ 4842 Specialized freight trucking
- ◆ 4884 Support activities for road transportation

Business Expansion and Supply Chain Analysis opportunities with major employers include:

- ◆ Kal Tire Distribution,
- ◆ CWT Logistics,
- ◆ Pakratz,
- ◆ Winalta,
- ◆ Rebel Transport,
- ◆ Manitoulin Transport,
- ◆ Noranco,
- ◆ BLE and
- ◆ Extreme Hauling³⁰.

Effective Positioning

Creating and promoting the Region's competitive advantages is more effective if targeted at a particular business or industry sector's needs or function. By positioning a brand or identity in this fashion, a municipality or region can more effectively enhance its overall appeal, increase awareness of local opportunities, and highlight the corporate culture that actively supports investment. Being investment ready means having available shovel-ready land/buildings for purchase or lease and access to quality physical infrastructure (broadband, roads, electricity, rail, etc.).

The Tri-Municipal Competitiveness Review highlights several positioning considerations across a range of competitiveness categories intended to differentiate and sustain competitive advantage across the Tri-Municipal Region.

- ◆ Land and Buildings – provide a harmonized mix of urban/rural offerings that focuses on value, not just price and anticipates the future needs of target industries
- ◆ Infrastructure and Services – leverage the benefits of urban/rural collaboration, including utilities and transportation and development of intermodal rail capacity and ensure the availability of competitively priced high-speed internet
- ◆ Workforce and Demographics – support for urban/rural workplaces, technology-focused skills development and tourism and destination retail
- ◆ Business Environment – strategize the businesses to be attracted and addressing their specific needs while continuously improving on the business-friendly approach
- ◆ Taxes and Incentives – provide a well constructed, targeted incentive policy that increases awareness of the Region's openness to investment activity and supports skills development training
- ◆ Innovative Ecosystem – Formalize strategic view of how to strengthen existing clusters and provide enhanced entrepreneurship support, and technology and workforce development

The Tri-Municipal Economic Development Strategy provides an opportunity to address these considerations and improve the Region's overall competitiveness.

³⁰ A Competitiveness Review of the Tri-Municipal Region, Nichols Applied Management Inc.

2.3 Economic Development Programming and Services

2.3.1 Tri-Municipal Region

Considering these business and industry investment attraction opportunities, the discussion that follows considers the current service delivery models in the Tri-Municipalities. Each municipality currently follows its own Economic Development Strategy that provides policy direction for delivering local economic development services. The Stony Plain and Spruce Grove Strategies have been completed or updated in recent years, with the Parkland Strategy completed in 2014. The municipalities also have dedicated economic development staff and budgets that deliver programs and services in 14 categories:

- ◆ Administration, corporate initiatives, leadership
- ◆ Industrial Attraction
- ◆ Development Attraction
- ◆ Community Events (Tourism)
- ◆ Commercial Attraction
- ◆ Business Development Outreach
- ◆ Business Expansion Services
- ◆ Business Retention Services
- ◆ Land Development Planning
- ◆ Regional Economic Initiatives Support
- ◆ Tourism
- ◆ Business Licensing and Economic Data management
- ◆ Promotion and Advertising Support
- ◆ Downtown Enhancement

More details on the Tri-Municipal Strategies, roles and responsibilities are provided in Appendix II to this report.

The Tri-Municipalities currently has 10.5 FTEs allocated to the economic development function, with both Parkland and Spruce Grove having 4 FTEs each and the balance with Stony Plain. The combined economic development operating budget is about \$2 million/annually, including tourism marketing, promotion and visitor services. The average budget per capita (a measure of service level) is about \$23.44/person, with Parkland and Spruce Grove slightly under and Stony Plain slightly higher. Parkland has a higher percentage of its budget allocated to staff costs (76%), whereas Stony Plain and Spruce Grove are in the 47-51% range.

Municipal staff have delivered most economic development services, with some partners and third parties' services, including Edmonton Global, Chamber of Commerce and Tri-Region Tourism Partnership. At the writing of this report, Parkland has withdrawn the Tri-Region Tourism Partnership and provided notice it intends to leave Edmonton Global by the end of 2022. Spruce Grove provides the most comprehensive service delivery, with activity in all measured 14 categories. Stony Plain is also active in all 14 areas but with reduced resources. Parkland does not provide services in 4 of the 14 service categories.

All three municipalities deliver Business Retention and Expansion (BR&E) services with different approaches. Parkland integrates these services into investment attraction while Stony Plain conducts some interviews and works with the Chamber/partners. Spruce Grove conducts surveys of existing

businesses, has a visitation program, utilizes CRM systems and has defined service levels for this activity. The degree of service delivery alignment to the corresponding economic development strategies is low to mid-range for Parkland, mid to high-range for Stony Plain and high for Spruce Grove. It is acknowledged that the Parkland Strategy is out-of-date.

There are some inefficiencies and duplication in the service delivery, as all three need to mount a base level of staffing/programs for the function. Suppose the total FTE complement were combined or shared. In that case, some staff/program resources could be reallocated to boost the impact of some activities – e.g., comprehensive BR&E and industrial sector expertise and focus on key projects (e.g., Broadband). While each of the three municipalities delivers some investment attraction services, FDI services are best delivered at a larger scale with more resources, sustained over a longer timeframe and carried out by dedicated staff resources (e.g., Edmonton Global).

The Tri-Municipal economy functions on an integrated regional basis (e.g., available workforce). While business property taxes accrue to one municipality, business investment and spending deliver benefits throughout the Region. Without sharing the costs to acquire new growth, individual municipalities may be paying too much. Edmonton Global's FDI strategies (see Section 2.3.2), this Tri-Municipal Economic Development Strategy and the recently completed Competitiveness Review provide some considerations for local economic development service delivery. For example, successful FDI activities will depend on comprehensive BR&E services delivered locally by the Tri-Municipalities. Also, adopting a sector-based approach by the Tri-Municipalities will better use scarce resources, improve alignment with today's knowledge-based economy, and leverage opportunities emerging in this Strategy.

Tri-Region Tourism was a collaborative initiative between the three Municipalities to market their tourism experiences as a single destination. The websites offer more variety of experience than could be offered by an individual municipality. Together the three offer the range of tourism products and services the market is looking for – attractions, events, accommodations, food services, tourism services and information/direction – all in a single website. Tri Region tourism was created with the assistance and support of Travel Alberta to support its marketing efforts through the provincial marketing entity. Parkland County recently voted to withdraw from this initiative.

The Tri-Municipalities can continue to deliver their economic development services and collaborate on an ad hoc basis or consider adopting a more structured informal or formal approach. Moving to these levels of collaboration brings with it a series of advantages and disadvantages to consider. Several good examples, along the collaboration spectrum, including Alberta's Industrial Heartland Association, Northern York Region "N6" and the Kingston Area Economic Development Commission in Ontario, provide insight into structuring an effective approach.

The discussion that follows reflects on several key regional entities whose roles and responsibilities across the Edmonton Metropolitan Region need to be considered to create and implement the Tri-Municipal Economic Development Strategy.

2.3.2 Edmonton Global

Based on priorities for the economic development of the Capital Region Board in its strategic plan, regional partners collaboratively developed their approach to economic development with the following highlights:

- ◆ A regional Economic Summit was convened in October 2014;
- ◆ Significant economic strategy and organization planning work between 2014 and 2016;
- ◆ The first meeting of the Interim Board of EMRB's Economic Development Initiative on December 21, 2016;
- ◆ Funding partners attracted in spring 2017.

Governance of Edmonton Global

The purpose of Edmonton Global is “to radically transform and grow the Edmonton Metropolitan Region economy. It does this by attracting foreign direct investment, enticing international companies to locate here, and supporting local companies in doing business in the global economy”.

Edmonton Global is an independent, shareholder-based economic development corporation founded by fifteen municipal partners. It operates under a twelve-person Board of Directors who are significant private-sector leaders in the Edmonton Metropolitan area. Chaired by John Day, a recognized business leader in the Region and led by Malcolm Bruce, CEO, Edmonton Global executes its Global Strategic Plan 2018-2023 by working with partners throughout the Region.

In addition to its core Municipal shareholders who fund Edmonton Global through an agreement based on population and assessment base, Edmonton Global receives annual support from the Alberta and Federal Governments.

Edmonton Global has developed partnership agreements with Alberta Industrial Heartland Association and with Health City. International Partnership MOUs include with CANCHAM (the Canadian Chamber, Pearl River Delta) and with HKAI (Hong Kong AI) and AMMI (Alberta Machine Intelligence Institute).

Other key partners include Invest Alberta, Edmonton International Airport, and Invest in Canada.

Port Alberta is an important partner with Edmonton Global. Port Alberta provides a suite of programs, tools and advisory services to assist businesses to navigate the Alberta network of agencies, infrastructure, technologies, professional services, logistics and programs that support the incoming business to the Region. The Foreign Trade Zone (FTZ) enables companies to handle and move goods to avoid normal trade barriers or defer specifics, such as duties and taxes on interim goods. The FTZ also provides facilitated access to many government agencies, including Canada Border Services Agency, Canada Revenue Agency, Transport Canada, Global Affairs Canada, and Western Economic Diversification. Global Edmonton sits on the Board of Port Alberta.

The Edmonton International Airport is also a recognized Aerotropolis, attracting large air cargo and related businesses to a full-service Cargo Village abutting the airport sites. Edmonton Global partners in and supports this initiative.

Edmonton Global Focus Areas

Edmonton Global works toward four strategic priorities:

- ◆ Act as a catalyst for foreign direct investment and trade
 - ◆ **Objective** – To pursue FDI and trade opportunities in focus sectors and markets where growth potential exists for the Edmonton Metropolitan Region
- ◆ Increase awareness and improve perceptions

- ◆ **Objective** – To develop and regional brand for economic development and tell the Edmonton Metropolitan Region's story in Canada and worldwide.
- ◆ Leverage partnerships to enhance success
 - ◆ **Objective** – To align with economic development, institutional and business partners to enable economic development opportunities.
- ◆ Strive for organizational excellence
 - ◆ **Objective** – To establish Edmonton Global as a top-performing regional economic development corporation and an employer of choice.

The focus of the current strategy is on four sectors:

- ◆ Manufacturing and Advanced Manufacturing
- ◆ Health and Life Sciences
- ◆ Food and agriculture
- ◆ Energy and clean technology

Technology and Innovation underpin all focus areas.

Immediate investment opportunities identified by Edmonton Global include:

- ◆ Plant protein fractionation
- ◆ Plant protein food and beverage manufacturing
- ◆ Nutraceuticals
- ◆ CBD nutraceuticals
- ◆ Pharmaceutical research and development
- ◆ Health AI
- ◆ Energy Tech

Edmonton Global will lead regional partners in global marketing and relationship development to attract global FDI and to grow and support local companies for global export development. It supports shareholders with tools such as the Site Selector tool, the regional economic data and mapping tools, and tools such as EMRGIS geographic information access. Partnering with Edmonton Global for investment attraction services and related marketing and promotional activity is an effective way to enhance the Region's competitive positioning.

Parkland County has made known its intent to leave the Edmonton Global partnership. Under this circumstance, an MOU and partnership agreement between Edmonton Global and the Tri-Municipal Region, similar to what other partners in the region have done, is unlikely. Edmonton Global has suggested it will be difficult to provide its infrastructure, site selector technology, and lead sharing protocol with a Tri-Municipal Region where one regional player is not a funding partner of Edmonton Global. This decision creates challenges with the implementation of the Economic Development Strategy and for the focused collaboration required to advance the local economy's growth.

2.3.3 Edmonton Metropolitan Region

The Edmonton Metropolitan Region brings together 1.4 million people living in and around 13 member communities to work together on its members' sustainable growth and success. The Region hosts 725,000 jobs and accounts for 30% of Alberta's GDP.

The EMR Growth Plan (EMRGP, approved in October 2017) projects the regional population will reach 2.2 million people and 1.2 million jobs in the next 30 years. It involved collaborative planning with a "region first" perspective by the member municipalities of EMR. The Growth Plan focused on ensuring smart growth, reduced inefficiencies, and maximizing growth potential as a region.

The EMRGP is the main and comprehensive document that guides regional growth and is one of the Edmonton Metropolitan Regional Board's primary focus areas.

Governance of the Edmonton Metropolitan Region (EMRB)

The EMRB is a Growth Management Board focused on the Region's long-term planning and growth. Its 13 members include member municipalities that make up the metropolitan region's urban core and the abutting rural municipalities and all municipalities with more than 5,000 citizens within the EMR boundaries. The member municipalities are:

- ◆ City of Edmonton
- ◆ City of St. Albert
- ◆ City of Spruce Grove
- ◆ City of Fort Saskatchewan
- ◆ City of Leduc
- ◆ Strathcona County
- ◆ Leduc County
- ◆ Parkland County
- ◆ Sturgeon County
- ◆ Town of Beaumont
- ◆ Town of Devon
- ◆ Town of Stony Plain
- ◆ Town of Morinville

Each municipality is represented on the Board by the Mayor of the municipality with one named alternate.

The legislative mandate for EMRB emanates from the Modernized Municipal Government Act and EMRB Regulation 189/2017 under the Act. While regional municipalities' collaboration began about a decade before as the Capital Region Board, the current EMRB was established on October 26, 2017.

50 Year Vision (EMRGP)

"The Edmonton Metropolitan Region is the dominant hub for northern Alberta and is recognized globally for its economic diversity, entrepreneurialism, leadership in energy development, environmental stewardship and excellent quality of life."

The Region is anchored by a thriving core that is interconnected with diverse urban and rural communities.

The Region is committed to growing collaboratively through the efficient use of infrastructure, building compact communities, and fostering economic opportunities and healthy lifestyles.”

Functions of EMRB

The Government of Alberta mandates EMRB to implement the Region’s 30-year Growth Plan and create a regional metro servicing plan.

In addition to monitoring and enforcing the EMRGP, the Board is focused today through two Task Forces:

- ◆ The Regional Agriculture Master Plan (RAMP) Task Force – addressing the EMRGP priority, a truly regional agricultural master plan.
- ◆ The Metropolitan Region Servicing Plan (MSRP) Task Force – preparing the first regional servicing plan to ensure efficient growth.

EMRB ensures alignment of municipal actions with the EMRGP through the Regional Evaluation Framework (REF) to execute the plan. Each municipality submits its plans and amendments to the EMRB for approval and ensures alignment with the Growth Plan. The forthcoming Tri-Municipal Regional Plan and its preferred land use scenarios will need to align with and be approved by the EMRB.

EMRB also operates the Edmonton Metropolitan Region Geographic Information Services (EMRGIS), providing a common geographic information system and mapping available to regional partners, businesses, and citizens. The EMRB also completed the Edmonton Metropolitan Region Broadband Situational Analysis in 2019 that identified service gaps and opportunities to improve connectivity in the Edmonton Region.

2.3.4 Other Considerations

Regional Innovation Ecosystem

While the Region's current state as described in the Competitiveness Review highlights several factors, including the NAIT campus's presence, the report also suggests that the Tri-Municipal Region is perceived as being outside of the larger regional innovation hub and lacking in incubation and entrepreneurship support and partner relationships. It is worth noting that Edmonton increased its ranking from 95th to 91st best startup ecosystem globally by Startup Blink in 2020³¹. The City has 20+ organizations offering incubation programs and services and has recently attracted investments from leading technology firms such as Google, Stantec and Amazon.

Some examples of the tech ecosystem that could be more effectively leveraged by the Region include:

- ◆ TEC Edmonton, a joint venture of the University of Alberta and Edmonton Economic Development Corporation, operates the Edmonton region’s largest health-technology accelerator³².
- ◆ The University of Alberta is a top 5 research institution in Canada with 88 research chairs specializing in health, nanotechnology, artificial intelligence, food safety and security, and cleantech. With access to over 100 world-class facilities and an abundance of strategic partnerships, UAlberta is the heart of innovation in the regional economy³³.

³¹ StartupBlink Ecosystem Report 2020, startupblink.com

³² TEC Edmonton, tecedmonton.com

³³ Edmonton Global, edmontonglobal.ca/innovation

- ◆ Alberta Machine Intelligence Institute (AMII): Founded in 2002, The Alberta Machine Intelligence Institute, or AMII, is a world leader in machine learning and artificial intelligence research. As a forward-thinking and influential organization, they collaborate with other sectors to produce innovations that have monumental implications.
- ◆ Start-up Edmonton has supported \$111 million+ raised by affiliate companies and members, 75+ companies launched since 2010, 14,000 square feet of program, community and coworking space at the historic Mercer Warehouse, operational since 2012, 175+ alumni companies.³⁴
- ◆ Edmonton Research Park is dedicated to fostering research-based growth stage companies within the region, focusing on IT and software development, biotechnology, nanotechnology, clean energy, and oil and gas support.

The region is also home to the Food Processing Development Centre, a modern, 65,000 square foot pilot plant and product development laboratory in the City of Leduc equipped with over \$20,000,000 in equipment supporting food product innovation and the full development commercialization continuum. Clients can access technical consultation, benchtop development, pilot plant development, applied research, sensory evaluation, and interim processing services³⁵.

The Tri-Municipal region does not have the resources or support to compete with these facilities. Instead, it should begin to develop robust partnerships with these groups and leverage their networks to secure investment for local firms and landing the startups that graduate from these institutions. When ready to launch, many of these firms will require industrial space, proximity to talent, and complementary businesses in the Tri-Municipal region.

³⁴ <https://www.startupedmonton.com/about-us>

³⁵ <https://www.alberta.ca/food-processing-development-centre.aspx>

3. STRATEGIC PRIORITIES

Building on the project's overarching purpose and a thorough review of available background materials, four Strategic Priorities have emerged that serve to frame the Regional Economic Development Strategy and guide major economic development decisions and initiatives in the Tri-Municipal Region. The priorities and objectives discussed below illustrate what could be achieved if there is a commitment to collaborate more effectively, incorporating the thoughts and ideas reflected in relevant background documents, other sub-consultant reports, and a best practice approach for regional economic development. In the absence of an alternative or more formalized collaborative delivery model, the action plan assumes an evolving collaboration effort. The strategy has been developed with the understanding that some initiatives to varying degrees are underway in the regional municipalities or at a regional level through Edmonton Global. Wherever possible the project team has referenced these initiatives with the understanding that they may be selected or adapted for regional implementation to avoid duplication. The recommended actions reflect three phases – foundational, developmental, and aspirational. Foundational actions direct the Tri-Municipal partners to essential issues that must be addressed in the short term to ensure and enhance the Region's competitive position. Developmental actions build on these results and support more structured collaboration into the medium term. The Aspirational actions will provide a longer-term direction for sustaining the region's economy.

3.1 Vision 2040

The Tri-Municipalities have each established a long-term vision for their respective communities, which serves to inform the following (recommended) vision for the Regional Economic Development Strategy:

- ◆ *Our economic growth will be advanced through diversification, innovation and entrepreneurship backed by a business environment that makes the Tri-Municipal Region a location of choice for business in the Edmonton Metropolitan Region.*
- ◆ *Our local assets will be leveraged and enhanced in a way that supports the growth of our regional economy, talent retention and provides quality employment opportunities for our residents.*
- ◆ *Our residents will have access to education, training, employment, and business opportunities that support a high quality of life and financial stability.*

3.2 Strategic Priority: Investment Readiness

3.2.1. Why is it important?

Investment readiness is about setting the stage for an effective regional investment attraction program, which includes an ongoing review of permitting and servicing capacities and an understanding of the infrastructure required to meet industry needs today and into the future. Shared recognition of the region's distinct value proposition and each municipality establishes a baseline for investment readiness. A comprehensive inventory of available land, buildings and data that support the attraction and retention of targeted investment, including related supply chain opportunities, is the first step towards broader collaboration.

Investment readiness, however, is more than simply supplying a searchable database of shovel ready land and buildings. It includes the provision of forward-thinking regional infrastructure that supports technology-based enterprises (e.g., Broadband), transportation assets, flexible land use policy and zoning, a timely and consistent development approvals process and the data and information that conveys the collective vision, aspiration and intent for targeted investment attraction (e.g., sector or cluster-based strategies).

An increasingly important aspect of investment readiness is the ability to quantify the value of a region's workforce, demonstrate the region's ability to develop talent and the ability to retain and attract talent. A comprehensive understanding of the region's workforce, talent pipeline and workforce attraction is a significant aspect of investment readiness.

Investment readiness depends on ongoing engagement with the corporate sector, explored more deeply in the Business Retention and Expansion strategic priority. Businesses provide critical feedback on how to improve a communities' overall investment readiness. These interactions also create opportunities to support businesses' investment readiness through awareness and education.

3.2.2 Objectives

- ◆ Objective: The Tri Region has a ready supply of high-quality industrial land and buildings that support the attraction of investment in its targeted sectors
- ◆ Objective: The Tri Region continuously aligns and streamlines its municipal infrastructure to support the attraction of targeted investment

3.2.3 Actions

Action	External Partners	Status	Cost
1. Adapt existing tools to maintain a single comprehensive, accessible database of employment lands and buildings. Editorial: Edmonton Global has established a centralized database of available land and buildings using Zoom Prospector. The tool providing listings pulled from Space list and improves sites' visibility to investors but does not indicate preferred use or target market. An adaptation of the existing tool or the development of a new database should include a site's overall investment readiness level (servicing, zoning) and the targeted use. Without a clear understanding of what is available, the Region's municipalities cannot proactively attract new investment.	Edmonton Global, Zoom Prospector, Real Estate Community	Foundational	\$\$
2. Adapt or develop a comprehensive workforce database. Editorial: Investors need to know they can access the workforce required to support new investment. Detailing the tri-regional workforce's strengths, talent pipeline and ability to retain talent is key.	Edmonton Global, Education Institutions	Foundational	\$
3. Develop and Promote a Premier Site Program.	Edmonton Global, Zoom	Foundational	\$

<p>Editorial: Building on the established database of buildings and sites, the tri-region can identify a priority list of sites considered investment ready and promote them as a component of target sector investment attraction activities.</p>	Prospector, Real Estate Community		
<p>4. Leverage the work of Spruce Grove and accelerate local plans and capital budgets to build a regional fibre network that addresses infrastructure gaps and provides the connectivity required to be competitive.</p> <p>Editorial: As with electricity and roads, internet connectivity is essential for residents and businesses. 5G deployment will play a factor in the race for connectivity, but fibre optic networks are the gold standard for forwarding thinking networks. A regional network will improve each municipality's investment readiness and enhance the Tri-Municipal Region's ability to adopt Smart City technologies such as sensor networks, intelligent transportation, and traffic management systems. The Region will need to partner and advance discussions with telecom providers.</p>	Private Fibre Providers, Provincial and Federal Government	Foundational	\$\$\$
<p>5. Work with the federal and provincial governments and other funding partners to support infrastructure construction that brings new industrial land online and enhances existing business and industrial parks to meet target sector needs.</p> <p>Editorial: This may necessitate the development of new overpasses, rail spurs, shared service agreements, land acquisition, partnerships with developers, and access to Provincial (Provincial Municipal Stimulus Program) and Federal (Canada Infrastructure Bank, Innovation, Science and Economic Development Canada's Universal Broadband Fund) funding. Without a well-developed plan for the region's industrial lands, the region will be disadvantaged to support future investment. Discussions of this type of regional coordination are underway related to the expansion of the Highway 628 corridor and the 5th Meridian lands' development.</p>	Developers, Real Estate Community, Provincial and Federal Government	Developmental	\$\$\$
<p>6. Digitize the development approval processes.</p> <p>Editorial: Building on Parkland County's current planning and development digitization program, establish a common digital platform for all development processes in the tri-region. Use the platform to streamline and expedite the system, improve developers' experience, improve service delivery, and provide analytics to support future improvements.</p>	Developers, Software Providers	Developmental	\$\$
<p>7. Continue to streamline the development approvals process to be more client-focused.</p>	Developers, Real Estate Community,	Developmental	\$

Editorial: Building on the digitization and standardization of development processes, the Region can embrace continuous improvement of processes to solidify a reputation for being tech-enabled with the fastest and easiest investment/development processes.			
8. Advance a long-term supply of investment-ready sites in locations that support the tri-region's target sectors. Editorial: Given the timing and resources to bring new industrial land online, the Tri-Municipalities should have a strategy for bringing future industrial lands online with established servicing timelines. This will require a SBSI framework that will cover ROI, IRR etc.	Developers, Real Estate Community, Provincial and Federal Government	Aspirational	\$\$\$
9. Develop a smart city/smart region strategy that guides the adoption of 'Smart City' technology and infrastructure and brands the Tri-Municipalities as a 'Giga-Bit Region'. Editorial: A regional fibre network will support municipal data collection to enhance shared services and data integration. By approaching data collection and analysis collectively, the Region can reduce costs and improve efficiencies and contribute to developing a progressive brand based on creating an ecosystem of collaboration and innovation.	Developers, Real Estate Community, Provincial and Federal Government	Aspirational	\$\$\$

3.3 Strategic Priority: Innovation and Entrepreneurship

3.3.1 Why is it important?

Today's economy is increasingly driven by innovation and technology adoption. Innovation activity creates jobs and is driven by need, research and creativity. The EMR has many innovative companies supporting technology adoption and a broad network of research institutions and entrepreneurial support programming. These supports enable new and existing businesses to innovate through business planning, networking, and government and private sector resources.

The competitiveness review found the Tri-Municipal Region is currently considered 'outside the action' of the EMR innovation ecosystem and needs to focus on strengthening its position as a regional player to attract innovative firms. However, replicating innovation service offerings in the Tri-Municipal Region is less efficient than leveraging what already exists. The Tri-Municipal region needs to focus on improving local firms' access to these supports and attracting scaling firms. The actions support raising the region's profile as an innovation hub and destination for startups ready to scale as they move out of EMR incubators. Innovation depends on engagement with the corporate sector and ties into the Business Retention and Expansion strategic priority.

The availability of skilled labour is a priority for businesses; the more access to technology, innovation, and support that the Tri-Municipal Region can provide or secure through partnerships, the more attractive it will become to businesses, start-ups, and entrepreneurs. Access to talent, affordable space (e.g., coworking space, accelerators), and improved understanding of the strong network of supports that can help existing small businesses scale up operations will assist in retaining some of the current

outflows of workers to other EMR municipalities.

3.3.2 Objectives

- ◆ Objective: The Tri Region provides comprehensive entrepreneurship and innovation support that leverages regional services and addresses local service gaps
- ◆ Objective: The Tri Region actively supports business innovation and attracts scaling start-ups that enhance the business community's innovation capacity in target sectors

3.3.3 Actions

Action	External Partners	Status	Cost
<p>1. Adapt and promote a centralized database of existing innovation programming and resources to improve access to available resources.</p> <p>Editorial: Improving accessibility for local entrepreneurs to self-serve information improves overall access and reduces ambiguity. This is a well-established practice in municipal economic development.</p>	Startup Network, Edmonton Global, Education Institutions	Foundational	\$
<p>2. Support business's access to the required workforce by facilitating connections between academia and industry.</p> <p>Editorial: Through engagement, understand which skills businesses are having trouble finding and support their ability to access talent by partnering with education institutions.</p>	Business Community, Education Institutions	Foundational	\$
<p>3. Support the creation of a start-up business support network:</p> <p>Editorial: Facilitate a mentorship network for start-ups in target sectors that choose to locate and scale in the Region. This network could provide funding, investment, preferential access to facilities, expertise, collaborative and incubator space.</p>	Startup Network, Business Community	Foundational	\$\$\$
<p>4. Provide entrepreneurs with a pipeline of tools, skills, connections, and resources to succeed.</p> <p>Editorial: Leverage the database development and promotion to expand entrepreneur networking and industry events to enable</p>	Startup Network, Education Institutions, Business Community	Foundational	\$

opportunities for face-to-face connections among the region's start-up, tech communities, emerging and established sectors. These networks will help to foster mentorship, solidarity, learning and collaboration.			
<p>5. Establish monitoring systems for regional investments and business expansions to track ROI and support target sector identification.</p> <p>Editorial: Tracking and studying the investments being made in the EMR will help improve the region's understanding of investors' motivations and which sectors are most successful in attracting investment. These investments will highlight where business leaders feel their industries are going, which technologies are considered important and new opportunities.</p>	Startup Network, Edmonton Global, Education Institutions	Foundational	\$
<p>6. Support scaling start-up businesses that drive innovation in target sectors.</p> <p>Editorial: Leverage and partner with the existing startup support network that incubates new businesses. Identify promising firms that align with the Region's goals and have networks, space and mentors earmarked for those ready to scale near complementary firms.</p>	Startup Network, Education Institutions, Business Community	Developmental	\$\$
<p>7. Identify complementary niches to current industry strengths that support growth and innovation.</p> <p>Editorial: Building on the database development and engagement with the EMR innovation ecosystem, investigate which technologies and services represent the evolution of local sectors and where they are located, e.g., machine learning services for manufacturing and logistics firms.</p>	Business Community	Developmental	\$
<p>8. Provide deliberate and focused regional innovation support.</p> <p>Editorial: Choose sectors to prioritize and develop a clear regional innovation brand. The brand will support a broader understanding of</p>	Startup Network, Education Institutions	Aspirational	\$

what businesses are in the region and why businesses and start-ups in targeted sectors should locate here.			
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3.4 Strategic Priority: Investment Attraction

3.4.1 Why is it important?

The attraction of new jobs and investment to the Tri-Municipal Region is premised on the generation of working leads in viable sectors. The municipalities need to articulate a shared vision and value proposition focused on traditional and emerging sectors that will drive regional investment activity and agree on a protocol to manage the leads and messaging as they emerge. This effort should build on the local municipalities' momentum and the broader economic development activities of Edmonton Global, the Province of Alberta and relevant agencies and organizations. The Tri-Municipal Region will need to be highly targeted in its investment attraction activities to avoid duplication and confusion in the broader market and make effective use of its available resources.

Since investment attraction programming is often targeted at businesses or investors who may not be familiar with an area, a coordinated approach to marketing available land and buildings, workforce characteristics and the business environment's quality is required. Given the perceived lack of identity for the Tri-Municipal Region, a regional branding strategy may be appropriate, particularly if done in conjunction with a shift in service delivery.

3.4.2 Objectives

- ◆ Objective: The Tri Region actively generates investment leads to support target sectors
- ◆ Objective: The Tri Region has dedicated resources to support and coordinate responses to investment leads with regional partners

3.4.3 Actions

Action	External Partners	Status	Cost
1. Support a coordinated response to investment inquiries. Editorial: The Region should identify designated representatives for prospective investors, responsible for providing information and introductions. This team should be supported by an accessible database of investment enquiries that supports lead generation activity. Note: Regardless of participation in Edmonton Global, a municipal level team tasked with managing leads is recommended.	Business Community, Real estate Community, Educational institutions	Foundational	\$\$
2. Establish a tri-regional lead generation pipeline. Editorial: External lead generation is conducted by teams that reach out to specific companies in target sectors, leveraging regional, provincial, and federal partners to identify companies and secure meetings.	Edmonton Global, Provincial Government, Federal Government,	Foundational	\$\$

Internal leads are generated through local business visitation and are encouraged to consider expansions and provide leads through their supply chains. Note: Regardless of participation in Edmonton Global, lead generation through BRE and import substitution is recommended.	Business Community		
3. Establish lead handling protocols. Editorial: Develop an MOU/inter-municipal agreement that lays out who is to be targeted and how they are to be engaged when a lead has been identified to reduce confusion and duplication of effort.	N/A	Foundational	\$
4. Focus on investment attraction in targeted sectors. Editorial: Building on the identified target sectors activity should include technical services and innovation to support the existing sectors of competitiveness, including: <ul style="list-style-type: none"> ◆ Transportation, Warehousing & Logistics ◆ Value-Added Agriculture ◆ Manufacturing ◆ Energy Services Research and interviews should gather feedback on why businesses have located here to focus promotion efforts on the most competitive sectors/sub-sectors. Continually refine target sectors based on business and investor feedback.	N/A	Foundational	\$
5. Develop investor-focused marketing materials in target sectors. Editorial: Develop materials for proactive investment attraction, promoting available sites, key value propositions, and regional level workforce strengths. Align these more specific attraction materials to larger regional campaigns. Work with Edmonton Global to leverage economies of scale to market the tri-municipal region and build business relationships beyond Alberta and Canada through international trade missions.	N/A	Foundational	\$
6. Establish an investment aftercare team. Editorial: Teams are established to ensure new investors' target sectors' needs are being met, including talent, connections with local networks, suppliers, and municipal processes.	Business Community	Foundational	\$
7. Explore options for a collaborative approach to municipal incentives for targeted skills development, target sector	N/A	Developmental	\$\$

<p>investment and related employment.</p> <p>Editorial: The Municipal Government (Property Tax Incentives) Amendment Act was introduced in 2019. This legislation allows municipalities to offer tax incentives for non-residential properties to help attract business investment and provide a level of stability over the long term. The Competitiveness Study completed as part of the Tri-Municipal Regional Plan has suggested the need for a well-constructed incentive policy that creates awareness of the Region's openness to investment activity and a willingness to partner.</p>			
<p>8. Support and facilitate business engagement in investment attraction initiatives.</p> <p>Editorial: Businesses can effectively support investment attraction activities and ensure that site selection decision-makers know the region's capabilities, benefits, and available sites. Drawing from the diversity of businesses and expertise across the region can enhance the investment attraction activity.</p>	Business Community	Developmental	\$\$
<p>9. Investigate the decision-making processes of businesses in target sectors that invest in the EMR.</p> <p>Editorial: Building off the investment tracking, meet with and research these investors to understand why they have made these investments. Once understood, the Region can align to support further investment.</p>	Business Community, Investors, Edmonton Global	Aspirational	\$
<p>10. Develop long term sector support programming that aligns with the future of targeted sectors.</p> <p>Editorial: The energy services sector is trending towards fully renewable and carbon-neutral sources through wind, solar, geothermal and hydrogen. Further precision indoor agriculture is expected to become mainstream in the long-term, reducing food production's environmental impact. Highly automated systems will support local food production and export with fewer jobs. Like agriculture, automated production systems will support regional hubs of manufacturing reshoring, resulting in higher efficiency but fewer jobs.</p>	Business Community, Investors, Edmonton Global	Aspirational	\$\$\$

3.5 Strategic Priority: Business Retention and Expansion

3.5.1 Why is it important?

Enabling growth among existing businesses through formalized BR+E activities helps businesses create and preserve local employment. Local businesses also offer a vital contribution to the local tax base. Increasing their share of the overall tax base supports a municipality or Region's financial sustainability. Research and the experience of economic development leaders suggest that efforts spent nurturing and enabling growth among existing businesses provide a more effective return on investment in time and resources than pursuing new businesses through investment attraction efforts.

Although statistics differ from jurisdiction to jurisdiction, the most-cited statistics from across North America attribute 80% of net new jobs to existing businesses. Local businesses are invested in the community, will likely continue to invest and are a significant source of new investment leads. Relationship development, improved understanding of business communities' sectors and issues, and consistently providing value to local businesses is a long-term commitment.

The municipalities of the Tri-Municipal Region and third parties like the Chamber of Commerce are currently providing BR+E services at the local and regional level. Implementing shared systems in the region would increase efficiencies, support specialization in target sectors and better inform staff of related issues. These systems and enhanced collaboration on business engagement also provides continuous feedback on how best to improve municipal services.

3.5.2 Objectives

- ◆ Objective: The Tri Region has systems and protocols in place to effectively engage with the regional business community
- ◆ Objective: The Tri Region has improved its understanding of the steps required to grow existing and emerging industry clusters

3.5.3 Actions

Action	External Partners	Status	Cost
1. Develop a market intelligence platform that supports data-driven programming. Editorial: Data gathered through visitation should improve the Region's understanding of the local business community, workforce, target sector's businesses, export readiness, and pain points. Multiple CRM systems are used in the Tri-Municipal Region, and Edmonton Global is launching Salesforce. This data supports specialized programming development tailored to targeted sectors, addresses their concerns, and supports new investment.	Business Community	Foundational	\$
2. Establish a regional business visitation team with specializations in the target sectors. Editorial: Business visitation programs based on targeted sectors will need to be coordinated to collect data on the	Business Community,	Foundational	\$\$

state of industry, local/regional investment opportunities, and generate leads. The visitation team should be supported by a centralized database of businesses, support programming resources that BR+E efforts.	Provincial and Federal Governments Business Associations		
3. Promote a single point of contact/coordination. Editorial: A centrally coordinated communication system focused on developing long term relationships between business owners and the Business Visitation Team. Developing this system will reduce redundancies and allow for increased specialization in targeted sectors. Information should identify an export-oriented business, an emerging export-oriented business, or a well-established export-oriented business.	Business Community	Foundational	\$
4. Establish a regional business development program and brand that supports investment attraction in target sectors: Editorial: Building on coordinated business visitation, foster regional business promotion, partnerships, networking events and advocacy efforts aligned with its target sectors to derive the greatest economic impact.	Business Community, Provincial and Federal Governments Business Associations	Foundational	\$\$
5. Support export development and supply chain integration by facilitating access to businesses support programming. Editorial: Through visitation, data, and programming, encourage businesses to increase their export capacity and market access. While also expanding local supply chains and explore import substitution. These best practices improve resiliency, generate wealth and support expansion.	Business Community, Provincial and Federal Government	Foundational	\$
6. Support business's access to the required workforce by facilitating connections between academia and industry. Editorial: Through engagement, understand which skills businesses are having trouble finding and support their ability to access talent by partnering with education institutions.	Business Community, Education Institutions	Developmental	\$
7. Support the development of prioritized clusters through programming and promotion. Editorial: Business visitation and research support identifying growth clusters that are actively promoted and prioritized through programming.	Business Community, Provincial and Federal Governments	Aspirational	\$\$

4. IMPLEMENTATION CONSIDERATIONS

One of the primary challenges for derailed or delayed implementation of any economic development strategy is the lack of financial resources and the reliance on staff who often don't have the expertise, or the time needed to lead an economic development initiative. While in-kind support from partner organizations can be explored, this too can present challenges in the face of shifting mandates and competing priorities. This is further complicated when trying to take action at a regional level where there may be deeply rooted jurisdictional and programmatic fragmentation.

The level of effort and coordination required to implement a Tri-Municipal Economic Development Strategy successfully will be significant. For this reason, consideration must be given to the appropriate service delivery model through which business and community stakeholders, civic leaders and elected officials from across the Tri-Municipal Region can regularly come together to make well informed, strategic and regional contributions to economic development.

4.1 Regional service delivery model

As addressed in *Appendix II: Economic Development Service Delivery Analysis*, the chosen service delivery model will significantly impact the economic development strategy's effectiveness. The service delivery model integrates the approach of the Tri-Municipal Regional Plan, illustrated in the framework below.

It is recommended that the Tri-Municipalities move further along the collaboration continuum from the current status quo, which is characterized by the integration consultant as "Emergent Collaboration." Currently, the three municipalities deliver Economic Development services independently and cooperate on an ad hoc basis. While this approach can continue, autonomy is retained, and some regional successes are achieved. There can be operational issues, such as inconsistent political support, competition and overlap, and inefficient resource allocation. Attention to key services is less than optimal, the regional scale is not achieved, more complex constraints to development remain unresolved, and growth opportunities are not fully leveraged.

