



Mackenzie County

*Economic Development
Strategy*

2016-2020

INNOVISIONS
— & ASSOCIATES

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PROPRIETARY NOTICE

This Economic Development Strategic Plan was prepared by InnoVisions *and Associates* (InnoVisions) for Mackenzie County. The professional opinions within this document are based on information and conditions that existed at the time the work was completed. This document relies on the accuracy of existing County documents supplied by the County as well as subjective content gleaned through interviews with individual businesses and community residents. In some instances, InnoVisions could not, and therefore did not, verify information supplied by others. If the information seemed reasonable it has been added to the document. Where possible, every attempt to verify information was made. Neither InnoVisions nor its subcontractors shall be responsible for actions taken by the County based on the information provided herein.

Executive Summary

The future has a habit of arriving unannounced.

~ George Will

Mackenzie County, Alberta's largest municipality, is home to three particularly vibrant industries: oil and gas; forestry; and agriculture. There is a substantial opportunity to capture more 'value' locally, to expand the knowledge, products and services that are available close to home, and to increase economic benefits to regional businesses and Mackenzie County residents. To achieve this, InnoVisions *and Associates* has developed a regionally focused Economic Development Strategy with which the County Council and staff can align their strategic vision and coordinate their actions to achieve growth and prosperity.

Mackenzie County's Economic Strategy (EDS) encompasses the *entire* Mackenzie region. There is strategic focus on efforts to coordinate and build synergy amongst all of the communities within Mackenzie County including La Crete, Fort Vermilion, Zama City (as well as Rainbow Lake) and High Level.

The Mackenzie region is a complex micro-economy, where shared northern and somewhat remote geography is both an opportunity and a challenge. Defined political boundaries combined with distinctive culture, history, and contrasting community values have inspired strong and diverse companies and institutions. Many of these have a global reach which is a good thing for trade. There is, however, a lack of integration of the cultural communities in the County, and this has inevitably led to myopia, limited regional planning, and lack of awareness of projects that could support the growth and prosperity of the collective business community.

The regional trade population is close to 25,000 people. That is important to note because businesses thrive and grow in inclusive trade populations with little acknowledgement of political boundaries. What may be outside the jurisdiction is not necessarily outside the trade population calculation. For businesses to grow locally they need to trade well with their neighbours. This means interaction between the diverse communities of the region for the betterment of all.

For businesses to thrive and grow, government must be flexible enough to sometimes lead and sometimes follow. It is important for Council to recognize the difference between governance (leadership, strategic vision and direction, policy formulation, etc.) versus operations (the actual strategic into tactical development and implementation of the Council's directives) and how and when they apply to regional cooperation. And it is cooperation that needs to be achieved for the opportunities to be realized.

To capitalize on the available opportunities and offset the challenges, Mackenzie County staff and Council have the capacity and the resources to ACT: Advocate, Champion and Team Up.

Advocate: In the role of advocate, the County can leverage their collective voice and resources for various project champions to be more effective, expand participation, draw new investment, reach new partners, and access provincial and/or federal dollars etc. Some examples of how the County can be an effective Advocate are:

- Support the Fort Vermilion School Division's (FVSD) unique Home Building Program and connect it to the Street Scape Project. This school program could provide options for students to build the street scape items and thereby build capacity in so many ways, including: trade force development; skills development; self-sufficiency; entrepreneurship;... and the list goes on.
- Connect the construction of the proposed Fort Vermilion Seniors facility to the Home Building program for the same reasons as above.
- Link the Fort Vermilion School Division's unique Farm Program to the Mackenzie Applied Research Association (MARA) projects for agriculture support of the students' 'farm' business, greenhouse and cattle operations.
- Improve connectivity via Broadband. This is a critical issue for businesses and it must be addressed. The County could work with the Regional Economic Development Initiative (REDI) in support of broadband ongoing research and evaluation next steps to support infrastructure development.

Taking an Advocacy role allows the County to be the conduit for change and improvement by connecting resources and people to each other. Successful Advocacy results in lasting social and economic benefit to the region at little or no cost to the County.

