

# Strategic Economic Development Action Plan



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for

## Flagstaff County

*Submitted by:*

**Toma and Bouma Management Consultants**

February, 2011

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February 7, 2011

Jennifer Fossen, Economic Development Officer  
Flagstaff County  
Box 358 Sedgewick, AB T0B 4C0

**Re: Economic Development Action Plan**

Dear Jennifer:

It was a pleasure to work with you and your committee on this economic development plan for the County.

We have developed this plan based on comments received from the people involved in the community meetings and in the survey contacts made in the research phase. In addition we have toured the County and also reviewed a few reports available on the County.

The intent of the plan is to help your County and the towns within the County to understand what is needed to enhance economic development in view of the economic trends and global issues. It is also based on your County assets and barriers which may be strengthened over time.

We appreciate the opportunity to provide this plan for Flagstaff County and realize much work exists. However, if you can engage others in the tasks, it is highly possible to build more economic development opportunities for the area.

If you have any questions, please call me.

All the best,

Darrell Toma, MSc, PAg, CMC

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## Executive Summary

### Project Objectives

This project requires an economic development plan for Flagstaff County. The plan needs to address rural, commercial and tourism business sectors in the County.

### Economic Development Plan

This economic development was developed recognizing the County strengths and weaknesses and the expected economic trends.

The main pillars include:

- Economic development leadership with a joint working group;
- Marketing preparation and marketing;
- Tourism and other business activities,

Flagstaff County has a number of strengths including the grain and oilseed farm base, small businesses and an entrepreneurial attitude. However, the County is facing a declining population trend which needs to be addressed so the towns can continue to develop. Based on a review of studies and community meetings and feedback this plan has been developed.

Area	Objective	Role and resources
Economic Development Leadership	To build a shared vision and joint projects	County, towns and supported with FC staff. Try to obtain other program resources for all
Marketing Prep and Marketing	To create awareness of County and town assets and products	County with workshops and improved website and other brochures and tools
Tourism and Other business	To build opportunities for growth	County with product development, marketing, workshops and awareness

The first focus on joint economic development leadership is important to help develop key priorities and a shared vision. It may require outside facilitator support and related resources. The second focus means developing and improving products for better marketing and also use of a proactive marketing approach. The third focus is on developing the tourism industry which is starting and can be improved. Other new areas can include rural health care with underutilized facilities in the County, and new senior's housing and related care. Finally the County can access programs for all in the areas of community development, training and innovation.

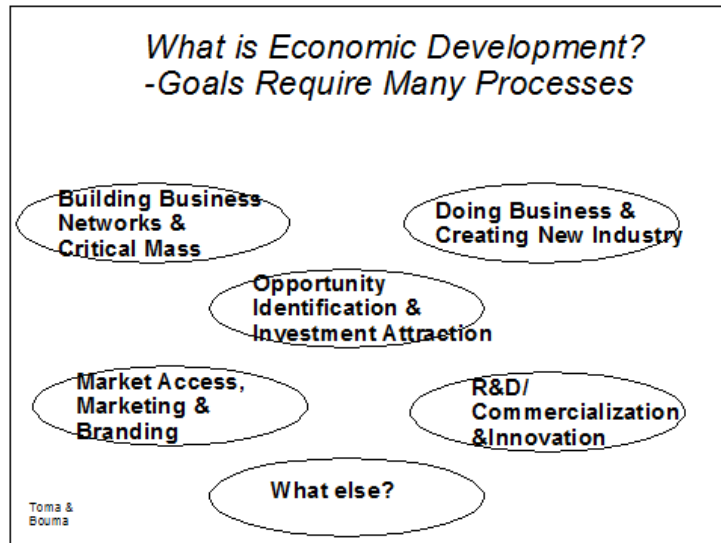
We would like to acknowledge the help of a committee including: Charlotte Curtis, Chair, Gerald Kuefler, Mike Kueber and Jennifer Fossen in the process. Their input and keen interest helped to guide the project. We also appreciate all the comments provided by citizens and leaders who attended meetings or gave other direct input.

## Project Objectives and Scope

### Key Objective

The main objective is the development of a plan to create more economic and industry opportunities in the County by engaging and understanding the opportunities and capacity of the County. The plan was developed with a 3 to 5 year timeframe for the County to implement. We have been practical and focused to help provide a guide for the County.

The County Economic development plan needs to include examples of how to develop value added, current top opportunities, key gaps, website marketing and other strategies to address the needs and next steps. Economic development has several main areas as noted in the framework graphic below. This is useful to help understand the focus.



Economic development for the County appears to be mainly focused within the three areas of:

- Opportunity identification and investment attraction;
- Supporting business and creating new industry; and
- Marketing and branding.

Opportunity identification and investment attraction means finding new business opportunities and helping in attracting investment. Some recent projects like Nova Green and the Battle River Railway are good examples of how this can work. Perhaps more can be done. Supporting current businesses and creating new industry is also important to current business owners and farmers who have invested in the County and need support. Finally marketing and branding of the County and its assets are another key area and some work has been done in this area by the County.

The areas of building business networks and critical mass and in innovation are lacking and can be improved. These aspects are discussed later in the specific aspects for the plan.

## Flagstaff County Assets and Findings

Flagstaff County is located about 1.5 hours south-east of Edmonton between Camrose and Wainwright as a pure rural area in Alberta. See <http://www.flagstaff.ab.ca> for a County map and related information.

### Population and Trend

The County is a small rural County with a population of less than 9,000 people in total. The population includes:

- County- 3,506
- Towns & Villages- 5,297
- Total – 8,803
- With 700+ people- Killam, Forestburg, Sedgewick, Daysland, Hardisty
- Less than 700 people- Strome, Lougheed, Alliance, Heisler, Galahad
- Declining- 1996 to 2006, -7.7% or 726 people.

The risk to the County and the towns in the County is directly related to the population issue and economic development activities. This is a very important directly linked issue and those elected leaders involved in the County and towns need to understand the links.

We have not completed a time series review of the population trend but provide a comment on a possible scenario for the future. If the current de-population continues at the current rate of reduction of say 8% over ten years, than by 2016 the population would be 8,099 and by 2026, a lower 7,451 people. This means also that some towns will shrink and also age. This trend is troubling.

