

Town of Strathmore Economic Development Priorities and Implementation Considerations



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January 2015

Assisted by: **EcDev** Solutions Ltd.

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Introduction and Background

Currently, all of Strathmore's economic development activities are accomplished internally, usually by the Chief Administrative Officer only. There is currently not much in the way of additional capacity for these functions and there is no Strategic Vision or Strategic Priorities related to the overall economic development of the Town. Strathmore Town Council has directed administration to develop a set of Strategic Economic Development priorities for their consideration. The following is a synopsis of that work.

This report includes a description of the process by which this work was completed, the background information that was collected, synthesized and presented to inform the participants that were engaged, the summary of the resulting priorities and a description of implementation considerations.

The Process

This project was initiated through a thorough review of appropriate background documents to create a pertinent Background Brief and the creation of an Abbreviated Economic Base Overview. These information packages were distributed to all participants in advance of facilitated sessions to solicit their input into the economic development direction and strategies that the Town should pursue in the future. The intent was to ensure all parties had a similar, and accurate, picture of the current reality from which to base their decisions and recommendation.

The Background Brief included descriptions of community assets and strengths, as compiled from numerous published sources. This short report identified sectors for development and industry strengths extracted from published reports commissioned and provided by external agencies. Town policies and actions designed to stimulate development were also described. Additionally, summary information pertaining to key demographic characteristics of Town residents was provided (Population, Age Distribution, Educational Attainment, Household Income, Labour Force and Commuting Patterns). Finally, community realities including challenges to be overcome, if possible, were identified to assist with the selection of economic development priorities. For a complete list of documents that were reviewed please see Appendix A.

All economic information contained in the Abbreviated Economic Base Overview measured change over the period 2006-2011, average annual rates of change and compared Strathmore with similar changes in Alberta. The Economic Base information pertained to the Strathmore Census Agglomeration Area which includes the Town of Strathmore and Wheatland County and included:

- Population and growth rates,
- Incoming population migration,

Town of Strathmore Economic Development Priorities and Implementation Considerations

- Home based business information,
- Unemployment rates,
- Job creation, growth rates and proportional share of the overall economy by industry sector,
- Change in industry proportional share of employment, and
- Location quotients – comparing industry employment concentrations in Strathmore with the Canadian averages.

A series of three different facilitated sessions was planned to solicit input regarding potential, and priority, economic development initiatives:

- Senior Administrative Staff, December 4, 2014
- Town Council, December 10, 2014 and
- Selected Business Representatives, January 6, 2015.

As noted previously, all three groups were provided with the Abbreviated Economic Base Overview and the Background Brief.

The discussion with senior staff was to ensure the completeness of the Background Brief prior to its distribution to Town Council and Business Representatives. This group was also asked for their ideas related to business, community and overall economic development.

Next, separate facilitated sessions were held with Town Council and the Business Representations. Based on the Background Brief and the Abbreviated Economic Base Overview, and augmented by their individual understanding of the community and its needs and opportunities, both groups then brainstormed various economic development priorities including identifying the underlying rationale for proposing individual items. Priorities were then selected, through a visible democratic vote – each participant had a limited number of votes they could use in any way they wished. Each person also had veto votes they could use if they were strongly opposed to pursuing any specific initiatives.

A total of 45 distinct initiatives were identified in this manner – 22 by Town Council and 23 by Business. Of all of these, only 2 were vetoed with individuals being strongly opposed to pursuing these. These proposed initiatives were discussed to determine the underlying reasons for the lack of support. It was determined that they would not be pursued. Both groups also indicated their top priorities based on the number of votes each potential initiative received. Needless to say, not all initiatives can, or should be pursued immediately.

Next, the top 15 priorities for each group were analyzed to determine if there was any strong commonality among them. Of these, 9 individual priority initiatives were common to both groups albeit in slightly different order and with slightly different wording. Also, there were a number of top priority elements, within both groups, that fit together. Not surprisingly

Town of Strathmore

Economic Development Priorities and Implementation Considerations

most of these are within traditional economic development activities. These have been grouped together and are described in the following section.