Champion: In the role of 'Champion' the County will lead with strategic direction and provide resources (people, time and budget) to implement projects or processes. For example, the County would be wise to champion infrastructure for business development.

It is critical to Champion projects that create the conditions for businesses to invest in the region (shovel ready land options, new lagoon investment, expanded/new water treatment facility for La Crete, address the air transportation changes and flight restrictions, etc.). Other initiatives to Champion include:

- Champion a regional buyer-supplier network. There are over 450 business in the County alone, combined with High Level and Rainbow Lake there is the ability to increase awareness and interaction between regional consumers. It is important to note that the indigenous population represents over 7,800 individuals both as business owners and consumers within the region.
- Research the Mackenzie Hwy. business park just outside of High Level where the County already owns land. This business park presents an opportunity along the rail line and the highway, and

is close enough to services to be attractive to new greenfield development. Confirm and target input from businesses interested in expanding.

Team Up: The County can collaboratively team up with other organizations' projects and processes. Especially get involved with those that support business retention and new investment, or lessen challenges such as business' access to employees, to profitability and/or to market. Some examples of ways to Team Up are:

- Speak with regional organizations about their existing or upcoming projects. Any organization, whether it is a volunteer group or paid professional social supports, working for the betterment of the community has potential for partnership; if not directly with the county, then at least they can Team Up with each other.
- Support businesses, organizations and/or institutions that are caught in bureaucracy that affects their budget and/or service delivery.
 - For example, Alberta Health Services Zone #1 and the Fort Vermilion School Division (FVSD) are both working on plans to secure more regionalized academic programming. They both devote substantial budget and energy to employee attraction and retention. Explore how the County could expand involvement in their endeavours to attract and retain more skilled workers. The County could Team Up to lobby the provincial government to provide access to satellite training facilities in the County. Connecting volunteers with a passion for education into the mix will provide more political pull and ensure that the community supports the goal.
- Collaborate on Northern Alberta economic development initiatives.
 - Team Up to access funding for the necessary work to be done to compile an inventory assessment of tourism assets and complete a feasibility study for the creation of a signature event. Leverage partnerships to gain access to new provincial and federal funding programs that link to infrastructure, Aboriginal economic partnerships, business research and development programs, etc.

The Economic Development Strategy for Mackenzie County focuses on three core goals:

1. Foster an environment that supports existing businesses with a focused business retention and expansion program;
2. Establish an entrepreneurial spirit in the community with an Investment Opportunity Marketplace that supports new local businesses, and community projects, by utilizing local investors' funds; and
3. Focus the energy around Tourism Development to first understand the markets you have and then work longer term on the attraction of those markets.

The first goal, business retention and expansion (BR&E), is a foundational strategy. The objective is to keep the businesses you have while supporting their interest in expanding and attracting new investment and new markets. Within the BR&E strategy, one goal is to consistently complete business

visits with the intention of establishing a relationship with business owners, while progressively tracking employee numbers, company products and services, business challenges, intentions and/or future markets, etc. It is important to note that the only way to collect data from the business visits is to ensure confidentiality. Data gathered from business visits can provide invaluable information for policy development, Land-use bylaws, taxation considerations, issues (red flags) and new investment potential.

The second goal is to create an Investment Opportunity Marketplace. There is wealth available and investors interested in investing in local businesses and/or projects. The County can champion development of an investment consortium, where local investors can invest in local businesses, organizations or in an individual's project. There is a keen interest from locals to invest in personal passions and/or businesses within the region. The projects could be as simple as an investment in a local school project, or a Streetscaping item, right up to a shares offering in a large facility such as the oat processing mill. This goal will lead finding champions to mentor, coach and help grow the entrepreneurial ideas into bricks and mortar firms. It will also develop new ways to support and fund not just new business to keep it in the community, but also community projects that develop overall economic capacity for the region.