Table 1- Flagstaff County Estimated Population

1996- Population	2006	2016	2026
9529	8803	8099	7451
reduction	-726	-704	-648

Note: 2016 and 2026 estimated at same decline rate.1996 and 2006 from County data.

Whether this can be changed depends on the vision for the County and the ability to take some actions. Some of these actions are discussed in this plan.

Two reports by Lamont and Stabler are also noted herein to help the County and towns understand the real changes that may face them. These trends and findings are highly useful to understand to help build an attractive region.

### **Regional Economic Development Siting Factors/ Quality of Life/ Quality of Place (Lamont, 2003)**

A report on “quality of life and quality of place” completed for the Palliser Economic Partnership (Southeast AB) provides some relevant insights on economic development and siting factors. The literature review highlights prior research findings of interest to regional economic development

agencies. The following author's information was sourced from the report. This report is useful to highlight that factors other than only infrastructure influence the decision to locate a business or expand a business.

Staubler (2001) as reported, notes that three critical elements of success are important to continued rural economic development:

- Use of a competitive advantage - communities and firms without it will decline
- Continually seeking to invest in new competitive advantage through entrepreneurial risk takers
- Continuing investment into social and human capital.

He states that human capital is important to competitiveness, and entrepreneurs and new immigrants are important to building a productive economy. This conclusion shows how the region must undertake continuous improvements to ensure that organic growth occurs. Staubler suggests that regional approaches to investments in infrastructure (over a single community approach) are important for water, sewer, and power. Investments in infrastructure to overcome "old" competitive advantages are also very important to help build economic and productive supply chains. Further, where rural areas do not have a natural amenity, technology "solutions" will be needed.

Aldrich and Kusmin (1997) of the ERS of the USDA studied rural community growth in USA states and found that:

- Economic growth is higher in communities with a more educated workforce by 3.3%;
- Greater expenditures on public education (\$1,000 more per student) contribute to high county earnings growth of 3.8%;
- Consumer amenities for retirement counties led to higher growth of 4.5%
- Counties with a scheduled air service within 50 miles had 3.4% more growth
- Access to highway interchanges was associated with 0.42% more growth

These findings help reinforce the need for infrastructure investments and also in human capital development. It is interesting that specific investments were tracked to reflect growth returns for an area. These findings seem to be sound given some Canadian experiences.

Goetz and Freshwater (2001) cite an entrepreneurial test for a community:

- When the Mayor meets with business leaders, are there as many CEOs as bankers and corporate executives?
- Are entrepreneurs invited to join clubs and do they join?
- Does the newspaper provide equal reports on startups and growth companies?
- Is there a visibly sizable venture capital community?
- Can innovative companies locate professional work force locally?
- Does the economic development department spend equal time helping local companies as it does with luring outside companies?
- Do growth company CEOs and venture capital leaders hold 25% of seats on three largest local banks?
- Does the local university encourage faculty and students in entrepreneurial spin off activity?
- Does the state leader regularly meet with entrepreneurs to seek views?

- Do you have 10 local spin-off companies - growth companies started from entrepreneurs who left to start their own?

The use of this simple test of questions should give a measure of the business climate in a community. The scoring is based on yes or no responses with a “yes” response equaling 10 points. A total of 70 points is a passing grade. For communities to become more attractive, this list may offer some ideas for action.

A review of site selection literature provides some other insights. Rabinanski et al (2001) shows six dominant features of interest to decision-makers:

- Competitive labor costs
- Potential for labor unions
- Proximity to market
- Proximity to raw materials
- Proximity to other corporate facilities
- Quality of life issues

Many of these factors will influence the profitability of a firm, and thus, are clearly of importance to investors and owners.

Kusmin (1994) reviewed 35 studies and found that siting was driven by:

- Low taxation
- Public infrastructure
- Access to financing
- Educated labor force
- Low land and energy costs and access to transportation

One of the findings of the literature noted that “quality of life” is different than “quality of place”. Quality of life includes many personal factors such as housing, health care, services and shopping, neighborhoods, safety and security, and recreation. The concept of quality of place is important for a firm’s siting decisions and for the securing the “quality of life” factors.

Quality of life may be more important than economic returns for individuals. Research by Vias (1999) on quality of life factors and economic changes in 8 USA Rocky Mountain states shows that new residents were attracted by high amenity areas, in spite of lower wages. This has been supported by research conducted by Power (1991) and Snepenger et al. (1995), which found that business travelers first visited the area and were drawn to it by the scenic values and lifestyle amenities. They then moved to the area as a resident.

Deller et al( 2001) shows that quality of life is multi-faceted and reflects regional growth aspects. Rural areas, which have a higher level of natural resource amenities and a high overall quality of life, will have higher growth rates. Some of the findings were:

- A higher initial level of population leads to higher employment growth and higher per capita incomes
- Rural areas with widening income levels will face growth difficulties



- Higher levels of property taxes are associated with lower population and income growth
- Increases in local government expenditures may be associated with increased populations but also a decrease in income growth
- Results show a negative relationship between the number of people 65 years and over and rural economic growth, suggesting more retirees in a rural area may not be desirable
- Five desirable lifestyle traits of an area (climate, recreational infrastructure, land, water, winter) can play a role in regional economic development

From two studies (Cleary 1997, Leistrinz 1992), it was found that firms regard the “quality of place” criterion as more important than individuals. The key factors of customers, proximity to suppliers and materials, water, water treatment, transportation and other infrastructure are important to food processing and other agribusiness firms. This would be supported by Canadian experiences.

High technology and knowledge-based firms consider similar factors. In primarily agricultural areas, improving the infrastructure is less important than doing the skill building needed to access and use the technologies (Allen & Johnson, 1995). Quay (2001) suggest that the “digital divide”, which may exist for “have and have-nots” in rural areas, may more accurately reflect those people who use technology and those who do not use it. He suggests that use of the Internet involves four basic tasks:

- Getting connected to the Internet
- Finding information for a need
- Retrieving it
- Using it

The Internet barriers for people may include: (1) economics - cost of the equipment, (2) cultural differences, (3) geographic barriers - infrastructure and service levels (bandwidth), and (4) information gaps - the learning ability and skill levels of the age group involved.

Manufacturing businesses have a different perspective in siting as they judge quality of place over quality of life. They seek out labor quality and costs, and proximity to customers as the two key factors in a decision. Other related issues include taxes, incentives, transportation infrastructure, and regulatory and business climate. These factors were confirmed by other studies (Love, 1999).

