Governance, Priorities & Finance Committee

Agenda

Thursday, May 28, 2015
2:30 p.m. – 4:00 p.m.
Capital Region Board Office, Large Boardroom
1100 Bell Tower, 10104 103 Avenue, Edmonton

Agenda Items

1. Call to Order – Mayor Camille Berube, Chair

2. Chair’s Opening Remarks

3. Approval of Agenda – Mayor Camille Berube, Chair

4. Approval of Minutes of April 16, 2015 – Mayor Camille Berube, Chair

5. Audited Financial Statements (Jan 1/15 – Mar 31/15) – Mayor Camille Berube, Chair

   **Recommended Motion:** That the Governance, Priorities & Finance Committee recommend the Capital Region Board approves the Audited Financial Statements for the year ended March 31, 2015.

6. Annual Report – Mayor Camille Berube, Chair

   **Recommended Motion:** That the Governance, Priorities & Finance Committee recommend the Capital Region Board approves the 2014/2015 Annual Report as presented.

7. Economic Development Initiative – Malcolm Bruce, CRB CEO

   **Recommended Motions:**
   1. That the Governance, Priorities, and Finance Committee recommend that the Capital Region Board approves the Edmonton Metropolitan Region Economic Development Framework.
   2. That the Governance, Priorities, and Finance Committee recommend that the Capital Region Board approves the Edmonton Metropolitan Region Economic Development Strategy.
8. CEO Update

9. Meeting Schedule – Mayor Camille Berube, Chair

10. Adjournment – Mayor Camille Berube, Chair
1. CALL TO ORDER

Chair, Mayor Camille Berube called the meeting to order at 9:32 a.m.

2. Chair’s Opening Remarks

3. Approval of Agenda

**Motion:** That the agenda of April 13, 2015 be approved with the addition of item 7b.

**Moved by:** Councillor Phyllis Kobasiuk, Parkland County

**Decision:** Carried unanimously
4. **Approval of Minutes of February 23, 2015**

   **Motion:** That the minutes of February 23, 2015 be approved.
   **Moved by:** Reeve Wayne Woldanski, Lamont County
   **Decision:** Carried unanimously

5. **Planning Horizon**

   It was agreed by unanimous consensus that the Governance, Priorities & Finance Committee receive for information the Planning Horizon, as presented by CEO, Malcolm Bruce.

6. **Membership Review Process**

   **Motion:** That the Governance, Priorities & Finance Committee recommend the Capital Region Board approve the proposed process timeline for CRB membership review and direct the Governance, Priorities & Finance Committee to bring back a recommendation to the September 2015 Board meeting.
   **Moved by:** Councillor Art Erickson, Village of Wabamun
   **Decision:** Carried

7. **CEO Update**

   a. **Board Chair Review**

      It was agreed by unanimous consensus that the Governance, Priorities & Finance Committee receive for information the Board Chair Review, as presented by CEO, Malcolm Bruce.

   b. **Matching Funding**

      It was agreed by unanimous consensus that the Governance, Priorities & Finance Committee receive for information the update on Matching Funding, as presented by CEO, Malcolm Bruce.

8. **Next Meeting**

   Administration was asked to seek alternate dates in place of the May 21 and June 15 committee meetings.

9. **ADJOURNMENT**

   The Chair declared the meeting adjourned at 10:34 a.m.

__________________________________________
Committee Chair, Camille Berube
CRB Audited Financial Statements

Recommended Motion

*That the Governance, Priorities & Finance Committee recommend the Capital Region Board approves the Audited Financial Statements for the year ended March 31, 2015.*

Background

At the request of the Capital Region Board, the Province modified the CRB regulation to allow for the alignment of its financial year-end with that of the Province in 2015/16, changing the CRB’s existing year-end from December 31 to March 31. In order to transition to this new financial year-end, the three month period January 1, 2015 to March 31, 2015 was to be treated as a financial year.

The Conditional Grant Agreement between the Province of Alberta and the Board is to be used to fund the Board’s operations for the period from April 1 to March 31.
CAPITAL REGION BOARD
EDMONTON, ALBERTA
FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED MARCH 31, 2015
INDEPENDENT AUDITORS' REPORT

To the Members of Capital Region Board

We have audited the accompanying financial statements of the Capital Region Board, which comprise the statement of financial position as at March 31, 2015 and the statements of operations, changes in net financial assets, and cash flows for the 3 month period ended March 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Capital Region Board as at March 31, 2015, the results of its operations, change in its net financial assets and its cash flows for the 3 month period ended March 31, 2015 in accordance with Canadian public sector accounting standards.

Edmonton, Alberta
June 11, 2015
Hawkings Epp Dumont LLP
Chartered Accountants
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management’s responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and external audited financial statements yearly.

The external auditors, Hawkings Epp Dumont LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Capital Region Board and meet when required.

On behalf of Capital Region Board:

Malcolm Bruce, MSM
Chief Executive Officer
Edmonton, Alberta
June 11, 2015
CAPITAL REGION BOARD

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>2015 (March 31)</th>
<th>2014 (December 31)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents (Note 3)</td>
<td>$2,585,531</td>
<td>$2,479,258</td>
</tr>
<tr>
<td>Goods and services tax receivable</td>
<td>27,507</td>
<td>96,073</td>
</tr>
<tr>
<td><strong>Total Financial assets</strong></td>
<td>$2,613,038</td>
<td>$2,575,331</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>181,097</td>
<td>135,080</td>
</tr>
<tr>
<td>Deferred revenue (Note 4)</td>
<td>2,207,417</td>
<td>2,219,339</td>
</tr>
<tr>
<td>Deferred lease inducement (Note 5)</td>
<td>193,231</td>
<td>198,752</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$2,581,745</td>
<td>$2,553,171</td>
</tr>
<tr>
<td><strong>Net financial assets</strong></td>
<td>$31,293</td>
<td>$22,160</td>
</tr>
<tr>
<td><strong>Non-financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible capital assets (Note 6)</td>
<td>252,952</td>
<td>262,085</td>
</tr>
<tr>
<td><strong>Accumulated surplus</strong></td>
<td>$284,245</td>
<td>$284,245</td>
</tr>
</tbody>
</table>

ON BEHALF OF THE BOARD:

_____________________________ Chair

_____________________________ Vice Chair

The accompanying notes are an integral part of these financial statements.
CAPITAL REGION BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE PERIOD ENDED MARCH 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>2015 (3 months)</th>
<th>2014 (12 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(March 31)</td>
<td>(December 31)</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants (Note 4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Province of Alberta:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$ 443,916</td>
<td>$ 2,629,054</td>
</tr>
<tr>
<td>Municipal Internship</td>
<td>-</td>
<td>4,403</td>
</tr>
<tr>
<td>Alberta Community Partnership</td>
<td>443,006</td>
<td>916,613</td>
</tr>
<tr>
<td>Member Municipalities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alberta Community Partnership</td>
<td>-</td>
<td>65,881</td>
</tr>
<tr>
<td>Interest and other income</td>
<td>1,041</td>
<td>26,024</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>887,963</td>
<td>3,641,975</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board and committee expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Honoraria</td>
<td>26,400</td>
<td>122,195</td>
</tr>
<tr>
<td>Meetings</td>
<td>18,208</td>
<td>74,778</td>
</tr>
<tr>
<td>Travel</td>
<td>4,976</td>
<td>28,536</td>
</tr>
<tr>
<td></td>
<td>49,584</td>
<td>223,509</td>
</tr>
<tr>
<td>Administrative expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting fees</td>
<td>373,591</td>
<td>1,514,177</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>334,727</td>
<td>1,328,919</td>
</tr>
<tr>
<td>Office lease</td>
<td>58,137</td>
<td>233,921</td>
</tr>
<tr>
<td>Professional fees</td>
<td>33,417</td>
<td>57,492</td>
</tr>
<tr>
<td>Travel</td>
<td>6,075</td>
<td>51,842</td>
</tr>
<tr>
<td>Amortization of tangible capital assets</td>
<td>9,133</td>
<td>35,166</td>
</tr>
<tr>
<td>Administration</td>
<td>8,565</td>
<td>56,557</td>
</tr>
<tr>
<td>Information technology</td>
<td>3,666</td>
<td>20,572</td>
</tr>
<tr>
<td>Communications</td>
<td>5,734</td>
<td>25,213</td>
</tr>
<tr>
<td>Meetings</td>
<td>1,075</td>
<td>24,023</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,259</td>
<td>4,024</td>
</tr>
<tr>
<td></td>
<td>838,379</td>
<td>3,351,906</td>
</tr>
<tr>
<td>Program expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipal Internship</td>
<td>-</td>
<td>22,075</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>887,963</td>
<td>3,597,490</td>
</tr>
<tr>
<td>Surplus</td>
<td></td>
<td>44,485</td>
</tr>
<tr>
<td>Accumulated surplus, beginning of period</td>
<td>284,245</td>
<td>239,760</td>
</tr>
<tr>
<td>Accumulated surplus, end of period</td>
<td>$ 284,245</td>
<td>$ 284,245</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CAPITAL REGION BOARD

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

FOR THE PERIOD ENDED MARCH 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>2015 (3 months)</th>
<th>2014 (12 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(March 31)</td>
<td>(December 31)</td>
</tr>
<tr>
<td>Surplus</td>
<td>$________$</td>
<td>$44,485</td>
</tr>
<tr>
<td>Acquisition of tangible capital assets</td>
<td>-</td>
<td>(66,570)</td>
</tr>
<tr>
<td>Amortization of tangible capital assets</td>
<td>9,133</td>
<td>35,166</td>
</tr>
<tr>
<td></td>
<td>9,133</td>
<td>(31,404)</td>
</tr>
<tr>
<td>Use of prepaid expense</td>
<td>-</td>
<td>7,440</td>
</tr>
<tr>
<td>Increase in net financial assets</td>
<td>9,133</td>
<td>20,521</td>
</tr>
<tr>
<td>Net financial assets, beginning of period</td>
<td>22,160</td>
<td>1,639</td>
</tr>
<tr>
<td>Net financial assets, end of period</td>
<td>$31,293</td>
<td>$22,160</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CAPITAL REGION BOARD  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED MARCH 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>2015 (3 months)</th>
<th>2014 (12 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus</td>
<td>$ -</td>
<td>$ 44,485</td>
</tr>
<tr>
<td>Items not involving cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of tangible capital assets</td>
<td>9,133</td>
<td>35,166</td>
</tr>
<tr>
<td>Change in non-cash working capital balances from operations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods and Services Tax receivable</td>
<td>68,566</td>
<td>(56,530)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>-</td>
<td>7,440</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>46,017</td>
<td>(111,764)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(11,922)</td>
<td>(951)</td>
</tr>
<tr>
<td>Unamortized deferred lease inducement</td>
<td>(5,521)</td>
<td>198,752</td>
</tr>
<tr>
<td></td>
<td>106,273</td>
<td>116,598</td>
</tr>
<tr>
<td><strong>Capital Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of tangible capital assets</td>
<td>-</td>
<td>(66,569)</td>
</tr>
<tr>
<td><strong>Change in Cash and Cash Equivalents During the Period</strong></td>
<td>106,273</td>
<td>50,029</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, Beginning of Period</strong></td>
<td>2,479,258</td>
<td>2,429,229</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, End of Period</strong></td>
<td>$ 2,585,531</td>
<td>$ 2,479,258</td>
</tr>
<tr>
<td><strong>Additional Cash Flow Information:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received during the period</td>
<td>$ 1,041</td>
<td>$ 6,888</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
1. NATURE OF OPERATIONS

Capital Regional Board (the "Board") was established by the Capital Region Board Regulation 49/2008 (the "Regulation") under the Municipal Government Act of the Province of Alberta on April 15, 2008. On December 11, 2013, the Regulation was updated (38/2012). The updated Regulation is in effect until November 30, 2018. The Board is an other government entity and is exempt from income taxes.

Members of the Board include elected officials of 24 participating municipalities representing 5 cities (Edmonton, St. Albert, Fort Saskatchewan, Spruce Grove and Leduc), 11 towns (Beaumont, Bon Accord, Bruderheim, Calmar, Devon, Gibbons, Lamont, Legal, Morinville, Redwater and Stony Plain), 3 villages (Thorsby, Wabamun and Warburg), and 5 counties (Strathcona, Lamont, Sturgeon, Parkland and Leduc) in the Capital Region.