The third goal is to focus the energy around Tourism development. This goal aligns well with the provincial government's mandate to diversify the economy. But Mackenzie County is cautioned that to become a true 'tourist' destination is a long process of building attractions and creating demand for what you have to offer. We recommend that you first complete an inventory of visitor assets in the region (with a corresponding consideration of what it will cost to bring those assets to a high standard), and a market demand analysis for each asset. Secondly, instead of trying to attract 'tourists', Mackenzie County should focus on 'visitor' attraction to the region. With the bulk of your visitors coming from within the northern region, and along the highways, it makes most sense to first become an exceptional service stop. Finally, the County is urged to consider a signature event and to start small and let it grow by finding a champion to push the idea.

The Mackenzie County Economic Development Strategy (EDS), as proposed, can be implemented by the current Planning and Economic Development personnel, provided that there is maximum alignment among municipal and regional organizations & institutions. The EDS includes short and long-term goals with corresponding action items and a projected budget for implementation purposes.

The Mackenzie region's economic composition is changing. The regional GDP from oil and gas is expected to slow down and perhaps disappear within thirty years. The Lower Peace Framework plan could have substantial impact on both the forestry industry and the First Nations population. To position the Mackenzie region as a dynamic and powerful economic location requires a strategic effort to proactively leverage the entire trade region of people, ideas, networks, expertise, and entrepreneurs to ensure a sustainable region. Mackenzie County has the resources and the opportunity to A.C.T. now and create a sustainable future.

1.0 Introduction

The purpose of the Mackenzie County Economic Development Strategy (EDS) is to be a three to five year strategic and operational plan. The EDS strives to align County policy and day-to-day activities of the Economic Development Department with economic renewal and sustainability.

1.1..An Economic Development Strategy

Prior to engaging InnoVisions, Mackenzie County had created a Vision, Mission and Organization Values as stated below.

Vision

An enhanced quality of life, choices in community opportunity and a healthy economic climate.

Mission

Through the effective use of resources, provide a reasonable, and equitable level of service, and endeavor to create a sustainable economic climate.

Organizational Values

Efficient, fiscally responsible organization that is sincere and approachable, treats people with respect and maintains a high degree of integrity.

All three foundational statements tie into the overarching theme of the 2016 EDS which is for Council and staff to focus efforts, resources, policies, and programs on coordinating and amplifying activities to achieve a common vision that benefits the *entire* Mackenzie Region.

The Mackenzie Region's economic engines are in flux. The County must strategically respond to the challenges and opportunities facing their businesses, and ultimately their residents, by working with surrounding neighbours and institutions to build on regional assets and emerging opportunities within the trade region. This includes the hamlets of Zama City, La Crete, and Fort Vermilion, and the towns of High Level and Rainbow Lake, even though each have their own political jurisdictions. The County includes more than the 11,750 residents, but also the 25,000 individuals who live, work and play in the region. This trade population is relevant to business, and presents an opportunity for more regional value-chain development.

The Mackenzie region is a complex micro-economy, where the somewhat remote geography is both an opportunity and a challenge. Mackenzie County is Alberta's most northern County, with a land mass equivalent to the entire province of Prince Edward Island, but far fewer people.

The people that live in the region are four distinct cultures (First Nation, Métis, Ukrainian, and Mennonite, each with their own distinctive culture, history, and community values. Each group has inspired strong and diverse companies and institutions, some with a global reach, but the lack of interaction with each other has inevitably led to myopic, limited regional planning, and lack of awareness of projects that could support the growth and prosperity of the collective business community.

1.2 Opportunity Assessment

The Mackenzie County EDS recognizes the wealth of knowledge, expertise, and personal passion that exists among the business community, regional organizations, County staff and Council. InnoVisions' process included a strong emphasis on consultation. We interviewed over 82 individuals, while engaging an additional 30 people in focus groups and/or online surveys. Focused efforts were made to engage relevant Mackenzie region stakeholders as well as individuals and institutions not deemed as 'traditional' partners in economic development projects.

The EDS mirrors the strengths, weaknesses, opportunities and threats (SWOT) as presented by regional stakeholders and business. From the community consultation, opportunities were further assessed and strategies developed to reach the goals stated.

