

**Town of Sexsmith
Community Economic Development Plan
2019 - 2024**

Organizing to Compete and Succeed

August 12, 2019

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**Town of Sexsmith
Community Economic Development Plan
2019 - 2024**

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New West Opportunities (NWO) is a cross-border Canada-U.S. Business Strategy and Community Development consulting firm, established and headquartered in Edmonton, Alberta.

NWO has extensive North America-wide experience and expertise in community economic development and investment attraction. This includes industrial, commercial and residential development – in addition to project-related finance and management. NWO has six core practice group areas, with **Community Economic Development** and **Industrial, Commercial and Residential Project Management** having been the two lead practice groups on this project.

Note: *Two detailed interim presentations and roundtable sessions were held with the Town of Sexsmith's Project Steering Committee on May 14th and June 3rd, 2019. A presentation and working session with Town Council on the project's final report and **Strategic Direction and Actionable Recommendations** was held on August 12th, 2019.*

Town of Sexsmith Community Economic Development Plan 2020 - 2024

The 2019-2024 Town of Sexsmith Community Economic Development Plan – titled *Organizing to Compete and Succeed* – is intended to provide a *vision*, an *integrated community sustainability framework*, and *strategic direction* and *actionable recommendations* to help guide the community’s economic development activities over the next five years.

The Plan has been developed through extensive internal business and community stakeholder consultations. It has also benefited from the input and advice of a wide range of external stakeholders – residential, commercial and industrial property developers, investors and site selectors, in addition to leading economic development and investment attraction practitioners across North America.

The Plan has been structured as an *Evergreen Strategy*, to be updated when and as required, and to ensure a focused, targeted and proactive ability to respond to ever-changing economic conditions, challenges and opportunities.

As stated in the Plan’s Terms of Reference:

The Plan will be used to inform residents, businesses and elected officials of community economic development opportunities and challenges within the Town of Sexsmith and the various actions required to ensure we remain competitive.

The Town is not seeking a methodology/scope of work for a Community Economic Development Plan at this stage, but rather a Plan that will establish a strategic direction and set economic development goals and objectives.

It is to be strength-based and include community-driven strategies; created with certain degrees of stakeholder engagement and incorporating key themes from various other Town plans (e.g., Stormwater Master Plan and Basin Study, Water and Sanitary Infrastructure Master Plan, Area Structure Plan, Land Use Bylaw, etc.).

The Plan will be a living document, able to adapt to the ever-changing economic development environment. It will take a proactive approach to opportunities and culminate in a document, to be adopted by Council, which outlines strong, vivid, progressive, actionable and realistic strategies for the next 3-5 years, in but not limited to the following areas:

- Business Retention*
- Business Investment*

- Business Attraction*
 - Tourism*
 - Asset-Based Community-Driven Development*
 - Municipal Commercial and Industrial Tax Base Growth*
 - Increasing Employment*
-

The Plan’s overriding goal remains one of ***how best to organize community efforts*** to compete and deliver real and meaningful community economic development results and outcomes... specifically those which contribute to and help build longer term community sustainability.

The phrase *how best to organize community efforts* is key. Effective, efficient and successful community economic development in rural and smaller urban/sub-urban communities is almost always a team effort – where different perspectives, skills and talents are seen as complementary and helping to minimize potential “blind spots.”

Facilitating and leveraging the collective talents, skill sets and networks of results-focused, results-driven business and community stakeholders is one of the key pillars upon which the Sexsmith Community Economic Development Plan has been developed.

Building Blocks of a Sustainable Community

Retention and growth of existing businesses, new business attraction, jobs, investment, residential development and new commercial/industrial assessment – these are just some of the benefits to be realized through a well-focused Community Economic Development Plan. They are also essential, some might say critical, for smaller rural Alberta communities at this point in time and within the current economic climate.

Clearly, long term community sustainability depends on the ability to maintain a healthy balance and harmony between economic, municipal fiscal and financial, socio-economic and cultural, and environmental sustainability.

While each of these pillars is equally important, many would argue that economic sustainability is ultimately the “engine” that drives and sustains a community...or grouping of neighbouring (interdependent) communities.

Without a strong, dynamic and innovative economy – an economy capable of sustaining a diversified and growing assessment base – the other pillars often find themselves constrained in terms of the financial resources available to continue to meet public expectations.

Underlying and embedded in the project methodology just outlined is this critically-important, interdependent role that economic development plays in helping build and maintain truly sustainable communities (across all four foundational community development and sustainability pillars).

Four Foundational Community Development and Sustainability Pillars



“Long term community sustainability depends on the ability to maintain a healthy balance and harmony between economic, municipal fiscal and financial, socio-economic and cultural, and environmental sustainability.”

The Sexsmith Community Economic Development Plan has fully considered, evaluated and assessed these interdependent relationships – in the context of existing and potential constraints, opportunities and enablers for economic development.

This approach was undertaken to ensure that the Plan – even though very much aspirational, directional and conceptual in nature – remains grounded in real world business, operating and financial environments.

