

**WOOD BUFFALO REGIONAL  
ECONOMIC DEVELOPMENT STRATEGY 2010-2014**

**REGIONAL MUNICIPALITY OF WOOD BUFFALO**

## TABLE OF CONTENTS

	<i>Page</i>
<i>FOREWORD</i>	<i>3</i>
<i>INTRODUCTION 1</i> <i>The Strategic Planning Process, Project Background, and Purpose of the Strategy</i>	<i>5</i>
<i>SITUATION AUDIT 2</i> <i>(Today)</i> <i>Regional Analysis, SWOT Matrix of Competitive Factors</i>	<i>6</i>
<i>THE FUTURE ECONOMY 3</i> <i>(Some insights into tomorrow)</i> <i>The Old and New Economies</i>	<i>8</i>
<i>REGIONAL ECONOMIC DEVELOPMENT STRATEGY (PART 1) 4</i> <i>(Tomorrow)</i> <i>Vision for the Future</i>	<i>9</i>
<i>REGIONAL ECONOMIC DEVELOPMENT STRATEGY (PART 2) 5</i> <i>(Getting there)</i> <i>Development Principles, Mission, Goals and Objectives</i>	<i>11</i>
<i>ORGANIZATIONAL/OPERATIONAL FORMATS 6</i> <i>(Getting there)</i>	<i>15</i>

## FOREWORD

What motivates individual citizens, most of whom lead exceedingly busy lives, to get involved in the economic development of their community? What inspires local and regional politicians to take on more obligations in already overcommitted schedules? The simple answer is a sense of pride in the community and a belief that conditions could and should be improved through individual and joint effort. This motivation comes from a “shared vision” of the potential of the community that creates a momentum of growing anticipation about the future in addition to inspiring and energizing people.

The “Regional Economic Development Strategy 2010 – 2014” puts forth such a shared “vision” for the future economy of the Regional Municipality of Wood Buffalo (the Municipality). It emanates from a comprehensive stakeholder engagement process as well as extensive research and analysis of a future both desired and possible. It is framed by the desire to provide a prosperous, inclusive and sustainable future for all residents, enterprises, organizations and communities within the region through the pursuit of realistic and ambitious initiatives.

Importantly, this vision, which is articulated on page 8 of this document, is consistent and supportive of the Municipality’s vision and mission established in 2006 and reaffirmed in 2008:

Vision: A balanced future with opportunity for all.

Mission: Continually improve the quality of life within the community.

Envision Wood Buffalo is the long-term Integrated Community Sustainability Plan (ICSP) for the Municipality and was approved by Council on March 9, 2010. The Economic Development Strategy and Envision Wood Buffalo were developed concurrently and efforts were made to ensure complementary goals and objectives. Envision Wood Buffalo is based around four pillars of sustainability: economy, culture, society and environment. The overarching economic development goals for the region are economic diversification, inclusion, and enviable quality of life. These fit well with the overarching vision set out in Envision Wood Buffalo.

The economic development strategy strives for a future where the region:

- is recognized as a great place to live, work and visit;
- offers a quality of life that serves to attract and retain the best and brightest;
- is pleasant and safe, and seen as vibrant, inclusive, multicultural and compassionate;
- offers all residents, communities and businesses an opportunity to prosper;

- is still reliant on oil sands activity; however, other sectors have developed and prospered to the point where the regional economy is more balanced and diversified;
- has replaced many goods and services presently imported from outside the region with locally produced goods and services;
- is a major international innovation centre for oil sands and environmental technologies; and,
- is recognized as a pre-eminent educational centre for building research capabilities and the required workforce for the 21<sup>st</sup> century.

The above components of the desired future for the RMWB informed the development of goals in the “Regional Economic Development Strategy 2010 – 2014” and, in combination, will guide the implementation of the initiatives identified in the plan.

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# INTRODUCTION 1

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## BACKGROUND

The Regional Municipality of Wood Buffalo is a unique and vibrant community of 103,000 residents; it encompasses pristine wilderness and, as a result of oil sands activity, is one of the fastest growing communities in Canada. At 68,454 square kilometres, it is one of the largest municipalities in North America. It is characterized by a single urban centre and a large rural area with a small population base. The Urban Service Area (Fort McMurray) is the primary service centre of the region. The communities of Anzac, Conklin, Draper, Fort Chipewyan, Fort Fitzgerald, Fort MacKay, Gregoire Lake Estates, Janvier, Mariana Lake, and Saprae Creek are in the Rural Service Area.

The development of this economic development strategy is the result of substantive research; comprehensive, in depth analyses; and the involvement and active engagement of a broad spectrum of affected and interested community/regional leaders, citizens, and other stakeholders. In addition to community open houses undertaken for the general public, input was sought from an internal municipal resource team; dialogue with Municipal Council members; and an external stakeholder group comprised of the following organizations: Keyano College; Urban Development Institute of Wood Buffalo; Fort McMurray Regional Airport; Alberta Finance & Enterprise; Oil Sands Developers Group; Alberta Employment & Immigration; Northeast Alberta Aboriginal Business Association; Community Futures Wood Buffalo; Fort McMurray Tourism; Wood Buffalo Métis Corporation; Northern Alberta Development Council; Athabasca Tribal Council; Northern Lights Health Region; and, Fort McMurray Chamber of Commerce.

## PURPOSE OF THIS STRATEGY

Strategic planning is fundamentally about creating a vision of the future and managing toward that expectancy. It is a simple process with an incredible power to energize a community or region and bridge the gap between long-term vision and day-to-day activities.

This strategy sets out a path to strengthen the economy of the region, and the initiatives necessary to achieve it. It charts a course for sustainable growth and sets out a realistic plan for economic diversification and overall regional progress for the period 2010 to 2014. In broad terms the strategy is intended to provide direction; in specific terms its purpose is to articulate:

- a shared vision among community leaders of the region's economic development priorities and a point of reference or framework for current and future economic development decisions;
- a foundation for the preparation of annual operating plans that stress effective and efficient use of community resources;
- a benchmark from which progress can be measured and informed change can be made; and
- a formula that helps to manage, not interrupt nor deter, sustainable development.

## SITUATION AUDIT **2**

*.....Today.....*

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### REGIONAL ANALYSIS

A wealth of studies, plans, documents and statistical reports were reviewed and numerous interviews and discussions with stakeholders and residents, both within and outside the Municipality, were undertaken to gain a more exact understanding of the current economic situation in the region and an insight into realistic prospects for the future. From our analyses of secondary research and the comments and observations collected through various interviews and workshops, a SWOT matrix of competitive factors was prepared. It should be noted that in order to ensure the completion of a comprehensive regional economic development strategy this SWOT has been prepared from the perspective of the overall regional context rather than just from the perspective of the Municipality.