For entrepreneurial “footloose” companies, the factors influencing decisions include low crime rates, better schools, recreation, reduced commutes, traffic and a high quality of life. These types of self-employed people tend to visit an area and decide to re-locate there because of the overall attractiveness.

Quality of place is a narrower subset within the quality of life category. Quality of place is defined more clearly by Dorr (2002) as:

- Structural amenities - public and private services;
- Natural amenities - wildlife, hunting and fishing, clean air and water, outdoors
- Stress reduction factors - traffic, proximity to family and other factors

These factors are causing rural and urban Canadian population changes to occur due to two main factors of migration and aging. Migration results from job opportunity change, while aging reflects the changing dynamics among population segments.

These various studies taken together show how complex siting decisions are for firms and individuals. These decisions consider infrastructure, economic potentials, quality of life and quality of place issues, and specific items relevant to the decision. For rural areas that can provide many of these factors, the overall regional attractiveness will be increased and made more appealing to investors and citizens.

### Functional Economic Areas in the Prairies (Stabler, 2001)

A report on the viable and non-viable communities in the Western Canadian prairies was completed and offers some ideas on future growth and decline issues. Stabler (2001) completed this work for the Alberta Agriculture and Rural Development (GOA) and others.

The concept of functional economic areas is that levels of community scope exist in relation to a population size, and in turn, will determine the scope and number of business and infrastructure needs. A viable community will need services for growth and development, while a non-viable community will need other assistance. The 6 developmental levels identified in the report are: primary wholesale retail (PWR), secondary wholesale retail (SWR), complete shopping center (CSC), partial shopping center (PAC), full convenience center (FCC) and minimum convenience center (MCC). If a community is one of the last two levels, it is likely to be non-viable.

Forty-three viable communities in Alberta are identified and classified in Table 2.

Table 2 Classification of top 43 viable communities in Alberta (2001)

Primary Wholesale Retail	Secondary Wholesale Retail	Complete Shopping Centre	Partial Shopping Centre
Calgary Edmonton	Grande Prairie Lethbridge Lloydminster Medicine Hat Red Deer	Brooks Camrose Drayton Valley High River Lacombe Peace River Ponoka Wetaskiwin Whitecourt	Athabasca Barrhead Bonnyville Bow Island Cardston Claresholm Coaldale Cold Lake Edson Hanna High Level High Prairie Hinton Innisfail Lac La Biche Olds Pincher Creek Rocky M House Slave Lake St. Paul Stettler Strathmore Sundre Taber Vegreville Vermilion Westlock

The Alberta analysis ignores the oilsands engine of growth in Fort McMurray region, which is a huge oversight as it is likely to have nearly many billions of investments in the next decade and will also help propel Canadian growth. It also ignores the Jasper and Banff areas, which are international destination sites that do offer many business services and are not likely to be future non-viable entities. Strangely some of the centers are missing such as Drumheller Wainwright and Fairview, which is not reflective of their current vitality. However, the message is clear on town consolidation in the Alberta (and prairies) context.

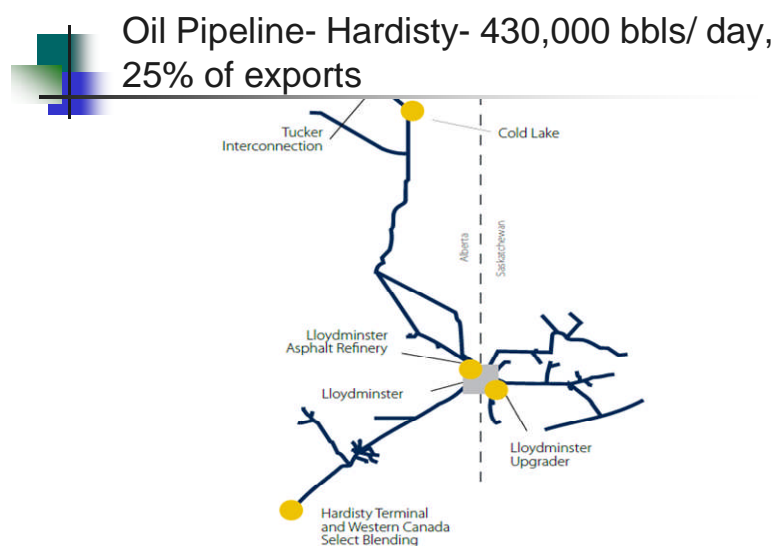
One of the comments noted from the Alberta conclusions is that several of the 3<sup>rd</sup> and 4<sup>th</sup> developmental level are actually part of a main center and therefore should be viewed in a “metro” analysis rather than as a separate community. For example, Fort Saskatchewan is really part of the Edmonton region and the chemicals industry cluster that developed there can be considered within the metro region. However, the analysis does challenge our thinking of the future state.

Additionally the shift to “hub and spoke” regional economic centers/ clusters seems to be emerging in the changing Alberta economy, which makes the use of a regional strategy imperative and timely. Other than these deficiencies, the analysis seems generally sound. The message to the rural Alberta towns is that they need to realize more changes can and will occur and must be understood in terms of population, economic development and strategies to address the linkages.

### Flagstaff County Assets

The major assets in the County include:

- Museums- about 6 and a new network has been started and is supported by the County;
- Camping, fishing and hunting areas in the County;
- Several main highways (13, 36) which offer a volume of traffic;
- Farming businesses;
- Hardisty oil hub.



These assets can be developed and marketed more widely to bring in people (visitors) and potential new investment in to the County. Edmonton has about 1 million people and the area will have about 800,000 more people in the next ten years (Alberta Chambers of Commerce, Population and Fiscal Stresses in Alberta Municipalities, 2005).

In addition the area of rural health care and seniors housing and supports are good potential areas for more developments. Daysland has a seniors facility and other underutilized facilities apparently exist in the County which may have some potential. These senior care facilities and health care centres are quite sustainable once operating and can serve rural seniors who wish to stay in a local facility. Can more be done in the County?

### Flagstaff Strengths and Weaknesses

In the review of the County, we conducted a review of the strengths and weaknesses of the County. These comments are summarized in the graphic below.