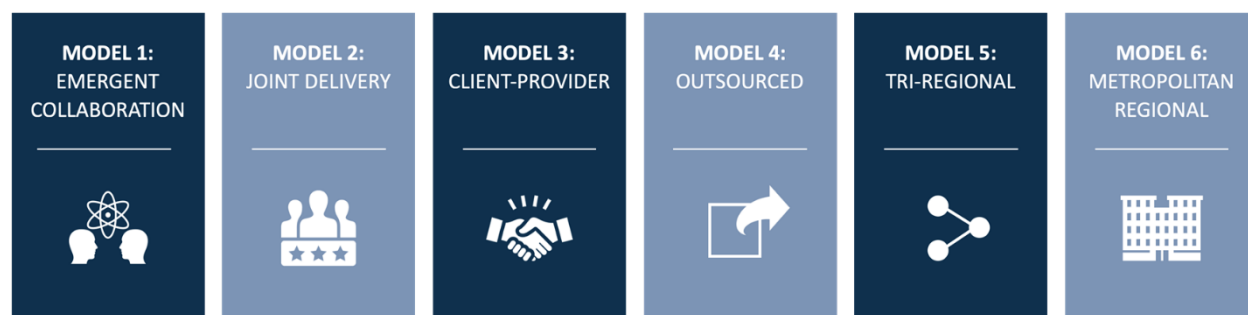


Figure 2: Implementation Continuum, Tri-Municipal Regional Plan Framework

4.1.1 Enhanced Collaboration Options

Similar to the service delivery implications linked to the Competitiveness Review and Edmonton Global's work, this Strategy suggests the Tri Municipalities will need to elevate their collaborative efforts to a higher level to maximize results.

Option #1 - Tri-Municipal Economic Development Joint Services Initiative

The Tri-Municipalities could adopt more structured long-term commitment. For example, by forming a Tri-Municipal Economic Development Joint Services Initiative or Committee (non-arm's length). Municipalities could still deliver their economic development services and agree to joint delivery of specific services or projects, based on a business case analysis - this could even include one of the municipalities delivering services to others within the Tri-Municipal region.

Some of the advantages include:

- ◆ The individual municipalities retain some autonomy.
- ◆ Builds on existing ad hoc approach and considered the next logical step forward in collaboration
- ◆ Larger scale for resource allocation and efficiency
- ◆ The pooling of shared resources allows for more specialized service delivery
- ◆ Ability to build Tri Municipal unique brand within the EMR

Some of the disadvantages include:

- ◆ Political conflicts, consistent political support – opting in and out of regional initiatives and lack of momentum.
- ◆ An extra layer and time needed for decision making through the three Councils.
- ◆ Shared programs or projects can lack a consistent approach and be more reactive.
- ◆ Difficulty in fully costing of projects and sharing costs.
- ◆ It May not be seen as much of a change from the current approach
- ◆ Cannot access the full range of funding sources not available to municipalities

Option #2 - External Tri-Municipal Economic Development Entity

The Tri-Municipalities could go further along the continuum to create a separate Tri-Municipal Economic Development Entity (Not-for-Profit, at arm's length) with a board, staff and budget. This is not a new concept and is often adopted for service delivery in an area where the local economy, businesses and workforce are highly integrated. Economic growth and declines are felt across municipal boundaries.

Features or characteristics of a more formal common service delivery approach include:

- ◆ Service Delivery Agreement (SDA) in place with the Tri-Municipalities.
- ◆ A sector specialization/project-based format, including full-time BR&E Team covering all Tri Region companies.
- ◆ The Entity Board of Directors could include the Mayor of each municipality and representatives from the private sector.
- ◆ The municipal funding formula could be based on population, assessment, numbers of businesses/households or some combination, with weightings if necessary.
- ◆ Associate Members could bring in partners and fundraising.
- ◆ The entity could add an industrial land mandate; this may be a way to expand Shared Investment for Shared Benefit (SISB) if they could agree to share infrastructure costs and tax revenue for newly acquired Tri-Municipality Industrial Zones.

Some of the advantages of this type of approach to service delivery (e.g., external shared Entity) include:

- ◆ Better alignment, less bureaucracy, regional focus, shared resources, specialized service delivery, brand development, access to funding sources not available to municipalities.

Some of the disadvantages of this type of approach to service delivery (e.g., external shared Entity) include:

- ◆ Less political accountability (governance), different HR policies, less service-level control, and self-funding initiatives can lead to service delivery bias toward those initiatives and benefits that may occur unequally across the municipalities.

4.2 Estimated Strategy Cost

The estimated costs for strategic actions are designed to illustrate potential costs based on assumptions and not intended to be a final budget.

The following charts indicate the estimated staff time and fixed costs of each objective and strategic direction as a standalone initiative. Several assumptions have been made to develop these estimates for each strategic priority.

- ◆ Full-Time Equivalent or FTE salary and benefits have been estimated at \$100,000 per FTE. Note: These FTEs are not intended to be net new and could simply be a reallocation of the current Economic Development staff.
- ◆ Identified costs are startup estimates; in many cases, there will be ongoing maintenance and subscriptions required.
- ◆ Database pricing assumes existing services can be adapted and shared.

4.2.1 Action Categories

To highlight where the potential for cost savings may occur if actions are implemented concurrently, actions have been assigned to three categories:

Databases: These actions include developing CRMs, cloud-based services, subscriptions, and data management. If completed concurrently, databases could be adapted or serve multiple purposes reducing overall cost.

Service Delivery Internal: These actions include strategy development, policy development and improving internal processes. Staff assigned to these actions could complete concurrent activities reducing the total FTE requirements.

Service Delivery External: These actions include providing services to clients, facilitating advocacy and partnership development. Staff assigned to these actions could complete concurrent activities reducing the total FTE requirements.

4.2.2 Definitions

- ◆ CRM: Customer Relationship Management software
- ◆ Database: A structured set of data
- ◆ FTE: Full-Time Equivalent employee
- ◆ IT: Information Technology
- ◆ KPI: Key Performance Indicator

4.3 Cost Breakdown by Strategic Priority

Category	Strategic Priority: Investment Readiness			
	Actions	Staff Time	Costs	Timing
Database	1. Adapt existing tools to maintain a single comprehensive, accessible database of employment lands and buildings.	.25 FTE (\$25,000)	\$10,000 (Database, meetings)	Year 1
Database	2. Adapt or develop a comprehensive workforce database.	.25 FTE (\$25,000)	\$10,000 (database, meetings)	Year 1
Database	3. Develop and Promote a Premier Site Program.	.25 FTE (\$25,000)	\$20,000 (Contract Site Selector)	Year 1
Service Delivery: Internal	4. Leverage the work of Spruce Grove and accelerate local plans and capital budgets to build a regional fibre network that addresses infrastructure gaps and provides the connectivity required to be competitive.	.50 FTE (\$50,000)	\$250,000-\$350,000 (Integrated Regional Broadband Strategy)	Year 1
Service Delivery: Internal	5. Work with the federal and provincial governments and other funding partners to support infrastructure construction that brings new industrial land online and enhances existing business and industrial parks to meet target sector needs.	.25 FTE (25,000)	\$10,000 (Meetings, Grants)	Year 1
Service Delivery: Internal	6. Digitize the development approval processes.	.25 FTE X 3 (75,000)	\$20,000 (Meetings, Software)	Year 2
Service Delivery: Internal	7. Continue to streamline the development approvals process to be more client-focused.	.25 FTE x 3 (75,000)	\$5,000 (Meetings)	Ongoing
Total		3 FTEs (\$300,000)	\$425,000	
Category	Strategic Priority: Innovation and Entrepreneurship			
	Actions	Staff Time	Costs	Timing
Database	1. Adapt and promote a centralized database of existing innovation programming and resources to improve access to available resources.	.10 FTE (\$)	\$5,000 (Database)	Year 1
Service Delivery: External	2. Support business's access to the required workforce by facilitating connections between academia and industry.	.10 FTE (\$10,000)	\$5,000 (Meetings)	Ongoing
Service Delivery: Internal	3. Support the creation of a start-up business support network.	.25 FTE (\$25,000)	\$5,000 (Meetings)	Year 1
Database	4. Provide entrepreneurs with a pipeline of tools, skills, connections, and resources to succeed.	.25 FTE (\$25,000)	\$5,000 (Meetings, database)	Ongoing
Database	5. Establish monitoring systems for regional investments and business expansions to track ROI and support target sector identification.	.10 FTE (\$10,000)	\$5,000 (Database)	Year 1

Service Delivery: External	6. Support scaling start-up businesses that drive innovation in target sectors.	.25 FTE (\$25,000)	\$5,000 (Meetings, Database, Program Development)	Ongoing
Database	7. Identify complementary niches to current industry strengths that support growth and innovation.	.10 FTE (\$10,000)	\$5,000 (Database)	Year 1
Total		1.15 FTEs (\$150,000)	\$35,000	
Category	Strategic Priority: Investment Attraction			
	Actions	Staff Time	Costs	Timing
Service Delivery: External	1. Support a coordinated response to investment inquiries.	1 FTE (\$100,000)	\$10,000 (Meetings)	Year 1
Service Delivery: External	2. Establish a regional lead generation pipeline.	1 FTE (\$100,000)	\$10,000 (Database, Meetings)	Year 1
Service Delivery: Internal	3. Establish lead handling protocols.	.20 FTE (\$20,000)	N/A	Year 1
Service Delivery: External	4. Focus on investment attraction in targeted sectors.	1 FTE (\$100,000)	\$10,000 (Database, meetings)	Ongoing
Database	5. Develop investor-focused marketing materials in target sectors.	.25 FTE (\$25,000)	\$10,000 (Material Development)	Ongoing
Service Delivery: External	6. Establish an investment aftercare team.	.25 FTE (\$25,000)	\$5,000 (Meetings)	Year 1
Service Delivery: Internal	7. Explore options for a collaborative approach to municipal incentives for targeted skills development, target sector investment and related employment.	.25 FTE (\$25,000)	\$5,000 (Meetings)	Year 1
Service Delivery: External	8. Support and facilitate business engagement in investment attraction initiatives.	.25 (\$25,000)	\$5,000 (Meetings)	Ongoing
Total		4.2 FTEs (\$420,000)	\$55,000	
Category	Strategic Priority: Business Retention and Expansion			
	Actions	Staff Time	Costs	Timing
Database	1. Develop a market intelligence platform that supports data-driven programming.	.25 FTE (\$25,000)	\$10,000 (Database)	Year 1
Service Delivery: External	2. Establish a regional business visitation team with specializations in the target sectors.	1 FTE (\$100,000)	\$5,000 (Meetings)	Year 1
Service Delivery: External	3. Promote a single point of contact/coordination.	.10 FTE (\$10,000)	\$5,000 (Meetings)	Year 1

Service Delivery: External	4. Establish a regional business development program and brand that supports investment attraction in target sectors:	.25 FTE (\$25,000)	\$10,000 (Engagement, Site Visits)	Ongoing
Service Delivery: External	5. Support export development and supply chain integration by facilitating access to businesses support programming.	.25 FTE (\$25,000)	\$5,000 (Program Development)	Ongoing
Service Delivery: External	6. Support business's access to the required workforce by facilitating connections between academia and industry.	.25 FTE (\$25,000)	\$5,000 (Meetings)	Ongoing
Total		2.10 FTEs (\$210,000)	\$40,000	
Grand Total		10.8 FTEs (\$1,800,000)	\$555,000	
Potential Savings by Completing Actions Concurrently		7 FTEs	\$495,000	

APPENDICES

I - Technical Report (under separate cover)

II - Service Delivery Review (under separate cover)

TRI-MUNICIPAL **REGIONAL** PLAN



TRI-MUNICIPAL ECONOMIC DEVELOPMENT STRATEGY

APPENDIX I: TECHNICAL REPORT

February 2021



Submitted by: MDB Insight

PURPOSE OF THIS REPORT

This Technical Report presents an evaluation of the current economic development strategy and program execution of the Parkland County, Spruce Grove and Stony Plain (the Municipalities), collectively known as the Tri-Municipal Region (the Region), along with an understanding of the Region's demographic, employment, and development trends. The report serves as Appendix I to the Tri-Municipal Economic Development Strategy and includes the following sections:

- ◆ **Document Review** – overview of themes and areas of importance emerged from a review of strategies, reports and planning documents of the Municipalities that support a regional approach to economic development.
- ◆ **High-Level Economic Profile** – overview of the current demographic, labour force, and industry composition in the Region relative to the broader Edmonton Metropolitan Region (EMR) along with population and growth projections.
- ◆ **Target Sector Overview and Market Trends** – informed by the Tri-Municipal Region Competitiveness Review, an overview of the targeted sectors and market trends for the Region with consideration given to its performance and role within the EMR.

How to Use This Report

The report serves as Appendix I: to the Tri-Municipal Economic Development Strategy. It should be used to gain an understanding of the current economic development context and considerations that need to be accounted for when developing the Tri-Municipal Economic Development Strategy.

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1. INTRODUCTION

A regional economic development strategy by its nature is broad in scope, identifying high-level strategic priorities considered essential to advancing the Tri-Municipal Region's growth and contributing to the sustainability of the three communities over the long term.

With an integrated economy and the changing and competitive nature of economic development, achieving the objectives that advance these priorities requires a different approach, orientation and definition of regional economic development. There needs to be an understanding that the nature of work is changing and that the skills and infrastructure needed to support this shift are also changing. The traditional forms of inward investment are declining in favour of small and medium-sized enterprises and entrepreneurs.

The City of Spruce Grove, Town of Stony Plain, and Parkland County (the “Tri-Municipal Region”) are developing a Tri-Municipal Economic Development Strategy as a comprehensive component of the Tri-Municipal Regional Plan. The Tri-Municipal Regional Plan's impetus was the federal announcement that traditional coal-fired electricity generation would be phased out by 2030 and the subsequent investment of \$35 million over five years for skills development and economic diversification for affected communities.

All three municipalities have made progress on implementing their economic development strategies and initiatives, and there is a shared desire to align land use, service delivery and infrastructure investment for the benefit of the citizens of the Region. The Tri-Municipal Economic Development Strategy will be an encompassing strategy for investment attraction and business retention for the Region. It will also reflect on investment readiness issues and the need to anticipate and plan for change. A commitment to the goals, objectives, and required implementation effort in the strategy represents a significant step forward in the collaboration and coordination of economic development for the three municipalities.

The technical report that follows discusses the Tri-Municipal Region's recent performance against a select range of demographic and economic indicators and is intended to provoke thinking on the state of the Region's competitive position in a broader landscape. The information presented is based on a review of available data, reports, and studies considered relevant to the Economic Development Strategy development.

The following analysis is provided within this report:

- ◆ **Document Review** – An overview of key themes emerged from a review of strategies, reports and planning documents of the Municipalities that support a regional approach to economic development.
- ◆ **High-Level Economic Profile** – An overview of the current demographic, labour force, and industry composition in the Region relative to the broader Edmonton Metropolitan Region (EMR) along with population and growth projections developed in conjunction with the Tri-Municipal Regional Plan.
- ◆ **Target Sector Overview and Market Trends** – An overview of the targeted sectors and market trends for the Region with consideration given to its performance and role within the EMR and informed by the Tri-Municipal Region Competitiveness Review.

2. DOCUMENT REVIEW

The discussion that follows summarizes the major themes that emerged from a review of available background material provided by the Integration Consultant or sourced through related research. The review comprises existing strategies, master plans, sector-based initiatives, financial statements and policy documents from each municipal partner, and the reports developed by other Tri-Municipal Regional Plan secondary consultants such as the Competitiveness Review and resources Edmonton Metro Region Board and Edmonton Global. A list of documents reviewed from an economic development perspective is provided under supplementary information (Table 23) in this report.

The review enabled an understanding of the current economic development programming, supporting policies and the strengths and gaps in the existing research. It has also helped to inform a regional vision and in the identification of opportunities for regional collaboration.

2.1 Municipal Economic Development Framework

The current economic development situation of each of the individual communities is briefly described below.

2.1.1 Parkland County

The Parkland County 2016-2020 Strategic Plan identified the Council's five priority Regions for service delivery in the County, including agriculture, economic diversification and regional strategy. The 2014-2018 Economic Development Strategy focussed on initiatives to promote business attraction and expansion, support for trade and tourism development, and enhance local quality of life. Specific focus areas included rural economic development, development of the Acheson Industrial Region, and partnerships with TransAlta eco-industrial development. The groundwork for each of these focus areas has been initiated. It includes the 2014 Employment and Industrial Lands Strategy, the 2018-2020 Tourism Action Plan, the 2017 Future of Agriculture Study and the 2018 Agricultural Program and Services Review. Target sectors for the County include agriculture, manufacturing, oil and gas supply and services, rural development, tourism and transportation distribution and logistics.

With a focus on supporting the evolving traditional economic activities while pursuing new opportunities for diversified and sustainable growth, Parkland County's Economic Diversification department is actively involved in promoting business growth, development, and tourism in the County. The County's Major Business Attraction Program is instrumental in attracting investors and major industries to the Region. Business recognition programs, visitation programs, events and workshops are key initiatives taken by the department to attract, retain and support businesses in Parkland County. Parkland County also partners with Acheson Business Association, Spruce Grove & District Chamber of Commerce and Stony Plain & District Chamber of Commerce and the Capital Region Board.

2.1.2 City of Spruce Grove

The City's 2018-2035 Strategic Plan is intended to guide and inform the city's future for a 20-year planning horizon with a key principle of 'sustainability through sound economic development.' The 2017-22 Economic Development Strategy and Action Plan Update identified that the city needs to focus on diversification, particularly oil and gas volatility. Key emerging sectors include renewable energy, environmental services, logistics, metal fabrication, agri-foods, and advanced technology. The plan called for a collaborative and cooperative approach, recognizing the Acheson Industrial Region's impact

and the need to ensure an adequate supply of commercial and industrial land to support new investment. Goals and objectives included a focus on business retention and attraction, investment readiness, building community and business infrastructure and a focus on the quality of life. Understanding that the lack of adequate broadband service is a key constraint to attract and retain businesses, the city undertook the Fibre-Optic Broadband Strategy in 2019, which proposed using the city's own Fibre Optic Network to extend broadband services to industrial and commercial areas. The 2013 Industry Sector Targeting Study and the retail and office market analysis helped introduce partnerships to influence and shape development in the city. It identified that the city should capture a larger share of the business market that needs a smaller footprint, including regional supply chain management opportunities.

Spruce Grove's Economic and Business Development team supports entrepreneurs and businesses, assists with business expansions, investment attraction and marketing the business community. The team acts under the leadership of an Economic Development Advisory Committee. Key successes include the Westwind land assembly, the Tri Leisure Village recreation campus, revitalization of the city centre, and the NAIT campus's attraction. Marketing is also a key focus area and includes the invest Spruce Grove website, 'here we grow' marketing materials and social media platforms to attract residential, commercial and industrial investment.

2.1.3 Town of Stony Plain

Council's Strategic Plan for 2019- 2022 contains five themes: governance & partners, economic opportunity, supportive infrastructure, community development and environmental responsibility. It identifies opportunities for regional collaboration, particularly related to amenities, arts and recreation offerings, and ensuring a growing economic base of small businesses, commercial and industrial companies. The Plan identifies that the Town should take a leadership position to ensure positive, constructive and mutually beneficial inter-municipal decisions.

The 2019 Economic Development Strategy Update included three regional focus areas: product development, promotion, and customer service. The Plan identified that existing resources should be focused on building Stony Plain's profile in the Edmonton Metropolitan market. This entails focusing on target markets for small independent businesses¹, enhancing the downtown, building faster telecommunications, encouraging redevelopment of infill areas and improving the Town's business customer service. A regional approach to customer services and the Edmonton Metropolitan Region Economic Development Initiative's participation was identified to promote the Edmonton Metro Region and its constituent communities to potential investors and industry influencers.

The Office of Economic Development offers several business services, including business development assistance, information about the community, site selection services and business networking opportunities. Economic Development serves as an advocate for business and industry. It represents the Town on several external boards, including the Stony Plain and District Chamber of Commerce and Edmonton Global.

¹ including professional services and health care, destination shopping/dining, cultural businesses, and certain types of businesses attracted to the North Business Park.

2.2 Current Tri-Municipal Competitiveness

The Region enjoys several competitive advantages when compared to select peer communities, including being a lower-cost business environment, having a business-friendly reputation, good infrastructure linkages (e.g., rail, road and telecommunications), being home to a young and growing population and offering affordable living and good quality of life for residents. The Region also demonstrates a diverse business base across a variety of sectors. These characteristics and the continuing effort to maintain this competitive advantage support business and investment attraction and workforce and consumer attraction efforts.

Weaknesses impacting the Region's competitiveness include a mix of perceived and real gaps. An identified concern is the lack of workforce skills required to support emerging sectors' growth across the EMR. While the workforce with the required skills to support economic growth over the long term exist within the broader region, these occupations are not comparatively active within the Tri-Municipal Region. Another identified weakness is the lack of investment-ready land and buildings with which to support future investment. A strategy for identifying, permitting and servicing high-quality land and buildings for future industrial use is essential for investment attraction and business retention efforts across the Tri-Municipal Region.

The Competitiveness Study has suggested that the Tri-Municipal Region currently lacks a calling card, unlike others within the broader Edmonton Metropolitan Region. However, the challenge is to identify the factors or assets that will influence key decision-making related to locating in the Tri-Municipal Region. While providing a low-cost business environment is important, it cannot be a race to the bottom. Determining a long-term vision and aspirations for Tri-Municipal Region in concert with clarity of messaging is essential, as are the supporting initiatives that raise the Edmonton region's profile in general. This includes sharing investors' and entrepreneurs' perspectives and stories of those who have discovered the Tri-Municipal region's benefits vs. other jurisdictions.

Key themes of importance to the Region's competitiveness over the long term include innovation, the integration of emerging technologies and internet connectivity. Internet connectivity is an immediate challenge for the Region as it lags investment being made by other Albertan municipalities. This includes the \$100 million investment from TELUS² to connect more than 90% of homes and businesses in the City of St. Albert and parts of Sturgeon County and projects outside the Edmonton CMA such as Clearwater County's³ \$20 million broadband project.

A further consideration for future programming is strengthening the level of participation in and contribution to the broader region's innovation ecosystem. This includes considering how best to support innovation and technology adoptions across all sectors of the Tri-Municipal economy, including innovation hubs that support businesses and entrepreneurs and the growth of key sectors across the Tri-Municipal Region.

2.3 Current Tri-Municipal Collaboration Effort

Coordinated tri-municipal economic development and planning initiatives/efforts to date include:

² TELUS investing \$100 million to connect St. Albert and parts of Sturgeon County - <https://www.sturgeoncounty.ca/annexation/telus-investing-100-million-to-connect-st-albert-and-parts-of-sturgeon-county-directly-to-advanced-fibre-optic-network>

³ Clearwater County Broadband Project - <https://www.clearwatercounty.ca/p/clearwater-county-open-access-network>

- ◆ Inter-municipal Collaboration Committee (ICC) for Transit for the three municipalities.
- ◆ Through coordinated planning efforts, the Tri-Municipal Region is focused on the TransAlta Tri Leisure Centre's operationalization.
- ◆ The Tri-Region Tourism partnership⁴ among Parkland County, the City of Spruce Grove and the Town of Stony Plain cross-promotes the amenities and opportunities in the Region.
- ◆ Acheson's transit is a partnership between Parkland County, the City of Spruce Grove, and the City of Edmonton, offering services that connect Acheson to main transit routes in Edmonton and Spruce Grove.
- ◆ The Tri-Municipal Regional Transit Plan seeks to deliver a unified vision for future transit service and supporting infrastructure and strategies for the City of Spruce Grove, the Town of Stony Plain and Parkland County.
- ◆ Targeted planning initiatives such as the 2017 Indoor Recreation Facilities Strategy for the Tri-Municipal Region.
- ◆ The Tri Municipal Labour Market Strategy and Action Plan identify prime employment for each municipality, which could be used to eliminate duplication and enhance specialization.
- ◆ As identified in the draft Tri-Regional Cultural Plan, the municipalities support culture through cost-sharing agreements to provide regional access to 'anchor' cultural facilities. The agreements are between municipalities and anchor facilities; examples include the Horizon Stage Cost Sharing Agreement between Parkland County and the City of Spruce Grove and the Pioneer Museum, supported by the Town of Stony Plain and Parkland County.

While the above demonstrated the willingness to work together for a common cause, there is little evidence of progress on concrete and formalized examples of collaboration related to economic development. The recent decision by Parkland County to leave the Edmonton Global partnership and the Tri-Municipal Tourism Project is concerning from the perspective of investment attraction programming and marketing of the Region. Also, financial challenges impact collaboration opportunities. The impact of the coal shutdown and COVID-19 may affect the municipalities' ability to participate in some previously planned initiatives. The change in linear tax assessment also impacts Parkland County, and the residential/non-residential ratio poses a revenue problem for the municipalities.

2.4 EMRB Region Growth Plan

The 2017 Edmonton Metropolitan Region Board (EMRB) Region Growth Plan presents a 50-year vision, guiding principles and six interrelated regional policy areas to guide growth and development over the next 30 years. It details a focus on compact and contiguous development to ensure the efficient use of land and resources that optimizes public investment and maximizes the use of existing and planned infrastructure and services over the long term. Focussing on compact and contiguous development will support viable multi-modal transportation options, foster the creation of complete communities, and conservation of the Region's agricultural land base to ensure long-term viability and regional food security conserve natural assets.

It is anticipated that the adoption and implementation of this Growth Plan will foster a stronger metropolitan region that is globally competitive, sustainable and prosperous. Implementation will depend on the level of regional collaboration between member municipalities and other orders of

⁴ As per the 2020 Tri-Municipal Region Cultural Plan – Interim Report, Parkland County has opted out of the Tri-Region Tourism project as of 2020.

government and regional stakeholders. To transition to this Growth Plan, all member municipalities must prepare regional context statements (RCS) to identify how existing municipal development plans (MDP) conform or diverge from the new Growth Plan and how municipalities will bring their MDPs into conformity. Parkland County, Spruce Grove and Stony Plain have all developed RCS.

In recognizing the Region's diverse urban and rural contexts, the Edmonton Metropolitan Regional Structure to 2044 provides the framework for managing economic, employment and population growth. The Regional Structure reinforces existing urban communities and major employment areas and builds on existing infrastructure and land use patterns. As per the Structure, Parkland County falls under the rural Region while Stony Plain and Spruce Grove are defined as metropolitan Region. Growth directions are highlighted below:

- ◆ **Rural Area** – growth in existing towns and villages, urban areas and brownfield and greenfield sites; optimize servicing capacity and transportation connections; mixed-land use and higher densities; residential area infill and build-out; employment growth focussed on Alberta's Industrial Heartland and regional airport and local employment areas. Sector focuses include agriculture and diversification, forestry, resource extraction and processing.
- ◆ **Metropolitan Area** – intensification of built-up areas, brownfield, greenfield, transit-oriented development (TOD), employment growth in major and local employment areas, urban and TOD centres. Market affordable and non-market housing and support. Sector focuses include institutional, health, education, diversification of agriculture.

2.5 Tri-Municipal Economic Development Collaboration Opportunities

Opportunities for tri-municipal economic development collaboration that emerged from the document review include:

- ◆ **Regional Innovation** – activities related to innovation and commercialization, strategic management of research spending and related infrastructure, technology transfer and productivity improvement. Opportunities for developing a Business incubator/accelerator in partnership with the Northern Alberta Institute of Technology (NAIT).
- ◆ **Cluster Development** – opportunities to champion agriculture processing while diversifying into other sectors such as supply chain logistics, value-added food and agriculture, manufacturing, information and communication technologies, commercial and energy services,.
- ◆ **Support for Destination Marketing Organization (DMO) and Promotion** – support for DMOs plays a key role in the long-term development of a destination by formulating an effective travel and tourism strategy.
- ◆ **Support for Edmonton Global's FDI Efforts** – The representation of ED can help EMR municipalities improve efficiency and reduce staff/resources devoted to FDI/Trade lead generation.
- ◆ **BR+E Programming** – a formalized regional BR+E program to help reduce business retention and expansion costs, create businesses regionally, and preserve local employment.
- ◆ **Workforce Development** – opportunities to address regional workforce development with a focus on collaborative transit.
- ◆ **Broadband Strategy** – expanding partnerships with service providers to the regional level to help address continued investment in fibre optic infrastructure.

- ◆ **Marketing Tools** – opportunities to build on co-operative marketing with private developers (e.g. "Sweet Life in Spruce"), visitor info services, call trips or attendance at trade fairs.
- ◆ **Strengthening Regional Brand** – opportunities to develop a unique identity for the Region that leverages the combined urban/rural between the three municipalities.
- ◆ **Collaboration and Cooperation with First Nations** – opportunities to investigate partnerships with First Nations as it relates to focus areas including, but not limited to, tourism, economic and workforce development.
- ◆ **Regional Governance** – formalizing agreements in Regions where informal activity has historically taken place to build more trust and mutual accountability between municipalities and allow them to unify services and programming efforts and ensure they thrive in the future.

2.6 Role of Edmonton Global

Edmonton Global is an independent, shareholder-based economic development corporation founded by fifteen municipal partners. In understanding that working together is central to attracting investment, particularly due to changes in the global economy, the 15 municipalities in the Edmonton Metropolitan Region united, resulting in Edmonton Global's creation. Unique opportunities were identified for the Region in particular sectors, including food production, health innovation, advanced manufacturing, energy, and Industry 4.0. As referenced in the 2018-2023 Edmonton Global Strategic Plan, the focus is on four sectors:

- ◆ Manufacturing and Advanced Manufacturing
- ◆ Health and Life Sciences
- ◆ Food and agriculture
- ◆ Energy and clean technology

In addition to being an agent of the regional mindset, the vision for Edmonton Global stipulates key roles for Edmonton Global and individual municipalities, as detailed below.

Edmonton Global's Role

- ◆ Promote the region to the world
- ◆ Bring global investors to the region
- ◆ Act as a consistent point of contact for investors
- ◆ Coordinate the regional database
- ◆ Provide technical advice and assistance
- ◆ Identify investor pain points and how to solve them
- ◆ Communicate with shareholders and partners

Municipalities' Role

- ◆ Champion the regional vision
- ◆ Engage and understand the process
- ◆ Act as regional ambassadors
- ◆ Share data and information into the regional database
- ◆ Ensure staff resources and availability
- ◆ Continually improve investment readiness
- ◆ Identify and promote outcomes and success stories

Edmonton Global works toward four strategic priorities:

- ◆ Act as a catalyst for foreign direct investment and trade
 - ◆ **Objective** – To pursue FDI and trade opportunities in focus sectors and markets where growth potential exists for the Edmonton Metropolitan Region
- ◆ Increase awareness and improve perceptions
 - ◆ **Objective** – To develop and regional brand for economic development and tell the Edmonton Metropolitan Region's story in Canada and worldwide.
- ◆ Leverage partnerships to enhance success
 - ◆ **Objective** – To align with economic development, institutional and business partners to enable economic development opportunities.
- ◆ Strive for organizational excellence
 - ◆ **Objective** – To establish Edmonton Global as a top-performing regional economic development corporation and an employer of choice.

2.7 Summary of Observations

The following bullets highlight the key observations within this section:

- ◆ Parkland County's Economic Diversification department is actively involved in promoting business growth, development, and tourism in the County through the Major Business Attraction Program, Business recognition programs, visitation programs, events, and workshops.
- ◆ As identified in the Economic Development Strategy, Parkland County's focus areas include rural economic development, Acheson Industrial Region development, and TransAlta eco-industrial development partnerships.
- ◆ Spruce Grove's Economic & Business Development team supports entrepreneurs and businesses, assists with business expansions, investment attraction and marketing the business community.
- ◆ In 2019, Spruce Grove undertook the Fibre-Optic Broadband Strategy, which proposed using the city's own Fibre Optic Network to extend broadband services to industrial and commercial areas.
- ◆ Spruce Grove received \$4.25 million in Municipal Stimulus Program funding to expand the fibre optic network in the city's commercial and industrial areas. The project will provide reliable and affordable high-speed broadband services and provide the basis for the extension of 5G and Smart Cities⁵.
- ◆ Stony Plain's Office of Economic Development offers several business services, including business development assistance, information about the community, site selection services and business networking opportunities.

⁵ Spruce Grove to receive over \$4.25 million in Municipal Stimulus Program funding. <https://www.sprucegrove.org/government/news>

- ◆ Stony Plain is focused on building its profile in the Edmonton Metropolitan market, emphasizing target markets for small independent businesses⁶, enhancing the downtown, building faster telecommunications, encouraging redevelopment of infill areas, and improving the Town's business customer service.
- ◆ Competitive advantages for the Region include a lower-cost business environment, having a business-friendly reputation, location advantages and a strong labour force.
- ◆ Weaknesses impacting the Region's competitiveness include the lower proportion of target sector occupations, the parallel lack of workforce skills required to support the growth of emerging sectors across the EMR and the lack of investment-ready land and buildings to support future investment.
- ◆ Although The Tri-municipal region is in proximity to Alberta's Industrial Heartland and Acheson is known for its active industrial park, as identified in the competitiveness study, the Tri-Municipal Region currently lacks a 'calling card' or identifiable label. Key themes of importance to the Region's competitiveness over the long term include innovation, the integration of emerging technologies and internet connectivity.
- ◆ The municipalities have demonstrated a willingness to collaborate on a Tri-Municipal basis. The Tri-Municipal Region has collaborated on significant projects and initiatives in the past, including the TransAlta Tri Leisure Centre, the Tri-Region Tourism Partnership, Acheson's transit, Tri-Us Event Sponsorship program and cost-sharing agreements for operating cultural assets and events.
- ◆ The recent decision by Parkland County to leave the Edmonton Global partnership and the Tri-Municipal Tourism Project is concerning from the perspective of investment attraction programming and marketing of the Region.
- ◆ The Region's competitive position is generally stronger than its members independently, which underscores the importance of presenting a regional front. The strength of collaboration, however, will only be evident if it is effectively operationalized.

3. ECONOMIC PROFILE

The high-level economic profile evaluates and discusses the implications of and opportunities for shifts in the Tri-Municipal Region's economic base. It presents an overview of the current demographic, labour force, and industry composition in the Region relative to the broader Edmonton Metropolitan Region (EMR), along with population and growth projections.

3.1 Data Sources

The following data sources have been relied on to develop the Region's Economic Profile.

- ◆ Tri-Municipal Regional Plan-Growth Forecasts: Assumptions – Draft, 2020
- ◆ Tri-Municipal Region Competitiveness Review, 2020
- ◆ Statistics Canada, Canadian Business Counts, June 2020
- ◆ Manifold Data Mining Inc., 2019
- ◆ Statistics Canada, Census Profile, 2016

⁶ including professional services and health care, destination shopping/dining, cultural businesses, and certain types of businesses attracted to the North Business Park.

3.1.1 Notes on Data

- ◆ The June 2020 Canadian Business Counts were used to determine the total number of registered businesses in the Tri-Municipal Region.
- ◆ Statistics Canada's Canadian Business Counts Data provides a record of business establishments by industry and size. This data is collected from the Canada Revenue Agency (CRA). The business data collected for the Tri-Municipal Region included all local businesses that met at least one of the three following criteria: Have an employee workforce for which they submit payroll remittances to CRA, or have a minimum of \$30,000 in annual sales revenue, or are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years.
- ◆ Manifold Data is a leading data and analytical service provider in Canada. It provides organizations with specific consumer data products, analytics, and predictive forecasts. All data products are presented at the 6-digit postal code level, and each postal code has an average of 10-15 households.
- ◆ Where possible, Manifold Data has been incorporated based on 2019 economic forecasts. The data is modelled using the census data 2016 from Statistics Canada to the current year estimates with the following approaches: enhanced cohort survival methods, collaborative filtering techniques, and structural coherence techniques. Comparisons with Statistics Canada data over time have been used in a limited manner in this report and have been noted.
- ◆ The 2016 Census of Population is the latest and most widely available data product offered by Statistics Canada. It provides population, dwelling trends, immigration and ethnic diversity, income, education, labour force by industry, occupation, and commuting patterns.
- ◆ The population, employment and occupations forecast data are provided for the Edmonton CMA and the Region and are adapted from the Tri-Municipal Regional Plan-Growth Forecasts: Assumptions.
- ◆ The Economic profile data is provided for the whole of Parkland County, Stony Plain and Spruce Grove. As a result, the population and employment data may differ from the Municipal Regional Plan-Growth Forecasts: Assumptions differentiate between Parkland (in the study area) and Parkland (outside study area). The economic profile aligns data and definitions with the Tri-Municipal Region Competitiveness Review, 2020.

3.1.1.1 Definitions

As part of this economic baseline analysis, the Location Quotient (LQ) Analysis was completed to determine the concentration of industries (businesses) in the Tri-Municipal Region relative to the Province. It reveals what makes a region "unique" and may highlight a current competitive advantage. The LQ's Classifications are as follows:

- ◆ LQ greater than or equal to 1.25 – indicates that the community has a proportionately **'high'** concentration of industries than the larger comparison area.
- ◆ LQ lower than 1.25 and higher than 1.0 – indicates that the community has an **'above average'** concentration of industries than the larger comparison area.
- ◆ LQ 1.0 – indicates industry concentration in the community is **'on par'** with the larger comparison area.
- ◆ LQ lower than 1.0 and higher than 0.75 – indicates that the community has a **'moderate'** concentration of industries than the larger comparison area.

- ◆ LQ lower than 0.75 - indicates that the community has a **'low'** concentration of industries than the larger comparison area.

3.2 Macro-Economic Provincial and Regional Trends

Alberta's economy is going through significant economic and structural changes. The economy has been affected by declining oil prices and exports and government-imposed oil production caps, resulting in a mild recession in 2019. While the province was projected to recover due to business investments in oil production and pipeline capacity expansion⁷, the COVID-19 pandemic has delayed the economic recovery. The Conference Board of Canada projects that Alberta's real GDP will decline by 6.8% this year⁸. The 2020 Tri-Municipal Region Competitiveness Review shows that exports and investment have declined in recent months. In April, international export value contracted by 29%, while in May, the value dropped further by 19%. Capital investments in Alberta have been low since the oil price decline of 2015. In 2017, FDI flowed to the energy sector reduced by 12%, the largest decline in the past 17 years. The uncertainty introduced by COVID-19 will continue to exacerbate the issue through 2020-2021, although local mergers and acquisitions are currently occurring and may provide some restructuring opportunities. Furthermore, carbon taxes will be increasing⁹ from \$30/tonne to \$40/tonne in 2021 and to \$50/tonne in 2022, which is a consideration related to Alberta's recovery and the push toward economic diversification.

Chart 1 shows that employment in the Province has also declined from January 2020 to April 2020, a net loss of 15% or 349,500 jobs¹⁰. May 2020 showed the highest unemployment rate at 15.5% compared to a 7.3% unemployment rate in January 2020. As detailed in the September 2020 Labour Force Survey¹¹, employment across the province has been recovering in keeping with broader national trends as COVID-19 restrictions continued to ease. From May 2020 to September 2020, the province saw employment rise by 206,800 (10% net increase). Wholesale and retail trade, accommodation and food services, health care and social assistance, construction, information, culture and recreation and educational services contributed the most to employment increase. The unemployment rate was still high, at 11.7% in September 2020, but this could be attributed to the increase in the participation rate.