The Board was established by the Province to prepare a proposed Capital Region Growth Plan (the "Plan"), advise and make recommendations to the Minister of Municipal Affairs (the "Minister") regarding the preparation and implementation of the Plan, facilitate the resolution of issues arising from the preparation and implementation of the Plan, implement policies for the sharing of costs among the participating municipalities for regional projects of the Capital Region and carry out any other functions and duties as the Minister directs. Key elements of the Plan include development of a regional land use plan, a regional intermunicipal transit network plan, a plan to coordinate geographic information services, and a plan regarding non-market and market affordable housing requirements for the Capital Region.

In June 2009, the Minister requested that the Board complete additional work on the Growth Plan including land use, a cost allocation formula for the municipal portion of regional transit projects, Geographic Information Services (GIS), and the general location of housing. This work was completed in two separate Addenda to the Growth Plan in October and December 2009. The Province of Alberta approved the Growth Plan in March 2010. Since that time, the Capital Region Board has been working to accomplish the projects set out in the updated 2012-2014 business plan.

Effective January 1, 2015 the Capital Region Board was approved by Alberta Municipal Affairs to change its financial year-end from December 31 to March 31. In order to transition to this new financial year-end, the three month period January 1, 2015 to March 31, 2015 is to be treated as a financial year.
2. ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for other government entities established by the Canadian Public Sector Accounting Board. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purposes specified.

Interest income is recorded as it is earned.

(b) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

The cost, less residual value, of the tangible capital assets, is amortized using the following methods at the following annual rates. The half year rule applies to the tangible capital assets in the year when they are purchased or disposed. Only assets with costs in excess of $2,500 are capitalized.

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Method</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and equipment</td>
<td>Declining balance</td>
<td>20%</td>
</tr>
<tr>
<td>Computer</td>
<td>Declining balance</td>
<td>30%</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Straight-line</td>
<td>10 years</td>
</tr>
</tbody>
</table>

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Board’s ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed capital assets are recorded into revenues at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

(d) Contributed Goods and Services

Contributed goods and services represent goods and services which the organization would normally purchase. The contribution amount is recorded at the fair value of the goods or services received.

(Cont’d)
2. ACCOUNTING POLICIES (CONT'D)

(e) Prepaid Expenses
Prepaid expenses include deposits and insurance and are charged to expense over the periods expected to benefit from these expenditures.

(f) Measurement Uncertainty
The preparation of financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets, rates for amortization, and impairment of assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

(g) Deferred Revenue
Certain amounts are earned pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

(h) Deferred Lease Inducement
Deferred lease inducement represents the unamortized value of an inducement received when the Board entered into a new ten year lease arrangement for rental of the new office space which commenced on February 1, 2014. Amortization is provided on a straight-line basis over the 10 year term of the related lease as a reduction in office rent.

3. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2015 (March 31)</th>
<th>2014 (December 31)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 585,531</td>
<td>$ 479,258</td>
</tr>
<tr>
<td>Temporary investments</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td></td>
<td>$ 2,585,531</td>
<td>$ 2,479,258</td>
</tr>
</tbody>
</table>

Temporary investments are guaranteed investment certificates bearing interest of 1.05% maturing from May 2015 to July 2015.
### 4. DEFERRED REVENUE

<table>
<thead>
<tr>
<th>Province of Alberta:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deferred revenue</td>
<td>Amounts received/receivable</td>
<td>Revenue recognized</td>
</tr>
<tr>
<td>2014-2015 Operations</td>
<td>$1,428,993</td>
<td>$875,000</td>
<td>$443,916</td>
</tr>
<tr>
<td>Alberta Community Partnership</td>
<td>782,579</td>
<td>-</td>
<td>443,006</td>
</tr>
</tbody>
</table>

**Member Municipalities:**

- **Alberta Community Partnership**
  - 7,767
  - -
  - -
  - 7,767

**Operations:**

An updated 2014/2015 conditional operating grant agreement between the Province of Alberta and the Board was signed on June 3, 2014. The Agreement provides a conditional contribution in the amount of $3,500,000 (2014 - $3,000,000). The contribution, including any income earned thereon, is to be used to fund the Board’s operations and to allow it to carry out its mandated responsibilities for the period from April 1, 2014 to March 31, 2015, unless an extension is agreed to by the Minister. The Board received $2,625,000 of this grant in 2014 and $875,000 in 2015.

**Alberta Community Partnership (replaced Regional Collaboration Program in July 7, 2014):**

Alberta Municipal Affairs provided the Board with total grant funding of $895,000 in 2013 and $990,000 in 2014. The Board recognized $185,808 of the grants in 2013 and $916,613 in 2014. The Board recognized $443,006 during the 3 month period ended March 31, 2015.

### 5. DEFERRED LEASE INDUCEMENT

Pursuant to a premises lease agreement for the new office, the landlord provided the Board with a total inducement of $220,835 to be used for leasehold improvements. The inducement has been deferred and is being applied as a reduction of rent expense over the term of the lease as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$22,083</td>
</tr>
<tr>
<td>2017</td>
<td>22,083</td>
</tr>
<tr>
<td>2018</td>
<td>22,083</td>
</tr>
<tr>
<td>2019</td>
<td>22,083</td>
</tr>
<tr>
<td>2020</td>
<td>22,083</td>
</tr>
<tr>
<td>2020</td>
<td>22,083</td>
</tr>
<tr>
<td>2021</td>
<td>22,083</td>
</tr>
<tr>
<td>2022</td>
<td>22,083</td>
</tr>
<tr>
<td>2023</td>
<td>16,557</td>
</tr>
</tbody>
</table>

Total deferred lease inducement $193,221
6. TANGIBLE CAPITAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Furniture and Equipment</th>
<th>Computer</th>
<th>Leasehold Improvements</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>$66,517</td>
<td>$98,034</td>
<td>$220,835</td>
<td>$385,386</td>
</tr>
<tr>
<td>Closing balance</td>
<td>$66,517</td>
<td>$98,034</td>
<td>$220,835</td>
<td>$385,386</td>
</tr>
<tr>
<td><strong>Accumulated amortization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>25,133</td>
<td>77,626</td>
<td>20,543</td>
<td>123,302</td>
</tr>
<tr>
<td>Amortization</td>
<td>2,082</td>
<td>1,531</td>
<td>5,520</td>
<td>9,133</td>
</tr>
<tr>
<td>Closing balance</td>
<td>27,215</td>
<td>79,157</td>
<td>26,063</td>
<td>132,435</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td>$39,302</td>
<td>$18,877</td>
<td>$194,772</td>
<td>$252,952</td>
</tr>
</tbody>
</table>

|                      |                         |         |                        |      |
| **Cost**             |                         |         |                        |      |
| Opening balance      | $30,758                 | $98,034 | $190,025               | $318,817 |
| Additions            | 35,759                  | -       | 30,810                 | 66,569  |
| Closing balance      | $66,517                 | $98,034 | $220,835               | $385,386 |
| **Accumulated amortization** |                    |         |                        |      |
| Opening balance      | 19,257                  | 68,879  | -                      | 88,136  |
| Amortization         | 5,876                   | 8,747   | 20,543                 | 35,166  |
| Closing balance      | 25,133                  | 77,626  | 20,543                 | 123,302 |
| **Net book value**   | $41,384                 | $20,408 | $200,292               | $262,085 |
7. FINANCIAL INSTRUMENTS
The Board's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Board is not exposed to significant interest, credit, or currency risks arising from these financial instruments.

Unless otherwise noted, the carrying values of the financial instruments approximate their fair values.

8. CAPITAL MANAGEMENT
The Board's objectives when managing capital are to safeguard the Board's ability to continue as a going concern, so that it can continue to provide service to its member municipalities.

9. RELATED PARTY TRANSACTIONS
Capital Region Board has the following transactions with Province of Alberta:

<table>
<thead>
<tr>
<th></th>
<th>2015 (3 months)</th>
<th>2014 (12 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants received from Province of Alberta (Note 4)</td>
<td>$ 875,000</td>
<td>$ 3,615,000</td>
</tr>
</tbody>
</table>

10. COMMITMENTS
The Board has entered into a new ten year lease agreement which commenced on February 1, 2014. Under the terms of the lease arrangement, the Board is responsible for the following annual payments:

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Lease</th>
<th>Lease Inducement</th>
<th>Net Lease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ 271,301</td>
<td>(22,083)</td>
<td>249,218</td>
</tr>
<tr>
<td>2017</td>
<td>271,301</td>
<td>(22,083)</td>
<td>249,218</td>
</tr>
<tr>
<td>2018</td>
<td>271,301</td>
<td>(22,083)</td>
<td>249,218</td>
</tr>
<tr>
<td>2019</td>
<td>271,301</td>
<td>(22,083)</td>
<td>249,218</td>
</tr>
<tr>
<td>2020</td>
<td>271,301</td>
<td>(22,083)</td>
<td>249,218</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,039,988</td>
<td>(62,816)</td>
<td>957,172</td>
</tr>
</tbody>
</table>

$2,396,493 $ (193,231) $ 2,203,262

In addition to the above payments, the Board is also responsible to pay a proportionate share of operating expenses.

11. BUDGET
January 1, 2015 - March 31, 2015 is a transition period and therefore, the budget figures are not available nor included for the three month period ended March 31, 2015.

12. COMPARATIVE FIGURES
The comparative statement of financial position as at March 31, 2014, and the statement of operations, changes in net financial assets, and cash flows for the period then ended, were not readily available. As a result, comparative figures are for the year ended December 31, 2014.
2014/15 Annual Report

Recommended Motion

*That the Governance, Priorities & Finance Committee recommend the Capital Region Board approve the Annual Report as presented.*

Background

- Section 9 of the CRB Regulation requires the Board to submit an annual report on its activities in the preceding year to the Minister of Municipal Affairs each year, including audited financial statements.

- Alignment of the Capital Region Board financial year end with the Province’s March 31 date was approved to begin in the 2015/16 fiscal year. That resulted in a transitional year - January 1 to March 31, 2015 - being included as part of the 2014 Annual Report, and the date for its submission to the Province of Alberta being moved forward via Ministerial Order MSL: 040/15 (March 26, 2015) from May 1 to June 30, 2015.

- The CRB’s 2014/15 Audited Financial Statements will be also be provided, by separate motion, for recommendation and approval. Once approved, these statements will be incorporated into the Annual Report.

Next Steps

- Following Board approval of both the 2014 and the transitional January 1 – March 31, 2015 Audited Financial Statements, CRB administration will add these statements into the 2014/15 Annual Report to finalize the document. The complete Annual Report will be provided to the Minister of Municipal Affairs by the end of June and distributed in print form to the Board and stakeholders.
MESSAGE FROM THE BOARD CHAIR AND CEO

In its sixth year, fresh from a structural reorganization and a municipal election that brought new regional voices to the table, the Capital Region Board began 2014 with a new outlook on its mandate, and evidence of an evolving maturity as an organization.

Accomplishment

No longer framing our purpose as potential, we recognized the real accomplishments of 2013 as platforms to build upon. We sensed a growing connection between our vision for growth and our activities, and between our diversity and our experience of prosperity in the region. As a first order of business, the new Board developed a Strategic Plan to guide decision-making. To boost member engagement, we also quickly embarked on a Road Show tour of all 24 members to connect the Capital Region Board directly with our member council colleagues.
Renewed spirit of collaboration

Also evident from the beginning of 2014 was a renewed spirit of collaboration. We witnessed high levels of Board unanimity and cooperation between members, for example to resolve Regional Economic Framework issues without Board intervention. New initiatives thrived, such as the return of the popular Housing Symposium, and agreement for a cutting-edge Economic Development Summit. The Summit blossomed into the entity that may well deliver in 2015 the “global competitiveness” referenced in the Board’s Statement of Accountability, supporting “economic growth” as envisioned in the 2011 report Capitalize – The Economic Roadmap for Alberta’s Capital Region.