Research has also shown that “*Communities of Choice*” are increasingly replacing “*Communities of Necessity*” for many highly-skilled workers in the more suburban and rural parts of North America.

These individuals are increasingly looking to live in affordable, high quality of life communities – with excellent recreational amenities and clean, safe and family-oriented neighbourhoods – but are also looking to minimize commuting times associated with travel to and from work.

Sexsmith’s well-developed social and community infrastructure, natural environment, recreational and outdoor amenities, and strong transportation linkages all contribute to the Town’s overall quality of life. Directly and indirectly, these quality of life attributes and perceptions will continue to be a major locational draw for both the Town’s residential and business communities.

A Strategic and Proactive Call to Action

As the Alberta economy begins to pick-up momentum in the aftermath of the recent economic downturn, many communities are becoming more proactive (and, in some cases, much more aggressive) in promoting and pursuing economic development. In most cases, there is a strong fiscal dimension involved – the need to grow the commercial and industrial assessment base to maintain a stable assessment mix across all ratepayer categories.

“The current economic climate and investment attraction dynamic is one of the most challenging we have seen in decades. For many smaller rural communities, the challenges are compounded by the ever-present sucking sound of sprawling urban competitors such as Edmonton, Calgary, Red Deer and Grande Prairie.

New, more proactive strategies will need to be employed to compete and win in an increasingly uncertain and highly-competitive marketplace.

While in the past rising tides have lifted all boats, current economic conditions are now challenging communities and economic developers to significantly up their game. The new Alberta reality is that glossy brochures and websites, or just waiting for the phone to ring will no longer be enough.

Smaller rural communities themselves will have to become much more entrepreneurial in identifying attractive niche market opportunities, proactively pursuing these opportunities, and then delivering results. For many, this will be an existential challenge. For some, it already is!”

Participant in Alberta Industrial Property Developers, Investors and Site Selectors Focus Group Session, April 18, 2019

Assessment composition – and trends in the assessment mix – are an important indication of municipal fiscal capacity.

It is now widely accepted that, on average, non-residential properties typically yield municipal revenues that are higher than associated expenditures. At the same time, recent municipal cost of service analysis confirms that, for many Alberta municipalities, residential properties often yield municipal revenues that are lower or, at best, somewhat comparable to associated expenditures.

Achieving and maintaining a healthy balance in assessment composition is an important objective for any municipality...and is typically seen as supporting and being a key enabler of longer term community sustainability.

Overriding Goal of Municipal Government: To provide effective and efficient delivery of the highest-quality municipal services and infrastructure and deliver this standard of service at fair, reasonable and affordable levels of taxation across all ratepayer classifications.

Project Research, Analysis and Stakeholder Consultations

- Data Compilation, Analysis and Assessment Activity
 - ✓ Regional Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis
 - ✓ Area/Regional Attraction and Value Proposition Drivers
 - ✓ Sexsmith and Area Demographic and Statistical Trendline Analysis (StatsCanada, federal/provincial databases)
 - ✓ Development-Specific Regional Data Metrics/Trends Analysis – Residential, Commercial and Industrial Property
 - ✓ Review Relevant Town of Sexsmith Reports/Documentation
- Consultations with Industry, Business, Government and Other Key Stakeholders (internal and external to the community)
 - ✓ 29 Interviews Completed
 - ✓ *Three Alberta Industrial, Commercial and Residential Property Developers, Investors and/or Site Selectors Focus Group Sessions Undertaken**
 - *March-May 2019 in Edmonton, Calgary and Jasper.*

- Analysis of Key Business Case Drivers
- SWOT Matrix Development and Assessment
- Identification of Higher-Growth-Potential/Investment Attraction Opportunities
- Strategic Direction and Actionable Recommendations
- Recommended Performance Metrics

Call to Action: Discussions on Community Economic Development Plan Rationale; Individual Roles and Responsibilities; Information/Insights Being Requested; Community-Wide and Individual Benefits from Participation; Targeted Opportunities Assessment and Validation



Methodology/Key Steps:

- Undertook/Utilized a Highly-Strategic, Fully-Business-Analytics Tested SWOT Analysis Built on the Following Three (Complementary) SWOT Research Streams:
 - 1) Detailed Business- and/or Industry-Specific Analytical and Competitiveness Benchmarking of Identified/Potential Higher-Growth-Potential/Investment Attraction Opportunity Areas;

2) Detailed Analytics from Proprietary NWO Business Location Competitiveness Model (BLCM); and

3) Regional Community Comparators Analysis and Benchmarking.