⁷ RBC. (2019). Alberta – Making steps in the right direction. Provincial Outlook, December 2019. Source: <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/alta.pdf>

⁸ Conference Board of Canada. (2020). Provincial Outlook Economic Forecast: Alberta—June 2020. Source: <https://www.conferenceboard.ca/e-library/abstract.aspx?did=10722>

⁹ Government of Canada - Pollution pricing: technical briefing <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/putting-price-on-carbon-pollution/technical-briefing.html>

¹⁰ Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months

¹¹ Labour Force Survey. (2020). Context: COVID-19 restrictions continue to ease, September 2020. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/201009/dq201009a-eng.htm>

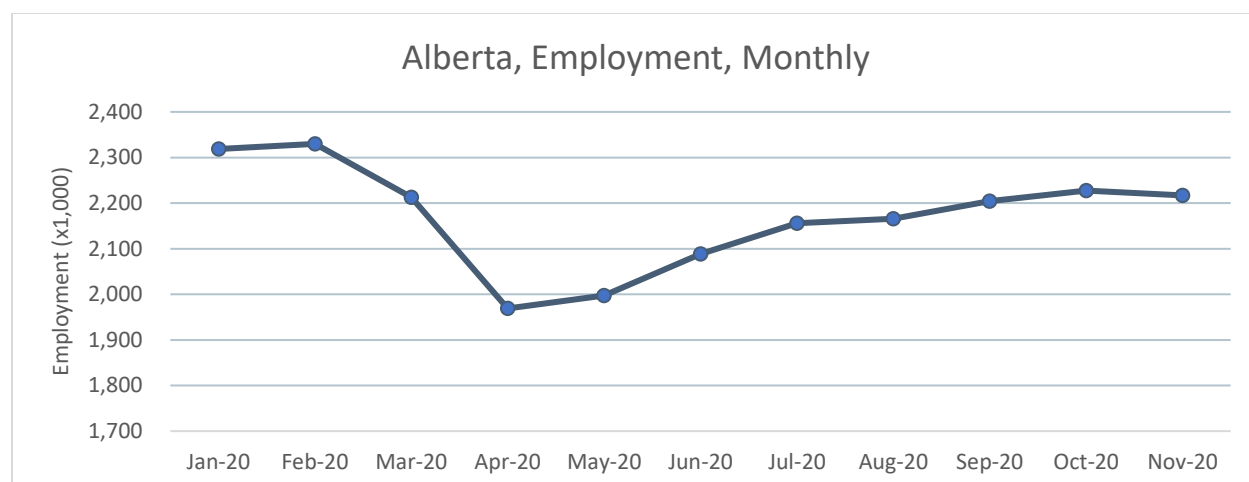


Chart 1: Employment, monthly and seasonally adjusted, Alberta, Jan – Nov 2020
Source: Statistics Canada. Table 14-10-0287-01

Although employment is increasing, recovery to pre-COVID employment levels is slower in Alberta compared to other provinces. The recovery is also seen to vary by sector. For example, Alberta's manufacturing employment remained well below pre-pandemic levels, while employment was above pre-COVID levels in Ontario. Manufacturing sales were the highest in Ontario, primarily due to the higher sales of motor vehicles and motor vehicle parts. The province saw an increase in sales by 12.8% to \$26.0 billion in July. Alberta also saw an increase in growth, albeit at a slower pace, witnessing a 3% increase in sales largely due to higher petroleum and coal product sales¹².

While Alberta's real GDP growth saw a decline of 8.7% compared to the Canadian average of 6% decline, growth is expected to resume next year. The province is expected to see 4.8% real GDP growth in 2021¹³.

Similar to national and provincial trends, Edmonton CMA has also experienced a decline in real GDP growth. Chart 2 shows that the CMA's real GDP growth showed a decline of 7.7% from 2019 to 2020. However, projections do suggest a recovery. From 2020 to 2021, real GDP is expected to grow by 2.6%, followed by approximately 2% annual growth. The findings identified here are similar to the trends indicated in the 2020 Tri-Municipal Region Competitiveness Review.

¹² Monthly Survey of Manufacturing, July 2020. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/200915/dq200915a-eng.htm>

¹³ RBC. (2020). Provincial Economies: Diverse yet Together in Experiencing Historic Recession. Provincial Outlook - September 2020.

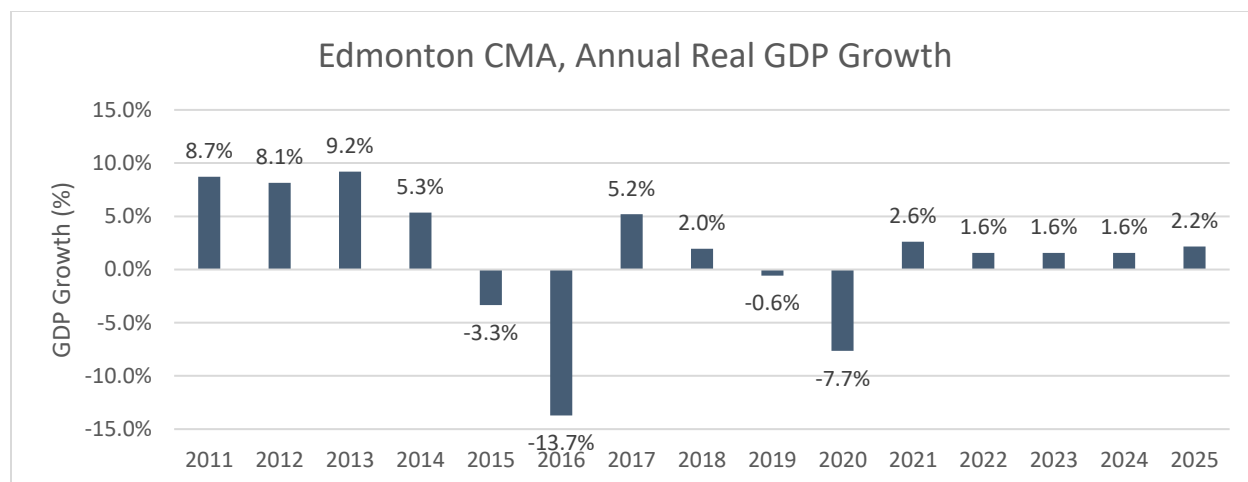


Chart 2: GDP Summary, Edmonton CMA, 2011-2025
Source: Applications Management, adapted by MDB Insight

Over the past decade, Edmonton CMA's economy as measured by GDP growth has been driven by both the goods-producing service (i.e. oil and gas extraction, manufacturing and primary resources) and the services-producing sectors (i.e. trade, professional services and healthcare). Over the next five years, both the service and the goods-producing sector is projected to grow, with services sectors leading growth (Chart 3). Growth sectors will continue to include real estate, healthcare, education, finance and insurance, professional, scientific and technical services accounting for 11% growth over the next five years. Goods-producing sectors projected to increase in G.D.P. output over the period include construction, oil and gas extraction and manufacturing.

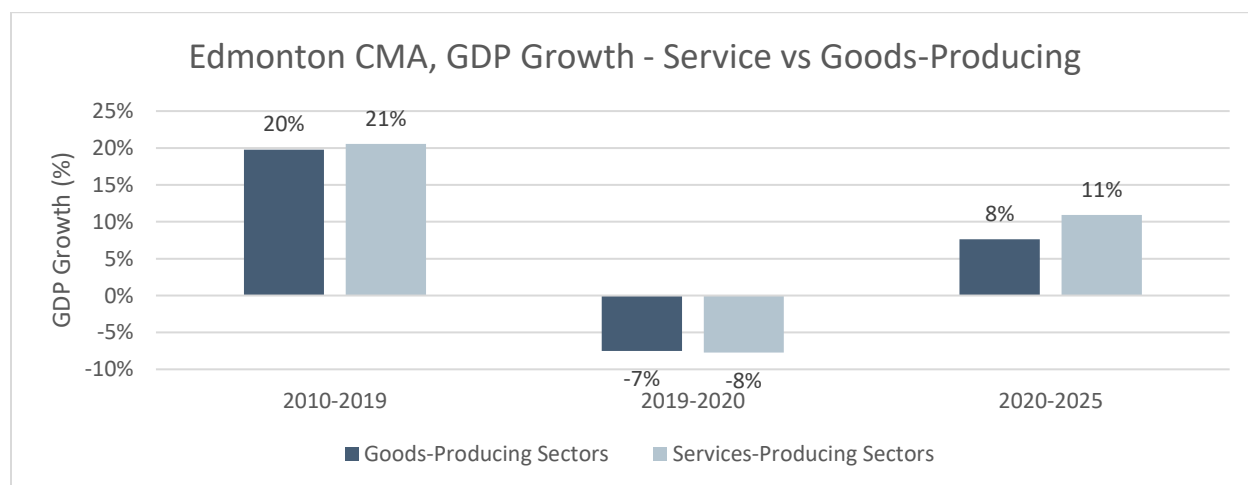


Chart 3: GDP Growth, Edmonton CMA, 2010-2019
Source: Applications Management, adapted by MDB Insight

In 2019, Edmonton CMA accounted for 723,061 jobs by industry. Chart 4 shows that from 2019-2020, employment in the CMA declined by 67,026 jobs, a net decrease of 9.3%. The decline in jobs can be attributed to the current COVID-19 pandemic. Over the next ten years, employment is forecasted to grow by 144,566 jobs to 800,601 jobs in 2030, an increase of 22%. Within the CMA, the city of Edmonton is the hub for regional employment. Growth is expected in the surrounding communities as

they meet residential growth needs but with comparatively lower employment opportunities, resulting in a resident base that commutes to Edmonton to work. Employment in the CMA is projected to grow, with long-term projections showing an employment base of 1.2 million jobs by 2059.

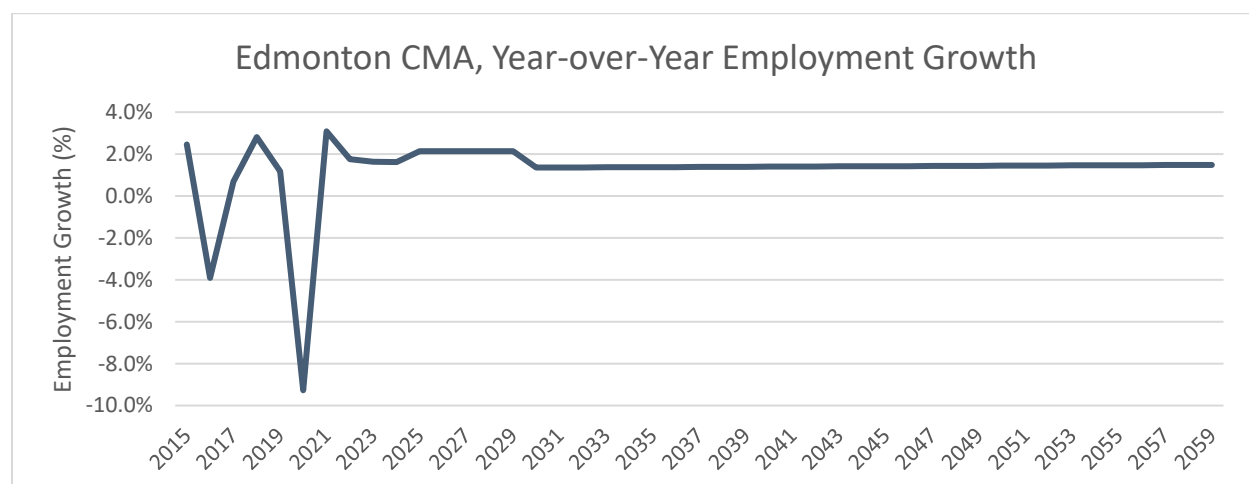


Chart 4: Year-over-Year Employment Growth, Edmonton CMA, 2015 to 2059

Source: Applications Management, adapted by MDB Insight

The Edmonton CMA's employment base is largely driven by the service-producing sector, with approximately 517,340 jobs (79% of total employment by industry). The majority of the CMA's jobs are concentrated in health care, retail trade, accommodation and food services, professional, scientific, and technical services and educational services, which form important components of the knowledge-based and creative economies. Construction accounts for 10% of the CMA's employment base within the goods-producing sector, followed by manufacturing at 7% and mining, quarrying, and oil and gas extraction at 3%.

From 2020 to 2030, the CMA's employment base showed a 22% growth or an increase of 144,566 jobs. The service sector is projected to grow by 115,893 jobs, with accommodation and food services and health care showing the highest net increase in job numbers. Jobs in knowledge economy sectors, including professional, scientific, technical services, educational services, finance and insurance and information and cultural industries, also show growth with a net increase of 21% (25,286 jobs). Employment in the goods-producing sector also shows growth, with a projected increase of 28,674 jobs over the forecast period. Construction accounted for most of this growth, followed by manufacturing and the oil and gas extraction sector.

Employment by Industry (2-digit NAICS)	Employment by Year		Employment Growth 2020-2030	
	2020	2030	Net	%
Goods-Producing Sectors	138,694	167,368	28,674	21%
Agriculture, forestry, fishing and hunting	5,238	5,947	709	14%
Mining, quarrying, and oil and gas extraction	18,407	20,018	1,611	9%
Construction	68,076	88,180	20,104	30%
Manufacturing	46,973	53,223	6,250	13%

Employment by Industry (2-digit NAICS)	Employment by Year		Employment Growth 2020-2030	
	2020	2030	Net	%
Service-Producing Sectors	517,340	633,233	115,893	22%
Utilities	11,465	13,681	2,215	19%
Wholesale trade	30,125	35,061	4,935	16%
Retail trade	80,716	90,355	9,638	12%
Transportation and warehousing	28,257	34,317	6,060	21%
Information and cultural industries	5,472	6,379	907	17%
Finance and insurance	24,411	28,821	4,410	18%
Real estate and rental and leasing	12,204	16,045	3,841	31%
Professional, scientific and technical services	46,566	55,004	8,438	18%
Management of companies and enterprises	868	1,009	141	16%
Administrative and support, waste management and remediation services	21,642	24,563	2,922	13%
Educational services	46,483	58,014	11,531	25%
Health care and social assistance	90,845	110,363	19,518	21%
Arts, entertainment, and recreation	8,108	13,618	5,509	68%
Accommodation and food services	35,844	56,553	20,709	58%
Other services (except public administration)	23,884	30,791	6,907	29%
Public administration	50,449	58,661	8,212	16%
Total Employment by Industry	656,035	800,601	144,566	22%

Table 1: Employment Growth, Edmonton CMA, 2020-2030
Source: Applications Management, adapted by MDB Insight

3.2.1 EMR Industry Sectors

The EMR, also known as the Alberta Capital Region, is the dominant hub for northern Alberta. In 2019, the EMR was home to more than 1.4 million people, representing 32% of Alberta's population. The City of Edmonton accounted for 72% of the EMR's population (1,055,150 people). The EMR is a growth region, witnessing an increase of 13% from 2016 to the current year (a net increase of 164,611 people).

The EMR's labour force base is largely driven by the service-producing sector, including health care, retail trade, accommodation and food services, professional, scientific, and technical services and educational services, which form important knowledge-based components and creative class economies.

Location Quotients (L.Q.s) were used to identify and assess the relative strength of industry clusters in the EMR relative to the Province of Alberta. [Chart 5](#) shows that EMR's economy comprises a diverse mix of industry clusters, including healthcare, manufacturing, and wholesale trade. Considering the LQ's, healthcare and manufacturing are high concentrated clusters, while the business concentration in sectors including trade, accommodation and food services, transportation and warehousing, construction, finance and insurance and educational services are on par with the province.

The life sciences sector is a key industry sector for the EMR, home to 60% of Alberta's life science companies. The sector includes research and development (R&D) institutions, government-backed

initiatives and strong AI capabilities with industries specializing in the development and manufacturing of investigational drugs, pharmaceuticals and clinical research programs. The Region is the headquarters of Alberta Health Services (AHS), a fully-integrated provincial health system with an annual operating budget that exceeds \$14 billion.

Technology and Innovation play a significant role in the regional economy's growth and development with efforts that support petrochemical development, health research, emerging tech and AI hub, agriculture, food processing, and manufacturing industries. The University of Alberta, Alberta Machine Intelligence Institute (Amii), Google's DeepMind facility in Edmonton and key industry leaders including Google, Amazon, Toyota, IBM, Volkswagen, and Microsoft will continue to drive demand for new technologies and applications.

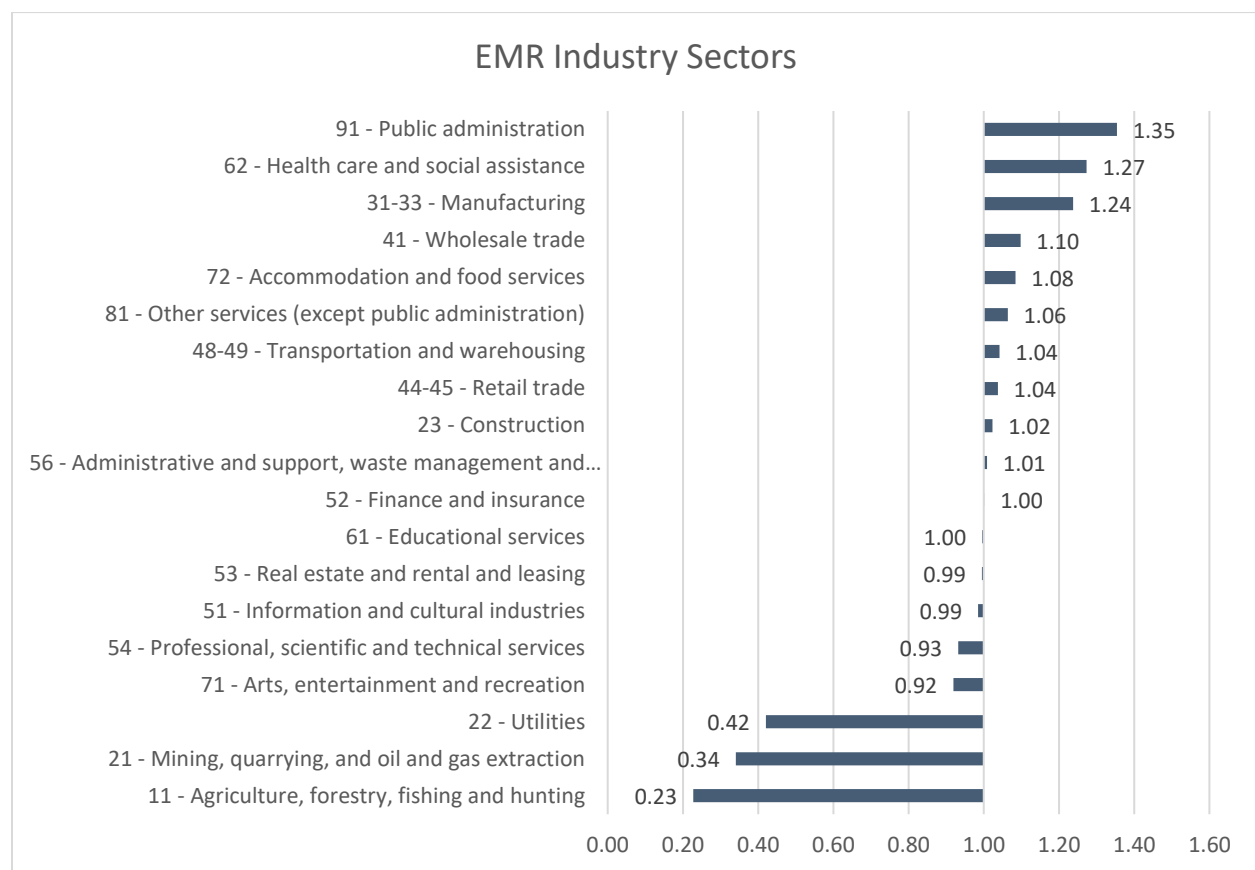


Chart 5: Industry Sectors, EMR, Location Quotient to Alberta, 2020

Source: Canadian Business Counts, June 2020

Although the agriculture and oil and gas extraction sectors show a relatively lower concentration of industries, this is attributed to Edmonton's influence. Without the City of Edmonton, the rest of EMR's municipalities comprise a concentration of resource-related industry clusters in mining, quarrying, and oil and gas extraction (NAICS 21), and agriculture, forestry, fishing and hunting (NAICS 11) with LQ's of 0.71 and 0.61, respectively.

Energy production is a key sector for the EMR with a concentration of refining and hydrocarbon processing operations. The sector is concentrated in Alberta's Industrial Heartland, the largest

hydrocarbon processing centre in Canada and the centre of petrochemical activity in Western Canada. With over 40 national and multinational companies, Alberta's Industrial Heartland represents over \$40 billion in current capital investment¹⁴. Between 2017-2018, federal spending on R&D in this sector increased by 14% (\$67m), boosted by increased energy efficiency and hydrocarbon spending, including increases in carbon capture, utilization and storage.

3.3 Tri-Municipal Region Economic Trends

3.3.1 Current and Forecast Population

As shown in Chart 6, in 2011, the Tri-Municipal Region was home to 71,790 people. At that time, Parkland County accounted for the majority of the Region's population at 43% (30,568 people), while Spruce Grove accounted for 36% (26,171 people) and Stony Plain at 21% (15,051 people).

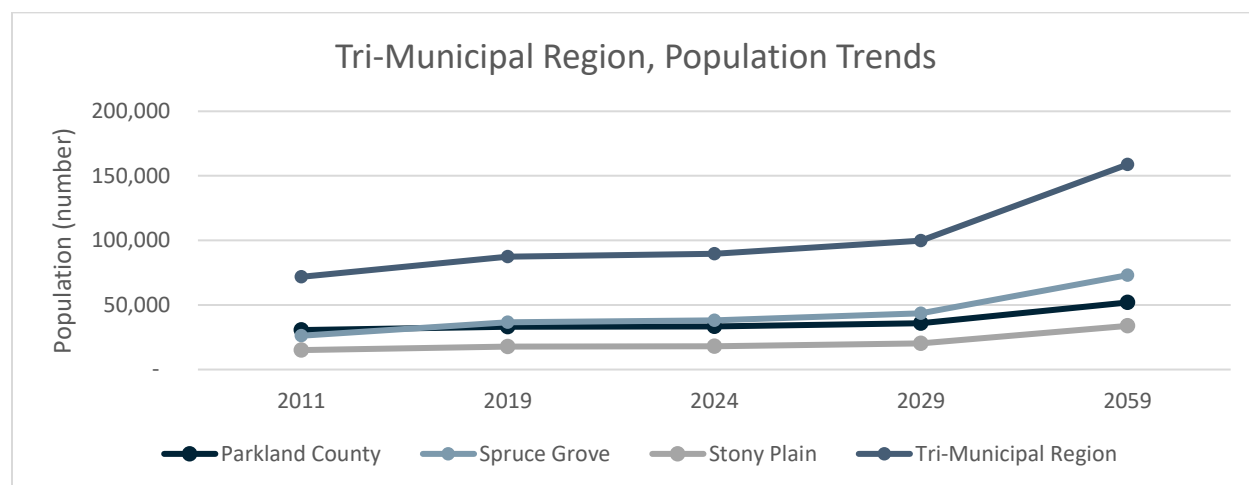


Chart 6: Historical, Current and Forecast Population Trends, Tri-Municipal Region, 2019-2059
Source: Applications Management, adapted by MDB Insight

By 2019, the Region's population grew by 15,704 people, up 22% from 2011. Spruce Grove accounted for the majority of this growth, experiencing an increase of more than 10,000 people. Over the next ten years, the Region's population is projected to grow from 87,494 people in 2019 to 99,727 in 2029, a net population growth of 14% or 12,233 people. Like historical trends, Spruce Grove is projected to account for most of the population increase, growing by 6,823 people or 56% of total projected growth to 2029. Long term forecasts predict an additional increase of 59,015 people from 2029 to 2059 to 158,743 people by 2059. Current and future projections suggest that Spruce Grove will continue to be the dominant/largest urban centre of the Region.

Year	Parkland County	Spruce Grove	Stony Plain	Tri-Municipal Region
2011	30,568	26,171	15,051	71,790
2019	33,005	36,647	17,842	87,494
2024	33,376	38,114	18,065	89,555
2029	35,969	43,470	20,289	99,727
2059	51,918	73,042	33,782	158,743
Historical Net Change (2011-2019)	2,437	10,476	2,791	15,704

¹⁴ <https://edmontonglobal.ca/energy/>

Year	Parkland County	Spruce Grove	Stony Plain	Tri-Municipal Region
Historical % Change (2011-2019)	8%	40%	19%	22%
Forecast 10-year Net Change (2019-2029)	2,964	6,823	2,446	12,233
Forecast 10-year % Change (2019-2029)	9%	19%	14%	14%
Forecast 30-year Net Change (2029-2059)	15,949	29,572	13,493	59,015
Forecast 30-year % Change (2029-2059)	44%	68%	67%	59%

Table 2: Historical, Current and Forecast Population Change, Tri-Municipal Region, 2019-2059

Source: Applications Management, adapted by MDB Insight

In addition to analyzing the population growth rate of the Region, it is important to examine the age of the population by broad age groups as it provides insights into the current and future workforce, housing needs and community support programming. [Chart 7](#) shows that in 2019, 27% of the Region's population comprises the core working-age group (25-44 years). This age cohort is projected to remain stable across the projection's timeline. The projections also suggest an increase in the senior age cohort (65+ years) from 13% in 2019 to 19% in 2029 and 21% by 2059. This has implications for future housing needs and infrastructure and lifestyle programming that support active seniors and those who want to age in place. With the population's ageing, the forecasts have also noted a decline of people under the age of 15 years, suggesting a shift from young families to a more diverse population over time.

While the Tri-Municipal Region can anticipate general ageing of its population, the portion of the population over 65 at the end of the 40 years remains lower than the rest of the Edmonton CMA, indicating that other parts of the CMA are ageing faster than the study area.

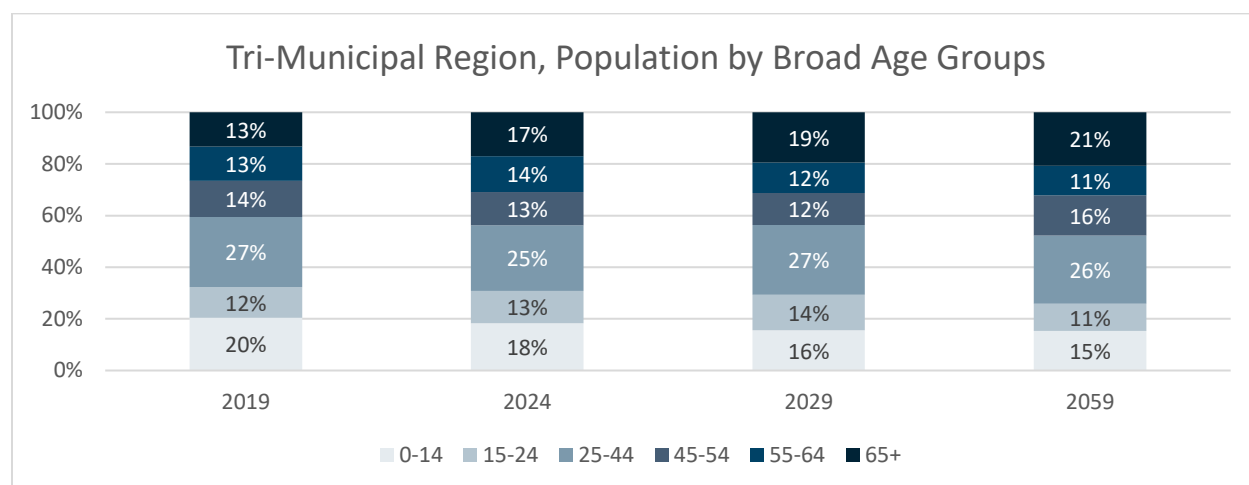


Chart 7: Population by Broad Age Groups, Tri-Municipal Region, 2019-2059

Source: Applications Management, adapted by MDB Insight

3.3.2 Dwelling and Affordability

The Region's existing housing base comprises a larger share of low-density (single-detached/semi-detached) dwellings and a higher share of homeownership than the EMR and the province, as illustrated in [Chart 8](#) and [Table 3](#). This suggests that there are fewer housing options, including rental options within the Region than in the broader regional market. The Region must offer a wide range of housing options, particularly if the intent is to attract and retain young professionals and families in a broad range of income groups.

The Region has a lower median dwelling value of \$482,069 compared to the province at \$502,293. Parkland County shows a higher median dwelling value of \$632,697 and a 92% in dwelling ownership, placing it in a higher need of affordable housing options compared to the other two Region municipalities. However, affordable housing options may not focus on the County due to the higher median incomes of residents and comparatively low proportion of households spending 30% or more of household income on shelter costs than the province. This places increased pressure on Spruce Grove and Stony Plain to provide a broad range of housing options to cater to young professionals.

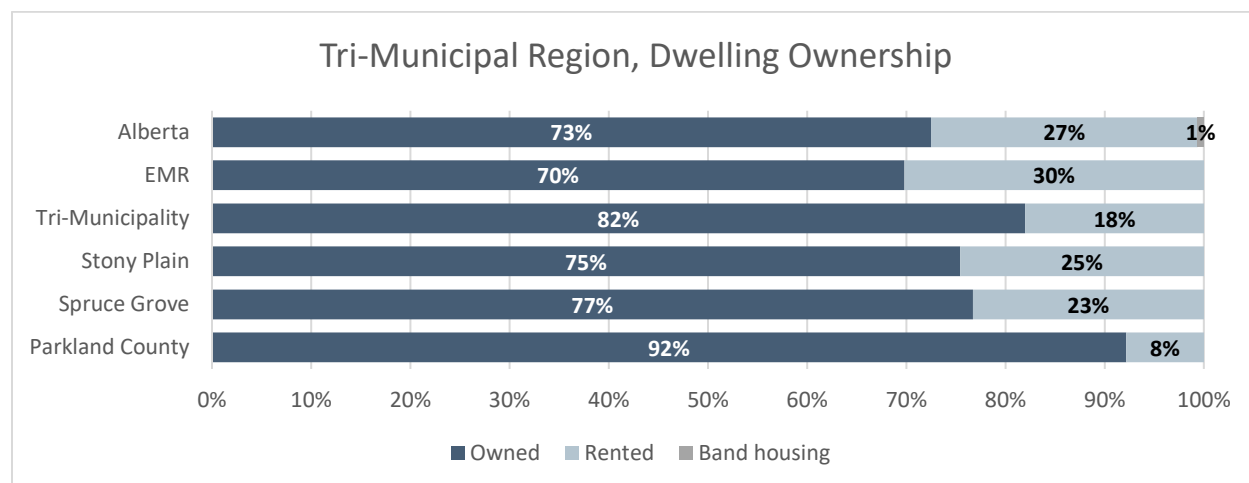


Chart 8: Dwelling Ownership, Tri-Municipal Region, 2019

Source: Manifold Data Mining, 2019

Type of Dwelling	Parkland County	Spruce Grove	Stony Plain	Tri-Municipality	EMR	Alberta
Single-detached house	90%	64%	63%	73%	57%	62%
Apartment, building with five or more storeys	0%	1%	1%	0%	5%	4%
Movable dwelling	9%	3%	2%	5%	1%	3%
Semi-detached house	0%	12%	10%	8%	6%	6%
Apartment, detached duplex	0%	0%	1%	0%	2%	3%
Row house	0%	6%	4%	3%	9%	8%
Apartment, building with fewer than five storeys	0%	14%	18%	10%	19%	15%
Other single-attached house	0%	0%	0%	0%	0%	0%

Table 3: Type of Dwelling, Tri-Municipal Region, 2019

Source: Manifold Data Mining, 2019

3.3.3 Population and Household Income

By 2019, the median population income in the Region was \$4,530 higher than the province but \$6,730 lower than in the EMR. Spruce Grove recorded the highest median population income among the Tri-municipalities compared to the EMR and the province. The Region experienced an overall increase of 16% in median population income growth: from \$46,769 in 2015 to \$54,114 in 2019. This percentage growth matches the provincial trends but lags the EMR median population income growth of 23%.

Year	Parkland County	Spruce Grove	Stony Plain	Tri-Municipality	EMR	Alberta
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Median population income \$ 2019	54,114	62,823	53,381	54,114	60,844	49,584
Median population income \$ 2015	46,769	48,600	43,494	46,769	49,402	42,717
Net change	7,345	14,223	9,887	7,345	11,442	6,867
% Change	16%	29%	23%	16%	23%	16%

Table 4: Median Population Income, Tri-Municipal Region, 2015-2019

Source: Statistics Canada, Census 2016; Manifold Data Mining 2019

The Region recorded a higher percentage of individuals with income over \$100,000 and a lower percentage of individuals with incomes under \$29,999. Higher levels of income traditionally translate into more disposable income. When people and households have more money to save or spend, this can increase local goods and services consumption and boost consumer buying power.

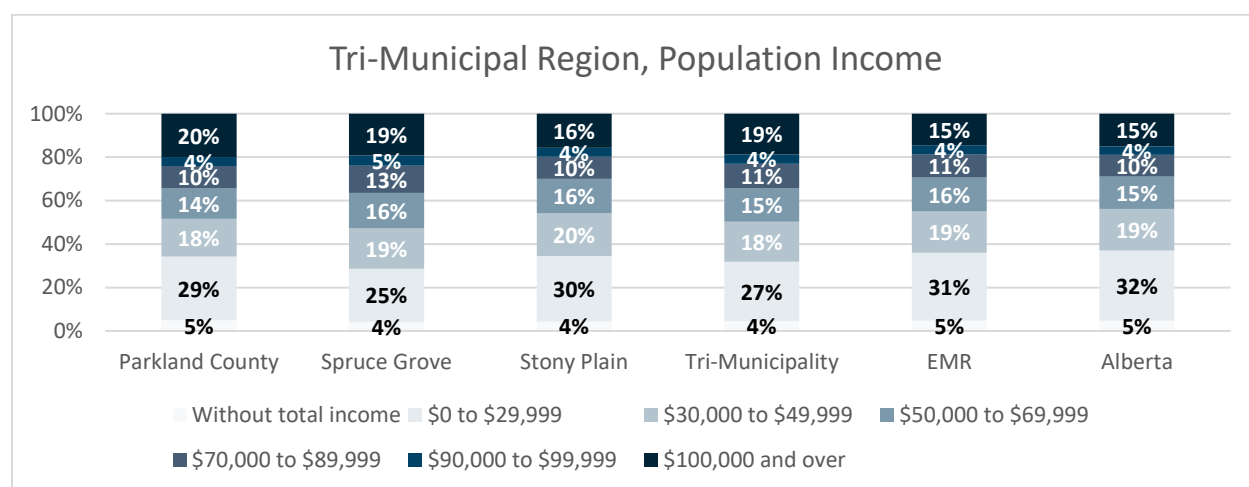


Chart 9: Population Income Distribution, Tri-Municipal Region, 2019

Source: Manifold Data Mining, 2019

In 2019, the Region recorded a median household income of \$124,501. This amount was \$6,771 lower than the median household income in the EMR and \$17,596 higher than the province. In terms of household income growth, the Tri-Municipal Region increased by approximately 15%; this represents \$16,623 more than in 2016. Among the individual communities, Parkland County shows the largest median household income growth at 20%.

Year	Parkland County	Spruce Grove	Stony Plain	Tri-Municipality	EMR	Alberta
Median household income \$ 2019	138,233	124,501	108,143	124,501	131,272	106,932
Median household income \$ 2015	115,005	107,878	94,248	107,878	110,896	93,835
Net change	23,228	16,623	13,895	16,623	20,376	13,097
% Change	20%	15%	15%	15%	18%	14%

Table 5: Median Household Income, Tri-Municipal Region, 2015-2019

Source: Statistics Canada, Census 2016; Manifold Data Mining 2019

Like the individual income trends, the Region recorded the largest share of households with incomes over \$100,000 and the lowest share of households with incomes under \$29,999 (compared to the EMR and the province).

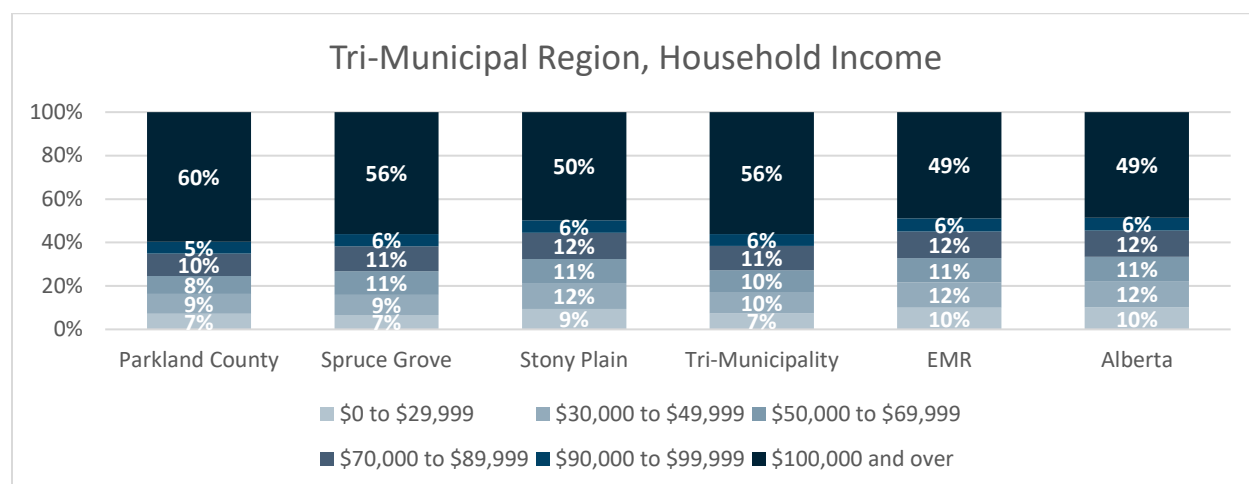


Chart 10: House Income Distribution, Tri-Municipal Region, 2019

Source: Manifold Data Mining, 2019

3.3.4 Labour Force Status

In 2019, the Region had a labour force¹⁵ of 54,073 individuals, which comprised 6% of the EMR labour force and 2% of Alberta's labour force. From 2016 to 2019, the Region saw its labour force increase by 16%, a net increase of 7,363 people. This growth compares to the EMR and provincial trends, both at 15%.

Labour Force Size	Parkland County	Spruce Grove	Stony Plain	Tri-Municipality	EMR	Alberta
In the labour force 2019	19,836	23,559	10,678	54,073	863,327	2,640,710
In the labour force 2016	18,255	19,300	9,155	46,710	748,485	2,302,945
Net (+/-)	1,581	4,259	1,523	7,363	114,842	337,765
% Change	9%	22%	17%	16%	15%	15%

Table 6: Labour Force Growth, Tri-Municipal Region, 2016-2019

Source: Statistics Canada, Census 2016; Manifold Data Mining 2019

Unemployment rates have decreased in all individual communities between 2016 and 2019. The Region saw an unemployment decline of 1%¹⁶. The participation rate is pivotal because out of the total people qualified to enter the labour market (aged 15 and over), it indicates what proportion of the labour market is either employed or actively looking for employment. Participation rates have stayed stable, with variances of 1% or less in the Region and the province. Nonetheless, the participation rates in the broader EMR have experienced a notable decline from 76% in 2016 to 72% in 2019. Note that people looking for work can also include those receiving employment insurance.

