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EXECUTIVE SUMMARY

The Leduc County Economic Development and Growth Management Strategy (EDGM) is an important planning tool providing direction to both the County and Leduc-Nisku EDA in managing economic development and growth. It identifies risks that could have significant implications, some of which are beyond the control and influence of the County. The County also constitutes a large land area that is made up of a range of land uses and geographical features that create diverse and unique needs. This plan provides a foundation for the sustainability of the County in relation to maintaining economic development and growth as one of the key sustainability pillars. However, it cannot be treated in isolation from the other sustainability pillars of protecting the environment as well as social and cultural needs that are critical to the life supporting capacity of communities.

Like any plan, the success of the EDGM will only be achieved through the implementation of the recommended actions and developing a comprehensive ongoing monitoring system. Effective monitoring is essential as measuring performance enables the plan to be updated to reflect shifts both politically and economically. Ultimately, this relies on Council as the decision-making body to constantly monitor performance in an integrated manner through key influencing planning and policy documents. It is recognized that this can be a challenging exercise for political leaders, particularly in economic downturns, when faced with short-term political pressures. This can lead to an ad-hoc approach and result in losing sight of the strategic objectives. At the same time, it is challenging for elected officials in considering each individual request for developing a parcel of land or supporting a form of business in the context of the long term perspective. This is further strained through the pressures they face from individual rate payers who seek a favourable decision from Council that may directly benefit the individual/organization but may not fit with the larger, strategic vision. A key element to assist decision-makers in maintaining a strategic outlook will be through rigorous monitoring and reporting as recommended in this report. This will enable staff and Council to have greater qualitative and quantitative data to measure or assess how an application contributes or how a plan is performing within the greater context of the County’s plans. Through effective growth management, Leduc County will be able to promote and enhance their well-being over the short, medium and long terms.

Leduc County’s key location as the southern gateway to the Capital Region offers an economic advantage to land developers, business owners, and residents alike. The two main business sectors of economic strength are industrial and agricultural. While agriculture, both crop and animal, is the main business across the County, at its heart is the Nisku Business Park and Edmonton International Airport (EIA) which are strategically located at the crossroads of major air, road, and rail transportation linkages. These elements have enabled a strong and thriving economy centered on supporting the Oil and Gas (O&G) Industry in Northern Alberta. For over 25 years Leduc County has had a strong economic growth resulting from the O&G Industry, however, Alberta is currently facing a cycle where the price of oil has dropped significantly. Additional global geopolitical movements such as those in Europe, Africa, and the Middle East along with an economic slowdown in China are also having an indirect impact on the Canadian economy. This plan seeks to develop a five-year economic strategy that looks towards diversification of the economy to assist the County to weather rapid shifts in global and regional economies in the longer term.

Leduc County, its business, and residential rate payers have to respond to the “boom and bust” cycles of the price of oil. This can cycle between two major economic extremes:

- There is either a surplus of skilled workers and no job demands for them when the oil prices are low; or
- There is a surplus of jobs and not enough skilled workers to fill them when oil prices are high.

Another major concern currently facing the County is the proposed annexation of 39,000 ha of land by the City of Edmonton and 1,360 ha of land by the Town of Beaumont. These annexations, if completed in their
entirety, will severely impede the industrial and commercial growth planned for the County thereby threatening its future sustainability and prosperity.

The purpose of this study, based on the County’s current boundaries, is to identify and enable economic and population growth within the County that is sustainable and will benefit and enhance the County’s well-being.

To prepare this study, extensive consultation with Council, staff and stakeholders was conducted. The information gathered was combined with intensive background research. Based on this work, key areas of focus for a more resilient economy were identified. These include the need for economic diversification, improving employee availability for businesses, the retention of residential population, providing appropriate and adequate servicing standards, and more effective planning and monitoring. Throughout the consultation, a number of themes emerged. These include the importance of collaboration and the need to see key projects through such as the proposed Aerotropolis, the upgrading of main transportation routes and the Foreign Trade Zone initiative and continuing to develop such initiatives as the Joint Servicing Master Plan and Service Evaluation.

The economic development plan and analysis has influenced the potential recommendations for managing growth in the County over the next 30 years. Growth forecasts have been aligned with the economic development strategy. An optimistic alternative growth forecast has also been developed to demonstrate the full potential of the strategy. This growth forecast also outlines the implications of two scenarios of population growth being developed that consider either an existing growth area or an alternative strategy that introduces a new urban growth node. As part of the growth analysis, the report identifies potential financial impacts for the County along with recommendations on financial management to address how to manage and encourage both economic and population growth. It should be noted that the growth scenarios prepared for this report are ambitious and have been developed to reflect the ‘potential’ for the Leduc sub-region. While attempts have been made to reflect the current economic realities of the provincial and regional economy, it can be expected that actual growth in the L educ sub-region, both employment and population, may be substantially moderated from the projections provided in this report in the near term.

Another crucial point in achieving sustainable, planned economic development is efficient integrated monitoring that is often absent from municipal administrative functions. Throughout the consultation process, stakeholders stated the County either needed better planning documents or was not consistent in following through to enforce the plans in place. This was leading to a distrust and apathy towards local government and contributes to an environment of uncertainty for business in the region.

Recommendations contained within this document include the implementation of ongoing monitoring and reporting to track the performance of adopted plans. When monitoring and reporting procedures are not in place (or not enforced), plans and policies can quickly become out-of-date and redundant. This can lead to a lack of quantitative or qualitative information to inform decision-makers in relation to day-to-day planning processes and approvals. At the second workshop hosted with Council, the need for monitoring and reporting was recognized as a key element in moving forward.

In summation, as demonstrated in this report, economic development and growth management are intertwined and both sections provide recommendations that will assist in enhancing the sustainability and prosperity of Leduc County.

The diagram on the next page indicates how the Economic Development Strategy will influence the Growth Management Strategy and the importance of the monitoring to track the plan as it unfolds.
Growth Management Strategy

- Financial Management Strategy
- Municipal Development Plan
- Other strategic documents (TMP, UMP...etc.)

Economic Development & Growth Management Strategy

- Tax Base
- Municipal Services
- Land Use Bylaw
- Infrastructure

Growth

Monitoring

Council
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1 INTRODUCTION

1.1 CONTEXT
The economic climate of Leduc County is ever-changing and moves in response to a variety of internal and external forces. As a result, a comprehensive strategy needs to be developed in order to effectively manage the forecast population and employment growth in the region. The County’s position in the wider Capital Region, as well as the high volume transportation corridors that run through it, makes the job of planning for growth and economic development especially challenging. A strong regional economy and the observed population growth have created the need for the proposed Economic Development and Growth Management Strategy (herein referred to as the EDGM Strategy). Given the County’s unique situation, the project team has carefully considered the task at hand and developed a robust and tailor-made approach to helping the County achieve its goals.

1.2 PURPOSE AND PROCESS
The purpose of the Strategy is to establish a framework that will assist with the County’s expressed mission to develop strong, sustainable communities through relevant, innovative, responsible and efficient growth and development. This cannot be achieved without accounting for the various other regional and provincial plans that will likely impact the future growth of Leduc County. The recommendations contained in this report are rooted in the analysis and synthesis of large amounts of data. Public feedback, generated via workshops, focus groups, stakeholder consultation, has been married with the hard data before any recommendations were drafted. A common approach to strategic planning is to examine the Strengths, Weaknesses, Opportunities, and Threats (SWOT) of the current environment as the foundation for the development of a strategy. A SWOT analysis has also informed the recommendations in this report. The SWOT analysis was used to evaluate the competitive advantages/disadvantages of the County versus other jurisdictions in terms of infrastructure, skilled labour availability, location, supply chain, growth drivers, taxation, and land development policies.

1.3 STUDY AREA
The study area is comprised of the whole of Leduc County which spans 105 kilometers east to west and 32 kilometers north to south abutting the southern boundary of the City of Edmonton. Many external factors will shape how growth and development unfold in the County. The EDGM Strategy considers various regional and provincial plans that encompass Leduc County, primarily the Capital Region Growth Plan, that is currently being revised to define a 50-year growth strategy. Owing to the physical size of the County and its asymmetric socio-economic character, the EDGM Strategy has undertaken an assessment of relevant economic sectors. So called “economic clusters” have been analyzed to identify economic drivers and development trends.
2 BACKGROUND REVIEW

2.1 INTRODUCTION

Leduc County is located south of Edmonton in a regional market of 1.2 million consumers. Recent market studies have identified that the Capital Region is healthy and poised for continued growth in the long-term. The County is aware of the benefits of growth and has realized that investment in a plan will pay off in future years.

A large number of background studies have been undertaken in the region that have identified the core industries, assets, growth potential, stakeholders, geographical growth areas, barriers to growth, and opportunities for Leduc County to align and coordinate approaches to advance and benefit from growth.

The primary studies that have been conducted include the following:

- Edmonton International Airport (EIA) Master Plan
- Edmonton International Airport Strategic Plan 2014-2020
- Aerotropolis Viability Study (AEV)
- Joint Servicing Master Plan and Service Evaluation (JIMPSE)
- Regional Jurisdictional Advantage (RJA)
- Leduc County Municipal Development Plan (MDP)
- City of Leduc/Leduc County Intermunicipal Development Plan (IDP)

A significant amount of data has been gathered and evaluated in the background reports. More detailed versions of the individual reports have been included in the Background Report. The purpose of this overview is to provide a high level summary of the information that has been gathered, and how it will be utilized to assist with the preparation of the economic growth and development strategy for the County.

2.2 EDMONTON INTERNATIONAL AIRPORT (EIA) AIRPORT MASTER PLAN

The EIA’s Airport Master Plan has two key functions:

- To describe the long term development of facilities, consistent with the EIA’s Visions and its Strategic Plan. The master plan will allow the authority to update the land use plan so that all future developments are consistent with the updated master plan.
- To involve and inform the airport’s community and business partners. The plan provides clarity and a better understanding of the development proposed at the airport so the surrounding municipalities have meaningful information to base their planning on and to engage the airport about the municipal plans.

2.3 EDMONTON INTERNATIONAL AIRPORT (EIA) STRATEGIC PLAN

The EIA’s Airport Strategic Plan is a subordinate document to the Airport Master Plan but plays a critical role in defining the future vision and objectives of the overall direction of the airport. The EIA’s Mission is defined as “Driving the region’s economic prosperity through aviation and commercial development.”
goal to expand to 10 million passengers by 2020 will both respond to and drive growth in the Region. In addition to increasing passengers, the Authority is a national and provincial competitor for non-aeronautical land based on its expansion plans and large existing footprint that will contribute to growth in the County and the overall Capital Region.

2.4 AEROTROPOLIS VIABILITY STUDY (AVS)

Leduc County was a partner in the preparation of the AVS. The market analysis, included in the report, confirms the Capital Region is economically healthy. The report’s authors conducted an economic cluster analysis that targeted various sectors of the economy. After analyzing the various sources and comparing them to clusters that have been established in airport cities around the word, eight clusters (energy, advanced manufacturing, transportation, agri-business, aerospace, information and communications technology, life sciences, and education) were selected for further study. The report concludes that the energy sector within the AVS will remain a core economic foundation. Sectors relating to energy (logistics, and advanced manufacturing) will also remain strong.

These results align with City of Leduc and the Leduc County MDPs, which identify a need to pursue economic development activities related to logistics, oil/gas, tourism, light manufacturing, agriculture, airport related industry, and other related industries. Both plans recognize the need for intermunicipal cooperation, and regional partnerships. The City of Leduc MDP is focused on land use targets while the Leduc County MDP is more focused on industrial/commercial development in defined Primary Growth Areas. The City of Leduc/Leduc County Intermunicipal Development Plan provides direction to encourage cooperation to achieve and support economic development.

2.5 JOINT INFRASTRUCTURE MASTER PLAN AND SERVICE EVALUATION (JIMPSE)

The JIMPSE report investigates the relationship between the City of Leduc and Leduc County, as well as their association with the EIA. The report considers the existing arrangements/agreements and identifies areas of potential cooperation relating to land use, utilities, and transportation. It notes that there will be competition for business development in the area and estimates an additional 1,186 ha for light industrial, logistics, warehousing, transportation and business industrial uses; 732 ha for business park uses and 128 ha for commercial developments. A key finding outlined in the report is the potential cost savings that may be achieved through the alignment (cost sharing and cooperation) of the design and construction of major infrastructure enhancements. It further notes that in addition to the cost savings, an improved working relationship and trust could be achieved.

2.6 REGIONAL JURISDICTIONAL ADVANTAGE (RJA)

The RJA study included a look at the prosperity of the Capital Region compared to other similar cities/economic hubs. When compared to other similar-sized, innovative cities/hub regions in the world, the authors claim that other places also struggle to collaborate. The challenges that the Capital Region faces are not unique and decision-makers should follow successful examples of pursuing opportunities by investing in areas of innovation. Ultimately, the author feels that leadership is lacking. Leadership is needed in order to bring the Capital Region together. To this end, business leaders and economic developers should be included in political discussions and the decision making process.
2.7 LEDUC COUNTY MUNICIPAL DEVELOPMENT PLAN (MDP)

Readiness for growth includes having the appropriate policies in place to remove barriers and facilitate growth. One of the key policy documents is the Leduc County MDP, which was adopted in 1999 and amended as recently as March 2015 to accommodate amendments to the Leduc County / Town of Devon Intermunicipal Development Plan. The MDP consists of a long list of policies and objectives aimed at guiding future agricultural, industrial, and commercial development, as well as informing land development/subdivision decisions in hamlets, urban growth areas, the Edmonton Intermunicipal Fringe Area, and lands in close proximity to pipeline/utility right of ways. The MDP also addresses transportation, environmental protection, resource extraction, recreation development/community services, and Intermunicipal relations in the context of future development. The County will be completing an updated MDP in the coming months.

2.8 TRANSPORTATION AND ENERGY INFRASTRUCTURE

One of the fundamental barriers to growth is undersized, poorly planned, or outdated infrastructure. A review of all modes of transportation and energy infrastructure, including road and rail networks, airport facilities, access to seaport infrastructure and the “Canadian Pipeline Transportation System” has been conducted to measure their ability to accommodate growth in the Region.

The research discusses how the Region is served by major highway systems including the Yellowhead Trail and TransCanada Highway, the country’s fastest growing major airport, two Class 1 rail services as well as ports in Prince Rupert and Vancouver, and two main oil pipelines that start in the Capital Region (Trans Mountain Pipeline & Enbridge Pipeline Inc.). Based on existence of significant transportation and energy infrastructure, the Region is well positioned to accommodate future growth.
3 CONSULTATION SUMMARY

3.1 BACKGROUND

In addition to the large volume of data that informs this report, the recommendations contained in Section 4 are also based on feedback generated through various stakeholder consultation sessions that came in the form of workshops and telephone interviews. The main objective of the consultation was to engage with crucial stakeholders who influence or contribute to economic development and growth management in the County. The information gathered combined with the research guides the recommendations of this report. The interactive style of both workshops and interviews allowed for discussions and greater participation between the audience and the planning consultant and all comments and opinions expressed were recorded, tabulated, and carefully considered in the drafting of this report.

Four separate workshops were held at the Leduc County Office between April 27 and May 4, 2015 and saw participation from County Council, County staff, local business operators and representatives of the development community. When asked to consider prevailing economic conditions in the context of Leduc County, the attendees commented on the positive and negative aspects of doing business in the County. A significant number of private sector stakeholders identified the proposed annexation by the City of Edmonton as a threat to the health of the regional economy and a motive to identify and re-designate existing lands for future industrial development. Stakeholders also suggested that in order to remain competitive, the County should maintain its comparatively low tax rates and prevent the ongoing development of residential subdivisions from encroaching upon lands better suited for future industrial uses or prime agriculture activities. Council and County staff similarly acknowledge the need for a plan that clearly describes the locations of future residential, commercial and industrial land uses, as well as a master transportation plan to address the various road network deficiencies identified by all attendees.

Between April and June 2015, public consultation continued in the form of telephone interviews with individual stakeholders representing the agricultural and industrial industries as well as various governmental and publicly financed organizations. Respondents were asked to assess local and regional business trends and development opportunities, and to comment on the role that they believe Leduc County should play in stimulating economic development. The reason for inviting both agricultural and industrial stakeholders to participate was to acquire feedback from the County’s two most economically important sectors as well as to collect comments from people representing both rural and urban regions of the County. While the 24 interview responses are too detailed to fully describe here, some noteworthy themes can be briefly identified and described.

All respondents were asked to comment on the implications of fluctuating oil prices on the operation of their respective organisations. Most industrial stakeholders, largely representing businesses located in the Nisku Industrial Park, reported that successful business operators anticipate and plan for periodic commodity price declines and make adjustments to their operations in response. Many respondents commented that current slump has forced a dramatic reduction in the size of staff and scale of operations. Conversely, agricultural industry respondents frequently reported that the current price decline has little bearing on their operations apart from the cost of fuel for farming machinery.

One final recurring theme arose when interviewees were asked to comment on the County’s transportation infrastructure. The respondents were overwhelmingly in agreement that the congestion that forms at the entrance and exit ramps connecting Highway 2 and Airport Road needs to be addressed.
because it is both a safety concern and an impediment to existing and future development of the Nisku Industrial Park.

3.2 COMMONALITIES

The following provides a summation of feedback where there was commonality and differences between the responses from the different stakeholders.

3.2.1 CONCERNS OVER EDMONTON ANNEXATION

The majority of participants viewed the annexation as creating a significant degree of uncertainty about the future of the area. They also viewed the annexation as a “done deal;” however, they expressed their views based on their current concerns with the City of Edmonton. These were articulated as being: higher tax rates, lower level of service, longer delays in getting development applications approved, more regulations, and a loss of the personal services that the County of Leduc currently provide their business community. Concerns were also expressed with the lack of access to the elected officials in Edmonton as opposed to the ease of access in the County.

3.2.2 PLANNING

Participants involved in the consultation stated there was a lack of planning or that planning documents that have been approved by Council were not adhered to in their implementation. They viewed it as critically important to have clear planning documents for the County for the development of infrastructure and land uses that were regularly monitored and updated to reflect the changing environments. While there was acknowledgement that planning documents existed, it was felt that they were either outdated or were not followed through when being implemented.

3.2.3 IMPLEMENTATION

While planning documents were viewed as important, stakeholders also wanted to have greater clarity around the basic requirements for applications and to develop a fair playing field for all on these requirements. It was viewed that who you were or what organization you represented could determine the requirements that were expected from you to support a planning application. Examples were used where a local person could do a subdivision on a piece of paper versus a developer who would have to engage professional services to prepare an application that could be relatively the same scope or be asked to provide more supporting technical reports. The question raised was that, if there is a need for information or a certain standard, it should apply to all.

3.2.4 LOW TAXES

It was recognized by all stakeholders that in attracting investment from the business sector a key asset was to provide low taxes. They view County’s current low taxes along with its surrounding assets as a
critical element for the growth of the business sector. Participants expressed the need to monitor the County’s performance based on its tax rates compared to other municipalities in the Capital Region. The facilitator asked the question during the session on how to pay for major infrastructure projects, provide services etc. that were being requested earlier in the session if taxes were to be maintained at a low level. While most participants acknowledged this challenge they were of the opinion that maintaining low taxes was a critical component and part of the current success of the Nisku Business Park.

3.2.5 PROTECTING AGRICULTURE LANDS

Residents of Leduc County are extremely proud of the agriculture history and the value it contributes to the economy. The lands in the County have significant agricultural resources particularly in the quality of the soils that generally provide excellent yields. However, being located on the boundary of a large city and the growth pressures that have been experienced in the County, some of the best agricultural lands are being lost to other land uses. The majority of participants recognise the value of retaining productive lands, however, differences exist in relation to the priority placed on productive agriculture lands in relation to other land uses that also provided a significant contribution to the economy.