The Consolidated Economic Development Priorities

As noted above, the following economic development priorities have been determined by Strathmore Town Council and selected Business Representatives and are presented below in priority order. It is also important to note at this point that economic and community development is a team effort and community partners should be identified and engaged for almost all future initiatives and activities.

i. Increase Economic Development Capacity – 53 cumulative votes

Overall, there is a very strong desire to increase the economic development capacity in Strathmore (14 votes). A large number of traditional economic development initiatives and activities have been identified by both groups as being high priority. There is a variety of means to achieve this goal ranging from complete outsourcing to fully internal municipal staff as well as blended alternatives. These will be discussed in the next section. Both Council and the Business Representatives wish to see additional action, and results, in the following areas.

- Research and Business Information – 15 votes

There is a fairly urgent and compelling need to update all of Strathmore's Web Site offerings with the most current information available. This includes community statistics, lists of community amenities, attractions and events as well as sources of contact, information and assistance. This on-line information is now often the only source that new investors and resident use when seeking new opportunities. The community can easily be discounted from further evaluation if its on-line information is out of date or incomplete. This information will also be necessary to support Business Investment Attraction as well as Marketing and Promotion efforts. It is also important to note that there are a number of Web Sites that provide out of date information about the Town. These will also need to be identified and then either updated or removed.

- Business Investment Attraction Program – 12 votes

Business investment attraction is a complicated and long term endeavour in a very crowded and competitive environment – every community wants new businesses to locate in their community. Not only that, Strathmore like every other community has limited resources to pursue new investment opportunities. Finally, there is an almost unlimited set of possible business targets. This all means that investment attraction results would be significantly improved through a rigorous identification of needs and

Town of Strathmore Economic Development Priorities and Implementation Considerations

opportunities. This could be accomplished, in part, through a Gap Analysis to determine specific needs. Once completed, specific targets can then be identified and Business Cases and Attraction Tactics can be developed to meet the specific needs of the target company/industry and then implemented.

- Business Visitation Program – 6 votes

There is ample research to conclude that the majority of a community's new growth, development and investment results from existing businesses of all sizes. It is therefore important to determine the needs, opportunities and impediments facing Strathmore businesses. This will provide evidence to Town Council regarding needed changes to policy, focus and activities to support the growth and development of a compiled set businesses rather than any individual that may have a stronger voice than others. It will also provide significant intelligence to support investment attraction and marketing efforts. Some emphasis on home-based businesses may also uncover growth opportunities among this cohort to graduate to either a business incubator setting or a store front operation thereby supporting further growth and development.

- Marketing and Promotion – 6 votes

Once the business information has been collected and packaged, and the needs and opportunities have been defined, and the targets have been identified it is time to get these messages out. Marketing and promotion are key economic development activities to “tell the story” and Strathmore does have a story to be told. There are many facets to these activities all hinging on the relevant and appropriate messages, using the right communication medium and targeted at the correct audience.

Developing Community Vision, Slogans and differentiation statements would be included in these activities.

ii. Continue and Accelerate Downtown Revitalization - 13 cumulative votes

For almost all communities, the Downtown is the business heart of the community and Strathmore is no exception. A significant amount of time and effort has recently been invested in the development of a Downtown Revitalization Strategy and a Draft Downtown Overlay District Bylaw. There is now strong support to place a priority on efforts on accelerating this work.

Specific tactics have been suggested including re-evaluating and initiating a Downtown Business Association and rejuvenating / revitalizing the Strathmore and District Chamber of Commerce. Both of these suggestions require additional research and investigation prior to developing action plans. It is not clear what the most appropriate role for the Town would be, except possibly that of convener. Regardless, these can, and

Town of Strathmore Economic Development Priorities and Implementation Considerations

should be evaluated in the context of the above noted Investment Attraction Programs, Business Visitation Programs and Marketing and Promotion initiatives.

iii. Develop Business Incubation Support - 12 cumulative votes

Small business incubators offer starting and early growth entrepreneurs a lower risk growth alternative without having to make substantial investments in space, services or personal. They typically offer shared facilities (boardroom, meeting rooms, kitchen, parking, copier, etc.), shared services (reception, typing, courier, legal, accounting, shared training, etc.) and shared office space (a single office rather than a stand alone building). All of these can serve early businesses with the “leg up” they need to truly get established in a community. Small business incubators also can serve a community as an economic development engine – assisting greater growth and survival rates of new start up businesses.