¹⁵ According to the standard definition employed by Statistics Canada, the employed are persons having a job or business, whereas the unemployed are without work, are available for work, and are actively seeking work. Together the unemployed and the employed constitute the labour force.

¹⁶ Unemployment rates do not reflect job losses caused by the COVID-19 pandemic.

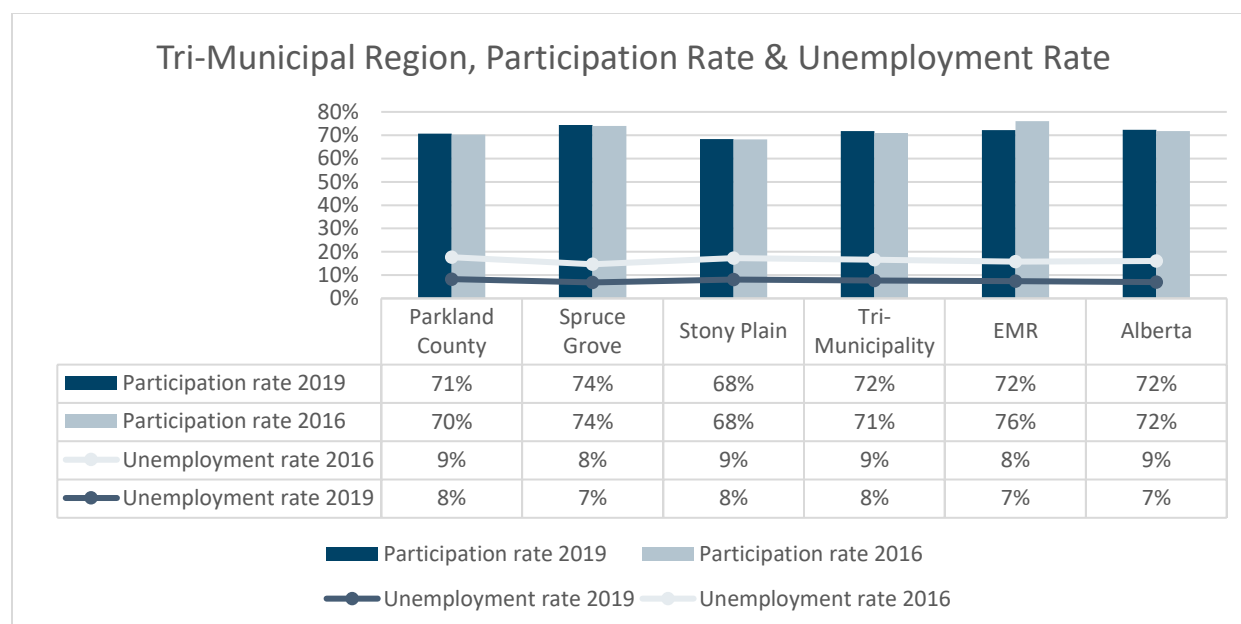


Chart 11: Participation Rate & Unemployment Rate, Tri-Municipal Region, 2016-2019
Source: Statistics Canada, Census 2016; Manifold Data Mining 2019

3.3.5 Labour Force by Industry

Note: This section's data is labour force by industry, meaning that it is the place of residence data. It provides important information on the number of people who work or can work in any given industry during the reference period. However, it does not accurately represent the community's employment base since the place of residence data includes residents who work in the community and those who commute outside the community to work.

As shown in Table 7, in 2016, the Region showed a labour force of 13,355 by various industry sectors. The Labour force has been growing over the years; the Region witnessed a 14% (net increase of 1,935 people) from 2016 to 2019. Sectors that saw significant growth include construction (+1,091), retail trade (+711), and health care and social assistance (+608).

Industry Labour force (2-Digit NAICS)	Labour Force by Year		Labour force Growth 2016 -2019	
	2016	2019	Net	%
Goods-Producing Sectors	13,355	15,290	1,935	14%
11 Agriculture, forestry, fishing and hunting	990	1,177	187	19%
21 Mining, quarrying, and oil and gas extraction	2,270	2,589	319	14%
23 Construction	7,640	8,731	1,091	14%
31-33 Manufacturing	2,455	2,793	338	14%
Service-Producing Sectors	32,680	38,020	5,340	16%
22 Utilities	890	1,105	215	24%
41 Wholesale trade	2,455	2,829	374	15%
44-45 Retail trade	5,170	5,881	711	14%
48-49 Transportation and warehousing	2,600	3,002	402	15%
51 Information and cultural industries	435	576	141	32%
52 Finance and insurance	1,260	1,536	276	22%
53 Real estate and rental and leasing	875	1,094	219	25%

Industry Labour force (2-Digit NAICS)	Labour Force by Year		Labour force Growth 2016 -2019	
	2016	2019	Net	%
54 Professional, scientific and technical services	2,580	2,952	372	14%
55 Management of companies and enterprises	90	145	55	61%
56 Administrative & support, waste management and remediation services	1,480	1,666	186	13%
61 Educational services	2,415	2,815	400	17%
62 Health care and social assistance	4,085	4,693	608	15%
71 Arts, entertainment and recreation	820	1,023	203	25%
72 Accommodation and food services	2,545	3,003	458	18%
81 Other services (except public administration)	2,545	2,909	364	14%
91 Public administration	2,435	2,791	356	15%
Total labour force by Industry	46,035	53,310	7,275	16%

Table 7: Labour Force by Industry Sector, Tri-Municipal Region, 2016-2019

Source: Manifold Data Mining, 2019

In 2019, the majority of the Region's labour force was employed in industries such as construction (16%), retail trade (11%), and health care and social assistance (9%). Overall, 71% of the Region's labour force worked in the service-producing sectors.

Industry Labour force (2-Digit NAICS)	Tri-Municipality, 2019	% of the total
Goods-Producing Sectors	15,290	29%
11 Agriculture, forestry, fishing, and hunting	1,177	2%
21 Mining, quarrying, and oil and gas extraction	2,589	5%
23 Construction	8,731	16%
31-33 Manufacturing	2,793	5%
Service-Producing Sectors	38,020	71%
22 Utilities	1,105	2%
41 Wholesale trade	2,829	5%
44-45 Retail trade	5,881	11%
48-49 Transportation and warehousing	3,002	6%
51 Information and cultural industries	576	1%
52 Finance and insurance	1,536	3%
53 Real estate and rental and leasing	1,094	2%
54 Professional, scientific, and technical services	2,952	6%
55 Management of companies and enterprises	145	0%
56 Administrative and support, waste management and remediation services	1,666	3%
61 Educational services	2,815	5%
62 Health care and social assistance	4,693	9%
71 Arts, entertainment, and recreation	1,023	2%
72 Accommodation and food services	3,003	6%
81 Other services (except public administration)	2,909	5%
91 Public administration	2,791	5%
Total labour force by Industry	53,310	100%

Table 8: Percentage of Labour Force by Industry Sector, Tri-Municipal Region, 2019

Source: Manifold Data Mining, 2019

3.3.6 Educational Attainment, Skills and Diversity

In 2016, 18% of the Region's labour force had no certificate, diploma, or degree, higher than 15% in the EMR. The Region showed a higher proportion of the labour force with only a high school diploma at 31% compared to the EMR at 28%.

For the people with an apprenticeship or trades certificate or diploma, the Region share of the labour at 14% is higher than the EMR at 10%. The Region has a markedly lower proportion of its labour force with higher education; 13% compared to 25% in the EMR, most likely influenced by Edmonton's educational profile.

Educational Attainment	Parkland County	Spruce Grove	Stony Plain	Tri-Municipality	EMR	Alberta
No certificate, diploma, or degree	18%	16%	21%	18%	15%	17%
High school diploma or equivalent	29%	32%	31%	31%	28%	28%
Apprenticeship or trades certificate or diploma	16%	13%	14%	14%	10%	10%
College, CEGEP or other non-university certificate or diploma	21%	23%	21%	22%	19%	19%
University certificate or diploma below bachelor level	2%	2%	3%	3%	3%	3%
University certificate, diploma, or degree at bachelor level or above	12%	14%	10%	13%	25%	24%

Table 9: Educational Attainment, Tri-Municipal Region, 2019

Source: Manifold Data Mining, 2019

As shown in Chart 12, architecture, engineering, and related technologies, business, management, and public administration and health and related fields are major fields of study in the Region. The proportion of architecture, engineering, and related technologies in the Region is higher at 33% than 26% in the province. This places the Region in a competitive position related to a regional workforce for professional practice in the various architecture-related, engineering, engineering technologies and engineering-related fields. This field of study is also essential as it relates to construction trades, mechanic and repair technologies/technicians and precision production.

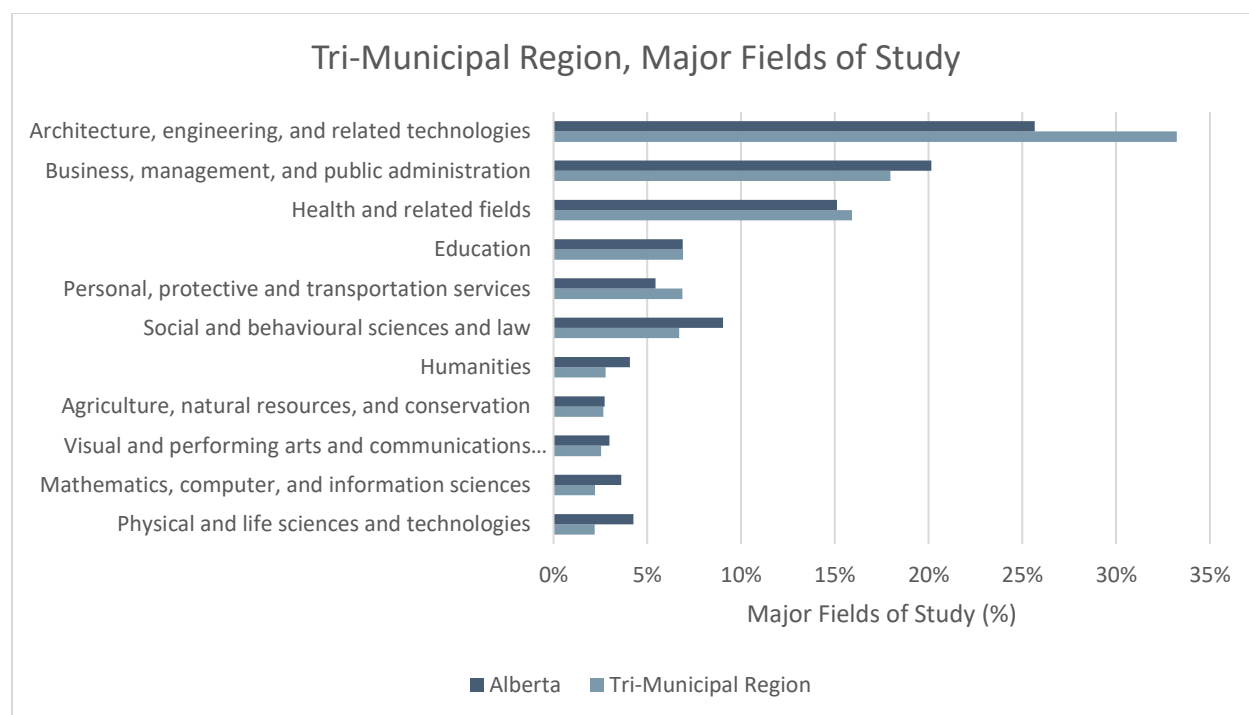


Chart 12: Major Fields of Study, Tri-Municipal Region, 2019

Source: Manifold Data Mining, 2019

While the Region is well-positioned in terms of skills and talent, there is a lack of diversity in the labour force. As of 2019, the Region accounted for 7.8% of the immigrant population than the province at 22%. When considering ethnic diversity, it was estimated that the Region's population is comprised of a very small visible minority of only 2.3%, with the remaining 97.7% of the population predominantly of European descent.

The lower immigrant attraction rates in the Region may be attributed to immigrants' nature, preferring larger metropolitan areas to settle. The comparatively low proportion of immigration attraction could pose a long-term challenge to the Region when attracting skilled and unskilled labour. According to the Parkland Institute¹⁷, Alberta maintains high natural increases in population; however, its fertility rate is still well below the replacement rate and trending down for a decade. Given these trends, immigration is becoming an increasingly important source of labour force growth throughout Alberta and Canada and will be essential to meet labour demands in the future.

3.3.7 Current and Forecast Employment

Note: This section's data is employment by industry, meaning that it is the place of work data. Place of Work data provides the overall number of jobs in the community, irrespective of where the employee resides.

¹⁷ https://www.parklandinstitute.ca/the_future_of_albertas_labour_market

In 2019, the Region accounted for 35,599 jobs by industry. This translates to 5% of all jobs in the Edmonton CMA¹⁸. Within the Region, Parkland County accounted for most jobs, 42% of total jobs, followed by Spruce Grove at 37%.

Over the next ten years, employment is forecasted to grow by 2,689 jobs to 38,288 jobs in 2029, increasing 8%.

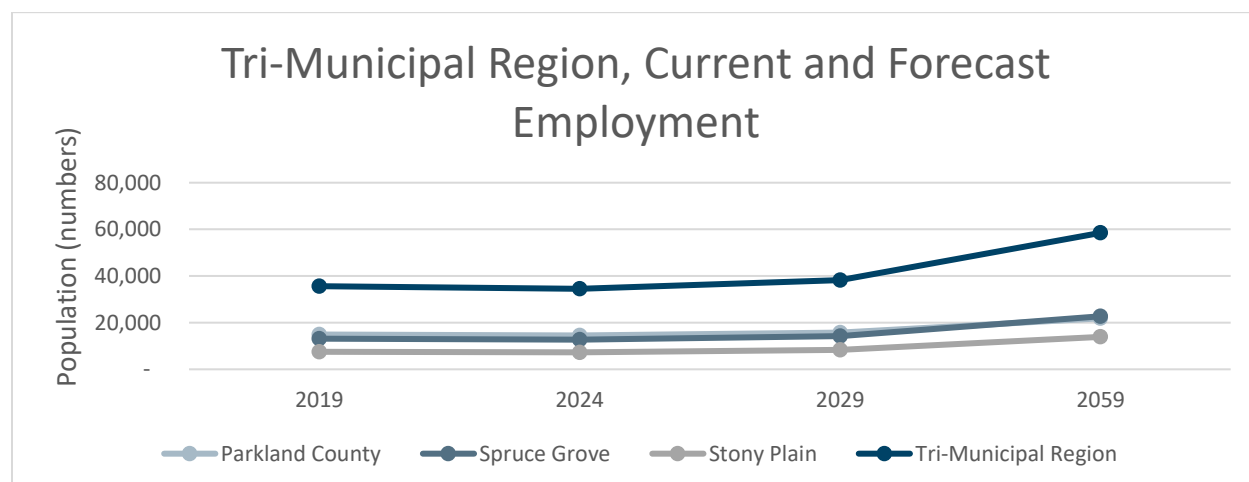


Chart 13: Employment Projections, Tri-Municipal Region, 2019-2059,
Source: Applications Management, adapted by MDB Insight

Similar to the CMA, the Region is driven by the service sector with 21,992 jobs, accounting for 62% of all jobs. As shown in Table 10, the service sectors accounting for most jobs include:

- ◆ Retail trade – 2,827 jobs (7.9% of total jobs)
- ◆ Health care and social assistance – 2,520 (7.1% of total jobs)
- ◆ Educational services – 2,186 (6.1% of total jobs)
- ◆ Professional, scientific, and technical services – 1,941 (5.5% of total jobs)

Employment by Industry (2-digit NAICS)	Employment 2019	% of the total
Goods-Producing Sectors	13,607	38%
11 Agriculture, forestry, fishing, and hunting	1,057	3%
21 Mining, quarrying, and oil and gas extraction	4,844	14%
23 Construction	6,038	17%
31-33 Manufacturing	1,669	5%
Service-Producing Sectors	21,992	62%
22 Utilities	1,701	5%
41 Wholesale trade	1,374	4%
44-45 Retail trade	2,827	8%
48-49 Transportation and warehousing	1,363	4%
51 Information and cultural industries	375	1%
52 Finance and insurance	935	3%
53 Real estate and rental and leasing	578	2%
54 Professional, scientific, and technical services	1,941	5%
55 Management of companies and enterprises	33	0%

¹⁸ Employment forecasts data are provided for the Edmonton CMA and the Region and is adapted from the Tri-Municipal Regional Plan-Growth Forecasts: Assumptions

Employment by Industry (2-digit NAICS)	Employment 2019	% of the total
56 Administrative and support, waste management and remediation services	868	2%
61 Educational services	2,186	6%
62 Health care and social assistance	2,520	7%
71 Arts, entertainment, and recreation	453	1%
72 Accommodation and food services	1,709	5%
81 Other services (except public administration)	1,810	5%
91 Public administration	1,319	4%
Total Employment by Industry	35,599	100%

Table 10: Employment by Industry Sector, Tri-Municipal Region, 2019

Source: Applications Management, adapted by MDB Insight

The goods-producing sector accounted for 13,607 jobs (38% of total jobs by industry). Construction and mining, quarrying, and oil and gas extraction accounted for most jobs at 17% and 14%, respectively.

Chart 14 shows employment projections (local jobs) by industry in the region over the short term (2019-2029) and long-term (2029-2059). Over the forecast period, the Region's economy transitioned away from goods production and service delivery. Over the next ten years, the service-producing sector is projected to grow by 1,972 jobs.

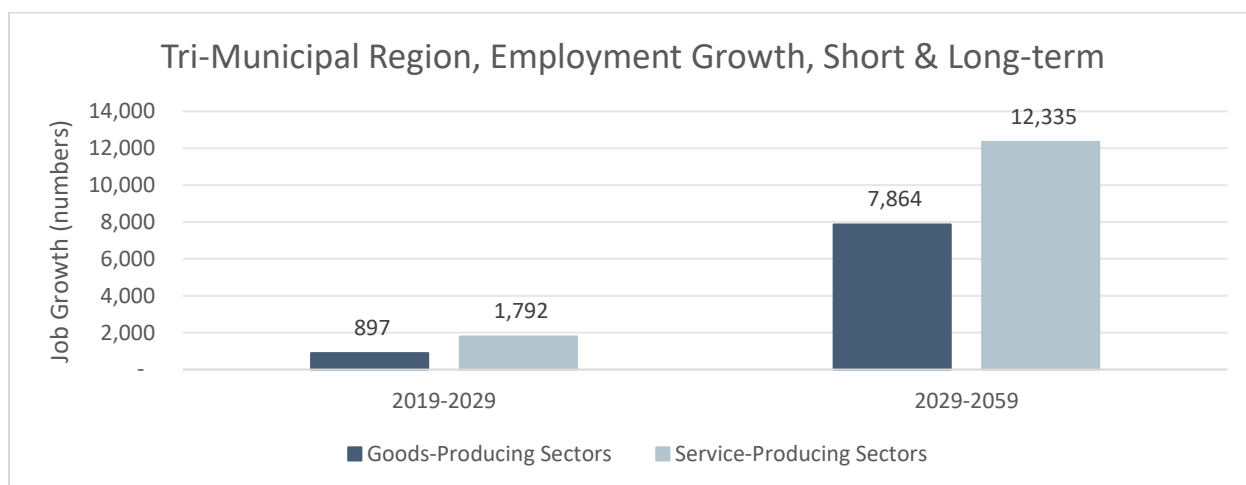


Chart 14: Employment Growth, Tri-Municipal Region, Short (2019-2029) & Long-term (2029-2059)

Source: Applications Management, adapted by MDB Insight

Within the services sector, growth is driven by knowledge-based or creative class economies, including employment sectors such as health care and social assistance, professional, scientific and technical services and finance and insurance, accommodation and food services and transportation warehousing. In the goods-producing sectors, construction is projected to show the most growth, an increase of 806 jobs from 2019 to 2029, followed by transportation and warehousing and agriculture, forestry, fishing, and hunting. The manufacturing sector is also projected to grow. The mining, quarrying, and oil and gas extraction, which accounted for 14% of jobs in 2019, are projected to decline by 3% (a net decline of 163 jobs) over the forecast period.

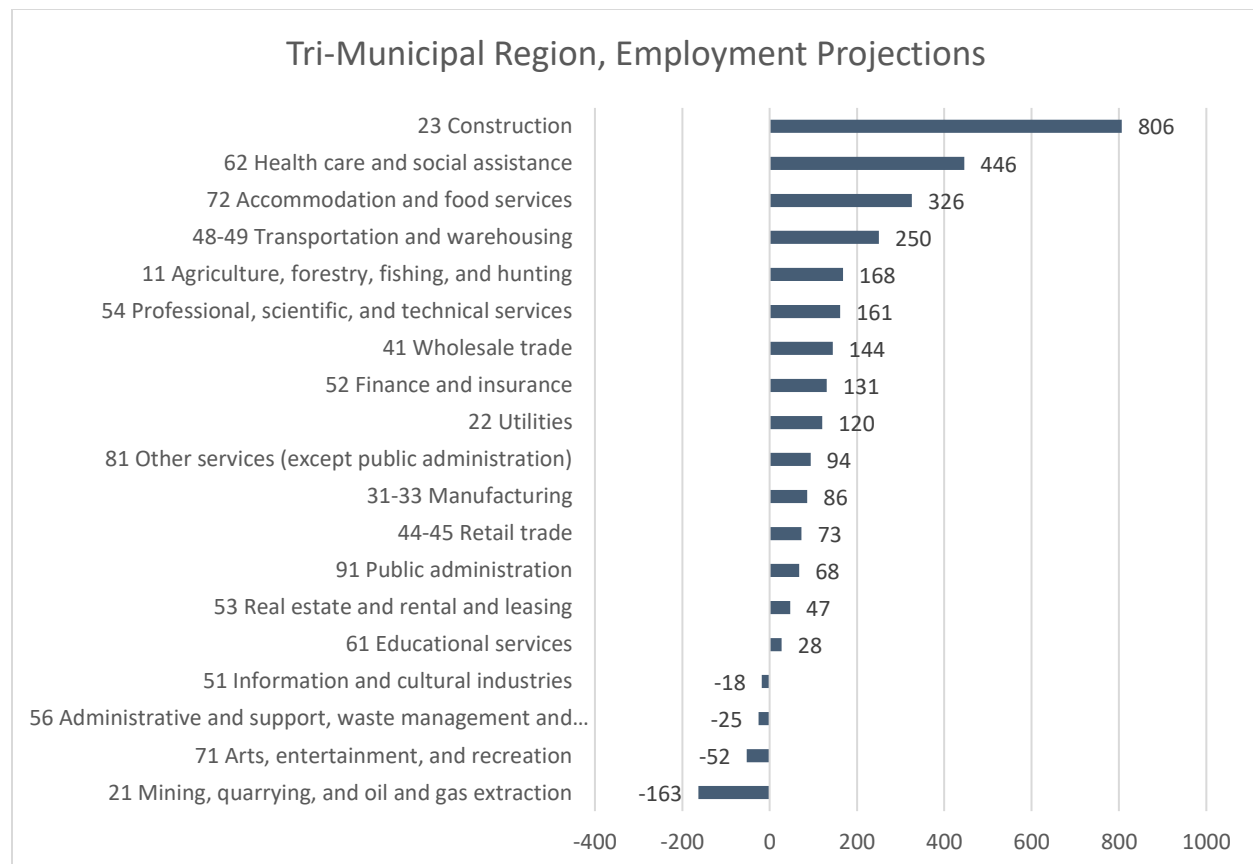


Chart 15: Employment Projections by Industry Sector, Tri-Municipal Region, 2019-2029
Source: Applications Management, adapted by MDB Insight

These structural changes in the broader economy will alter economic activities' nature and the requirements placed on employment lands and infrastructure, including the built form. As the knowledge-based sectors continue to grow, major office, flex office, and multi-purpose facilities encompassing office and non-office use become increasingly dominant. The nature of traditional industrial processes is also rapidly shifting, becoming more capital/technology-intensive and automated, with lower labour requirements. This is expected to labour and land needs of the manufacturing and logistical sectors. With its links to food and beverage production and technology manufacturing (e.g. 3D printing), light manufacturing will continue to grow and require a reshaping of typical employment lands.

3.3.8 Current and Forecast Occupations

The majority of 35,999 workers performed occupations in and related to trades, transport and equipment operations; 8,546 occupations (24% of total). These occupations include trades supervisors and contractors, construction and mechanical tradespersons, operators of transportation and heavy equipment and trades helpers, in a wide range of industrial sectors, with many in the construction and

transportation industries. The Region showed a higher proportion of occupations in this occupational group compared to the CMA¹⁹.

Sales and service occupations ranked second with approximately 6,193 occupations in various categories, including retail and wholesale sales occupations and customer and personal service occupations related to a wide range of industries, such as accommodation and food services, travel, tourism and cleaning services. Business, finance and administration occupations and management occupations were the other top occupational categories in the Region.

Total Occupations, 2019	Region	% of the total	Edmonton CMA	% of the total
Management occupations	4,159	12%	79,813	11%
Business, finance and administration occupations	5,423	15%	116,045	16%
Natural and applied sciences and related occupations	3,197	9%	52,904	7%
Health occupations	1,660	5%	59,472	8%
Occupations in education, law and social, community and government services	3,011	8%	82,200	11%
Occupations in art, culture, recreation and sport	636	2%	15,486	2%
Sales and service occupations	6,193	17%	158,547	22%
Trades, transport and equipment operators and related occupations	8,546	24%	124,550	17%
Natural resources, agriculture and related production occupations	1,306	4%	11,289	2%
Occupations in manufacturing and utilities	1,464	4%	22,736	3%
Total Occupations	35,596	100%	723,043	100%

Table 11: Occupations, Tri-Municipal Region, 2019

Source: Applications Management, adapted by MDB Insight

Studying the detailed occupational classifications showed that in 2019, the top occupations in the Region were:

- ◆ Retail salespersons – 1,057 occupations (3.0% of total occupations)
- ◆ Construction trades helpers and labourers – 738 occupations (2.1% of total occupations)
- ◆ Transport truck drivers – 630 occupations (1.8% of total occupations)
- ◆ Retail and wholesale trade managers – 622 occupations (1.7% of total occupations)
- ◆ Administrative officers – 573 occupations (1.6% of total occupations)
- ◆ Food counter attendants, kitchen helpers and related support – 529 occupations (1.5% of total occupations)
- ◆ Welders and related machine operators – 493 occupations (1.4% of total occupations)
- ◆ General office support workers – 472 occupations (1.3% of total occupations)
- ◆ Carpenters – 464 occupations (1.3% of total occupations)
- ◆ Administrative assistants – 449 occupations (1.3% of total occupations)
- ◆ Construction managers – 447 occupations (1.3% of total occupations)
- ◆ Electricians (except industrial and power system) – 447 occupations (1.3% of total occupations)
- ◆ Managers in agriculture – 430 occupations (1.2% of total occupations)

¹⁹ Occupations forecasts data are provided for the Edmonton CMA and the Region and is adapted from the Tri-Municipal Regional Plan-Growth Forecasts: Assumptions.

- ◆ Cashiers – 422 occupations (1.2% of total occupations)
- ◆ Financial auditors and accountants – 418 occupations (1.2% of total occupations)
- ◆ Registered nurses and registered psychiatric nurses – 412 occupations (1.2% of total occupations)

From 2019 to 2059, the Region is projected to grow to a workforce of 58,461 people, a net increase of 64% or 22,880. Over the next 40 years, the Region is projected to grow in the retail, food services and construction, including retail salespersons, food counter attendants, kitchen helpers & related support and construction trades helpers & labourers. The region will continue to be the regional service centre, witnessing a shifting and sharing of activity. It becomes self-sufficient in serving the local and regional economy.

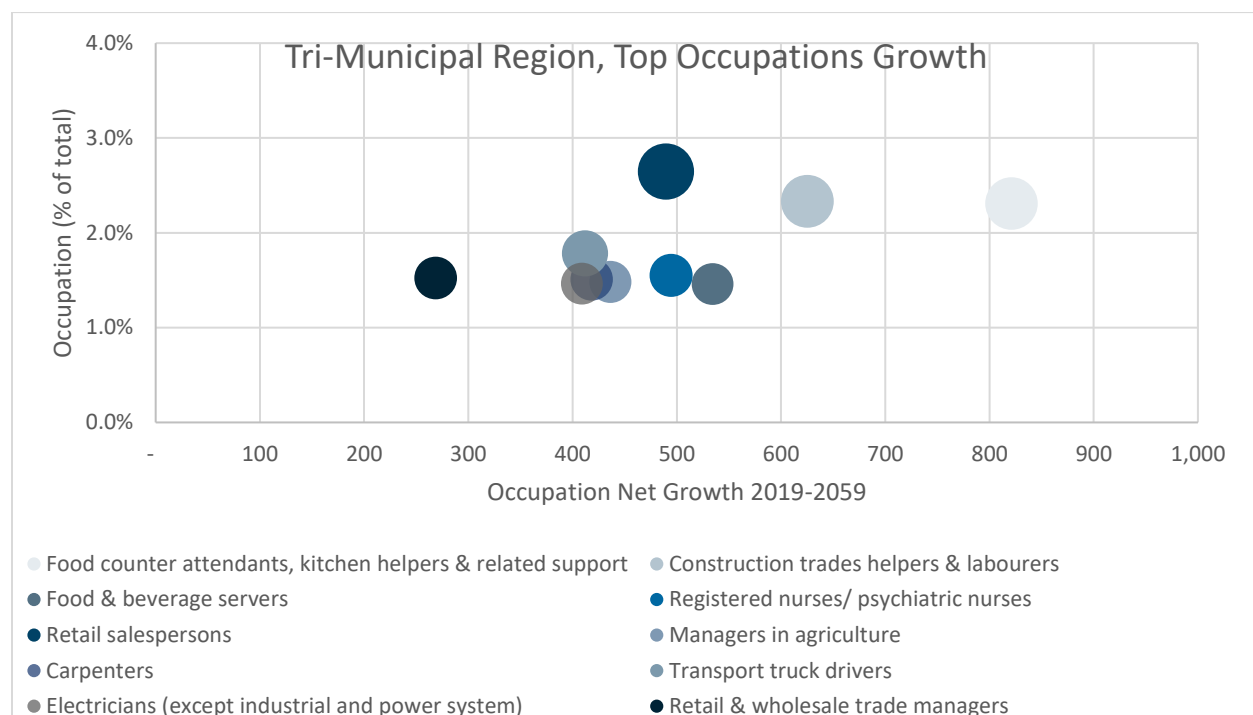


Chart 16: Occupation Projections, Tri-Municipal Region, 2019-2059
Source: Applications Management, adapted by MDB Insight

3.3.9 Business Counts

As per the June 2020 Canadian Business Counts data, the Region had 8,533 business establishments²⁰, of which 66% (5,592 business) were self-employed establishments, and the remaining were businesses with employees.

Studying the business sectors by industry, the following sectors exhibit the highest proportion of business establishments in the Region as of June 2020:

²⁰ This section includes all registered companies that have a Goods and Services Tax number, as registered through the Canada Revenue Agency. Results should not be compared directly to existing business directories in the Tri-Municipal Region as the criteria for registering are different for both. The Canadian Business Counts data are used primarily so that comparisons can be made to the Provincial Distribution of businesses across the same categories.

- ◆ Construction - 1,641 businesses (19% of total)
- ◆ Real estate and rental and leasing - 1,133 businesses (13% of total)
- ◆ Professional, scientific and technical services - 1,069 businesses (13% of total)
- ◆ Other services (except public administration) - 783 businesses (9% of total)

Considering the indeterminate category (businesses without employees), the following sectors exhibit the highest proportion of business establishments in the Region as of June 2020:

- ◆ Real estate and rental and leasing - 1,005 businesses (18% of total)
- ◆ Construction – 965 businesses (17% of total)
- ◆ Professional, scientific and technical services- 740 businesses (13% of total)

Considering the businesses with employees), the following sectors exhibit the highest proportion of business establishments in the Region as of June 2020:

- ◆ Construction - 676 businesses (23% of total)
- ◆ Other services (except public administration) - 343 businesses (12% of total)
- ◆ Professional, scientific and technical services - 329 businesses (11% of total)
- ◆ Retail trade - 308 businesses (10% of total)
- ◆ Transportation and warehousing - 203 businesses (7% of total)

Business County by Industry (NAICS)	Total		Without employees		Total, with employees	
	Counts	%	Counts	%	Counts	%
11 - Agriculture, forestry, fishing and hunting	461	5%	406	7%	55	2%
21 - Mining, quarrying, and oil and gas extraction	153	2%	96	2%	57	2%
22 - Utilities	8	0%	3	0%	5	0%
23 - Construction	1,641	19%	965	17%	676	23%
31-33 - Manufacturing	204	2%	97	2%	107	4%
41 - Wholesale trade	204	2%	101	2%	103	4%
44-45 - Retail trade	554	6%	246	4%	308	10%
48-49 - Transportation and warehousing	540	6%	337	6%	203	7%
51 - Information and cultural industries	51	1%	32	1%	19	1%
52 - Finance and insurance	434	5%	355	6%	79	3%
53 - Real estate and rental and leasing	1,133	13%	1,005	18%	128	4%
54 - Professional, scientific and technical services	1,069	13%	740	13%	329	11%
55 - Management of companies and enterprises	91	1%	75	1%	16	1%
56 - Administrative and support, waste management and remediation services	367	4%	223	4%	144	5%
61 - Educational services	90	1%	60	1%	30	1%
62 - Health care and social assistance	467	5%	304	5%	163	6%
71 - Arts, entertainment and recreation	102	1%	61	1%	41	1%
72 - Accommodation and food services	178	2%	46	1%	132	4%
81 - Other services (except public administration)	783	9%	440	8%	343	12%
91 - Public administration	3	0%	-	0%		0%
Total Business County by Industry	8,533	100%	5,592	100%	2,938	100%

Table 12: Businesses with and without Employees by Industry Sector, Tri-Municipal Region, June 2020

Source: Canadian Business Counts, June 2020

Business establishments with employees are characterized by small companies and enterprises that employ less than ten people. In 2020, 1,712 businesses employed 1-4 people while 585 businesses employed 5-9 people. The business size is of significance because small, medium and large firms are generally believed to provide different economic functions within an economic region. Small firms are generally seen as the major source of new products and ideas. In contrast, large firms typically develop as products become homogenous, and firms begin to exploit economies of scale.

The majority of micro firms (employing between 1 to 4 people) are in industries including construction, professional, scientific and technical services, other services (except public administration), transportation, and warehousing. Large firms (employing at least 100 employees) are concentrated in construction, retail trade, health care and social assistance, transportation and warehousing and manufacturing.

NAICS	Total, with employees	1-4	5-9	10-19	20-49	50-99	100-199	200-499	500 +
Total	2,938	1,712	585	322	206	62	35	15	4
Agriculture, forestry, fishing and hunting	55	33	10	9	2	1	0	0	0
Mining, quarrying, and oil and gas extraction	57	42	7	2	3	2	0	1	0
Utilities	5	1	1	1	0	2	0	0	0
Construction	676	441	119	53	36	12	11	3	1
Manufacturing	107	44	24	18	12	5	1	3	0
Wholesale trade	103	32	34	18	12	4	2	1	0
Retail trade	308	124	93	48	24	8	8	3	0
Transportation and warehousing	203	130	33	17	14	5	4	0	0
Information and cultural industries	19	5	6	5	2	1	0	0	0
Finance and insurance	79	49	13	14	3	0	0	0	0
Real estate and rental and leasing	128	97	14	8	8	0	1	0	0
Professional, scientific and technical services	329	271	28	22	7	1	0	0	0
Management of companies and enterprises	16	10	1	1	2	1	0	1	0
Administrative and support, waste management and remediation services	144	87	30	13	12	2	0	0	0
Educational services	30	11	8	6	3	0	0	0	2
Health care and social assistance	163	86	31	20	16	5	4	0	1
Arts, entertainment and recreation	41	14	13	6	4	1	3	0	0
Accommodation and food services	132	18	42	31	31	9	1	0	0
Other services (except public administration)	343	217	78	30	15	3	0	0	0
Public administration	3	0	0	0	0	0	0	3	0

Table 13: Business Counts by Employee Range by Industry Sector, Tri-Municipal Region, June 2020

Source: Canadian Business Counts, June 2020

3.4 Sector and Sub-sector Opportunities for the Tri-Municipal Region

This section of the report details the occupations and industry sectors that impact the Region's competitiveness. As indicated in the Tri-Municipal Region Competitiveness Review and the employment and occupation trends (section 3.3.7 & 3.3.8), key considerations for the Region's competitiveness over the long term include innovation, the integration of emerging technologies and internet connectivity.

As identified in the Tri-Municipal Region Competitiveness Review, the Tri-Municipal Region is not yet comparatively active in target industries and occupations. However, opportunities exist to build on the EMR's strengths and foster a labour force with a diverse skillset of skilled labour and technical/professional workers. In addition to studying occupations at level 1 of the NOC code, an examination of the High-Technology Occupations provide an understanding of the Region's readiness to capitalize on technology and innovation

In 2019, the Region accounted for 3,351 knowledge economy or high-technology occupations, approximately 9.4% of total occupations. High-technology employment is defined by 59 occupations²¹ and includes those requiring a scientific knowledge base to perform their main duties and involve high technology equipment. The list of High-technology NOCS is provided as supplementary information (Table 24), in this report. High-technology occupations include engineers, consultants, programmers and technical service providers and encompass a broad range of industry sectors focusing on technology. These sectors include information and communications technology, interactive and digital media, cleantech, life sciences, technology-based manufacturing, agricultural technology and engineering services.