3.2.6 COLLABORATION AND SHARING OF RESOURCES.

All participants generally valued collaborating with other governments and institutions that could provide cost savings on infrastructure projects. Currently the best example of this is the work being carried out by the County and the City of Leduc on potential shared infrastructure projects. Other opportunities raised were the collaboration with the Edmonton International Airport (EIA), Universities, technological institutes and other schools along with other government agencies such as Alberta Transportation.

3.2.7 MARKETING AND RAISING AWARENESS OF THE VALUE OF THE NISKU BUSINESS PARK

A number of participants felt that the Nisku Business Park was not recognized for the contribution it makes to the economy and the value that it brings for potential investors. Stakeholders stated the need for greater awareness of the Business Park through development of a marketing plan that seeks to promote the assets and opportunities that the Park represents.

3.2.8 FINANCIAL INVESTMENT IN INFRASTRUCTURE

The perception from the majority of participants was that there was a lack of municipal investment in infrastructure to support development in the area and too much reliance on the private sector to take the lead in providing the infrastructure to service developments. It was viewed that the County could have an easier time borrowing the money than the private sector and that the County would have broader mechanisms to recover the capital costs. It was also viewed that the County could take the lead on developing and servicing new areas to attract new business investment. It was recognized that some of the important infrastructure improvements needed were outside the control of the County but saw the County as playing a significant advocate role in lobbying other agencies to move forward with key infrastructure projects that would enable continued development.
3.2.9 AVOIDING CONFLICT BETWEEN RESIDENTIAL AND INDUSTRIAL

It was recognized that Leduc County has also experienced an increase in residential development which has led to potential conflicts between industrial and agriculture uses and residential land owners. The most notable example of this that was raised by some participants is with the continued growth of the Nisku business park and the development of the East Vistas. The only place for the Nisku Business Park to grow is to the north and east. Developing to the east has resulted in the residential and industrial developments coming in close proximity and causing conflicts. Creating mitigation measures between the two land uses will be important to enable sustainable development within the context of these areas and other future developments.

3.2.10 ASSETS OF LEDUC COUNTY

It was recognized by all stakeholders and participants that Leduc County is extremely fortunate in the infrastructure, geographic location and land assets that all contribute towards its strong economic position. These include:

→ Proximity to the City of Edmonton providing both a linkage to other services and employment opportunities.
→ The Queen Elizabeth II Highway running through the County providing a direct linkage to Calgary, Red Deer and other key markets.
→ The location of Edmonton International Airport in the County that provides the opportunity for businesses to have ease of access for exporting of goods and product into national and international markets.
→ The railway line and Alberta’s Foreign Trade Zone providing another option and logistical assistance for delivery of goods nationally and internationally.
→ Productive agriculture lands along with the above mentioned infrastructure that provides opportunities to develop agri-businesses.
→ Lakes, rivers, and other geographic features that present recreational opportunities to residents of the County and enhance the tourism industry.

3.2.11 DIVERSITY OF THE BUSINESS SECTORS

The Province of Alberta constantly speaks about diversification of its economy to better buffer the impacts of the changing and unstable oil prices that have resulted in the boom and bust economic cycles. One of the main challenges is having a good supply of skilled workers when oil prices are high for the demand of the industrial sector. When the oil price slumps and the demand for skilled workers minimized, migration to other fields / geographic locations occurs and industry talks about diversification to mitigate economic loss. The current situation is no different as the oil prices drop to significantly below historic levels and county business are looking to diversify in response. A program is needed to assist businesses with learning what techniques they can use to adapt their workforce along with identifying opportunities of working together through economic downturns.
3.2.12 THE IMPORTANCE OF AEROTROPOLIS

All participants recognized that the greatest economic growth opportunity for the County is the development of the Aerotropolis, including the Alberta Foreign Trade Zone. These were viewed as significant developments over the next 30 years that could drastically change the profile of the area and contribute to diversification that would strengthen the overall economy.

3.2.13 NISKU BUSINESS PARK COMMUNITY

Through the engagement process, stakeholders identified the strength of Nisku Business Park business network. It was described as a web of connections that sought to support each other in their industry. It was also identified that an opportunity to tap into this web to understand how they operate and identify opportunities to leverage, further develop, and strengthen the economic opportunities of the area.

3.2.14 COST OF REAL ESTATE AND ACCESS TO CAPITAL/BANKING

A number of the stakeholders identified the challenge around the cost of real estate and access to capital financing to assist with funding projects. While land prices were high they acknowledged that it corresponded with the growth in the economy and market demand, but also identified that it may also be a result in the shortage of industrial land available in the Nisku area.

3.2.15 OTHER GOVERNMENT AGENCIES

While the role of other government agencies such as Alberta Environment and Sustainable Resource Development or Alberta Transportation was recognized and acknowledged, it was commonly noted that these agencies seemed disconnected from the reality of the development community. Time frames for permitting approval and excessive detail requirements for applications were costing developers monies when things such as approval timelines were so long that building seasons were lost. This loss of economic opportunity stifles growth in the region.

3.3 DIFFERENCES

Different stakeholders that participated in focus group discussions along with feedback from individual stakeholders revealed some contentious differences. The following provides a summary of areas where there were variances of opinion between participants.

3.3.1 PROCESSING OF PLANNING APPLICATIONS

While the majority of developers were complementary of the County staff and the time lines for processing applications, there were other stakeholders that felt the County staff could improve in this area.
3.3.2 DEVELOPERS SEEKING LOWER SERVICING STANDARDS AND BUSINESS OWNERS LOOKING FOR HIGHER STANDARDS

There was a clear difference between land developers and the business owners. Developers were challenged with attracting and retaining businesses to the area. On the other hand, employees joining new businesses sought a more attractive urban environment and greater amenities such as walking trails, parks with trees, and public transit to ease pressures of getting to and from work and on the job stress. The land developers, however, viewed these infrastructure services as an additional and absurd cost for the development of industrial lands. This resulted in differences between the levels of infrastructure expected by the different participants. The ability of the business community to recognize the views of existing and prospective employees may improve retention and attraction of skilled labour.

3.3.3 WHERE TO GROW AND HOW TO GROW

A majority of participants were uncertain or had significant differences on where or how to grow. Some participants believe growth was limited to where the main water and sanitary lines were located and/or where future lines were planned. Others were unsure because of the pending annexation by the City of Edmonton and viewed this as potentially pushing developing further south along the Highway.

3.3.4 IMPACT OF OIL PRICES

While all participants recognized the impact of the lower oil prices, the differences lay in how long the prices would remain low. The variance in opinion ranged from the short term (1-2 years) to some believing it would be more than 5 years before oil returned to historic levels. All agreed that it was generally unstable and subject to international politics and action.

3.3.5 VALUE OF LAND VS LAND USE

During the engagement process, it was recognized that the Nisku Business Park has a number of laydown yards. These operations use land while producing lower industrial taxation revenue than developments that involve a larger capital investment. Concerns were expressed regarding the need for suitable locations for laydown yards to service the O&G industry, the need for them to be in suitable (undefined by participants) locations, while at the same time working towards a “higher end” appearance (and more tax revenue) for the Nisku Business Park. Participants recognized the Park is a crucial economic driver for Leduc County.

3.3.6 CAPITAL REGION BOARD (CRB)

Stakeholders and participants of the focus group were largely divided on the role of the Capital Region Board. Larger organizations that do business beyond the County borders believe the CRB should be a stronger more governing entity managing development in the Capital Region. Smaller business viewed the CRB as unproductive and a barrier to economic growth in the County. The majority of participants did agree that its current governance structure was flawed leading to inactivity and hostility between different municipalities.
4 ECONOMIC DEVELOPMENT STRATEGY

4.1 AREAS OF INFLUENCE

The economic development and growth of a region can be influenced by a range of factors, many of which are beyond the control of government and economic development agencies. The global economy, competitive forces, decisions and fortunes of private investors and developers are largely outside the realm and influence of local agencies and governments. New provincial and federal policy in relation to the environment and climate change may impact the economy and is also beyond the control of local government.

It should also be noted that Leduc County and the Leduc-Nisku Economic Development Association (Leduc-Nisku EDA) do have significant areas of influence – ways in which they can directly and indirectly impact the economic development and growth of the County. It is important to recognize and understand these areas of influence in order to make decisions and take actions that will promote the growth and development of Leduc County in the desired manner.

Leduc County, as a municipal government body, is governed by the Alberta Municipal Government Act (MGA) and must adhere to the requirements of the Act when setting policies, making decisions and taking actions to influence the economy and growth. Subject to these limitations, the County’s areas of economic influence include:

- Partnerships and Collaboration with other Agencies or Municipalities, including (but not limited to):
  - The Capital Region
  - The City of Leduc
  - The City of Edmonton
  - University of Alberta
  - Northern Alberta Institute of Technology (NAIT)
  - Other Industrial Parks
  - 39/20 Alliance
  - Capital Power
  - Alberta Community and Cooperative Association

- Policies and Regulations, such as:
  - Agricultural or environmental protection
  - Appropriate forms and locations for future residential, commercial and industrial development
  - Business licensing
  - Agricultural or Environmental Tourism

- Fiscal initiatives, including:
  - Taxation rates
  - Development levies
Community Revitalization Levy zone(s)

Local Improvement Zones (levies)

→ Administrative and Operational decisions, such as:
  - Capital projects
  - Infrastructure improvements
  - Staffing levels
  - Permit processing times

The County faces numerous decisions and opportunities in each of these areas. They must consider and understand the potential impact on economic development to avoid unintentionally hindering opportunities for growth. For example, implementing policies to protect and preserve agricultural land will benefit the agricultural sector but may limit residential, commercial, and industrial development opportunities. Similarly, lowering residential tax rates may stimulate residential development in the County but could result in a greater tax burden for business owners and reduce funding for capital investment and infrastructure improvement projects. Obviously these factors need to be weighed in consideration of the other important pillars of sustainability – the environment, social and cultural needs, economic development needs, and basic human needs in the County’s communities.

An example of potential consequence would be the delay of infrastructure investments due to high costs. This could lead to capacity issues in roads or pipes to service these areas. This would limit the attractiveness of industrial areas for more intense forms of development and opportunities for economic growth.

It should be noted that the majority of the economic development opportunities are around the Nisku Business Park and in the agricultural sector. There are also other, smaller initiatives that could be further explored such as a promotion of agri/eco – tourism in the Beaverhills Moraine, or partnerships with Capital Power on their Post-Combustion Carbon Capture and Storage Pond Project at Keephills 3. The County must not lose sight of these types of opportunities as mechanisms to grow and diversify the local economy.

The Leduc-Nisku Economic Development Association (EDA) is also governed and must abide by the requirements and guidance of its members and associate members, Board of Directors and Strategic Plan in their policy setting and decision making. Subject to these conditions, the Leduc-Nisku EDA areas of influence include:

→ Marketing and promotion, such as:
  - Tradeshows and trade missions
  - Regional and international outreach and advertising
  - Business attraction initiatives

→ Information and communication, such as:
  - Educational seminars
  - Business development resources

→ Facilitating investment and development by:
  - Connecting business owners, landowners, investors and educational institutions
  - Assisting with property searches and site selection
Encouraging and supporting new business initiatives and start-ups

Business retention and expansion activities

Representing the business, investment and development community by:

- Influencing Capital Region Board and local policies
- Providing feedback to regional and municipal governments on issues and opportunities faced by the business and development sectors

Again, by fully considering and understanding their own areas of influence and the role that they can play in facilitating and shaping the economic development and growth of this area, the Leduc-Nisku EDA can ensure that their policies and decisions contribute effectively to the economic potential of Leduc County.

The following sections provide a more detailed breakdown of the areas of influence upon which the Economic Development Strategy has been based.

4.1.1 LAND USE PLANNING AND ENVIRONMENTAL POLICIES

Land Use planning and environmental policies are driven by the County’s decisions. These actions can have a major impact on future growth within the County.

4.1.1.1 PROTECTION OF FARMLAND

Agriculture is a major economic generator and the County can play a significant role in the protection of farmland by determining the type and scope of development allowable within the County. It is necessary to maintain the equilibrium between the commercial, industrial, and residential development, and the maintenance and promotion of agricultural activities. Exactly where the balance lies is largely dependent on the position of Council and the direction they take or other external factors beyond their control such as annexation. To guide and assist Council in these decisions, ongoing monitoring of land resources, their use, and development along with research on carrying capacity versus needs must be undertaken to better understand the appropriate balance of development and agricultural protection. The County is currently undertaking the development of an Agricultural Strategy which will serve to identify the subject lands and their future use.

4.1.1.2 RESIDENTIAL AND NON-RESIDENTIAL TAXATION RATES

The County can influence growth in both residential and non-residential sectors by monitoring and modifying its tax rates in order to better position itself in the region. Depending on which sector is targeted for growth, tax options could include:

- Lower residential tax rates would position the County as an attractive location for new residential development while maintaining the burden on the industrial sector; or
- The County could also decide to offer incentives to specific industrial sectors in order to encourage specific industrial development (e.g. agri-business)

Care must be taken to balance incentives while still delivering the services and infrastructure required to attract and retain business in the County. The establishment of corporate revenue and expenditure plans should be followed by the monitoring of performance and growth. This will be a key factor in finding the appropriate balance between tax rates and service delivery for economic growth.
4.1.1.3 DEVELOPMENT LEVIES

Development levies are a mechanism to recover or mitigate capital costs where large infrastructure investments benefit more than one land owner. Development levies need to be consistent, stable, fair, and practical. All developers, from the agricultural to industrial sectors, need a process that is user-friendly, that will draw consistent and repeated development. The County currently has a number of areas where off-site development levies apply. These are used to pay for upstream or downstream road and municipal utility systems improvements required that serve the development. Currently most of the off-site levies apply to the Nisku Industrial Business Park area, East Vistas and lands north of Highway 625, and Saunders Lake areas.

4.1.1.4 COMMUNITY REVITALIZATION LEVY (CRL) ZONE(S)

A CRL, a form of Tax Increment Financing (TIF), can be used to direct growth in property tax revenue within a defined geographic area to fund capital infrastructure renewal and enhancements. The principle is that public investment in an area will encourage private investment in land development. New development contributes to growth in property tax revenue. The additional tax revenue can then be used to finance debt incurred for the public investment in infrastructure for the area.

The CRL was introduced by the Province into the Municipal Government Act (MGA) in 2005 as a financing tool for municipalities. Alberta legislates and regulates the use of CRLs and requires any municipal CRL bylaw to be advanced to the provincial government for final approval. As part of the approval the Province also agrees to remit the provincial education tax portion to the municipality for up to 20 years. Currently, new CRLs have been suspended by the Provincial Government.

4.1.1.5 ENVIRONMENTAL POLICIES

The protection of environmentally significant areas is paramount to sustainable development and maintaining the life supporting capacity of our communities. Provincially, there are many new environmental policies which must be adhered to by municipalities and developers. Economic sustainability relies on investment in and protection of all aspects of the County. The County should collaborate with the Province and other government agencies to fully understand the new regulations (i.e. new Wetland Policy and compensation requirements) and their impact on economic development activities. In March 2015, the County adopted “Leduc County Environmentally Significant Areas Study” which can be found on the County website at:


4.1.2 LOCAL INFRASTRUCTURE

The development of local transportation infrastructure and services is crucial for the future development of the County. A variety of initiatives, some of which are described below could be considered by the County.

4.1.2.1 ACCESS TO MULTIMODAL TRANSPORTATION INFRASTRUCTURE

Access to rail, road and airport infrastructure is crucial for exporting local goods and services to external markets and access to international markets.
The development of local roadways should take into account short-, medium- and long-term access to industrial areas. The County should require all new development to provide adequate transportation infrastructure with the capacity to accommodate the growth of heavy transportation and the development and protection of high load corridor access while incorporating a balance of other transportation modes.

The County should also ensure that there is access to water, water treatment, and waste disposal facilities in line with the proper development objectives. This requires the development of master plans and servicing plans that are continuously monitored to check their goals and objectives are being met along with relevancy of the document as time progresses.

4.1.2.2 TRAFFIC FLUIDITY AND SAFETY

The County should assume a leadership role regarding the development of local transportation infrastructure. A development strategy should focus on the safety and fluidity of movement of both goods and people through all modes of transportation.

4.1.2.3 UTILITIES MAINTENANCE AND DEVELOPMENT

As a member of the Capital Region Southwest Water Services Commission, the County is merely a water customer who is responsible for their own infrastructure. Effective planning and allocation of both capital and operating dollars will ensure financial viability for possible expansion of the line to other parts of the County as development occurs. Although the County is a member of the Alberta Capital Region’s Waste Water Commission, sanitary lines and lagoons are currently maintained by the County. While monies must also be budgeted for appropriate upkeep and maintenance, keeping informed of any new or emerging technologies will assist with the growth and development of all sectors. Partnerships, such as the current Joint Infrastructure Master Plan and Services Evaluation (JIMPSE), are important mechanisms in obtaining cost efficiencies for tax payers and greater opportunities in this area should be identified and implemented.

4.1.2.4 INFRASTRUCTURE DEVELOPMENT IN LINE WITH CAPITAL REGION AND PROVINCIAL PLANS

The development of local infrastructure in the County should take into account provincial and regional infrastructure planning. Collaboration between the County, the CRB and the Provincial government in terms of infrastructure development is essential to efficient and structured development planning. An updated Municipal Development Plan (MDP) that is monitored on an ongoing basis will assist in providing the Province with the County’s growth direction and possibly lead to Provincial dollars being allocated when required.

4.1.3 INNOVATION

The County, through the Leduc-Nisku EDA, should undertake actions that could influence its position as a progressive community. Innovation plays a key role in successful economic development. To achieve this, the County needs to maintain programs and initiatives that encourage and grow opportunities for innovation.

4.1.3.1 LEVERAGE FROM THE RESEARCH SECTOR AND EDUCATIONAL INSTITUTIONS

The Leduc-Nisku EDA, as part of an enhancement to the workforce strategy it developed in 2014, has the opportunity to partner with educational institutions to act as a conduit between businesses looking for
labour and students looking for internships. It could provide a unique point of service that simplifies the process and helps attract and retain skilled workers. Ideally, the opportunity to establish a learning centre in partnership with an educational institute focused around the business activities of the County in the County has benefits of proximity to the industries that can also tap into this knowledge base. This would also align with the engagement of Norquest College in the region as it develops programming to enhance access to education for adult learners that will meet the needs of industry.

4.1.3.2 TECHNOLOGY TRANSFER

The Leduc-Nisku EDA should seek a partnership with colleges and universities in the Region to create a technological transfer centre to help translate research into business opportunities. The County could also seek partnerships with the CanmetENERGY research centre in Devon in order to facilitate the implementation of environmental and energy start-ups. The establishment of a long-term partnership between Nisku and the research facility could lead to the development of a high-tech energy and environmental cluster within the County.

4.1.3.3 ATTRACTING KNOWLEDGE-BASED INDUSTRIES

General market-based analysis confirms diversification of industries is necessary for economic sustainability. This is because the significant value of O&G over the last 30 years has often led to opportunities in other areas being overlooked and with the current economic climate presents an opportunity to capitalize on this opportunity. One of the possible areas for the County to target for diversification would be in the growth of knowledge-based industries. Knowledge-based industries exploit peoples’ ideas and create “intellectual property.” This creates economic value as property such as copyrights or patents can be sold. High-speed broadband internet allows high-value, “weightless” products such as research, design, and information and communications technology (ICT) industries to be provided from any internet serviced location. These types of industries are human / technological capital centric. Attraction of this type of industry allows diversification, in return may lead to the attraction of international high-tech employees, and inspire further growth in this type of industry. Examples of this could be the development of drone technology through to consultancy firms involving human knowledge.