➤ Business-Analytics Focus Included:

- competitive strengths already present within the regional/local economy and/or identified higher-growth-potential/investment attraction opportunity areas
- other economic assets or “critical mass” present within the regional/local economy
- tax and regulatory framework
- relative cost structures – input, production and service delivery costs
- business infrastructure – general
- transportation infrastructure and efficiencies
- workforce amenities – quality of life and affordability
- workforce skills and educational levels
- market access, reach and potential
- local business/land ownership structures
- existing infrastructure/future requirements
- innovation and entrepreneurial (small business) proxies
- sector/industry competitor proxies
- proximity to current and future potential higher-growth markets/opportunities
- a review of current and projected business activity levels – including longer term opportunities and growth prospects within each identified opportunity area or industry/business cluster
- analytical “testing” of illustrative business case frameworks, based on a forecast range of business activity and economy-wide growth scenarios
- the potential for each “opportunity area” or business/industry cluster to generate jobs, investment and economic activity within the Town and surrounding market

catchment area – in addition to non-residential assessment growth through business/investment expansion and new business start-ups

- Undertake Regional Municipal Competitiveness and Business Incentives Analysis:
(1) Town Competitiveness (Attraction Comparator/Competitor) Positioning; and
(2) Identify Potential Options, Recommendations and Provide Supporting Cost-Benefit Implications.
- Identify and Benchmark “Best Practices” Development/Attraction Strategies and/or Other Potential (Relevant/Innovative) Municipal Incentive Structures.

External Drivers Analysis: What external influences are at play?

- ❖ Global/Regional Economic Conditions
- ❖ Industrial/Investor Outlook
- ❖ Competition
- ❖ Technology
- ❖ Capital Markets
- ❖ Environmental Trends
- ❖ Trade and Investment
- ❖ Economic Restructuring
- ❖ Tax and Regulatory Frameworks (both an external and internal driver with existing/overlapping jurisdictional responsibilities)
- ❖ Affordability/Quality of Life?

Internal Drivers Analysis: What can we influence?

- ❖ Local Business Climate
- ❖ Municipal Tax and Regulatory Framework
- ❖ Affordability/Quality of Life?
- ❖ Municipal Competitiveness

- ❖ Municipal Infrastructure*
**Water and wastewater treatment, other franchised municipal infrastructure, etc.*
- ❖ Community Economic Development Plan
- ❖ Regional Business Supports
- ❖ Partnerships/Alliances
- ❖ Business Retention and Industry Attraction
- ❖ Entrepreneurship/Innovation
- ❖ Labour Force Skills and Availability

Note: *Two detailed interim presentations and roundtable discussions were held with the Town of Sexsmith's Project Steering Committee on the above-referenced research, analysis and stakeholder consultations phases on May 14th and June 3rd, 2019. A presentation and working session with Town Council on the project's final report and **Strategic Direction and Actionable Recommendations** was held on August 12, 2019.*

A Vision for Economic Development in the Town of Sexsmith

Subsequent to the community stakeholder consultations undertaken over the period January-June 2019, the following vision for economic development in the Town of Sexsmith is seen as being reflective of the many values, priorities and perspectives which were shared.

Community Economic Development Plan: Vision

Sexsmith has a growing and diversified economy – together with an attractive business climate that supports entrepreneurship, business retention and growth, and new business attraction.

Sexsmith is a sustainable community, with a strong commitment to environmentally-sound economic development and long term fiscal sustainability. This enables the Town to maintain the quality services, programs and infrastructure that residents have come to expect.

The quality of life that Sexsmith offers its citizens is ultimately what makes the Town a recognized community of choice for residents, businesses and new investment.

Sexsmith is an attractive, prosperous community that treasures its blend of rural and small town lifestyle...and remains proud of its family-friendly neighbourhoods, strong sense of community and historical preservation.

The following goals – again, reflective of the values, priorities and perspectives which were shared during the community stakeholder consultations – are intended to frame and help guide the implementation of Sexsmith’s new Community Economic Development Plan. They should also provide the basis for measuring performance and for fine-tuning or updating the strategy in the future, as required.

Recommended *Economic Development Goals* for the Town of Sexsmith:

A Sustainable Community – Long term community sustainability should remain the overriding goal...with the Community Economic Development Plan supporting a more proactive and targeted approach to business development, growth and investment attraction.

A More Diversified Economic Base – A more diversified economy is a more resilient economy. Diversification tends to reduce the risk of being overly exposed to any particular sector of the economy and is an example of the old adage of “not putting all your eggs in one basket.”

A Renewed Commitment to Value-Added – Adding value to existing service and supply, resource processing and manufacturing supply chains will represent a huge area of opportunity across Northwestern Alberta and Northeastern British Columbia over the next decade.

Growth and Development of Existing Businesses – As in the past, much of Sexsmith’s future growth and prosperity will depend on the entrepreneurial spirit of its small business community. The primary focus should be on strengthening the Town’s business climate, specifically to facilitate business start-ups, retention and growth.

New Business Attraction – Municipal policies, regulations and related compliance/approval processes directly affect and influence the cost of doing business in Sexsmith. In fact, they are a big part of the Town’s business climate, perceived level of municipal competitiveness, and ability to attract new commercial/industrial investment.

➤ While Sexsmith’s business, fiscal and regulatory climate remains attractive to new investment – particularly in the higher-growth-potential industries and sectors identified in this report – an ongoing commitment to continuous improvement must be maintained.

More Jobs Closer to Home – A strong desire to see new jobs and local services attracted to the community and to shed the perception of Sexsmith being “just a regional bedroom community.”