There is support from Council and Business Representatives to establish an incubator of this type in Strathmore, and some have even suggested that current vacant properties in the Downtown core could potentially serve this need. This suggestion requires further research and investigation.

It has also been suggested that there may be a number of ready partners, ranging from a landlord to certain service providers, to undertake this work. This initiative would clearly benefit from having community partners.

iv. Develop Increased Rental Accommodation Options - 10 cumulative votes

There is a lack of Rental housing options, of any and all types, and this is seen to be negatively impacting the growth of the community and its businesses. Current Downtown Residential zoning does not accommodate High Density Housing in the form of apartments. There is support to rectify this, amend the downtown residential zoning and attract a developer interested in building appropriately sized apartment structures particularly on the fringes of Downtown. It is also agreed that establishing alternative new rental housing options is a priority for Strathmore’s growth.

v. Improve Public Transportation Options - 4 cumulative votes

There is no question that Strathmore residents commute to Calgary daily for work. It is also evident that some employees in Strathmore commute daily from Calgary. Additionally, there are certain types of employees needed in Strathmore that are difficult to obtain locally and typically public transport is their preferred means of travel. There is a shared priority to improve the commuter transportation options available.

Town of Strathmore

Economic Development Priorities and Implementation Considerations

There is also an opportunity to develop internal public transportation options for residents who do not drive as it can be challenging to purchase all their requirements within walking distance of their residence.

These opportunities could potentially include the private sector (bus operators), the public sector (bus owners/operators) and residents (car pooling and ride sharing). These alternatives also require additional evaluation.

Implementation Considerations

1. Service Delivery Choices

There are, of course, a number of different organizational structures that could develop and deliver on an economic development strategy. These include:

- A not-for-profit organization,
- A Town department,
- Contracts with one or more existing organizations,
- Individual contracts with private sector, for profit companies, or
- An appropriate mix of all of the above.

Each delivery choice should be evaluated to determine which is best suited to delivering the outcome needed. Capacity for delivery must also be considered as should value for the Town's investment.

By far the predominant economic development organizational structure present in Alberta today is Municipal departments. There are also a number of stand alone not-for-profit organizations which are typically found in the larger centers but invariably the community is the major, if not sole, shareholder. Both Municipal departments and not-for-profits often utilize external consultants / contractors for specialized expertise on an as needed basis and to provide short term assistance, expert advice and external objectivity. Specialized services used typically consist of:

- Strategic economic development planning,
- Opportunity identification and business case development,
- Business information, market research and analysis,
- Community branding and marketing,
- Investment attraction strategic planning, and
- In-market leads generation and qualifying prospects.

It is recognized that the Strathmore administration is already working, to some degree, on many of the priorities for economic development noted above. It is also clear that resource constraints, including dedicated time, negatively impact the pace with which progress can

Town of Strathmore

Economic Development Priorities and Implementation Considerations

occur. Finally, it is obvious that available resources are not unlimited. One of the very next steps required will be the establishment of a phased plan to select and carry out key initiatives. It is recommended that Council, and administration, ensure that appropriate resources are made available, in the right amount and at the right time, to ensure these key initiatives are accomplished in a timely manner. Furthermore, there are a number of specialized economic development activities that will need to be undertaken in the near term ranging from Feasibility Studies to Business Visitation Programs to Opportunity Validation and Leads Generation to name a few. There is no need for the Town to staff these specialized activities themselves, but ensuring that appropriate personnel and financial resources are available to see these through to fruition via contractors is highly recommended.

The determination of the most appropriate structural model to best suit Strathmore's needs should be the next step towards the establishment of specific actions, tactics, budgets and performance targets.