### SWOT SUMMARY MATRIX OF COMPETITIVE FACTORS Regional Municipality of Wood Buffalo

Strengths	
<ul style="list-style-type: none"> <li>✓ Resource rich region.</li> <li>✓ International recognition and access to international markets and networks through global companies.</li> <li>✓ Unique expertise in oils sands technologies.</li> <li>✓ Young, highly skilled and highly mobile work-force.</li> <li>✓ Substantive parks and wilderness areas.</li> <li>✓ Substantive market ties to Edmonton, Calgary and other major centres.</li> <li>✓ Diverse and rich Aboriginal culture and significant resources. Notably First Nations population is the fastest growing in the region.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Underdeveloped rural communities with potential for decentralized growth/economic development.</li> <li>✓ Extensive commitment/participation by oil sands enterprises in promoting and supporting regional socio-economic development.</li> <li>✓ Regional airports in Fort McMurray and Fort Chipewyan.</li> <li>✓ High median family incomes.</li> <li>✓ Substantive history of volunteerism.</li> <li>✓ Independent, “can-do” entrepreneurial spirit.</li> <li>✓ Post secondary training – Keyano.</li> </ul>

<b>Weaknesses</b>	
<ul style="list-style-type: none"> <li>✘ Limited commercial, industrial and residential land and the high costs thereof.</li> <li>✘ Municipal planning/approval process.</li> <li>✘ Problems with local/regional transportation; utilities (especially water);housing; education; health care; key social services; retail and service facilities; relative to community needs.</li> <li>✘ Inadequate regional supply of labour/skills and the high costs thereof. As well high turnover, difficulty in retaining labour.</li> <li>✘ Lack of community cohesion and vision.</li> <li>✘ Regional/community image problem - “too greedy” and “too rich.”</li> <li>✘ Work camps and mobile workforce – lack of community integration.</li> <li>✘ Overworked community volunteers.</li> </ul>	<ul style="list-style-type: none"> <li>✘ Investment/expenditure leakages to communities/regions outside Municipality.</li> <li>✘ Sustainability/challenges of Aboriginal businesses exacerbated by lack of opportunities for education/training of Aboriginal peoples.</li> <li>✘ Downtown core Fort McMurray development/servicing challenges.</li> <li>✘ Overly narrow economic base lacking diversity. Historical experience with “boom and bust” cycle.</li> <li>✘ Significant challenges to SME start-up/sustainability made worse by protectionism within existing business community.</li> <li>✘ Absence of community/regional partnerships.</li> <li>✘ Significantly underserved communities outside of Fort McMurray.</li> </ul>

<b>Opportunities</b>	
<p><b>General/Regional Community Development</b></p> <ul style="list-style-type: none"> <li>✓ Community participation/input.</li> <li>✓ Holistic approach</li> <li>✓ More intensive land use e.g., up not out.</li> <li>✓ More strategic development of land in rural areas.</li> <li>✓ “Themed”/improved downtown core.</li> <li>✓ Enhanced local training (facilities, instruction) of workers for the oil sands industry.</li> <li>✓ Additional entrepreneurial and small business training/counselling.</li> <li>✓ Wireless service in communities</li> <li>✓ A local power utility (coop).</li> <li>✓ A land trust that is locally managed.</li> </ul>	<p><b>Specific Business Opportunities</b></p> <ul style="list-style-type: none"> <li>✓ Specialized and diverse retail stores and shops.</li> <li>✓ Servicing/supplying major plants – import replacement.</li> <li>✓ Manufacture and sale of recycled materials.</li> <li>✓ Wood and wood products manufacture.</li> <li>✓ Tourism – eco-tourism; wilderness tours; fishing/hunting excursions.</li> <li>✓ Mining – diamonds/uranium.</li> <li>✓ River transportation services.</li> <li>✓ Heliport.</li> <li>✓ Innovative oil sands technologies.</li> </ul>

<b>Threats</b>	
<ul style="list-style-type: none"> <li>✘ Regional development/growth is “uncontrolled” and driven by outside forces.</li> <li>✘ Skills shortages are a global phenomena with significant local implications.</li> <li>✘ Intergovernmental jurisdictional issues create and exacerbate problems with accommodating the pace of growth, especially in matters as they relate to the available supply/cost of land.</li> </ul>	<ul style="list-style-type: none"> <li>✘ Too many economic decisions are made outside the region e.g., oil companies deciding when to expand local plants.</li> <li>✘ The global economic slowdown is impacting on the viability of many economic sectors; forestry, manufacturing and tourism are especially vulnerable.</li> <li>✘ A precipitous drop in oil prices and recessionary conditions could delay oil sands development.</li> </ul>

## THE FUTURE ECONOMY 3

*.....Some insights into Tomorrow.....*

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*“Today a new economy is clearly emerging: it is a global knowledge and idea-based economy where the keys to wealth and job creation are the extent to which ideas, innovation, and technology are embedded in all sectors of the economy.”*

Progressive Policy Institute

While economic success for businesses and enterprises in the past was generally determined by low costs as well as adequate transportation and utility infrastructure, today firms and other organizations (including governmental and non-governmental organizations) are realizing that knowledge provides the key to wealth creation as new ideas, innovation and technology become increasingly embedded in services, manufacturing and other sectors.

In the midst of this paradigm shift, economic success depends on the people who live and work in the community or region. Without an adequate supply of educated and skilled people, local businesses as well as potential new ones will find it difficult to grow and to attract and retain workers. To succeed regions therefore need to compete on the basis of amenities and quality of life factors in order to attract and retain the best and the brightest. This means creating a positive sense of place through high-quality schools, medical services, a fast and responsive government, as well as the other essential aspects of a quality living environment, including high-speed internet service, recreational facilities, affordable housing, transportation and other infrastructure. Additionally it means a welcoming and tolerant atmosphere, diverse cultures, a robust civic culture and spirit, low crime, as well as cultural amenities that include “high culture” but also go beyond high culture (i.e., urban amenities such as entertainment, shopping, restaurants, walking streets, festival marketplaces, bustling street life, river walks).

Those regions that understand the characteristics of the future economy will be the ones best positioned to take advantage of all the changes occurring.

This understanding can be assisted by an appreciation of the differences between the old and future economy and an application of these essential insights into economic development efforts and activities.

## REGIONAL ECONOMIC DEVELOPMENT STRATEGY (PART 1) 4

.....TOMORROW .....