4.1.3.4 TAPPING INTO EXISTING COMMUNITY BASE

Existing industries in the County have a wealth of experience and a strong internal network of supporting each other. The Leduc-Nisku EDA can continue to tap into this network as part of their ongoing business support and development centre strategy to develop a mentoring program for new industries and businesses in the County through sharing lessons learned from existing businesses and building economic resilience and capacity. This is marked by the development of the business advisory council, industry cluster strategies, entrepreneurial supports and other programs already ongoing at the Leduc-Nisku EDA.

4.1.4 PROMOTION AND MARKETING

The reputation of the County as fertile ground for industrial, agriculture, commercial and residential development should be aggressively promoted in order to attract businesses and employees. The County should continue to support the Leduc-Nisku EDA’s regional market strategy and the 2016 implementation of the Investment Attraction Strategy currently being developed.
4.1.4.1 LEDUC-NISKU ECONOMIC DEVELOPMENT ASSOCIATION LEADERSHIP

The Leduc-Nisku EDA is a key player in the promotion of the County at the national and international levels. The Leduc-Nisku EDA should continue to show decisive leadership in the promotion of the County and, in conjunction with a marketing plan, set decisive targets for growth and development. The economic development and growth strategy will provide them with the support and direction needed to enhance target investment attraction, business retention and expansion efforts for the County.

4.1.4.2 MARKETING STRATEGY

The Leduc-Nisku EDA is a regional marketing entity which provides economic development for the Leduc Region and its members. Leduc County, as a member of the Leduc-Nisku EDA, should create a market strategy and brand for County specific needs which would be a complementary asset to the regional marketing strategy. A specific portion of the County marketing strategy should centre on the Nisku Business Park. This should be accompanied by an internal communication strategy which needs to be developed to inform and engage existing businesses in the area of what is taking place around them. Keeping local businesses informed and engaged allows for them to act as a conduit to their contacts and associates at provincial, national, and international levels to help promote the County and share key economic development information. This should be a joint initiative of Leduc County and the Leduc-Nisku EDA and will link with the Leduc-Nisku EDA’s community engagement strategy and corporate partner’s initiative.

4.1.5 COLLABORATION

Collaboration is one of the keys to successful economic development. Whether it is collaboration between the stakeholders in the County, collaboration between regional entities, or working with other levels of government, it is imperative that all parties work towards a common set of objectives. There are current examples where the County is already collaborating on projects in the Capital Region including the Aerotropolis and others outlined in this report. This commitment is even more evident in the Intermunicipal Development Plan between the County and City of Leduc in the IDP section 1.3.5 “Responsible Governance” that recognises the commitment between both the City and County on collaboration. While there are challenges with collaboration, it is critical for the County to seek out and participate in these opportunities. This will allow the County to both contribute to overcoming the challenges and exploiting the opportunities. Another example of this is working with provincial regulatory agencies that have a different perspective from that of the County and may not be aware of the negative impact their policy development or implementation is having.

4.1.5.1 COLLABORATION WITH THE CITY OF LEDUC

The industrial park in the City of Leduc is home to the Agrivalue Processing Business Incubator. This federally registered facility offers businesses the opportunity to market their products nationally and internationally. The County should explore further collaboration regarding cost sharing partnerships and agribusiness development. Other resource sharing opportunities will become apparent and should be encouraged. JIMPSE is a good example of looking at sharing on infrastructure costs that benefit both organizations.

4.1.5.2 COLLABORATION WITH THE CAPITAL REGION BOARD

The County should continue as an active participant and leader on the Capital Region Board in order to assist in motivating and coordinating accurate intermunicipal development at a regional level. This entity is working to construct a broader regional coalition to pursue economic development opportunities.
4.1.5.3 COLLABORATION WITH OTHER INDUSTRIAL PARKS

There are several important industrial parks located within the Capital Region. Each of them has unique strengths and weaknesses. For example, the Industrial Heartland is more focused on smoke stack industries dealing with refining of O&G and Acheson Business Park has a more commercial orientation. Continued communication and collaboration, catering to the strengths of each development area, will help maintain cohesive and balanced economic development for each one of them.

4.1.5.4 RESOURCING

In order to achieve an enhanced and focused economic development effort and achieve the objectives of the County, appropriate resource levels must be developed and maintained. The type of growth that the County would like to achieve will require an investment of capital, both human and financial. Communities within the region have dedicated economic development resources, and though it is understood that the County does not wish to develop an in house economic development capacity. The current commitment is to the Leduc-Nisku EDA as its economic development representative. Nonetheless, additional resources will be needed to effectively implement this plan both in the County and at the Leduc-Nisku EDA. The County and the Leduc-Nisku EDA should work together to develop a recommendation for an appropriate budget and resource allocation to undertake the work in this plan, achieve its goals, and enhance the ability of both organizations to perform and communicate effectively.

4.2 ECONOMIC DEVELOPMENT STRATEGY

4.2.1 OBJECTIVE

The objective is to develop a strategy for Leduc County that seeks to enable and encourage economic growth within the County that is sustainable and will benefit and enhance the community’s well-being along with the Capital Region. This strategy is designed to be implemented over a five-year timeline; in stages of short (1-2 years), medium (3-4 years) and long terms (5 years and ongoing). Progress on the strategy should be monitored to provide an ongoing assessment of the initiatives and achievement of desired outcomes. This will ensure that appropriate and timely adjustments can be made as work continues.

4.2.2 BACKGROUND

This report is an accumulation of significant background material and analysis which was used to fully understand the existing situation of the County and its role at the regional, provincial, national and international levels from an economic perspective. The findings of this analysis have led to the development of a strategy and accompanying actions intended to sustain and enhance the County’s economic growth and prosperity. These recommendations are based on the understanding of why a strategy is needed, what needs to be done, and how to achieve it within the areas of influence that both the County and its economic facilitator, the Leduc-Nisku EDA, have influence over. These initiatives are also strongly aligned with adopted County policies such as the Corporate Strategic Plan.

During the development of this strategy, a number of regional economic initiatives have been undertaken which may impact the County and have, therefore, been incorporated into the research for this document. These include, but are not limited to, the Aerotropolis Viability Study and the Edmonton Metropolitan Region Economic Development Initiative. Potentially the greatest impact on the County will be the
outcome of the Town of Beaumont and City of Edmonton proposed annexations which would effectively remove the ability for a significant amount of the County’s industrial tax base to grow as currently planned. The City of Edmonton annexation (if accepted in its entirety) would also remove integral economic engine drivers from Leduc County such as essential portions of the proposed Aerotropolis. This Economic Development and Growth Management Strategy has been developed based on the County borders as they stand now.

Through the consultation and engagement process for the Economic Development and Growth Management Strategy, a number of vital areas have been identified. This strategy is formulated on the basis of these vital areas, why they are important to economic development and what actions can be undertaken to assist with greater sustainable prosperity.

### 4.2.3 STRATEGY FORMULATION

#### 4.2.3.1 POLICY & REGULATION

The development of County policy and regulation can have a positive and negative impact on economic growth and, therefore, requires careful consideration and a fine balance between implementing regulation that does not deter investment while also maintaining or improving the quality of life for community residents and the environment. A key element that is commonly overlooked in municipalities is the implementation of regular ongoing monitoring to measure the performance and validity of policies and regulation. When monitoring and reporting are not in place, plans and policies can quickly become out of date and redundant; often result in frustration from all stakeholders including residents, elected officials and staff; and inevitably lead to scepticism and cynicism towards government. Those participating in the consultation have stated that plans need to be adhered to and policy either followed or changed. There was a perceived notion among stakeholders that, although the County can plan, it will not enforce policy; or worse that when an infraction is discovered no penalty or correction will ensue.
4.2.3.2 INITIATIVE E1: ESTABLISH MONITORING TEAM

Develop a County-wide monitoring team that establishes benchmarks for the economic, socio-economic and physical environment to measure achievement of adopted policies and plans and report regularly to council.

When plans and policies are monitored they provide quantitative and qualitative data on their effectiveness, which can assist in transparent and effective decision making and allow for more viable influence on external decisions beyond the County’s control.
Figure 2: Proposed Monitoring System

Figure 3: Proposed Monitoring System
<table>
<thead>
<tr>
<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>Obtain Council approval to create a terms of reference and establish a monitoring team. <em>Note: This can be an internal or external team established for the purpose of tracking goals and objectives set by Council.</em></td>
<td>County</td>
</tr>
<tr>
<td>Year 1</td>
<td>Identify opportunities to collaborate on establishing the monitoring system for joint initiatives with the City of Leduc for cost efficiencies.</td>
<td>County</td>
</tr>
<tr>
<td>Year 1</td>
<td>Establish monitoring framework along with benchmarks and indicators required to carry out effective monitoring.</td>
<td>County</td>
</tr>
<tr>
<td>Semi-annual</td>
<td>Provide Council with semi-annual updates on performance measures.</td>
<td>County</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Carry out gathering data for monitoring program.</td>
<td>County</td>
</tr>
<tr>
<td>Annually</td>
<td>Conduct annual scans to monitor property prices and tax base in comparison to other similar Municipalities to maintain competitive edge while maintaining measures on quality of life and the socio-economic and physical environment.</td>
<td>County</td>
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### 4.2.3.3 INITIATIVE E2: MONITOR PLANNING PROGRESS

*Update or develop monitoring program for key planning documents and report regularly to Council on progress.*

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<tr>
<th>ESTIMATED TIMEFRAME</th>
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<tbody>
<tr>
<td>Year 2</td>
<td>Review internal procedures to identify efficiencies in processing of applications and improving customer service experiences and expectations. (Could be included in terms of reference for Monitoring committee).</td>
<td>County</td>
</tr>
<tr>
<td>Year 2-3</td>
<td>Establish tools for monitoring the performance of the updated Municipal Development Plan and Land Use Bylaw. <em>We understand this is in progress at the time of preparing this report.</em></td>
<td>County</td>
</tr>
<tr>
<td>Year 3</td>
<td>Establish tools for monitoring the performance of a Master Servicing Plan to include all sanitary, water and stormwater facilities for the County.</td>
<td>County</td>
</tr>
<tr>
<td>Year 3-4</td>
<td>Establish tools for monitoring the performance of a Transportation Master Plan that includes all modes of transportation.</td>
<td>County</td>
</tr>
<tr>
<td>Year 4-5</td>
<td>Establish tools for monitoring the performance of the 10 year Asset Management Plan which will be updated with the adoption of a new Municipal Development Plan, Transportation Master Plan and Master Servicing Plan.</td>
<td>County</td>
</tr>
</tbody>
</table>
### 4.2.3.4 INITIATIVE E3: MONITOR BUSINESS AND ECONOMIC DEVELOPMENT

*Develop and implement a system to track businesses and increase understanding of business trends.*

A significant recommendation intended to enhance the ability of the County to monitor business development is to create a cost neutral business permit system. Business permitting will aid in providing metrics to Council on yearly growth and development as well as provide an approved database for the Leduc-Nisku EDA to access for business engagement and promotion.

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<tr>
<th>ESTIMATED TIMEFRAME</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>Investigate a cost neutral Business Permit System to assist in tracking local business and economic patterns to assist with better understanding of economic trends. During semi-annual updates bring license updates to Council.</td>
<td>County</td>
</tr>
</tbody>
</table>

### 4.2.3.5 INITIATIVE E4: MONITOR THE AGRICULTURE SECTOR

*Develop and implement a system aimed at monitoring and preserving the agriculture sector.*

The majority of stakeholders in the consultation process felt that appropriate planning as well as protection and monitoring of the use of agricultural land is the key to protection from the unwanted affects related to urban sprawl. The Class 1 and 2 lands on the Queen Elizabeth II Highway corridor location just south of Edmonton are some of the best and most productive lands in the Province. While it is clear that there is development pressure from a number of important projects including (but not limited to) the Edmonton International Airport (EIA) and the Nisku Business Park, as well as multiple residential developments, further loss of Agricultural land in that area was seen as a major concern. Concerns were also expressed regarding what constituted the size of an agricultural parcel and what activity / productivity was included in that assumption.

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<th>ESTIMATED TIMEFRAME</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>Establish precise locations and effective agricultural and development guidelines for Prime Agricultural Land.</td>
<td>County</td>
</tr>
<tr>
<td>Year 2-3</td>
<td>Create a catalogue database of all current agricultural land and further refine each parcel by an acceptable soil rating method.</td>
<td>County</td>
</tr>
<tr>
<td>Annually</td>
<td>Provide a yearly catalogue of crop / grazing land in use (by category).</td>
<td>County</td>
</tr>
<tr>
<td>Annually</td>
<td>Catalogue niche or diversified agricultural producers.</td>
<td>County</td>
</tr>
<tr>
<td>Annually</td>
<td>Monitor the loss of class 1 and 2 agriculture lands to development on an annual basis.</td>
<td>County</td>
</tr>
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</table>

1 Based on the FAR – Farmland Assessment Rating.
4.2.3.6 INITIATIVE E5: DEVELOP AN AGRICULTURE STRATEGY

*Develop an agriculture strategy aimed at protecting prime land and the integrity of the agriculture industry.*

The annexations proposed by the City of Edmonton and the Town of Beaumont, if both granted in their entirety, would prevent the agricultural operators from utilizing valuable agricultural lands located south of Edmonton. After the annexation it is possible that additional valuable land for agricultural activities would then (eventually) be used as residential, commercial or industrial development. Globally, the loss of prime agriculture land to urban development is placing pressures on our local food supply and agricultural viability.

Although the County does not have control over the annexation process, it can validate through planning policies that the County is effectively protecting the prime agricultural lands from urban encroachment.

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<th>ESTIMATED TIMEFRAME</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>Develop an agriculture strategy with a focus on the protection of prime agriculture land <em>(It is understood that this has been initiated as of the date of this report.)</em></td>
<td>County</td>
</tr>
<tr>
<td>Year 2</td>
<td>Update the Municipal Development Plan to reflect the agriculture strategy and develop policies to protect prime agriculture lands. This may also include specifically identifying value added crops and production areas.</td>
<td>County</td>
</tr>
<tr>
<td>Year 3</td>
<td>Update the Land Use Bylaw with regulations to protect agricultural lands.</td>
<td>County</td>
</tr>
<tr>
<td>Annually</td>
<td>Monitor the County and the Capital Region for the rate of reduction of agricultural land.</td>
<td>County</td>
</tr>
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</table>

4.2.3.7 INITIATIVE E6: DEVELOP A WORKFORCE STRATEGY

*Develop a strategy to maintain a diverse and active workforce in proximity to major business nodes.*

Recruitment of skilled workers and workforce availability is a key element in the creation of a business friendly environment; which in turn encourages business innovation and prosperity. Through the engagement process many stakeholders identified difficulty in locating and retaining staff, particularly in the lower income industry sectors.

Even if skilled workers are recruited there is also rising number of people who do not own a vehicle or have a driver licence and are looking for alternative sources of transportation such as public transit, cycling or walking. Understanding the balance between costs and providing infrastructure that supports and attracts the needs of a changing demographic workforce will be important in attracting new and diverse industries. In some cases when large organizations look to find a suitable location, particularly in higher end industries, their criteria included an environment that provides for the needs and expectations of their staff. Understanding these requirements will be important as part of a strategy to diversity and attract new industries to Leduc County.
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<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>Continue or enhance cost sharing / collaborations and marketing with Leduc Region Urban nodes to facilitate an increase in available workforce population.</td>
<td>County</td>
</tr>
<tr>
<td>Year 2</td>
<td>Continue to enhance the understanding of the labour force requirements for targeted industries to relocate to a new industrial, agricultural or commercial site to Leduc County, through activities such as the Leduc-Nisku EDA labour force study (2014), investment attraction strategy and conduct new analysis for each new industry cluster being considered for attraction.</td>
<td>Leduc-Nisku EDA</td>
</tr>
<tr>
<td>As development dictates</td>
<td>Support the development of infrastructure that focuses on enhancing urban accessibility and quality of life for potential employees within new business growth nodes such as the proposed Aerotropolis.</td>
<td>County</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Work to enhance and expand the profile of and access to the existing Leduc public transit system, in particular service to the Nisku Business Park.</td>
<td>County</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Monitor and understand any technological changes that may alter how businesses function and what impact they may have on traditional methods of planning and infrastructure. (E.g. Possible new products include: drones for delivery systems, electric charge stations, self-driverless vehicles and 3-D scanners).</td>
<td>County</td>
</tr>
</tbody>
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### 4.2.3.8 INITIATIVE E7: ENCOURAGE HIGH VALUE LAND USES IN NISKU

*Obtain higher value land uses in Nisku Business Park while meeting industry needs and optimizing tax revenue.*

The Nisku Business Park contains pipe laydown and storage yards that support the oil and gas industry. However, the low capital investment in the development of these facilities results in low levels of land utilization and less desirable appearance. Higher intensity uses such as enclosed warehouse or office block on land would garner a higher value in the same location and, therefore, higher tax revenue for a given area. Lay down yards take up a lot of land area and the Nisku Business Park has limited capacity due to physical constraints such as the Queen Elizabeth II Highway, railway and residential development to the east.

It is recognized that there is a need to provide land for these facilities, however, methods to encourage their location on lower value lands that still meet their business needs could be a focus for the County.
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<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
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<tbody>
<tr>
<td>Year 2</td>
<td>Work with the industry to understand the needs of lay down yards and landowners to redeveloping brownfield sites.</td>
<td>Leduc-Nisku EDA</td>
</tr>
<tr>
<td>Year 2</td>
<td>Seek suitable locations for further developing the pipe and laydown storage yards industry.</td>
<td>County</td>
</tr>
<tr>
<td>Year 3</td>
<td>Identify, through the development of the Municipal Development Plan, suitable alternative locations for the development of lay down yards.</td>
<td>County</td>
</tr>
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### 4.2.4 DIVERSIFICATION AND EXPANSION

The Oil and Gas industry is subject to unpredictability leading to volatility in the economy. Diversification is a necessary step to managing the downturns and creates a more sustainable future for business and government. Through the engagement for this study it was evident that further diversification needed to happen. It also revealed that many companies that were solely oil and gas dependant had learned, through previous downturns, to diversify to develop greater resilience in response to economic fluctuations. The lessons learned by these companies offer a creative opportunity for the Leduc-Nisku EDA to harness that knowledge and enhance their business-to-business education programs where companies can mentor each other.

Diversification is also happening on a larger scale with new opportunities and secondary levels of accessibility occurring for current products in the agricultural, and oil and gas sectors. Of the areas predicted to have the greatest economic growth over the next 25 years, the following ones are deemed promising according to the strengths, weaknesses, opportunity and threats:

- **Energy**
  - Support activities for mining and oil and gas extraction
- **Advanced manufacturing**
  - Machinery manufacturing
- **Agri-business sectors**
- **Transportation and logistics**
  - Air transportation
  - Truck transportation
  - Support activities for transportation

Some of these markets are currently being investigated by the Leduc-Nisku EDA as part of their agriculture cluster strategy and an analysis of the local supply chain will identify opportunities to attract new business and market current products to other industries and identify international market opportunities.
Currently the strongest economic driver for possible upcoming projects is the Aerotropolis. The Aerotropolis presents the newest economic opportunities to capitalize on in the areas of information communication, information technology, life sciences, and education. Based on the draft Aerotropolis Viability Study\textsuperscript{2} this is a large and ambitious undertaking (subject to Council approval) that has the potential to diversify the economic tax base of the County while proving the value of a strong collaborative working relationship between the County, City of Leduc and Edmonton International Airport.