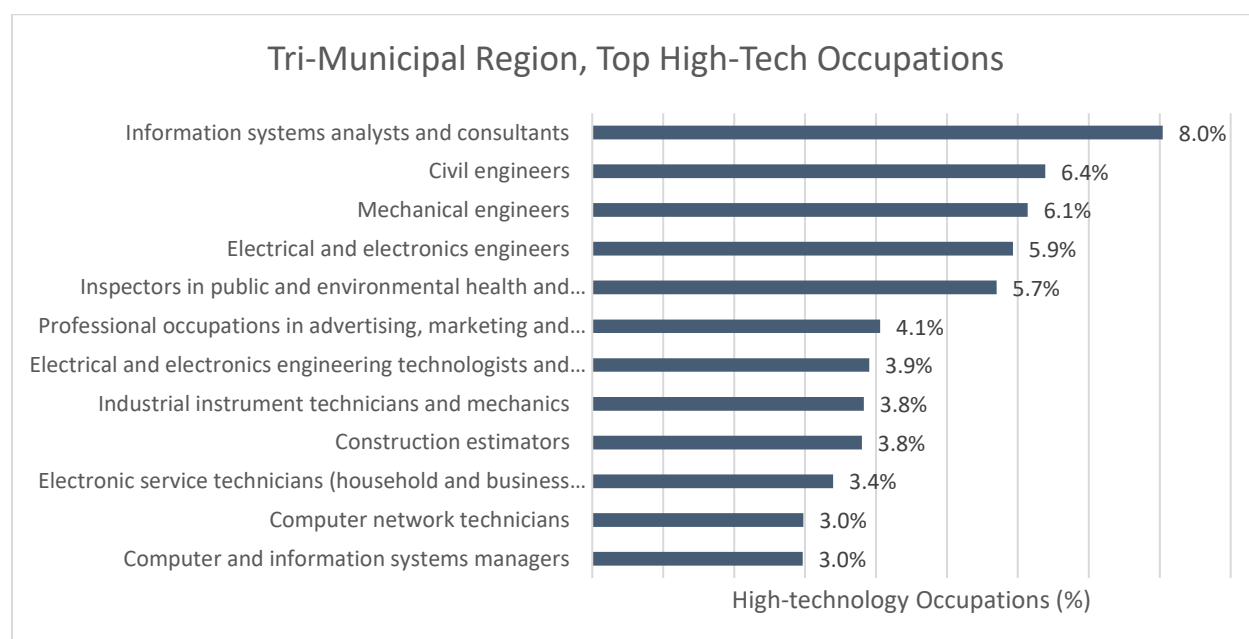


Chart 17: Share of High-Tech Occupations, Tri-Municipal Region, 2019
Source: Applications Management, adapted by MDB Insight

²¹ Defined and adapted by MDB Insight based on the U.S. Bureau of Labor Statistics, High Technology Occupations in British Columbia, and Edmonton Global Target Sectors

Information systems analysts and consultants were the top occupation in the Region, approximately 400 occupations, accounting for 8% of total high technology sectors. Individuals in these occupations analyze systems requirements, develop and implement information systems development plans, policies and procedures, and provide advice on a wide range of information systems issues. They are employed in information technology consulting firms and information technology units throughout the private and public sectors or self-employed.

Civil engineers, mechanical engineers, electrical and electronics engineers, inspectors in public and environmental health and occupational health and safety and professional occupations in advertising, marketing and public relations are other top high-technology occupations in the Region.

Over the next 40 years, high-tech occupations are projected to grow by 45%, a net increase of 1,518 jobs. Information systems analysts and consultants, and civil engineers will continue to be the top occupations in the Region, projected to grow by 400 and 322 occupations from 2019 to 2059, respectively. Mechanical engineers, electrical and electronics engineers, public and environmental health and occupational health and safety inspectors and construction estimators are also projected to be the in-demand high-tech occupations in the future.

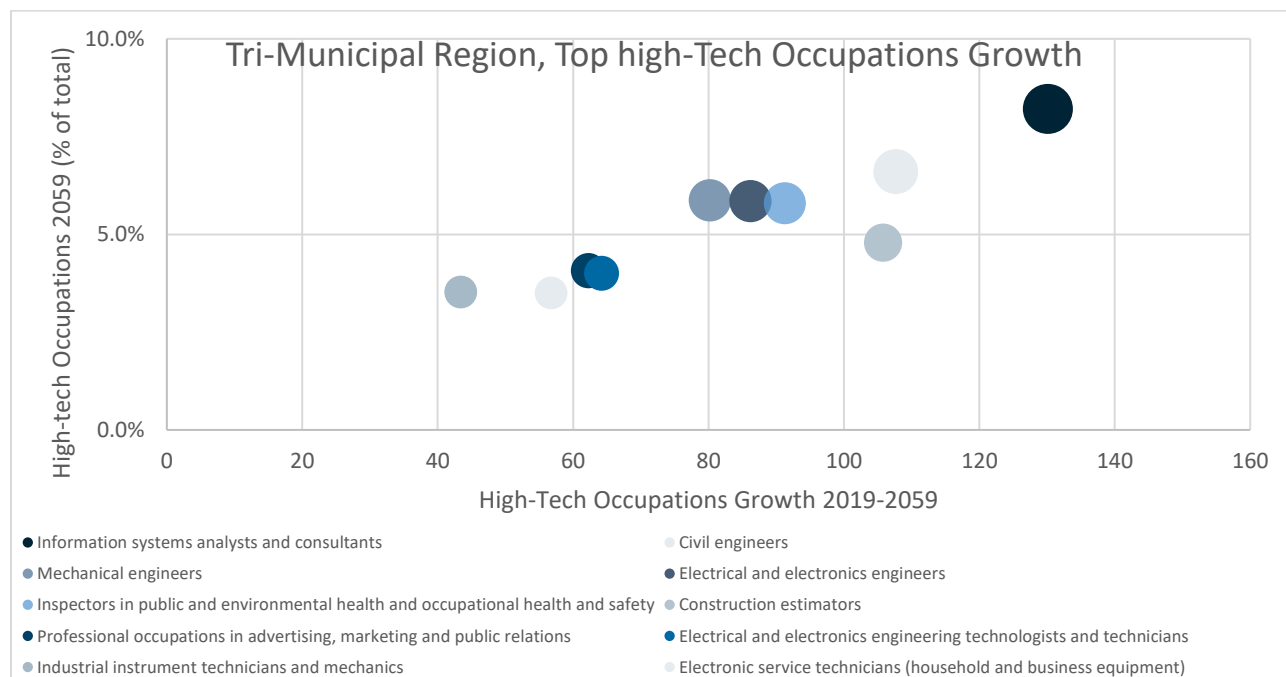


Chart 18: High-Tech Occupational Projections, Tri-Municipal Region, 2019-2059
Source: Applications Management, adapted by MDB Insight

In addition to the in-demand occupations, competitive sectors for the Region are also detailed below. The data presented here builds on the Tri-Municipal Region Competitiveness Review, which identified competitive sectors for the Region to include Transportation, Warehousing and Logistics, Value-Add Agriculture and Energy Services. Emerging opportunity sectors were identified, including manufacturing, information, communications, and technology (ICT) and commercial support services including real estate, finance and insurance, professional and management functions.

The analysis provided here identifies industry clusters for the Region at the 2-digit NAICS. Based on the total number and percentage of businesses and relative location quotient as a factor of the province, several opportunity areas were identified for the Region. Table 14 shows the percentage of total businesses and industry clusters in the Region.

The Region's sector opportunities include economic base sectors including manufacturing, mining, quarrying, oil and gas extraction, agriculture, forestry, fishing and hunting, manufacturing, construction and transportation and warehousing and service sectors, namely professional scientific and technical services.

Businesses by Industry Tri-Municipal Region	Total	% of Total	LQ	Without employees	With employees
Total	8,533	100%	1.00	5,592	2,941
Construction	1,641	19.2%	1.60	965	676
Real estate and rental and leasing	1,133	13.3%	0.86	1,005	128
Professional, scientific and technical services	1,069	12.5%	0.87	740	329
Other services (except public administration)	783	9.2%	1.23	440	343
Retail trade	554	6.5%	1.13	246	308
Transportation and warehousing	540	6.3%	1.00	337	203
Health care and social assistance	467	5.5%	0.83	304	163
Agriculture, forestry, fishing and hunting	461	5.4%	0.60	406	55
Finance and insurance	434	5.1%	0.90	355	79
Admin & support, waste mgmt. & remediation svc.	367	4.3%	1.08	223	144
Manufacturing	204	2.4%	1.32	97	107
Wholesale trade	204	2.4%	1.03	101	103
Accommodation and food services	178	2.1%	0.76	46	132
Mining, quarrying, and oil and gas extraction	153	1.8%	0.80	96	57
Arts, entertainment and recreation	102	1.2%	1.00	61	41
Management of companies and enterprises	91	1.1%	1.10	75	16
Educational services	90	1.1%	0.96	60	30
Information and cultural industries	51	0.6%	0.77	32	19
Utilities	8	0.1%	0.67	3	5
Public administration	3	0.0%	0.22	-	3

Table 14: Total businesses and Industry Clusters, Tri-Municipal Region, Location Quotient to Alberta, 2020

Source: Canadian Business Counts, June 2020

The sector and sub-sector opportunities are detailed below.

3.4.4 Mining and Oil and Gas Extraction

The mining and oil and gas extraction sector is still subject to major uncertainty, but a continuing focus on lowering discovery and production costs remains. Increased automation and exploration of potential AI applications to reduce labour and safety risks continue to be explored, particularly in more remote and higher-cost locations, driving greater overlap with ICT and smart manufacturing.

- ◆ 153 businesses in the Region (2% of total business) and an LQ of 0.80.

- ◆ The majority of businesses are sole-proprietorships and include establishments primarily engaged in providing support services, on a contract or fee basis, for the mining and quarrying of minerals and the extraction of oil and gas.
- ◆ The sector that accounted for 14% of jobs in 2019 is projected to decline by 3% (a net decline of 163 jobs).
- ◆ Edmonton is a recognized energy services hub, particularly for drilling/fieldwork, fabrication and modular construction and technical, environmental and support services
- ◆ Calgary fills the energy services hub role from some technical / field capacity, but more so with design engineering expertise

As identified in the 2019 Job Bank Environmental Scan²², Alberta's oil and gas firms struggle to remain competitive with their U.S. counterparts, particularly in attracting investment capital. 2018 saw oil production in Alberta exceeded pipeline take away capacity due largely to Suncor Energy's huge new Fort Hills oilsands mine. In late 2018, pipeline constraints, refinery closures, and falling international oil prices led to a calamitous fourth quarter for the provincial energy sector. In November, the price of Western Canada Select (WCS), Alberta's benchmark bitumen crude, averaged just USD 18 per barrel for the month. In early 2019, the Government of Alberta placed an overall cap (curtailment) on oil production in the province, which has raised the price of WCS, averaging USD 47 per barrel through the first four months of the year.

Despite the price hike, the curtailment policy is very unpopular with some of the province's largest oil producers, particularly Imperial Oil, Husky Energy, and Suncor. Because integrated firms with refinery operations remain profitable despite low crude prices, these firms encourage Alberta's new provincial government to end curtailment as soon as possible.

The Region is well-positioned to capitalize on Edmonton's strengths and focus on supply chain opportunities, particularly for drilling/fieldwork, fabrication and modular construction and technical, environmental and support services. Regional institutions (NAIT, University of Alberta) have various centres focused on applied research and training in the sector, supporting cluster development between companies, academia, and applied researchers on energy. Value-add production has downstream investment opportunities, including petrochemical processing in Alberta's Industrial Heartland Association (AIHA), which diversify the production base and create new supply chain opportunities.

On the other hand, lower commodity prices restrict investment and growth prospects. This is partially influenced by shifting perspectives regarding the energy sector and the future need for conventional fuels, and reputational issues. Furthermore, Alberta is perceived as a higher-cost jurisdiction for energy projects as high wages drive the market. Regulatory approval processes add to this cost and restrict the energy sector's growth altogether.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Very well-developed supply chain in the Region, serving as an international logistics hub for energy services • Strong relationships between producers and service companies, including collaboration on equipment and processes 	<ul style="list-style-type: none"> • Lower commodity prices restrict investment and growth prospects. • Higher cost market, driven by wages • Lack of access to corporate decision-makers with the majority of head office locations in Calgary or beyond

²² https://www.jobbank.gc.ca/content_pieces-eng.do?cid=14951#industry

<ul style="list-style-type: none"> • The deep labour pool of skilled trades and professional • Cluster development between companies, academia and applied researchers on energy • Regional institutions (NAIT, University of Alberta) have various centres focused on applied research and training in the sector • Large-scale fabrication and modular construction capacity 	<ul style="list-style-type: none"> • Alberta is perceived as a higher-cost jurisdiction for energy projects • Regulatory uncertainty and carbon tax have negatively impacted investor interest in Alberta for major projects
Opportunities	Threats
<ul style="list-style-type: none"> • Downstream investment in value-add production (ex. petrochemical processing in AIHA) diversifies the production base and creates new supply chain opportunities • Conversion of electrical generating plants within the Region to gasification could create opportunities for local suppliers • Grid-scale geothermal, a growing international market, allows for leveraging on the region's deep knowledge of in situ drilling and field servicing • Leverage existing core competencies in energy services to expand cleantech 	<ul style="list-style-type: none"> • Some firms are relocating south due to growth in the U.S and shale production impacting investment in Alberta. • Cessation of coal-fired generation in the Region results in future mine closures and impacts to employment in the Region and reduced municipal tax revenue • Shifting perspectives regarding the energy sector, future need for conventional fuels and reputational issues • Access to markets and regulatory approval process, primarily relating to pipelines, restricts the growth of the energy sector and related demand for services

Table 15: Mining and Oil and Gas Extraction SWOT Analysis, Tri-Municipal Region
Source: Nichols Applied Management Inc, adapted by MDB Insight

3.4.6 Value-add Agriculture (Agribusiness)

Value-add Agriculture and food processing have opportunities for continued automation, increasing the ability to replace some lower-cost offshore growing, including controlled environments, cannabis operations, and greenhouses. Export demand for the number of products has increased during 2020, despite or due to pandemic impacts. Access to transportation and final markets is a limiting factor, but direct connections to Asian markets through Prince Rupert could be leveraged.

The sector is reviewed here based on the definitions of the Tri-Municipal Region Competitiveness Review²³. Value-add agriculture is a competitive sector for the Region, particularly given farms in Parkland County and primary production and value-added processing.

As per the 2016 Agricultural Census of Canada, Division No. 11 was home to 4,589 farms (11% of total farms in Alberta). Parkland County accounted for 15% of all farms in Division No. 11 with 679 farms. From 2011 to 2016, the number of farms in Parkland County decreased by 13%, from 782 to 679 farms. This reflects the broader provincial and national trend, as farm numbers decreased across Canada and Alberta by 6%. The decline in the number of farms may be due to the increase in automation, sophistication and the size of agricultural operations²⁴.

²³ Value-add Agriculture includes both primary production and value-added processing and includes farms, food processing, greenhouses and nurseries, beverage processing, support activities for agriculture and niche agri-product processing (natural health products, cosmetic ingredients, functional food, plant ingredients).

²⁴ <https://www150.statcan.gc.ca/n1/daily-quotidien/181127/dq181127b-eng.htm>.

Animal farming and production are the major farming operations in Parkland County, accounting for 54% of all farms. Approximately 217 farms were involved in cattle ranching and farming, while 151 farms were involved in other animal production. One hundred twenty-seven farms were involved in crop farming, including tobacco, cotton, sugar cane and hay farming, while 107 farms were involved in oilseed and grain farming. The majority of Parkland County farms reported capital²⁵ between \$500,000 to 999,999 at 30%, while 27% of farms reported a capital between \$1,000,000 to \$1,999,999. Approximately 1% of farms reported capital of under \$100,000. Gross farm receipts²⁶ for farms in Parkland County grew by 22% from \$98 million in 2011 to \$119 million in 2016.

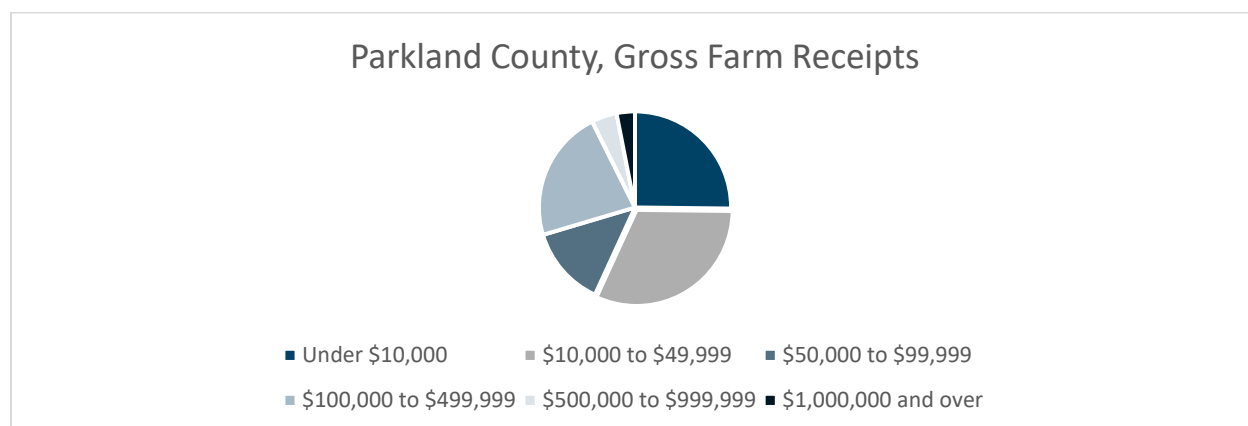


Chart 19: Farms classified by total gross farm receipts, Parkland County, Alberta, 2016
Source: Statistics Canada. Table 32-10-0436-01

For the same period, operating expenses²⁷ grew by 17%, from \$86 million in 2011 to \$101 million in 2016. Considering both the gross farm receipts and operating expenses, for every dollar in gross farm receipts, farms incurred 85 cents in expenses in 2016 for an expense-to-receipt ratio of 0.85. Farms in Parkland County are involved in direct consumer sales; 66 farms (10% of total farms) reported selling agricultural products directly to consumers in the year before the census. The majority of these farms reported using farm gate sales, stands, kiosks, U-pick to sell agricultural products.

In 2016, 353 (52% of total farms) farms reported using computers/laptops for farm management. Approximately 111 farms used GPS technology, 58 farms used automated steering (auto-steer), and 16 farms used GIS mapping (e.g., soil mapping). Eighteen farms reported using renewable energy-producing systems, with the majority using solar panels.

In addition to the Census of Agriculture data, the Canadian Business Counts (Chart 14) and employment data (section 3.3.7) provide an additional layer of information for the agriculture sector. The Region's Agriculture, forestry, fishing and hunting sector is characterized as follows:

- ◆ Approximately 461 businesses (5.4% of total business) and an LQ of 0.60.

²⁵ Farm capital represents the value of either an owned or leased farm and includes the land, buildings, livestock, and machinery.

²⁶ Gross farm receipts (before deducting expenses) include receipts from all agricultural products sold, and program payments and custom work receipts.

²⁷ Total operating expenses include any expense associated with producing agricultural products (such as the cost of seed, feed, fuel, fertilisers).

- ◆ The majority are self-employed establishments (88% of total agriculture businesses). Self-employment is a characteristic of farming, specifically in rural and small towns and areas within larger urban centres' commuting zone²⁸.
- ◆ Top sub-sectors include cattle ranching and farming, oilseed and grain farming, other animal production (bees, horses and other equines etc.) and other crop farming (including tobacco, peanuts, sugar beets and hay).
- ◆ The sector accounted for 1,057 jobs in 2019 (3% of total jobs) and is projected to grow by an additional 168 jobs over the next ten years.

Like Alberta's agriculture sector, agriculture in the Region has been hindered by high costs, licensing issues, and modest domestic market growth. The competition for rail transport as farmers compete with the oil industry for available crews and locomotives has also affected growth. Significant climate changes and herd diseases add another layer of complications to sector growth²⁹.

In addition to these challenges, the predominance of small-scale production, lack of co-packing facilities, gaps in an export development capacity and acceleration supports are threats to sector growth. This is relevant as the mid-sized food processors in the Region are being approached by U.S. state-level economic developers to relocate operations in exchange for generous incentives. Other deterrents to growth include the ageing farmer demographic and the parallel lack of young entrepreneurs in the field.

In addition to the agricultural land supply, the presence of research facilities/programs, including the Agri-Food Processing Business Incubator and Food Processing Development Centre and access to equipment and educated professionals in the food sciences, are competitive strengths.

Strengths in primary agriculture and agribusiness sectors present opportunities to enable innovations and adopt precision agriculture principles. Precision agriculture is essential to optimizing production and gaining higher efficiencies. Technology adoption also improves the sustainability of the food supply while protecting the environment, thus providing critical answers to food security and climate change challenges. Vital opportunity areas include agriculture-focussed drone technology, urban and vertical farming, and bioprocessing related to biofuels or biomass. Cannabis is also a growing opportunity, particularly given the recent legalization and corresponding sales of legal cannabis. Opportunities exist to capitalize on businesses that sell cannabidiol products, edibles, topicals, drinks and other products. Industrial hemp and organically grown cannabis that sell directly to consumers are also opportunities. While investment in cannabis farming will result in job creation and income generation, the environmental impacts need to be considered. Research shows these cultivations require large amounts of water, degrade wetlands, and affect wildlife. Cross-pollination is also a concern between cannabis and hemp.

Despite the tremendous opportunity, enabling innovations and incubations in agriculture will require access to technology and broadband connectivity to accommodate the vast amounts of data the sector requires. Land use principles should be considered to protect agricultural lands that border the urban regions.

²⁸ A profile of self-employment in rural and small town Canada: Is there an impending retirement of self-employed business operators? Source: <https://www150.statcan.gc.ca/n1/pub/21-006-x/21-006-x2012001-eng.htm>

²⁹ *ibid.*

Strengths	Weaknesses
<ul style="list-style-type: none"> Food Processing Development Centre provides research and development support for agricultural processing. The University of Alberta houses one of the strongest agricultural research programs in the country A good supply of trades that are required to maintain equipment and access to educated professionals in the food sciences Industry-led research centres, including DuPont Pioneer's seed research facility in Strathcona County Strong rail linkages with CN and CP Proximity to agricultural land provides good access to local inputs, excellent soil quality in the Region 	<ul style="list-style-type: none"> Many of the Region's food processors are small-scale and lack the capacity for export development. Barriers to market access, including differences in product preferences, customs processing times and perishability. There is also shipping challenges due to competition with oil by rail Lack of co-packing facilities inhibits the growth of start-ups facing barriers in packaging and shipping product Lack of training programs in the region that prepare individuals to work in a food processing facility Lack of acceleration supports and capital for many established small agri-businesses Many available facilities in the Region do not meet CFIA standards Relatively small economic sector, employing 1.5% of the regional labour force Higher cost land than other agricultural areas of the province outside urban areas
Opportunities	Threats
<ul style="list-style-type: none"> Digital agriculture (Industry 4.0 concepts) in production aligns with regional strengths Hemp and cannabis production, including edibles and oils Introducing a pulse fractionation facility in the Region Increase clustering within producers, encouraging the use of by-products/waste for input in other production Requirement for lower cost, less skilled workforce aligns with a segment of workforce underutilized in energy and manufacturing sectors Local craft brewing and distilling due to regulatory shift 	<ul style="list-style-type: none"> Climate change and more extreme weather events U.S. state-level economic developers offering mid-size food processors in the Region generous incentives to relocate Urbanization and removal of high-quality lands from production in the EMR resulting in land fragmentation The land is becoming more expensive and harder to obtain due to spurring population growth Ageing farmer demographic and lack of young entrepreneurs Market access and impacts from tariffs in major export destinations

Table 16: Value-add Agriculture (Agribusiness) SWOT Analysis, Tri-Municipal Region
Source: Nichols Applied Management Inc, adapted by MDB Insight

3.4.3 Manufacturing

The manufacturing sector in Canada continues to go through a challenging process, as it has over the past decade. Auto, truck and other machinery parts are flagged as the most susceptible subsectors to international supply chain shocks. Many subsectors and functions, including food processing, have a high potential for increased automation and reshoring. In this sense, Canada's proximity to the U.S. may lend an advantage of increasing insertion into North American-based supply chains. However, Mexico's positioning has been more successful by leveraging lower labour costs.

Manufacturing in the Region historically has been dominated by heavy industrial fabrication for energy and mining, with Edmonton's competitiveness driven by medium-ranked wage levels and lower levels of occupation-specific employment in manufacturing.

- ◆ An opportunity sector for the Region with 204 businesses (2.4% of total business) and an LQ of 1.32.
- ◆ 52% of businesses are employee-based establishments
- ◆ Top sub-sectors include fabricated metal product manufacturing, miscellaneous manufacturing, machinery manufacturing, wood product manufacturing and food manufacturing
- ◆ Manufacturing accounted for 1,941 jobs in 2019 (5% of total jobs) and is projected to grow by an additional 86 jobs over the next ten years.

Like the Provincial manufacturing sector, the Region manufacturing sector comprises durable manufacturers (metal products, machinery) and non-durable manufacturers (namely food and beverage makers). The Region is well-positioned to capitalize and grow in sub-sectors, including fabricated metal product manufacturing and machinery manufacturing, particularly related to supplying original equipment manufacturers. As identified in the Tri-Municipal Region Competitiveness Review, the sectors had evolved over the decades to meet upstream oil and gas development needs. Given the energy downturn since 2015 and compounded by the current economic outlook, activity levels in the fabricated metal and machinery subsectors remain low.

Strengths for the sector include a strong labour force with metalworking/machining and welding skillsets, supported by well-recognized education and training programs such as NAIT's Productivity Improvement Centre (PIC), Alberta Centre for Advanced MNT Products (ACAMP) and Alberta Metal Fabrication Innovation Program (AMFI).

Given the agriculture sector's strength and significant transportation assets, the Region is a central hub for food processing. Investments in food processing should consider ongoing and changing consumer trends with preferences for healthier and sustainable options. This has increased demand for wheat, soy and peas and resulted in plant-based and insect-based protein manufacturing, alternative oils and milk, and "smart" foods such as functional foods and nutraceuticals.

Any investment in technology-based manufacturing should account for its impact on the workforce. Automation has increased the demand for fewer, highly skilled labour, with small communities at risk of not reabsorbing the displaced labour force. Also, businesses need to be aware of their current digital maturity level, particularly related to current and future competitiveness. Also, the prevalence of smaller firms in the sector and lack of funding sources has prevented substantial investment requirements for advanced processes or even significant pivoting within standard processes.

Another opportunity sub-sector for the Region includes Alberta's rapidly expanding petrochemical industry. While low energy prices are a huge negative for the overall oil and gas sector, they are a significant plus for Alberta's rapidly expanding petrochemical industry. Aided by government incentives and abundantly available natural gas feedstock, chemical manufacturing is undergoing an investment spree. Calgary-based Inter Pipeline is currently building a \$3.5 billion petrochemical complex in Alberta's Industrial Heartland, just north of Edmonton's city limits. Pembina Pipeline Corporation's \$4.5 billion joint venture with Kuwait's national petrochemical company will be located nearby. Meanwhile, Calgary-

based Nauticol plans a \$2-billion methanol (wood alcohol) plant outside Grande Prairie, with construction scheduled for 2022.

Strengths	Weaknesses
<ul style="list-style-type: none"> Manufacturing Advisory Council and work with Alberta Economic Development on sector-specific supports including advanced techniques The Alberta Metal Fabrication Innovation Program focuses on accelerating the adoption of advanced manufacturing and fabrication solutions Sizeable workforce with metalworking/machining and welding skillsets, supported by well-recognized education and training programs at NAIT NAIT Productivity Improvement Centre (PIC) including a hub for applied research Alberta Centre for Advanced MNT Products focuses on electronics hardware development, embedded systems and firmware, sensors, control systems, and autonomous transportation technologies Lower electricity and natural gas costs in the EMR 	<ul style="list-style-type: none"> Higher costs and expected margins, and reluctance by firms to invest in automation and focus on the single market, influenced by energy sector manufacturing experience Clustering and mentoring are affected by less depth in high volume repetitive processes typical of other manufacturing sectors Smaller firms lacking resources to meet substantial investment requirements for advanced processes or pivoting within standard processes Shallow investor pool and lack of angel investors for manufacturing in the Region Lack of awareness and significant connections between firms and research institutions for the research, development and commercialization of new products and knowledge
Opportunities	Threats
<ul style="list-style-type: none"> Interest in the Region for advanced manufacturing processes Strong existing metal fabrication cluster and existing supply chains can pivot to complimentary markets Alberta population size approaching critical mass, a factor influencing manufacturers market selection Rapid real-time analytical capabilities of IoT technology can benefit the existing manufacturing of complex equipment in the Region. Federal government policy now permitting immediate write-off of the full cost of manufacturing or processing goods to spur adoption of advanced technologies Momentum in this sector can be created by the Provincial Government's newly stated goal of becoming Western Canada's centre of excellence in plastics recycling 	<ul style="list-style-type: none"> Canadian investments in equipment in machinery has been decreasing while U.S. investments have increased over the past decade Major shifts in traditional industries and uncertain investment climate (trade, pandemic causing significant investment risk in advanced manufacturing The plastics sector continues to be in flux, including challenges in recycling and potential toxic categorization proposed by the Federal Government in a move against single-use products Relocation (actual and contemplating) by energy sector fabricators to the U.S. due to a more upbeat view on exploration and production Impacts of tariffs on steel and aluminum with the U.S., raising prices and increasing cost uncertainty

Table 17: Manufacturing SWOT Analysis, Tri-Municipal Region

Source: Nichols Applied Management Inc, adapted by MDB Insight

3.4.5 Professional, scientific, and technical services (PSTS)

PSTS firms are deeply interwoven into all industries' current and future competitiveness, providing services in management, technical, engineering, accounting, architectural and computer system design fields, all essential to improving productivity and technology adoption.

Many work functions in this sector show a high potential for automation. In particular, information communication and technology or ICT can enable companies to achieve increased exports, such as

commercial and professional services. Remote-work requirements are accelerating communication technology adoption and leading to strong growth for the sector.

- ◆ One thousand sixty-nine businesses (13% of total businesses) and an LQ of 0.87 also provide growth opportunities.
- ◆ Comprises establishments primarily engaged in activities in which human capital is the major input³⁰.
- ◆ The majority of businesses in this sector are sole-proprietorships, accounting for 69% of total businesses. Top PSTS sub-sectors for the Region include management, scientific and technical consulting services; architectural, engineering and related services; accounting services; computer systems design and related services.
- ◆ PSTS accounted for 1,941 jobs in 2019 (5% of total jobs) and is projected to grow by an additional 161 jobs over the next ten years.

Like other opportunity sectors, growth and investment in Alberta's PSTS are intrinsically tied to the oil sector and energy development³¹. Declining oil prices have resulted in low corporate profits and consumer confidence, which has reduced spending on legal, consulting, and accounting services and investment in research & development (R&D), machinery and equipment (M&E) construction.

Considering future trends, as the energy, construction and manufacturing industries diversify, focusing on technology-based development, the PSTS will see a parallel growth due to the need for specialized engineering companies, testing laboratories, and computer programming. The ICT and digital media sector's growth will continue to result in a collaborative economy and technology adoption and automation with a higher demand for technologies including virtual and augmented reality; artificial intelligence (AI) and blockchain technology, 3D printing 5G mobile, among others.

The Region's value proportion for the sector could build on the EMR strengths as a technology hub in artificial intelligence and automation and enable IT integration, innovation, and commercialization. The Tri-Municipal Region Competitiveness Review identifies that the Region is well suited to host at least one data center in the Acheson area due to land availability directly adjacent to a major telecommunications trunk line that lies along the CN rail line across the municipalities. A data center could serve as a job creator and substantially affect the local and regional economy. However, this growth is dependent on the availability of strong broadband infrastructure, particularly given the acceleration to enterprise cloud adoption.

Capitalizing on ICT and digital media advancement opportunities require a strong, skilled labour pool with capabilities to perform specialized occupations such as information systems analysts and consultants, database analysts and data administrators, software engineers and designers, computer programmers and interactive media developers, web designers and developers. The lower cost of the Canadian dollar places an increasing demand for these occupations as firms outsource IT work to companies specializing in computer design services to reduce costs and gain efficiencies.

³⁰ Includes legal services; accounting and related services; architectural, engineering and related services; specialized design services; computer systems design and related services; management, scientific and technical consulting services; scientific research and development services; and advertising, public relations, and related services

³¹ <https://alis.alberta.ca/occinfo/industry-profiles/professional-scientific-and-technical-services/>

Strengths	Weaknesses
<ul style="list-style-type: none"> Proximity to new artificial intelligence and technology clusters in Edmonton, including the University of Alberta innovation cluster Good quality and cost of living, enabling recruitment to the Tri-Municipalities A direct location along a significant telecommunications trunk line Access to fibreoptics with speeds competitive at a North American level. Some companies in Region active with applied and innovative technology, creating examples of local success 	<ul style="list-style-type: none"> Businesses note that broadband access is currently insufficient; gaps exist in various areas of the Region Lack of a current technology workforce in the Region Challenges in attracting top talent to the Region Talented is more attracted to the urban core of EMR
Opportunities	Threats
<ul style="list-style-type: none"> Modern manufacturing techniques are highly reliant on information technology and require reliable high-speed internet connectivity. The younger population base provides a potential source of IT workforce Partnerships with area schools, NAIT and employers can increase skill development and recruitment opportunities for the local population 	<ul style="list-style-type: none"> The continued economic impact of a pandemic Global overbuilding of data capabilities, resulting in a potential oversupply of server capacities Telecomm providers plans may not align with Regional needs

Table 18: Professional, scientific, and technical services (PSTS) SWOT Analysis, Tri-Municipal Region
Source: Nichols Applied Management Inc, adapted by MDB Insight

3.4.7 Creative Cultural Industries

The creative and cultural industries include innovative firms that provide economic base industries and businesses that provide cultural and commercial services to the broader population. These industries are essential to improving other industries' productivity and hold the key to commercial services that improve quality of life and attract talent. Creative design and technology are necessary for Canadian firms to compete, directly connecting to commercial industries. There are opportunities to embrace automation and data management in retail and commercial support services, including real estate, finance and insurance, professional and management functions. These services are deeply connected to PSTS and transportation and warehousing.

Globally, a growing trend sees the emergence of the creative cultural industries as the next large contributor to economic growth and wealth in a community. The creative cultural industries are a sub-sector of the broader knowledge-based economy. Creative cultural industries often focus on culture and social development to foster job growth in a community. Recent research indicates that creative cultural industries are steadily becoming a key asset for economic developers trying to pitch their communities. A community with many creative cultural industries often sees more artistic representation throughout the community, be it through placemaking activities or creating programs and festivals.

This section examines the proportion of employees and businesses in creative cultural industries based on the definitions developed by Statistics Canada's Canadian Framework for Cultural Statistics. The list of NAICS is provided as supplementary information (Table 25) in this report.

In 2019, the Region had a labour force of 6,630 people performing jobs related to the creative cultural industries. This translates to 12% of the total labour by industry. The creative cultural industries labour force in the Region is lower than the EMR and Alberta.

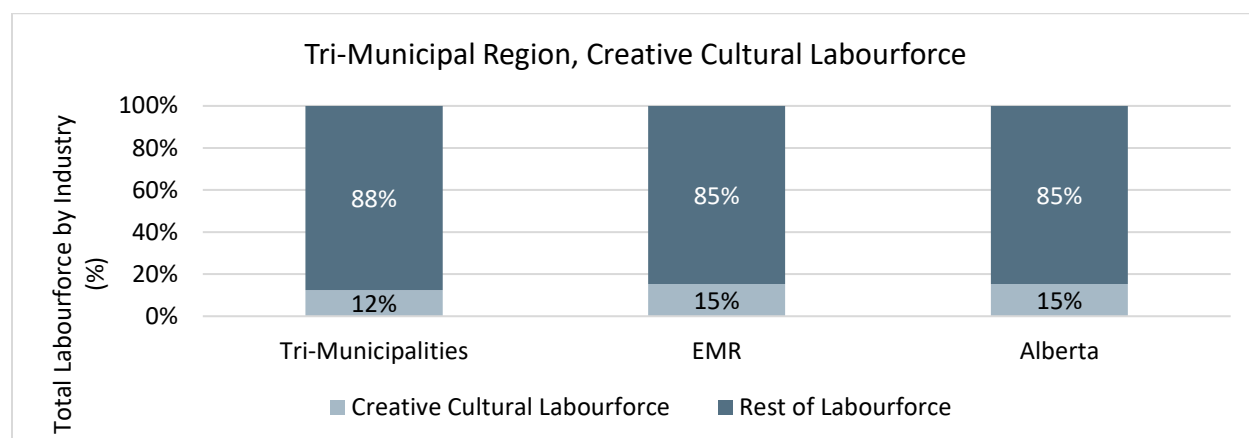


Chart 20: Percentage of Labour Force in Creative Cultural Industries, Tri-Municipal Region, 2019

Source: Manifold Data Mining, 2019

The majority of this labour force was employed in sub-sectors, including:

- ◆ Full-service restaurants and limited-service eating places - 2,359 (36% of the total creative cultural labour force)
- ◆ Architectural, engineering, and related services - 862 (13% of the total creative cultural labour force)
- ◆ Other amusement and recreation industries - 646 (10% of the total creative cultural labour force)
- ◆ Other professional, scientific, and technical services - 377 (6% of the total creative cultural labour force)
- ◆ Computer systems design and related services - 374 (6% of the total creative cultural labour force)

Based on the June 2020 business counts data, the Region was home to 410 creative cultural industries; 5% of all industries. The majority of the creative cultural industries are “Indeterminate” and include the self-employed; 60% (245 industries) fall under this category. The remaining 40% (165 industries) were establishments with employees. The majority of creative cultural industries include computer systems design and related services (except video game design and development) and full-service restaurants.

Industry	Tri-Municipality	%
Computer systems design and related services (except video game design and development)	73	18%
Full-service restaurants	59	14%
Photographic services	28	7%
Fitness and recreational sports centres	20	5%
Graphic design services	19	5%
Motion picture and video production	13	3%
Fine arts schools	11	3%
Golf courses and country clubs	11	3%
Sports clubs, teams and leagues performing before a non-paying audience	10	2%
Independent visual artists and artisans	9	2%

Table 19: Percentage of Creative Cultural Industries, Tri-Municipal Region, 2019

Source: Canadian Business Counts, June 2020

Strengths	Weaknesses
<ul style="list-style-type: none"> Edmonton Region is seen as a strong retail market – young and fast-growing population base and high disposable incomes Strong reputation, many chains entering Canada use the Region as a testing zone Office space – comment on strength – was good growth Population growth in general 	<ul style="list-style-type: none"> Edmonton Region office market overbuilt. The west end is one of the weaker segments of the Edmonton office market Retail challenges are given the economic downturn, now exacerbated by pandemic, including big box chains Generally a low inventory of retail space in the Tri-Municipalities at present. Stock is generally viewed as a lower class by market
Opportunities	Threats
<ul style="list-style-type: none"> Commercial growth tends to follow employment and population growth, bringing demand for personal and professional services and retail and office space demand Hospitality services supporting business activity in the Region (meals, meeting hosting space, hotels) Food and accommodation needs related to tourism, like tournament hosting in the Region, capturing more visitor spending Opportunities for new destination retail and associated hospitality could act as a general draw to the Region and catalyze further commercial opportunity Westwind project has potential for a variety of commercial and entertainment development Meridian lands (400 gross developable acres) being explored for a variety of potential uses, including professional / office, retail, hospitality and tourism A gap of retail and convenience services in Acheson 	<ul style="list-style-type: none"> Move to online retail, accelerated by pandemic Shift to work at home due to pandemic and emerging telecommunications technology impacting the traditional office sector Lack of currently available development areas for retail may cause opportunities to locate in neighbouring communities Existing challenges in western Canadian retail market pre-pandemic, with Alberta and Saskatchewan reportedly off the radar for national and international retail investors New retail and office developments in west Edmonton and elsewhere creating competition in the trading area EIA Outlet Mall struggling (pre-pandemic) offering extremely low rents to fill space

Table 20: Creative Cultural Industries SWOT Analysis, Tri-Municipal Region

Source: Nichols Applied Management Inc, adapted by MDB Insight

3.4.2 Transportation and warehousing

Transportation and warehousing in the Region have seen recent investments by Amazon³² focused on the commercial side of the industry and less on the traditional oil and gas services. Looking at more tech-focused approaches, data interface, processing and space management have a high potential for automation. Ongoing trade tension between the U.S. and China may provide new opportunities for Canadian trade. Likewise, emphasis on supply chain resiliency may provide new opportunities for Canadian suppliers serving both Canadian and US markets. As mentioned previously, direct rail access to the Port of Prince Rupert represents an opportunity to increase exports to Asian markets.