**Flagstaff County  
SWOT Analysis**

<p><b>Regional Strengths</b></p> <ul style="list-style-type: none"> <li>▪ Established Ag region, entrepreneurial</li> <li>▪ Grain/ oilseed based</li> <li>▪ Resource businesses and space</li> <li>▪ Near main highways- 13, 36</li> <li>▪ 6 hotels, 6 arenas, 4 bowling, 2 pools</li> <li>▪ 3 lakes/ ponds, many varied landscapes</li> <li>▪ 1.5 hour from Edmonton</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>▪ Ag outlook/ changes</li> <li>▪ Demographics- distance and diversity</li> <li>▪ No main service Centre- distributed</li> <li>▪ Remote area, limited resources</li> <li>▪ Opportunities for youth-community decline</li> <li>▪ Identity and marketing- weak</li> <li>▪ Working together/ lack cooperation</li> </ul>
<p><b>Opportunities (1-3 years)</b></p> <ul style="list-style-type: none"> <li>▪ Grain- based opportunities, grocery</li> <li>▪ Camping, hunting, fishing</li> <li>▪ Seniors real estate/ health services</li> <li>▪ Shared services- policing, roads, fire, waste, recreation</li> <li>▪ Wainwright base, oil services</li> <li>▪ Railway- potential</li> </ul>	<p><b>New Initiatives</b></p> <ul style="list-style-type: none"> <li>▪ County plans-to be proactive but realistic for all Towns and the County</li> <li>▪ Build the "quality of place" idea</li> <li>▪ Retain and build local business</li> <li>▪ Succession plan</li> <li>▪ Connect with programs- BRAED, others</li> </ul>

### Strengths

From the County strengths the County has a number of positives including a solid grain and oilseed based farm industry, an oilfield production and service industry and several main highways. Highway 36 connects to the oilsands and is a main trucking route in the east part of the province. The County has 27 agri-businesses including 6 food and organics, 14 greenhouse and market gardens, 5 processed foods, 2 honey, and grain and oilseed farms (1000+) and other small scale businesses. See the agriculture inventory (Polturak Management & Consulting Inc, 2009).and a report for BRAED (Toma & Bouma, Battling for Markets, 2010) for more detailed reviews.

In the areas of recreation the County has 3 lakes, several camping areas, the Diplomat mine and a number of museums and a number of arenas and facilities. A recreation review will help to address how to further enhance this recreation area.

The County has some industrial activity in the Hardisty area with the oil tank farm and the oil pipelines to the USA and other parts of Canada. These pipelines are important to the province and straddle the County boundary on the east. Companies in the area include: Kinder Morgan, Enbridge, TransCanada, Gibson's and Husky Energy. Each of these businesses needs local services and can be approached on potential economic development opportunities for servicing. In addition a number of oilfield service businesses operate in the region and may grow over time.

Hardisty has prepared a five year plan for more economic development. The businesses surveyed indicated the oil hub is a growth goal to build on, land for housing and real estate is available, local recreation is very good, and the Town is trying to be proactive. However, the focus on the oil industry is also a cyclical issue, work camps do not spend in the town, taxes are an issue, the town image and quality of recreation property are also issues. Their focus is on 5 strategies: build on the oil hub strengths, attract population, increase community capacity, reclaim main street and market industrial land.

Another emerging area for industrial growth is Nova Green in Killam which is attempting to develop a straw technology for biomass and other products. It is not clear on the development path timing but the opportunity exists for growth. See <http://www.novagreen.ca> The company proposes to use its technology with biomass feedstocks. Biomass is composed of three basic elements:

- Cellulose, formed by the linkage of glucose (simple sugar) molecules in the plant;
- Hemi-cellulose, a more complex sugar molecule found in plants; and
- Lignin, the 'glue' component that provides strength and structure for the plant.

A commercial area which is seen to be emerging and is based on the County strengths, builds on the trend of seniors care in assisted living and with rural health care. The Town of Daysland has a well developed senior's complex and is attempting to further build on this strength. Some other towns in the County may be able to follow the same path of development. Seniors require safe and reliable housing near a medical provider and allied services. A number of small-scale assisted living housing units may be needed in several towns. Developing this opportunity will require a commercial developer and a housing operator. This opportunity is worth further exploration as a County approach and can add sustainable employment and help seniors.

## **Weaknesses**

In the review of the weaknesses, the County has challenges in the quality of recreation and town based assets, a need for camping facilities, many small and diverse facilities, a lack of good and collaborative working relationships, and a population demographic which is not favourable and a lack of a strong identity and a location which is in between urban centres. These physical and operating characteristics can be improved over time with some common agreed actions. Better quality and centralized facilities may be an answer for the County to attract in more visitors.

Partnerships and collaborations are needed. A report by the University of Alberta for the County indicated this need.

*“Opportunities to form further agreements could come from existing partnerships, such as FIP (Flagstaff Intermunicipal Partnership), BRAED (Battle River Alliance for Economic Development), and BRAV-C (Battle River Agri-Ventures Co-op). The participants in the study stated that urban-rural partnerships can be facilitated by providing guidance and structure for partnerships, while allowing communities to partner on their own. Furthermore, partnerships can be nurtured by fostering a spirit of cooperation and rewarding communities that invest in partnerships.”*

Our plan understands that issue and attempts to address it so the County leadership of towns and the County can focus on a joint approach to economic development and realistic opportunities. One of the weaknesses for the County is the lack of a listing of investment opportunities (on the website) and a strong business linkage with the current business owners. It is important these people become more engaged so they can help guide and assist in this area.

The current Chambers of Commerce are seen to be in need of a revised model which may even include a regional chamber model. If consolidation continues, perhaps a regional chamber model may make sense to serve members and use web- based technology to help provide services and comments to the County.

## **Opportunities**

Opportunities for the County include grain and oilseed farms which will face increased global demand for these commodities over time. The new investment in the Battle Rive railway may give rise to new tourism and shipping opportunities. A large opportunity appears to exist with camping, hunting and (some) fishing given the rural space and landscapes in the County. This will need some development and focus to achieve. The location of the oil hub at Hardisty and the military base in Wainwright (400 core and 20,000 visiting personnel annually) is another opportunity for the County. The current business plan of BRAED also notes some similar opportunities and may be able to help develop them further.