 Updating the Regional Growth Plan

The background work to support the Board’s first substantive five-year review of the regional Growth Plan, Growing Forward, operated as the foundational link to all activities during the year. From a regional competitive analysis report to the initiation of specialized transit and housing needs assessments; from the hiring of a GIS Coordinator to a study on energy corridors – all roads led to the Growth Plan Update. The plan update is likely to further demonstrate how each member belongs to the Capital Region. Lead by a representative Growth Plan Update Task Force, the project was launched in the fall and will again dominate Board activity through the next year.

Maturing Relationships

Alignment of the Capital Region Board financial year end with the Province’s March 31 date was approved to begin in the 2015/16 fiscal year. That has resulted in the financial statements for the transitional year - January 1 to March 31, 2015 - being included as part of this 2014 Annual Report. Another first in 2014 was the Province’s offer of matching funding to supplement the Board’s annual budget of $3 million. In February 2015, the Board approved a request for matching funding, which could result in an additional $315,000 for the new fiscal year, 2015/16.

The tremendous growth we are experiencing in the Capital Region and the significant change it requires is not easy. In 2014 we renewed commitment to the prosperity of our region. We recognized our challenges but remained pragmatic, and optimistic. Each of us understands that, as part of the Capital Region, and in our own ways, we all connect, we all thrive and we all belong.

Nolan Crouse, Malcolm Bruce,
Board Chair CEO

VISION FOR THE CAPITAL REGION

The Capital Region is a family of diverse, interdependent communities whose energy, talent and resources are combined with insightful planning processes, sound fiscal and regulatory practices, environmental sensitivity and empathy for the underprivileged. Strong expressions of
regional purpose and the ability to embrace change ensure that the social, economic, environmental and cultural well-being of the Region's current and future residents and communities is respected and sustained.

ACHIEVING OUR VISION

First completed in 2010, the Capital Region Growth Plan: Growing Forward was the landmark agreement between the Board’s 24 member municipalities in support of a new pattern for future development. It represented a shift in approach to integrated land use and transportation planning aimed at minimizing the Region’s development footprint. This included guidelines for a broader mix of housing types and densities in more compact communities supported by a range of transportation modes, including public transit, cycling and walking.

While the Plan recognizes that growth occurs at varying rates throughout the region, the intention was that all municipalities in the Capital Region would benefit. Included were comprehensive principles and policies addressing the inter-relationships between the four strategic priority areas of the Growth Plan:

- Land Use
- Intermunicipal Transit
- Housing
- Geographic Information Services (GIS)

In 2014 the first of required five-year reviews of the Growth Plan was launched. The Growth Plan Update project is being overseen by a Task Force, which reports directly to the Board, and is expected to deliver its results to the Province by the end of 2015. The current plan is in effect until the updated version is approved by the Government of Alberta.

WHO WE ARE

The Capital Region Board is a non-profit corporation consisting of 24 member municipalities from within the Region. Each member municipality is represented by an elected official appointed by its local council. The CRB members and their respective representatives are listed below.

<table>
<thead>
<tr>
<th>Capital Region Board Members (as of March 31, 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town of Beaumont</td>
</tr>
<tr>
<td>Town of Bon Accord</td>
</tr>
<tr>
<td>Town of Bruderheim</td>
</tr>
<tr>
<td>Town of Calmar</td>
</tr>
<tr>
<td>Town of Devon</td>
</tr>
<tr>
<td>City of Edmonton</td>
</tr>
<tr>
<td>City of Fort Saskatchewan</td>
</tr>
</tbody>
</table>
In addition to the elected officials, a non-voting Government of Alberta appointee, Mr. Gary Sandburg, of Alberta Municipal Affairs was the non-voting member on the Board until the end of March 2015. The Government of Alberta has also appointed representatives to the committees of the Board to enhance communication and cooperation between the Board and province.

**WHAT WE DO**

The Capital Region Board coordinates long range planning and decision-making among the Region’s municipalities. Effective planning and implementation of the four strategic priority areas identified in the Regulation engages the member municipalities to:

- Plan and assist in administering regional projects designed to improve the quality of life for Capital Region citizens, and to act as a monitoring body for those projects;
- Establish land use practices that benefit the region while respecting and supporting the diversity that exists within the individual municipalities - their people, culture and natural environments;
- Plan and oversee regional inter-municipal transit services that also provide special services for persons with disabilities;
- Plan and support programs and practices which increase the availability of affordable and market affordable-housing throughout the Region;
- Expand regional capacity to deliver geographic information services that support regional decisions on sustainable land use, transit, and affordable and market-affordable housing;
- Assist in coordinating the efforts and energies of the member municipalities where applicable;
- Share the knowledge and insight gathered by the Board with member municipalities;
- Liaise and advocate with the provincial and federal governments on issues and projects related to the Capital Region;
- Provide the public with a comprehensive single source to access information on regional projects.

**ROLE OF THE GOVERNMENT OF ALBERTA**

Importantly the Government of Alberta is the enabling authority for the Capital Region Board.

The Board operates under the Capital Region Board Regulation, originally effective April 15, 2008, and now consolidated as Alberta Regulation 38/2012, with amendments up to and including Alberta Regulation 39/2015.

The Board is deemed to be a regional services commission for the purposes of the Freedom of Information and Protection of Privacy Act, and the Alberta Capital Finance Authority Act.

The Capital Region Board Regulation identifies the Board’s 24 member municipalities and sets out its accountability, voting structure, powers and duties and establishes the CRB’s mandate, that is, to develop and oversee the implementation of a Regional Growth Plan based on an integrated and strategic approach to planning the future growth of the Region through 2044 and to coordinate decisions in the Capital Region to support economic growth and strong communities and a healthy environment.

The Minister of Municipal Affairs retains the authority to create Ministerial Orders to direct the following: the Board’s management, duties and functions; transitional matters related to the Capital Region Board Regulation; the requisition of operating and capital funds, record keeping and reporting; and any other matters deemed necessary by the Minister under the Board’s Regulation. This may extend to legislative amendments to enable the Board to carry out its mandate, and the facilitation of access by the Board to funds and to borrow from the Alberta Capital Finance Authority, for regional projects approved by the Board.

Since the Board’s inception, the Government of Alberta has provided a core operating grant for each of the Board’s fiscal years. For the first time, in 2014 the Province offered the Capital Region Board an additional matching grant of up to $600,000 for 2015/16, potentially supplementing the annual core operating grant by $1.2 million.

Also this year the Board applied for and received additional grant funding through the Regional Collaboration Program (RCP) and the subsequent Alberta Community Partnership (ACP). The RCP and ACP grants provide support for activities that improve the viability and long-term sustainability of municipalities through regional collaboration and capacity building.

In 2014, the Board continued to administer the Regional Evaluation Framework (REF), a responsibility charged to the Board under Section 21 of the Capital Region Board Regulation and established under Ministerial Order L:270/10. Under the REF, the Board reviews and
approves municipal statutory plans to ensure their consistency with the Capital Region Growth Plan.

**STATEMENT OF ACCOUNTABILITY**

The Capital Region Board is responsible to the member municipalities, citizens and key stakeholders of the Capital Region, and to the Government of Alberta. This is to ensure that the work of the Board is focused on appropriate priorities to promote global competitiveness and sustainability of the Region for future generations.

The Board ensures sound operations through a commitment to transparency, consistent with Alberta’s Freedom of Information and Protection of Privacy Act.

1. The Board seeks broad input through consultation, either directly or through its member municipalities, on matters that affect the communities and the future of the Capital Region.

2. The Board operates within a corporate governance model that includes:
   a. Preparation of a Business Plan, updated annually, that sets direction, establishes regional priorities, and reports on progress toward Growth Plan objectives;
   b. Adherence to fiscal management and reporting in compliance with Alberta’s Financial Administration Act and Canadian generally accepted accounting standards;
   c. Preparation of an Annual Report to the Minister of Municipal Affairs, as required in the Capital Region Board Regulation;
   d. Commitment to monitoring the implementation of the Growth Plan and reporting on performance measures related to the Board’s operations and the Growth Plan;
   e. Commitment to an “evergreening” process for updating the Growth Plan every five years;
   f. Ongoing advocacy in support of regional priorities; and
   g. Communication with member municipalities, stakeholders and the public that focuses on the Board’s key activities and the implementation of the Growth Plan.

**DECISION-MAKING STRUCTURE**

**Powers and Duties of the Board**

The Capital Region Board Regulation identifies the Board’s membership, the voting structure and its powers and duties. The roles and responsibilities of the Board are to coordinate long range planning and decision-making among the municipalities of the Capital Region Board for matters of regional interest. All member municipalities must comply with the Growth Plan as approved.

It is important to note that the Board supports member municipalities from a regional perspective to achieve balanced growth. Citizens of the Region continue to be served by their elected municipal councils, and decisions without regional implications continue to be made locally.
**Committee Structure**

Decision-making in the Capital Region is done at the Board level with input from committees and, in 2014, the formation of new task forces. The committee and task force structure confirms the connection between members and the Board to ensure decisions are grounded and understood by all as in the best interests of the Region as a whole.

Comprised of elected officials appointed by the 24 member municipalities, each new committee and task force in 2014 operated within a Terms of Reference approved by the Board. According to these terms of reference, the Board reviews and approves the committee priorities on a yearly basis, and committee and task force chairs and vice-chairs are elected from within their membership at the first, or organizational, meetings.

<table>
<thead>
<tr>
<th>Committee</th>
<th>Governance, Priorities and Finance</th>
<th>Land Use and Planning</th>
<th>Advocacy and Monitoring</th>
<th>Regional Services</th>
<th>Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>Camille Bérubé</td>
<td>Mayor Tom Flynn</td>
<td>Mayor Greg Krischke</td>
<td>Mayor Mel Smith</td>
<td>Councillor Wes Brodhead</td>
</tr>
<tr>
<td>Vice-Chair</td>
<td>Councillor Phyllis Kobasiuk</td>
<td>Mayor Rod Shaigec</td>
<td>Mayor Don Iveson</td>
<td>Mayor Stephen Lindop</td>
<td>Councillor Michael Walters</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Task Force</th>
<th>Energy Corridors</th>
<th>Growth Plan Update</th>
<th>Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>Mayor Wayne Woldanski</td>
<td>Mayor Roxanne Carr</td>
<td>Councillor Dwight Ganske</td>
</tr>
<tr>
<td>Vice-Chair</td>
<td>Councillor Glen Finstad</td>
<td>Mayor Lisa Holmes</td>
<td>Councillor Stew Hennig</td>
</tr>
</tbody>
</table>
The Chief Executive Officer also established working groups and advisory committees to provide advice and technical expertise, where relevant, to support the work of these standing committees and task forces.

**Voting Structure**

The Capital Region Board Regulation stipulates that each member of the Board has one vote at a Board meeting. If a decision is made by a vote, it must be supported by not fewer than 17 member municipalities that collectively represent at least 75 percent of the population in the Capital Region.

**Delegation**

The Board may delegate some of its authority, with the exception of its authority to adopt bylaws, borrow money, adopt budgets and approve financial statements.

**Bylaws and Policies**

The Capital Region Board Regulation provides authority to the Board to make bylaws respecting its conduct and affairs, including without limitation, rules and procedures for dealing with matters...
before the Board. All bylaws require the approval of the Minister of Municipal Affairs before coming into effect.

The Board has not established any bylaws as of March 31, 2015; however, it has established and followed policies associated with human resources management, administrative and financial standards, remuneration, Board member code of conduct and ethics, and governance direction for its activities.

**MANAGEMENT & ADMINISTRATION**

Key to the connection between Capital Region Board and its members are Management and Administration teams.

In 2014, the Board was supported by a professional staff of nine full-time positions led by Mr. Doug Lagore as CEO, and included three new positions: Communications Manager; Director, Special Projects; and GIS Coordinator. With Mr. Lagore’s retirement announcement on September 11, 2014, the Capital Region Board launched an executive search that culminated in the selection and appointment on December 12, 2014 of Mr. Malcolm Bruce as the new Chief Executive Officer of the Capital Region Board. The appointment became effective January 19, 2015.
REPORT ON ACTIVITIES

For the purposes of this report, the planned activities of Board in 2014 are categorized under its Standing Committees and Task Forces, with new initiatives noted under Other Activities. Ongoing and further strategic work planned for 2015/16 and beyond is detailed under Future Direction.