- ◆ An opportunity sector for the Region with 540 businesses (6% of total business) and an LQ of 1.00
- ◆ The diverse network of transportation assets is central to growth in industries, including tourism, agriculture, oil and gas, and manufacturing.
- ◆ The majority of transportation and warehousing businesses are sole-proprietorships and micro firms (1-4 employees). Top sub-sectors are primarily engaged in the truck transportation of

³² <https://majorprojects.alberta.ca/details/Amazon-Edmonton-Warehouse/3777>

goods and include general freight or specialized freight, approximately 385 businesses (71% of total businesses).

- ◆ In 2019, the Region's transportation and warehousing sector accounted for 1,669 jobs (5% of total jobs) and further projected to grow by an additional 250 jobs over the next ten years.
- ◆ Edmonton's central location and proximity to crucial transportation and logistics infrastructure reinforce its transportation and warehousing strengths. Access to other major markets is at a disadvantage versus higher ranked regions
- ◆ Historically, transportation and warehousing have been more influenced by energy sector needs, now shifting to broader commercial, including Amazon's major investments.

The Region's strengths include strong transportation infrastructure assets. In addition to truck transportation, the Region has strong air-cargo access to foreign markets and multiple cargo-handling facilities. Good connectivity to major east-west highways and transportation routes and proximity to major rail intermodal facilities are also assets. The eventual connection of Highway 628 from Spruce Grove's industrial park to the Whitemud Freeway and the proposed extension of the load corridor on Highway 60 to Highway 44 north of the Yellowhead provides opportunities to capitalize on fabrication, logistics and support service opportunities.

The long-term growth of the transportation and warehousing sector is tied to the rise of e-commerce. Online shopping is expected to continue to have a positive impact on the sector over the medium-term. Another key driver for the Region's transportation and warehousing sector will be increasing investments in rail transportation. Given the rising demand for exporting goods in industries such as oil and gas, agriculture and manufacturing, the Government of Alberta has invested about \$1.0 billion to increase rail take away capacity, with locomotives and tanker cars scheduled for delivery at the end of 2019. It should be noted that if global demand for oil and gas extraction products remains weak, it may see a reduced need for transportation services, resulting in disinvestments in the transportation sector³³.

Another key consideration for the sector is the expected labour supply and demand gap expected into the future. The lack of a current qualified labour force to replace the impending retirement of baby boomers aged 55 and over makes the sector vulnerable to labour shortages. This is particularly concerning for long-haul drivers, who are older than the average Canadian worker³⁴.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good air-cargo supported by an integrated ecosystem provides access to foreign markets via EIA. • Multiple cargo-handling facilities, including access to cold-chain logistics capabilities • Good access to ground transportation and routes that connect Edmonton to key markets in the United States • Rail routes include CN and CP national line, provide a shipping advantage to Asia over many U.S. locations 	<ul style="list-style-type: none"> • Lack of amenities and services and smaller sized parcels are seen as a weakness in Acheson • Not located on the provincial over-dimensional load corridor, an attractant for large-scale fabrication and equipment companies • Acheson at the edge of travel distance for several destinations due to transport time-out legislation • Rail track location impacts access to and from Spruce Grove business park • Bridges on the west side of the Anthony Henday ring road reportedly have lower maximum weight

³³ https://www.jobbank.gc.ca/content_pieces-eng.do?cid=14455

³⁴ *ibid.*

	restrictions, dictating that major module construction continues on the east side of the Region
Opportunities	Threats
<ul style="list-style-type: none"> • Good air cargo and cold-chain logistics capabilities around the airport could support COVID-19 vaccine distribution • Growth in online retail, accelerated by the pandemic, will drive TW globally • Growth of local TW market could grow as a result of reshoring supply chains brought on by pandemic-influenced challenges, particularly involving essential goods • The Spruce Grove Transportation Master Plan indicates a potential connection of Highway 628 and the Whitemud Freeway, which would address Spruce Grove business park access constraints • The proposed extension by Alberta Transportation of the over-dimensional load corridor would open fabrication, logistics and support service opportunities • Larger, affordable laydown sites servicing Highway 43-based industrial activity 	<ul style="list-style-type: none"> • If cross border COVID-19 Cases rise, there is potential for the closure of US supply chains to foreign suppliers for essential goods • The ongoing growth of the Calgary Region TWL network located closer in proximity to ports • Tariffs and regulations governing cross-border movements can present difficulties for service providers • Environmental regulations targeting emissions are challenging the transportation market nationally • Big data, including real-time monitoring requirements, drive business to locations with dependable high-speed internet

*Table 21: Transportation and warehousing SWOT Analysis, Tri-Municipal Region
Source: Nichols Applied Management Inc, adapted by MDB Insight*

3.4.1 Construction

The construction sector, one of the largest in the Region, largely follows population growth, other industries' health, and government spending on infrastructure. Opportunities exist for new construction technology included prefabrication and 3D printing of buildings. However, shifts in technology may require significant retraining with firms looking to the government to foot the bill.

- ◆ A major industry for the Region with 1,641 businesses (19% of total business) and an LQ of 1.60.
- ◆ The high proportion of non-employer and micro firms (1-4 employees) with most business primarily engaged in residential building, independent contracting or non-residential building construction.
- ◆ In 2019, the Region's construction sector accounted for 6,038 jobs (17% of total jobs) and was further projected to grow by an additional 806 jobs over the next ten years.

Key industry subsectors include residential and non-residential building construction, engineering construction (including transportation infrastructures like roads and rails, oil and gas infrastructure like pipelines and offshore platforms, electric power infrastructures such as generating stations and power lines), other engineering; and repair construction.

The long-term outlook of the construction sector is closely tied to Alberta's energy industry. Within the oil and gas sector, the focus has shifted from large-scale oil sands expansion projects to sustaining and maintaining oil sands production and infrastructure and industrial and institutional building

requirements to support the same. As per BuildForce Canada projections³⁵, employment in the sector is expected to remain stable over the next decade, driven by diversification projects in major manufacturing, transportation infrastructure, new oil sands investments and utility projects.

The oil sector's volatility has affected the construction industry, with residential and non-residential building construction investments declining in recent years. The New Housing Price Index (NHPI), which serves as the measure of selling prices of new residential houses, saw a decline from 99.7 in October 2016 to 96.7 in October 2017 in the Edmonton CMA³⁶. A historical period of overbuilding combined with weak economic conditions has continued to affect new housing markets³⁷. Similarly, total non-residential investments in the CMA declined by 15%, from \$919 million in 2016 to \$778 million in 2018³⁸. Commercial investments, which represented 62% of total investment in 2018, showed the most decline over the same period³⁹.

As per the Alberta Major Projects database⁴⁰, the Region is estimated to account for \$7.7B in private and public sector investment (under construction and proposed) across Alberta. This accounts for 14% of all investment in the EMR. The Region's major investment includes the Trans Mountain Pipeline Expansion between Strathcona County, AB and Burnaby, BC, with an approximate value of \$7.4B. The pipeline expansion will play a key role in the recovery of the sector post-COVID-19⁴¹. Technology advancements in the oil and gas industry place parallel requirements in the construction sector. Moving forward, labour productivity in the sector will further increase (resulting in less labour force).

Fabrication and modular construction will be sectors that are in demand into the future for the Region. The future investment will also be focussed on sustaining capital to ensure operations are maintained at existing levels⁴². Within oil sands construction, engineering construction (construction of structures for the oil and gas industries) will drive growth. As per the Tri-Municipal Region Competitiveness Review, the EMR is a recognized energy services hub, particularly for drilling/fieldwork, fabrication and modular construction and technical, environmental and support services. Occupations and skills in demand include alloy welders, scaffolders, crane operators and specialized workers⁴³.

Strengths	Weaknesses
<ul style="list-style-type: none"> Edmonton Region is seen as a strong market young and fast-growing population base and high disposable incomes Office space Growth Population growth in general 	<ul style="list-style-type: none"> Edmonton Region office market overbuilt. The west end is one of the weaker segments of the Edmonton office market Generally a low inventory of retail space in the Tri-Municipalities at present. Stock is generally viewed as a lower class by the market
Opportunities	Threats
<ul style="list-style-type: none"> Fabrication and modular construction for regional and far north communities 	<ul style="list-style-type: none"> Move to online retail, accelerated by pandemic

³⁵ Construction and Maintenance Looking Forward, 2019-2028, Highlights, Alberta.

³⁶ Statistics Canada. Table 18-10-0205-01 New housing price index, monthly.

³⁷ <https://www150.statcan.gc.ca/n1/daily-quotidien/200821/dq200821d-eng.htm>

³⁸ Statistics Canada. Table 34-10-0011-01 Investment in non-residential building construction, by type of building, province and census metropolitan area, inactive (x 1,000)

³⁹ *ibid.*

⁴⁰ <https://majorprojects.alberta.ca/>

⁴¹ https://www.jobbank.gc.ca/content_pieces-eng.do?cid=16741

⁴² Construction and Maintenance Looking Forward, 2019-2028, Highlights, Alberta.

⁴³ *Ibid.*

<ul style="list-style-type: none"> • Westwind project has potential for a variety of commercial and entertainment development • Meridian lands (400 gross developable acres) being explored for a variety of potential uses, including professional / office, retail, hospitality and tourism 	<ul style="list-style-type: none"> • Shift to work at home due to pandemic and emerging telecommunications technology impacting the traditional office sector • Lack of currently available development areas for retail may cause opportunities to locate in neighbouring communities • Existing challenges in western Canadian retail market pre-pandemic, with Alberta and Saskatchewan reportedly off the radar for national and international retail investors • EIA Outlet Mall struggling (pre-pandemic) offering extremely low rents to fill space
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Table 22: Construction SWOT Analysis, Tri-Municipal Region

Source: Nichols Applied Management Inc, adapted by MDB Insight

3.5 Summary of Observations

The following bullets highlight the key observations within this section:

- ◆ The provincial economy has been undergoing significant shifts in recent years; the economy has been affected by declining oil prices and exports and government-imposed oil production caps, resulting in a mild recession in 2019. While the province was projected to recover due to business investments in oil production and pipeline capacity expansion⁴⁴, the COVID-19 pandemic has delayed economic recovery.
- ◆ Employment has been growing over the past few months in the province, as COVID-19 restrictions were lifted. From May 2020 to September 2020, the province saw employment rise by 206,800 (10% net increase). Wholesale and retail trade, accommodation and food services, health care and social assistance, construction, information, culture and recreation and educational services contributed the most to employment increase. The unemployment rate was still high at 11.7% in September 2020, but this could be attributed to an increased participation rate.
- ◆ Over the next five years, Edmonton CMA's economic base will continue to be led by the service sectors including real estate, healthcare, education, finance and insurance, professional, scientific, and technical services accounting for 11% GDP growth. Goods-producing sectors are projected to increase in 8% GDP output led by construction, oil and gas extraction and manufacturing.
- ◆ Although there will likely be a reduction in private investment over the next few years due to the uncertainty surrounding oil prices and the pandemic, there are still many major projects currently underway in the Edmonton Region. The largest number of projects are in the real estate sector, including residential, commercial, and industrial projects. In 2020, there were 70 projects under construction in the Region with a cumulative value of more than \$22 billion⁴⁵. There are also 40 proposed projects with a total investment value exceeding \$11 billion⁴⁶. The two largest projects underway in the Region include the TELUS 5G network and Inter Pipeline's

⁴⁴ RBC. (2019). Alberta – Making steps in the right direction. Provincial Outlook, December 2019. Source: <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/alta.pdf>

⁴⁵ <https://edmontonglobal.ca/data-and-trends-with-tomas/>

⁴⁶ Ibid.

Heartland Petrochemical Complex. Proponents of the Heartland complex indicate a likely project cost overrun of \$500 million and a half-year delay attributable to pandemic-related effects.

- ◆ The Tri-Municipal Region's population is projected to grow by 14% over the next decade, placing increased stress on the housing supply, transportation networks, and community amenities. This growth creates significant opportunities for the Region to invest in sustainable and smart growth initiatives and related land-use policies, which will be necessary to manage growth while maintaining the high quality of life that attracts residents and visitors.
- ◆ The population projections also suggest that the percentage of people 60 years and over in the Tri-Municipal Region would reach 19% of the total population by 2029. The share of core working-age people (24 to 44 years) will remain stable across the projection's timeline. However, the number of people over 45 years will increase by 3% from 2019 to 2029. The projections forecast a notable decline of people under the age of 15 over the selected timeframe.
- ◆ Most of the Tri-Municipal Region workforce is employed in construction, retail trade, health care and social assistance, accommodation and food and transportation and warehousing sectors. In total, 71% of the Region's labour force is employed in service-producing sectors. While some of these jobs may comprise lower-wage employment, the service-producing sector can generate value-added employment at comparable and sometimes higher rates than the goods-producing sector. The service-producing sector can also be as capital-intensive as the goods-producing sector, with many of these industries becoming highly technological.
- ◆ As per the June 2020 Canadian Business Counts data, the Region had 461 business establishments (including self-employed establishments). The construction sector is highly specialized in the tri-municipalities; businesses with employees in the sector show an LQ of 1.75. Other opportunity sectors include manufacturing (107 businesses – LQ 1.21) and transportation and warehousing (203 businesses – LQ 1.20). The tri-municipalities are home to 329 PSTS firms (11% of total businesses with employees). However, they only show an LQ of 0.76, indicating opportunities to secure growth and investment in the sector. A similar opportunity is also seen in the health care sector, given the 163 businesses and LQ of 0.60.
- ◆ Employment projections for the next ten years mirror the historical pattern of employment in the Tri-Municipal Region. The leading sectors include construction, health care, accommodation and food services, transportation and warehousing, agriculture/agri-food and professional, scientific and technical services. While construction, health care, accommodation and food services, transportation and warehousing typically follow population growth, agriculture/agri-food and professional, scientific and technical services represent export-based opportunities that create greater impact in the regional economy.
- ◆ While Spruce Grove will continue to emerge as the largest urban centre in the Tri-Municipal Region, there are indicators and specific sectors in which the combined Region improves its competitive ranking. The Competitiveness Review suggests that the Tri-Municipal Region within the EMR is more competitive in transportation, warehousing and logistics, value-added agriculture (including food processing), commercial services, and manufacturing operations. The Region is slightly less competitive in energy services and ICT.
- ◆ All sectors in the regional economy will need to continue to embrace the use of technology, data integration and automation to improve overall competitiveness and efficiency.

- ◆ The mining and oil and gas extraction sector is still subject to major uncertainty, but increased automation and AI applications to reduce labour and safety risks are driving overlap with ICT and smart manufacturing.
- ◆ Value-add Agriculture and food processing have opportunities for continued automation. Access to final markets is a limiting factor, but direct access to Asian markets through Prince Rupert could be leveraged.
- ◆ The manufacturing sector in Canada continues to go through a challenging process, as it has over the past decade. Many subsectors and functions, including food processing, have a high potential for increased automation and reshoring.
- ◆ PSTS firms are deeply interwoven into all industries' current and future competitiveness, providing services in management, technical, engineering, accounting, architectural and computer system design fields, all essential to improving productivity and technology adoption. Remote-work requirements are accelerating communication technology adoption and leading to strong growth for the sector.
- ◆ The creative and cultural industries include innovative firms that provide economic base industries and businesses that provide cultural and commercial services to the broader population. These industries are essential to improving the productivity of other industries and hold the key to commercial services that improve quality of life and attract talent.
- ◆ Transportation and warehousing in the Region have seen recent investments by Amazon focused on the commercial side of the industry and less on the traditional oil and gas services. Looking at more tech-focused approaches, data interface, processing and space management have a high potential for automation.
- ◆ The construction sector follows population growth, other industries' health, and government spending on infrastructure. Opportunities exist for new construction technology included prefabrication and 3D printing of buildings.

4. FISCAL CAPACITY

The section presents a high-level overview of each of the Tri-Municipal Region municipalities' fiscal capacity. Fiscal capacity refers to a municipality's ability relative ability to pay for municipal services and fund infrastructure. Each municipality of the Region is compared to other municipalities in Alberta of a comparable municipal status (e.g. city, town, rural).

The data presented below are high-level observations and serve as background to the forthcoming financial indicators. The indicators are presented below. The fiscal capacity data for each of the Municipalities is provided as supplementary information (Charts 21 to 41), in this report.

Parkland – Parkland County has a lower total assessment per capita than the average for rural municipalities in Alberta at \$328,019. The majority of this assessment is residential at \$197,769. Parkland County has a lower share of non-residential assessment as a proportion of total assessment than the average for rural municipalities in Alberta.

Parkland County has an average level of Municipal Debt per capita compared to rural municipalities in Alberta and has used an above-average proportion of its available Debt Limit compared to rural municipalities in Alberta.

Spruce Grove – Spruce Grove has an ‘average’ Total Assessment per capita compared to other cities in Alberta. In 2019, the Total Assessment Per Capita was \$165,106. The majority of this assessment was residential at \$135,533 in 2019 or 82%. Compared to similar-size cities in Alberta, Spruce Grove has a somewhat higher residential assessment per capita. Non-Residential Assessment per capita was \$29,574. Spruce Grove has a somewhat lower average non-residential assessment per capita than other cities in Alberta. Spruce Grove has a below-average share of non-residential assessment compared to total assessment at 18%. However, over the historical period analyzed, Spruce Grove has improved its position vis-à-vis the average for Alberta cities.⁴⁷

Municipal Debt per capita has been increasing over the years from 2015 to 2019. However, compared to similar-sized cities in Alberta, Spruce Grove has among the lowest Municipal Debt rates per capita. The city also utilizes a lower proportion of its Debt Limit than other Alberta cities at 33%.

Stony Plain – Stony Plain has a higher Total Assessment per capita than the average for Alberta towns. In 2019, the Total Assessment Per Capita was \$151,922. The town has a higher residential assessment per capita than the average for Alberta's towns at \$128,237 in 2019, or 84%. Stony Plain has a lower non-residential assessment per capita than the average for Alberta's towns at \$23,685. Comparing the non-residential assessment as a factor of total assessment shows that Stony Plain has a lower than the average for towns in Alberta at 16%

Stony Plain has a somewhat higher than average Municipal Debt per capita when compared to towns in Alberta. The town utilizes a higher debt limit than similar size towns in Alberta at 38% in 2019.

⁴⁷ The City of Fort Saskatchewan has a significantly higher share of non-residential assessment than the other Cities in Alberta.

5. SUPPLEMENTARY INFORMATION

Document
External
EMRB Regional Agriculture Master Plan, 2017
EMRB Regional Growth Plan, 2017
Edmonton Global - Strategic Plan, 2018-2023
Parkland County
Long-Term Strategic Plan, 2040
Corporate Plan, 2019-2020
Strategic Plan, 2016-2020
Economic Development Strategy 2014-2018
Understanding Municipal Realities, 2019
Tourism Action Plan, 2018-2020
Agricultural Programs and Services Review, 2018
Future of Agriculture Study, 2017
Community Scan and Analysis, 2015
Labour Market Profile, 2017
Budget Planning
Operating and Capital Plan, 2021-2025
Organizational Chart, 2020
Programs and Services List
Spruce Grove
Strategic Plan, 2018-2035
Annual Report, 2018
Economic Development Strategy, 2017-2022
Understanding Municipal Realities, 2019
Fibre-Optic Broadband Strategy, 2019
City Centre ARP Phase 1, 2018
City Centre ARP Phase 2, 2018
Labour Market Profile, 2017
Municipal Development Plan, 2010 - 2020
Regional Context Statement, 2010 - 2020
Development Permit Approval Process
Land Inventory and Development Process
Organizational Chart
Stony Plain
Corporate Plan, 2020-2022
Strategic Plan, 2019-22
Strategic and Corporate Plan Q4 Report
Annual Report, 2018
Economic Development Strategy, 2019
Understanding Municipal Realities
Municipal Development Plan
Regional Context Statement
Target Sector Study and Marketing Plan, 2015
Labour Market Profile, 2017
Municipal Census Demographic Report, 2019
Organizational Chart
Quarterly Report
Visitor Information Center MOA
Mobile Vending Guidelines, 2018
Event List, 2019
Tri-Municipalities
Tri-Municipal Region Competitiveness Review, 2020
Tri-Municipal Region Cultural Plan – Interim Report, 2020

Tri-Municipal Region Draft Forecast Implications, 2020
Culture and Tourism Event Project Plan, 2018
Labour Market Profile, 2017

Table 23: List of key Documents Reviewed

NAICS	Description
0131	Telecommunication carriers' managers
0211	Engineering managers
0212	Architecture and science managers
0213	Computer and information systems managers
0512	Managers - publishing, motion pictures, broadcasting and performing arts
1123	Professional occupations in advertising, marketing and public relations
2111	Physicists and astronomers
2112	Chemists
2113	Geoscientists and oceanographers
2114	Meteorologists and climatologists
2115	Other professional occupations in physical sciences
2121	Biologists and related scientists
2123	Agricultural representatives, consultants and specialists
2131	Civil engineers
2132	Mechanical engineers
2133	Electrical and electronics engineers
2134	Chemical engineers
2141	Industrial and manufacturing engineers
2142	Metallurgical and materials engineers
2143	Mining engineers
2144	Geological engineers
2145	Petroleum engineers
2146	Aerospace engineers
2147	Computer engineers (except software engineers and designers)
2148	Other professional engineers, n.e.c.
2161	Mathematicians, statisticians and actuaries
2171	Information systems analysts and consultants
2172	Database analysts and data administrators
2173	Software engineers and designers
2174	Computer programmers and interactive media developers
2175	Web designers and developers
2211	Chemical technologists and technicians
2212	Geological and mineral technologists and technicians
2221	Biological technologists and technicians
2222	Agricultural and fish products inspectors
2224	Conservation and fishery officers
2225	Landscape and horticulture technicians and specialists

NAICS	Description
2231	Civil engineering technologists and technicians
2232	Mechanical engineering technologists and technicians
2233	Industrial engineering and manufacturing technologists and technicians
2234	Construction estimators
2241	Electrical and electronics engineering technologists and technicians
2242	Electronic service technicians (household and business equipment)
2243	Industrial instrument technicians and mechanics
2244	Aircraft instrument, electrical and avionics mechanics, technicians and inspectors
2255	Technical occupations in geomatics and meteorology
2261	Non-destructive testers and inspection technicians
2262	Engineering inspectors and regulatory officers
2263	Inspectors in public and environmental health and occupational health and safety
2264	Construction inspectors
2281	Computer network technicians
2282	User support technicians
2283	Information systems testing technicians
5222	Film and video camera operators
5223	Graphic arts technicians
5224	Broadcast technicians
5225	Audio and video recording technicians
5226	Other technical and co-ordinating occupations in motion pictures, broadcasting & performing arts
5241	Graphic designers and illustrators

Table 24: High-Technology Occupations

NAICS	Description
312120	Breweries
312130	Wineries
323119	Other printing
323120	Support activities for printing
414420	Book, periodical and newspaper merchant wholesalers
414440	Sound recording merchant wholesalers
442292	Print and picture frame stores
451140	Musical instrument and supplies stores
451310	Book stores and news dealers
453920	Art dealers
511110	Newspaper publishers
511120	Periodical publishers
511130	Book publishers
511140	Directory and mailing list publishers
511190	Other publishers
511211	Software publishers (except video game publishers)
511212	Video game publishers

NAICS	Description
512110	Motion picture and video production
512120	Motion picture and video distribution
512130	Motion picture and video exhibition
512190	Post-production and other motion picture and video industries
512230	Music publishers
512240	Sound recording studios
512250	Record production and distribution
512290	Other sound recording industries
515110	Radio broadcasting
515120	Television broadcasting
515210	Pay and specialty television
517310	Wired and wireless telecommunications carriers (except satellite
517919	All other telecommunications
519121	Libraries
519122	Archives
519130	Internet broadcasting and web search portals
519190	All other information services
526989	All other miscellaneous funds and financial vehicles
532210	Consumer electronics and appliance rental
541310	Architectural services
541320	Landscape architectural services
541340	Drafting services
541410	Interior design services
541420	Industrial design services
541430	Graphic design services
541490	Other specialized design services
541514	Computer systems design and related services (except video game design and development
541515	Video game design and development services
541810	Advertising agencies
541830	Media buying agencies
541840	Media representatives
541850	Display advertising
541860	Direct mail advertising
541870	Advertising material distribution services
541891	Specialty advertising distributors
541899	All other services related to advertising
541920	Photographic services
541930	Translation and interpretation services
611610	Fine arts schools
711111	Theatre (except musical) companies
711112	Musical theatre and opera companies
711120	Dance companies
711130	Musical groups and artists

NAICS	Description
711190	Other performing arts companies
711311	Live theatres and other performing arts presenters with facilities
711321	Performing arts promoters (presenters) without facilities
711322	Festivals without facilities
711511	Independent visual artists and artisans
711512	Independent actors, comedians and performers
711513	Independent writers and authors
712111	Non-commercial art museums and galleries
712115	History and science museums
712119	Other museums
712120	Historic and heritage sites
712130	Zoos and botanical gardens
712190	Nature parks and other similar institutions
713110	Amusement and theme parks
713120	Amusement arcades
713210	Casinos (except casino hotels)
713291	Lotteries
713299	All other gambling industries
713910	Golf courses and country clubs
713920	Skiing facilities
713930	Marinas
713940	Fitness and recreational sports centres
713950	Bowling centres
713991	Sports clubs, teams and leagues performing before a non-paying audience
713992	Other sport facilities
713999	All other amusement and recreation industries
722511	Full-service restaurants
812921	Photofinishing Laboratories (except one-hour)

Table 25: Creative Cultural Industries

Spruce Grove Fiscal Capacity

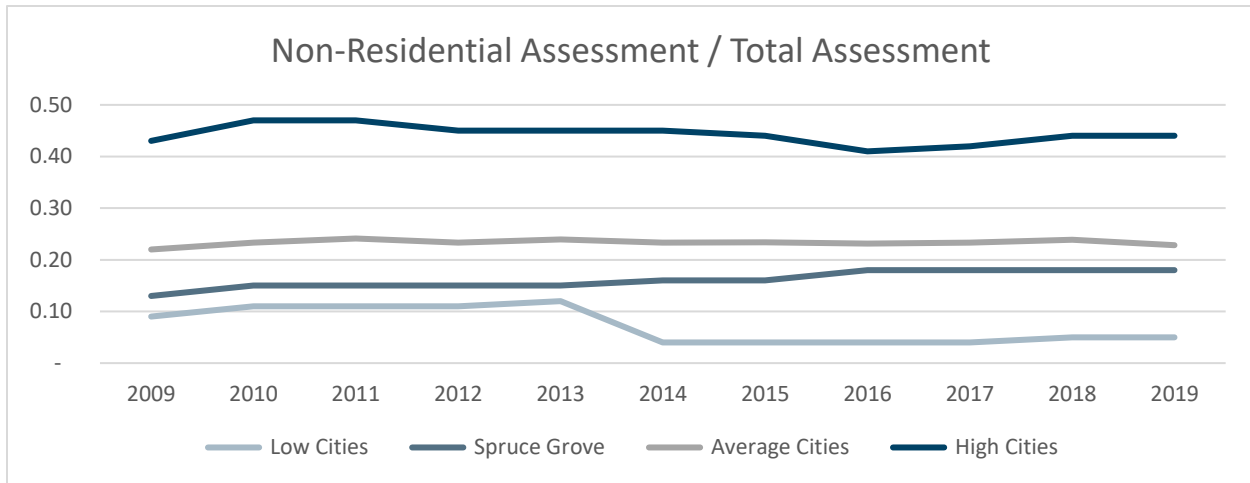


Chart 21: Non-Residential Assessment / Total Assessment, Spruce Grove and Comparators, 2009-2019
 Source: Applications Management, adapted by MDB Insight

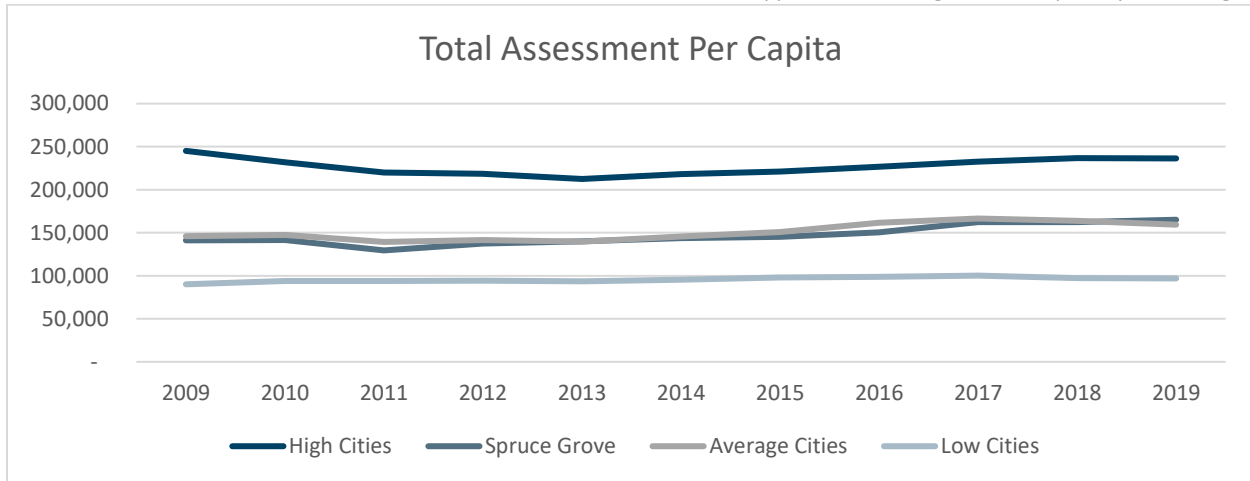


Chart 22: Total Assessment Per Capita, Spruce Grove and Comparators, 2009-2019
 Source: Applications Management, adapted by MDB Insight

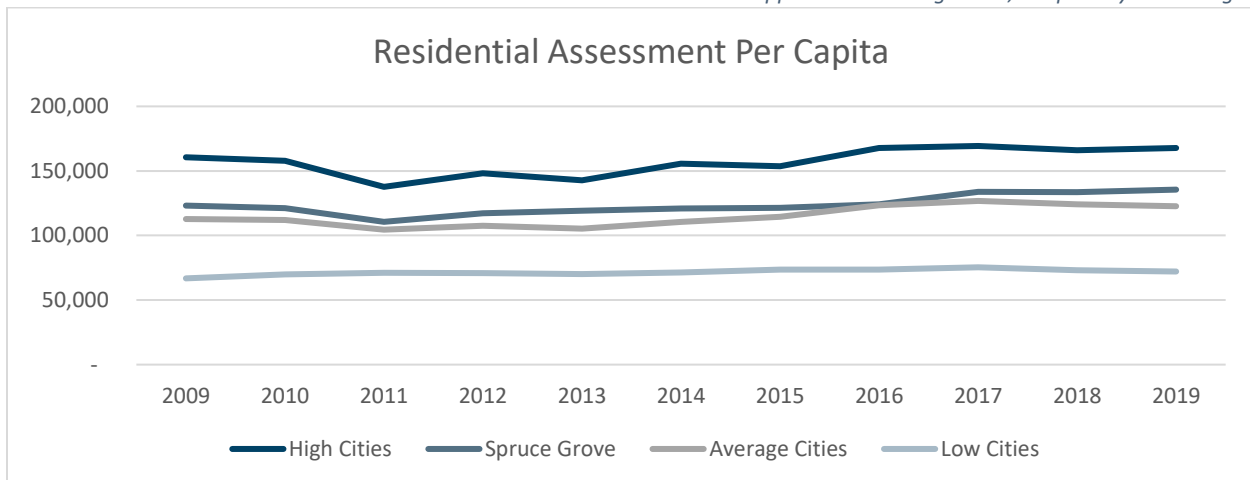


Chart 23: Residential Assessment Per Capita, Spruce Grove and Comparators, 2009-2019
 Source: Applications Management, adapted by MDB Insight

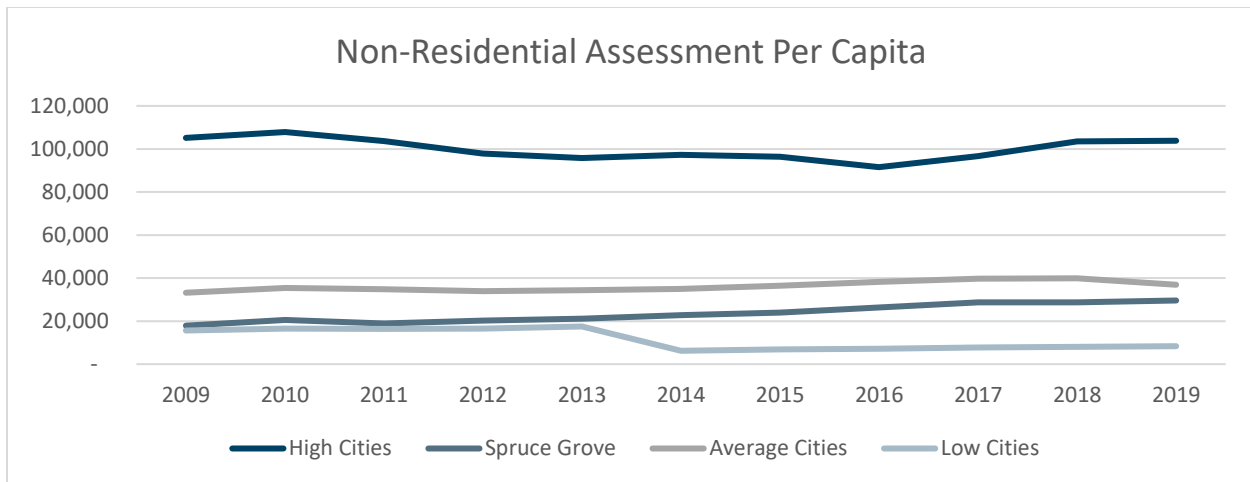


Chart 24: Non-Residential Assessment Per Capita, Spruce Grove and Comparators, 2009-2019
Source: Applications Management, adapted by MDB Insight

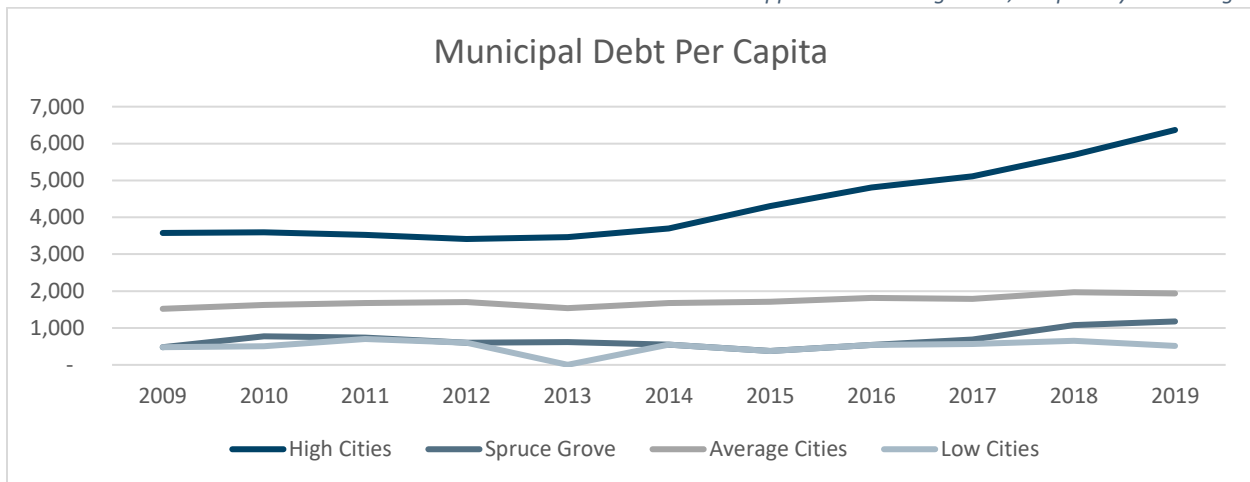


Chart 25: Municipal Debt Per Capita, Spruce Grove and Comparators, 2009-2019
Source: Applications Management, adapted by MDB Insight

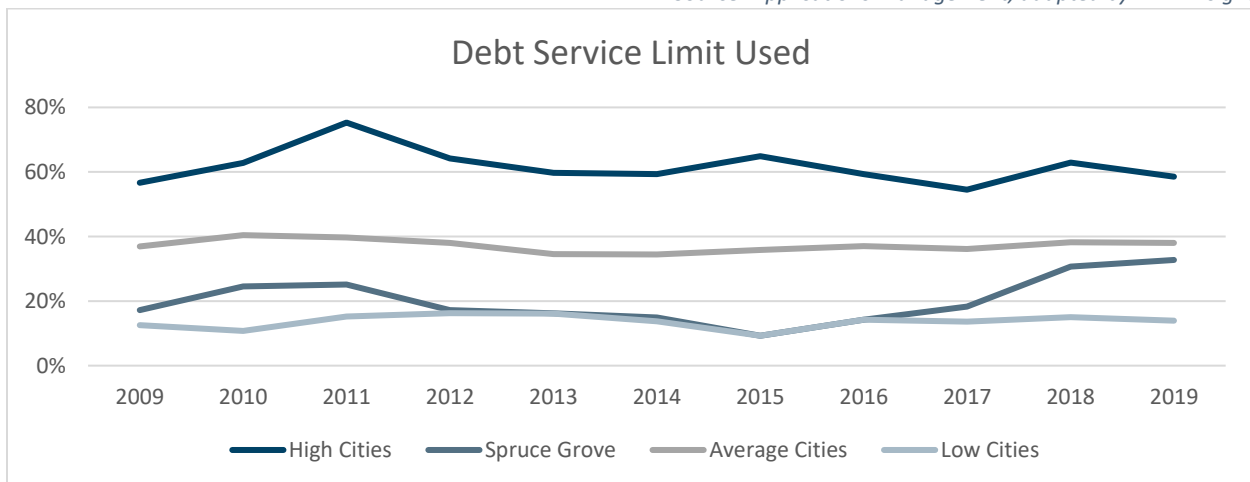


Chart 26: Debt Limit Used, Spruce Grove and Comparators, 2009-2019
Source: Applications Management, adapted by MDB Insight

