



Agenda Item

Economic Development Strategy

March 11, 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
- Issue of hiring an EDO
- 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

Council remained interested in the possibility of creating an EDS of our own and at the February 11, 2021 Council meeting, directed the County Manager to prepare a report with regard to retaining a consultant to develop an EDS for Lacombe County; and further, that the report be presented at a future Council meeting.

Staff have been investigating the possibility of developing an EDS. The main objective of an EDS is to provide the County with the direction/guidance it needs to become business/investment ready in order to generate increased employment opportunities for local residents, diversify the local economic base, and provide additional tax revenues to meet the municipality's growing service and infrastructure demands.

ANALYSIS

The County does not currently employ an Economic Development Officer or persons with the required training to produce an EDS. In order to complete this project, staff are therefore recommending that a consultant be engaged to perform this work. In this scenario, staff would develop a Request for Proposal (RFP) to be circulated to shortlisted consultants. An EDS typically includes a strengths, weaknesses, opportunities and threats (SWOT) analysis, an overview of our economic sectors, as well as a baseline assessment from which we can later gauge the success of the plan. The next key component is the direction or strategy itself, which includes a vision of what we would like to achieve. We have a strong agricultural community, do we want to build on this and become known as a leader in agri-innovation, or investigate new target sectors as well? This direction can be drawn from input from Council, our local business community and residents at large. Often a number of focus areas and associated initiatives are developed as action items to implement the vision of the plan. In order for staff to draft an effective RFP, the scope of the project will need to be well defined. Council will need to discuss how involved they would like to be in the drafting of the RFP, and the evaluation of the proposals submitted. A major factor for Council to consider is the timing of the project. Not only because of the lingering issues associated with the pandemic, which make public consultation more difficult, but also because of the upcoming municipal election. It is unlikely a project of this size would be able to be adopted prior to the election. For comparison, the EDS adopted by Red Deer County in 2017 took ten months to complete, which did not include the time associated with preparing the RFP. As such, there may be merit in deferring this project until after the election to allow a new Council the opportunity to develop this strategy.

It is also worth noting that there are currently no active grant programs available for the County to utilize for such a project. The Community and Regional Economic Support (CARES) program, which would have been the ideal grant program for the County to utilize for such a project, has been shelved for the time being. Unfortunately this means the costs associated with producing an EDS would need to be fully funded by the County. The purpose of completing such a plan is to increase and diversify the County's tax base which is the primary way that this amount could be repaid. As an example, the median municipal taxes brought in from a developed lot in the Aspelund Industrial Park is \$25,437 annually. There are of course outliers which provide as much as \$132,596 in municipal taxes annually (keep in mind we share this amount with the Town of Blackfalds). Even a marginal uptake in industrial development could justify the expense of the study.

Alternatives

1. Direct staff to develop a Request for Proposal (RFP) for the Economic Development Strategy (EDS) and retain a consultant to perform the work.
2. Direct staff to develop a Request for Proposal (RFP) for the Economic Development Strategy (EDS) for Council to review, and once approved, solicit proposals from a list of consultants for Council to review.
3. Defer the Economic Development Strategy (EDS) until the 2022 budget year.
4. Take other action(s) as directed by Council.

BUDGET IMPLICATIONS

The project budget is expected to be \$100,000. This is based off of costs of a similar plan that was conducted by one of our neighbouring municipalities. This project was not part of the budget as previously approved and will require a budget amendment. This could potentially be funded from the County's Operational Reserve which has a December 31, 2021 projected balance of \$3,792,768.

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 Municipal Government Act, RSA 2000 cM-26 (as amended) 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 project was determined to warrant the *Involve* level of public participation, as the engagement of our local agricultural, tourism and business community is paramount to the successful implementation of a plan of this nature.

RECOMMENDATION

That Council approve the following resolution:

That Lacombe County defer the Economic Development Strategy (EDS) project until the 2022 budget year.

PREPARED BY: Peter Duke, Planner / Development Officer

REVIEWED BY: Dale Freitag, Director of Planning Services

REVIEWED BY: Tim Timmons, County Manager