The work undertaken by the Board in 2014 was guided by the Board’s 2012-2014 Business Plan. The Board experienced a number of significant changes, including the implementation of the new committee structure, the development and first work of the Growth Plan Update Task Force, and the transition of a new Capital Region Board. Board members completed a strategic planning process to determine its vision for its business and work plans for 2014-2018. In addition, the Board was represented by a member of CRB Administration on the Regional Advisory Council of the North Saskatchewan Regional Plan.

The Board and its committees continued the long-term task of implementing the Growth Plan in 2014, while at the same time beginning to lay the foundation for a five-year update to the Plan. The Growth Plan is the Capital Region’s roadmap for collaboration and coordination of growth in the Region. It recognizes the need for the efficient use of regional infrastructure, land and other resources. Successful implementation of this strategy will result in an improved quality of life for residents, more regional cooperation amongst municipalities and regional stakeholders, a strong economy and a healthy environment.

A successful update of the Growth Plan will build on current strengths as well as address the gaps of the existing Plan framework, resulting in a more integrated, accessible and influential document. Additionally the updated plan will continue to connect the residents of the Capital Region, and tell the story of the future, that is, how we can continue to thrive as a Region and how our history reflects a sense of belonging, as a Region.

ADVOCACY & MONITORING COMMITTEE

Advocacy, Communications and Performance Monitoring

Monitoring Board activities, telling the regional story and making connections with the membership, the Government of Alberta and the key regional stakeholders make up the primary functions of this Committee.

In 2014, the Advocacy & Monitoring (A&M) Committee took over the functions of the previous the Advocacy and Communications Committee and added a new oversight role for the Board in performance monitoring, including implementation of Board monitoring and reporting indicators. The Committee also advanced the priorities identified in the Three-Year Advocacy and Communications Strategic Plan, and accepted the Government Relations Action Plan.
In addition, two new initiatives for improved communications were introduced with a focus on better informing members of Board activities and successes. A regular newsletter entitled **reCAP** was launched in March and distributed directly to all Board members, members Councils and administration. In the same month the Board Chair and CEO embarked on a Road Show to personally visit and update each member Council on Board activities through 2014.

An update of Advocacy and Communications Strategic Plan in 2014 will require the Board to take a more focused approach in future to its engagement activities with the Government of Alberta and key stakeholders than it has in the past. The Board will identify and employ new advocacy tactics, strategies and initiatives following the election of new provincial government in May 2015.

In an effort to continue building awareness and understanding of the Capital Region Board and the Growth Plan, Board members and Administration met with a number of organizations and made presentations at various events during this reporting period. Presentations were made to a diverse range of audiences and stakeholders, including: the Urban Development Institute, the City-Region Studies Centre, and the Calgary Regional Partnership.

### GOVERNANCE, PRIORITIES & FINANCE COMMITTEE

**Governance, Priorities & Finance**

This new Committee focuses on maintaining the connection between a thriving Region and the sound internal operations at the Capital Region Board.

In 2014, the new Governance, Priorities, & Finance (GPF) Committee carried out the activities associated with its terms of reference: the Board’s Business Plan, financial monitoring and audits, policy advice, and succession planning.

Priorities in 2014 included the 2014-2018 Budget and Work Plan, a complete corporate policy review, approval of the 2013 Audited Financial Statements, the preparation of the 2013 Annual Report, other financial and activity reporting to the Government of Alberta, and the recruitment of a new CEO. The 2013 Annual Report was approved by the Capital Region Board and provided to the Minister of Municipal Affairs on May 1, 2014.

In September, the Committee recommended to the Board a 2014 – 2018 Budget and Work Plan that included membership financial support to take advantage of an offer of matching funding for 2015/16 by the Government of Alberta. The budget and work plan were reviewed and revised by the Committee and subsequently approved by the Board in 2015, including the membership contribution.

The Committee directed the recruitment and hiring of the Capital Region Board’s Chief Executive Officer, Mr. Malcolm Bruce.
GROWTH PLAN UPDATE TASK FORCE

Updating the current Growth Plan

This special Task Force of the Board connects the Region’s future prosperity to the establishment and functioning of the Capital Region Board.

No plan is a static document. It must evolve with the times. That is why the required five-year update of the Board’s Growth Plan, Growing Forward, is an opportunity to revisit and revitalize the Growth Plan.

The formation of the Capital Region Board by the Government of Alberta in 2008 was accompanied with a mandate to guide the municipalities of the Capital Region in developing a long-term, integrated management plan to support the tremendous growth in the Region, with particular attention to the economic, social and environmental impacts of growth. Growing Forward was approved by the province in 2010 and since then the Board has been focused on its implementation. In 2014 the Growth Plan Update Task Force continued to oversee the Growth Plan update project.

After a year of consultation among the member municipalities in 2013, the Task Force completed a comprehensive review and evaluation of the existing Growth Plan in 2014. The review and evaluation identified the Plan’s strengths, areas for improvement, and key gaps, which were used to inform the scope and mandate of the Update.

Managing growth as one region is key to realizing the full potential of this Region in a global context. To better understand the Region’s strengths and economic potential, the Task Force completed an Economic Competitive Analysis of the Region. The Analysis revealed that a more collaborative and coordinated approach - among municipalities, the province and industry – is necessary to building our regional economic capacity to compete globally. The report: Choose to Lead: Building on our Competitive Advantages had broad circulation among the numerous economic development agencies in the Region and within the Province.

Leveraging the Plan Review and Policy Evaluation Report and Economic Competitive Analysis, the Task Force began the work of updating the Growth Plan in the fall of 2014. The Board has received over one million dollars in Regional Collaboration Grants from the Province to complete this work.

LAND USE & PLANNING COMMITTEE

Land Use Planning

The focus of this foundational Committee is connecting the use of the 12,384 km² (roughly 1.3 million ha) of land that comprises the Capital Region with the integrated policies and planning that will ensure regional prosperity, particularly as our population grows and doubles in the next 30 years.
The Land Use & Planning (LUP) Committee priorities in 2014 consisted of four major projects: the Prioritization of Regional Transportation Projects, the delivery of the CRGIS Spatial Data Demonstration Project Report, the development of a Regional Energy Corridors Policy Framework, and the initiation of the Regional Energy Corridors Master Plan.

The Land Use & Planning Committee began the process of developing a short-term regional transportation project priority list to support the implementation of the Integrated Regional Transportation Master Plan (IRTMP), when it became an addendum to the Growth Plan in June 2013. Carrying out this prioritization exercise enables the Region to work directly with Alberta Transportation and champion Capital Region transportation initiatives in the Government of Alberta’s three-year Capital Planning process. The first priority list was completed in July 2014 and was referred to Alberta Transportation for provincial planning consideration. The priority list is to be reviewed annually.

In 2014, the Committee completed a pilot project to develop a subset of spatial data needed to support the Board’s planning role, especially with respect to the regional Growth Plan. As a result of the Capital Region GIS Spatial Data Demonstration Project report a GIS coordinator was hired in May 2014 to operationalize the GIS component of the Growth Plan and to support other regional initiatives.

The Board received a Regional Collaboration Grant for a Regional Energy Corridors Study to develop a policy framework for energy corridors in the Capital Region. The Growth Plan currently depicts the location of existing power and pipeline corridors in the Capital Region. The Regional Energy Corridors Study defined a framework for accommodating future corridors within the Capital Region, in a manner consistent and compatible with the principles and policies of the Growth Plan.

The study, completed in 2014, recommended that the Capital Region Board develop a Regional Energy Corridors Master Plan that would identify policy and criteria for the location of future energy corridors within the Capital Region, and further, recommend a preferred management model for the corridors. The master plan project began late in 2014 and is expected to be completed in the second quarter of 2015.

### REGIONAL SERVICES COMMITTEE

This Committee’s original terms of reference in 2014 envisioned oversight of regional services and non-land use projects, specifically the projects of the Housing and Transit Task Forces. However, by the end of the fiscal year 2015, two changes were implemented: the Transit Task Force reverted to a Standing Committee, and oversight of policies and activities related to the new Geographic Information Services branch of the Board was added.

1. **Geographic Information Services (GIS)**

The report of the Capital Region GIS Spatial Data Demonstration Project was delivered to the Land Use & Planning Committee I early 2014 and led to the hiring of a GIS coordinator in May 2014. The role of the GIS Coordinator is to support the operationalization of the GIS component.
of the regional Growth Plan and other regional projects. The Board later approved a GIS Policy to give administrative direction to the GIS program.

To date, an in-house server has been installed and a regional GIS database created. All datasets from previous work have been collected, organized and standardized. This has enabled internal GIS and mapping support for Capital Region Board projects and initiatives including the Growth Plan Update, the Monitoring and Reporting Project, and other on-going committee work.

A regional GIS technical advisory group was formed in early 2015 to give feedback on regional GIS initiatives and to collaborate on regional GIS solutions. With the support of this group, a Capital Region GIS website is currently under development to enable easy access to maps and data. The GIS website will also act as platform for ongoing sharing and collaboration between and amongst member municipalities.

2. Housing Task Force

Housing Task Force priorities for 2014 focused on developing an understanding of the non market and market affordable housing needs on a sub regional basis. The development of a sub regional planning process was identified in the Board’s Housing Plan in 2010 as the recommended method to guide provincial funding and regional priority setting. Preliminary work started in 2013 with the completion of an Environmental Scan. The Scan identified that sub regional planning efforts would benefit from the use of standard planning and needs assessment tools.

The development of a Housing Needs Assessment Framework began in early 2014 and will provide the Capital Region Board with a comprehensive, standardized, consistent method for analyzing current and future housing needs, and the necessary information to develop effective policy options to address the identified housing gaps.

Accomplished by the Task Force since its inception in April 2014:

- Two Sub Regional needs assessments have been completed and accepted by the Board as information.
  - The Leduc Sub Region includes the municipalities of Beaumont, City of Leduc, Devon, Calmar, Thorsby, Warburg and Leduc County
  - The Strathcona Sub Region including the specialized municipality of Sherwood Park, and the City of Fort Saskatchewan
  - The remaining four needs assessments will be completed in 2015, pending funding.
- The development of a Housing Assessment Tool and User Guide to support future planning.
- Annual ReEnvision Housing Symposium. A sold out event with more than 200 delegates attending. The delegates included representatives from all orders of government, Non Government Organizations, Not for Profit Housing Organizations and private sector home builders and developers, and supporting organizations. The theme “ "Our
Affordable Future” was in support of providing municipalities with tools and information about ways to increase the range of housing offered in each community: by considering affordable (entry level) housing design options; streamlining regulatory processes; and learning about the relationship between housing, the built environment and quality of life.

The Capital Region Board received $190,000 in Regional Collaboration Grants to support the work of the Housing Task Force. The Task Force is working closely with the Province in developing a standardized approach to understanding the housing needs in the Region.

TRANSLIT COMMITTEE

Regional Transit

Inter-municipal transit is the lifeblood of successful growth and regional prosperity, connecting the Region’s vital employment, services and housing options for a growing population.

The priorities and focus of the Transit Committee in 2014 included continuing discussions on regional transit governance, specialized transit needs and support for regional GreenTRIP projects as part of the implementation of the Board’s 30 year Regional Transit Services Plan.

Through a restructuring initiative of the Board’s committees, the Transit Committee was established as a Task Force reporting to the Regional Service Committee in early 2014. After further review, it was determined that the mandate for Transit was much broader, and therefore it was reconstituted as a Standing Committee of the Board in the fall of 2014.

Accomplished as a Task Force and as a Standing Committee in 2014:

- Received the final Transit Governance Study report as information and continued to explore operational and political considerations associated with the report recommendations.
- Successfully advocated to the Province to change the GreenTRIP program criteria to recognize regional projects such as the Regional Smart Card.
- Prepared a new GreenTRIP Priorities list in collaboration with the regional transit providers to support Round 2 applications for GreenTRIP funding to the Province.
- Held first joint workshop with the Province and Calgary Regional Partnership to discuss the development of a Provincial Transit Policy.
- Entered into a partnership with the City Of Edmonton and Alberta Transportation to undertake a regional Household Travel Survey, which will provide travel pattern data and information for the entire Capital Region to support regional transportation planning.
- Completed a review of the Transit Committee membership at the request of the Board, and recommended the membership remain unchanged.
- Commenced a pilot project to assess regional specialized transportation needs to understand the transportation needs of persons in rural and urban municipalities not currently served by existing conventional transit service.
- Participated in the development of the prioritization of regional transportation projects in conjunction with the Land Use & Planning Committee.
• Convened a joint Capital Region Board/Calgary Regional Partnership Transit workshop for the organizations’ transit-related committees.