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### VISION FOR THE FUTURE

A vision statement defines the desired or intended future state; it spells out what the region wants to become. It gives shape and direction. The premise of the effort holds that once you define your vision you determine your future.

This “vision” for the economic future of the Regional Municipality of Wood Buffalo builds from the comprehensive engagement process that characterized this project effort. It is framed by the desire to provide a prosperous, inclusive and sustainable future for all residents, enterprises, organizations and communities within the region. Importantly, by providing a “shared understanding” of the potential of the region, this vision statement creates a momentum of growing anticipation about the future that inspires and energizes.

#### **ECONOMIC DEVELOPMENT VISION**

*The Wood Buffalo region will be recognised as a great place to live, work and visit. The quality of life will serve to attract and retain the best and the brightest. The region will be pleasant and safe, and be seen as vibrant, inclusive, multicultural and compassionate.*

*The Wood Buffalo region will be a place where all residents, communities and businesses have an opportunity to prosper. Fort McMurray will be the third largest urban centre in Alberta and Wood Buffalo will have a diversified economy. While oil sands activity will continue to be the economic mainstay of the region, other sectors will have developed and prospered. Building from the region’s potential including the untapped labour market, expansions of local manufacturing and services to support increasing oil sands and other activity will mean fewer imports of goods and services from outside the region. There will be larger and more diverse retail, commercial and professional services and facilities, including enhanced business, educational and medical services. Other important emerging sectors including tourism, especially eco and cultural tourism, and forestry will represent increasingly important parts of the regional economy.*

*The Wood Buffalo region will be a major international innovation centre for oil sands and environmental technologies, leading the way in developing the required technological infrastructure that supports creativity and innovation. In addition, the region will be recognized as a pre-eminent educational centre for building research capabilities and the required workforce for the 21<sup>st</sup> century.*

Quite clearly pursuit of this vision means change. It means a change in present circumstances for sure, but more importantly it also means a change in the way people think about the future of the region; it requires a way of thinking that entails a broader, more strategic and forward perspective.

PRESENT ECONOMY	ENVISIONED ECONOMY
<i>Primarily based on oil sands and its spin-offs.</i>	<i>While oil sands is its mainstay, the regional economy is more balanced and diversified with other sectors including education, health services, research, and tourism playing larger roles.</i>
<i>Imports represent a large portion of goods and services provided to oil sands operations in the region.</i>	<i>A greater proportion of goods and services for the oil sands industry and other sectors are provided from within the regional economy.</i>
<i>Retail, commercial and professional services are strained to meet consumer demands.</i>	<i>Better balance between supply of retail, commercial and professional services and consumer's diverse needs and demands.</i>
<i>Research and innovation primarily undertaken/achieved by the oil sands industry with much of it originating outside the region.</i>	<i>Partnerships between the oil sands industry, education and municipal, provincial, and federal levels of government are leading to the creation of a major oil sands and environmental research and innovation centre.</i>
<i>Physical and social infrastructure of the region are having difficulty keeping up to population growth and the increasing demands/desires of educated, knowledgeable and skilled residents.</i>	<i>Physical and social infrastructure development are leading to an increasingly appealing and desirable quality of life where individuals and families from various backgrounds are attracted to come, work, recreate and call the Wood Buffalo region home.</i>

## REGIONAL ECONOMIC DEVELOPMENT STRATEGY (PART 2) 5

*..... Getting there.....*

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### DEVELOPMENT PRINCIPLES

A proper economic development strategy is based on certain fundamental principles to ensure implementation is effective and efficient, and that desired goals and objectives are achieved in accordance with certain predefined priorities and values. Accordingly, this strategy has been organized around several development principles as basic foundations. These principles serve to guide how the strategy will be structured and, by implication, how the region will go about pursuing its economic development goals. These principles build from the Municipality's core values and reflect the substantive inputs of key stakeholders.

#### **Partnering and Partnerships:**

Broadly embrace the needs, aspirations and interests of all communities and key stakeholders within the region. Working together ensures synergies are realized and that scarce resources are leveraged to meet high growth demands.

#### **Leadership:**

Strong leadership and, while those who provide leadership will vary depending upon the circumstances and issues involved, it will be generally accepted that leadership always means commitment and conviction, and sometimes tough decisions.

#### **Creativity:**

Rapid technological, political, social and economic change demand new responses and new approaches. While it is important to build from proven best practices and lessons learned, it is also critical to emphasize approaches that are creative and responsive to the unique and dynamic challenges and opportunities the Municipality is confronting not only today, but tomorrow and into the future.

#### **Attention to the Needs of Local Businesses:**

The Municipality is home to a wide array of businesses, from home-grown private firms to provincial, national and global scale enterprises. Understanding of the needs and perspectives of local businesses and an emphasis on making the local business environment more productive, supportive and attractive are critical to successful economic growth.

**Action Oriented:**

The value in planning lies not in the exercise of endless contemplation but rather in the careful, conscientious and deliberate application of feasible and relevant actions and activities. While carefully endeavouring to move the region forward in the long-term, there is also an emphasis on expeditious implementation in the short-term.

**Flexible and Opportunistic:**

The broad challenge of achieving economic development success today is to define and align practical strategies and make them relevant in a dynamic and rapidly changing economic environment; an environment where the challenge is not just in coping with the pace of change but also with understanding and managing its complexity.

**Community Engagement:**

Community engagement and the commitment it builds is an essential pre-requisite to not only the strategic planning process, but also to the overall effort required to bring about positive change and ongoing development. By ensuring the process is inclusive, transparent and appropriate, the actions and activities that arise there from build from citizen input and the empowerment of local stakeholders.

**MISSION**

Mission defines the fundamental purpose of the organization or effort proposed; why it exists and how it proposes to go about realizing its vision.

**ECONOMIC DEVELOPMENT MISSION**

*Working collectively and cooperatively, the Regional Municipality of Wood Buffalo will be committed to encouraging and facilitating balanced economic development that fosters the creation and preservation of good jobs, enterprises and services while at the same time preserving and enhancing an attractive quality of life.*

## GOALS AND OBJECTIVES

Goals flow logically from the vision and mission statements, are guided by development principles, and realistically reflect desired economic development outcomes. While goals are intended to outline broad themes and intentions, objectives spell out the details of each. In practical terms the goals outlined below are a consensus of expressed ideas and inputs, and are logically premised and supportable. Collectively they set out broad regional themes to the year 2014. They were formed by considering “what is possible?” “what is desirable?” and “what can realistically be achieved?” The objectives attached to each goal are precise and measurable efforts that are intended to directly support the accomplishment of the goals.