1.2.1 Opportunities and Challenges: What we Heard

The following opportunities and challenges were the most frequently stated by individuals interviewed within the region.

Table 1: Opportunities and Challenges - What we Heard

Opportunities Identified	Challenges Identified
<ul style="list-style-type: none"> Value-added, agriculture products 	<ul style="list-style-type: none"> Cost and availability of logistics
<ul style="list-style-type: none"> Value-added, wood products 	<ul style="list-style-type: none"> Cost and consistency of utilities: power, gas, and water
<ul style="list-style-type: none"> Oat processing facility 	<ul style="list-style-type: none"> Inconsistent internet and cell service
<ul style="list-style-type: none"> Organic grains 	<ul style="list-style-type: none"> Distance to market, movement of goods is expensive
<ul style="list-style-type: none"> Selling more products and services within the region 	<ul style="list-style-type: none"> Lack of recognition of First Nations (FN) as a key consumer and potential partner
<ul style="list-style-type: none"> Green energy 	<ul style="list-style-type: none"> Limited collaboration with County neighbours: High Level, First Nations, etc.
<ul style="list-style-type: none"> Tourism; eco-tourism, Aboriginal tourism, and historic tourism 	<ul style="list-style-type: none"> Lack of regional 'products' to create a tourism package, yet many think tourism is the magic bullet for economic growth
<ul style="list-style-type: none"> "Grow local talent" through expanded local trade training programs, university extension programs, etc. Build on the Zone 1 AHS and FVSD workforce attraction and retention programs. 	<ul style="list-style-type: none"> Issues with employee attraction and retention, especially in health care, education, and professional services (e.g., engineers, accountants, lawyers, etc.)
<ul style="list-style-type: none"> Entrepreneurial spirit 	<ul style="list-style-type: none"> Tax assessment process is inhibiting new investment; in several cases it actually stopped

Opportunities Identified	Challenges Identified
	new investment; perception of inequitable treatment and assessment for similar firms
<ul style="list-style-type: none"> Diverse companies with a global reach 	<ul style="list-style-type: none"> Tax levies on new development and business expansions need to be consistent and better understood

Source: InnoVisions and Associates, comments extracted over 82 interviews conducted between September 2015 and April 2016

1.2.2 Opportunities and Challenges: What has Potential?

The following table is a snapshot of additional opportunities and challenges identified based on regional assets and emerging trends. In each case, the opportunity would need to be further researched and validated, partnerships confirmed, and a champion found to coordinate or spear-head the project. Several of these opportunities have been further researched and recommendations provided within the EDO's action plan.

Table 2: Opportunities to Link to Strategies – Challenges Identified

Opportunities Identified	Challenges Identified
<ul style="list-style-type: none"> New provincial and federal programs, and processes to support infrastructure development, Aboriginal business, partnerships and. 	<ul style="list-style-type: none"> No notable pending public-private partnerships (P3s) with First Nations.
<ul style="list-style-type: none"> Broadband research program (provincial government). Support the REDI process underway. 	<ul style="list-style-type: none"> Within the AHS Zones made key operational and staff decisions are made in Grande Prairie, and not made within the region. Misunderstanding and mistrust is creating additional issues.
<ul style="list-style-type: none"> Biomass study, provincial government looking for five communities to participate, minimal investment of \$5,000. Consider wood and agriculture fiber. 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> Supply more products and services to the 'real north'. A market of over 80,000 people is just to the north of the County. Market products and services from Mackenzie Region as a whole. 	<ul style="list-style-type: none"> The capacity to extend Highway 58 through from Rainbow Lake to Fort Nelson, B.C. and link up to the Alaska Hwy. is opposed by the B.C. government.
<ul style="list-style-type: none"> Fort Vermilion School Division's (FVSD) alternative programming (FV Housing program, Rocky Lane Farm project, etc. can be expanded to support County initiatives, Streetscaping, etc.). 	<ul style="list-style-type: none"> Political jurisdictions are focused on their own mandates, not that of the trade population.
<ul style="list-style-type: none"> Create a business retention and expansion program to support County business, for example activities to increase more regional B2B (business to business) and B2C (business to consumer) transactions. Create a regional business directory. 	<ul style="list-style-type: none"> Loss of flights to Rainbow Lake and reduction of consistent flights to/from High Level is hurting business.
<ul style="list-style-type: none"> Consider an 'Investment Pool Marketplace', with local investors investing in local businesses and/or projects. 	<p>Perception that the County is not 'pro-business'. There is limited interaction with major business (tax payers), projects that did not proceed. E.g., the Grow North bio-fuel plant, or collapsed (hog barn). Unfortunate loss, more importantly makes regional investors nervous.</p>