In September 2014, the Capital Region saw the addition of the fourth service provider – the Leduc C Line, offering regularly scheduled bus service between the City of Leduc, Nisku, Edmonton International Airport and Edmonton. The expansion of service was made possible through GreenTRIP funding from the Province. The new Bethel Transit Terminal Park & Ride centre in Strathcona County also benefitted from GreenTRIP funding.

**OTHER ACTIVITIES**

In reaching out in new ways to connect with ongoing and emerging regional issues, the Board continues to mature as a true regional leader. In 2014 the Board was represented in key provincial consultations. The genesis of the Capital Region’s first real economic development collaboration was met with high praise from regional players. The outcome of this initiative, and the precedent it sets for further cooperative endeavors, could prove to be a game changer for the Region.

1. **Economic Development Initiative**

In the spring of 2014, the Board received and considered a motion to create a committee to study the Board’s role, if any, in regional economic development. In June, further internal deliberations were put on hold pending the organization of a regional economic development Summit for all regional economic development stakeholders in order to provide background for the Board’s decision. Invited to participate in the Summit were leaders from regional organizations such as: regional Chambers of Commerce; regional Economic Development Agencies; those performing economic development functions in member municipalities; business and industrial associations, as well as Capital Region Board Mayors and CAOs.

The Regional Economic Development Summit was held October 3, 2014 in Strathcona County. About 130 leaders from the Region shared their views and developed an initial consensus around what should be done next. The Economic Development Summit report was received and the following motion approved unanimously by the Board on November 13, 2014:

“MOTION: That the Capital Region Board facilitates collaboration with existing organizations and key stakeholders to develop a member/stakeholder based non-political entity to expedite framework development, collective marketing, economic development planning, and continuing advocacy; and present their finding to the Regional Services Committee and the Governance, Priorities & Finance Committee.

ACTION: Capital Region Board CEO to facilitate discussion with organizations and key stakeholders to explore next steps.

PROPOSED COLLABORATORS: Alberta’s Industrial Heartland Association, Capital Region Board, Edmonton Economic Development Corporation, Edmonton International...
The Capital Region Board has continued to move forward on the economic development initiative, with a report on developments expected in September, 2015.

### 2. Provincial Consultations

- Province appointed Capital Region Board Regional Project Manager Neal Sarnecki to the Regional Advisory Council for North Saskatchewan Regional Plan on behalf of the Capital Region Board.
- Capital Region Board hosted a Transportation Strategy of Alberta consultation session by Alberta Transportation in spring 2014
- Capital Region Board hosted a North Saskatchewan Regional Plan workshop in fall 2014

### FUTURE DIRECTION

The proposed actions of the Board outlined below represent a combination of continuity, stemming from the existing Growth Plan and Board operations, and reinvention, linked to the information gathering and critical assessment involved with the Growth Plan Update.

The Board moved through the work of Phase 1 of the Growth Plan Update in 2014, toward completion of Growth Plan 2.0 and final delivery to the Province.

The significance of the emerging interrelation between the comprehensive update of the Growth Plan and some form of coordinated economic development initiative in the Capital Region is the driving force behind planning for 2015/16 and beyond.

Future Capital Region Board directives for 2015/16 and beyond include the following:

- Completion and implementation of the Edmonton Metropolitan Region Economic Development Strategy
- Implementation of the Board’s 2014-2018 Strategic Plan and Work Plan
- Completion and delivery of the five-year Growth Plan Update to the Province
- Implementation of the Growth Plan Update Advocacy/Communications Plan
- Completion of the Integrated Regional Energy Corridors Master Plan
- Completion of the Sub-Regional Housing Needs Assessments
- Completion of the Regional Transportation Needs Assessment Pilot Study
- Annual update of the CRB’s Regional Transportation Priorities
- Implementation of the recommendations contained in the Our Affordable Future Market Affordable Housing Policy Framework report
- A Regional Household Travel Survey
- Annual Housing Symposium
• A Regional High Occupancy Vehicle (HOV) Study

4.1 REGULATORY & LEGISLATIVE REQUIREMENTS

With the approval of the Capital Region Growth Plan and the establishment of the Regional Evaluation Framework (REF), both in effect since April 1, 2010, the ensuing activities of the Board have largely focused on satisfying the regulatory and legislative requirements of the Board. To this end, the Board has continued implementing the Growth Plan, as well as reviewing and approving municipal statutory plans through the REF process.

Regional Evaluation Framework

The Regional Evaluation Framework (REF) is the primary tool for the Capital Region Board to implement the Capital Region Growth Plan. The REF outlines submission and review criteria that the Board uses to evaluate proposed municipal statutory plans and amendments to ensure their consistency with the Capital Region Growth Plan.

In 2014 a minor change increased the period during which a member municipality may appeal a REF to the Board from 14 to 28 calendar days. The change was initiated after a six month review of the REF process found that member municipalities needed more than the 14 day appeal period to adequately review an administration recommendation and then advise their councils if an appeal was warranted.

Between January 1, 2014, and March 31, 2015, 12 municipal statutory plans and plan amendments were approved under the Regional Evaluation Framework (REF). Of the 12 proposals, two approval recommendations were appealed to the Board. However, both appeals were withdrawn before being considered by the Board.

Fully implementing the Growth Plan, including the outcome of its periodic updates, is a long-range and comprehensive endeavor expected to proceed over a number of years. The ongoing fiscal commitment from the Province will allow this implementation to proceed, and for the Board to continue to build upon its successes.
CRB Economic Development Initiative

Recommended Motions:

1. That the Governance, Priorities, and Finance Committee recommend that Capital Region Board approve the Edmonton Metropolitan Region Economic Development Framework.

2. That the Governance, Priorities, and Finance Committee recommend that Capital Region Board approve the Edmonton Metropolitan Region Economic Development Framework.

Background:

The Capital Region Board (CRB) recognizes the benefits of regional strategic action to positively impact our global opportunity. On October 3, 2014, CRB hosted an inaugural regional economic development summit, attended by about 130 regional stakeholders. The stakeholders considered three major areas in their workshop discussions:

- What does success look like?
- What are the opportunities and challenges for the Capital Region?
- What actions should take place, who should lead, and what is the role (if any) for CRB?

It became apparent that regional collaboration is needed, but any movement forward by the CRB in economic development should not impact local municipal or organizational autonomy. The summary of information collected at the Economic Development Summit lead to the creation of the Summit Report, which detailed options for moving forward.

On November 13, 2014, the Board received The Summit Report along with four recommended options on how to proceed. Due to the desire for a regional economic development initiative, the Board selected Option 3, which directed administration to facilitate collaboration between industry leaders to move the regional economic development initiative forward.

Option 3) That the Capital Region Board facilitate collaboration with existing organizations and key stakeholders to develop a member/stakeholder-based non-political entity to expedite framework development, collective marketing, economic development planning, and continuing advocacy; and present their finding to the Regional Services Committee and the Governance, Priorities & Finance Committee.

Starting with an introductory meeting on December 3, 2014, leaders of existing regional organizations (Attachment 3) met to discuss various approaches to organizing the non-political entity and managing the work. This group became the Economic Development Steering Committee, composed of the following members:

- Alberta Industrial Heartland Association - Neil Shelly, Executive Director
- Edmonton Chamber of Commerce - Janet Riopel, President & CEO
- Edmonton Economic Development Corporation - Brad Ferguson, President & CEO
The Steering Committee determined the Economic Development Initiative should complete the following objectives:

1) Prepare a Project Charter;
2) Develop a Greater Edmonton Region Economic Development Framework; and

An established governance structure supported the completion of these objectives and led to the creation of two additional groups; the Regional Economic Development TEAM, and the TEAM Working Group, consisting of a subset of the 29 TEAM members (Attachment 3). The Steering Committee developed the Project Charter and Framework; The TEAM Working Group developed the Strategy with input from the TEAM members.


Next Steps:

The Steering Committee recognizes the need for further work on the funding model. As well, the Committee is eager to continue discussions regarding the Marketing Plan. It is anticipated that a process could continue over the summer months and be complete in the fall. Upon completion, it would come back to the Board for further discussion.

Rationale:

The proposed Economic Development Framework and Strategy support the continued collaboration and discussion between the region’s leading economic development groups, industry, associations, and local economic development officers. Moreover, the cooperation between these stakeholders will lead to an improved ability to capitalize on global opportunities and react to global challenges. Therefore, it is recommended that the CRB approve both the Framework and the Strategy documents.

Attachments:

1. Edmonton Metropolitan Region Economic Development Framework
2. Edmonton Metropolitan Region Economic Development Strategy
3. IR.2015.05 Who is involved in the Economic Development Initiative
Volume 1: Edmonton Metropolitan Region Economic Development Framework

May 21, 2015
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Framework Approach

The Edmonton Metropolitan Region Economic Development Framework represents a long-term agreement between parties in the region relative to:

- Roles and responsibilities of local and regional stakeholders;
- The activities they will pursue together;
- The major areas of regional focus they will pursue together;
- The Mission, Vision, Values and Operating Principles for the collaboration;
- The governance, organization, financing, budget and accountability of the collaboration; and
- A written Memorandum of Understanding or Agreement.

Vision

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

Mission

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

Values

Innovation
Collaboration
Sustainability
Excellence
Respect
- **Innovation** - The Edmonton Metropolitan Region Economic Development Framework values courageous and bold new development, and growth. Members embody a “can do” attitude.

- **Collaboration** – “If one wins we all win.” The Edmonton Metropolitan Region Economic Development Framework strength lies in its emphasis on collaboration and transparency between all members of economic development in both the public and private sectors to grow one of Canada’s largest economic engines.

- **Sustainability** – The Edmonton Metropolitan Region Economic Development Framework will strive to incorporate current practices to economic development that improve the triple bottom line.

- **Excellence** – Members strive to provide quality services and programs to stakeholders and developers by maintaining the highest standards of skills and knowledge.

- **Respect** – The Edmonton Metropolitan Region Economic Development Framework and its leaders treat each other with respect and professionalism.

### Operating Principles

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

Operating principles are as follows:

- We are inclusive in all our activities and decision making, and seek to enhance collaboration among stakeholders;

- We respect local autonomy and understand the roles and responsibilities of our colleagues; and

- Once a consensus based, collaborative decision is made, we will each represent that decision and speak with one voice.
Economic Development Roles

Local Level

- **Infrastructure**: Local governments, associations and organizations are responsible for developing and maintaining municipal infrastructure, such as roads.

- **Quality of Life**: Local governments, associations and organizations are responsible for offering residents a strong community culture, enviable social footprint and recreational activities to enhance quality of life in their municipalities.

- **Services and Amenities**: Local governments, associations and organizations are responsible for providing residents with basic services and amenities in their municipalities related to their health, safety, and education (K-12).

- **Marketing**: Local governments, associations and organizations advertise and promote their communities.

- **Strategic and Community Planning**: Through priority setting exercises, local governments, associations and organizations determine what key strategic priorities and focus areas their municipal planning will concentrate on.
- **Land Use Planning**: Local governments, associations and organizations are responsible for the management and development of land within their municipalities.

- **Business Attraction, Retention and Expansion**: The role of local governments, associations and organizations is to: plan for and draw in new businesses to their community; assess emerging opportunities; support businesses in their communities; and, work to attract new investment opportunities.

- **Advocacy**: Local governments, associations and organizations work to promote their communities.

- **Create a Business Friendly Environment**: Associations and organizations identify and eliminate policy barriers in order to foster a business friendly environment in the local area.

### Sub-Regional Level

There are sub-regional associations and organizations that support and provide economic development functions to multiple municipalities. Sub-regional associations and organizations share not only the benefits, but also the costs of sub-regional economic development activities. Sub-regional associations and organizations collaborate in order to enhance planning and operational decision making. They link businesses with available programs and services in their sub-regions.

### Regional Level

- **Coordinated Infrastructure**: Associations and organizations coordinate regional infrastructure such as major transportation corridors.

- **Talent Attraction and Training**: Associations and organizations provide training opportunities in order to build workforce capacity, and are responsible for attracting new talent to the region.