Based on the identification of key industry clusters using the North American Industry Classification Standards (NAICS)\textsuperscript{3} and a comprehensive review of the Leduc County economic sectors and their growth potential, as well as the clusters and catalytic projects identified in the Aerotropolis Viability Study; the main areas of focus for the fastest economic turnaround would be manufacturing, office business park and warehousing developments in the Saunders Lake North and Highway 19 West areas.

4.2.4.1 INITIATIVE E8: SUPPORT THE DEVELOPMENT OF AEROTROPOLIS

Support the development of Aerotropolis in contributing to economic diversification and growth.

The Aerotropolis is viewed as a key catalyst to achieving economic diversification, the overall concept that captures on the existing great assets of the airport and rail is likely to lead to some form of development of these lands over the next 30 years. This presents an attractive way to diversify the economic base and present new opportunities for growth.

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<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
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<tbody>
<tr>
<td>Based on approval</td>
<td>Market the Aerotropolis location to a variety of businesses once the AVS is approved and the governance model and marketing structure have been determined.</td>
<td>TBD</td>
</tr>
<tr>
<td>Year 1 – 5</td>
<td>Work collaboratively with partners towards developing infrastructure to accommodate future development plans.</td>
<td>County</td>
</tr>
<tr>
<td>Year 3 – 5</td>
<td>Align phased development plan with accepted policy documents, such as the Corporate Strategic Plan, the Municipal Development Plan and the Land Use Bylaw.</td>
<td>County</td>
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</tbody>
</table>

4.2.4.2 INITIATIVE E9: SUPPORT INNOVATION IN BUSINESS

Seek out and identify emerging industrial / energy trends and understand their requirements for growth.

Innovation is critical to implementing successful business opportunities. The Capital Region hosts a significant number of higher education institutions. Devon is home to an important energy related federal research center and both the Provincial and Federal governments offer fiscal incentives for scientific research and product development. Attracting innovative business to the County will create synergies and could lead to redevelopment opportunities for existing businesses.

\textsuperscript{2} AVS – Aerotropolis Viability Study by MXD and Stantec.
\textsuperscript{3} NAICS – North American Industry Classification Standards (S)
It is also important that any economic development and resources related to these areas focus on those areas that have been identified as having the greatest opportunity for economic growth. These market sectors have been identified as part of this study.

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<tr>
<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>Develop a database of industries in Leduc County with a breakdown of what they do as part of building up a wider monitoring program.</td>
<td>Leduc-Nisku EDA</td>
</tr>
<tr>
<td>Year 2</td>
<td>Create partnerships with Leduc Region and Capital Region education and research facilities that specialize in Industrial / Energy Sectors.</td>
<td>Leduc-Nisku EDA</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Focus growth on attracting businesses within the following market sectors:</td>
<td>Leduc-Nisku EDA</td>
</tr>
<tr>
<td></td>
<td>➞ energy,</td>
<td></td>
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<tr>
<td></td>
<td>➞ advanced manufacturing,</td>
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<tr>
<td></td>
<td>➞ transportation and logistics; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>➞ Agri-business sectors.</td>
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<tr>
<td></td>
<td>In the Saunders Lake Area Structure Plan focus on attracting:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>➞ manufacturing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>➞ Agribusiness</td>
<td></td>
</tr>
<tr>
<td></td>
<td>➞ ICT (Information and Communication Technology)</td>
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<tr>
<td></td>
<td>➞ Education</td>
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<tr>
<td></td>
<td>➞ offices; and</td>
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<tr>
<td></td>
<td>➞ Warehousing.</td>
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### 4.2.4.3 INITIATIVE E10: LEARN FROM ECONOMIC RESILIENCY

*Identify and work with existing community industries that have weathered previous declines in the oil and gas industry to learn their lessons and share knowledge with others through gathering data, information sharing, and mentorship.*

Learn from current businesses responding to economic downturns to establish value-added approaches to diversification. These can be used to create a mentorship program for other local industry. Lessons on economic resiliency can be facilitated by the Leduc-Nisku EDA as part of their existing business services department.
### ESTIMATED TIMEFRAME | ACTIONS | ORGANIZATION LEAD
--- | --- | ---
Year 1 | Catalogue current businesses in the oil and energy sectors then conduct a needs assessment with them. | Leduc-Nisku EDA
Year 1 | Carry out interviews and gather information from existing businesses on best practices that can be shared by other industries. | Leduc-Nisku EDA
Year 1 | Develop a compendium of best practices and establish a business to business mentoring program to facilitate knowledge sharing on diversification and economic downturns between new and existing businesses in the County. | Leduc-Nisku EDA
Year 1 – ongoing | Provide support and assistance to both mentor and mentee companies as they work on diversification (this can include items such as meeting space or administrative support for mentorship meetings). | Leduc-Nisku EDA

### 4.2.4.4 INITIATIVE E11: PROMOTE AGRICULTURAL SYNERGIES

*Develop a policy dedicated to promoting synergies in the Agricultural Sector.*

As in all industries there is a great deal of competition and the agricultural sector is no exception. Promotion of synergies and partnerships between agricultural producers could assist in strengthening more of a partnership instead of the individual farming relationship thereby creating a stronger voice with more promotional ability.

### ESTIMATED TIMEFRAME | ACTIONS | ORGANIZATION LEAD
--- | --- | ---
Year 1 | Create an Agricultural land inventory, including categories of products coming from each area. | County
Year 1 | Identify niche agricultural markets in the Agricultural land inventory. | Leduc-Nisku EDA
Year 1 | Work with the County, City of Leduc and EIA to implement the Leduc-Nisku EDA agriculture cluster strategy that is currently being developed and will be ready for implementation in 2015. | County
Year 2 | Work with CFA⁴, AFA⁵, AASB⁶ and Leduc County ASB⁷ to align agricultural economic development strategies for promotional synergies. | Leduc-Nisku EDA

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⁴ Canadian Federation of Agriculture.
⁵ Alberta Federation of Agriculture.
⁶ Alberta Agricultural Service Boards.
⁷ Agricultural Service Board (Leduc County).
4.2.4.5 INITIATIVE E12: EXPLORE AGRICULTURAL DIVERSIFICATION

Develop a strategy to explore opportunities for secondary agricultural diversification in the industrial sector.

The agricultural sector has been supplying the industrial sector for many years with certain products for the manufacture of consumer goods such as rubber, printing ink, motor oil and cosmetics. There are further opportunities for expansion into other manufactured consumables that could be identified. It is also important to understand how to better utilize the export and import opportunities (both nationally and internationally) presented by both the airport and rail to access markets.

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<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>Develop an agriculture strategy developed in 2015 that takes into account an agricultural product diversification strategy and will work with key partners such as CFA, AFA and AASB to find synergies and opportunities.</td>
<td>Leduc-Nisku EDA</td>
</tr>
<tr>
<td>Year 1</td>
<td>Develop more efficient export and import opportunities as per the AVS.</td>
<td>Leduc-Nisku EDA</td>
</tr>
<tr>
<td>Year 1</td>
<td>Utilising the Leduc-Nisku EDA investment attraction strategy and agriculture cluster strategy identify new national and international opportunities to further local product sales.</td>
<td>Leduc-Nisku EDA</td>
</tr>
</tbody>
</table>

4.2.5 INFRASTRUCTURE

The ability to enable and attract growth is dependent on infrastructure that can support the economic development. When growth outpaces the availability of critical supporting infrastructure, emerging opportunities can be lost and existing businesses and industries can become quickly frustrated. *“A good example of this is the City of Regina, where the City is currently experiencing growth; however, their infrastructure is not able to support existing development resulting in potential lost opportunities.”* [Source: Southeast Serviceability Study, City of Regina (2012)]

Infrastructure is expensive and it is important to strike a balance between providing infrastructure with sufficient capacity for existing and future users while maintaining financially feasible operating and maintenance costs for future generations. It is also important to consider how changing technologies could impact the future use of infrastructure, for example micro bio-reactors or private septic membrane systems versus traditional wastewater collection and treatment systems, and automated versus self-driving vehicles on the road network.

When planning for infrastructure, it is critical to link all current and future development to a multi-year asset management plan. The plan should consider the management of existing assets in addition to new infrastructure that is recommended in such documents as Transportation Master Plans and Servicing Master Plans. This is vital as the costs related to infrastructure are financed based on tax revenue, grants, or levies. It is imperative to understand the viability and risks associated with the source of financing and the costs of sustaining the ongoing management of both capital and operating expenses.
Infrastructure can include:

- Interchanges
- Roads
- Public transportation systems
- Active transportation systems
- Communications systems
- Water, stormwater and sanitary sewer systems
- Fire protection facilities
- Public administrative and maintenance facilities

4.2.5.1 INITIATIVE E13: DEVELOP AN ASSET MANAGEMENT PLAN

Develop, implement, and maintain a 10-year revolving Asset Management Plan (AMP).

Infrastructure and utilities are costly both on a capital (installation and replacement) and maintenance level (operation). An Asset Management Plan (AMP) is needed not only to provide fiscally responsible and defendable operations plans, but also to plan new development areas and timelines for those areas to be integrated into the County maintenance program once developed. An AMP is thus a tactical plan for managing an organization’s infrastructure and other assets to deliver an agreed upon standard of service. This type of investment allows for accountable budgeting with defendable decision-making, reasonable planning, and staffing of maintenance programs. An AMP also assists with grant funding and budgeting as with a revolving 10 year plan all Tangible Capital Assets (TCA), which are assets that have a physical form are properly monitored and reportable to other levels of Government.

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<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>Complete and adopt a 10 year revolving Asset Management Plan (AMP) for existing infrastructure and current maintenance requirement levels. The AMP will need to be updated on an ongoing basis but particularly upon completion of the MDP and other infrastructure master plans.</td>
<td>County</td>
</tr>
<tr>
<td>Year 1</td>
<td>Carry out semi-annual monitoring of the AMP and report to Council as part of the overall monitoring program.</td>
<td>County</td>
</tr>
<tr>
<td>Annually</td>
<td>Align the County budget to be consistent with actions of the 10 year AMP.</td>
<td>County</td>
</tr>
<tr>
<td>Year 3</td>
<td>Prioritize new infrastructure investment with the AMP based on approved economic and strategic policy and direction.</td>
<td>County</td>
</tr>
</tbody>
</table>

Active Transportation refers to any form of human-powered transportation – walking, cycling, and using a wheelchair, in-line skating or skateboarding. There are many ways to engage in active transportation, whether it is walking to the bus stop, or cycling to school/work.

Tangible assets include both fixed assets, such as machinery, buildings, roadways, utilities and land.
4.2.6 COLLABORATION

Economic Development activities and initiatives, while having possible “site specific” influence, cannot operate in isolation. Leduc County and its economic development engine, the Leduc-Nisku EDA must collaborate with the regional, provincial, national, and international communities in order to remain competitive.

4.2.6.1 INITIATIVE E14: COLLABORATE WITH THE CITY OF LEDUC AND LEDUC REGION

Continue to collaborate and promote a positive working relationship with the City of Leduc and Leduc region.

The County and the City of Leduc have a strong working relationship which continues today as both look to obtain capital and operational efficiencies for their rate payers. Initiatives of this nature should be encouraged particularly in understanding the infrastructure needs for target market sectors in assisting to locate and establish their operations in the respective jurisdictions. The County also has strong working relationships with other municipalities in the Leduc region and these relationships should continue to be encouraged and enhanced.

<table>
<thead>
<tr>
<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>Work towards a successful Joint Infrastructure Master Plan and Services (JIMPSE) Evaluation with the City of Leduc, to create an integrated strategy for the joint development of prioritized transportation, water, sanitary, sewer and storm water projects.¹⁰</td>
<td>County</td>
</tr>
<tr>
<td>Ongoing once approved</td>
<td>Work with the City of Leduc, Edmonton International Airport (EIA) and Leduc-Nisku EDA towards the development of the Aerotropolis.</td>
<td>County</td>
</tr>
<tr>
<td>Year 2</td>
<td>Continue to monitor the performance and validity of the Intermunicipal Development Plans (IDP) on a yearly basis.</td>
<td>County</td>
</tr>
</tbody>
</table>

4.2.6.2 INITIATIVE E15: MAINTAIN A STRONG RELATIONSHIP WITH THE CAPITAL REGION

Maintain a strong working and partnership relationship with the Capital Region and its members to build a collaborative and cooperative business environment.

Leduc County is a part of the Capital Region along with 23 other municipal partners. The draft Edmonton Metropolitan Region Economic Development Initiative (EMREDI) is an economic development framework which seeks to market the region as a whole. It has five cornerstone pieces which have an impact on the

¹⁰ Based on the tender for JIMPSE competition ID 2-159934 www.competitiononline.com
local and sub-regional levels: Innovation, Collaboration, Sustainability, Excellence, and Respect. The strategy is focused on work in three key areas: marketing, industry, and talent. Leduc County contains essential infrastructure (EIA, Foreign Trade Zone and the Queen Elizabeth II Highway) which is critical to the Capital Region’s success at the local, provincial, national and international level. Leduc County should actively participate in existing or future initiatives to market the region as a whole.

<table>
<thead>
<tr>
<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>Continue to advocate to the Capital Region Board the specific advantages of Leduc County, so the regional level understands how to market the sub region in an accurate fashion.</td>
<td>County / Leduc-Nisku EDA</td>
</tr>
</tbody>
</table>

### 4.2.6.3 INITIATIVE E16: PARTNER FOR ECONOMIC GROWTH

*Continue and expand collaboration with other economic drivers and those that create barriers to economic growth.*

There are many stakeholders in the economic realm. Below is a list (non-exhaustive) of some of the agencies/organizations that the County should consider partnering with on an as-needed basis. It is important to pursue and establish relationships, be informed of the challenges and opportunities for economic development, and be involved in providing constructive initiatives to assist with overcoming the barriers.

Leduc County has been successful in developing Intermunicipal Development Plans (IDP) that focus on building collaboration, cooperation, and governance with other communities that they border such as the City of Leduc and Town of Devon. These statutory documents have created a formal framework in working with other communities on the land uses that lie adjacent to their respective boundaries. Exploring additional opportunities to formalize IDPs with other communities that border the County can enable a structure for building on mutual areas of interest and developing formal dialogue. As with the success of the IDP with the City of Leduc the focus should be on collaboration and coordination and not on annexation (Section 6.6.1 of IDP). It is recognized that the development of an IDP and the role it serves will only work with the support and leadership of the respective Councils of the partnering communities.

Potential partnering agencies and organizations:

- Foreign Trade Zone
- Edmonton International Airport (EIA)
- Post-Secondary Educational Institutions
- CN/CP Rail
- Oil & Gas Industry
- Urban Development Institute
- Canadian Home Builders Association
- Industry organizations
- Chamber of Commerce – including local, provincial and national
• Nisku Business Association
• Provincial Government Agencies
• Federal Government Agencies
• Business support organizations in the Edmonton Metro Region

<table>
<thead>
<tr>
<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>Update existing IDPs and explore opportunities to collaborate with other communities that border the County to develop an IDP.</td>
<td>County</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Develop ongoing relationships with a variety of organizations in order to understand the needs and opportunities to support the County with economic development, and identify how the County can assist other agencies to remove potential barriers to growth.</td>
<td>County / Leduc-Nisku EDA</td>
</tr>
</tbody>
</table>

4.2.7 MARKETING

Leduc County as a member of the Leduc-Nisku EDA should create a marketing strategy and brand for its specific needs which would be a complementary asset to the regional marketing strategy.

4.2.7.1 INITIATIVE E17: MARKET THE COUNTY

*Develop County-specific marketing strategies to attract business and support economic growth.*

Marketing Strategies must carefully consider and target specific audiences and desired outcomes, such as attracting new business, supporting economic growth, attracting skilled workers, and maintaining growth.

<table>
<thead>
<tr>
<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2</td>
<td>Create specific marketing strategy for the Nisku Business Park concentrating on desired industries for the Park.</td>
<td>County</td>
</tr>
<tr>
<td>Year 2</td>
<td>Develop a marketing strategy for Leduc County agriculture within the context and work of the agriculture cluster strategy already in development at the Leduc-Nisku EDA.</td>
<td>Leduc-Nisku EDA</td>
</tr>
<tr>
<td>Year 3</td>
<td>Develop a marketing strategy to attract population and skilled workers within the regional workforce development strategy to the Leduc region.</td>
<td>Leduc-Nisku EDA</td>
</tr>
<tr>
<td>Year 3</td>
<td>Monitor the strategies and inform Council on their performance.</td>
<td>County</td>
</tr>
<tr>
<td>As needed</td>
<td>Develop marketing strategies for other areas including Tourism and Parks and Recreation to draw more people to the Leduc Region once the Regional Tourism Asset Assessment and Tourism Industry Cluster Strategy that is being reviewed as a potential 2016 activity by the Leduc-Nisku EDA is undertaken.</td>
<td>Leduc-Nisku EDA / Leduc Regional Chamber of Commerce</td>
</tr>
</tbody>
</table>
4.2.7.2 INITIATIVE E18: DEVELOP ONLINE MARKETING TOOLS

*Develop online marketing tools to increase access to information for growing and new businesses to support economic growth.*

The growth and power of the internet is very evident in today’s society. People rely on internet channels as a primary source of information, a vehicle for communication, and as a critical business tool. A well-designed, comprehensive online system is an essential component of any economic development strategy.

<table>
<thead>
<tr>
<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>Enhance the County’s website with business-friendly links to information that meets business needs in seeking to locate or expand in the County. The information should include market data, provide background on existing industries and businesses, information on transportation systems, and guides to planning approvals.</td>
<td>County</td>
</tr>
</tbody>
</table>
5 GROWTH SCENARIOS

Based on the Economic Development Strategy discussed in previous sections of this report, four Growth Scenarios have been developed. To develop these scenarios, specific assumptions were made regarding the potential growth of 48 industrial sectors that could be expected if the Economic Development Strategy is successfully implemented. These Growth Scenarios are compared to the Capital Region Board population and employment forecasts prepared in 2013. They have recently been updated to reflect changes in population and employment forecasts.

It should be noted that the Growth Scenarios prepared for this report are aspirational and have been developed to reflect the ‘potential’ for the Leduc sub-region. While attempts have been made to reflect the current economic realities of the provincial and regional economy, it can be expected that actual growth in Leduc sub-region may be substantially moderated from the projections provided here.

5.1 OVERVIEW OF GROWTH SCENARIOS

Four Growth Scenarios for the Leduc sub-region have been developed in a manner consistent with the Economic Development Strategy. The work completed to translate the Economic Development Strategy into GDP and employment projections is summarized in the Background Report.

These Scenarios form the basis upon which the Economic Development Strategy can be monitored and have been used as the basis of the fiscal impact analysis and financial components of the Growth Management Plan.

In developing these Growth Scenarios, GDP and employment growth have been projected for each 2 digit NAICS (North American Industrial Classification System) industry group based on the expectations for growth in the short, medium and long term, as defined in the Economic Development Strategy. In some instances, these GDP and employment projections have been further divided into 3 digit NAICS categories to allow for more detailed analysis, especially where the 2 digit NAICS industry category is comprised of unique components (e.g. Manufacturing).

Based on the economic growth scenarios, population growth projections have been developed to provide a consistent base of workers that is commensurate with the employment projected for the Leduc sub-region. To accomplish this, four scenarios have been developed as follows:

» Two industry growth scenarios (Alternative A and Alternative B) represent variations on the potential GDP and employment that are consistent with the Economic Development Strategy. Alternative A (EDS Base) is a ‘best guess’ forecast of GDP and employment that can be expected if the Economic Development Strategy is successfully implemented. Alternative B (EDS Optimistic) represents an

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optimistic projection of GDP and employment that is consistent with the Economic Development Strategy, where this strategy reaches its full potential.