The commercial real estate opportunities (seniors housing, medical services) noted above are worth assessing in more detail with a specific feasibility review and with partnering with the interested towns. This can be a focus for building a specific development path.

It is important that these opportunities be business driven and in the County several small-scale businesses are operating and more needs to be encouraged. In Hardisty for example The Station has been renovated as a unique retail store and is a know draw to the town. In Forestburg a specialty bed and breakfast and glass business is operating. Can more of these small rural businesses be encouraged? An important approach to these project areas should include collaboration with town and business partners as much as possible.

## **New Initiatives**

Some new initiatives can also yield positive results. The County is conducting a recreation review which can help address some of the “quality of place” and capacity issues in the area. A new focus

on investment attraction, supporting local business and related marketing of the County can help to bring new people to the County.

One gap exists in the County related to innovation and education opportunities. The County does not have a local college or university which does limit some innovation activity. However, the use of the Supernet and links to E-Campus Alberta can provide opportunities to residents for education needs with equal access to other communities.

A new innovation strategy and plan does exist for the province and allows for businesses to access innovation program grants and business advice to help commercialize products and services. See <http://www.advancededucation.gov.ab.ca/technology/support/vouchers.aspx> .

Overall the county has a solid farm economic base which is largely traditional grain based farming. Some new small- scale farms are emerging with a focus on organics, greenhouses, speciality dog and processed meat businesses.

The biggest challenges seem to be in the areas of cooperation among the small communities, a declining population, a lack of development of tourism opportunities which can draw people off the highways and a lack of a clear identity and branding. It will important to continue to communicate to the County and town residents on the need for collaboration and partnering for any economic development projects and recognize that each town has different competitive advantages but common desires for economic development. Thus the development path for each town will differ.

## Economic Development Action Plan

Based on the reviews provided with the community and the related research noted herein, an economic action plan has been developed to fit the needs for the County. The plan needs to have buy-in from the towns and from the business community to help create a positive change for all. The main focus areas are noted below.

### Leadership with the Towns Involved


This plan can be greatly impacted with some participation of the towns in the County and the three main focus ideas include:

- Leadership by a County Economic Development Working Group;
- Marketing preparation and marketing;
- Tourism and other economic development projects.

### Economic Development Leadership

The role of economic development by the County and towns in the County is very important. The implementation of the plan should be lead by the County on behalf of the stakeholders but should be open to participation by the towns and the business community. A new Flagstaff County Economic Development Working Group would be useful to create and include 10-12 reps. The Group would be assisted by the County, would try to guide the plan and to access other resources provided by BRAED and others who can help the County to develop.

#### Focus 1- Flagstaff County ED Group (FCWG)

- 
- Develop a leadership group of county, chamber, communities and business to guide plan; County to facilitate for all (say 10-12 reps)- collaborate
  - Mission-facilitate economic development in three core areas: joint leadership, marketing and promotion, development and education
  - Critical Mass- realize FC needs a minimum of people and facilities and the trend is important
  - Budget is needed for projects: tourism map, regional profile, marketing, product development
  - Need to clarify roles and engagement
  - Link with BRAED, others to help build the “community of communities”

This Working Group would be very useful to help develop the priorities in economic development on a shared vision basis and to develop new collaborations. This collaboration issue was identified in a prior report to the County (see City Region Studies Centre, Partnerships: Responding to the



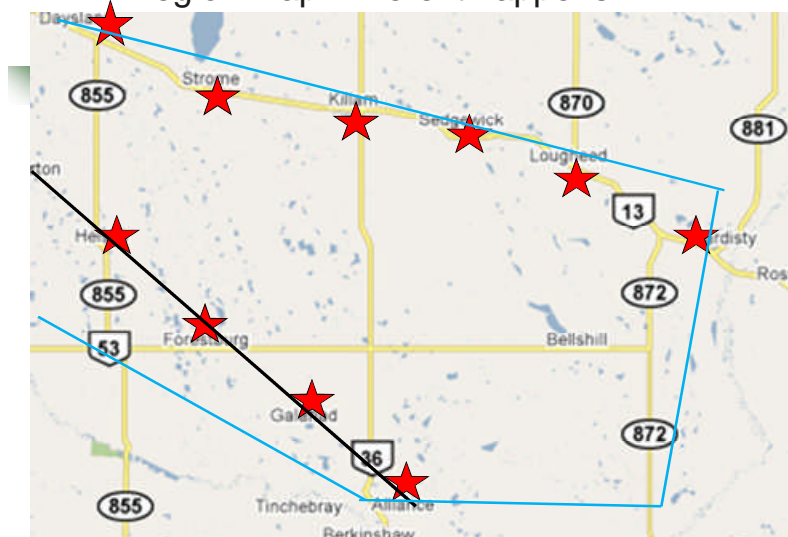
Changing Dynamics of Urban-Rural Interdependency, June 2010).

In the meetings and review, the need for more cooperation and collaborations is clear and this will take time to build a common shared vision for several projects and to address the need for sharing of resources. If needed, the County may need an independent facilitator for several sessions to help build this effort. The plan will affect all in the County as noted in the graphic below.

To do this the County should:

- Develop a County Economic Development Advisory Working Group (include business);
- Hold monthly or quarterly meetings to set a common agenda and develop a shared vision for projects;
- Hold a workshop for the towns on discussing and setting economic development projects;
- Where projects are shared with towns, develop a common budget;
- Projects can include: seniors housing and real estate, oil hub related businesses, agri-food value added and agri-tourism, and agriculture based opportunities;
- Where projects are not shared, the County will need to take advice but act on the economic development plan needs. This may also mean sourcing funds from provincial programs.

Region Map- where it happens



### Marketing Preparation and Marketing for the County

One of the more important areas for the County is developing the tourism and other small business areas. There is a real need for better marketing through several key tools and approaches. Branding means a clear idea of the County assets and identity including culture, heritage, rural life and businesses. It also includes a sense of the overall community. This branding exercise may require outside help but can start with the current images and information. The brand can be improved.

Marketing of the County and town assets should target several groups:

- For citizens who seek the rural life and a low cost area to live;
- For investors and businesses who seek opportunity;
- For out of region and international people who may scan the world looking to locate.

