



AGENDA ITEM

Economic Development Officer

April 22, 2021

BACKGROUND

In 2020, Council became interested in ways to increase economic development in the County. This resulted in a number of initiatives being undertaken such as the completion of our *Community Profile*, *Vacant Industrial Land Inventory*, and the *Business Development Guide*. On July 9, 2020, Kim Worthington of the Central Alberta Economic Partnership (CAEP) made a presentation to Council on the possibility of providing a Roving Economic Development Officer that would be shared between member municipalities. On September 10, 2020, Sandra Badry, Economic Coordinator for Red Deer County, gave Council an overview of the structure of their economic development department, and their Economic Development Strategy (EDS). At the February 2, 2021 Committee of the Whole meeting, Council discussed the issue of economic development in Lacombe County commenting on the following:

- Services extended to Wildrose Commercial Park provide for future development
- Implementing strategies that could be used to market that land
- Planning Department – limited resources to promote economic development
- Undertaking a study or survey to identify strengths and weaknesses of County economic development
- Hiring an Economic Development Officer
- Undertaking SWOT analysis/Strategic Plan – identifying budget required
- Benefits of membership in CAEP
- Identifying Lacombe County's investment for future economic development
- Planning incentives now in place for developers in the County
- Possible grant funding
- Development figures for 2020 (highest in 5 years)
- Benefits of the Business Development Guide prepared by Planning Department

- What information a strategic plan on economic development would provide for moving forward
- Has the work already been done?
- Development that could be in place after COVID-19
- Current upcoming investment in place
- Identifying strengths and weaknesses through an in-house session
- Tax sharing with adjacent municipalities
- Benefits of hiring an economic development professional to develop options for moving forward with this initiative

At the February 11, 2021 Council meeting Council directed the County Manager to prepare a report with regard to retaining a consultant to develop an economic development strategy (EDS) for Lacombe County; and further, that the report be presented at a future Council meeting. This report, complete with a recommendation that Lacombe County defer the EDS project until the 2022 budget year was presented to Council at its March 11th meeting. At this meeting Council passed the following resolution:

“That in the matter of economic development the County Manager be directed to investigate the options of hiring an Economic Development Officer; and further, a report in this regard be presented for Council’s consideration at a future Council meeting.”

ANALYSIS

Staff have identified the following options regarding the hiring of an Economic Development Officer (EDO):

1. Contract Economic Development Officer services through the Central Alberta Economic Partnership (CAEP) or a consultant

Pros:

- a. Flexibility re: scope and level of service
- b. Lower cost vs cost of in-house part-time or full-time EDO
- c. Preferred option if Council is simply looking to develop a strategy

Cons:

- a. Contract position capacity and skill set may not meet our needs
- b. Lack of continuity for our economic development program

- c. Council would need to provide clear objectives for the position to achieve

2. Establish an EDO partnership with neighbouring urban municipalities

Pros:

- a. Addresses the prosperity and sustainability of the region vs just the County
- b. Lower cost vs cost of in-house part-time or full-time EDO
- c. Community synergies may attract increased investment
- d. Provides a single contact for prospective investors

Cons:

- a. Reduced level of decision-making regarding program focus
- b. Competing interests of partner municipalities may result in diminished returns for County
- c. Program continuity subject to ongoing participation by partners
- d. Potential delay in implementing program based on partner's desire to participate
- e. Potential additional administrative burden

3. Establish in-house Term EDO position

Pros:

- a. Primary focus is economic development in County
- b. Complete control of program
- c. Ease of administration
- d. Nimble program can address changing opportunities and threats

Cons:

- a. Higher costs compared to options 1 and 2
- b. Difficulty in finding qualified individual for a term position
- c. Potential lack of program continuity when position term ends
- d. Need clear objectives in order to measure success

4. Establish in-house full-time EDO position (Administrative recommendation)

Pros:

- a. Primary focus is economic development in County
- b. Complete control of program



- c. Ease of implementation
- d. Ease of administration
- e. Provides for program continuity
- f. Nimble program can address changing opportunities and threats

Cons:

- a. Higher costs compared to options 1 and 2
- b. Need clear objectives in order to measure success
- c. Challenges in finding candidates that can address all of the County's economic development program needs

Timelines for implementation is estimated to be three to five months, depending on which option is selected.