**Goal 1: Economic Diversification and Expansion** - The Regional Municipality of Wood Buffalo has a reputation for promoting and facilitating economic diversification and expansion through its support of the operations and growth of local businesses (business retention) and encouragement of new entrants and investments in the region (business attraction).

### Objectives to 2014:

1. Undertake efforts to enhance the availability of land for commercial/industrial development taking into consideration the results of the “Commercial and Industrial Land Use Study” (CILUS) and the ongoing needs of existing and prospective enterprises.
2. Regularly inventory and assess barriers to business growth and development within the Regional Municipality of Wood Buffalo. Prioritize issues, and design and implement programs/initiatives to mitigate and/or remove critical impediments.
3. Regularly inventory and assess opportunities for business growth, investment and development within the region, including upstream and downstream value chain opportunities<sup>1</sup>. Prioritize opportunities, and design and implement programs/services/initiatives to capitalize on these opportunities through local capacity development and/or new business and investment attraction strategies.
4. Work with local/regional and provincial governments, as well as others such as businesses and Aboriginal stakeholders to: (1) raise awareness of the needs of local business; (2) support/promote improvements in local/regional and provincial policies/strategies that better facilitate the local/regional business community; and (3) improve access by local/regional businesses to key programs and services.
5. Encourage, promote and facilitate the coordination of programs and services for business (Business Services Network).
6. Coordinate an effort to implement a regional marketing theme along with sector specific prospecting initiatives (with related materials) that promote strategic investments and economic diversity.
7. Promote the development of a research and innovation centre for the oil sands industry.

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<sup>1</sup> Value chain opportunities involve the production of products and services that are presently sourced from outside the region (upstream), or the further processing and marketing of products and services currently produced in the region (downstream).

8. Explore potential partnering relationships with other regions/communities (Edmonton, Calgary, Lac La Biche County, MD of Opportunity No. 17, REDAs).
9. Initiate discussions, investigations and ongoing collaboration with First Nations and Métis leaders in the region relative to more effectively developing resources, lessening impediments to development, and promoting/facilitating the growth and development of business and local development opportunities.
10. Undertake a Human Resource (HR) needs analysis for the region generally and the business community in particular, with a special emphasis on the SME (small and medium enterprise) sector. Inventory labour issues, and develop and implement a regional labour force strategy that addresses identified problems and promotes improvements.

**Goal 2: Inclusiveness** - The Regional Municipality of Wood Buffalo is a region of inclusiveness. It is a region where fair and equitable participation of citizens, communities, enterprises and institutions in the region's long-term economic development is valued, encouraged and required.

Objectives to 2014:

1. Establish a formalized structure for stakeholder input and guidance.
2. Work collaboratively with the Aboriginal community to identify and implement joint economic development initiatives.
3. Support the realization of economic development priorities in local communities.
4. Support development of specific economic plans for each Hamlet throughout the Region.

**Goal 3: Enviably Quality of Life** - The Regional Municipality of Wood Buffalo is a region with a responsible level of economic development reflecting sensitivity for environmental sustainability, high standards of economic well being, and an emphasis on maintaining and enhancing the region's quality of life.

Objectives to 2014:

1. Foster/promote a broad collaborative and cooperative approach to economic development within the Regional Municipality of Wood Buffalo.
2. Identify, implement and support initiatives that stress balanced sustainable development and an attractive quality of life for residents, taking into consideration the interdependencies of economic, social and environmental issues.
3. Support lower town-site redevelopment in Fort McMurray.
4. Support other transportation corridor development to move industrial and commercial goods through Fort McMurray.

## ORGANIZATIONAL/GOVERNANCE FORMATS 6

*.....Getting There.....*

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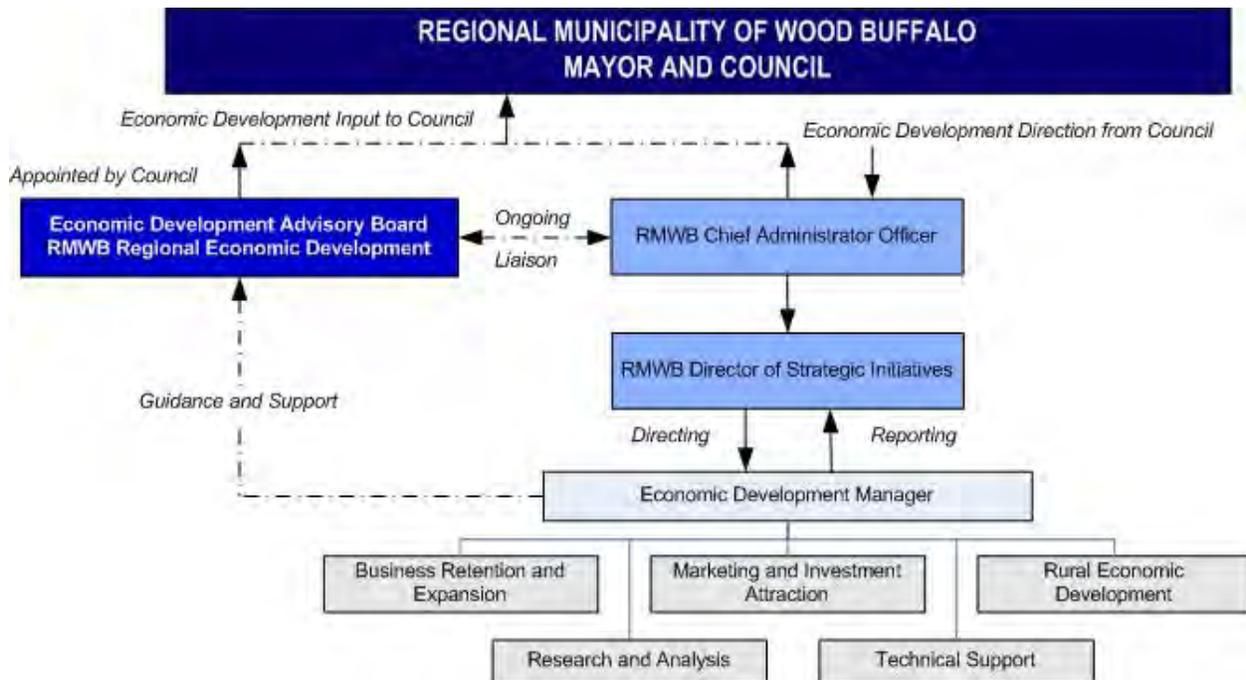
It is quite obvious that how you plan to achieve balanced and sustainable economic growth and development is as important as delineating those specifics of what you plan to achieve. In this regard there are almost an unlimited number of operational structures and systems that might be pursued to guide and direct economic development operations and activities within the Regional Municipality of Wood Buffalo. The specific operational model chosen needs to reflect the region's unique community/regional circumstances; support innovative, focussed and pro-active efforts; and most importantly respond effectively to the interests of key stakeholders.