These messages need to be included in the website and also as needed with specific purpose brochures for hunting, fishing, camping, visiting, museums and so on. These brochures can then be used in visitor booths in the County and at specific trade shows for people who may travel in the County. Ads and brochures can be placed in locations at the City of Edmonton, Camrose and in other locations. The Edmonton Regional Tourism Group (ERTG) can be consulted for help and other ideas which can help build market contacts for the County. See <http://www.edmontonscountryside.com/contact-ertg>

## Focus 2- Marketing Preparation

- Develop the theme of “Community of Communities” – for visitors what does this mean? Link it to activities
- Try “Battle River Life – work, hunt, fish, visit, invest, live here”- people need to know where you are/ the offer
- Need some budget; County leveraged \$ with other programs, learn to use resources
- For business- succession plans, new ventures- retail, real estate- seniors, business cases- rail tourism, guiding
- Link with BRAED, other plans- from a business ROI view
- Must have a e-calendar with all listings
- Targets- friends, families, Wainwright base, Edmonton

An area which is emerging rapidly and can be addressed is the use of a good County website with content, pictures, business listings and a clear tourism and investment section. The current County website needs some better tabs for investors and business, tourists and for citizens. The towns also need help in this area and cost-sharing to improve websites may be a good joint project.

Some of the things to be included in a website are:

- Specific tabs as noted above;
- Investment business case examples for projects of interest;
- PDF brochures for museums, motorcycle routes, fairs, trails & trestles, Diplomat mine- as these are in print and can help in promotion;
- Links to BRAED, CFC and other services which may help County businesses;
- Other content which can help promote the County and towns on developments.



- Communities- no pictures of why I should go there
- Parks- only lists 4 Killam parks- no walk trails
- No ski hill, trout ponds
- Biz directory- no farm direct or food listings- how do I find a product?
- No museums, railway
- No maps for tourists, no pictures to show off the landscapes

## Tourism and Business

The third focus which can be developed is the area of tourism and small business. As has been noted several times, the County has some interesting tourism assets which can be marketed to the region, cities and the military base for day trips and even overnight stays. This area requires several steps including product development, marketing and then customer service. Each of these areas can be provided by the County (and BRAED) in workshops for interested business owners. The key steps are product development, customer service training and then marketing the product to the target groups.

## Focus 3- Tourism Projects

- Develop a new approach for joint marketing ideas
- Projects: tourism maps- day trips- 3-4 brochures, regional profile, product development review, advice- BRAED, others
- Tourism operator development- training, new- B&B, crafts, product development- seminar with ERTG/ BRAED/ others
- Towns- image- cleanup plus signage – beautify/ inform
- Build the events plus trails/ camping/ fish / hunt
- New Events?- race a soldier- 5k to marathon with water, land event, theme- Medieval, others?
- Real estate/ hotel search- \$10m investment?- package and search

An area which also needs support is with the business sector in the area of succession planning,

access to entrepreneurship services (which are not currently offered well as we are told) and possible formation of a regional chamber to help the smaller chambers of commerce.

Succession planning is important for older owners who wish to sell out the current operating business or find new partners or investment. The areas of retail which were noted as needed in the region include: clothing stores, a grocery store in Hardisty or Killam and a car wash. Other business opportunities may also include internet based service businesses.

Investment attraction can be done by using short investment business cases posted to the website for: seniors housing, health care, retail, agri-food value added, oilfield services and other tourism ideas. Examples for CAEP (Red Deer region) can be seen at <http://www.centralalberta.ab.ca/index.cfm?page=InvestmentOpportunities>

An important area which can be used by the County is the concept of a flexible business network to help interested businesses to share ideas, find new market opportunities, jointly train workers and even collaborate on joint ventures. Some examples of these rural models include the CARMA rural manufacturing association in the Red Deer area and in Medicine Hat a new metal fabrication network which is being set up. This business approach is specialized and needs outside facilitation to succeed.

The development of these projects can be greater than the current resources and time of the County staff. This is a reason for the town collaboration model noted at the start of the plan. This plan can work with a shared vision and with joint projects.

Overall the County and towns need to realize that joint efforts can work. Further, a joint effort can access provincial funds from current programs which are now being used in Alberta by many other communities.

As needed, outside qualified expertise from BRAED, Alberta Finance & Enterprise and the private sector should also be accessed. Other possible projects are noted in the appendix. We also have briefly reviewed the BRAED business plan for 2010-2012 and note that BRAED has a focus on:

- agriculture;
- tourism.
- Defence;
- Eastern transportation corridor;
- Industrial equipment and manufacturing.

It is not clear now where the County can partner with BRAED but the resources are potentially available for some joint projects to help in this economic development plan. Where the Flagstaff projects are in the 5 areas above, BRAED should be contacted for resource support or advice.

## Appendices- References and Contacts

### References

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BRAED, Business Plan 2010-2012

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J. Stabler, Functional Economic Areas of the Canadian Prairies Region, Agriculture and Agrifood Canada–PFRA, Canadian Rural Partnership (CRP) and Rural Development Division of Alberta Agriculture, Food and Rural Development (2002)

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K. Polturak Management & Consulting Inc., Agriculture Inventory Project (2009)

Toma & Bouma, Battling for Markets- How to Add Value to Agriculture Opportunities in the BRAED (Battle River) Region (2010)  
See [http://www.braedalberta.ca/business\\_resources/publications/studies\\_and\\_reports/](http://www.braedalberta.ca/business_resources/publications/studies_and_reports/)

Town of Hardisty, 5 Year Economic Action Plan, April 2010

### Contacts

Elected officials (15) from the towns were involved in a meeting on the plans and findings to date and offered ideas and comments.

In addition, about 17 written survey comments and emails were received and the general comments are noted below.