Growing the Non-Residential Assessment Base – Sexsmith should continue to place a high priority on broadening and diversifying its non-residential corporate and assessment base.

“From a municipal financial perspective, it is essential that Sexsmith continues to focus on growing the non-residential assessment base. Clearly, an improved residential/non-residential assessment split will be the key to maintaining reasonable and competitive levels of taxation for all ratepayers in the years ahead.

Why is this so important? It is how balance will be maintained for both residential and non-residential ratepayers and to ensure that Sexsmith’s competitive position from a property tax perspective remains competitive with other regional competitors.

And while municipal taxation considerations will continue to impact commercial and industrial assessment, the impacts will also be felt on residential assessment and, increasingly, on new or existing shovel-ready residential developments.”

Participant in *Alberta Commercial and Residential Property Developers Focus Group Session*, May 22, 2019

Comparative Property Tax Rate Profile (2018) <i>(Expressed in Mills)</i>				
Municipality	Municipal Tax Rate		Education Tax Rate	
	Residential/ Farmland	Non-Residential	Residential/ Farmland	Non-Residential
Town of Sexsmith	7.5755	16.4687	2.6212	3.9652
City of Grande Prairie	10.2087	16.3740	2.6096	3.8828
County of Grande Prairie No. 1	4.0436	13.4765	2.4885	3.6891
Municipal District of Greenview No. 16	2.7000	7.8280	2.4275	3.3421
Town of Fairview	9.8500	14.6500	2.6886	3.8120
Town of Peace River	8.9628	16.2943	2.6405	3.7792
Town of Whitecourt	5.4158	9.1519	2.6575	3.8865
Provincial Counties/ MDs Average	4.1261	13.4411	2.2665	3.2432

Source: Alberta Municipal Affairs, July 2019.

Key Business Case Drivers

The strategy and recommendations which follow fully embrace the need for sustainable economic development and recognize the important role this plays in longer term community sustainability. They derive from the *Vision for Economic Development*, outlined above, and the following stakeholder, data and analytics-driven business case drivers which have been identified for the Town of Sexsmith.

Sexsmith’s Top 10 Business Case Drivers		
<i>Quality of Life</i>	→	<input type="checkbox"/> Residential Development <input type="checkbox"/> Business Retention, Growth and New Business Attraction <input type="checkbox"/> Community of Choice for Families, Business and Industry
<i>Proximity to Major Regional Markets</i>	→	<input type="checkbox"/> Jobs and Investment <input type="checkbox"/> Business/Transportation Cost Advantages <input type="checkbox"/> Diversifying and Expanding Regional Economy
<i>Affordability and Competitive Cost Structures</i>	→	<input type="checkbox"/> Benefits Residents, Small Business and Industry <input type="checkbox"/> Essential for Attracting New Investment
<i>Proximity to Major Transportation Routes</i>	→	<input type="checkbox"/> Enhances Commuter and Transportation Logistics <input type="checkbox"/> Facilitates Operational and Regional Market Efficiencies <input type="checkbox"/> Provides Important Service and Supply Connections to Emerging Regional Energy Sector Developments
<i>Full Service Regional Economy</i>	→	<input type="checkbox"/> Attractive to Families and Retirees <input type="checkbox"/> Helps Drive Residential Development
<i>Competitive, Open for Business Brand</i>	→	<input type="checkbox"/> Drives Business Growth and Development <input type="checkbox"/> A Key Differentiator in Competing for New Investment
<i>A Vibrant and Sustainable Community</i>	→	<input type="checkbox"/> Maintains and Helps Build Community of Choice Reputation/Attractiveness <input type="checkbox"/> An Attractive Rural and Small Town Lifestyle. <input type="checkbox"/> A Place Where You Can Live, Work and Raise a Family
<i>Tourism, Culture and Recreation</i>	→	<input type="checkbox"/> Benefits Small Business and Generates Retail In-Flow <input type="checkbox"/> Helps Diversify the Local Economy

...continued

Sexsmith’s Top 10 Business Case Drivers		
<i>Proximity to Alberta Capital Region</i>	→	<input type="checkbox"/> <i>Provides Access to a Large Regional Market of Over a Million Residents</i> <input type="checkbox"/> <i>Access to Large Scale Commercial/Business Services and Major Regional Transportation/Logistics Networks</i>
<i>Available/Affordable Retail, Commercial and Industrial Development Sites</i>	→	<input type="checkbox"/> <i>Competitively-Priced, Development-Ready Sites Available (Serviced and Unserviced)</i> <input type="checkbox"/> <i>Supports Business/Industrial Growth and Expansion</i>

The Sexsmith and area economy is not an island unto itself. It is highly-integrated into Northwestern Alberta’s resource-dependent (oil and gas, agriculture, forestry, industrial service and supply, etc.) economy and, by extension, the heavily trade-dependent Alberta and Canadian economies.

As we all witnessed first-hand during the recent downturn – where many projects were delayed or deferred – the key factors driving new investment are often beyond our control.