Opportunities Identified	Challenges Identified
<ul style="list-style-type: none"> Consider the boreal forests' potential for pharmaceutical development in conjunction with a university pharmaceutical program in research. 	
<ul style="list-style-type: none"> Value-chain potential for alternative energy. Lithium is in the County and vanadium in the neighbouring County. Both have potential for use in alternative energy storage batteries. 	
<ul style="list-style-type: none"> Leverage the talented wood workers and carpenters in the region. Link their skills to a substantial identify, (like Douglas Cardinal) to design branded icon, link to the FVSD. e.g. log cabin play houses. 	
<ul style="list-style-type: none"> Investment attraction, focus on friends and family ties from Bolivia, Germany, Holland, etc. Themed events/trade missions. 	
<ul style="list-style-type: none"> Capitalize on Mackenzie Applied Research Association (MARA), leverage their partnerships. 	
<ul style="list-style-type: none"> Generate revenue through regional utility provision partnerships. For example, a regional water system for the County, HL, and FN. 	<ul style="list-style-type: none"> Substantial political barriers and cost for liability and maintenance
<ul style="list-style-type: none"> Supply more products and services to the 'real north'. A market of over 80,000 people is just to the north of the County. Market products and services from Mackenzie Region as a whole. 	<ul style="list-style-type: none"> The capacity to extend Highway 58 through from Rainbow Lake to Fort Nelson, B.C. and link up to the Alaska Hwy. is opposed by the B.C. government.

Appendix A: Situation Analysis, SWOT

2.0 Mackenzie County: Roles, Responsibilities and Recommendations

To capitalize on the opportunities and offset the challenges, Mackenzie County staff and Council have the capacity and resources to ACT: Advocate, Champion, and Team Up. It is important for Council to recognize the difference between governance (leadership, strategic vision and direction, policy formulation, etc.) versus operations (the actual strategic into tactical development and implementation of Council's directives).

2.1 Advocate, Champion, and Team Up (ACT)

The following content provides a number of different projects that will inherently support business, diversify the business mix in the County and support the entire trade region.

Advocate: In the role of advocate, the County can leverage their collective voice and resources for various project champions to be more effective, expand participation, draw new investment, reach new partners, access provincial and/or federal dollars, etc. For example:

- **Advocate for business.** There is opportunity to support businesses in challenges they face. Information gathered from primary business interviews will often present issues that impact businesses' profitability, affect their ability to expand or to even stay in operation. For example,
 - **Support the Regional Economic Development Initiative (REDI) broadband project.** Business values the ability to link to and leverage broadband and connectivity. The province has launched a broadband project. Improving connectivity within the Mackenzie region is a critical need that must be addressed for businesses to remain current and competitive.
 - **Support the Fort Vermilion School Division's (FVSD's) unique Home Building and Rocky Lane Farm Programs.** The FV Home Building Program could provide an opportunity to link to building the Streetscaping items, and even supporting the construction of the proposed Fort Vermilion Senior's facility. In addition, the County could link Mackenzie Applied Research Association (MARA) to the FVSD Rocky Lane Farm projects for agricultural support of the students' 'farm' business, greenhouse and cattle operations. Both projects have a business and social economic value-added opportunity for expansion.
 - **Review the tax assessment process.** Whether factual or just perceived as being inconsistent, it is impacting potential business expansion and new investment. The County can implement new transparent processes to ensure this situation improves, and is pro-business. Build communication messaging around this activity.
 - **Become business ambassadors.** Business is caught in an economy where the price of oil has led to over 100,000 layoffs in Alberta, the Canadian dollar is exceptionally low and Alberta has two brand new governments to contend with. There are challenges for businesses and the firms need support. One example is of a large business caught between provincial regulations (environmental) and existing infrastructure bottlenecks. Collectively with the province, the MLA, and the business, the County can come alongside the company to work towards a solution. E.g., La Crete Sawmills, environmental fines versus alternative energy options.
 - **Host a round table forum on 'retooling in an economic downturn' for the oil and gas industry.** How will companies keep the employees they worked so hard to attract? There are organizations, such as the Business Development Bank of Canada (BDC), that have speakers to present diversification options.
- **Advocate for the Aboriginals.** There are 7,800 individuals who are on reserve FN residents. They are buyers and suppliers of goods and services, they contribute to both the social and economic development in the region. Yet their numbers are not reflected in census documents and/or regional goals. Wherever possible support the First Nations (FN); build bridges and develop relationships with the County's largest customer base. It is important to utilize regional champions known and respected by the FN to begin to build new relationships, and/or partner with service providers such as the Fort Vermilion School Division (FVSD) who already work with FN. For example:
 - With the FN discuss how the County could work with them to lessen the impact of the Lower Peace Regional Plan – Land-use Framework which could substantially affect Forestry Management Agreement #23. Work alongside FN neighbours and support them in retaining

- their quality of life and economic sustainability, (e.g. the new land-use restrictions proposed by the provincial government could take away the Little Red River Cree's ability to log and/or generate income through the forestry industry. Ultimately this could impact some of the County's forestry employers who have had working agreements in place with the FN since 1995.)
- There are over a dozen new provincial and federal government programs that support FN and Métis partnerships, economic development projects and/or infrastructure development.

Champion: In the role of 'champion' the County will lead with strategic direction and provide resources (people, time and budget) to implement projects or processes.

- **Champion infrastructure for business development.** Champion projects that create the conditions for business to invest in the region (shovel ready land, new lagoon investment, expanded/new water treatment facility for La Crete, address the air transportation changes and flight restrictions, etc.).
- **Champion an investment consortium, where local investors can invest in local businesses, organizations or individual projects.** There is a keen interest from locals to invest in personal passions and/or businesses within the region. There is wealth available to make such investments. Be the conduit.
- **Champion a regional buyer, supplier network.** There are over 450 businesses in the County alone, combined with High Level and Rainbow Lake there is the ability to increase awareness and interaction between regional consumers. More regional interaction between business will lessen will likely increase profitability as transportation costs will potentially drop on local products. It is important to always be mindful that the indigenous population represents over 7,800 individuals both as business owners and consumers within the region.
 - In the proposed LUB revisions, strategically review population growth nodes and their future needs. For example, Blue Hills is growing rapidly, there is new business investment within the area. In a ten to twenty year window, consider what else is needed. Shuswap Lake was originally summer cabins that over years attracted business to support first part time and then full time residents. When the cottagers first came, Salmon Arm was a small community similar in size to La Crete.
- **Champion a business retention and expansion program.**
 - Develop and implement programs to increase more business to business (B2B) and business to consumer (B2C) transactions in the region. Have a regional business directory list products and services.
 - There are close to 25,000 consumers in the region and over 470 businesses, create more awareness and interaction between regional consumers.
 - **Research the Mackenzie Hwy. business park just outside of High Level where the County already owns land.** This business park presents an opportunity along the rail

line and highway. It is close enough to services to be attractive to new greenfield development. Confirm and target input from businesses interested in expanding. Accolades for already having a revenue sharing agreement in place.

Team Up: The County can collaboratively team up with other organizations' projects and processes. Especially get involved with those which support business retention and new investment, or lessen challenges such as businesses' access to employees, to profitability and/or to market.