2. Business and Investment Attraction

The underlying heart of effective business and investment attraction programs lies in the ability to focus on a limited number of targets and develop sound business cases to facilitate their pursuit and, ultimately, successful attraction. Once targets have been selected, by whatever means chosen, there is a crucial role to be played by the private sector. With their networks of other business owners and operators, especially from outside of the community, Strathmore's business community is well positioned to be ambassadors, door openers, influencers, and an on the ground "sales force" with incoming potential new businesses. In fact, the local business community can often be a rich source of potential key targets as they are already aware of their supplier networks and other businesses seeking appropriate and viable investment opportunities.

An important ingredient in successful business investment attraction rests, to a large degree, in the ability to focus efforts on specific targets which should lead to maximum returns. Fortunately, a number of rigorous analytical tools exist to help economic developers, and communities, refine their areas of focus, and hence concentration of effort.

A critical element in business attraction is getting on the radar early and maintaining an appropriate level of engagement, since it does not matter how well a region can execute on a project if it is not included in the process from the beginning or does not properly cultivate the relationship.

An equally important key to success is committing to the long term in cultivating these relationships. Investment attraction is a "long sales cycle" process that typically takes many months, sometimes years, for opportunities to evolve into projects and ultimately investments.

Town of Strathmore Economic Development Priorities and Implementation Considerations

Furthermore, most companies, especially small and medium sized enterprises, are likely to consider strategic alliances or partnering as one of their options for business expansion, instead of, or in addition to the option of direct investment. Direct investment may take place as a subsequent step but it is not the only way for a region to obtain economic development benefits from a foreign or external company's business expansion. Strategic alliances and partnering can also result in the creation of sustainable new jobs and enhanced economic activity. Any region not willing to engage targets in a discussion of the full range of their business expansion options will inevitably miss opportunities.

There are a variety of types of investment attraction opportunities including:

- Grand Prize - capital investment that creates significant, well-paying jobs and substantial additions to the tax base,
- Smaller to medium scale capital investments,
- "Beachheads" - sales and marketing offices, focused on developing market share,
- Joint ventures and acquisitions of in-region players, potentially leading to further investment, but also risking consolidation/rationalization/downsizing plays,
- Research and Development collaboration to develop marketable products/services, and
- Sub-contracting and supply chain development - investment does not often happen without some kind of trade happening first.

Opportunities for beachhead and future investment should be cultivated, even if the returns cannot be quantified immediately. These will be important components of 'networking' the value propositions of Strathmore and will help reinforce positive perceptions as these relationships grow.

3. Business Retention and Expansion

The value of business retention and expansion activities should not be underestimated. These activities are usually based on a local Business Visitation Program where the focus is on growth, expansion, import replacement, and the identification of barriers, obstacles and hurdles that need to be removed. These actions can be enhanced and accelerated through formal education programs targeted to business needs, incubator programs, and the establishment of effective business support organizations.

Given that a large portion of the total new business investment in a region is reinvestment by existing companies, the investment attraction strategy must be closely aligned with the

Town of Strathmore

Economic Development Priorities and Implementation Considerations

business retention and expansion program. This is to ensure that the investment attraction program can benefit from:

- Market intelligence from existing investors and indigenous companies about trends and opportunities in their sectors, including suggestions of, and referrals to, potential targets,
- The development of a directory of regional businesses and capabilities to aid in discussions with prospects about their business growth options,
- Information about expansions by foreign companies with existing operations in the region,
- Information about possible new investments by other divisions of foreign companies with existing operations in the region,
- Testimonials from existing business leaders and their input to value propositions, and
- The participation by local business leaders in external company visits to the region.

4. Research, Marketing and Promotion

To succeed in today's highly competitive marketplace, economic development is an incredibly information intensive undertaking. Today's investors, both local and external, are very sophisticated and typically use third party, verifiable information on which to base their investment decisions. Therefore, it is crucial to Strathmore's economic development future that appropriate economic base information not only be collected, maintained, and be made widely available, but it must be augmented with additional information for promotional, advertising and business attraction efforts. In today's environment this information must be made available in digital format and on-line.