Still, there is much that is well within our collective ability to influence and help shape in developing an even stronger and more attractive business and investment climate. Once again, this report identifies these strategic drivers and puts forward a series of recommendations as to how they can best be leveraged to advance the economic and business development interests of the Town of Sexsmith.

SWOT Matrix and Assessment

The highest-frequency responses from the community, business and business developer consultations...including feedback from a wide range of external stakeholders – residential, commercial and industrial property developers, investors and site selectors...are provided below (i.e., ranked in descending order of frequency).

➤ **Sexsmith’s Key Locational Strengths:**

- High Quality of Life
- Higher-Potential Growth Area

- Availability of Good, Well-Paying Jobs
- A Growing and Increasingly Diverse Regional Economy (Northwestern Alberta and Northeastern British Columbia)
- Overall Affordability/Affordable Housing
- Proximity to Grande Prairie, Edmonton and Emerging Northwestern Alberta and Northeastern British Columbia Energy Development and Processing Regions
- A Full Services Regional Economy
- Easy Commuting Times to/from Work, Shopping and Regional Recreation Amenities
- Strategic Location – Close Proximity to Major Markets
- Good Schools and Safe, Family-Friendly Neighbourhoods
- Generally Competitive Business Fundamentals
- Good Transportation Infrastructure and Passenger/Cargo Air Services
- Availability of Competitively-Priced Commercial/Light Industrial Land
- A Strong Sense of Community and Community History/Traditions

➤ **Sexsmith's Key Locational Challenges (Perceived Weaknesses):**

- Town Seen as a Quiet, Slower-Growth Bedroom Community
- Strong Regional Competition in Retail/Commercial Services (Grande Prairie)
- A Narrow Resource-Dependent Economy (Oil and Gas, Agriculture/Agri-Services)
- Stagnant Population Growth and Out-Migration of Many Younger Residents
- Not a Top of Mind Location for Businesses Looking to Expand/Relocate
- Tax Base Becoming Overly Dependent on Residential Assessment
- High Retail Expenditure Out-Flow in Several Major Retail Categories
- A Growing Commuter Workforce

- Long Driving Distances to/from Major Alberta Urban Centres
- Airline Connections Improving, But Remain a Challenge
- Some Community/Business Leaders Appear to Prefer the Slower Growth “Status Quo”
- Awareness, Promotion and Branding – Sexsmith Not Well Known Outside the Peace Region (or, for that matter, by many outside the community)

➤ **Opportunities:**

- Recovering and Resurgent Alberta Economy
- Business, Fiscal and Regulatory Climate Generally Competitive and Pro-Business
- Modern Infrastructure and Supportive Municipal Services
- Growth in Regional Resource Extraction, Processing, Manufacturing and Related Service and Supply Activity
- Increased Promotion and Branding of Industry Attraction/Business Development Opportunities Should Provide Significant Returns
- Specific Niche Market Opportunities Need to be More Aggressively and Proactively Pursued
- Cooperative/Collaborative Stakeholder Partnerships Already in Place to Take Advantage of Emerging Regionally-Scoped Opportunities
- Affordable Commercial/Light Industrial Sites Available

➤ **Threats:**

- Major Retail, Commercial, Industrial, Transportation and Business/Professional Services Hub Close By (Grande Prairie)
- Continuing Out-Migration of Younger Residents to Pursue Education, Jobs and a Bigger City Lifestyle
- Retail Expenditure Leakage Remains Significant
- Bedroom Community or Full Service Community?

- Relatively Narrow Assessment Base Could Ultimately Begin to Erode Existing Affordability Advantages
- The New Competitive Reality Requires that Sexsmith “Up Its Game” with Regard to Economic Development and Investment Attraction
- Community Awareness, Promotion and Branding Efforts Must be Increased and More Effectively (and cost-efficiently) Targeted and Messaged
- Collaborative “Community-First” Strategies Will be Essential to Addressing Competitive Threats/Challenges

SWOT Matrix and Assessment Summary



Higher-Growth-Potential/Investment Attraction Opportunities

Methodology/Key Steps in Identifying Higher-Growth-Potential Opportunities:

- ❑ Detailed SWOT Analysis of All Sectors (including residential, retail/commercial, industrial and business land development opportunities), Current Industry/Business Clusters, and Potential New Clusters/Attraction Targets

□ Supplementary Analysis from NWO Business Location Competitiveness Model (BLCM)

Target Opportunities Identification

Three (Complementary) SWOT Research Streams:

- 1) Detailed Business- and/or Industry-Specific Analytical and Competitiveness Benchmarking of Identified/Potential Higher-Growth-Potential/Investment Attraction Opportunity Areas;
- 2) Detailed Analytics from NWO Business Location Competitiveness Model (BLCM); and
- 3) Regional Community Comparators Analysis and Benchmarking.