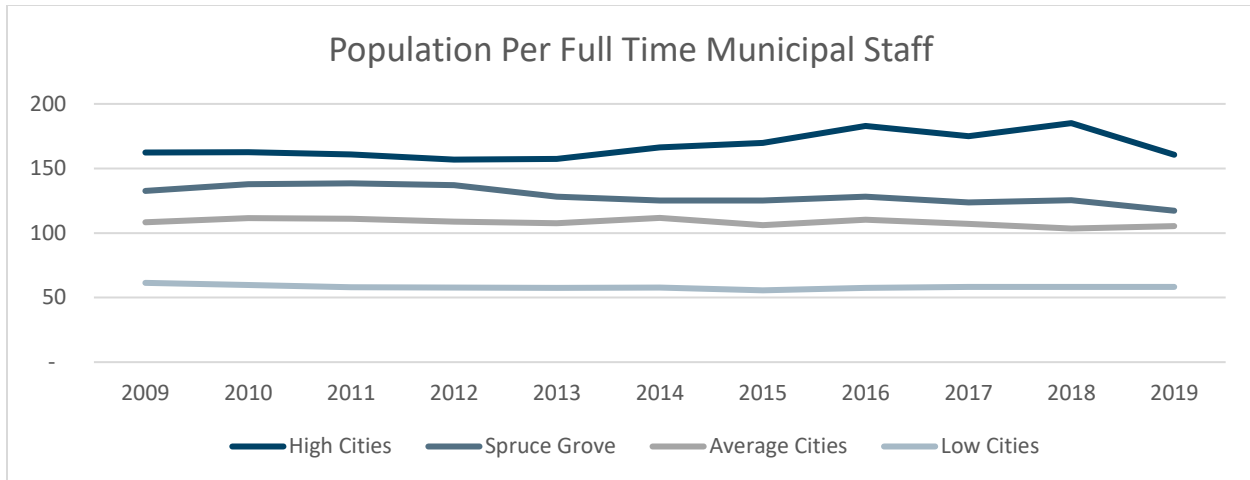


Chart 27: Population Per Full Time Municipal Staff, Spruce Grove and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

Stony Plain Fiscal Capacity

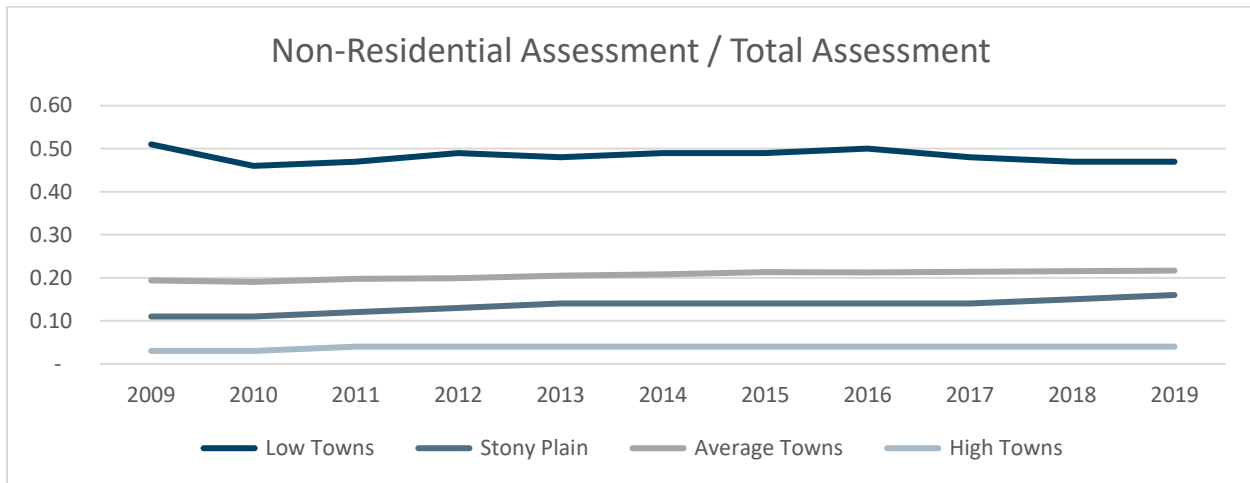


Chart 28: Non-Residential Assessment / Total Assessment, Stony Plain and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

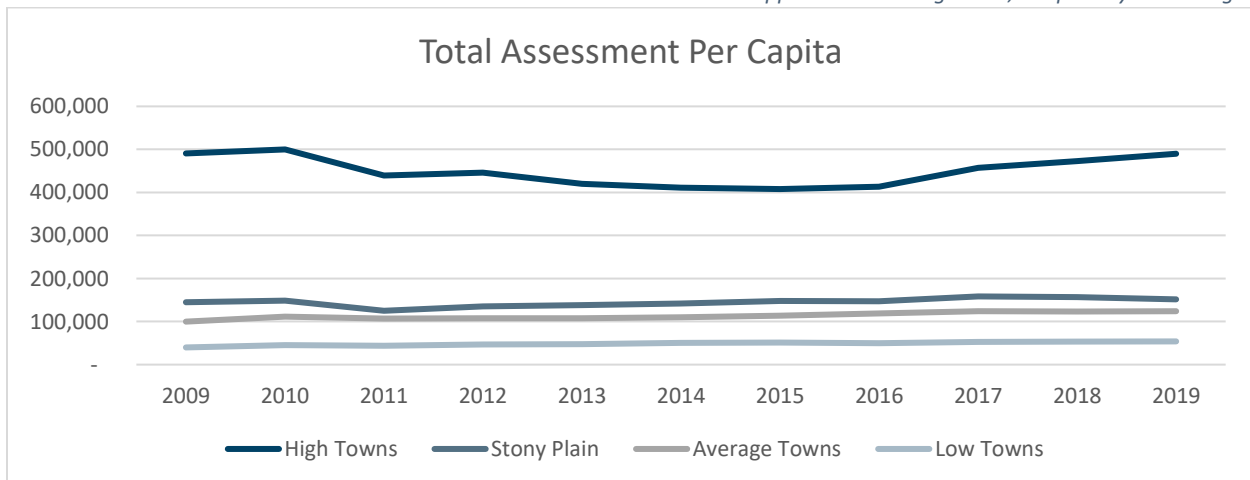


Chart 29: Total Assessment Per Capita, Stony Plain and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

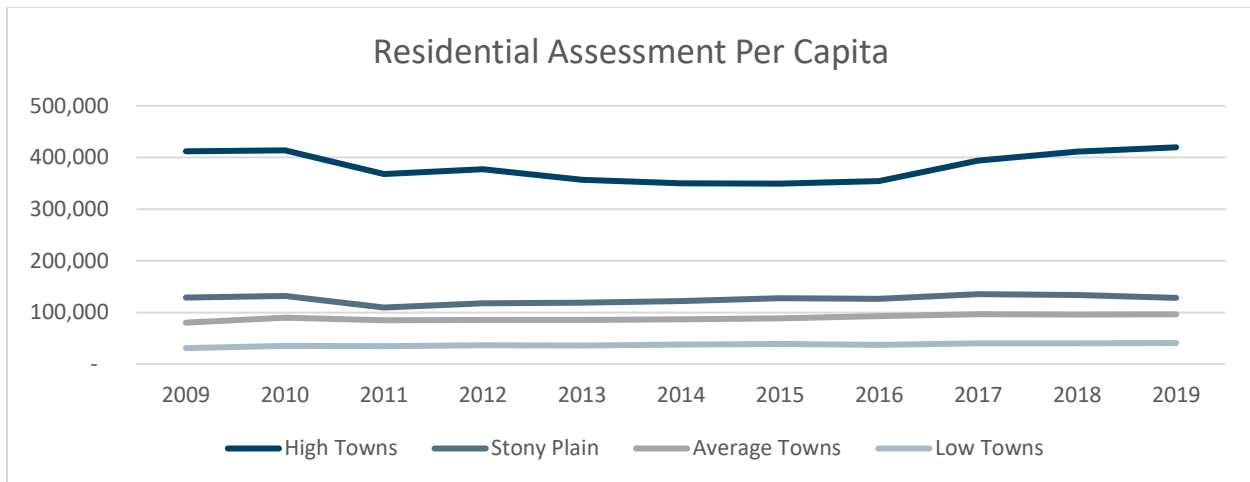


Chart 30: Residential Assessment Per Capita, Stony Plain and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

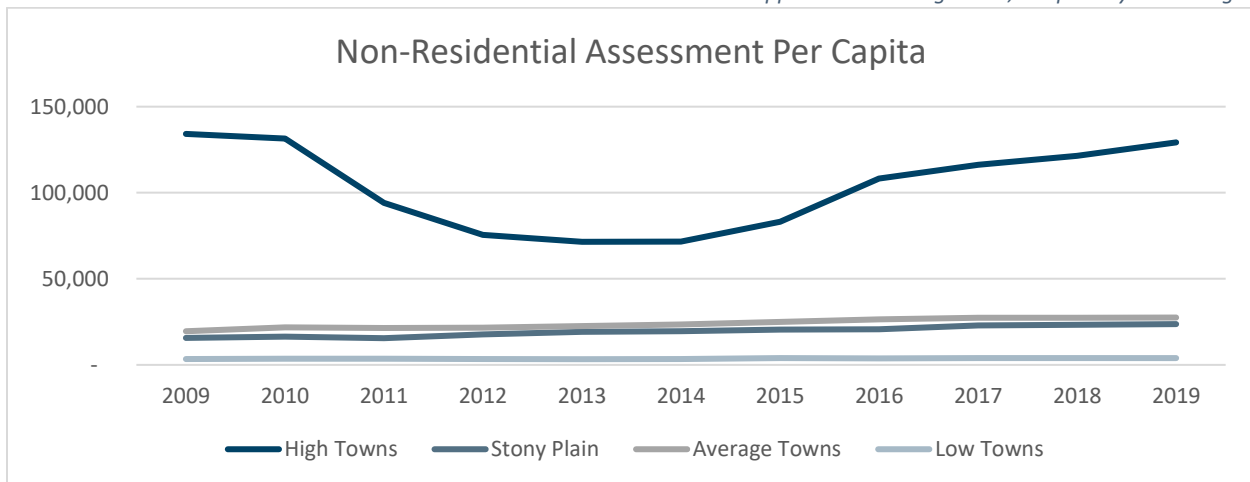


Chart 31: Non-Residential Assessment Per Capita, Stony Plain and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

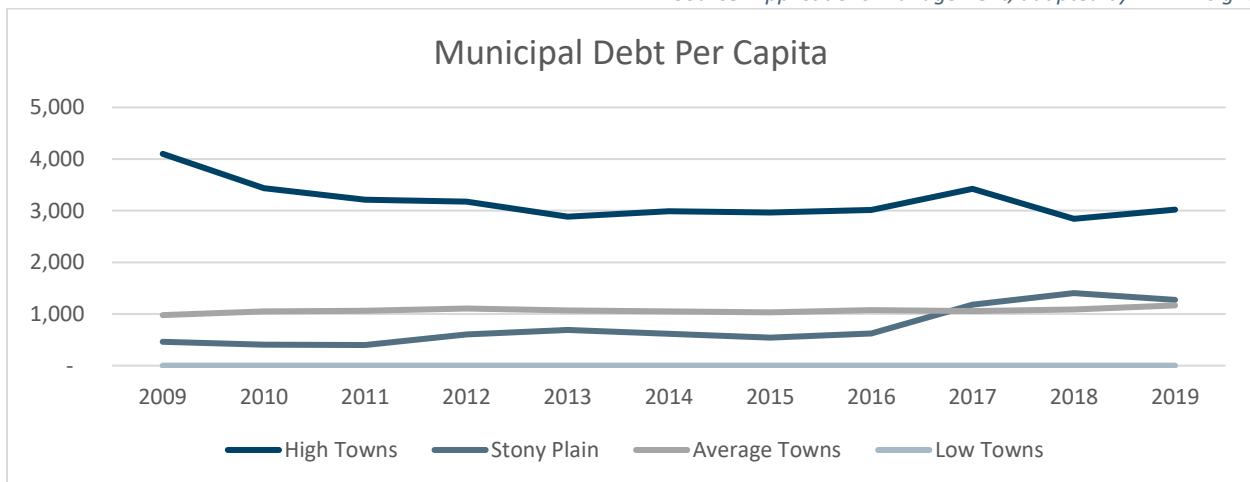


Chart 32: Municipal Debt Per Capita, Stony Plain and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

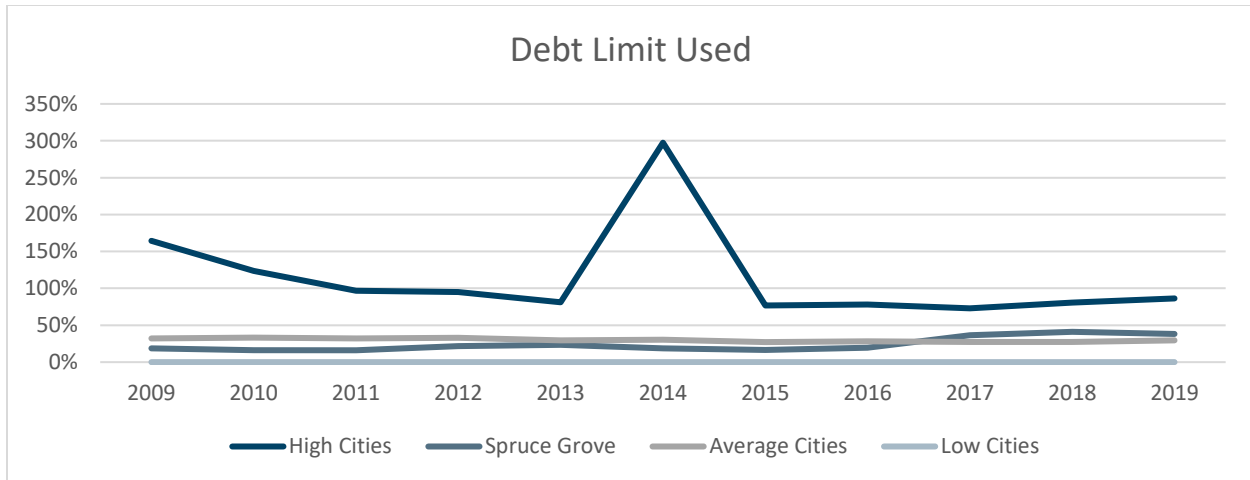


Chart 33: Debt Limit Used, Stony Plain and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

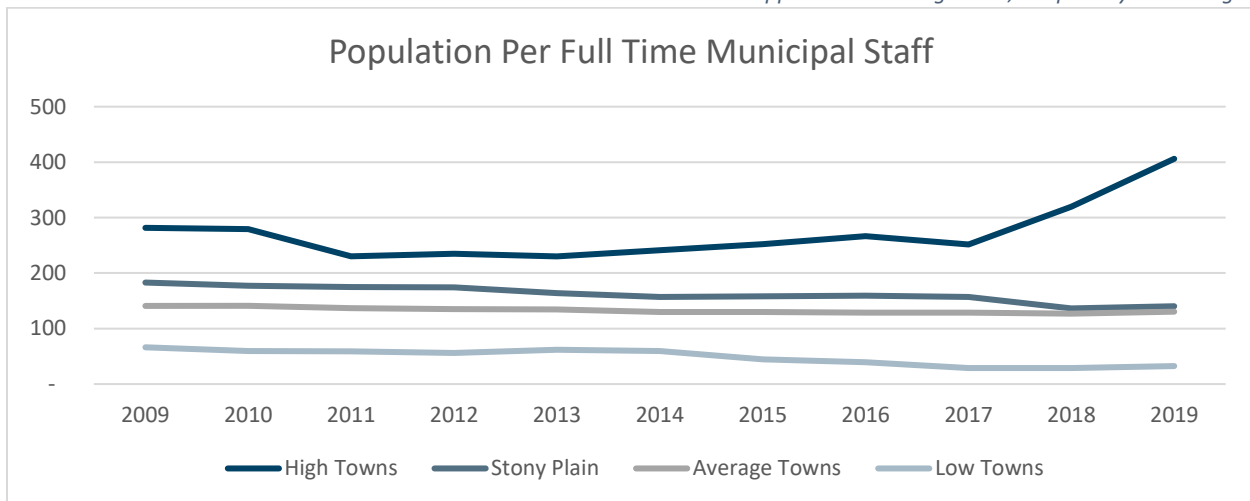


Chart 34: Population Per Full Time Municipal Staff, Stony Plain and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

Parkland County Fiscal Capacity

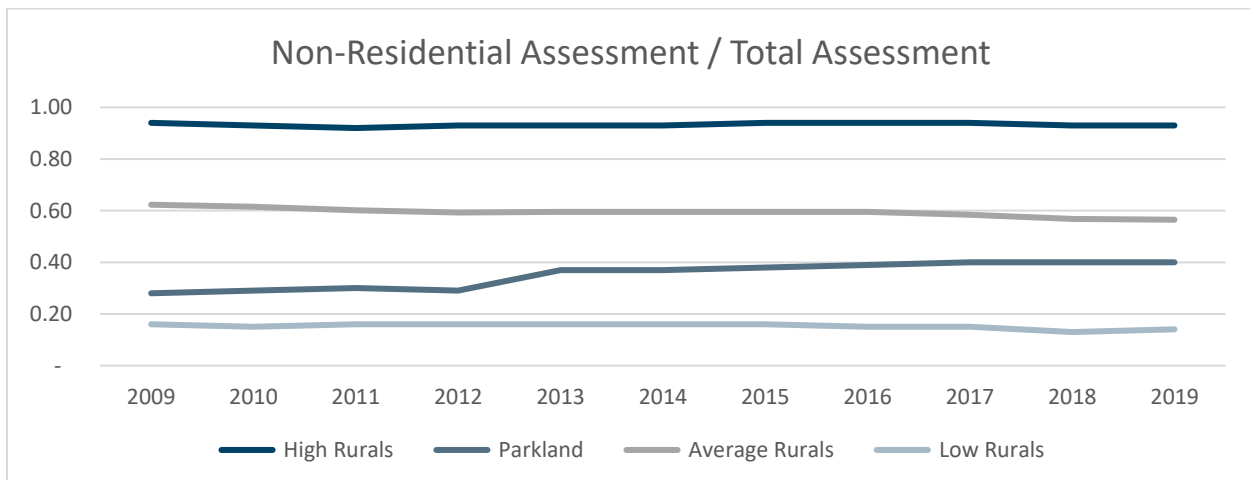


Chart 35: Non-Residential Assessment / Total Assessment, Parkland County and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

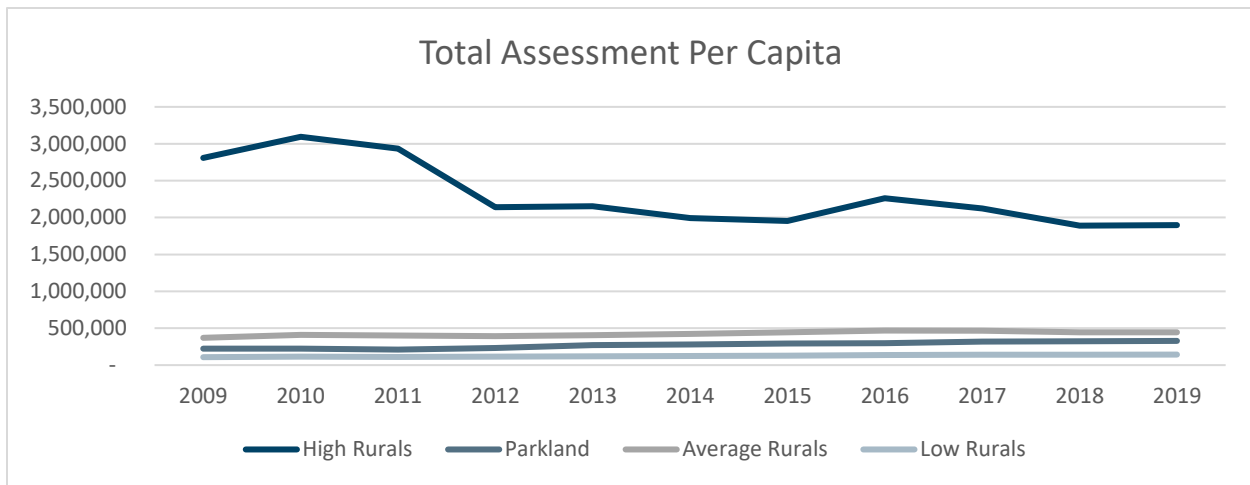


Chart 36: Total Assessment Per Capita, Parkland County and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

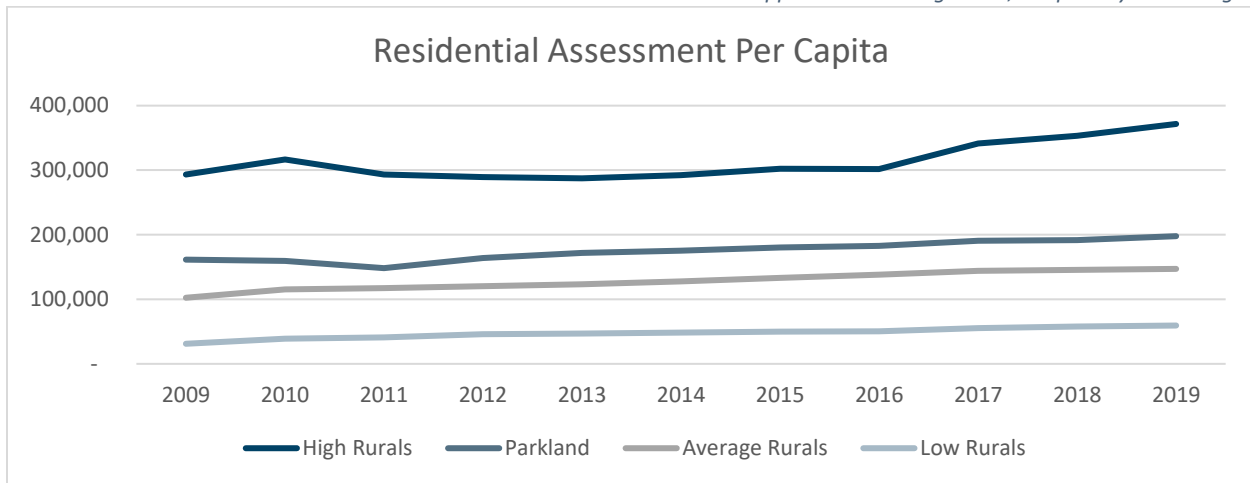


Chart 37: Residential Assessment Per Capita, Parkland County and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

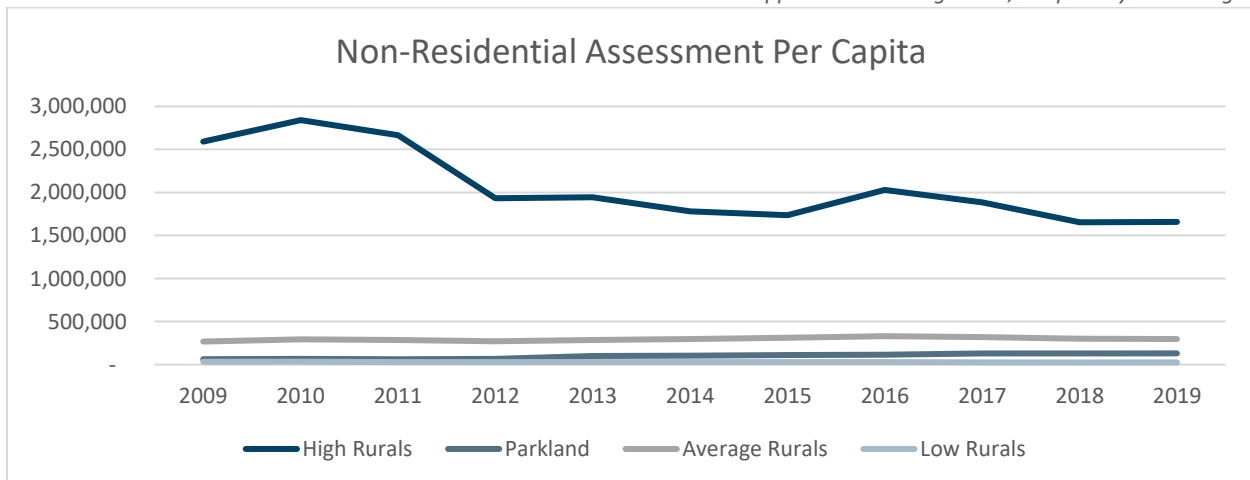


Chart 38: Non-Residential Assessment Per Capita, Parkland County and Comparators, 2009-2019

Source: Applications Management, adapted by MDB Insight

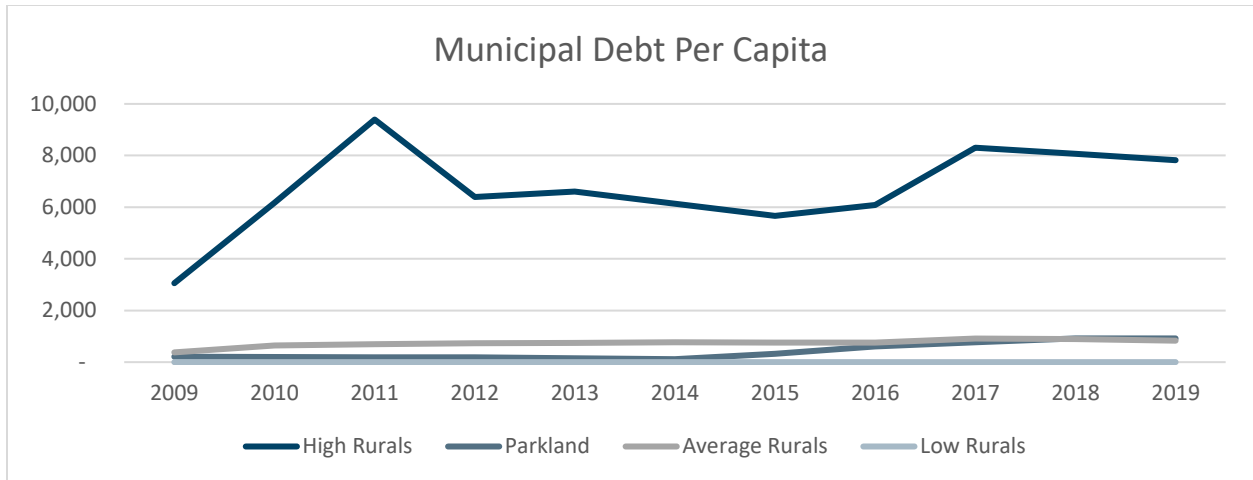


Chart 39: Municipal Debt Per Capita, Parkland County and Comparators, 2009-2019
Source: Applications Management, adapted by MDB Insight

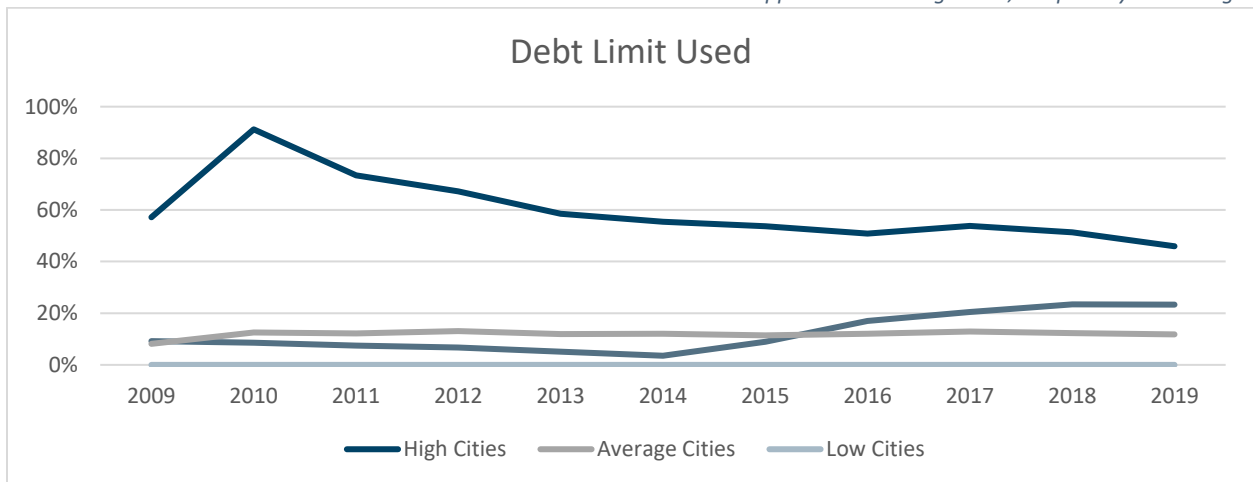


Chart 40: Debt Limit Used, Parkland County and Comparators, 2009-2019
Source: Applications Management, adapted by MDB Insight

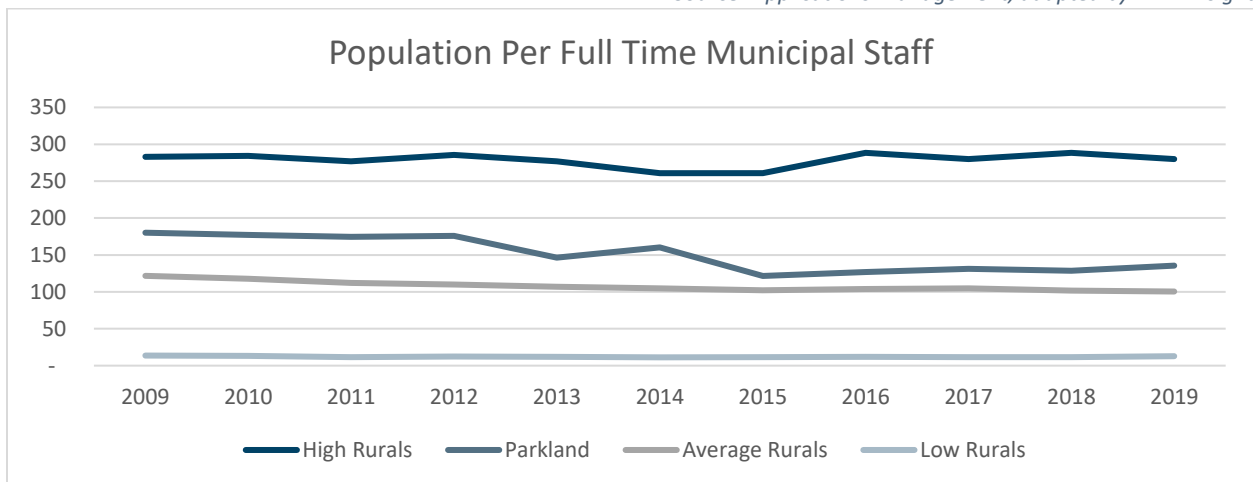


Chart 41: Population Per Full Time Municipal Staff, Parkland County and Comparators, 2009-2019
Source: Applications Management, adapted by MDB Insight

TRI-MUNICIPAL **REGIONAL** PLAN



TRI-MUNICIPAL ECONOMIC DEVELOPMENT STRATEGY

APPENDIX II: ECONOMIC DEVELOPMENT SERVICE DELIVERY ANALYSIS

February 2021



Submitted by: MDB Insight

PURPOSE OF THIS REPORT

This work provides a high-level review of the current situation for the delivery of Economic Development Services by the three municipalities. It is based on secondary sources of information and limited client engagement through the Tri-Municipal Regional Planning process, including a summary of Economic Development service delivery provided by the Integration Consultant (Tantus). The economic development consulting team worked with aggregate budget information provided by the various economic development departments. No breakdown into individual programs, services or projects was available from Tantus.

This Appendix also provides a discussion of options for service delivery changes further along the collaboration continuum, with consideration to the goal of Shared Investment for Shared Benefit (SISB).

How to Use This Report

The report serves as Appendix II to the Tri-Municipal Economic Development Strategy.

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POLICY FRAMEWORK

An important starting point in any service delivery review for a municipality is an understanding of the reasons for the delivery of the service in the first place and what legislation, bylaws and/or council policies guide the delivery of the service.

In the case of Economic Development services, Alberta municipalities have been given the authority to deliver these services by the Province. *The Municipal Government Act (MGA)* references the purpose of a municipality is to [among other things] “(a) provide good government; (a.1) to foster the well-being of the environment (b) to provide services, facilities or other things that, in the opinion of Council, are necessary or desirable for all or part of the municipality, (c) to develop and maintain safe and viable communities, and (d) to work collaboratively with neighbouring municipalities to plan, deliver and fund intermunicipal services.”

Municipal Councils can also adopt Corporate Strategic Plans to support municipal vision and goals, including for economic development. In addition, a companion Economic Development Strategy can provide a framework for service delivery.

Municipalities also collaborate and partner with others with similar policy objectives to jointly deliver services, programs or initiatives for greater efficiency and effectiveness.

Summary of Economic Development Strategies

Parkland County

The Parkland County *Economic Development and Tourism Strategy 2014-2018* was developed as an update to the County’s 2009 Strategy. It was prepared in 2014, a time of significant economic growth – much of which has disappeared in recent years, largely due to dramatically lower oil prices and the regulation of coal-fired power generation.

While the strategy requires an update, it did provide a warning about the negative impact falling oil prices would have on the local economy and recommended a direction focussed on “economic and fiscal diversification”. With the reality of low oil prices now in place, the importance of this direction is even more important, and the need to enhance and develop other economic engines remains a relevant overarching consideration for the County’s economic development.

The Economic Development Strategy identified 3 Priority Areas, 6 Goals and Action items. There is a strong focus on rural economic development, the tourism sector, the Acheson Industrial Area and partnerships with TransAlta.

The structure of the Plan is as follows (30 Actions not listed here):

◆ Rural Economic Development

- ◆ Enhancing Rural Business Environment
- ◆ Building a Tourism Market Place
- ◆ Entrepreneurial Attraction and Retention
- ◆ Cultural Heritage and Tourism Asset Mapping
- ◆ Siting of Laydown Yards and Other Land Extensive Investments

◆ Acheson Industrial Area

- ◆ Investment Attraction in Logistics and Industrial Sectors

◆ TransAlta

- ◆ Complete feasibility studies relating to industrial synergies, industrial use of reclaimed lands, recreational opportunities and others with TransAlta. This work should include economic benefits, constraints, regulations etc.

While the County's strategy is now seen to be out of date, the municipality continues to actively execute initiatives that support the elements of the framework.

Town of Stony Plain

The Town of Stony Plain Economic Development Strategy 2019 is an update to the earlier 2012 Economic Development Plan and 2015 Target Sector Study. The 2019 Plan divides Economic Development priorities into two areas – Regional Focus and National/International Focus, with various Actions identified. The Plan indicates that some of these activities can only be undertaken if additional resources become available.

In summary, the Plan structure is as follows (41 Actions not listed here):

◆ Regional Focus: Product Development

- ◆ Foster Entrepreneurial Ecosystem
- ◆ Investment Readiness
- ◆ Prioritize Main Street Streetscape Plan Implementation
- ◆ Fibre Optic Network Improvement
- ◆ Create Comparable 'Infill Lands' Policy for Industrial and Multiple Unit Residential Properties

◆ Regional Focus: Promotion

- ◆ Market and Promote Opportunities for Small and Medium-Sized Businesses, including Professional Services and Destination Retail

◆ Regional Focus: Customer Service

- ◆ Review Development Applications Policies and Procedures
- ◆ Business Retention and Expansion (BR&E)

◆ National/International Focus: Allocating Resources

- ◆ Investment Attraction Officer Position
- ◆ Regional Economic Development Initiative Participation

◆ National/International Focus: Product Development

- ◆ Retail Market Analysis

◆ National/International Focus: Promotion

- ◆ Market the Readiness of Industrial and Highway Commercial Lands
- ◆ Develop Lead Generation Network Connections
- ◆ Outreach to National and International Retail/Service Chains

City of Spruce Grove

The City's Economic Development Strategy and Action Plan 2017-2022 was an update to a 10-year strategy from 2010. It contains five strategic goals, 13 objectives and various actions/projects. The strategy includes a strong focus on its urban environment, city centre redevelopment and working with partners.

The structure of the strategy is as follows (57 Actions/Tasks not listed here):

- ◆ Strategic Goal – Building our Quality of Place
 - ◆ Continue to plan, invest and encourage the revitalization of city centre
 - ◆ Provide engaging public spaces and places that are supported by a wide variety of programs and activities
 - ◆ Promote Spruce Grove as an event hosting destination that enhances the experience of our places and spaces.
- ◆ Strategic Goal – Focus on Business Retention and Attraction
 - ◆ Maintain a competitive business, fiscal and regulatory climate that projects a customer service mindset.
 - ◆ Pursue a targeted approach to investment attraction that prioritizes sectors and opportunities based on the likelihood of success and highest return
 - ◆ Broaden and Build the local business base by investing in business development and support programs and services
- ◆ Strategic Goal – Building Our Community & Business Infrastructure
 - ◆ Invest in an integrated approach to providing the infrastructure, services and policy framework to support the future growth of employment lands
 - ◆ Ensure the Spruce Grove businesses have access to state-of-the-art broadband services at competitive rates, which are increasingly essential to attract and retain high-quality businesses and jobs.
- ◆ Strategic Goal – Ensuring an Adequate Supply of Market-Ready Employment Lands
 - ◆ Undertake long-term planning to ensure that Spruce grove will continue to have an adequate supply of land that accommodates future development such that it does not become a barrier to growth.
 - ◆ Work with developers and property owners toward achieving the highest and best use of employment lands to generate higher value assessment and job growth.
- ◆ Strategic Goal – Raising Our Community Profile
 - ◆ Ensure convenient and up-to-date access to a range of information products on Spruce Grove available to investors, businesses, residents and visitors

- ◆ Partner with interested business and municipal stakeholders in the marketing of Spruce Grove as a place to live, visit, invest or run a business.
- ◆ Collaborate as part of the Edmonton Metro Region in the development of a new approach to investment attraction, branding and promotion as a world-class metropolitan area

Economic Development Departments

Organization Structure, Staffing and Budgets

In Parkland County, the Chief Administrative Officer (CAO) reports to Council. Reporting to the CAO, there are three General Managers that oversee service delivery and three Directors – one of these Directors oversees “Economic Diversification Department”. The Economic Diversification Department has three other EDOs for a total allocation of 4.0 FTEs.

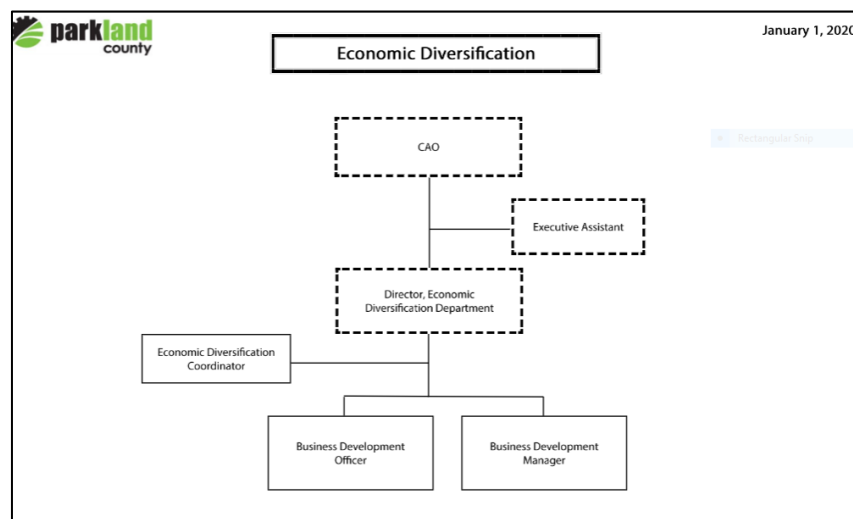


Figure 1- Parkland County Organization Structure - Economic Diversification Development

In Stony Plain, the Town Manager (TM) reports to Council. There are four General Managers (GMs) for service delivery. One GM has oversight responsibilities for Economic Development, Culture/Tourism and Communications. Reporting to this GM are three relevant positions: two in Economic Development and one in Culture/Tourism Development. For this analysis, it is assumed the 0.5 of the Culture and Tourism FTE is devoted to Tourism. The total allocation to the Economic Development & Tourism function is 2.5 FTEs, excluding administration.