- **Post-Secondary Education**: Associations and organizations are responsible for promoting and supporting regional post-secondary institutions.

- **Marketing**: Associations and organizations are responsible for business attraction and provide business information and triage services to potential investors.

- **Destination Awareness**: Associations and organizations identify market opportunities, and strategically position the regional brand.

- **Manage Relationships**: Associations and organizations manage relationships with the province and promote intergovernmental collaboration on behalf of the region.
- **Regional Integration**: Associations and organizations assist with regional integration at the operational level in order to maximize local benefits, such as economies of scale.

- **Coordinated Planning and Development**: Associations and organizations are the trusted “funnel process” for economic development opportunities, and coordinate regional planning and development initiatives.

- **Capacity Development**: Associations and organizations facilitate a one-window approach to regional economic development. For example, developing regional site selection protocols and asset mapping.

- **Create a Business Friendly Environment**: Associations and organizations identify and eliminate policy barriers in order to foster a business friendly environment in the region.

- **Develop Shared Value**: Associations and organizations create a shared value proposition for local and sub-regional partners as well as potential investors.

- **Business Attraction, Retention and Expansion**: Associations and organizations support and nurture businesses in the region, and work to attract new investment opportunities.

- **Advocacy**: Associations and organizations work to promote the region.
Regional Influence Areas

Regional influence areas are the priority areas that the Edmonton Metropolitan Region Economic Development Framework will focus on over the next planning period. The top three areas are the particular focus of the Economic Development Strategy. The bottom three areas are the on-going support activities for success in the region. They are the functional requirements of the Capital Region Board.
Governance

Business Model

The business model for the Edmonton Metropolitan Region Economic Development Framework will be a new entity, referred to as the ‘Entity’. The Entity contracts services to service providers with existing capacity in the region. If the capacity does not already exist, the Entity will develop it. The Entity is the initiative of the Capital Region Board. However, as long as the intent and authorities outlined in this Framework document are respected, the Entity will make the final decision on the details of its organizational structure. Structure options include a Part IX company, a Regional Services Commission or any other appropriate form.

Clients

The Entity will be customer service oriented. Service offerings will be based on feedback from clients and could be delivered through service level agreements. The primary client groups include:

- Municipalities
- Industry
- Institutions
- Sub-regional economic development organizations

Management Structure

The Entity will be managed by a professional team, selected by the CEO. The CEO is the key enabler and will work with EDOs, EDAs, and others on strategic and tactical collaboration in the region.

The CEO will report to an independent Board of Directors. The Board of Directors will provide a report card to the Capital Regional Board annually to review progress and funding.

The Board of Directors and the CEO will seek guidance from a Business Advisory Council, which will include sector representatives.
The Board of Directors will consist of 12 members. The CEO and a provincial representative, will attend Board meetings but are non-voting. All board members represent the region, not their local context.

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<th>Amount</th>
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| 4      | Municipally appointed representatives | - Councillors or employees of the municipality are not eligible
- Represent municipalities of varying population size (Counties, Towns, Cities, etc.)
- Competency based
- The City of Edmonton will have a permanent seat
- The remaining 3 seats will rotate (staggered 3 year rotation) |
| 4      | Industry representatives | - Industry leaders with subject matter expertise
- Edmonton International Airport (EIA) will have a permanent seat
- The remaining 3 seats will rotate (staggered 3 year rotation) |
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<th>Amount</th>
<th>Board Representatives</th>
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| 2      | Associations representatives | - The 2 seats will rotate (staggered 3 year rotation)  
- E.g.: Chambers, Urban Development Institute (UDI) or Building Owners and Managers Association (BOMA), and National Association for Industrial and Office Parks (NAIOP) |
| 2      | Institutions representatives | - The 2 seats will rotate (staggered 3 year rotation)  
- E.g.: Universities, Tech, Health and Social |

**Total Representatives** 12

The initial board will be selected by the Steering Committee and will be approved by the Capital Region Board. Once the initial board is in place, it will decide future board selection processes.

**Business Advisory Council**

The Board of Directors will meet with a Business Advisory Council twice annually. The CEO may seek the Council’s advice at any time considered necessary. The Business Advisory Council will consist of approximately 20 to 25 individuals. Business Advisory Council seats will rotate every two years (staggered rotation). Representatives will be sector based, and will represent their local context. Potential representative include:

1. Agriculture
2. Air
3. Construction
4. Energy
5. First Nations
6. Health
7. Heavy Industrial
8. Hospitality
9. Logistics
10. Manufacturing
11. Rail
12. Real Estate Development
13. Retail
14. Roads
15. Small Businesses
16. Science and Engineering Technology
17. Upgrading and Refining
18. Education

In addition to sector representatives, the Business Advisory Council may include geographical representation beyond the region.

**Decision Making**

As a matter of course, decisions will be made on a consensus basis. When consensus cannot be reached, each of the 12 members may cast one vote and the decision will be made by simple majority. Quorum is set at seven and the Board will meet at least quarterly. The founding board will establish the bylaws.

**Funding (Potential Model)**

Funding will be based on the following sources:

- Initial core funding will be provided primarily by municipalities and is anticipated to be additional funding, not a re-allocation of existing Economic Development resources. Municipal contributions will be based on assessment tax base and population; however, small municipalities will not be required to pay;

- Continuing and project based funding will be mixed source and rely on an ongoing provincial contributions, as well as contributions from industry and institutions;

- Annual federal contributions are anticipated through Western Economic Diversification Canada (WD); and,

- Alternate sources of sustainable funding will need to be considered in the long-term.
Memorandum of Understanding
Edmonton Metropolitan Region
Economic Development Framework

Wikipedia defines a memorandum of understanding as (amended):

“A multilateral agreement between two or more parties. It expresses a convergence of will amongst the parties, indicates an intended common line of action. It is often used in cases where parties either do not imply a legal commitment or in situations where the parties cannot create a legally enforceable agreement. It is a more formal alternative to a handshake.”

MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding (MOU) Among the Capital Region Board;
The Edmonton Metropolitan Region Economic Development Entity (the Entity);
And the participating municipalities

Covering the period from September, 2015 to September, 2020

The objective is to make the Edmonton Metropolitan Region a business location of choice for global investment, by collaboratively building on regional assets.

To support this objective, the parties agree to enact the Framework document titled “Edmonton Metropolitan Region Economic Development Framework, May 12, 2015”.

The Capital Region Board agrees to:

1. Respect the integrity and intent of the Framework and provide ongoing support to the Entity in the fulfillment of its responsibilities.

2. Receive the Economic Development Framework progress report every 2 years at a regularly scheduled CRB meeting, and provide feedback to the Entity.

3. Advocate as requested by the Entity, with other orders of government to seek resources or support.

The Edmonton Metropolitan Region Economic Development Entity agrees to:

1. Enact the Framework including the governance structure, focus on regional influence areas, and operating principles.
2. Actively work with the identified client groups, and provide quality service offerings that meet their needs.

3. Recruit and be guided by a representative Board of Directors, in the execution of the work of the Entity.

4. Structure and actively engage with its Business Advisory Council and EDO/EDA group.

5. Provide Economic Development services that:
   a. Are focused on the regional economic development areas identified in the framework; OR
   b. Are local / sub-regional in scope but are provided, at cost, at the request of a municipality (municipalities) or association(s).

6. Provide a progress report to the Capital Region Board annually, and attend a board meeting to discuss the report contents.

7. Operate with a funding structure as outlined in the Framework document.

The signing municipalities agree to:

1. Support the Economic Development Framework and the role and integrity of the Entity as described above.

2. Provide core funding to support the administrative costs of the Entity.

3. Advocate as requested by the Entity, with other orders of government to seek resources or support.

4. Carry out the local responsibilities as outlined in the Framework, for the local municipal area.

This agreement may be amended at any time with the mutual consent of the parties.

Capital Region Board Signature ________________________________ Date __________

Entity Signature ________________________________ Date __________

Municipal Signature ________________________________ Date __________
Chair, Steering Committee  
CRB Regional Economic Development Initiative

Dear Chairman Bruce:  

RE: Edmonton Metropolitan Region Economic Development Strategy

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

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

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

Barbara McKenzie, Chair

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

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

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

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

- **Vision for Economic Development** – “To be a business location of choice for global investment, by collaboratively building on regional assets”.

- **Our Economic Development Mission** – “Together, we strengthen the Edmonton Metropolitan Region’s global competitiveness, growth and innovation”.

- **Our Values** – In the Edmonton Metropolitan Region, we value:
  - Innovation
  - Collaboration
  - Sustainability
  - Excellence
  - Respect

- **Critical Success Factors** – There are key factors that must be right in order to succeed. Summarized, these are:
  - **Collaboration** – A strong and ongoing commitment to collaboration principles.
  - **Value for all** – Stakeholders trust each other and anticipate beneficial outcomes from their participation.
  - **Government Participation** – Federal and Provincial governments have shared interest in the success of the Strategy.
  - **Resourcing** – Resources must be found and resources must be pooled to succeed.
- Communication/Visibility – Successes must be highly visible to all stakeholders in the region.

- Shared Performance Metrics – Participating stakeholders will define success using a common language of performance measurement.

**Strategic Priorities and Key Results**

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

- **Industry**
- **Marketing**
- **Talent**

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

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

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

2. **Talent:** Edmonton Metropolitan Region supports attraction and activation of people with the skills and talent to strengthen the growth opportunities in our regional economy.
3. **Industry:** Partners identify opportunities and collaborate to grow and diversify strategic sectors of the regional economy to the benefit of all players.

**Key Results (Objectives) for Regional Economic Development**

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

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

**Key Results**

- **KR 1.1:** A successful mechanism to communicate openly with regional marketing partners is in place.
- **KR 1.2:** A unified regional brand is collaboratively developed and consistently used to market the region.
- **KR 1.3:** A comprehensive, regional Strategic Marketing Plan is collaboratively developed and executed under the regional brand.

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

**Key Results**

- **KR 2.1:** “Ignite Edmonton” is enhanced, expanded and accessible across the Edmonton Metropolitan Region.
- **KR 2.2:** A regional workforce advocacy task force, inclusive of education institutions, influences workforce strategy and outcomes.
- **KR 2.3:** A regional workforce strategy is collaboratively developed.

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

**Key Results**

- **KR 3.1:** A protocol for identifying and sharing economic development opportunities across the region is established and applied.
- **KR 3.2:** A comprehensive baseline of regional economic development information and definitions is established and updated regularly.
KR 3.3: A regional database of projects, which is updatable and accessible, allows regional businesses to share information, prospects and opportunities.

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

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

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

The Edmonton Metropolitan Region Economic Development Strategy 2015-2018 is the first collaborative effort of CRB specifically mandated by the Board on economic development. Future updates will refine and focus the strategy to our collective regional objectives.
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Appendix 1: Detailed Environmental Scan
1.0 INTRODUCTION AND PROCESS: A REGIONAL ECONOMIC DEVELOPMENT STRATEGY

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

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

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

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

1.1 Background

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

- **Prepare a Project Charter** defining relationships and responsibilities of key players for the duration of the project would be developed by the Steering Committee.

- **Develop a Greater Edmonton Region Economic Development Framework** addressing the long term relationships and responsibilities of the collaboration would be developed by the Steering Committee.

- **Prepare a Greater Edmonton Region Economic Development Strategy.** A high level economic development strategy based primarily on existing data and research of regional partners would be drafted by the regional economic development professionals and recommended to the Steering Committee for approval.