Note: *BLCM is essentially a multi-level econometric model based on a series of business case test regressions. This type of analytical model is what is increasingly being used by proponents in evaluating various siting/location options across multiple jurisdictions.*

Supplementary to the SWOT analysis that was undertaken, BLCM also directly addressed the following questions:

- *What are the higher-potential opportunity industries and/or sectors the Town should be focusing on?*
- *Where are the (future) higher-potential residential, commercial and industrial development sites within the Town?*
- *What are the main competitiveness drivers, influencers, and impediments?*
- *What are the identified options for enhancing and improving municipal competitiveness and the municipal business climate?*
- *Cost/benefit implications for the municipality? Utility corporation? Franchised services providers?*

Identified Higher-Growth-Potential Industries/Sectors

The detailed SWOT analysis, and supplementary analysis provided through the NWO Business Location Competitiveness Model (BLCM), collectively identify a number of industries/sectors as having moderate-to-strong potential for future growth and attraction.

Once again, these industries/sectors all represent higher-potential economic development/ investment attraction opportunity areas for the Town of Sexsmith.

**Town of Sexsmith
Community Economic Development Plan**

“Attraction Target” Industries/Sectors

- ❖ *Residential Development (across all single-family housing categories)*
 - ❖ *Supporting Niche-Market Retail/Commercial Development*
 - ❖ *Artisan/Street-Level Retail*
 - ❖ *Oil and Gasfield Services and Supply*
 - ❖ *Machinery/Equipment Servicing and Maintenance*
 - ❖ *Regional Transportation and Logistics (road, rail and air cargo)*
 - ❖ *Agricultural Services and Supply*
 - ❖ *Tourism and Recreation*
 - ❖ *Agri-Foods, Bio-Fuels and Related Processing*
 - ❖ *Professional Services/Related Small Business Development*
-

The detailed assessment and evaluation analytics also identified a number of moderately- to highly-attractive development areas within the Town. These are identified on the following pages under the headings:

- ***Higher-Potential Residential Growth Areas;***
- ***Higher-Potential Residential/Commercial Growth Areas;***
- ***Higher-Potential Commercial/Industrial Growth Areas;*** and
- ***Higher-Potential Commercial Growth Areas.***

Given that much of this analysis is obviously proprietary, the details are not included in this report. Still, these higher-potential development areas are clearly identified for additional (required) due diligence and planning by the Town, landowners and/or potential developers.

Supplemental/Proprietary Slide Deck

➤ **Higher-Potential Residential Growth Areas**



Supplemental/Proprietary Slide Deck

- **Higher-Potential Residential/Commercial Growth Areas (Painted Sky Development)**



Supplemental/Proprietary Slide Deck

➤ **Higher-Potential Commercial/Industrial Growth Areas**



Supplemental/Proprietary Slide Deck

- **Higher-Potential Commercial Growth Areas:
Maintaining Critical Mass in the Central Business District**



Supplemental/Proprietary Slide Deck

- **Higher-Potential Commercial Growth Areas:
North Business Area Retention and Expansion**

**Servicing Implications Checklist (Internal Discussions)**

- ✓ Municipal Development Assumptions Dramatically Different Re: 2012 Town of Sexsmith Annexation Area Structure Plan; Previous Planning Frameworks and Forecasts
- ✓ Future Municipal Infrastructure Requirements?
- ✓ Strategic Business and Capital Plan Considerations?
- ✓ What is Municipal Competitiveness? (Why is it now so critical?)

- ✓ Competition for New Investment Driving a Change in Risk Tolerances and the Traditional Roles of an Increasing Number of Alberta Municipalities
 - ✓ Water Distribution, Sanitary Sewer, Stormwater Management, Shallow Utilities (i.e., natural gas, power, cable and telephone)
 - ✓ Prudence and Preparedness...Need for Development-Ready Sites!
 - ✓ Trends and Best Practices in Regionalization and/or Shared Services Delivery?
 - ✓ What does the “economical and efficient extension of municipal infrastructure and utilities” look like in 2019? Once again, reflecting prudence and preparedness and the need for development-ready sites?
-

Strategic Direction and Actionable Recommendations

Goal 1 – A Sustainable Community

Long term community sustainability should remain the overriding goal...with the Community Economic Development Plan supporting a more proactive and targeted approach to business development, growth and investment attraction.

Priority/Objective: Partnerships and alliances – within the community and, when and where appropriate, within the region – will be the key to success.

Key Strategy Elements:

- A community-based strategy.
- An evergreen strategy, to be updated when and as required.
 - This will ensure a focused, targeted and proactive ability to respond to ever-changing economic conditions, challenges and opportunities.
- Monitoring and performance tracking will be essential.
- Community stakeholder consultation and engagement should continue and the recommendation is that this be formalized through a new community-based Economic Development Advisory Committee.

- A new and important results-focused, results-driven strategic partnership with the Town’s business community and the Sexsmith and District Chamber of Commerce.
- Town administration and related budgetary impacts of implementing the various strategy elements and recommended action items outlined in the Sexsmith Community Economic Development Plan.
 - Budgetary realities and constraints will, of course, play a role in determining which action items to pursue and when. While this is clearly recognized, these are decisions to be made at a later date and in the context of a more fulsome review of budgetary resources available and the competing demands being made for these resources.