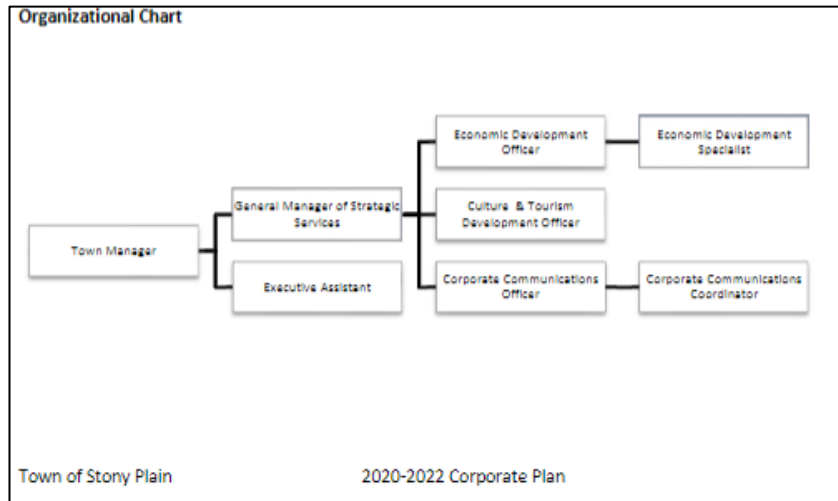


Figure 2- Town of Stony Plain Organization Structure - Economic and Tourism Development

In Spruce Grove, City Manager (CM) reports to Council. Reporting to the CM, there are three General Managers (GMs) for service delivery and two specialist Managers – one of these Managers oversees “Economic and Business Development (EBD)”. The EBD Department has three other EDOs for a total allocation of 4.0 FTEs, excluding administration.

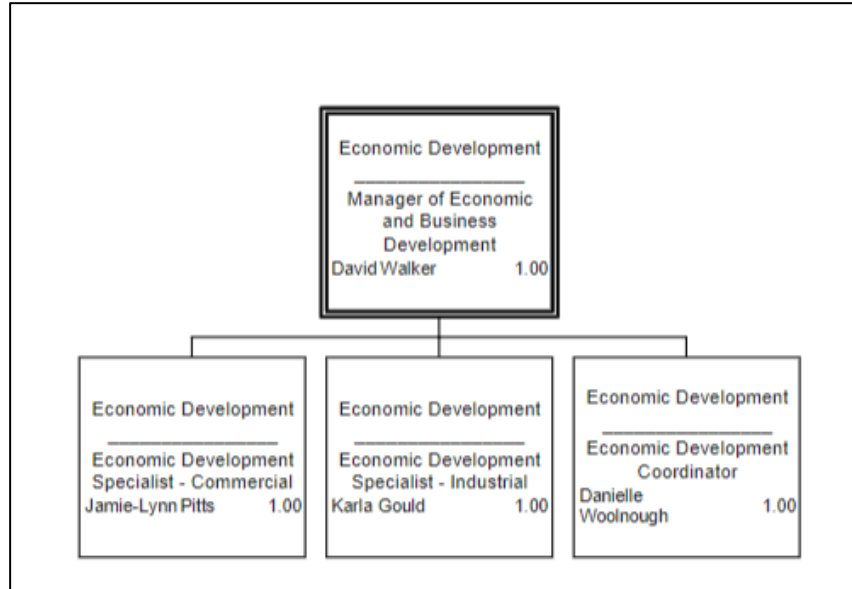


Figure 3- City of Spruce Grove Organization Structure - Economic Development

All the Economic Development and Tourism functions report directly to the CAO/CM/TM, which is the best structure for maximum results. Economic Development activities typically have broad impacts and require support and assistance across the municipal corporation/community to be successful. This is best achieved through reporting to the most senior administrator to Council.

Municipality	2020 No. of Businesses	2019 Population	2019 Budget (\$)	2020 Budget (\$)	FTEs
Parkland County	3,418	33,005	570,554	743,600	4.0
Per Capita			17.29	22.53	
Staff Costs as a %			70.3	76.1	
Town of Stony Plain	1,836	17,842	461,062	464,213	2.5
Per Capita			25.84	26.02	
Staff Costs as a %			50.7	50.7	
City of Spruce Grove	3,279	36,647	900,421	842,910	4.0
Per Capita			24.57	23.00	
Staff Costs as a %			42.0	47.0	
Total for Tri-Municipal	8,533	87,494	1,932,037	2,050,723	10.5
Per Capita			22.08	23.44	
Staff Costs as a %			52.4	58.4	

Table 1- Budgets and Statistics for Economic Development and Tourism.

Source: Municipal Staff, Applications Management and Statistics Canada, Business Counts Data, June 2020.

The budget amounts shown in Table 1, are departmental totals, including staffing and program expenditures. In Stony Plain's case, Tourism program expenditures were added to Economic Development to be consistent with the other two municipalities. The three municipalities are spending about \$2 million each year, which includes 10.5 FTEs (excluding administration).

The per capita amounts indicate an overall service level, with the average of the three comprising \$23.44/person. Parkland and Spruce Grove service levels are slightly under the \$22-23/per capita range, while Stony Plain shows a higher service level of about \$26/person. The ratio of staffing costs to programming expenditures can provide information as to the types of economic development programs, areas of emphasis, efficiencies and service delivery methods. The average ratio for the Tri-Municipalities is 50-60% of the budget devoted to staffing. Parkland has a higher percentage at 76%, while Stony Plain and Spruce Grove are lower. Stony Plain and Spruce Grove budgets include more program expenditures for services delivered by others – for example, by Edmonton Global, the Tri Region Tourism Partnership and the Chambers of Commerce.

It is worth noting here the contract fees paid to Edmonton Global for FDI services. In 2020, Spruce Grove paid \$93,012, Stony Plain \$48,589 and Parkland \$68,000 (note – Parkland figure is for 2019. They have provided notice they will discontinue participating by the end of 2022 and have frozen their contribution during the notice period).

Summary of Service and Program Delivery

The Economic Development Consulting Team was provided with a spreadsheet summary of Economic Development and Tourism Services, collected by the Integration Consultant (Tantus) during a working session with the three Subject Matter Experts (SMEs) in the summer of 2020.

The services are grouped into 14 different areas with a description as follows:

No.	Economic Development Service	Description	Rating (Tantus)
1	Administration, corporate initiatives, leadership	Department level participation in management, leadership, and corporate initiative participation, including budget work, meetings, committee participation, management/council requests, etc.	All Similar
2	Industrial Attraction	Working to attract new development investment in the heavy industry through marketing, site selection, trade missions, internal liaison work, studies and research, tours and information provision to major industrial actors in the energy, agriculture, transportation and logistics sectors and others.	Stony Plain Lower emphasis
3	Development Attraction	Working to attract new development investment through marketing, site selection, industry engagement, internal liaison work, collaboration with realtors, studies and research, tours and information provision to major developers and tenants in residential, commercial and industrial business parks and subdivisions.	All Similar
4	Community Events (Tourism)	Attraction and support for major cultural and sports-based tourism opportunities. Often in partnership with other departments or community organizations to support attraction, planning, promotion, and operations of the event.	Spruce Grove Higher emphasis
5	Commercial Attraction	Working to attract new development investment into new commercial and retail businesses through marketing, site selection, industry engagement, collaboration with realtors, internal liaison work, studies and research, tours and information provision to new businesses in commercial development, which may include food service, financial service, retail, hotel development among many others.	Parkland Lower emphasis
6	Business Development Outreach	Leveraging new and existing business relationships to identify potential linkages and opportunities for further business and sector growth. Engagement could include facilitated sessions, networking events, speeches at Chamber events, in-person meetings, businesses or business associations/groups, etc.	All Similar
7	Business Expansion Services	For those looking to expand their businesses, information is provided, new location services (property information), census and business survey data collection and analytical work, business inventory information, business directory information, follow-up facilitation and ongoing interactions, etc. Targeted workshops, training, coaching and direct supports for financing, management, exporting, distribution, production, product development, marketing, etc. may be provided to start-up or expanding businesses	All Similar
8	Business Retention Services	One-on-one support and interaction with distressed businesses in need of support on specific concerns or needs. Information provision, research, internal advocacy for tax or land use issues,	Parkland Lower emphasis

		or other support may be provided. Support may also focus on enabling succession planning or transition planning for businesses.	
9	Land Development Planning	Specialized service to actively engage with private development partners to identify opportunities for municipal development partnership. Includes coordination with Planning, Engineering and Legislative Services to ensure compliance with policy, land use and legislative standards.	All Different
10	Regional Economic Initiatives Support	Participation in regional economic development efforts primarily focused on foreign direct investment programs, trade missions, etc., for large scale industrial investment. Also includes participation and ongoing efforts to contribute to the newly implemented Edmonton Global meetings, events, initiatives, research and analysis, etc.	All Similar
11	Tourism	Partner with stakeholders, marketing and promotion of the Region and direct interactions with businesses/organizations to grow tourism and tourism opportunities to the municipality.	All Different
12	Business Licensing and Economic Data management	Manage and oversee the business licensing function, including billing/payment services and record keeping. Maintain and develop relevant census, business and market data of industrial, business, workforce, land use, etc. data to support land strategies, retail market analysis, new development attraction, regional participation, etc.	Parkland Lower emphasis
13	Promotion and Advertising Support	Promotional content development (traditional and digital) to support specific development and investment projects in the community. Maintain market intel and performance measures for all campaigns.	Parkland Lower emphasis
14	Downtown Enhancement	Specific special projects to promote central business district development. Involves coordination with businesses and business groups/associations, community organizations, Planning department, and other internal stakeholders to plan and implement revitalization and redevelopment programs.	Parkland Lower emphasis

Table 2 - Summary of Economic Development Services and Levels. Source: Tantus

Notes on Economic Development Services Identified and Groupings:

Industrial Attraction (#2), Development Attraction (#3) and Commercial Attraction (#5) Services all focus on new business investment into the community; however, no distinction is made between domestic or foreign investors. There is more of a distinction on the type and scale of the development in this inventory, with heavy/large-scale projects separated. It is assumed that these service areas also include working directly with Foreign Direct Investment (FDI) clients. There is a separate service area (#10) for supporting and participating in regional Economic Development efforts focussed on FDI programs (Edmonton Global) – which is understood to mean indirect FDI support, such as the provision of information, data etc.

Traditionally, Business Development Outreach (#6), Business Expansion Services (#7) and Business Retention (#8) services are often delivered together and are more commonly known

as Business Retention and Expansion (BR&E) services. In this analysis, they identified as separate services.

Tourism Services (#11) includes destination marketing to promote the Region and interactions with business/organizations to grow tourism (these services can be delivered by the municipality or by way of funding to another organization, often called the Destination Marketing Organization - DMO). In some cases, the municipalities include visitor information services in this grouping. Services for the attraction of major cultural and sports-based tourism opportunities are identified separately as Community Events (Tourism) (#4). Tourism product development services are specifically identified.

Service groupings for administration, business licensing, data management, the planning process, and downtown revitalization/redevelopment are typical Economic Development services. However, it should be noted that business licensing is primarily a regulatory function and is often not associated with an Economic Development Strategic priority. Having this regulatory service grouped with data management services for this inventory is also unusual.

Observations

Spruce Grove provides the most comprehensive approach to the delivery of Economic Development Services, with activity in all 14 service groups and defined service levels. Stony Plain is also active in all 14 services, although with lower levels of FTE/resources, in some categories. Parkland does not provide Economic Development Services at all in 4 areas: Community Events (Tourism), Business Retention, Tourism Marketing/Promotion, and Downtown Revitalization/Redevelopment. Parkland also does not have a business licensing requirement or a defined urban downtown; therefore, no service delivery in these areas.

Tantus has assigned service level ratings to each of the 14 service areas to identify if all three levels are similar, different, higher or lower emphasis (see the last column in chart). All three municipalities are rated as “Similar” in Administration, Development Attraction, Business Outreach & Expansion and Regional Economic Initiatives Support services. They all have “Different” service levels when it comes to land development planning and tourism marketing services. Parkland appears to be on its own when it comes to a sector focus on new Investment Attraction for the heavy/largescale industry. This is due in part to its economic diversification efforts to replace lost coal-fired electricity assessment and related revenues. Spruce Grove has the highest service level for Event Attraction services.

Given that most of all new business growth in a community comes from the existing business community, BR&E services represent one of the most important services provided by an Economic Development Department. As noted earlier, the survey completed by Tantus separates BR&E services into three areas – Outreach, Expansion and Retention Services:

- ◆ While Parkland does not provide retention services, they indicated that their Outreach and Expansion services are integrated with their Investment Attraction services.
- ◆ Stony Plain provides services in all three BR&E areas. Outreach is delivered through their website, newsletter, social media, presentations at the Chamber of Commerce, business networking events and initiatives driven by the Growth and Commerce Committee. The Town also provides information to the Chamber of Commerce members on its services to assist

businesses wishing to expand, and when Edmonton Global has a lead on a foreign company looking for a local company as a partner for expansion investment. For Retention, they conduct interviews with business owners, have an on-line BR&E survey and interactive business directory.

- ◆ Spruce Grove's Outreach services include surveys to test business readiness, networking events, FAM (Familiarization) tours and support to the Chamber of Commerce/Economic Development Advisory Committee of Council. As far as Expansion and Retention services are concerned, they are advanced with a visitation program, provide businesses with access to information, training and resources. Spruce Grove also utilizes a Customer Relationship Management (CRM) system and has defined service levels for all these services.

The survey shows most of the Economic Development services are delivered "Predominantly by Municipal Staff" in all three municipalities. The next most popular method is a "Hybrid" approach for some services, where a municipality works with another organization to deliver a service together. For example, partnering with Edmonton Global for new investment attraction services or with other municipalities for Tourism marketing and promotion services (e.g., Tri Region Tourism Partnership). This exemplifies the Shared Investment for Shared Benefit (SISB) concept.

In several instances, the Tri-Municipalities deliver services by way of a third party, partner or business. For example, Promotion and Advertising Support is contracted out by Parkland and Stony Plain to the private sector. Spruce Grove contracts out Visitor Information Services to the Chamber of Commerce and partners with Not-for-Profit (NFP) community groups to attract major events. Stony Plain also provides funding to a Visitor Information Centre operated by the Chamber of Commerce. These types of Alternative Service Delivery (ASD) are often used to take advantage of external expertise not available within the municipality and/or to achieve better efficiencies and effectiveness.

Service Delivery Alignment to Economic Development Strategies and Gap Analysis

Parkland County - the degree of service delivery alignment to the strategy could be considered "low to mid-range". While acknowledging that aspects of Parkland's Economic Development Strategy require an update, its priorities of diversification, rural development, rural entrepreneurship, and the tourism sector are difficult to identify in the service delivery information. However, the Priority to the Acheson Industrial Area is reflected with a focus on investment attraction for heavy industry or large-scale operations and working closely with the Acheson Business Association (ABA).

Since the County Strategy was developed, Edmonton Global has been formed as the lead organization for the attraction of FDI for the Edmonton Metro Region (EMR). Service delivery information provided by Parkland indicates that 60% of their staff workload is in Industrial/Development Attraction. Parkland has indicated its intention to withdraw from participating in Edmonton Global effective the end of 2022.

The strategy also identified significant opportunities for tourism promotion and development, and yet Parkland is not delivering Economic Development services in this area. The County has recently withdrawn from its participation in the Tri Region Tourism partnership, which is the Destination Marketing Organization for the Tri Municipalities.

Small business entrepreneurship (rural) is also a dominant theme in the County Strategy, yet not identified as a specific service delivery area.

Town of Stony Plain - the service delivery alignment to the Town's Economic Development strategy could be considered "mid to high", as many Plan priorities and actions are reflected in their Economic Development activities. Also, the Town Strategy identifies that additional Economic Development service delivery may be possible if resources become available.

Similar to Spruce Grove, service delivery for Stony Plain has an urban focus, with attention to downtown development, retail/commercial opportunities and the planning processes, in addition to the typical investment attraction and BR&E functions. The Stony Plain Economic Development Strategy indicated a move to providing investment attraction (FDI) services as new resources became available. This has occurred through its partnership funding with Edmonton Global to deliver this service.

Stony Plain has integrated tourism and cultural development into a single service delivery area. This work can be considered tourism product development, even though many of the cultural assets have a local focus. Funding is provided to the Tri Region Tourism Partnership for DMO services, they produce their Destination Guide, and Visitor Information Services are delivered by the Parkland Chamber of Commerce.

City of Spruce Grove - the service delivery alignment to their Economic Development Strategy could be considered "high". The City's Strategic Goals are reflected in service delivery for the Department. Like Stony Plain, the service delivery has an urban focus and recognizes that the City functions as an economic hub for the surrounding regional economy. Spruce Grove partners with a variety of others in service delivery for its strategy. The City acknowledges that FDI needs to be done on a larger scale to be successful.

The focus on Tourism is on the attraction of major events to the city as part of a broader approach to building quality of place. Tourism product development services across the three municipalities could likely be a viable shared service area (SISB), with a focus on cultural/recreation opportunities. These types of Economic Development services build quality of place - enjoyed by visitors/residents within the Region and by tourists who travel over longer distances (+80kms).

The delivery of Small Business/Entrepreneurship/Innovation development services was not identified as a distinct service delivery area for all three municipalities, yet it is anticipated that many of their clients would fall into the small business category. All three Economic Development Strategies identified the small business as an opportunity, including the need for an incubator/shared space for innovation/entrepreneurs, and could present an opportunity for joint service delivery.

Efficiencies, Effectiveness and Shared Investment for Shared Benefit (SISB) Considerations

The combined population of the Tri-Municipalities is over 87,000 people. The corresponding combined staffing level for Economic Development is 10.5 FTEs. Some resources are duplicated in each of the three Departments, as each would have to hire a staff person and provide basic administration and budget for a base level of economic development activity. If the total resources were to be combined and shared, some staff activities could be reallocated, devoting more attention to other matters. Further efficiencies may be possible through service delivery by third parties and within the administrative functions.

All three municipalities deliver services in Investment Attraction and Business Retention, Expansion (BR&E) Services, and if delivered jointly, these efforts could have more impact. For example, services

could be refocused on specific investment opportunities identified at a Tri-Municipal level (e.g., sector-specific); or project-based initiatives (e.g., Broadband) and FDI opportunities coming out of Edmonton Global. In recognition that most of the new growth in a community comes from the existing businesses, more attention could also be given to the existing businesses to help them grow and expand locally (comprehensive BR&E). It is important to note that advancing more Tri-Municipal collaboration in these two key service delivery areas does not duplicate what is being provided elsewhere, including by Edmonton Global.

Directing resources to attract retail/commercial businesses is not a typical service delivered by an Economic Development Department since it is not seen as driving new economic growth or providing a significant spin-off effect. Retail/commercial development typically follows other development (residential and industrial) to a community, as it often serves the local market and is not export-based. Many communities simply provide services to these inquiries on a reactive basis. A proactive approach is more common for commercial office development (i.e., home to export-oriented services companies), large-scale regional retail/commercial mall developments and specialty retail/commercial (that often have a local/external customer base). However, it is acknowledged that the targeted attraction of new retail investment can support the further positioning of Spruce Grove and Stony Plain as an integrated regional service centre and contribute to new assessment growth.

The Tri-Municipal Region's local economy is fully integrated, with a high degree of workforce mobility (this characteristic extends throughout the entire EMR). Workers who work in one municipality likely shop, live and pay taxes in others. Business investment and spending in one of the three municipalities deliver benefits throughout the Tri-Municipal Region. The economy “naturally” functions on a regional basis (i.e., movement of capital sees no municipal borders). Without sharing the costs to acquire new growth, individual municipalities may be paying too much.

Future Delivery of Economic Development Services - Considerations

Edmonton Global and Tri-Municipal Region Competitiveness Review – Implications for Service Delivery

The creation of Edmonton Global is a relatively recent event and establishes a shared service organization for the delivery of FDI services to the EMR municipalities. The organization relies on the delivery of very robust Business Retention and Expansion Services (BR&E) by the local municipalities. The local EDOs know their communities/businesses best and can provide Edmonton Global with the data and information to support their FDI efforts. FDI services are best delivered at a larger scale, need to be sustained over long periods of time and carried out by dedicated staff resources. Many communities in Canada and the US recognize this and have adopted this approach in their Economic Development FDI programs.

Edmonton Global can also work with local EMR municipalities that collaborate on Economic Development service delivery for a subregion – an example is Alberta's Industrial Heartland Association (AIHA) (5 municipalities and others including Edmonton). The Tri-Municipal Region could present a unified position in working with Edmonton Global on FDI to maximize opportunities and results. Edmonton Global maintains a protocol with its partners on how FDI service delivery occurs.

Edmonton Global has adopted a strategic approach that utilizes a sector focus to FDI service delivery – Energy, Food and Agriculture, Manufacturing, Life Sciences, Technology/Innovation, and Video Gaming and Digital. Local municipalities within the EMR should build investment readiness and adopt a similar

sectoral approach to build necessary knowledge and expertise to support and take advantage of the FDI opportunities brought to the Region by Edmonton Global. EMR municipalities that consolidate and target their FDI offering increase their potential to capture more investment. A Tri-Municipal consolidated approach to FDI support would, in our view, provide a competitive advantage to the Tri-Municipal partners. At the very least, all three of the Tri Municipalities should continue to contract with Edmonton Global for FDI services.

The recently completed Tri-Municipal Region Competitiveness Review, while most valuable in determining the Economic Development Strategic focus for the Tri-Municipal Region, also provides some insight into service delivery considerations. As with Edmonton Global, a sector-based approach to Economic Development emerges as the best way to understand and pursue overall Economic Development opportunities in today's economy. Also, by increasing the scale of the Economic Development service area, a broader effort can better support a focus on sectors and cover more sectors.

The Competitiveness Review confirmed that the Tri Region's collective competitive position could be stronger than its individual municipalities in many areas – particularly when you consider key factors such as the available workforce. Workers have a high degree of mobility, and businesses do not see municipal boundaries when recruiting employees.

Also, Economic Development service delivery needs to be directed toward workforce (talent) development on a larger scale, one that approximates the labour shed for the economic activities involved.

Tackling the challenges related to improving competitiveness are services that need to be delivered at both the local and Tri-Municipal levels. For example, broadband and internet services need to be improved in all three municipalities, and the costs and logistics involved in such endeavours require action at a regional level to be successful.

Service Delivery Considerations

Status Quo – Emergent Collaboration

The three municipalities can continue to deliver Economic Development services independently as they have in the past and cooperate on an ad hoc basis. While autonomy is retained and some regional successes achieved, there can be operational issues, for example:

- ◆ Problems of inconsistent political support – opting in and out of regional initiatives and lack of momentum.
- ◆ Competition and overlap in some service delivery areas.
- ◆ Non-program resources to mount own effort for “base” Economic Development service delivery are duplicated in three Departments and represent an inefficient allocation of resources.

- ◆ Attention to key services such as BR&E are less than optimal, as some businesses not involved, regional scale is not being achieved, more complex constraints to development remain unresolved and opportunities for growth are not fully leveraged.

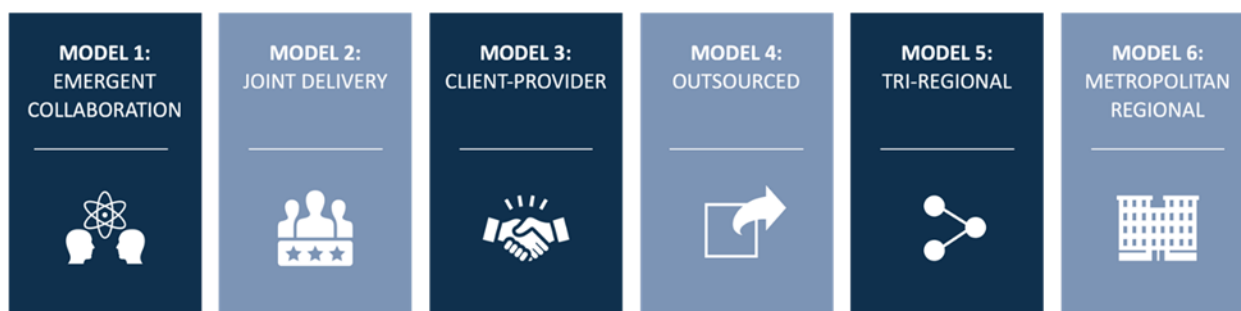


Figure 4: Implementation Continuum, Tri-Municipal Regional Plan Framework

Enhanced Collaboration Options Results from this Strategy have identified four Strategic Priority Areas for the Tri Municipalities: Innovation and Entrepreneurship; Business Retention and Expansion (BR&E); Investment Readiness and Investment Attraction. Similar to the service delivery implications linked to the Competitiveness Review and the work of Edmonton Global, this strategy suggests the Tri Municipalities will need to elevate their collaborative efforts to a higher level to maximize results.

Option #1 - Tri-Municipal Economic Development Joint Services Initiative The Tri-Municipalities could adopt more structured long-term commitment. For example, by forming a Tri-Municipal Economic Development Joint Services Initiative or Committee (non-arm's length). Municipalities could still deliver their economic development services and agree to joint delivery of specific services or projects, based on a business case analysis - this could even include one of the municipalities delivering services to others within the Tri-Municipal Region.

Some of the advantages of this type of approach to service delivery include:

- ◆ The individual municipalities retain some autonomy.
- ◆ Builds on existing ad hoc approach and considered the next logical step forward in collaboration
- ◆ Entire ED programs or projects could achieve larger scale for resource allocation and efficiency
- ◆ The pooling of shared resources allows for more specialized service delivery – for example, full-time BR&E services.
- ◆ Ability to build Tri Municipal unique identity (calling card) within the EMR

Some of the disadvantages of this type of approach to service delivery include:

- ◆ Some political conflicts among the three Municipal Councils as to who is “In Charge” or running a program or project.
- ◆ Problems of consistent political support – opting in and out of regional initiatives and lack of momentum.
- ◆ An extra layer and time needed for decision making through the three Councils.

- ◆ Shared programs or projects are managed individually and can lack a consistent approach and be more reactive in nature.
- ◆ Difficulty in fully costing of projects and programs and equal sharing of those the costs.
- ◆ It May not be seen as much of a change or advancement from the current approach – it just adds more bureaucracy or administration to the process.
- ◆ Can not access the full range of funding sources not available to municipalities

Option #2 - External Tri-Municipal Economic Development Entity

The Tri-Municipalities could go further along the continuum to create a separate Tri-Municipal Economic Development Entity (Not-for-Profit, at arm's length) with a board, staff and budget. This is not a new concept and is often adopted for service delivery in an area where the local economy, businesses and workforce are highly integrated and where economic growth and declines are felt across municipal boundaries.

Features or characteristics of a more formal shared service delivery approach include:

- ◆ The Entity would have a detailed Service Delivery Agreement (SDA) in place with the Tri-Municipalities that define services, levels and outcomes. The Councils would adopt the SDA for a 3-5 year period. A key feature of the SDA would also be well-defined Economic Development Service delivery roles between Municipalities and the Entity. It is suggested that the internal municipal role be focussed on coordination/liaison, licensing, industrial land sales, expediting planning and development processes and input to downtown revitalization. The balance of Economic Development services would be the exclusive role of the Entity.
- ◆ Entity staff (perhaps secondments of existing staff to reduce start-up time) structure adopts a sector specialties/project-based format, including full-time BR&E team covering all Tri Region companies. Economic Development Liaison/Coordinator could be located "inside" each municipality. This staff person would report solid line to Entity and dotted line to a municipal GM. The senior staff person at the Entity would also have a matrix reporting relationship, with a solid line to the Entity Board and a dotted line to the three CAOs.
- ◆ The Entity Board of Directors could include the Mayor of each municipality and representatives from the private sector– possibly from the Tri Region Chamber of Commerce and/or the Acheson Business Association (adding this element drives more political stability and local businesses have "skin in the game").
- ◆ The municipal funding formula could be based on population, assessment, numbers of businesses/households or some combination, with weightings if necessary. Business Associations pay a flat fee/member/year.
- ◆ The Entity could have Associate Members to bring in partners and fundraising; however, it would be nonvoting.
- ◆ The entity could also add an industrial land mandate – more complicated as municipalities would have assigned this function to the Entity for their lands. However, this may be a way to expand Shared Investment for Shared Benefit (SISB) if they could agree to share infrastructure costs and tax revenue for newly acquired Tri-Municipality Industrial Zones. The host

municipality for a Zone would have to do all the work and finance the projects and send invoices/revenue out to the others.

Some of the advantages of this type of approach to service delivery (e.g., external shared entity) include:

- ◆ Better alignment to “Business-to-Business (B2B)” approach to service delivery. For example, the use of CRM tools and maintaining the confidentiality of some information.
- ◆ Direct access to expertise/knowledge from the regional business community.
- ◆ Less bureaucracy and focus on issues outside the Region’s economic development strategy.
- ◆ Pooling of shared resources allows for more specialized service delivery – for example, full-time BR&E services and sector specialists. This provides better alignment to Tri Municipal Economic Development Priorities and the work of Edmonton Global.
- ◆ Matrix staff reporting for some roles ensures better internal communication and functionality.
- ◆ The use of an SDA, which specifies roles, services, levels and outcomes, allows for better performance evaluation.
- ◆ The overall cost of the service can also be fully costed and shared.
- ◆ Access to funding sources not available to municipalities.
- ◆ Costs/benefits of economic development projects can be justified on a regional scale, which is similar to the “distributive” nature of the local economy
- ◆ Ability to build Tri Municipal unique identity (calling card) within the EMR

Some of the disadvantages of this type of approach to service delivery (e.g., external shared Entity) include:

- ◆ Less political accountability to elected representatives (for example, complaints by Council that they cannot control activities and they are not getting “their fair share”).
- ◆ Human resources/compensation policies can be different from the municipalities, causing friction and distrust.
- ◆ Self-funding initiatives can lead to service delivery bias toward those initiatives.
- ◆ While the cost of these services can be shared equally, however, benefits may accrue unequally across the municipalities on a project by project basis.

Example - York Region “N6” (informal)

York Region is an upper-tier Regional Municipality located within the Greater Toronto Area (GTA) in Ontario. The Region is home to over 1 million people, with 9 local municipalities. The Northern 6 (N6) municipalities (Newmarket, Aurora, Georgina, King, East Gwillimbury and Whitchurch-Stouffville) agreed to work together and collaborate on shared service delivery, beginning in 2006. The N6 is comprised of both urban and rural communities, with populations sizes ranging from 20,000 to 80,000 people.

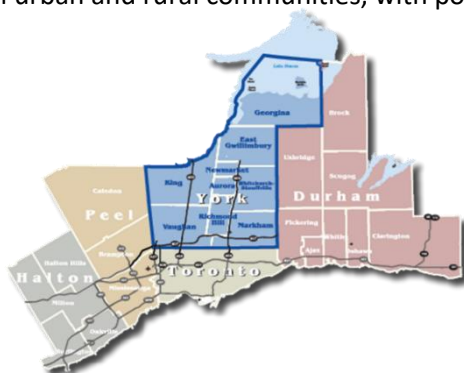


Figure 5 - York Region within the Greater Toronto Area and Branding

The N6 operates at the administrative level, led by the Chief Administrative Officers (CAOs). The primary objective is to find service delivery efficiencies and/or service level improvements. N6 Mayors provide political leadership, and Municipal Councils approve all shared service delivery projects.

Successful N6 shared services projects include solid waste collection/recycling, internal and external audit, economic development projects, staff training, website development, insurance/risk management, provision of employee benefits, and accessibility standards for customer service. The CAOs use a simple four-step process for initiatives: baseline review to identify potential cost savings and/or expenditure avoidance; project review – preliminary review of details (seed money if needed); CAO consideration/approval and Council approval (one report to all six Councils).

Shared services for N6 economic development were accomplished on an informal basis through a working committee of the six Economic Development Officers (EDOs). However, each municipality maintains its own Economic Development Departments and programming but proposed various projects to the CAOs each year for shared delivery. These included marketing and branding, Familiarization Tours (FAM) for Corporate Real Estate Executive (CRE) and Site Selectors (done in conjunction with York Region Economic Development) and research.

Another feature of the N6 collaboration was the ability for a subset of the group to work together on projects of common interest. For example, a Business Retention and Expansion (BR&E) project was launched by two N6 municipalities. This involved interviewing local businesses to find out what assistance could be given to help them grow where they were located. One municipality took the lead to administer and deliver the program for both. The results were individual municipal action plans, with common follow-up initiatives across both municipalities.

Challenges of the N6 approach include the voluntary nature of the collaboration, sharing of administrative leadership and resources and changes in shared services leadership at the CAO and Council levels. Benefits include program cost savings, shared knowledge and experience for staff, uniformity of standards, enhanced service levels where desired, brand recognition, and good public relations for residents/businesses (efficient/effective government).

Example - Kingston Area Economic Development Commission (KAEDC) (Formal)

GREATER KINGSTON CANADA

KINGSTON AREA ECONOMIC
DEVELOPMENT COMMISSION
181 Wellington Street, Suite 200
Canada Trust Building
Kingston, Ontario K7L 3E3

*Figure 6- Kingston Area Economic Development Commission (KAEDC) Logo*

Another example of collaboration in the delivery of Economic Development Services was a more formal approach – the creation of a Not-for-Profit Commission (in this case, under the Ontario *Municipal Act*) by four municipalities and the local Chamber of Commerce in the 1980s. Located in Ontario, the City of

Kingston had a population of about 60,000 and the three surrounding Townships were home to another 60,000 people at that time. The city was fully urban, and the Townships mostly rural, and the local economy functioned on a fully integrated basis – economic ups and downs were felt by all.

The Kingston Chamber of Commerce was instrumental in convincing the municipalities to work together to create a single entity to provide/deliver economic development services. This eliminated the potential duplication of economic development resources within each municipality. When the Commission was formed, the City had its own established industrial development department, and the Townships were growing and beginning to expand their service delivery in this area. The Chamber agreed to provide modest seed funding every year to facilitate the creation and operation of the Commission. The individual municipal economic development functions were folded into the new Commission.

The Commission Board/staff structure, operation and funding were formalized by way of an Agreement, adopted by the Councils and the Chamber of Commerce Board. Chamber seed funding remained constant each year, and municipal contributions were according to a funding formula based on population (equal per capita) and assessment (ability to pay). Four business members were appointed to the Commission Board along with the four Mayors/Reeves.

The Commission also developed its source revenues (e.g., cooperative marketing with partners) and grants/contributions for senior governments. The Commission reported annually to its partners on its activities and outcomes. In the 1990s, KAEDC's scope of service delivery was expanded to include tourism marketing and development services (DMO), visitor information and small business/entrepreneurship development.

While an external municipal entity (i.e., formal structure) to deliver shared economic development services is not a novel idea, as many exist today in various forms, one of the key characteristics of KAEDC that contributed to its success was the active involvement and constant support of the local business community. They provided a sharp focus on service delivery efficiency and effectiveness. Today, KAEDC has become the Kingston Economic Development Corporation (KEDCO) for the new City of Kingston - still an external organization with participation by the business community.

SUMMARY

This Appendix provides a high-level review of the current delivery of economic development services by the three municipalities. It includes options for changes in the future, considering the goal of Shared Investment for Shared Benefit (SISB).

Each of the Tri-Municipalities has an Economic Development Strategy that provides policy direction for the delivery of their economic development services. In all three cases, the economic development staff report to the most senior administrative official, which provides the best organizational alignment for outcomes. There is a total of 10.5 FTEs allocated to the function, with both Parkland and Spruce Grove having 4 FTEs each. The combined economic development budget is about \$2 million/annually, which includes tourism. The average budget per capita (a measure of service level) is about \$22-23/person, with Parkland and Spruce Grove slightly under and Stony Plain slightly higher. Parkland has a higher percentage of its budget allocated to staff costs (76%), whereas Stony Plain and Spruce Grove are in the 47-51% range.

Most economic development services are delivered by municipal staff, with some services delivered with partners and others by third parties. Examples include Edmonton Global, Tri-Region Tourism Partnership and Chambers of Commerce. Parkland has recently withdrawn from Edmonton Global and the Tri-Region Tourism Partnership.

Spruce Grove provides the most comprehensive service delivery, with activity in all 14 areas surveyed. Stony Plain is also active in these 14 areas but with reduced resources. Parkland does not provide services in 4 of the 14 service categories. While Business Retention, Expansion (BR&E) services are delivered by all three, the approaches are different. Parkland integrates these services into investment attraction activity, and Stony Plain conducts some interviews and works with the Chamber/partners. Spruce Grove conducts surveys of existing businesses, has a visitation program, utilizes CRM systems and has defined service levels for this activity. The degree of service delivery alignment to the corresponding economic development strategies is low to mid-range for Parkland, mid to high-range for Stony Plain and high for Spruce Grove. It is acknowledged that the Parkland Strategy is out-of-date.

There are some inefficiencies and duplication in the service delivery, as all three need to mount a base level of staffing/programs for the function. If the total FTE complement were combined or shared, some staff/program resources could be reallocated to boost the impact of some activities – e.g., comprehensive BR&E and/or industrial sector expertise and/or focus on key projects (e.g., Broadband). While each of the three municipalities delivers some investment attraction services, FDI services are best delivered at a larger scale with more resources, sustained over a longer timeframe and carried out by dedicated staff resources (e.g., Edmonton Global).

The Tri-Municipal economy functions on an integrated regional basis (e.g., available workforce). While it is true business property taxes accrue to one municipality, business investment and spending deliver benefits throughout the Region. Without sharing the costs to acquire new growth, individual municipalities may be paying too much. Edmonton Global's FDI strategies, the forthcoming Tri-Municipal Economic Development Strategy and the recently completed Competitiveness Review provide some considerations for local economic development service delivery. For example, successful FDI activities will depend on comprehensive BR&E services delivered locally by the Tri-Municipalities. Also, adopting a sector-based approach by the Tri-Municipalities will provide better use of scarce resources, improve alignment with today's knowledge-based economy and the ability to leverage opportunities emerging in this strategy.

The Tri-Municipalities can continue to deliver their own economic development services and collaborate on an ad hoc basis (emergent collaboration) or consider adopting a more structured approach, such as joint delivery or creation of Tri-Municipal economic development entity. Moving to these levels of collaboration brings with it a series of advantages and disadvantages to consider. There are several examples along the collaboration spectrum, including Alberta's Industrial Heartland Association, Northern York Region "N6," and the Kingston Area Economic Development Commission in Ontario, that provide insight into how to structure an effective approach.