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

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

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

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

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

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

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

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

### 1.2 Components of the Economic Development Strategy

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

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

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

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

1.3 Organization of the Economic Development Initiative and Team

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

<table>
<thead>
<tr>
<th>WG</th>
<th>Name</th>
<th>Representing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Barbara McKenzie</td>
<td>Chair</td>
</tr>
<tr>
<td></td>
<td>Bert Roach</td>
<td>Beaumont</td>
</tr>
<tr>
<td></td>
<td>Patrick Earl</td>
<td>Bon Accord</td>
</tr>
<tr>
<td></td>
<td>Doug Sullivan</td>
<td>Bruderheim</td>
</tr>
<tr>
<td></td>
<td>Milad Asdaghi</td>
<td>Devon</td>
</tr>
<tr>
<td></td>
<td>Brenda Otto</td>
<td>Stony Plain</td>
</tr>
<tr>
<td></td>
<td>Lanny Boutin</td>
<td>Gibbons</td>
</tr>
<tr>
<td></td>
<td>Schaun Goodeve</td>
<td>Morinville</td>
</tr>
<tr>
<td></td>
<td>Pat Nicol</td>
<td>Redwater</td>
</tr>
<tr>
<td>WG</td>
<td>Jordan Rumohr</td>
<td>Sturgeon County</td>
</tr>
<tr>
<td>WG</td>
<td>Tom Koep</td>
<td>Parkland County</td>
</tr>
<tr>
<td></td>
<td>Jim Newman</td>
<td>Lamont County</td>
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<tr>
<td></td>
<td>Jordan Evans</td>
<td>Leduc County</td>
</tr>
<tr>
<td>WG</td>
<td>Gerry Gabinet</td>
<td>Strathcona County</td>
</tr>
<tr>
<td>WG</td>
<td>Guy Boston</td>
<td>St. Alberta</td>
</tr>
<tr>
<td>WG</td>
<td>Dave Walker</td>
<td>Spruce Grove</td>
</tr>
<tr>
<td></td>
<td>Luke Pantin</td>
<td>Leduc</td>
</tr>
<tr>
<td></td>
<td>Mark Morrissey</td>
<td>Fort Saskatchewan</td>
</tr>
<tr>
<td>WG</td>
<td>Name</td>
<td>Representing</td>
</tr>
<tr>
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<td>---------------------------------------------------</td>
</tr>
<tr>
<td>WG</td>
<td>Paul Ross</td>
<td>Edmonton</td>
</tr>
<tr>
<td></td>
<td>Glen Vanstone</td>
<td>Edmonton Economic Development Corporation</td>
</tr>
<tr>
<td></td>
<td>Neil Shelly</td>
<td>Alberta’s Industrial Heartland</td>
</tr>
<tr>
<td></td>
<td>Doug Sullivan</td>
<td>Lamont Region Economic Development Initiative</td>
</tr>
<tr>
<td></td>
<td>Kathy Rodberg, CAO</td>
<td>Calmar</td>
</tr>
<tr>
<td></td>
<td>Elaine Milliken, Deputy CAO</td>
<td>Lamont</td>
</tr>
<tr>
<td></td>
<td>Robert Proulx, CAO</td>
<td>Legal</td>
</tr>
<tr>
<td></td>
<td>Christine Burke, CAO</td>
<td>Thorsby</td>
</tr>
<tr>
<td></td>
<td>Shawn Patience, CAO</td>
<td>Wabamun</td>
</tr>
<tr>
<td></td>
<td>Christine Pankewitz, CAO</td>
<td>Warburg</td>
</tr>
</tbody>
</table>

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

Governance Structure

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

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

1.4 Process and Schedule of Meetings

The Strategy was prepared in a facilitated process of six milestone meetings of the Working Group/TEAM. The process and timing of these meetings was as follows.
The Chair kept the Steering Committee informed throughout the process. The Steering Committee contributed the following:

- Prepared Mission, Vision, Values, and Operating Principles for the economic development strategy; and

- Finalized and approved the Strategic Priorities as drafted by the Working Group, and ultimately approved the strategy internally and recommend it to the Capital Region Board.
2.0 EDMONTON METROPOLITAN REGION VISION AND MISSION FOR ECONOMIC DEVELOPMENT

2.1 Vision for Economic Development

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

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

2.2 Economic Development Mission

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

2.3 Values

In the Edmonton Metropolitan Region, we value:

- **Innovation** – The Edmonton Metropolitan Region Economic Development Framework values courageous and bold new development and growth. Members embody a “can do” attitude.

- **Collaboration** – “If one wins, we all win”. The Edmonton Metropolitan Region Economic Development Framework strength lies in its emphasis on collaboration and transparency.
between all members of economic development in both the public and private sectors to grow one of Canada’s largest economic engines.

- **Sustainability** – The Edmonton Metropolitan Region Economic Development Framework will strive to incorporate current practices to economic development that improve the triple bottom line (economy, environment, social).

- **Excellence** – Members strive to provide quality services and programs to all stakeholders by maintaining the highest standards of skills and knowledge.

- **Respect** – The Edmonton Metropolitan Region Economic Development Framework and its leaders treat each other with respect and professionalism.

### 2.4 Operating Principles

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

- We are inclusive in all our activities and decision making, and seek to enhance collaboration among stakeholders.

- We respect local autonomy and understand the roles and responsibilities of our colleagues.

- Once a consensus based, collaborative decision is made, we will each represent that decision and speak with one voice.
2.5 Regional Areas of Influence

The Steering Committee made a significant contribution to the Framework and Strategy by identifying the six areas of influence that must be addressed regionally to realize the vision.
The working group determined that three areas of this concept can be addressed directly by the economic development strategy.

- Marketing
- Talent
- Industry

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

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

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

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

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

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

Whenever possible, current information on the Capital Region municipalities was used for the analysis. However, for most available data the Edmonton Census Metropolitan Area is the official geographical area encompassing ‘Greater Edmonton’ used by Statistics Canada. It contains all of the municipalities of the Capital Region Board with the exception of Lamont County.

This document references several economic forecasts and projections. In all cases, these forecasts have not been updated to fully reflect the impact of low oil prices on the Edmonton CMA’s economy in the short term. The focus of the plan is longer term, and it is assumed that the region will recover from the immediate short cycle issues.

3.1 Summary and Conclusions from the Environmental Scan

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

- The Edmonton Metropolitan Region has performed very strongly as an economic region in Canada, at or near the top in most economic indicators for the last two decades.
Despite the present oil and gas cyclical downturn, forecasters see a future of growth and prosperity for the region and for Alberta.

### Average Annual Real GDP Growth

**Historical Estimates and Forecasts, Major Canadian Cities**

**Source:** Conference Board of Canada

<table>
<thead>
<tr>
<th>City</th>
<th>2004 - 2014 Est.</th>
<th>2015 - 2019 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edmonton</td>
<td>36.4</td>
<td>36.5</td>
</tr>
<tr>
<td>Calgary</td>
<td>39.7</td>
<td>39.1</td>
</tr>
<tr>
<td>Vancouver</td>
<td>36.5</td>
<td>38.6</td>
</tr>
<tr>
<td>Toronto</td>
<td>38.6</td>
<td>39.7</td>
</tr>
<tr>
<td>Ottawa-Gatineau</td>
<td>39.1</td>
<td>39.7</td>
</tr>
<tr>
<td>Montreal</td>
<td>40.2</td>
<td></td>
</tr>
</tbody>
</table>

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

### Median Age in 2011 Largest Metropolitan Areas

**Source:** Statistics Canada

<table>
<thead>
<tr>
<th>City</th>
<th>Median Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary</td>
<td>36.4</td>
</tr>
<tr>
<td>Edmonton</td>
<td>36.5</td>
</tr>
<tr>
<td>Toronto</td>
<td>38.6</td>
</tr>
<tr>
<td>Ottawa-Gatineau</td>
<td>39.1</td>
</tr>
<tr>
<td>Montreal</td>
<td>39.7</td>
</tr>
<tr>
<td>Vancouver</td>
<td>40.2</td>
</tr>
</tbody>
</table>
The regional labour force is educated, particularly in technical certifications, demonstrates high participation rates, experiences low unemployment, and has among the highest average household income and personal disposable incomes in Canada. Labour force growth rates have been among the highest in the country.

<table>
<thead>
<tr>
<th>Median Family Income in 2012 Largest Metropolitan Areas (dollars)</th>
<th>Source: Statistics Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary</td>
<td>98,300</td>
</tr>
<tr>
<td>Edmonton</td>
<td>96,030</td>
</tr>
<tr>
<td>Ottawa - Gatineau</td>
<td>94,230</td>
</tr>
<tr>
<td>Montreal</td>
<td>71,390</td>
</tr>
<tr>
<td>Toronto</td>
<td>71,210</td>
</tr>
<tr>
<td>Vancouver</td>
<td>71,140</td>
</tr>
</tbody>
</table>
Regional businesses are primarily smaller business, and these businesses are the focus of much of the entrepreneurial and scale up support offered in the region.
Regional costs are among the highest in Canada, based on the CPI index.
Higher education is a regional strength, with six highly regarded and recognized educational institutions.

### 3.2 SWOT Assessment for the Edmonton Metropolitan Region

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

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

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to nearby natural resources</td>
<td>High cost environment in the region</td>
</tr>
<tr>
<td>Quality education system that supports industry</td>
<td>Low productivity/improvement environment</td>
</tr>
<tr>
<td>An entrepreneurial ecosystem in the region</td>
<td>Business complacency</td>
</tr>
<tr>
<td>Modern infrastructure</td>
<td>Excess reliance on oil and gas</td>
</tr>
<tr>
<td>Strong logistics network</td>
<td>Incentive and policy environment is not as competitive as global competitors</td>
</tr>
<tr>
<td>Stable and safe geo-political and environmental climate</td>
<td>Import and export imbalance</td>
</tr>
<tr>
<td>Trade agreement and legal/commercial system maturity. Agreements can be trusted.</td>
<td>Historic reliance on major projects</td>
</tr>
<tr>
<td>High disposable income and strong consumer spending</td>
<td>Communication bandwidth limitations</td>
</tr>
<tr>
<td></td>
<td>Access to tide waters (distance to ocean ports and international markets)</td>
</tr>
</tbody>
</table>
**Opportunities**

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

**Threats**

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

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

### 3.3 Strategic Assumptions

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

#### 3.3.1 Funding and Government

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

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

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

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

3.3.5 Regional Image

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

3.4 Critical Success Factors

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

- **Collaboration** – A strong and ongoing commitment to collaboration principles including awareness of shared purpose, reciprocity, and engagement is critical to success. Openness, transparency, focus, and accountability are required of stakeholders. Effective collaborative governance structures must be established to plan, assess, execute and evaluate the economic development strategy. Industry must be involved meaningfully as a collaborative partner in the strategy.

- **Value for all** – Stakeholders trust each other and anticipate beneficial outcomes from their participation. Their meaningful participation must produce a meaningful return of value for each participant.

- **Government Participation** – Federal and Provincial governments have shared interest in the success of the Strategy and each assumes an active role in supporting this initiative. Key results and tactics are compatible with Provincial and Federal objectives and include opportunities for multi-level participation. Regional partners work with provincial, national and international economic development organizations to advance the region.

- **Resourcing** – Achieving successful outcomes through this strategy will depend on an effective allocation of resources, both human and capital, on key initiatives, programs and
projects. Resources must be found and resources must be pooled to succeed. The potential for participation of senior governments, municipalities, institutions and industry must be explored.

- **Communication/Visibility** – It is critical that the accomplishment of Key Results demonstrate a reasonable rate of return to participating stakeholders. Equally critical is that successes are highly visible to all stakeholders in the region. Sub-regional initiatives and successes must be promoted and celebrated. Publicly celebrating prosperity and benefits to public and private sector interests is key to success in the longer term.

- **Shared Performance Metrics** – Participating stakeholders will define success using a common language of performance measurement. These measures will be incorporated into regular and frequent reports on the achievement of outcomes.

The economic development strategy includes Strategic Priorities and Key Results that speak directly to the above critical success factors. However, these critical success factors are also embedded in the very fabric of the approach to all elements of the strategy.
4.0 STRATEGIC PRIORITIES AND KEY RESULTS FOR EDMONTON METROPOLITAN REGION ECONOMIC DEVELOPMENT

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

4.1 Focus on Foundational Elements

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

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

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

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

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

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

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

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

4.3 Strategic Priorities

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

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

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

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

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

4.4 Key Results (Objectives) for Regional Economic Development

**Key Results** reflect what the region will accomplish in economic development during a specific time period. The key results for each Strategic Priority are identified following, for the reference period to the end of 2018.
Strategic Priority 1: Marketing

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

Key Results

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

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

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

Strategic Priority 2: Talent

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

Key Results

KR 2.1: “Ignite Edmonton” is enhanced, expanded and accessible across the Edmonton Metropolitan Region.

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

KR 2.3: A regional workforce strategy is collaboratively developed.