Note: *Recommended performance metrics, suggested Economic Development Advisory Committee Terms of Reference, and an integrated **Organizing to Compete and Succeed** framework presented and discussed with Town Council at the August 12th, 2019 working session on the project’s final report.*

Goal 2 – A More Diversified Economic Base

A more diversified economy is a more resilient economy. Diversification tends to reduce the risk of being overly exposed to any particular sector of the economy and is an example of the old adage of “not putting all your eggs in one basket.”

Priority/Objective: Attract new businesses, industry and jobs.

Key Strategy Elements:

- Maintaining an attractive, pro-competitive business climate.
- Municipal competitiveness and regulatory efficiency key economic drivers.
- Leveraging Sexsmith’s high quality of life.
- Develop, resource and fund a proactive and targeted cross-sectoral (general industry/sector level) investment attraction outreach program.
 - “Attraction Target” Industries/Sectors to include:
 - ❖ Residential Development (across all single-family housing categories)
 - ❖ Supporting Niche-Market Retail/Commercial Development
 - ❖ Artisan/Street-Level Retail

- ❖ Oil and Gasfield Services and Supply
 - ❖ Machinery/Equipment Servicing and Maintenance
 - ❖ Regional Transportation and Logistics (road, rail and air cargo)
 - ❖ Agricultural Services and Supply
 - ❖ Tourism and Recreation
 - ❖ Agri-Foods, Bio-Fuels and Related Processing
 - ❖ Professional Services/Related Small Business
- Refine and promote investment attraction brand to target audiences.
 - Essential to creating a more top of mind perception of Sexsmith among developers, potential investors and businesses who may not be all that aware of what the Town has to offer.
 - Sexsmith has a significant quality of life and affordability advantage over many of the municipalities it is currently competing with for jobs and new investment. This advantage needs to be more effectively branded/differentiated from the competition.
 - Update/enhance the Town's investment attraction website content and visuals.
 - This is not intended to criticize the current marketing, promotion and branding strategy. It is just another reminder that the investment attraction game has gotten a lot more serious post the recent economic downturn...and that Sexsmith will need to step up and respond accordingly.

Goal 3 – A Renewed Commitment to Value-Added

Adding value to existing service and supply, resource processing and manufacturing supply chains will represent a huge area of opportunity across Northwestern Alberta and Northeastern British Columbia over the next decade.

Priority/Objective: Target identified supply chain investment attraction opportunities.

Key Strategy Elements:

- Develop, resource and fund a proactive (prospective) individual business/investor-level community awareness, promotion and investment attraction outreach program.

- “Attraction Target” Sub-Industries/Sub-Sectors to include:
 - ❖ Oil and Gasfield Services and Supply
 - ❖ Machinery/Equipment Servicing and Maintenance
 - ❖ Regional Transportation and Logistics (road, rail and air cargo)
 - ❖ Agricultural Services and Supply

Goal 4 – Growth and Development of Existing Businesses

As in the past, much of Sexsmith’s future growth and prosperity will depend on the entrepreneurial spirit of its small business community. The primary focus should be on strengthening the Town’s business climate, specifically to facilitate business start-ups, retention and growth.

Priority/Objective: Retain and grow existing businesses and industry.

Key Strategy Elements:

- Maintaining an attractive, pro-competitive business climate.
 - Ensure that Sexsmith’s non-residential tax and mill rate structures remain competitive.
 - It is recommended that the Town undertake an annual competitiveness/business climate assessment to ensure that Sexsmith’s non-residential tax and mill rate structures remain attractive with those of other regional municipalities.
- Municipal competitiveness and regulatory efficiency key economic drivers.
 - Ensure that Sexsmith’s regulatory frameworks and regulatory compliance/approval processes for business are both effective and efficient.
 - It is recommended that the Town undertake an annual continuous improvement review – including best practices regulatory benchmarking against other comparative jurisdictions. This would focus even more attention on the importance of regulatory streamlining and efficiency and would also likely identify areas for regulatory improvements at the provincial and federal levels.
- Importance of customer service mindset and approach to municipal service delivery.
 - Once again, this is not intended to be a criticism. In fact, the feedback received from

the community stakeholder consultations was that Town staff were typically very helpful and cooperative. Rather, it is intended to be a reminder that service quality, attitude and timeliness in responding to requests are an important – and sometimes overlooked – component of Sexsmith’s business climate.

- ❑ The recommended *Organizing to Compete and Succeed* framework outlined in this report will, in turn, also help establish even stronger linkages with federal/provincial business support networks.

Goal 5 – New Business Attraction

Municipal policies, regulations and related compliance/approval processes directly affect and influence the cost of doing business in Sexsmith. In fact, they are a big part of the Town’s business climate, perceived level of municipal competitiveness, and ability to attract new commercial/industrial investment.

Priority/Objective: Attract new businesses, industry and jobs.