County Assets

County Assets- museums, blgs



County Assets- Seniors



## County Assets- Coal Mine



## County Assets-trout pond Camping Potential



## Possible Projects

### Projects- “Community of Communities”

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- Key assets to market- foods, museums, outdoor rec, day hunt, fish, ag and oil gas related business, need to support/ build business base
- Offer County website for events and general info for businesses and for the area, participate with and promote
- Use 3-4 print brochures and place at key car stops- Chamber, gas stns, etc- maps, messages and prodn run. Brochure- 1. rural culture- museums, 2. Day experience- hunt, fish, golf, camp, other 3. Ag-tourism and quality crafts 4. seniors/ rural health solutions and care
- e-marketing- using County, town and other websites- develop new tabs for tourism products and common event calendar
- Focus on spring- fall seasons for most events, tourism
- Target Edmonton- marketing in key sites- see [www.ede](http://www.ede)

### Projects

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- Target- Base people and locals for specific experiences- yr around- find out what they want + drive by visitors
- Trade Shows/ events- several
- Collaboration meetings- led by Committee with County, Town, business, base, is hard but needed
- Business- engage them better, “friendliness”
- Joint Grant proposals- to find new funds for all- especially for a common rec centre
- Try Ag Food C, ARDF, others for big projects, will need facilitators and experts in some areas
- County & Towns work with chamber -joint marketing program



## Flagstaff County Survey Written Comments (17 people)

### 1. The economic development opportunities of this region are

- Agricultural marketing group move way to market agriculture product
- Bio fuel processing
- Vacations Farm & Area
- Railway tours- Battle river rail car group & related municipal events in tourism
- Develop an atv trail along battle river- hold atv rallies
- Wind turbine power generation
- Tourism
- Value added
- Organics
- Recreation- we have the facilities that are underused (see 5 backside)
- Computer based business or jobs- computers take the distance out
- Plenty of space for new business
- Sports grounds expansions
- Potential growth in health related opportunities
- Ethanol plant- Lougheed/ Hardisty area
- Restaurants- Hardisty and surrounding towns
- Hotels- Hardisty and surrounding towns
- Value-added processing
- Business development
- Tourism
- Positive energy between towns promotes positive growth
- Vast range of businesses, hospitals & schools
- Recreation- Lakes, hunting, boating, rodeos, etc
- Large & diverse region allows for a variety of product – eg new crop
- Clean energy efficient county
- Recreation beyond what has to be done in an expensive building (see 10)
- Tourism (we need someone to co-ordinate)
- Retirement place for urban folk (safe, slow pace)
- Agriculture spin-offs (eg Railway, food processing, etc)
- Value- added agriculture
- Opportunities around HWY 13+36 (High Wide Load Corridor)
- Hardisty Tank Farm
- Tourism
- Tourism of this beautiful region, including summer and winter events
- Service industry to the industrial complex and Hardisty
- Opportunity for warehousing due to the HWY 13 & 36 highway corridors

### 2. The barriers in developing them are

- Very small populations
- Capital requirements
- Farm- area vacations
- Liability insurance
- Railway regulations

- Cost
- Implementation & lack of awareness
- Marketing, processing & regulations
- Cost of transition
- How far we are from central corridor
- All municipalities are afraid of losing their autonomy
- Do not promote the opportunities we do have we are too busy looking for new ones
- Lack of community spirit
- Lack of funds
- Lack of volunteers
- Towns won't work together and never have
- Taxes are too high rural and urban
- NIMBY
- Either my town or not at all (big problem)
- Labour etc
- Negative energy and old attitudes have prevented towns from moving
- County does not promote businesses-local ads! Moving forward
- Lack of communication & organization between towns
- Turf protection
- Lack of buy in from the communities at large- left to the elected official
- Small business cannot be open the number of hours needed to meet all customers need
- We need a coordinator
- Some public relations, advertising, etc
- Some of our locals do not like to spend money to invest
- Labour
- HWY 2 corridor
- Investment
- Having all communities participate in promoting the region as a whole
- Promotion by all communities as a whole, stop competing with each other
- Competition with other regions, availability of suitable property, labour force, training opportunities

### **3. We should focus on several action areas**

- Marketing
- Tourism
- Grow power
- Focus on the stronger features
- Of our county & promote it
- Tourism combines with sport, recreation and arts
- Promote rural living to bring people to the area that can work mostly from home
- Tourism
- Attracting young residents
- Working together
- Towns in flagstaff working together
- Tax incentives for new developers for first year or two
- Focus on value added processing, business development, and tourism
- Solving NIMBY, my town, and labour
- County promotion

- Hospitals- schools (keeping these services operational)
- Promoting businesses & recreation in county
- Promote environmental-new energy- and green businesses & individuals who are trying to make a difference to our environment
- Tourism development- great potential
- Brain storm how we can get people off the road and in to our community
- Plan for business succession
- Show off our safe lifestyle with our amenities
- Sports- weekend getaways- golf, curling, hockey, etc
- Tourism- Big Knife park, trout ponds, cemeteries, museum, etc
- Succession/Assistance for small business community
- Investment readiness for Municipalities
- Opportunities around Hardisty
- Marketing/Branding Campaign
- Truck stop/Coffee shop
- Hotel
- Camping
- Tourism promotion, including tours of areas which would include industry relevance
- Develop a framework with all municipalities for development so that everyone shares in costs and benefits
- Work together not against each other, when investors look for a place to invest they are turned off when each community cuts down their neighbouring community. We need to determine a regional strategy where it is determined what each community has for strengths and all communities must promote these strengths as a unified group. Not only for the area to thrive, but to maintain service we must all work together

#### **4. Comments**

- We have very good resources the time and costs do not make many things we can do, feasible
- We moved here less than two years ago and lived in Germany before. We work in a restaurant and bar and have no clue how to develop the economy in this area
- Promotion from our country to encourage younger farmers and small family business
- We need people to want to do it for themselves not expect someone to do it for them -> They have to want to be a part of the future
- Great meeting. Left feeling optimistic about making good things happen in a group effort
- Talk is cheap. Incentives are what draw developers! No pain, no gain.
- Killam & district business development association has been focused in part on,
  - Value added processing
  - Business development
  - Tourism
- If we can be any help please stop in at our office in Killam anytime.
- A nice brochure giving all businesses & individuals in the country the light to advertise ( At NO cost)
- Available at all business in the country
- I believe the county of flagstaff should include representatives from the communities on their committee to provide a wider impact. Perhaps one from the larger communities & one from the smaller on a rotating basis

- I believe economic development must be shared ( JEDI in Wetaskiwin)- all eleven municipalities share in cost and then receive corresponding
- Urban municipalities can benefit greatly from commercial/industrial tax base. If Flagstaff develops their own industrial park this will be a barrier. Any economic development benefits the region. Small business community is not engaged
- Big building for recreation/Tradeshows/Farm show/4 H/Rodeo/Soccer/Concerts/Car show/Motocross/Monster truck/Circus/Indoor RV show/Playground/Restaurant/Archery/Auction sales/Farmers market/Horse show/Hockey
- Please take the opportunity to review our 5 year economic plan, strategic plan, etc available on our website at [www.hardisty.ca](http://www.hardisty.ca)