→ Two population projections have been prepared, each consistent with the industry growth forecast:
  - Scenario 1 allocates population growth within the Leduc sub-region to existing urban areas and the rural areas of Leduc County where existing plans for residential growth currently exist.
  - Scenario 2 assumes that a new urban growth node would be developed in Leduc County that would accommodate a population of 15,000 in industry growth Alternative A and 25,000 in Alternative B.

→ Each population forecast has been developed to maintain the current proportion of employment in the Leduc sub-region that is satisfied from the local labour force. There is more industrial employment growth Alternative B and, therefore, the population of the Leduc sub-region is higher for this alternative.

The results of the combination of 2 industry growth scenarios and 2 population scenarios are four Growth Scenarios.

**GROWTH SCENARIOS**

<table>
<thead>
<tr>
<th>Growth Scenario</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td></td>
</tr>
<tr>
<td>Scenario 1</td>
<td>Scenario 2</td>
</tr>
<tr>
<td>(Existing Planned Area Growth)</td>
<td>(New Urban Growth Node)</td>
</tr>
<tr>
<td><strong>Baseline</strong></td>
<td>CRB (Baseline)*</td>
</tr>
<tr>
<td><strong>Alternative A</strong> (EDS Base)</td>
<td>A1</td>
</tr>
<tr>
<td><strong>Alternative B</strong> (EDS Optimistic)</td>
<td>B1</td>
</tr>
</tbody>
</table>

The Capital Region Board population and employment forecasts have been used as a baseline against which the Growth Scenario forecasts can be compared. An adjustment has been made to the CRB forecasts at the regional level to correct an internal inconsistency between the population and employment segments of these forecasts. The labour force implied by the population projections in the CRB High Scenario forecasts results in approximately 85,000 more workers in the capital region than the number of jobs that are projected. This imbalance between the regional labour force and number of jobs in the Capital Region is significant and has been adjusted by allocating employment growth across the
region. This includes adjustments to the employment projections for the municipalities in the Leduc sub-region.\textsuperscript{12}

If Leduc County does not implement the Economic Development Strategy, the CRB Baseline projection is one possible outcome. It is noted that the CRB High Scenario projections, from a regional economic perspective, are very optimistic. This is especially the case given current economic circumstances. The Economic Development Strategy based Growth Scenario forecasts reflect the potential for the Leduc sub-region to maximize its potential within the Capital Region and define opportunities to diversify the local economic base. This should help to create a measure of economic stability for the Leduc sub-region.

With the exception of the New Urban Growth Node, all growth projected in each of the Growth Scenarios can be accommodated within existing planned areas. It should be noted that it may be practical and cost effective to plan and service the Highway 19 West industrial area to allow for non-residential development contemplated in Aerotropolis.

As noted above, it should be recognized that the Growth Scenario forecasts are aspirational and reflect the 'potential' of the Leduc sub-region to realize the opportunities identified in the Economic Development Strategy.

5.1.1 ANALYTICAL APPROACH

To ensure that the population and employment projections in the Growth Scenarios are internally consistent, a forecast has been prepared for all municipalities in the Capital Region. The results of these forecasts are presented only for the municipalities in the Leduc sub-region.

The starting point for developing the Growth Scenario forecasts is determining the GDP and employment associated with the Economic Development Strategy. These industry growth projections of employment have been allocated within the Leduc sub-region based on the type of employment and its potential locations within the sub-region.

As noted above, population projections for the Leduc sub-region are based on maintaining the current balance of local sub-region jobs and the local workforce. It is noted in the Economic Development Strategy that it is important to maintain a qualified local workforce to help ensure the strategy can be successful. The Growth Scenario forecasts have been designed to reflect this requirement.

The allocation of Leduc sub-region population growth is based on the share or growth projected for each of the municipalities in the sub-region as projected in the CRB forecasts. The exception to this is the forecast for the Town of Beaumont, which has been adjusted to reflect the competition in the sub-region for residential development.

In Scenario 2 where a new urban residential growth node is assumed to be developed in Leduc County, the population for this growth node has been taken from each of the municipalities in the Leduc sub-region as well as potential growth in south Edmonton. As noted above, this new growth node is assumed to grow in population to 15,000 and 25,000 by the end of the forecast period in Scenario 1 and Scenario 2.

\textsuperscript{12} At the time of producing this report, the adjusted employment figures were ‘draft’ and subject to review by the CRB. Since the analysis in this report was finalized, the CRB approved adjusted employment figures which differ in a minor way from those employed in this analysis.
respectively. The total population of the Leduc sub-region is higher in Scenario 2 because of a greater share of population growth assumed to be distributed from south Edmonton to the new urban residential growth node.

5.1.2 LEDUC SUB-REGION GDP PROJECTIONS

Gross Domestic Product (GDP) is a measure of total economic activity. This has been estimated for the Leduc Sub-Region.

Measured in chained (current) 2007 dollars, GDP in the Leduc sub-region is projected to increase from its estimated 2014 level of about $5 billion to over $12 billion by 2045 (Figure 5.1.2) in Alternative A (EDS Base). In Alternative B (EDS Optimistic), real GDP is projected to reach nearly $13 billion.

Inherent in the implementation of the Economic Development Strategy is effort to attract those industries that have been targeted for growth. This includes industries that are high-value, involve greater capital investment, and offer greater diversification. In focussing on the EDS target industries, it is expected that growth in non-target industries will relocate elsewhere. As a result, there is only a modest overall increase in GDP growth in Alternative B (EDS Optimistic) Growth Scenario over that projected for Alternative A. Obviously, the benefits of pursuing the Economic Development Strategy is also the diversification of activity that is generated, making the local economy less subject to the economic cycles associated with the energy sector.

TOTAL GDP (REAL 2007 $) – LEDUC SUB-REGION

![Graph showing GDP projections for Alternative A and Alternative B over time from 2014 to 2044.](image-url)
5.1.3 LEDUC SUB-REGION EMPLOYMENT PROJECTIONS

The GDP projections were translated into employment using estimates of output per worker and worker productivity changes, by industry group, over the forecast period.

The total employment projection for the Leduc sub-region is depicted in the figure below.

TOTAL EMPLOYMENT – LEDUC SUB-REGION

Including employment in the New Urban Growth Node, total employment in the Leduc sub-region is projected to increase from its 2014 level of 43,300 jobs to almost 83,500 in 2044 in Scenario A (EDS Base) and 90,850 in Scenario B (EDS Optimistic). Each of the Growth Scenario forecasts are projecting employment to be below the CRB High Scenario forecasts in the short term. This reflects the effects on the provincial and regional economy of the current economic downturn and relatively low energy prices.
A breakdown of employment for each of the municipalities in the Leduc Sub-Region by scenario is provided in the table below.\textsuperscript{13}

**TOTAL EMPLOYMENT – LEDUC SUB-REGION BY SCENARIO**

<table>
<thead>
<tr>
<th>Area</th>
<th>2014</th>
<th>2045 by Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Yr</td>
<td>A1</td>
</tr>
<tr>
<td>City of Leduc</td>
<td>16,231</td>
<td>28,079</td>
</tr>
<tr>
<td>Leduc County</td>
<td>20,337</td>
<td>39,925</td>
</tr>
<tr>
<td>Beaumont</td>
<td>2,474</td>
<td>6,518</td>
</tr>
<tr>
<td>Calmar</td>
<td>508</td>
<td>904</td>
</tr>
<tr>
<td>Devon</td>
<td>1,930</td>
<td>3,606</td>
</tr>
<tr>
<td>Thorsby</td>
<td>1,084</td>
<td>1,206</td>
</tr>
<tr>
<td>Warburg</td>
<td>771</td>
<td>856</td>
</tr>
<tr>
<td>New Urban Node</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Leduc Sub-Region Total</td>
<td>43,335</td>
<td>81,094</td>
</tr>
</tbody>
</table>

It is noteworthy that the industries of focus in the Economic Development Strategy are generally more labour intensive that the other industry sectors. As a result, there is a greater gain in employment in Alternative B than reflected in the GDP projects above.

\textsuperscript{13} The 2014 employment totals include adjustments to correct for the inconsistencies in the CRB population and employment figures produced in 2013. These figures have subsequently been updated and the final approved adjustments by the CRB may differ slightly from these figures.
The figure below provides an overview of the employment growth potential in the Leduc sub-region by major industry group to 2044. This figure provides a breakdown of employment by 2 digit NAICS for the Base Year and 2044 for each of the scenarios presented above.

While total employment more than doubles in Alternative B (EDS Optimistic), the industry composition of employment changes significantly. This is also evident between the Baseline (CRB) scenario and the Alternative Growth Scenarios. These changes reflect the impact of implementing the Economic Development Strategy.

### 5.1.4 LEDUC SUB-REGION POPULATION PROJECTIONS

In Growth Scenarios A1 (EDS Base / Existing Planned Area Growth) and A2 (EDS Base / New Urban Growth Node) the population of the Leduc sub-region is projected to increase to approximately 171,000 and 178,000 by 2045 respectively. The A2 Scenario population is above the CRB High Growth Scenario.

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\(^{14}\) 2044 was selected so the data from the CRB forecast would be comparable with that from the Growth Scenarios.
projected population growth of 172,000 for the Leduc sub-region by 2044. The individual results by municipality are provided in the Table below.

GROWTH SCENARIOS A1 (EDS BASE / EXISTING PLANNED AREA GROWTH) & A2 (EDS BASE / NEW URBAN GROWTH NODE) – LEDUC SUB-REGION\(^{15}\)

<table>
<thead>
<tr>
<th>Area</th>
<th>2014</th>
<th>2044</th>
<th>2045 by Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Yr</td>
<td>CRB</td>
<td>A1</td>
</tr>
<tr>
<td>City of Leduc</td>
<td>28,600</td>
<td>68,000</td>
<td>71,534</td>
</tr>
<tr>
<td>Leduc County</td>
<td>14,100</td>
<td>23,200</td>
<td>40,225</td>
</tr>
<tr>
<td>Beaumont</td>
<td>15,800</td>
<td>59,800</td>
<td>32,031</td>
</tr>
<tr>
<td>Calmar</td>
<td>2,100</td>
<td>4,200</td>
<td>4,872</td>
</tr>
<tr>
<td>Devon</td>
<td>6,700</td>
<td>13,200</td>
<td>17,923</td>
</tr>
<tr>
<td>Thorsby</td>
<td>1,000</td>
<td>2,200</td>
<td>2,199</td>
</tr>
<tr>
<td>Warburg</td>
<td>900</td>
<td>1,600</td>
<td>2,318</td>
</tr>
<tr>
<td>New Urban Node</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Leduc Sub-Region Total</td>
<td>69,200</td>
<td>172,200</td>
<td>171,102</td>
</tr>
</tbody>
</table>

The City of Leduc is projected to continue to be the largest municipality in the sub-region, increasing in population to approximately 70,000 by the end of the forecast period. Leduc County’s population is projected to increase (without a new urban growth node) to 38,000 to 40,000, exceeding that of Beaumont by the end of the forecast period. When the population of the new urban growth node is added to the County total, its population would be approximately 52,000 by 2045.

Each of the other urban communities in the Leduc sub-region are projected to experience higher growth than projected in the CRB High Scenario forecasts resulting from the significant economic activity in the sub-region.

\(^{15}\)The 2014 Base Year population figures are based on a CRB adjusted population. The final CRB Accepted population figures have been rounded to the nearest 100 and may differ slightly from those reported here.
GROWTH SCENARIO A1 (EDS BASE / EXISTING PLANNED AREA GROWTH) – LEDUC SUB-REGION

GROWTH SCENARIO A2 (EDS BASE / NEW URBAN GROWTH NODE) – LEDUC SUB-REGION
As depicted in the population projections for the Leduc sub-region in Growth Scenario A1 (EDS Base / Existing Planned Area Growth) and A2 (EDS Base / New Urban Growth Node), the impact of the new urban growth node on the population of each of the other municipalities in the sub-region is apparent. For example, in Growth Scenario A1, the City of Leduc is projected to increase to 71,500 by 2045. In Growth Scenario A2, the new urban growth node represents a substitute for some of this growth, reducing its total projected population to 69,300 in the same year.

In Growth Scenarios B1 (EDS Optimistic / Existing Planned Area Growth) and B2 (EDS Optimistic / New Urban Growth Node), the population of the Leduc sub-region is projected to increase to approximately 185,000 and 193,000 by 2045 respectively. This is above the CRB High Growth Scenario projected population growth of 172,000 for the Leduc sub-region by 2044. The individual results by municipality are provided in the Table below.

GROWTH SCENARIOS B1 (EDS OPTIMISTIC / EXISTING PLANNED AREA GROWTH) & B2 (EDS OPTIMISTIC / NEW URBAN GROWTH NODE) – LEDUC SUB-REGION

<table>
<thead>
<tr>
<th>Area</th>
<th>2014 Base Yr</th>
<th>2044 CRB</th>
<th>2045 by Scenario B1</th>
<th>2045 by Scenario B2</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Leduc</td>
<td>28,600</td>
<td>68,000</td>
<td>76,818</td>
<td>70,392</td>
</tr>
<tr>
<td>Leduc County</td>
<td>14,100</td>
<td>23,200</td>
<td>44,766</td>
<td>38,513</td>
</tr>
<tr>
<td>Beaumont</td>
<td>15,800</td>
<td>59,800</td>
<td>35,608</td>
<td>32,520</td>
</tr>
<tr>
<td>Calmar</td>
<td>2,100</td>
<td>4,200</td>
<td>5,097</td>
<td>4,656</td>
</tr>
<tr>
<td>Devon</td>
<td>6,700</td>
<td>13,200</td>
<td>18,194</td>
<td>17,237</td>
</tr>
<tr>
<td>Thorsby</td>
<td>1,000</td>
<td>2,200</td>
<td>2,232</td>
<td>2,101</td>
</tr>
<tr>
<td>Warburg</td>
<td>900</td>
<td>1,600</td>
<td>2,353</td>
<td>2,150</td>
</tr>
<tr>
<td>New Urban Node</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Leduc Sub-Region Total</td>
<td>69,200</td>
<td>172,200</td>
<td>185,068</td>
<td>192,569</td>
</tr>
</tbody>
</table>

The City of Leduc is projected to continue to be the largest municipality in the sub-region, increasing in population to approximately 77,000 by the end of the forecast period in Growth Scenario A1. Leduc County’s population is projected to increase (without a new urban growth node) to 38,500 to almost 45,000, exceeding that of Beaumont by the end of the forecast period. When the population of the new urban growth node is added to the County total, its population would be approximately 64,000 by 2045.

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16 The 2014 Base Year population figures are based on a CRB adjusted population. The final CRB Accepted population figures have been rounded to the nearest 100 and may differ slightly from those reported here.
Within the Leduc County, growth has been projected for each of the sub-areas in the County. The results are summarized in the following table.

### LEDUC COUNTY SUB-AREA POPULATION FORECASTS

<table>
<thead>
<tr>
<th>Planning Area</th>
<th>2014</th>
<th>2045 by Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Yr</td>
<td>A1</td>
</tr>
<tr>
<td>Buford</td>
<td>41</td>
<td>52</td>
</tr>
<tr>
<td>Kavanagh</td>
<td>49</td>
<td>52</td>
</tr>
<tr>
<td>Looma</td>
<td>43</td>
<td>41</td>
</tr>
<tr>
<td>New Sarepta</td>
<td>740</td>
<td>1,100</td>
</tr>
<tr>
<td>Rolly View</td>
<td>78</td>
<td>86</td>
</tr>
<tr>
<td>Sunny Brook</td>
<td>86</td>
<td>83</td>
</tr>
<tr>
<td>East Vistas</td>
<td>138</td>
<td>20,147</td>
</tr>
<tr>
<td>New Urban Node</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Country Residential</td>
<td>4,012</td>
<td>6,520</td>
</tr>
<tr>
<td>Farm</td>
<td>8,913</td>
<td>12,144</td>
</tr>
<tr>
<td>Total</td>
<td>14,100</td>
<td>40,225</td>
</tr>
</tbody>
</table>

- Population growth in the small hamlets of Buford, Kavanagh, Looma, Rolly View and Sunny Brook are projected to increase modestly to complete development in each of these areas. No new small hamlet development has been projected outside of these areas.
- The population of New Sarepta has been projected to increase to a maximum of 1,300 reflecting almost full build out of the existing planned areas in Growth Scenario B1 (EDS Optimistic / Existing Planned Area Growth).
- East Vistas is projected to grow to a population of approximately 18,000 to almost 24,000 by the end of the forecast period. Its highest growth is projected in Scenario B1 (EDS Optimistic / Existing Planned Area Growth).
- The new urban growth node would have a population of 15,000 and 25,000 in Growth Scenarios A2 (EDS Base / New Urban Growth Node) and B2 (EDS Optimistic / New Urban Growth Node) respectively. Growth in this area is viewed as a substitute for some growth in other areas within Leduc County and elsewhere in the Leduc sub-region and south Edmonton. As a result, the population projections for each of these other areas are reduced accordingly.

#### 5.1.5 LEDUC COUNTY HOUSING PROJECTIONS

Based on the population projections described above, a forecast of dwelling units has been developed. This forecast employs the following assumptions:
The 2011 federal census reports the average household size in Leduc County was 2.73 persons per dwelling unit. This average household size was applied to the estimated 2014 population resulting in 5,191 occupied dwelling units in the Base Year (2014).\(^{17}\)

The number of occupied dwelling units in the hamlets and country residential subdivisions was estimated from assessment information.

The number of occupied dwelling units in East Vistas was estimated based on the average household size from the East Vistas Local Area Structure Plan.

The projected number of occupied dwelling units is forecast to increase to just over 15,000 in Scenario A1 (EDS Base / Existing Planned Area Growth) to just over 24,000 in Scenario B2 (EDS Optimistic / New Urban Growth Node). The New Urban Growth Node is projected to accommodate over 9,600 dwelling units.

### LEDUC COUNTY HOUSING (DWELLING UNIT) FORECASTS

<table>
<thead>
<tr>
<th>Planning Area</th>
<th>2014</th>
<th>2045 by Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Yr</td>
<td>A1</td>
</tr>
<tr>
<td>Buford</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Kavanagh</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Looma</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>New Sarepta</td>
<td>274</td>
<td>393</td>
</tr>
<tr>
<td>Rolly View</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>Sunny Brook</td>
<td>32</td>
<td>35</td>
</tr>
<tr>
<td>East Vistas</td>
<td>51</td>
<td>7,749</td>
</tr>
<tr>
<td>New Urban Node</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Country Residential</td>
<td>1,733</td>
<td>2,388</td>
</tr>
<tr>
<td>Farm</td>
<td>3,023</td>
<td>4,448</td>
</tr>
<tr>
<td>Total</td>
<td>5,191</td>
<td>15,105</td>
</tr>
</tbody>
</table>

### 5.1.6 LEDUC COUNTY LAND INVENTORY & CONSUMPTION

An analysis has been conducted of the potential absorption and availability of residential and non-residential lands in the major development areas. This analysis has relied upon data available from existing land use plans, the County’s assessment base, and the forecasts that have been prepared for this study. It should be noted that this analysis only includes the development of areas that are currently planned for development. The Saunders Lake ASP will be updated to reflect the latest plans for Aerotropolis.