The selection of preferred governance structure/system for the Regional Municipality of Wood Buffalo must ensure that the structure chosen contributes to essential economic development efforts and is not overly complicated nor confining operationally on the one hand, nor overly loose and freewheeling on the other. It must be structured to:

- 1) Effectively and efficiently support the delivery of core economic development services and initiatives within the region;
- 2) Represent regional economic development interests within the Municipality;
- 3) Work cooperatively and collaboratively with key stakeholders and internal departments/agencies to implement the regional economic development plan;
- 4) Be clear about its expectations and outcomes; and
- 5) Foster collaboration of efforts between regional stakeholders.

This required structure can best be achieved through the continued development of the Municipality's Economic Development Business Unit while also establishing a formalized process of continued stakeholder engagement. This ongoing process of engaging the required stakeholder groups will provide an efficient and valuable tool that will ensure that the Municipality's economic development efforts are being directed toward those initiatives that have the greatest potential for maximum regional benefit.

For this purpose the Municipality will appoint an Economic Development Advisory Committee that will act as a sounding board and provide feedback concerning the implementation of regional economic development initiatives. The following diagram illustrates the placement of the Advisory Committee as it relates to Municipal Council and the Administration:



This structure offers a number of key advantages over other models including:

1. Close working relationships between Council, Administration and Advisory Committee.
2. Provides opportunity for Advisory Committee to gain experience in developing Economic Development initiatives.
3. Clear administrative reporting and accountability for Economic Development function.
4. Economic Development function can avail itself of internal Municipal supports.
5. Confirmed budgets/resources.

The Committee's primary role will be in an advisory capacity and as such will not require a significant degree of autonomy. However, the Advisory Committee will also act as a governing body for the Wood Buffalo Regional Economic Development Alliance (WBREDA) and provide direct input into the establishment of specific WBREDA priorities. Through this process the Advisory Committee will have a key role in guiding a number of critical regional economic development initiatives.

Over time it is anticipated that both the internal Economic Development Business Unit and the external Economic Development Advisory Committee will continue to evolve. As such the entire organizational/governance mix will be monitored over an initial three year period. After that time the structure will be revisited and may be adjusted should it be deemed necessary.

Through this process the Municipality will continue to act as the primary coordinating body in the Wood Buffalo region with respect to economic development and seek to build the strong partnerships and collaborative efforts that are required for successful regional economic development.

**WOOD BUFFALO REGIONAL  
ECONOMIC DEVELOPMENT STRATEGY**

**REGIONAL MUNICIPALITY OF WOOD BUFFALO 2010-2014**

**Governance and Operations**

## TABLE OF CONTENTS

	<i>Page</i>
<i>INTRODUCTION 1</i> <i>The Implications Of Planning, Lessons Learned, Governance</i> <i>Preconditions Within the Municipality</i>	<i>3</i>
<i>GOVERNANCE ALTERNATIVES 2</i> <i>A Line Department; Stakeholder Direction and Engagement;</i> <i>As An Authority</i>	<i>5</i>
<i>RECOMMENDED STRUCTURE 3</i>	<i>9</i>

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## INTRODUCTION **1**

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*“You don't have to be great to get started, but you do have to get started to be great.”*

### **THE IMPLICATIONS OF PLANNING TO GOVERNANCE**

It should be remembered that economic development planning is fundamentally a process of defining “what to do and how to do it”. By definition it is also an iterative process whereby a region continually evaluates and responds to new external and internal circumstances and challenges as well as changes in the goals and desires of its residents. That being said, a strategic plan is exactly that: a plan. The process of “doing” and the process of adjusting and re-focusing lies in the process of implementation. It is one thing to have a plan, it is quite another to make sure the plan is implemented.

In defining an appropriate governance structure, care must be taken to ensure that the approach chosen contributes to essential development efforts and is not overly complicated nor confining on the one hand, nor overly loose and freewheeling on the other.

Broadly speaking within the context of ensuring economic development implementation is as effective as possible, the governance structure should be characterized by the following critical attributes:

1. Flexible, innovative and prepared for change;
2. Having adequate technical expertise to implement programming;
3. Having adequate time and resources to effectively pursue strategic priorities;
4. Clear assignment/delegation of specific responsibilities;
5. Established, ongoing process for reporting, reviewing, and evaluating efforts; and,
6. Implementation by those who are given sufficient authority to complete the job.

## LESSONS LEARNED

Quite clearly the overall governance structure for economic development within the Regional Municipality of Wood Buffalo must build from the input, advice and participation of key regional stakeholders working cooperatively with the Regional Administration to promote and foster broad based and responsible regional economic development within the Municipality. The structure should be premised on creating a strong, inclusive and cooperative approach to regional economic development; an approach that recognizes and builds on the essential contributions and value of each participant and participating organization in this important, though difficult challenge.

## GOVERNANCE PRECONDITIONS WITHIN THE MUNICIPALITY

There already exist certain conditions or considerations within the Regional Municipality of Wood Buffalo that will have an impact on the choice of governance structure, namely:

1. The municipal economic development function is already resident within the administrative and operational structure of the Municipality. While not fully defined in terms of its regional strategy (the subject of this exercise) it is nonetheless part and parcel of the broader municipal strategic planning effort.
2. An MOU was signed with the Government of Alberta (Fall 2007) in which the Municipality became a Regional Economic Development Alliance (REDA) within the Provincial REDA network. Typically a REDA is a representative alliance of communities, stakeholders and interest groups organized to provide leadership in economic development as well as to coordinate, manage and oversee related goals and initiatives. A REDA is eligible to receive funding support from the Province; specifically annual unmatched funding plus up to \$60,000 in matched funding through the Regional Development Branch of Alberta Finance and Enterprise. REDAs are also well positioned to leverage other resources from other provincial departments, governments and organizations.

In addition to these considerations it should be pointed out that the Municipal Economic Development function is relatively new, lacking a historical track record from which it can build.