Strategic Priority 3: Industry

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

Key Results

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

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

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

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

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

### 4.5 Strategies and Tactics

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

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

### 4.6 Implementation Timing and Priorities

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

The GANTT chart for strategy purposes describes activities at a high level. Those implementing the strategy will refine and detail these GANTT charts as each Key Result is being executed.
## Edmonton Metropolitan Region Economic Development Strategy, 2015-2018: Implementation GANTT Chart

<table>
<thead>
<tr>
<th>STRATEGIC PRIORITIES AND KEY RESULTS</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>1 Marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Mechanism to communicate</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>1.2 A unified regional brand</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3 Regional strategic marketing plan</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>2 Talent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Ignite Edmonton as regional hub</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Regional workforce advocacy task force</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Regional workforce strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Protocol for identifying and sharing opps.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2 Comprehensive baseline information compiled</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3 Regional database of projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4 Site selection and regional GIS platform</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.5 Economic diversification strategy</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
4.7 Next Steps

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

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

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

Finally, the partners in economic development should celebrate their successes along the way, building momentum in support of future collaboration and success.
Appendix 1:
Detailed Environmental Scan
1.1 Gross Domestic Product

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

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

Highest GDP growth among major Canadian cities since 2009

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

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

### Average Annual Real GDP Growth

**Historical Estimates and Forecasts, Major Canadian Cities**

*Source: Conference Board of Canada*

<table>
<thead>
<tr>
<th></th>
<th>2004 - 2014 Est.</th>
<th>2015 - 2019 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edmonton</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calgary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vancouver</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ottawa-Gatineau</td>
<td></td>
<td></td>
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<tr>
<td>Montreal</td>
<td></td>
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</tbody>
</table>

![Chart showing average annual real GDP growth for major Canadian cities from 2004 to 2014 and forecast to 2019.](chart.png)
Growth at or above the Canadian average in all industries

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

### Average Annual GDP Growth by Industry

**Edmonton CMA 2004 - 2014**

Source: Conference Board of Canada

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>7.3%</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>5.6%</td>
</tr>
<tr>
<td>Primary and Utilities</td>
<td>5.4%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>4.9%</td>
</tr>
<tr>
<td>Business Services</td>
<td>4.2%</td>
</tr>
<tr>
<td>Finance, Insurance and Real Estate</td>
<td>3.9%</td>
</tr>
<tr>
<td>Personal Services</td>
<td>3.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3.5%</td>
</tr>
<tr>
<td>Education and Healthcare</td>
<td>2.9%</td>
</tr>
<tr>
<td>Information and Cultural Industries</td>
<td>2.8%</td>
</tr>
<tr>
<td>Public Administration and Defence</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

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

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

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

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

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

Based on these findings:

**Areas of Concentration**

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

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

Currently the Capital Region Board is preparing a Growth Plan update in part to review the Land Supply Profile of the municipalities in the Edmonton Metropolitan Region. With strong demand over the past 5 years, Edmonton’s industrial market has seen high levels of absorption and a corresponding decline in both available land and vacant warehouse space. Though development has by and large kept up with the market’s desire for new high quality space, some parts of the region (such as Northwest Edmonton) have been rapidly approaching saturation.
1.4 Infrastructure in the Region

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

- **Power:** The Edmonton Metropolitan Region has excess generation capacity, which is expected to continue until 2041. The Western Alberta Transmission Line ($1.65 B), Fort McMurray West Transmission Project (1.6 B) and the Sundance 7 Gas Fire Power Plant ($1.6B) are all based in the Edmonton Metropolitan Region.

- **Water:** Water and wastewater agreements are working well in the Edmonton Metropolitan Region. The region relies on water from the North Saskatchewan. There are 7 water treatment plants, with EPCOR supplying a majority of municipalities.

- **Roads:** The road system is well connected in the Edmonton Metropolitan Region. There is north access to oil and gas operations in Fort McMurray (highway 63) and Grande Prairie (highway 43). There is access east and west via the Yellowhead highway (highway 16), and south (QEII) to the United States and Mexico via the Canamex Highway. The Anthony Henday Ring Road also increases connectivity. There can be bottlenecks in provincial corridors such as: Highway 16, Highway 43 north and west, Highway 28 and 28A, 63 north and QEII from Edmonton to Leduc.

- **Rails:** The Edmonton Metropolitan Region has the distinct advantage of direct rail access, via CN and CP rail, to both the Port of Vancouver and the Port of Prince Rupert. There are 16 rail intermodal and storage facilities operated. Rail traffic is expected to significantly increase, related to activities in the Industrial Heartland and increased use of rail for energy exports, with specific advantages related to the ability to ship raw bitumen.

- **Air:** Airports are nodes of opportunity in the Edmonton Metropolitan Region and not a limiter to growth in the region. There are 14 certified airports and registered aerodromes in the Edmonton Metropolitan Region, with 5 airports in the region that have significant infrastructure to meet expanding air traffic demand. The Edmonton Metropolitan Region is closer geographically to many Asian destinations when compared with other competing...
city-regions in North America. Plans have also been developed for significant expansion at the EIA including the launch of the Foreign Trade Zone and increased capacity in the cargo village under Port Alberta.

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

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

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

### 1.5 Regional Socio-Demographic Characteristics

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

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

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

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

Population Forecast

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

The Edmonton Metropolitan Region is expected to be approximately 2,125,455 people by 2041
according to the Province of Alberta’s Medium Growth Scenario, accounting for 34.20% of the province’s population, a slight proportional increase from 2013. The Province is estimating an average annual population growth for the Edmonton area at 1.5% or higher annually.

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

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

<table>
<thead>
<tr>
<th>Large Metropolitan Area</th>
<th>Median Age in 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary</td>
<td>36.4</td>
</tr>
<tr>
<td>Edmonton</td>
<td>36.5</td>
</tr>
<tr>
<td>Toronto</td>
<td>38.6</td>
</tr>
<tr>
<td>Ottawa - Gatineau</td>
<td>39.1</td>
</tr>
<tr>
<td>Montreal</td>
<td>39.7</td>
</tr>
<tr>
<td>Vancouver</td>
<td>40.2</td>
</tr>
</tbody>
</table>
Edmonton CMA: Second-highest median incomes in Canada, with a high percentage of apprenticeship, trades or college training

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

<table>
<thead>
<tr>
<th>Largest Metropolitan Areas</th>
<th>Median Family Income (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary</td>
<td>98,300</td>
</tr>
<tr>
<td>Edmonton</td>
<td>96,030</td>
</tr>
<tr>
<td>Ottawa - Gatineau</td>
<td>94,230</td>
</tr>
<tr>
<td>Montreal</td>
<td>71,390</td>
</tr>
<tr>
<td>Toronto</td>
<td>71,210</td>
</tr>
<tr>
<td>Vancouver</td>
<td>71,140</td>
</tr>
</tbody>
</table>

Median Family Income in 2012 Largest Metropolitan Areas

<table>
<thead>
<tr>
<th>Largest Metropolitan Areas</th>
<th>Share of Population 15 and Over with Bachelor’s Degree or Higher (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ottawa - Gatineau</td>
<td>31.5%</td>
</tr>
<tr>
<td>Toronto</td>
<td>29.9%</td>
</tr>
<tr>
<td>Calgary</td>
<td>28.8%</td>
</tr>
<tr>
<td>Vancouver</td>
<td>27.7%</td>
</tr>
<tr>
<td>Montreal</td>
<td>23.5%</td>
</tr>
<tr>
<td>Edmonton</td>
<td>21.9%</td>
</tr>
</tbody>
</table>

Share of Population 15 and Over with Bachelor’s Degree or Higher, Largest Metropolitan Areas

Source: Statistics Canada
1.6 Regional Labour Force Characteristics

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

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

Labour force growth highest in Canada 2004-2014

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

Labour force participation rates among the highest in Canada

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

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

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

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

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

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

The majority of the Edmonton CMA’s businesses are small

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

Business Growth Opportunities

There are opportunities for growth in the Edmonton Metropolitan Region to expand on existing strengths. The following are a few potential opportunities profiled multiple times in different Capital Region Board strategy documents:
<table>
<thead>
<tr>
<th>Sector</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing, Engineering and Construction</td>
<td>Opportunity to innovate, be productive, export &amp; highlight expertise in cold climate design.</td>
</tr>
<tr>
<td>Financial Services</td>
<td>Opportunity to enable industry growth and increase employment.</td>
</tr>
<tr>
<td>Alternative Energy, Clean Technology, Environmental Products &amp; Services</td>
<td>Opportunity to build on water and waste management strength, capture market share for carbon capture and storage technology, and to export second generation biofuels.</td>
</tr>
<tr>
<td>Refined Petroleum Products</td>
<td>Opportunity to capture chemical manufacturing, fabrication and processing sales.</td>
</tr>
<tr>
<td>Health</td>
<td>Opportunity to profile expertise in biotechnology &amp; expertise in medical devises and components of ICT (health information.)</td>
</tr>
</tbody>
</table>

### 1.8 Institutional Characteristics in the Region

#### Post-secondary educational Institutions

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

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

#### Research and Development (R&D)

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

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

Despite having a significant number of R&D bodies in the region, it remains somewhat challenging for small and medium scale business to draw venture capital to invest in R&D. According to PricewaterhouseCoopers, there are a high number of small businesses in the region who do not feel motivated to invest in product improvement since they lack access to...
The Edmonton Metropolitan Region has been strengthening its capacity to improve research commercialization and product development. The Government of Alberta has introduced the Scientific Research and Experimental Development Tax Credit, which funds 10% of a company’s R&D expenditure up to $400,000, and the $100 million Alberta Enterprise Corporation has been established to “help alleviate Alberta’s venture capital shortfall and improve rates of technology commercialization”.

The Edmonton Metropolitan Region hosts business incubators with focus on Information and Communications technology (ICT), agriculture, biotechnology, agricultural biotechnology, health, clean technology, and industrial product development. For example, Agri-value Processing Business Incubator in Leduc is a food development and business commercialization campus, which has led to over 80% of incubator graduates surviving beyond the first 5 years of their business’ existence.
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<tr>
<td>Apr 9, 2015</td>
<td>County of Sturgeon</td>
<td>Who is involved in the Economic Development Initiative?</td>
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| Apr 30, 2015  | Administration   | As per the Nov. 2014 motion, the Economic Development Initiative is led by a Steering Committee consisting of leading organizations that are investing significantly in business retention and attraction, and have professional staff involved in doing so. The Motion named Steering Committee members to be:  
  • Alberta Industrial Heartland Association  
    – Neil Shelly, Executive Director  
  • Edmonton Chamber of Commerce – Janet Riopel, President & CEO  
  • Edmonton Economic Development Corporation  
    – Brad Ferguson, President & CEO  
  • Edmonton International Airport – Tom Ruth, President & CEO  
  • Greater Edmonton Economic Development Team – Jonathan Saah, Chair  
  • Greater Edmonton Regional Chambers of Commerce – Rick Hersack, Executive Director  
  • Leduc-Nisku Economic Development Association / Alberta’s International Region – Barbara McKenzie, Executive Director  
  • Capital Region Board – Malcolm Bruce, CEO and Steering Committee Chair  
  
  As per the Project Charter, the Steering Committee provides guidance to the Project including establishing focus for the Working Group, assessment of the work products, liaison with key stakeholder groups, and facilitation of approval processes with CRB Administration.  
  
  The Working Group is comprised of municipal economic development specialists from across the region, who work with the consultants to draft the economic development
strategy primarily using existing plans and documentation. The WG members bring a regional perspective to this work, and ensure the issues and concerns of all members of the Capital Region are reflected in the final results.

The **Working Group** members are:

- Barbara McKenzie, Chair
- Dave Walker
- Glen Vanstone
- Jordan Rumohr
- Tom Koep
- Gerald Gabinet
- Guy Boston

An Economic Development **TEAM** is made up of 28 economic development professionals OR CAOs (in the absence of an economic development staff in a municipality) from the region. The TEAM provides input and advice to the WG, ensuring that regional issues are well articulated and understood.

### Governance, Priorities & Finance Committee

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
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<td>Friday, June 12, 2015</td>
<td>8:30 a.m. –</td>
<td>Chateau Louis Grand Ballroom</td>
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<td>Joint Task Force/Committee Mtg</td>
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<td>Monday, June 15, 2015</td>
<td>9:30 a.m. –</td>
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