\(^{17}\) http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=4811012&Geo2=PR&Code2=01&Data=Count&SearchText=leduc%20county&SearchType=Begins&SearchPR=01&B1=All&Custom=&TABID=1
Currently Leduc County has just over 1,600 net hectares of non-residential land that is currently planned and available for development. In Growth Scenario A it is estimated that approximately 575 ha of this land will be absorbed leaving over 1,000 net hectares available for development beyond 2045. This assumed that all the growth projected in Scenario A will occur. In Scenario B, it is estimated that approximately 740 net hectares of land will be absorbed leaving approximately 865 net hectares available for development beyond 2045.

**NON-RESIDENTIAL LAND REQUIREMENTS TO 2045**

<table>
<thead>
<tr>
<th>Plan Area</th>
<th>Remaining Net Developable Area (ha)</th>
<th>Net Ha Required Growth Scenario (2045) A1</th>
<th>Net Ha Required Growth Scenario (2045) A2</th>
<th>Net Ha Required Growth Scenario (2045) B1</th>
<th>Net Ha Required Growth Scenario (2045) B2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackmud Creek</td>
<td>63.4</td>
<td>53.3</td>
<td>53.3</td>
<td>59.7</td>
<td>59.7</td>
</tr>
<tr>
<td>Crossroads</td>
<td>450.9</td>
<td>265.3</td>
<td>265.3</td>
<td>317.7</td>
<td>317.7</td>
</tr>
<tr>
<td>New Sarepta</td>
<td>121.9</td>
<td>116.1</td>
<td>116.1</td>
<td>140.9</td>
<td>140.9</td>
</tr>
<tr>
<td>Nisku &amp; Nisku West</td>
<td>114.4</td>
<td>21.8</td>
<td>21.8</td>
<td>71.8</td>
<td>71.8</td>
</tr>
<tr>
<td>Saunders Lake</td>
<td>248.0</td>
<td>31.1</td>
<td>31.1</td>
<td>40.4</td>
<td>40.4</td>
</tr>
<tr>
<td>WAM</td>
<td>204.4</td>
<td>53.3</td>
<td>53.3</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>QEII Business Park</td>
<td>66.7</td>
<td>26.7</td>
<td>26.7</td>
<td>29.8</td>
<td>29.8</td>
</tr>
<tr>
<td>South of Devon</td>
<td>218.2</td>
<td>8.3</td>
<td>8.3</td>
<td>16.7</td>
<td>16.7</td>
</tr>
<tr>
<td><strong>Net Area (ha)</strong></td>
<td><strong>1,602.3</strong></td>
<td><strong>575.9</strong></td>
<td><strong>575.9</strong></td>
<td><strong>737.0</strong></td>
<td><strong>737.0</strong></td>
</tr>
<tr>
<td><strong>Net Area Available</strong></td>
<td><strong>1,026.4</strong></td>
<td><strong>1,026.4</strong></td>
<td><strong>865.2</strong></td>
<td><strong>865.2</strong></td>
<td><strong>865.2</strong></td>
</tr>
</tbody>
</table>

Currently Leduc County has just over 330 net hectares of residential land that is currently planned and available for development. In the most optimistic population growth scenario (B1) excluding the new urban growth node, it is estimated that approximately 325 net hectares of residential lands would be absorbed by 2045, leaving 7.5 net hectares available for development at the end of the forecast period. In the least optimistic growth scenario (B2) excluding the new urban growth node, it is estimated that approximately 247 net hectares of residential lands would be absorbed by 2045, leaving almost 86 net hectares available for development at the end of the forecast period.

**RESIDENTIAL LAND REQUIREMENTS TO 2045**

<table>
<thead>
<tr>
<th>Plan Area</th>
<th>Remaining Net Developable Area (ha)</th>
<th>Net Ha Required Growth Scenario (2045) A1</th>
<th>Net Ha Required Growth Scenario (2045) A2</th>
<th>Net Ha Required Growth Scenario (2045) B1</th>
<th>Net Ha Required Growth Scenario (2045) B2</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Vistas</td>
<td>291.9</td>
<td>250.2</td>
<td>222.8</td>
<td>291.9</td>
<td>221.9</td>
</tr>
<tr>
<td>New Sarepta</td>
<td>40.8</td>
<td>28.8</td>
<td>25.9</td>
<td>33.1</td>
<td>24.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332.8</strong></td>
<td><strong>279.0</strong></td>
<td><strong>248.7</strong></td>
<td><strong>325.0</strong></td>
<td><strong>246.7</strong></td>
</tr>
<tr>
<td><strong>Net Area Available</strong></td>
<td><strong>53.6</strong></td>
<td><strong>83.9</strong></td>
<td><strong>7.5</strong></td>
<td><strong>85.9</strong></td>
<td><strong>85.9</strong></td>
</tr>
</tbody>
</table>
FINANCIAL ANALYSIS & GROWTH MANAGEMENT STRATEGY

Municipalities continually face major growth and development challenges. In addition to growing operating costs, municipalities are called upon to provide an increasing levels and range of services (i.e. transportation, road networks, recreation, etc.). Revenues have limited opportunity to grow, being almost exclusively derived from property taxes. As a result, municipalities are often faced with shrinking financial flexibility. Face with these challenges it is prudent to evaluate the impact that future growth and the demand for municipal services will have on financial viability. Further, it can be a useful tool to assist decision makers with important decisions regarding development approvals and budgeting.

Long range financial planning, in particular, is useful to identify issues with various directions that can be taken in approving and promoting development. While the financial projections are estimates of future impacts, they can be insightful in determining not only the desirability of approving development, from a financial perspective, but help determine the conditions under which the development can maximize its financial potential.

This section documents the fiscal impact analysis of the four growth scenarios defined earlier in this document (see Section 5) and the impact individual growth areas in the County have on the County’s municipal operations.

Based on the financial analysis of the Growth Scenarios and the results for each of the growth areas, recommendations have been made regarding financial management strategies the County could consider in managing future growth in the County. These are provided at the end of the section.

6.1 OVERVIEW OF GROWTH SCENARIOS

The fiscal impact analysis undertaken for this analysis covers a 30-year forecast period (2015-2044) and includes annual projections of the municipal revenues and expenditures associated with servicing the population and employment forecasts developed for each growth scenario. In each year, net operating costs for the County as a whole were applied against the County’s total taxable assessment base to calculate annual municipal property tax rates. Municipal property tax rates are a useful single measure of fiscal impact as the rates reflect the net costs of servicing development along with the tax revenues generated from the County’s assessment base. If tax rates increase, and there is no change to taxation policies, the net municipal costs of future growth outweigh the assessment growth.

6.1.1 ANALYTICAL APPROACH

The results of this analysis are dependent upon the information available to evaluate each of the various growth areas. The sources of this information are noted in the discussion of each growth area.

Also, it is important to note that an ‘incremental’ analytical approach has been taken in this analysis. This includes consideration of the following:
All cost and revenue impacts of growth have been estimated from the perspective of how the demand for County services would change as a result the associated growth. This includes consideration of infrastructure the County may have to fund to support growth.

The growth in demand for services has been evaluated to determine the impact on the County’s expenditures. This change in expenditures excludes the fixed portion of costs that do not grow and only reflects the incremental (or variable) costs affected by the change in demand for services.

Based on the incremental changes in costs as well as the extent to which these costs cost are recovered from operating revenues (e.g. Fees, user charges, etc.), an estimate of the corresponding operating revenue impacts is calculated.

This analysis is conducted on a function area basis.

This incremental or marginal cost approach to evaluating the impact of growth differs from the approach taken in some studies where ‘average’ costs are used to evaluate the impacts of growth. The average cost approach is often used because it is easier to calculate average costs. However, average costs do not accurately reflect the true costs of development or the incremental change in demand for services.

The specific circumstance of each growth area, as it is known at the time of the analysis has been incorporated into the assumptions used for that growth area. These circumstances may change over time and where this happens, it is suggested that the results of this analysis be considered in light of how the circumstances may be different from those that were used as the basis of this financial analysis.

6.1.2 MUNICIPAL TAX RATES

A financial forecast has been prepared for each of the scenarios described in the Growth Scenarios section of the report. Each scenario includes assumptions about the amount of growth projected, the incremental demand for municipal services and associated costs and operating revenues. The shortfall in operations covering the costs of services (i.e. municipal tax requisition) has been used to estimate the municipal tax impacts of that growth scenario. It is assumed that in each year of the analysis the municipal operating budget is ‘balanced’ and the operating impacts of the analysis are incorporated in the projected tax rates. The municipally funded infrastructure costs that are debt financed are included in the analysis and the impact on the County’s debt limit, which is also evaluated. Further, it has been assumed that municipal services levels would remain as they exist today, applying all changes to the tax rate and debt calculations.

The projected annual municipal property tax rates for each growth scenario fluctuate yearly depending on the timing of costs and revenues. Overall, the average municipal tax rates for the 2015 to 2044 forecast

18 For example, on an incremental basis, adding 50 dwelling units to an area may result in additional traffic that would increase some road maintenance activities and costs. However, some maintenance activities would be unaffected by this change in road usage. For example, the need to clear the roads of snow would be the same regardless of the incremental traffic added by the new residential development.

19 The analysis has been conducted using 19 municipal function (department) levels (e.g. Roads, Fire Protection, etc.).

20 All municipal tax rate projections are in real base year dollars and do not include consideration of inflation.

21 Note that all figures are in real base year (2014) dollars. Inflation has not been added to the analysis.
period in each growth scenario are within 0.2 and 0.5 mills of each other for the residential and non-residential tax rates, respectively.\textsuperscript{22}

Scenario A1, (EDS Base / Existing Planned Area Growth) which includes more modest employment growth and no new urban node, generates the lowest average municipal tax rate at 3.273 mills for residential and 7.095 for non-residential. Scenario B2, which includes more employment but also a new urban node of approximately 25,000 people, generates the highest average municipal tax rates at 3.509 for residential and 7.607 for non-residential. The two scenarios with a new urban growth node have real municipal tax rates that are above current rates.\textsuperscript{23} This reflects the significant increase in municipal costs associated with urban residential development in each of these scenarios.

\textsuperscript{22} It was assumed that the County’s non-residential municipal tax rate would continue to be just over 2 times the residential rate (per the County’s 2014 Tax Rate Bylaw.

\textsuperscript{23} Average real municipal tax rates in Scenario B2 are approximately 7% higher (on average) than current tax rates.
6.1.3 MUNICIPAL DEBT

In conducting the fiscal impact analysis, it was assumed that the County would front-end off-site infrastructure improvements and then collect off-site levies from development to recover these costs. While the current policy of the County is that the developer front-ends these costs, concerns have been raised that developers may not have the financial ability or willingness to front-end these costs, thus preventing development from occurring. To test the impact of the County front-ending off-site infrastructure costs, it was assumed that the County would debt finance all off-site infrastructure improvements required to support development. This would have a resulting impact on the County’s financial operations and debt levels.

It is assumed that off-site levy revenues would be collected from development as it occurs. On an annual basis, off-site levy costs and revenues may not directly offset each other, resulting in some annual impact on the County’s financial operating budget. However, the analysis was structured so that total off-site levy revenues collected over the forecast period would match the off-site costs incurred over the forecast period, resulting in the County fully recovering the costs over the forecast period. Regardless of the assumptions regarding who finances the investment in off-site infrastructure, the County would be responsible for the maintenance costs and life cycle costs associated with all on-site and off-site infrastructures.

The analysis shows that the County would exceed its allowable debt limit in each of growth scenarios at some point over the forecast period. In Scenario A1 (EDS Base / Existing Planned Area Growth), the debt limit reaches a maximum of 111% of the allowable debt calculated for that scenario. Scenario B2 (EDS Optimistic / New Urban Growth Node) exceeds the allowable debt limit by the greatest amount at 229%. This percentage is significantly more than two times what is allowable under provincial regulations.

Over the forecast period, the average debt limit percentages fall under the allowable limit (100%). With Scenario A1 (EDS Base / Existing Planned Area Growth), the average debt limit is 49% of the allowable debt limit. The average debt limit increases to 80% and 94% of the allowable debt levels in Scenarios A2 (EDS Base / New Urban Growth Node) and B2 (EDS Optimistic / New Urban Growth Node), respectively. The higher debt levels are attributed to the off-site infrastructure costs associated with the new Urban Node. This result suggests that with some management of the timing of the required investment in off-site infrastructure, the County may be able to finance these investments and remain under the allowable provincial debt limit guidelines. However, for Scenarios A2 and B2, the average debt load exceeds 75% and 90% of the debt limit. This would make a ‘timing’ strategy very challenging.

In addition, because this analysis assumes that development will ‘build-out,’ all off-site infrastructure costs would be recovered within the analysis timeframe. If there were some delay in development, the County would be at risk of not recovering the full investment amount. This would also affect County revenues reducing the effective amount of debt the County could take on. As a result, it is likely not practical to undertake a strategy of ‘timing’ off-site infrastructure investments to stay within the guidelines without considerable risk.

For these reasons, it is concluded the County will not be able to front-end all off-site infrastructure costs associated with the development identified in the growth scenarios without running a significant risk of exceeding its allowable debt limit.
6.1.4 BALANCED GROWTH

The County currently has an enviable fiscal capacity in comparison to other municipalities in the Capital Region and across the province. One measure of fiscal capacity that is useful to consider is the share of the assessment base that is residential assessment. Generally, a lower share of residential assessment as compared to the total is favourable as services for residential development typically are more costly than non-residential development.

As depicted in the figure above, Leduc County’s residential assessment as a share of total assessment has gradually increased over the past 15 years from about 30% in 2000 to approximately 35%.

From the current fiscal capacity position of having 33% of total assessment as residential, without growth in any of the defined Growth Areas (see below), this position would improve slightly to 30%, close to the 2001 level. Each of the Growth Scenarios is projected to result in an increase in the share of residential assessment from the Base (without Growth Area Growth) and current levels, as depicted in the figure below.
Growth Scenarios A1 (EDS Base / Existing Planned Area Growth) and B1 (EDS Optimistic / Existing Planned Area Growth) which include existing approved Area Structure Plans for East Vistas and Crossroads (as well as New Sarepta and other hamlets) is projected to result in a modest increase in the share of residential assessment to 38% and 43% respectively. When a new Urban Growth Node is added the share of residential development increases to 50% in Growth Scenario B1 and 59% in Growth Scenario B2 (EDS Optimistic / New Urban Growth Node). In each of these scenarios, Leduc County’s fiscal position would be eroded, but it would still be among the strongest in the Capital Region. Only Strathcona County (55%) and Lamont County (49%) would have a lower residential share of total assessment as Leduc County in Growth Scenario B2.

It is worthy to note that, in the Capital Region, both Parkland County and Sturgeon County have residential assessment as a share of total assessment in the low 60% range. And while Leduc County’s fiscal capacity (as measured by share of residential assessment) would approach 60% in Growth Scenario B, the residential growth in Leduc County would be at a higher density than that found in Parkland and Sturgeon County. This is because most of the Parkland and Sturgeon population is associated with low density, country residential development. Leduc County’s composition of residential development in each of the Growth Scenarios would be more comparable to the higher densities found in Strathcona County. This is important because the cost of delivering municipal services is significantly lower for more dense urban residential development than for low density country residential development.
As a result, it can be concluded that each of the Growth Scenarios, while reducing Leduc County’s fiscal capacity from its current level, and from a no growth scenario level, would allow the County to remain in a strong financial position. It is recommended that the County manage its growth in a manner to encourage compact urban residential development.

6.2 GROWTH AREAS

Within each Growth Scenario, the following individual growth areas were defined:

- East Vistas
- New Urban Node
- New Sarepta
- Other Hamlets
- County Residential
- Highway 19 West / Crossroads
- Saunders Lake
- Agricultural Residential

To examine financial impacts of individual growth areas within the Growth Scenarios, Scenarios A2 (EDS Base / New Urban Growth Node) and B2 (EDS Optimistic / New Urban Growth Node) were selected to evaluate the impacts. These scenarios reflect the highest population forecasts prepared for the Growth Management Study and, as discussed in the previous section, result in the highest average tax rates and debt limits.

The results presented below are sensitive to the assumptions that have been used to generate them. In particular, it has been assumed that the County would continue to require developers to fund off-site infrastructure associated with supporting growth. As well, where new development is completing growth areas that are already planned, it has been assumed this would happen prior to new areas of similar type being approved and developed (e.g. Hamlets, country residential). Each of these assumptions will result in more optimistic fiscal impact analysis results than would be the case if the County were to finance some or all of the off-site infrastructure costs and if new hamlet and country residential areas were to be approved and developed.

Municipal expenditure and revenue forecasts prepared for each growth area involved the following:

- **Off-Site Linear Infrastructure**: Off-site linear infrastructure requirements to service proposed development and the associated costs are based on existing information provided by the County.

- **On-Site Linear Infrastructure**: On-site linear infrastructure is typically undertaken by the developer. As a result, the County’s planning documents do not normally include asset inventories and costs associated with these on-site infrastructure improvements. Although the developer is responsible for constructing these on-site linear improvements, these assets are usually transferred over the County upon completion and acceptance, and these assets are added to the County’s growing asset base which it must maintain and eventually replace.

- **Soft Infrastructure**: Soft infrastructure includes buildings, amenities, vehicles and equipment associated with providing non-linear or soft municipal services. This includes: Fire, Police, Recreation and Parks, Library and Culture, Transit, Public Works and County General Administration.
The need for future soft infrastructure is based on asset thresholds determined for similar sized urban developments in the Capital Region.

→ **Lifecycle costs**: The analysis incorporates annualized lifecycle costs and replacement costs associated with new infrastructure included in the analysis.

→ **Operating Expenditures**: Operating costs are based on marginal cost factors and key cost drivers defined for various function areas defined in the County’s municipal operations. Because the County’s current operating cost structure serves largely a rural population, an urban operating cost structure was defined for the urban growth areas in East Vistas and the New Urban Node to better reflect average operating costs associated with providing municipal services to a larger urban center. An average operating cost of approximately $1,600 per capita was assumed for East Vistas and the New Urban Growth Node, based on per capita operating costs of comparable sized municipalities in Alberta (using Alberta Municipal Affair Municipal Information Return data).

→ **Non-Tax Operating Revenues**: Non-tax operating revenues include function-specific operating revenues projected using cost recovery rates, operating grants, off-site levy revenues and other minor revenue sources (dividends, penalties on taxes). It has been assumed that operating grants would be largely fixed at current levels, with the exception of FCSS grants that are assumed to continue to grow with population.

→ **Assessment**: The amount of assessment and composition of the assessment base associated with each growth area are based on the population and employment forecasts associated with each growth area, development parameters defined in relevant planning documents and assessment factors provided by the County in previous analyses completed for the County.

### 6.2.1 EAST VISTAS

One of two residential urban nodes included in the Growth Management Study, East Vistas is an approved planned area in the County. East Vistas is predominantly a residential development with limited commercial development. Based on the fiscal impact analysis undertaken, East Vistas would not pay for itself and would instead increase average real municipal tax rates in the order of 6.6% to 7.6%.

→ Off-site infrastructure improvements are based on the 2009 off-site levy rates established for the Nisku Greater Area (Bylaw 23-09) and the land area developed within the forecast period. As per the bylaw map, only roadway and water infrastructure costs are applicable to East Vistas. Actual off-site costs to service East Vistas should be reviewed to ensure costs are still current and that all off-site costs have been identified.

→ Soft capital expenditures associated with recreation facilities (e.g. arena, swimming pool, athletic fields and parks), a fire station, transit equipment and other vehicles and equipment have been included in the analysis. The total capital expenditures associated with these facilities are estimated to be approximately $40 million.  

→ At the end of the forecast period, operating costs associated with East Vistas are approximately $1,600 per capita.