Typically, the following is the minimum business and market research activities that are needed to support effective economic development and community promotional efforts:

- Provide up-to-date information about Strathmore's key economic sectors and their recent performance,
- Identify and evaluate current issues impacting Strathmore's economic development and performance,
- Identify internal and external economic trends and target opportunities for business development,
- Compile and disseminate key statistics and economic indicators about Strathmore, including current socio-demographic information,
- Collect and provide community lifestyle and tourism information,
- Evaluate potential target markets as opportunities for Strathmore companies,
- Evaluate the business needs of Strathmore to identify specific target industries and companies for business investment attraction activities,

Town of Strathmore

Economic Development Priorities and Implementation Considerations

- Identify prospective target company leads for investment attraction efforts and pre-qualify their interest and intentions, and
- Develop and package information to be used as preliminary business cases for presentation to those targeted, pre-qualified companies in business investment attraction efforts.

Marketing and Promotion are the outreach efforts that inform potential new businesses, residents and tourists about Strathmore, the opportunities, and the amenities and attractions available. Today's marketing environment is absolutely full of "community and experience messages" from competing communities. It is therefore imperative that Strathmore's message be as crisp, clear and compelling as possible in order to be noticed in this "noise". The objective of these messages is to convey that Strathmore is THE preferred location to work, shop, visit and live, as well as a community that not only knows where it is going, but also knows how it is going to get there – the existence and implementation of its economic development strategy.

At the same time, there is an overwhelming choice of marketing and promotion vehicles available ranging from print, the internet, social media, streaming video and audio, to radio, television, trade shows, and outgoing prospecting missions. A careful analysis of the effectiveness and reach of these instruments will pay off handsomely to ensure the maximum exposure to the appropriate audiences. Also, as no community can possibly afford to advertise and promote itself in all markets in Canada, let alone North America and overseas, Strathmore will need to conduct a careful analysis to ensure they are investing in the appropriate markets, and vehicles, where their targets – both businesses and tourists – can be reached most effectively and efficiently.

As usual, marketing and promotion investments can always be leveraged with those already being made by the private sector and other community organizations and institutions. An important caveat is to ensure that all of the various messages being delivered regarding development, amenities and quality of life in Strathmore are consistent and that they re-enforce each other – a key deliverable of an effective economic development strategy.

Conclusions

Now that this work has been completed and the selection of strategic economic development priorities has been accomplished, the detailed work can begin with focused effort, resources and enthusiasm.

As noted above, the next logical step is the selection of the appropriate delivery mechanism or mix of mechanisms required to meet the needs of the community.

This should be followed by the development and implementation of a comprehensive economic development tactical plan, based on strategic priorities as noted above. This plan

Town of Strathmore Economic Development Priorities and Implementation Considerations

will necessarily include projects; priorities; the assessment of options; feasibility reviews of various choices that must be made; action plans with budgets, performance targets (based on expected outcomes) and measurement metrics; evaluation systems and processes; and finally, communications and reporting protocols.

Included in this work would be the selection of an appropriate mix of implementation activities (investment attraction, retention and expansion, research, marketing and promotion) and the allocation of proportional concentration of effort, resources and including budgets.

Town of Strathmore Economic Development Priorities and Implementation Considerations

Appendix A

The background documents reviewed included:

- Town of Strathmore Growth Study, 2008
- Town of Strathmore, Proposed Annexation of Lands from Wheatland County, Fiscal Impact Analysis, Working Paper, December 2008
- Town of Strathmore, Community Needs Assessment, October 2012
- Town of Strathmore, 2012 Census Report
- Strathmore Community and Human Resources Profile, 2013
- Calgary Regional Partnership, Regional Economic prosperity Work Plan 2013 to 2015
- Strathmore Municipal Development Plan, Bylaw No. 14-03, Adopted April 16, 2014
- Town of Strathmore, Downtown Revitalization Strategy 2014, Draft August 2014
- Town of Strathmore, Downtown Overlay District Bylaw No. 13-17, Draft
- Town of Strathmore, Land Use Bylaw No. 14-11, Adopted September 17, 2014
- Alberta Municipal Affairs, Municipal Statistic Profiles for Town of Strathmore and Wheatland County, accessed November 25, 2014
- Strathmore Quality of Life Master Plan, no date
- Strathmore “Where Quality of Life is a Way of Life, no date.