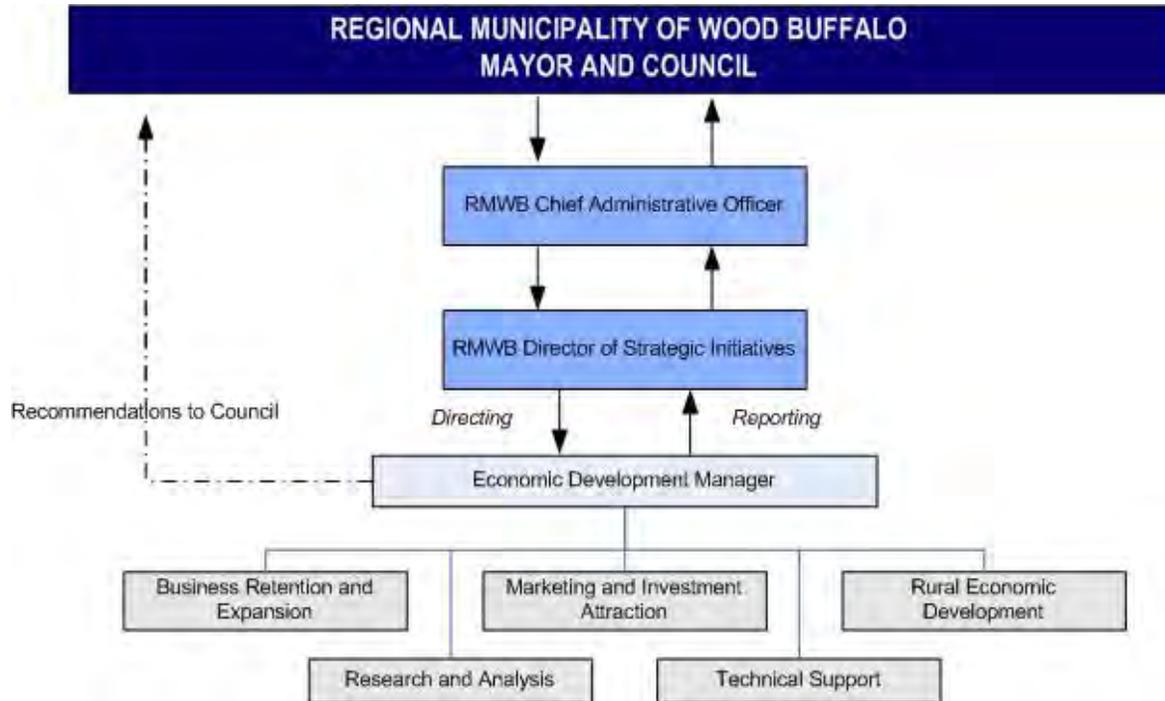
## GOVERNANCE ALTERNATIVES 2

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Within the realm of economic development departments, authorities and organizations throughout Canada and internationally there are a variety of different governance models. In each case the governance approach is one that has been customized to reflect unique community/regional circumstances and to satisfy specific local priorities relative to responsibility, accountability and impact.

In essence there are three different governance formats or broad variations on the same theme: a line department within the Municipality (e.g., City of Red Deer), a public/private partnership (e.g., Calgary, Edmonton), or a private sector driven initiative (in this instance most representative models are US based, e.g. Houston, Texas and Fairfax County, Virginia). Within the context of the first two formats, there are three separate approaches that might realistically be pursued within the context of the Regional Municipality of Wood Buffalo. A brief narrative describing each possibility together with a graphical depiction of each follows.

**MODEL ONE: Economic Development as a Line Department**

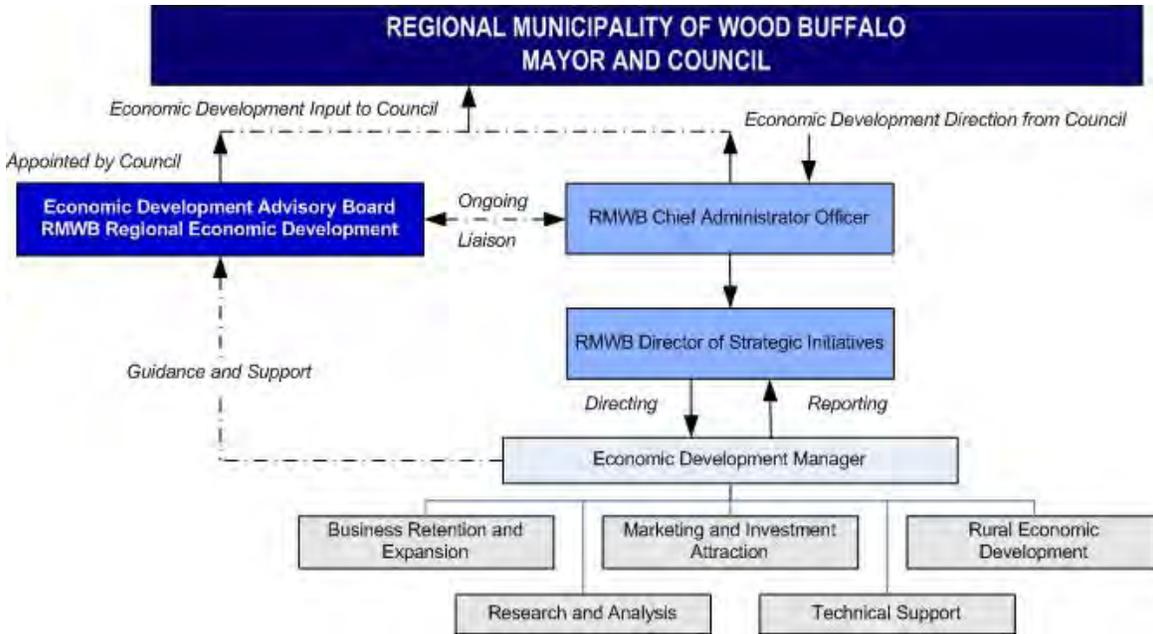


**Overview:** This governance model envisions a fully integrated economic development function within the context of the municipal administration. The function takes its direction from Council and the CAO as any line department would. In practice economic priorities and activities; budgeting, reporting and accountability will be an internal process. While stakeholder engagement/input is not a formal process it is sought on an as needed basis. This model would represent status quo for the Municipality as it closely represents the existing situation.