Key Strategy Elements (Similar to Goal 2):

- ❑ Maintaining an attractive, pro-competitive business climate.
- ❑ Municipal competitiveness and regulatory efficiency key economic drivers.
 - The detailed SWOT analysis, and supplementary analysis provided through the Business Location Competitiveness Model (BLCM), found that Sexsmith has a Tier 2/Tier 3 competitiveness ranking within the region.

Business Location Competitiveness Model (BLCM) Findings and Results

Town of Sexsmith Competitiveness Ranking within Region

- ❖ Tier 1 (Highly-Competitive Across All Key Metrics)
- ❖ Tier 2 (Competitive Across Most Key Metrics)
- ❖ Tier 2/Tier 3 Ranking ← SEXSMITH
- ❖ Tier 3 (Competitive Across Some Key Metrics)
- ❖ Tier 4 (Uncompetitive Across Most Key Metrics)

- ❑ Leveraging Sexsmith’s high quality of life.

- ❑ Develop, resource and fund a proactive and targeted cross-sectoral (general industry/ sector level) investment attraction outreach program.
- ❑ Refine and promote investment attraction brand to target audiences.
- ❑ Update/enhance the Town’s investment attraction website content and visuals.
 - While Sexsmith’s business, fiscal and regulatory climate remains relatively attractive to new investment –particularly in the higher-growth-potential industries and sectors identified in this report – an ongoing commitment to continuous improvement must be maintained.

Goal 6 – More Jobs Closer to Home

A strong desire to see new jobs and local services attracted to the community and to shed the perception of Sexsmith being “just a regional bedroom community.”

Priority/Objective: Aggressively and proactively compete for new jobs, investment and new business attraction.

Key Strategy Elements:

- ❑ Quality of life attributes and perceptions will continue to be a major locational draw for both the Town’s residential and business communities.
- ❑ As earlier identified, it is strongly recommended that community awareness, promotion and branding elements continue to be focused on maintaining and helping build Sexsmith’s community of choice reputation and overall (relative) attractiveness.
- ❑ The communications/marketing narrative should focus on the Town’s attractive rural and small town lifestyle, affordability, and the overriding theme – ***A Place Where You Can Live, Work and Raise a Family.***
- ❑ Continue to actively participate in regional tourism promotion and development activities...where regional collaboration and partnerships are in everyone’s best interests.
- ❑ Develop, resource and fund a proactive and targeted program to address retail expenditure leakage from the community and generate more own-source (resident) or inbound (tourist visitation) spending within the community.
 - “Attraction Target” Sub-Industries/Sub-Sectors to include:
 - ❖ Supporting Niche-Market Retail/Commercial Development

- ❖ Artisan/Street-Level Retail
- ❖ Tourism and Recreation
- ❖ Professional Services/Related Small Business

Goal 7 – Growing the Non-Residential Assessment Base

Sexsmith should continue to place a high priority on broadening and diversifying its non-residential corporate and assessment base.

Priority/Objective: Maintain competitive/attractive non-residential taxes and mill rates.

Key Strategy Elements (Similar to Goal 4):

- It is crucial that the Town of Sexsmith continues to give a high priority to growing and diversifying its non-residential assessment base.
 - As the May 22, 2019 *Alberta Commercial and Residential Property Developers Focus Group Session* concluded, an improved residential/non-residential assessment split will be the key to maintaining reasonable and competitive levels of taxation for all ratepayers in the years ahead.
- Maintaining an attractive, pro-competitive business climate.
 - Ensure that Sexsmith’s non-residential tax and mill rate structures remain competitive.
 - It is recommended that the Town undertake an annual competitiveness/business climate assessment to ensure that Sexsmith’s non-residential tax and mill rate structures remain attractive with those of other regional municipalities.
- Municipal competitiveness and regulatory efficiency key economic drivers.
 - Ensure that Sexsmith’s regulatory frameworks and regulatory compliance/approval processes for business are both effective and efficient.
 - It is recommended that the Town undertake an annual continuous improvement review – including best practices regulatory benchmarking against other comparative jurisdictions.

**Tier 2/Tier 3 Competitiveness Ranking / Impacts and Implications
(Internal Discussions)**

Comparative Property Tax Rate Profile (2018) <i>(Expressed in Mills)</i>				
Municipality	Municipal Tax Rate		Education Tax Rate	
	Residential/ Farmland	Non-Residential	Residential/ Farmland	Non-Residential
Town of Sexsmith	7.5755	16.4687	2.6212	3.9652
City of Grande Prairie	10.2087	16.3740	2.6096	3.8828
County of Grande Prairie No. 1	4.0436	13.4765	2.4885	3.6891
Municipal District of Greenview No. 16	2.7000	7.8280	2.4275	3.3421
Town of Fairview	9.8500	14.6500	2.6886	3.8120
Town of Peace River	8.9628	16.2943	2.6405	3.7792
Town of Whitecourt	5.4158	9.1519	2.6575	3.8865
Provincial Counties/ MDs Average	4.1261	13.4411	2.2665	3.2432

Source: Alberta Municipal Affairs, July 2019.