## 5. Other Comments

- one problem Hardisty has with economic development.... lack of communication. All the good stuff around here is met with "we're trying to keep it quiet" given the problems
- dealing with the Town is not easy for business
- we have an ice rink in Killam; Sedgewick; Loughheed; and Hardisty, all of which are underutilized. There is an apparent demand for a Soccer facility in the area. The high school is located in Sedgewick, and it accommodates in excess of 1,000 students. Would it be practical to convert the ice surface in the Sedgewick arena to an indoor soccer field? Alternatively, could we consider building an addition to our facility to accommodate Soccer?
- 1. Opportunities

FOOD: In thinking of ways to bring ED to our county and the one that keeps surfacing has to do with "food." Experience in direct marketing poultry, pork and beef to consumers shows that local food and "transparency" in how it is raised is going to become more and more important. There are "Hubs" starting to show up in cities where groups of people have food delivered from farmers and is then distributed to consumers. This will increase.

The "Transition Town" concept is growing in Canada also as communities start to look at the implications of a post fossil fuel era where energy will be more expensive. This is influencing their desire to encourage local farmers to increase their commitment to growing food for local consumers. Red Deer, Guelph and Port Alberni are a few of the cities that I am aware of that are moving in this direction.

Many youth say that they want to farm a smaller model and sell directly to consumers. They do not want to or cannot afford to buy a quarter section. 40 acres would suit their food growing needs. However, Lamont is the only County to allow this. The county would be wise to allow 40 acre subdivisions although I do not believe that their current paradigm of thinking would allow them to embrace this. Maybe a logo like, "Flagstaff County, we want to grow and raise food for you!"

If this were to happen, it has the potential to attract young families to our county. Young families that have children, need schools, churches, hospitals etc. I can't think of any other ways to keep our local economies going which will bring people here for the "long haul."

A booming economy of small farmers needs processing plants for poultry and livestock and transportation to deliver it to the cities. These would be local and when money is spent locally, it has a tendency to stay in the community.

### 2. Barriers

The main barrier is that there is a denial that any of the above are needed. Another barrier is that the Battle River watershed is the only one in Alberta that does not get its water from a glacier. We

need a huge awareness program to get this information out that will empower land owners and towns and villages to start looking at just how sustainable we are. We need to be doing more to ensure we are caring for this all important resource. If you don't have water, you cannot attract ED.

3. One action to recommend would be to do a "local food audit." How much food is raised and grown locally? The average adult consumes about 1500 lbs of food, juice, milk etc./year. We would be shocked at how vulnerable we are in this area.

-This leads to another problem. If we can't buy local food in our grocery stores, what happens to the land as farmers compete to grow cheap food for global markets? We lose trees, bush, wetlands in order to grow more cheap food and this compromises the ability for us to be sustainable. We need trees, bush and wetlands in order for the hydrological cycle to bring us moisture to grow food.

-There is a trend towards fewer CFO's, however, the ones being built are larger. When you have a problem in a huge confined feeding operation, and the birds/animals have to be destroyed, how sustainable is this model? Spread the raising of livestock out to smaller farms and if you have a problem, it is not a huge one. These smaller farms have a greater sense of "stewardship" which leads to sustainable food security.

-Local food is going to be more expensive because of the small -scale. This requires an extensive awareness campaign. The sooner we act the better for all.

- The lack of a definitive regional centre has resulted in a lack of cohesiveness amongst the municipalities.

-Another major challenge to real economic development is the low employment rate, which was 3.8% for east central Alberta. This coupled with the issue of visible minorities not wanting to locate here makes this a huge issue. Lack of workers is nation- wide problem, and our community needs to understand that the only way we can solve this is through immigration. This is a welcoming communities issue, but relates to economic development.

-Tourism is noted. It is important to know what has been happening with this issue, both from the perspective of the tourism association as well as BRAED's experience with tourism.

-The same applies with defence industry procurement and agriculture value-added. BRAED has done some work on these issues and the Flagstaff plan should try to tag onto their work if possible.

-the Eastern Alberta Corridor, includes Hwy #36. This is another area the Flagstaff communities can be involved in. The Veteran's Memorial Highway Assn, which is not very organized right now, but is planning a strategic session in Feb, 2011.

-It will be important to define what economic development means for Flagstaff. For some it means a new clothing store or barbershop; for others it is real growth in their community through job creation.

-A few years ago the municipal Chambers/retail groups developed a project called "Buy It In Flagstaff", whose message was to look local first, defining local as within the Flagstaff region. It was not a "Shame on you if you go away to shop" campaign, just a reminder that we have lots to offer and to look here first when you need something. There may be some value in reviving this idea.

-The idea of a regional Chamber of Commerce will not work unless we can show immediate need & value.

-On the subject of going out & attracting business when the local business community can't/won't fill the need, some incentives will upset the existing community. We would rather work with our business community to accomplish what we want.

-The root issue is that our community does not see a problem.

-Consumers don't see the correlation between selection in a store and supporting the store. The businesses do not see the need for marketing, good customer service or succession planning. Some of our municipal politicians only care about what we can do for their community.

-The strategy needs to focus on -

1. engaging the small business community. In order for this group to understand the issue & for us to get their attention we may need to be quite blunt. Many don't understand that there is an issue, or the urgency of the issue. You will never compete on price so you had better have excellent customer service. You may have to adapt your marketing strategy to fill a niche to survive. No succession plan means you are not doing you or your community any favors when you decide to retire or worse get sick & have to close your business without warning.

-There may be an opportunity to provide subsidized expert assistance to these folks on the issues facing them.

2. create an understanding among our citizens that a) they need to support their community and b) their community is the Flagstaff region. Their response will be "I won't put up with bad customer service", so this goes hand in hand with 1.

3. a marketing/branding campaign with the message that this is the best place in the world to visit & live, and we need to tell everyone we meet. Creating pride in community creates confidence which creates desire to invest which creates economic development from within. In order to attract the younger generation to us we need to be on the leading edge of technology. Communicating by various social media is important, as well as the ability of visitors & residents to get "connected". A good high speed internet option is essential.