**Advantages and Disadvantages:**

Advantages:	Disadvantages
<ol style="list-style-type: none"> <li>1. Municipal priorities (Council) take a predominant position in economic development direction and activities.</li> <li>2. There is a clear reporting structure for Economic Development.</li> <li>3. Access to/built in cooperation with other municipal departments/agencies and the services/resources they can bring to the table, e.g. planning.</li> <li>4. Confirmed budgets/resources.</li> </ol>	<ol style="list-style-type: none"> <li>1. Lacks substantive/formal stakeholder input/engagement and collaboration in setting priorities and implementing plans.</li> <li>2. May lack the ability to access funding from federal and provincial programs that may not be readily available to the Municipality.</li> <li>3. Lack of formalized stakeholder involvement may hinder collaborative efforts and reduce partnership opportunities.</li> <li>4. Lack of formalized stakeholder involvement may necessitate the end of municipal involvement in the REDA network.</li> </ol>

**MODEL TWO: Economic Development as a Line Department with Formal Stakeholder Input/Guidance**



**Overview:** Similar to Model One, this governance model envisions a fully integrated economic development function within the context of the municipal administration but also includes ongoing stakeholder engagement/input via a Council appointed Economic Development Advisory Committee. The function takes its direction from the CAO and utilizes Advisory Committee input to ensure programming is focussed, relevant and effective.

**Advantages and Disadvantages:**

Advantages:	Disadvantages
<ol style="list-style-type: none"> <li>1. Close working relationship between Council, Administration and Advisory Committee.</li> <li>2. Provides opportunity for Advisory Committee to gain experience in developing Economic Development initiatives.</li> <li>3. Clear administrative reporting and accountability for Economic Development function.</li> <li>4. Economic Development function can avail itself of internal Municipal supports.</li> <li>5. Confirmed budgets/resources.</li> </ol>	<ol style="list-style-type: none"> <li>1. Lack of clear independence of the Economic Development function.</li> <li>2. Potential for conflict between Board and Municipal administration if their respective positions on economic development matters differ.</li> <li>3. Municipal administrative processes could hinder the ability of the Committee to respond to urgent economic development matters.</li> </ol>

**MODEL THREE: Economic Development Authority (Public Private Partnership)**



**Overview:** This governance model envisions a fully independent economic development function with predominantly Municipal financial support yet only occasional input/advice from the administration (Regional Municipality of Wood Buffalo). The function takes its direction from the Advisory Committee which is appointed by Council and reports back to Council.

**Advantages and Disadvantages:**

<b>Advantages:</b>	<b>Disadvantages</b>
<ol style="list-style-type: none"> <li>1. Advisory Committee activities independent of Municipal bureaucracy and the Municipal political system. Able to handle/undertake projects that might be less politically attractive.</li> <li>2. Economic Development policy input and recommendations are driven by stakeholder interests.</li> <li>3. Independent body would have the ability to access funding from federal and provincial programs that may not be available to the Municipality.</li> <li>4. Independent body would have increased flexibility to access resourcing (financial, human resources, etc) from industry and other stakeholders.</li> </ol>	<ol style="list-style-type: none"> <li>1. Municipal policy input, recommendations and projects are minimized.</li> <li>2. Concerns with initial Advisory Committee capacity to deliver because of inexperience.</li> <li>3. Less accountability for Municipal funding.</li> <li>4. Less cost effective. Independent advisory Committee would require additional funding for recruitment, communications, annual audits, etc.</li> <li>5. Priorities of the Advisory Committee may not coincide with Municipal priorities leading to potential conflict.</li> </ol>

## RECOMMENDED STRUCTURE **3**

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The challenge of achieving successful economic development relies equally on careful strategic planning and proper systems of governance. Throughout this planning effort the consultants have endeavoured to collect and assess a broad array of thoughts, ideas and inputs of concerned stakeholders respecting the Municipality's strategic plan and on how they thought the Municipality should best implement that plan. Further we have combined these inputs with our own research on alternative governance methodologies and best practices and weighed these collective insights with current circumstances within the Municipality. Based on this analysis it is clear that the most effective/appropriate structure for the Municipality at this point in time is:

### **MODEL TWO: Economic Development as a Line Department with Formal Stakeholder Input/Guidance**

This proposed structure offers several notable advantages:

1. It allows time for building and establishing the capacity to effectively undertake critical economic development initiatives;
2. There is a clear assignment/delegation of responsibilities;
3. There is sufficient resources and confirmed budgets to effectively pursue strategic priorities;
4. There is a transparent process for reporting, reviewing, and evaluating efforts;
5. It satisfies REDA pre-requisites and allows for a ready and immediate delivery of critical REDA programming,
6. There is a built in relationship with essential Municipal departments and divisions; and
7. It gives sufficient authority to complete the job.

Under this model an advisory committee would be established through enactment of a Municipal Bylaw. The bylaw would establish specific parameters around the mandate of the committee along with its level of authority and membership.

### **MANDATE**

Simply stated, the purpose of establishing an advisory committee is to have a formalized process whereby the Municipality can engage relevant stakeholders to receive feedback and advice as it looks to implement the Wood Buffalo Regional Economic Development Strategy. Such a

mechanism is based on regional economic development best practices which show that the most successful regional economic development efforts are those that are based on cooperation and collaboration between organizations that have different, yet complimentary roles to play.

The establishment of an economic development advisory committee will constitute an efficient and valuable tool to ensure that the Municipality's economic development efforts are being directed toward those initiatives that have the greatest potential for maximum regional benefit. Specific matters that would fall within the purview of the advisory committee will include:

1. To act as a sounding board and provide feedback concerning the implementation of regional economic development initiatives;
2. To act as the REDA governing body and provide guidance in the establishment of REDA priorities;
3. Utilizing the appropriate administrative process provide economic development related advice to Municipal Council and the Manager of Economic Development;
4. Encourage the development of regional economic development initiatives aimed at strengthening the local business base;
5. Promote the Regional Municipality of Wood Buffalo as a destination of choice to live, work and do business; and
6. Assist with the identification of opportunities for economic diversification.

## **AUTHORITY**

The primary role of the advisory committee will be as a provider of feedback and advice and as such does not require a significant level of autonomy. However, the committee should be entrusted with some level of authority especially when concerning matters of the REDA. While the advisory committee would not have any direct role to play in the direction of Municipal staff it would be required to provide input into the development of annual REDA operational plans.

As per REDA funding arrangements the REDA must design an annual operations plan that is based on the goals and objectives as set out in the Wood Buffalo Regional Economic Development Strategy. With assistance from the Economic Development branch the advisory committee would identify those initiatives that it deemed to be of priority and suggest estimated budgets to be allotted to each initiative utilizing any REDA grant funding that may be available. However, financial tracking and municipal budgeting processes would continue to fall within the responsibility of municipal administration. Also, the advisory committee would be limited to suggesting assignment of only those funds that have been accessed through REDA grant processes. No additional municipal operating funds outside of the REDA grant funding would be allotted to specific initiatives unless approved of through regular municipal administrative processes.