Alternatives:

1. Council direct that a budget be developed for Option 4 (Administrative recommendation).
2. Council direct that a budget be developed for one of the other options.
3. Take other action(s) as determined by Council.
4. Take no further actions regarding this matter.

BUDGET IMPLICATIONS

Survey results from other rural and urban municipalities employing a full-time EDO indicate an average salary of \$90,000 - \$105,000 for this position. With benefits this cost will increase to approximately \$108,000 - \$126,000. There will also be costs for travel and expenses, memberships, professional development, marketing and promotion, studies, special projects and initiatives, communications and computer equipment, etc.

The 2021 budget for the economic development function for three municipalities similar in size to Lacombe County is 1) \$200,000, 2) \$247,000, and 3) \$500,000.

Though the duration of the program in Option 3 may be less than Option 4 the annual cost would be very similar. The costs of Options 1 and 2 will be dependent on the scope of the program. However, both will be substantially less than Options 3 and 4.



There are no provisions in the County's 2021 interim operating budget for an increased focus on economic development. If Council wishes to move forward with one of the subject options funding options would be:

1. Property taxes, which would need to be increased to accommodate this,
2. An increased draw from the Tax Rate Stabilization Reserve (projected December 31, 2021 balance of \$3.661 million), or
3. The Operational Reserve (projected December 31, 2021 balance of \$3.792 million).

Though supporting ongoing operational expenses from reserves is not a recommended practice, based on Council's commitment to not increase tax rates in 2021 funding the economic development function this year through reserves is likely the only option. Based on the anticipated success of a new economic development program this initiative should eventually be fully self-sustaining.

LEGISLATIVE RESPONSIBILITIES

Section 3 of the Municipal Government Act (MGA) states the purposes of a municipality are:

- a) to provide good government,
- 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, and
- c) to develop and maintain safe and viable communities.

Section 248 of the MGA states that a municipality may only make an expenditure that is included in an operating budget, interim operating budget or capital budget or otherwise authorized by the Council.

STRATEGIC PLAN

The following elements of Lacombe County's Strategic Plan are relevant to this issue:

Our Vision: "An attractive, balanced and progressive community."

Finance Strategy: Manage the financial assets of the County in order to obtain maximum value. The strategy identifies one of the key action items to "Explore an Investment Readiness Strategy".

PUBLIC PARTICIPATION

Lacombe County sees the value in engaging the public through a variety of mediums and is committed to open, accountable and responsive decision making, including different levels of engagement with the public as outlined in the Policy AD(40): Public Participation Policy. The appropriate level of engagement for each public participation opportunity should be selected on a project-to-project basis. The levels of engagement within the policy are as follows:

- *Inform*: To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.
- *Consult*: To obtain public feedback on analysis, alternatives and/or decisions.
- *Involve*: To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
- *Collaborate*: To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
- *Empower*: To place final decision making in the hands of the public.

This initiative was determined to warrant the *Inform* level of public participation at this time but will move to the *Involve level* as the engagement of our local agricultural, tourism and business community is paramount to the successful implementation of a program of this nature. If an economic development officer is hired one of the initiatives likely flowing from this will be the development of an Economic Development Strategy which will require the engagement of our public.

RECOMMENDATION

That Council approve the following resolution:

That the County Manager be directed to include provisions in the County's 2021 final operating budget for an economic development program, including a full-time Economic Development Officer position, for Council's consideration.

PREPARED BY: Tim Timmons, County Manager

REVIEWED BY: Tim Timmons, County Manager