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24 These costs are estimated to be associated with the growth in this area. The location of these facilities is not determined and may include cost sharing of associated facility development with urban neighbours.
At the end of the forecast period (2044), non-residential development comprises less than 0.5% of total taxable assessment in East Vistas. As a result, the burden for servicing residential development is not offset with non-residential development in the East Vistas area.

6.2.2 NEW URBAN NODE

Scenarios A2 (EDS Base / New Urban Growth Node) and B2 (EDS Optimistic / New Urban Growth Node) include development of a New Urban Node in the County, to a population of 15,000 in A2 and 25,000 in B2. Unlike East Vistas, there is currently no approved plan for a New Urban Node nor is there a location at this time for where a New Urban Node could occur. As with East Vistas, the New Urban Node does not pay for itself. It results in average real municipal tax rate increases of 5.6% and 9.4% for Scenarios A2 (EDS Base / New Urban Growth Node) and B2 (EDS Optimistic / New Urban Growth Node) respectively. The greater tax rate impact in Scenario B2 is due to the higher population allocated to the New Urban Node (25,000) and the higher costs of servicing these residents.

Off-site infrastructure improvements are based on per hectare off-site cost factors prepared by the County. These off-site costs are significantly higher compared to off-site costs projected for East Vistas. East Vistas off-site costs included only road and water while off-site costs for the New Urban Node include water, wastewater, storm and roads. Furthermore, it is noted that these differences may be due to the high level the costs are estimated at and the different data sources used for East Vistas and the New Urban Growth Node. Actual off-site costs to service the New Urban Growth Node will depend on the ultimate location of the New Urban Growth Node. Once a location has been determined, more detailed analysis will be required to estimate the actual off-site costs to service the proposed growth.

Soft capital expenditures associated with recreation facilities (e.g. arena, swimming pool, athletic fields and parks), a fire station, transit equipment and other vehicles and equipment have been included in the analysis for Scenario A2 (EDS Base / New Urban Growth Node). The total capital expenditures associated with these facilities are estimated to be approximately $40 million. The total cost of soft capital infrastructure expenditures in Growth Scenario B2 (EDS Optimistic / New Urban Growth Node) is estimated at $120 million.\textsuperscript{25} The increased costs in Growth Scenario B2 reflect the additional facilities that would be required to support a larger community. This includes additional facilities for the categories included in Scenario B1 (EDS Optimistic / Existing Planned Area Growth), as well as a Police Station and a contribution to new County facilities for maintenance and administration.

As with East Vistas, it is assumed that operating costs associated with providing municipal service to an urban development is approximately $1,600 per capita at the end of the forecast period.

At the end of the forecast period (2044), non-residential development comprises 7% of total taxable assessment in the New Urban Node in Scenario B2 (EDS Optimistic / New Urban Growth Node). While there is more non-residential assessment in the New Urban Node compared to East Vistas, a further increase in the proportion of non-residential assessment would assist in improving the financial viability of the New Urban Node.

\textsuperscript{25} These costs are estimated to be associated with the growth in this area. The location of these facilities is not determined and may include cost sharing of associated facility development with urban neighbours.
6.2.3 NEW SAREPTA

The New Sarepta ASP is an approved plan area. The ASP includes further residential and commercial development in the north portion of the plan area (current hamlet boundaries) as well as an expansion of lands to the south of the hamlet to include over 120 gross hectares of non-residential development, over 90% which is planned for light industrial use. Based on the assumed net municipal costs to service future residential growth in New Sarepta and the significant amount of non-residential growth that is expected, New Sarepta provides a marginal positive benefit to the County equivalent to an average municipal tax rate decrease of approximately 0.5%.

Off-Site infrastructure costs are based on supporting documentation to the New Sarepta ASP (Appendices E and F). It was assumed that the cost of all off-site infrastructure improvements related to the “public” planned area of the ASP (residential and supporting non-residential development within existing hamlet boundaries) would be recoverable through levies and off-site levies would be collected from the development in the “public” area. Any off-site infrastructure (both roads and utilities) improvements associated with the “private” planned area of the ASP (industrial development in the southern portion of the land) were assumed to be fully funded from the developer. A further review of the off-site infrastructure costs is required to determine what off-site costs (portions thereof) are related to future development (versus existing development), determination of benefitting areas for the various off-site costs (if they are different) and how off-site costs would be ultimately funded.

The New Sarepta ASP accommodates another 700-800 people in its future planned area. This additional population growth is not expected to change the existing marginal operating cost structure defined for the County.

Future growth in New Sarepta captures a significant amount of non-residential development. At the end of the forecast period (2044), non-residential assessment comprises approximately 70% of total new taxable assessment.

It should be noted that the results for New Sarepta are based on the approved ASP which assumes that all on-site and off-site infrastructure would be the responsibility of the developer. It may be the case that the magnitude of these costs, especially off-site infrastructure, may not be financed by the developer, in which case development would not be able to proceed. As a result, the analysis of the New Sarepta Growth Area has been conducted using two different sets of assumptions as follows:

New Sarepta - Residential Only: The first alternative is to assume that the off-site costs associated with developing the industrial areas of New Sarepta would be prohibitive and that no industrial development would occur in this area over the forecast period. Further, it is assumed that off-site infrastructure costs associated with the residential development of New Sarepta would be the responsibility of the developer. In this instance, the net impact to Leduc County is almost neutral (slight benefit to average real property taxes of 0.1%).

New Sarepta – County Supported Industrial Off-site Infrastructure (30%) – No Industrial development: The second alternative included the residential development and off-site development infrastructure funding as above, and further assumed the County would contribute 30% to the estimated off-site infrastructure costs associated with industrial development in New Sarepta. Further, it was assumed that no industrial development would occur, thus leaving the County and the developer with off-site infrastructure costs that are unsupported by development. In this instance, there would be an increase in average real municipal tax rates of 0.1% to 0.2%.

The sensitivity analysis around County funding of off-site infrastructure and the possibility of this development not occurring as expected, highlights the financial risks associated with County investment in development related infrastructure. While the potential development in New Sarepta is small relative to the operations of the County as a whole, the results for this Growth Area flip from being positive (e.g.}
reducing average real municipal taxes) in the circumstance where off-site infrastructure investment costs are funded by the developer, to being a net cost to the County (e.g. increasing average real municipal taxes).

The implication of this sensitivity analysis highlights the importance of Leduc County maintaining its current policy of requiring both on-site and off-site infrastructure development costs being borne by developers. Any significant contribution to these costs by Leduc County will risk that the impact of the development may be reversed, from a positive beneficial reduction in municipal taxes, to a net cost resulting in an increase in municipal taxes.26

In addition, the sensitivity analysis completed on the New Sarepta Growth Area highlights the importance of having ‘balanced growth’ where residential development is accompanied by non-residential development.

6.2.4 OTHER HAMLETS

While the fiscal impact analysis includes Other Hamlet growth as a separate growth area, there is very little population growth attributed to other hamlets in Scenarios A2 B2 (EDS Optimistic / New Urban Growth Node) and B2 (EDS Optimistic / New Urban Growth Node). As a result, there is no measurable impact of the average tax rate impacts of Other Hamlet growth in both Scenarios A2 and B2.

→ It is assumed that future hamlet growth outside of New Sarepta will continue to be minor compared to the other residential growth areas in the County, and that any future growth can continue to be serviced from existing infrastructure that is in place.

→ For new hamlet development or significant expansion to an existing hamlet (e.g. New Sarepta), the financial impacts of this scale of development would need to be analyzed separately as the financial impacts will depend on the infrastructure requirements and services to support the proposed development, along the composition of residential and non-residential assessment residing in the area.

It should be noted that completing development in existing hamlets in the County will result in a more favourable fiscal impact result than that which can be expected for development of a new hamlet area. The incremental approach to completing existing planned areas takes advantage of infrastructure that is already in place. Creating new hamlet communities would require additional resources to plan and built the community which would require additional County resources, resulting in a more negative fiscal impact analysis result than that reported for existing approved hamlets.

6.2.5 COUNTRY RESIDENTIAL

In Scenarios A2 (EDS Base / New Urban Growth Node) and B2 (EDS Optimistic / New Urban Growth Node), limited growth is projected for country residential development.27 Future country residential growth is assumed to be more developable than the urban centers. Note that in each instance it is assumed Leduc County would be responsible for the on-going operating costs of all infrastructure as well as the Life Cycle Costs required to maintain the infrastructure at an adequate condition level.26 It can be expected this will be true of a small urban development node like New Sarepta or the larger new urban growth node incorporated in Scenario 2.
development is projected to host 1,100 and 1,400 people respectively by the end of the forecast period (2044). Based on the relatively low net municipal costs to service future country residential development, Country Residential provides a marginal positive benefit to the County as shown by the average municipal tax rate decrease of up to 0.3%.

- Linear infrastructure improvements to service future country residential development are assumed to be fully recovered from developer contributions and user fees, with no net impact on the County’s municipal operations. In May 2008, Council approved the motion to collect $7,500 per subdivided lot for the purposes of rural roadway surfacing within a defined catchment area (half mile west of Range Road 224 to Highway 21, from Township Road 500 to 510). In addition to the Rural Roadway Surfacing Contribution amount, approximately $2,500 per lot for intersection improvements was also levied. With the timing of these improvements unknown, it was assumed that the County would not have to front end any significant costs.

- While the County currently has no established policy or bylaw to collect levies for road improvements from other future country residential subdivisions, it was assumed that any road improvement costs would continue to be funded from the collection of a fee as currently practiced in the area noted above, and that there would be not net financial impact on the County, aside from projected operating costs.

- With respect to water and wastewater, it is assumed the County would have no financial responsibility for these services. This would include individual owners being responsible for providing these services on site, purchasing of water and sewer services from a third party (e.g. trucking water in and wastewater out) or the establishment of a communal service requiring local users to pay the full costs of the services.

- Operating costs associated with servicing future country residential development are based on the marginal operating cost structure developed for the County.

As noted above, the positive result associated with development of Country Residential development is contingent upon several factors. These include the assumptions that the County would not be making a contribution to water or sewer services in the subdivision and that any and all road improvements would be funded through the charges as noted above. Where these conditions do not exist, the impact results for Country Residential development can be expected to vary significantly.

In the Capital Region Growth Plan country residential development has been identified to be focuses in Cluster Country Residential Areas (CCRAs). Leduc County has CCRA Q located east of Beaumont and northwest of New Sarepta. The regional plan defines development in CCRAs as follows:

- CCRA densities are intended to be less than suburban development densities, but achieve approximately 129 units per quarter section. This results in average lot sizes of approximately 2 ha.

- CCRA developments are to have access to municipal water and sanitary services. Private communal services may be allowed at the discretion of the municipality.

Incorporating these assumptions into the analysis of country residential development includes the following:

To accommodate the total country residential development assumed in each of the Growth Scenarios, at the CRB Regional Plan densities this would require 3 to 5 quarter sections of country residential development.

It has been assumed that the incremental costs to the County of upgrading roads and providing the required water and wastewater infrastructure would be equal to approximately $25,000 per lot.\(^29\)

It has been assumed that the operating costs associated with water and wastewater would be recovered from user charges.

The infrastructure costs associated with water and wastewater have been assumed to not be recovered from development but be the responsibility of the County.

The results of this alternative country residential scenario whereby the County would be responsible for the off-site infrastructure costs yields an increase in average real municipal tax rates of 0.2%. It is noted that this scenario is not consistent with the County’s existing policy to require both off-site and on-site infrastructure to be the financial responsibility of the developer.

It is noted that in the case of country residential development, it is sometimes proposed that the costs of on-site and off-site water and wastewater infrastructure be the responsibility of a community association. This would result in these services being fully funded by the users of the system. Regardless of the legal and other safeguards that may be put in place, however, it is not possible to ensure that this community association would remain solvent over the life the community. If for whatever reason the community based association were not able to continue operations, it is likely that the County would have to take over the operation of the facilities, in which case it is unlikely that the community would be able to afford to pay for the full costs of providing these services. The implication is that the County may be at some financial risk in approving developments that are reliant upon community associations established to operate such services.

Finally, it is noted that this sensitivity analysis of country residential development utilizes the densities recommended by the Regional Plan. These densities are significantly higher than typically has been the case for country residential development in the Capital Region. If CR development densities are lower than assumed in this analysis, the potential negative impact of the County having to cover the costs of transportation upgrades, water and wastewater infrastructure would be higher on a per unit basis than reported for this sensitivity analysis.

### 6.2.6 HIGHWAY 19 WEST / CROSSROADS

A major employment area defined in the employment forecasts prepared for the Growth Management Study include non-residential development in the Highway 19 West plan area as proposed in the Aerotropolis Viability Study prepared for the County along with non-residential development planned for the neighbouring lands to the east as per the approved Crossroads ASP. As a result of the relatively low net municipal costs to service non-residential growth and the significant amount of non-residential growth that is expected, the Highway 19 West / Crossroads growth area provides a positive benefit to the County

\(^{29}\) Note that this is a rough estimate and that actual costs will vary significantly depending on the location of the development, access to existing service lines and/or the type of on-site system that may be developed for the area.
as measured by the average municipal tax rate decrease of 4.0% in both Scenarios A2 (EDS Base / New Urban Growth Node) and B2 (EDS Optimistic / New Urban Growth Node).

At full development, it is projected that Highway 19 West and Crossroads will host approximately 30,000 jobs (12,600 jobs in Highway 19 West – Aerotropolis Viability Study, 12,500 jobs in Crossroads plan area). At the end of our forecast period (2044), this employment area includes approximately 8,000 jobs in Scenario A2 (EDS Base / New Urban Growth Node) and 9,500 jobs in Scenario B2 (EDS Optimistic / New Urban Growth Node). Thus, the direct employment forecasts only capture 25% to 30% of total projected employment for this area.

Off-Site infrastructure costs are based on the Crossroads Off-Site Levy analysis recently prepared for the County (July 2015). The full costs were incorporated into the analysis and it was assumed that these infrastructure cost estimates would accommodate growth projected in both Highway 19 West and Crossroads. Given that only 8,000 to 9,500 jobs are allocated to the employment area by the end of the forecast period, and the off-site infrastructure costs are based on servicing an employment base of 17,300 jobs, the share of off-site costs attributed to the non-residential development is likely overstated.

If County can build out Highway 19 West and Crossroads and unit servicing costs are the same, this employment growth area holds the greatest potential for the County.

It is noted that the employment allocated to this area in this analysis is significantly below its potential build out as reported in the Crossroads ASP and the Aerotropolis Viability Study. The implication is that this area holds even greater potential for Leduc County to achieve balanced growth than has been incorporated in the results of this analysis.

6.2.7 SAUNDERS LAKE

While there is a current approved Saunders Lake ASP, this planning document is out-dated and needs to be revisited to reflect residential density targets for the portion of the plan area that falls within the designated Capital Region Board’s Priority Growth Area as well as changes to reflect the employment growth (7,800 jobs) projected for the Northern District of Saunders Lake in the Aerotropolis Viability Study.

Based on the population and employment forecasts prepared for Scenarios A2 (EDS Base / New Urban Growth Node) and B2 (EDS Optimistic / New Urban Growth Node) only employment growth has been projected for Saunders Lake. At the end of the forecast period (2044), 800 jobs and 1,000 jobs have been allocated to Saunders Lake in Scenarios A2 and B2, respectively. Development projected in Saunders Lake provides a marginal positive benefit to the County as measured by an average municipal tax rate decrease of 0.1%.

Off-site infrastructure improvements are based on the 2009 off-site levy rates established for the Nisku Greater Area (Bylaw 23-09) and the land area developed within the forecast period. As per the bylaw map, levies for roadways, water and wastewater apply to the greater Nisku area. Actual off-site costs to service future development in Saunders Lake will need to be reviewed to ensure all off-site costs have been identified and that the required off-site infrastructure improvements and costs are based on the development that will ultimately occur in this area.

As with the Highway 19 West / Crossroads area, Saunders Lake holds significantly more potential for Leduc County to pursue balanced growth than is reflected in the modest growth allocated to this area in this analysis.
6.2.8 AGRICULTURAL RESIDENTIAL DEVELOPMENT

It is expected that there will continue to be residential development associated with the subdivision of farm properties to allow for additional residences on a portion of the original farm site. This development has not been analyzed as other Growth Areas with a modelled analysis. Because of the range of possible outcomes and divergent circumstances of development, it has been addressed qualitatively below.

The incremental cost to the County of farm site subdivision in a few instances across the County is expected to be negligible. The addition of a single dwelling unit and the associated population and vehicle traffic on the County’s road network will not yield an appreciable increase in demand for services requiring an upgrade of road network. The new site will likely have a house and other buildings and will likely be self-sufficient for water and wastewater services. There may be some allocated costs to the County associated with intermunicipal recreation agreements because population of a catchment area is increased, but it can be expected that in cases where there is an occasional subdivision of a farmstead, the County will be largely unaffected financially.

If however there is a concentration of subdivision of farmsteads in an area of the County, this concentration of new dwelling units and population could result in a need to upgrade the rural road network to some degree. The specific costs associated with any such improvements will depend on the location of the service upgrade, the standard required, the existing standard of the road and if it is more than an intersection upgrade, the kilometres of road to be improved.

Another perspective from which to look at this is to determine the revenue that can be generated from the taxes collected of the subdivided land and buildings. If the annual tax revenues from each subdivided property were $2,000 per year, the net present value of this revenue stream represents what the County could afford to pay for infrastructure or services. The Net Present Value of 20 years of taxes from such a property is approximately $25,000. Thus an investment of this amount in either capital or operating expenditures over a 20 year period represents a ‘break-even’ point for each subdivision of farmsteads that result in a new dwelling unit and family located on the property.

The implication of approving the subdivision of farmsteads which will result in a new dwelling unit is that in some instances the County may have to upgrade road infrastructure to meet safety requirements and/or address ratepayer demands. The break-even point for a property with an assessment that generates an additional $2,000 per year in municipal property taxes is a total expenditure of $25,000 over a 20 year period. Any costs incurred by the County in excess of this amount would result would be detrimental to the County from a financial perspective. Obviously, it is the accumulation of such subdivision approvals that will lead to the increased potential for road improvements and the likelihood the ‘break-even’ point where the County would be fiscally neutral to the approval would be violated.

6.3 CONCLUSIONS

Based on the analysis of the individual growth areas in Scenarios A2 and B2, several conclusions regarding future development can be drawn.
6.3.1 URBAN RESIDENTIAL GROWTH NODES

The urban residential growth nodes, including East Vistas and New Urban Node, do not pay for themselves.

- The operating costs to service urban residential development are high as more urban services are being provided and these services come at a greater cost.

- The amount of non-residential development included in both urban growth areas is relatively low, representing fewer than 10% of the total taxable assessment base. By including more non-residential development within the urban growth nodes, a more balanced growth will be achieved and this will improve the financial viability and benefit of the urban growth nodes. Increased non-residential development allows for more residential costs to be subsidized from non-residential development.

- A further review of the infrastructure servicing requirements, including both off-site and on-site as well as linear and soft, is required to ensure that all infrastructure improvements to accommodate future growth in the urban nodes are appropriately identified and quantified.

- The net costs of servicing primarily residential development exceed the projected assessment growth resulting in an increase in municipal tax rates keeping all other factors constant. As a result, if urban residential development is considered, it should attempt to maximize the potential for non-residential development within the planning area. This will have the financial benefit of providing a greater ability for the development to pay for itself. Further, it would likely have other planning and community benefits.

6.3.2 MAJOR EMPLOYMENT AREAS

Major employment areas, including the Highway 19 West / Crossroads growth area, represent a significant financial opportunity for the County.