**MEMBERSHIP**

The advisory committee should consist of 12 – 15 members that would be appointed by the Municipality through a competitive application process. Committee members must be able to demonstrate the required skill set and level of experience that would be necessary to ensure effectiveness as a member of the advisory committee. In order to ascertain whether a specific candidate exhibits the required qualifications prospective candidates would be required to submit an expression of interest to become a member of the committee. The submissions would then be vetted through an established process whereby the most suited candidates would be selected to be appointed to the advisory committee.

Appointments would be for a duration of 2 to 3 years and a mechanism should be built in to ensure some degree of continuity in the committee. Appointments would be based on individual suitability and “best fit” with the desired committee make up. The exact make up would be established prior to advertising for expressions of interest and candidates would be asked to specify those positions for which they are applying. A potential committee make up could consist of the following:

<b>Municipality (1 Council, 1 Senior Admin)</b>	<b>Tourism (1 Representative)</b>
<b>Business (1 Aboriginal, 1 Non-Aboriginal)</b>	<b>Transportation (1 Representative)</b>
<b>Industry (1 Mining, 1 Insitu)</b>	<b>Health (1 Representative)</b>
<b>First Nations (1 Representative)</b>	<b>Education (1 Representative)</b>
<b>Metis (1 Representative)</b>	<b>Rural Hamlets (1 Representative)</b>
<b>Business Support Services (1 Representative)</b>	<b>Provincial Government (1 Representative)</b>
<b>Member at Large (1 Representative)</b>	

In order to ensure openness and transparency in the appointment process the Municipality would advertise which positions are being recruited and which specific qualifications candidates are to be judged upon. For example, prospective candidates for a position as a business representative may be required to demonstrate membership in either the Fort McMurray Chamber of Commerce or the Northeast Alberta Aboriginal Business Association as a minimum requirement to be appointed to the advisory committee as a business representative.

It should also be noted that since the advisory committee will be entrusted with information that may be of a sensitive nature utmost care should be taken to ensure appointees subscribe and adhere to a Code of Conduct that specifically outlines policies and procedures concerning committee communications, confidentiality and other forms of acceptable conduct.

## **COST**

In order to ensure the successful establishment the advisory committee the municipality will need to incur costs aimed at incorporating a committee development strategy. Such costs may include advertising, travel, consulting fees, legal fees, etc. While these costs may be somewhat significant they should fall within the responsibility and current budget levels of the Economic Development Branch. As such it is anticipated that no additional funds will be required in the 2010 fiscal year. Furthermore, it is expected that committee development activities will be an acceptable use of REDA funding and many costs associated with committee establishment may be off set through the REDA grant funding process.

On a go forward basis the Economic Development Branch must budget additional funds for committee meetings, committee member travel, committee development, etc. These costs should not be extraordinary but will constitute the Municipality's investment into developing a strong and constructive regional economic development function.

Finally, it should be noted that based on current staffing levels the Economic Development Branch has the capacity to undertake the necessary committee development activities. However, as the committee and the economic development function develops and begins to implement broader and more complex initiatives it will become necessary to increase staffing levels in order to take full advantage of regional economic development opportunities and provide the best return on investment. While the advisory committee should be encouraged to help identify needs regarding specific skill sets, any potential increases in staffing levels will fall strictly within the realm of the municipal budgetary process.

## **FUTURE DEVELOPMENT**

Economic development is a decidedly long term process and as such it is often prudent to review all organizational process including systems of governance on a regular basis. At regular intervals each internal process should be evaluated on the basis of activities, results and value. Within this context it is conceivable that the system of governance might change in the future as the organization gains more experience and as municipal priorities and interests evolve.

As such it is recommended that the governance system be monitored over a period of three years and be reviewed after the completion of the three year period. If warranted the Municipality may desire to adjust the role of its economic development advisory committee or as has been the case in many jurisdictions, move toward a more autonomous economic development authority.

## Attachment 3: Stakeholder Engagement

<b>STAKEHOLDER WORKING GROUP (SWG)</b> <i>External Stakeholders</i>		
<p><b>Jim Foote</b> Keyano College</p> <p><b>Cliff Maron</b> Urban Development Institute of Wood Buffalo</p> <p><b>Debbie McGlenen</b> Urban Development Institute of Wood Buffalo</p> <p><b>Sally Warford</b> Fort McMurray Regional Airport</p> <p><b>George Brosseau</b> Alberta Finance &amp; Enterprise</p> <p><b>Diane Farkouh</b> Oil Sands Developers Group</p> <p><b>Susan Shave</b> Alberta Employment And Immigration</p>	<p><b>Ron Huppie</b> Northeast Alberta Aboriginal Business Association</p> <p><b>Randy Edison</b> Community Futures Wood Buffalo</p> <p><b>Cheryl Alexander</b> Northeastern Alberta Aboriginal Business Association</p> <p><b>Denise Barrow</b> Fort McMurray Tourism</p> <p><b>Tony Punko,</b> Wood Buffalo Métis Corporation</p> <p><b>Clay Buchanan</b> Alberta Employment and Immigration</p>	<p><b>Dave Kirschner</b> Northern Alberta Development Council</p> <p><b>Jacob Irving</b> Oil Sands Developers Group</p> <p><b>Margaret Whiteknife</b> Economic Development, Athabasca Tribal Council</p> <p><b>Mike Linn</b> Northern Lights Health Region</p> <p><b>Ted Doleman</b> Fort McMurray Chamber of Commerce</p> <p><b>Ross Jacobs</b> Community Futures Wood Buffalo</p>
<b>MUNICIPAL RESOURCE TEAM (RT)</b> <i>Internal Resources from the Municipality</i>		
<p><b>Jeff Penney</b> Economic Development</p> <p><b>Henk Van Wass</b> Assessment &amp; Taxation,</p> <p><b>Darcy Elder</b> Public Works</p> <p><b>Carole Bouchard</b> Family and Community Support Services</p>	<p><b>Marcel Ulliac</b> Strategic Initiatives</p> <p><b>Salem Abushawashi</b> Engineering Services</p> <p><b>Suzanne Hutchings</b> Labour Relations &amp; Compensation</p> <p><b>Laurene Viarobo</b> Planning &amp; Development</p>	<p><b>Glen Smith</b> Parks &amp; Recreation</p> <p><b>Andrew Stuckey</b> Communications</p> <p><b>Dennis Peck</b> Planning &amp; Development</p> <p><b>Patty King</b> Finance</p>

## **Community Sessions**

Anzac	January 14, 2009
Conklin	August 10, 2009
Fort Chipewyan	April 8, 2009
Fort MacKay	January 13, 2009
Fort McMurray	January 21, 2009
Fort McMurray	January 19, 2009
Janvier	May 20, 2009