- Non-residential development typically requires fewer municipal services. Thus, the assessment generated by non-residential development and the property taxes paid typically exceed the net municipal costs of providing services to non-residential development.

- On-site and off-site linear infrastructure improvements to service proposed non-residential development can be costly and will impact the financial benefits of proposed development. Further analysis is required to identify and quantify these improvements and associated costs.

- The Highway 19 West / Crossroads areas provide a unique opportunity for Leduc County to continue to accommodate growth and maintain the current levels of service and taxation. The loss of this area through annexation is likely not replaceable. Other potential areas of industrial development in Leduc County (e.g. Saunders Lake) do not have the same location advantages nor would likely be able to effectively compete with the development of Highway 19 West / Crossroads sufficiently to be a reasonable substitute for the benefits this area affords the County. Exposure and access to the QEII and proximity to the International Airport and existing industrial development in Nisku creates advantages that cannot be matched by the other possible industrial locations.

- Saunders Lake represents a potentially positive non-residential growth node for the County, but in magnitude, is likely to make a relatively small contribution to the financial position of the County. In the Saunders Lake area, as with other similar areas, careful attention should be given to the costs of infrastructure that would be County funded. While these costs (i.e. off-site infrastructure costs) are
potentially recovered through development, a significant investment could put the County at risk if
development occurs more slowly than expected.

6.3.3 OFF-SITE INFRASTRUCTURE FUNDING

The fiscal impact analysis for each of the Growth Scenarios demonstrates the County cannot afford to
front-end all the off-site infrastructure costs for the all growth areas and growth incorporated in these
scenarios.

→ The current policy in the County is for developers to front-end off-site linear infrastructure costs.
   However, the inability of developers to front-end may be an obstacle for development to proceed.

→ In order to allow for development in the County to be unconstrained by the availability of developer
   funding, it was assumed that the County would front-end the off-site linear costs, with development
   levy revenues being collected to reimburse the County for these costs. In each growth scenario, the
   County’s debt limit exceeds the limit calculated per provincial regulations at some point over the
   forecast period.

At an aggregate level, it appears that the County could front-end approximately 25% to 30% of off-site
infrastructure costs identified for Scenarios A2 (EDS Base / New Urban Growth Node) and B2 (EDS
Optimistic / New Urban Growth Node) and remain below 70-80% of its debt limit over the forecast period.
This assumes that the development would be completed within the 30 year forecast period. The risk of
development not occurring in the timeframe expected would put the County at risk of exceeding its debt
limit even if it were to only contribute 25% to 30% of the funding required for off-site infrastructure.

→ In addition to the debt limit impacts of debt incurred by the County to fund off-site infrastructure
   improvements, there is also an added financial risk to the County if future development doesn’t
   proceed in an orderly planned manner and costs cannot be recovered in a reasonable time frame.

6.4 FINANCIAL MANAGEMENT STRATEGY

To assist the County with managing future growth in the County, a number of recommendations have
been developed. These are summarized in the section below.

6.4.1 BALANCED GROWTH

The County should monitor its overall fiscal capacity annually and consider the potential implications of
planning and development approvals on the share of residential and non-residential assessment. The
County’s currently favourable low proportion of residential assessment as a share of total assessment
has eroded somewhat over the past 15 years. Based on the continued development of existing approved
plans for development, it is projected the share of residential assessment to total assessment will grow
from 33% today to 40% at the end of the forecast period. This level of residential assessment will
continue to allow Leduc County to be among the strongest municipalities in the Capital Region from a
fiscal capacity perspective.

Approving additional residential development, in particular large scale urban residential development has
the potential to continue to erode the fiscal capacity of the County. Based on this analysis, it is projected
that the County could accommodate a new urban growth node of approximately 15,000 to 25,000 people
and maintains a residential share of total assessment at approximately 50%. This would put it in a comparable position to Strathcona and lower than Parkland and Sturgeon Counties. It is recommended that Leduc County attempt to maintain its assessment balance where residential assessment remains at or below 50% of total assessment.

With the exception of the New Urban Growth Node, all growth projected in each of the Growth Scenarios can be accommodated within existing planned areas. It should be noted that it may be practical and cost effective to plan and service the Highway 19 West industrial area to allow for non-residential development contemplated in Aerotropolis.

6.4.2 RESIDENTIAL DEVELOPMENT

The County should strive to ensure there is balanced growth in urban residential growth nodes. By having sufficient non-residential development in each urban growth node, the non-residential assessment base can be used to subsidize the costs of providing services to residential development and tax rates can be maintained at reasonable levels. Enhancements to the non-residential assessment potential of urban residential development will contribute to the overall fiscal capacity of the County.

The inclusion of employment opportunities within the urban growth node also allows for the urban community to provide home, work, and play opportunities and act as a self-contained community. Within the context of the Growth Scenarios evaluated, Leduc County can be expected to proceed with currently planned development, including East Vistas and Crossroads, with further development in the areas defined and roughly maintain the current fiscal balance into the future. Note that this does not include the new Urban Growth Node. Further, it assumes that all, or the vast majority, of off-site infrastructure would be developer funded.

It should be noted that this general recommendation should not preclude the County from considering future urban residential development, but that the conditions under which this development should be considered, from a financial perspective, would be limited. This is discussed further in the sections below.

6.4.2.1 INITIATIVE G1: ENCOURAGE BALANCED GROWTH

Encourage a balance in growth between the residential and non-residential assessment base to help balance costs and revenues.

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<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
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<td>Ongoing</td>
<td>Continue to pursue balanced growth through industrial and commercial development at a rate that at minimum will keep pace with residential development.</td>
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<tr>
<td>Year 1</td>
<td>Identify a residential / non-residential tax assessment goal.</td>
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6.4.3 CONCENTRATED VS DISPERSSED DEVELOPMENT

Simultaneously promoting dispersed development opportunities throughout the County could affect the amount of off-site infrastructure improvements that would need to be constructed and funded as well as affect the ability of either the County or developer to recover off-site infrastructure costs in a timely manner.

By focusing future development to a few selected growth areas, off-site infrastructure designs and costs can be better managed. There is also a greater probability that development will proceed in timely manner in generating off-site levy revenues to recover debt servicing costs. This reduces the risks to either the County or developer for front-ending off-site infrastructure.

6.4.4 LOCATION OF DEVELOPMENT

Consideration should be given to the location of future major employment areas and urban residential growth nodes in the County to maximize the financial benefit of these growth areas.

→ The location of development can impact infrastructure servicing requirements and costs. Based on work undertaken by the County, off-site infrastructure costs may be higher in some areas versus others.

→ Consider any cost efficiencies that can be achieved by strategically locating future development either in close proximity to other development or existing services.

→ Consider the opportunity costs to the County if neighbouring urban communities are successful in theirs annexation bids for land from the County. This includes Highway 19 West / Crossroads as these lands are within the City of Edmonton’s proposed annexation area. If the City was successful in its annexation bid, the County would lose its single largest opportunity for non-residential growth. It may be possible to host this non-residential growth in other areas of the County (e.g. Saunders Lake), but the locational advantages of Highway 19 West / Crossroads being in proximity to Nisku, Edmonton International Airport and the Highway 2 corridor provides highly desirable market factors for development. Other areas of the County may have difficulty being able to compete with this area and offer similar site advantages.

It is expected that there are synergies of having workers located within close proximity to employment opportunities. As a result, planning for the location of residential development near employment centres will help to maximize the potential for these businesses being successful in attracting the required workforce. As noted above, it will also have the potential benefit of reducing or minimizing the cost of providing municipal infrastructure and services.
6.4.4.1 INITIATIVE G2: CONCENTRATE DEVELOPMENT TO MAXIMIZE SERVICE EFFICIENCIES

Concentrate development to take advantage of existing infrastructure and mitigate future costs of expanding or extending services to new areas.

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<tbody>
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<td>Ongoing</td>
<td>Locate new development in close proximity to existing development and infrastructure to maximize municipal service delivery efficiencies.</td>
<td>County</td>
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<tr>
<td>Ongoing</td>
<td>Direct growth to existing planned areas (i.e. East Vistas) to minimize the financial risk to developers and the County associated with the costs of infrastructure.</td>
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</table>

6.4.5 DEFINE URBAN SERVICES AREA

6.4.5.1 INITIATIVE G3: INVESTIGATE OPPORTUNITIES TO ENHANCE SUSTAINABILITY

Explore opportunities to enhance the long-term financial sustainability of the County through managing growth in a way that maintains a responsible balance in the tax structure that reflects the revenue and costs associated with growth areas.

While urban residential development does not unto itself make a positive net contribution to the County's financial picture, it may be preferable for the County to pursue this type of development to provide a location for jobs to support the non-residential development in the County and to achieve other objectives. As a result, it is prudent to consider options to allow for urban residential development that minimize its negative financial implications.

One opportunity to achieve this would be to contain the financial impacts of future urban residential growth nodes to the growth node itself thus limiting the impact of this type of growth on other ratepayers in the County. To this end, the County could explore options to mitigate the financial impacts of urban development on the remainder of the County.

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<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
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<tr>
<td>Year 1</td>
<td>Define an urban growth area and explore options for establishing a differential tax rate to be set for the urban and rural areas of the County.</td>
<td>County</td>
</tr>
<tr>
<td>Year 1</td>
<td>Explore cost and revenue sharing opportunities and arrangements with adjacent municipalities</td>
<td>County</td>
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</table>
6.4.6 COUNTRY RESIDENTIAL (CR) DEVELOPMENT

It is recommended that caution be exercised in the approval of new CR development. It is expected that building out of planned country residential will have a net financial benefit to the County, largely due to the required infrastructure already being in place and not requiring further financial support for water and wastewater services.

Approval of new CR development, within CCRAQ as defined in the Regional Plan, may require the County to connect the development to water and wastewater services, or in some scenarios end up being responsible for taking over a system established by the developer and funded by the CR community. In these circumstances the County may become responsible for making unfunded contributions to both on-site and/or off-site infrastructure. This could make these types of development a financial drain on the County.

6.4.7 HAMLET DEVELOPMENT

Consistent with the recommendations regarding the possibility of a new urban residential growth node and the analysis of country residential development, the establishment of new hamlets engenders the same financial risks of front ending linear infrastructure with the possibility that development may not occur in a timely fashion to offset these investment costs. This scenario is also applicable to New Sarepta, where there is still a significant investment required to support growth that may not be affordable for the developer. County financial support of this investment runs the risks of this investment not being recovered from development over a reasonable period of time.

6.4.8 OFF-SITE INFRASTRUCTURE FUNDING

It is recommended the County review its current policies respecting how off-site linear infrastructure improvements will be funded and develop a comprehensive off-site levy bylaw that would include all future growth areas in the County.

→ A review of off-site infrastructure improvements and benefitting areas is required for all growth areas to determine:
  - Off-site infrastructure costs by asset category and project.
  - Benefitting areas for each off-site infrastructure project.
  - A determination should be made of the portion of off-site infrastructure costs related to existing development versus future development and how these infrastructure costs could be funded. Future off-site infrastructure improvements benefitting existing development, as in the case of New Sarepta, should be further examined to determine what portion of these costs are related to existing development versus future development.  

→ Investigate the opportunity to access specific capital grants to fund off-site infrastructure costs. For example, Alberta Municipal Water/Wastewater Partnership - Water for Life is a competitive project-specific program that provides funding to eligible municipalities (urban communities up to 45,000

\[30\] This allocation could then guide what portion of infrastructure improvement costs that could be funded from off-site levies and what portion of costs cannot be levied and would need to be financed by the County or other external sources.
populations, hamlets) with the capital construction of municipal water supply and treatment, and wastewater treatment and disposal facilities. Water distribution and/or sewage collection systems are not eligible for assistance.

To promote future growth in the County, consideration could be given to allocating a certain percentage of non-specific capital grants towards the construction of off-site linear infrastructure. However, due to the uncertainty with respect to future grant availability, any policies developed would need to be reviewed each year. In addition, the opportunity cost of not applying these grants towards capital projects that are not recoverable through levies (soft infrastructure, lifecycle costs) would need to be evaluated.

To promote future growth in the County, consideration could be given to allocating a certain percentage of non-specific capital grants towards the construction of off-site linear infrastructure. However, due to the uncertainty with respect to future grant availability, any policies developed would need to be reviewed each year. In addition, the opportunity cost of not applying these grants towards capital projects that are not recoverable through levies (soft infrastructure, lifecycle costs) would need to be evaluated.

Review the potential to phase in off-site infrastructure improvements to spread out the timing of off-site infrastructure costs and to reduce the amount of off-site costs that need to be front-ended.

6.4.8.1 INITIATIVE G4: REVIEW OFF-SITE INFRASTRUCTURE FUNDING

Review the approach to funding for off-site infrastructure to minimize risk and debt load for the County.

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<tr>
<th>ESTIMATED TIMEFRAME</th>
<th>ACTIONS</th>
<th>ORGANIZATION LEAD</th>
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</thead>
<tbody>
<tr>
<td>Annually</td>
<td>Review the cost of off-site infrastructure requirements to support growth in all approved growth areas of the County.</td>
<td>County</td>
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<tr>
<td>Ongoing</td>
<td>Monitor capital funds available from senior levels of government and third party sources.</td>
<td>County</td>
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<tr>
<td>Annually</td>
<td>Monitor debt limits for both current and projected debt levels.</td>
<td>County</td>
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<tr>
<td>Year 1</td>
<td>Develop information that will prioritize funding decisions around municipally financed off-site infrastructure.</td>
<td>County</td>
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</tbody>
</table>

31 It should be noted that Leduc County’s current policy of having the developer front end the costs of on-site and off-site infrastructure is preferable. The possibility of County financing of off-site infrastructure should be carefully considered in the context of other extraordinary benefits that may accrue as a result of this investment.

32 It is recommended that the County always make investments in off-site infrastructure, where it is determined this is in the interests of the County, on a cost shared basis. This will ensure that the proponents of development have a tangible stake in the financial success of the development. Further, it means that the County would not likely undertake a 100% of these costs in any circumstance. Keeping the County’s share of any such investments to approximately 30% will provide more incentive on the development partner to achieve success while at the same time limiting the County’s exposure to the investment risks that may be associated with the project, and maintaining a debt load which is comfortably within its limit.
6.4.9 COUNTY FINANCIAL REPORTING & POLICIES FOR DEVELOPMENT

In order for the County to develop a better understanding of the costs and revenues associated with the various growth areas in the County, the County should consider setting up processes to collect and track data associated with future development.

→ In order to better determine the costs of servicing new growth areas, request applicants to provide infrastructure quantities and costs for both off-site and on-site infrastructure at the time of the ASP application, when planning for an area gets approved for the County. This would provide valuable information as to the potential servicing cost impacts associated with linear infrastructure. This policy would be applied to all development approvals, including new country residential subdivisions and new or amended proposals for hamlet development.

→ Track municipal revenues and costs to service approved development areas in order to determine the net costs of servicing each growth area.

→ Monitor debt limits for both current and projected debt including existing and proposed debt financed projects. The County could consider establishing internal debt limits that are below the MGA limits. The Regional Municipality of Wood Buffalo has established a municipal debt limit that is 75% of the provincially mandated debt limit. 33

→ Develop a strategy for funding future off-site infrastructure improvements.

6.4.9.1 INITIATIVE G5: ENHANCE FINANCIAL REPORTING & POLICIES FOR DEVELOPMENT

Ensure the full financial impact of development is understood in considering new Area Structure Plans to protect the County’s financial sustainability.

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<tr>
<th>ESTIMATED TIMEFRAME</th>
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<tbody>
<tr>
<td>Ongoing</td>
<td>Require proponents of development to define infrastructure requirements and costs for both on-site and off-site infrastructure at the time of ASP application. This requirement should apply to all forms of development including country residential subdivision approvals and new or amended hamlet development.</td>
<td>County</td>
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<tr>
<td>Annually</td>
<td>Track municipal revenues and costs to service approved development areas.</td>
<td>County</td>
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<tr>
<td>Year 1</td>
<td>Establish a ‘made in Leduc County’ debt limit.</td>
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<tr>
<td>Annually</td>
<td>Develop fiscal capacity measures and monitor the County’s progress in maintaining ‘balanced growth.’</td>
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<tbody>
<tr>
<td>E1: Establish Monitoring Team - develop a County-wide monitoring team that establishes benchmarks for the economic, socio-economic, and physical environment to measure achievement of adopted policies and plans and reports regularly to Council.</td>
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<td>E2: Monitor Planning Progress – update or develop monitoring program for key planning documents and report regularly to Council on progress.</td>
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<td>E3: Monitor Business and Economic Development – develop and implement a system to track businesses and increase understanding of business trends.</td>
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<td>E4: Monitor Agriculture Sector – develop and implement a system aimed at monitoring and preserving the agriculture sector.</td>
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<td>E5: Develop Agriculture Strategy – develop an agriculture strategy aimed at protecting prime agricultural land and the integrity of the agriculture industry.</td>
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<td>E6: Develop a Workforce Strategy – develop a strategy to maintain a diverse and active workforce in proximity to major business nodes.</td>
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<td>E7: Encourage High-Value Land Uses in Nisku – obtain higher value land uses in Nisku business park while meeting the industry needs and optimizing tax revenue.</td>
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<td>E8: Support the Development of Aerotropolis – support the development of Aerotropolis in contributing to economic diversification and growth.</td>
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<td>E9: Support Innovation in Business – seek out and identify emerging industrial / energy trends and understand their requirements for growth.</td>
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<td>E10: Learn from Economic Resiliency – identify and work with existing community industries that have weathered previous declines in the oil and gas industry to learn their lessons and share knowledge with others through gathering data, information sharing, and mentorship.</td>
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<td>E11: Promote Agricultural Synergies - develop a policy dedicated to promoting synergies in the Agricultural Sector.</td>
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<td>E12: Explore Agricultural Diversification – develop a strategy to explore opportunities for secondary agricultural diversification in the industrial sector.</td>
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<td>E13: Develop an Asset Management Plan (AMP) – develop and implement a 10 year revolving Asset Management Plan.</td>
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<td>E14: Maintain a Strong Relationship with the City of Leduc and Leduc Region - continue to collaborate and promote a positive working relationship with the City of Leduc and Leduc region.</td>
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<td>E15: Maintain a strong relationship with the Capital Region - maintain a strong working and partnership relationship with the Capital Region and its members to build a collaborative and cooperative business environment.</td>
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<td>E16: Partner for Economic Growth - continue and expand collaboration with other economic drivers and those that create barriers to economic growth.</td>
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<td>E17: Marketing the County – develop County-specific marketing strategies to attract business and support economic growth.</td>
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<td>E18: Develop Online Marketing Tools - develop online marketing tools to increase access to information for growing and new businesses to support economic growth.</td>
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<td>G1: Encourage balanced growth – encourage a balance in growth</td>
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<td>between residential and non-residential assessment base to help</td>
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<td>balance costs and revenues.</td>
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<td>G2: Concentrate development to maximize service efficiencies -</td>
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<td>concentrate development to take advantage of existing infrastructure</td>
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<td>and mitigate future costs of expanding or extending services to new</td>
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<td>G3: Investigate Opportunities to Enhance Sustainability – explore</td>
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<td>opportunities to enhance the long-term financial sustainability of the</td>
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<td>County through managing growth in a way that maintains a</td>
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<td>responsible balance in the tax structure that reflects the revenue and</td>
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<td>costs associated with growth areas.</td>
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<td>G4: Review off-site infrastructure funding - review the approach to</td>
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<td>funding for off-site infrastructure to minimize risk and debt load for</td>
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<td>G5: Enhance financial reporting and policies for development -</td>
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<td>ensure the full financial impact of development is understood in</td>
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