- **Talk with regional organizations about their existing or planned projects.** Any organization, whether it is a volunteer group or paid professional social supports working for the betterment of the community, has potential for partnership. If not directly with the County, at least with each other.
- **Team-up and support organizations that are caught in bureaucracy** that impacts their budget and/or service delivery: Alberta Health Services Zone #1 and the Fort Vermilion School Division (FVSD) are both working on plans to secure more regionalized academic programming. They both devote substantial budget and energy to employee attraction and retention.
 - Explore how the County could support these institutions, and/or expand involvement in their endeavours to attract and retain more skilled workers, and lobby provincial government to provide access to satellite training facilities in the County. Connect volunteers with a passion for education into the mix to increase political pull and ensure that the community supports the goal.
- **Collaborate on Northern Alberta economic development initiatives.**
 - **Clearly define the purpose and roles of regional organizations and institutions.** Understand, who is working on what and how the outcome will benefit the Mackenzie Region. Recognize and support regional partnership roles. REDI is a good resource to support regional research, and regionally market the Mackenzie region outside of "political boundaries which at times are only fault lines for business growth".
 - **Seek collaboration in funding.** Capitalize on the new provincial and federal programs supporting infrastructure development, science/technology research and development and aboriginal economic development.

3.0 Economic Development Strategies

Based on the opportunity identification, and an assessment of County assets and champions, three core economic development goals have been selected as having the highest potential for supporting existing business while preparing for new investment within the County.

The goals are to:

1. Foster an environment that supports existing businesses with a focused business retention and expansion program;
2. Establish an entrepreneurial spirit in the community with an Investment Opportunity Marketplace that supports local new businesses and community projects, utilizing local investor funds; and
3. Focus the energy around Tourism Development to first understand the markets you have and then work on the attraction of those markets.

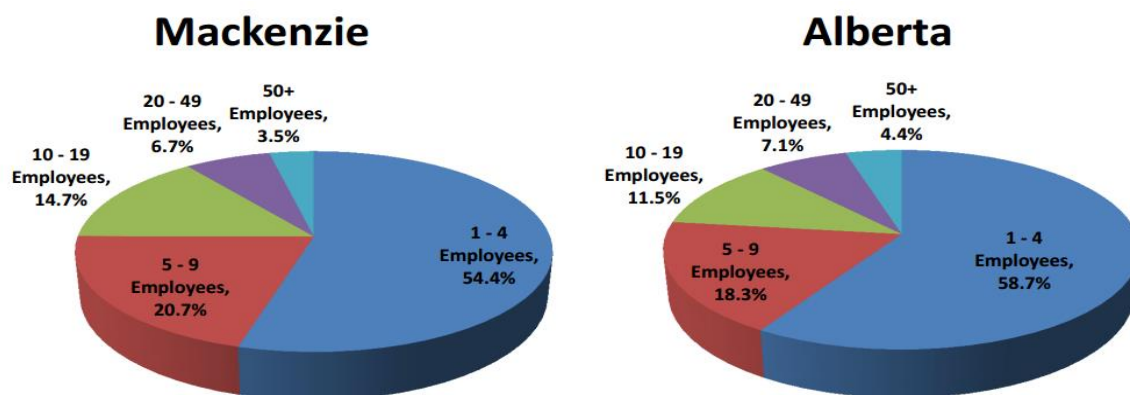
3.1 Foster an environment that supports existing businesses with a focused business retention and expansion program.

Discussion

A foundational economic development strategy is business retention and expansion. As a conventional strategy it is important to recognize the ‘lifetime value’ of existing businesses, which represents the incremental impact of a business in a community: the staff they employ; the taxes they pay; the services or products they offer; the other businesses they do business with; the relationships they build with customers; and the social projects, events and activities they donate to, and participate in within the community. The Economic Developer’s Association of Canada (EDAC), reports that an estimated 70 to 80% of all business growth comes from businesses already located in a community.

The County’s business, similar to the rest of Alberta is small business under 5 employees.

Figure 1: Mackenzie County’s Business, Based on Employees (2011)

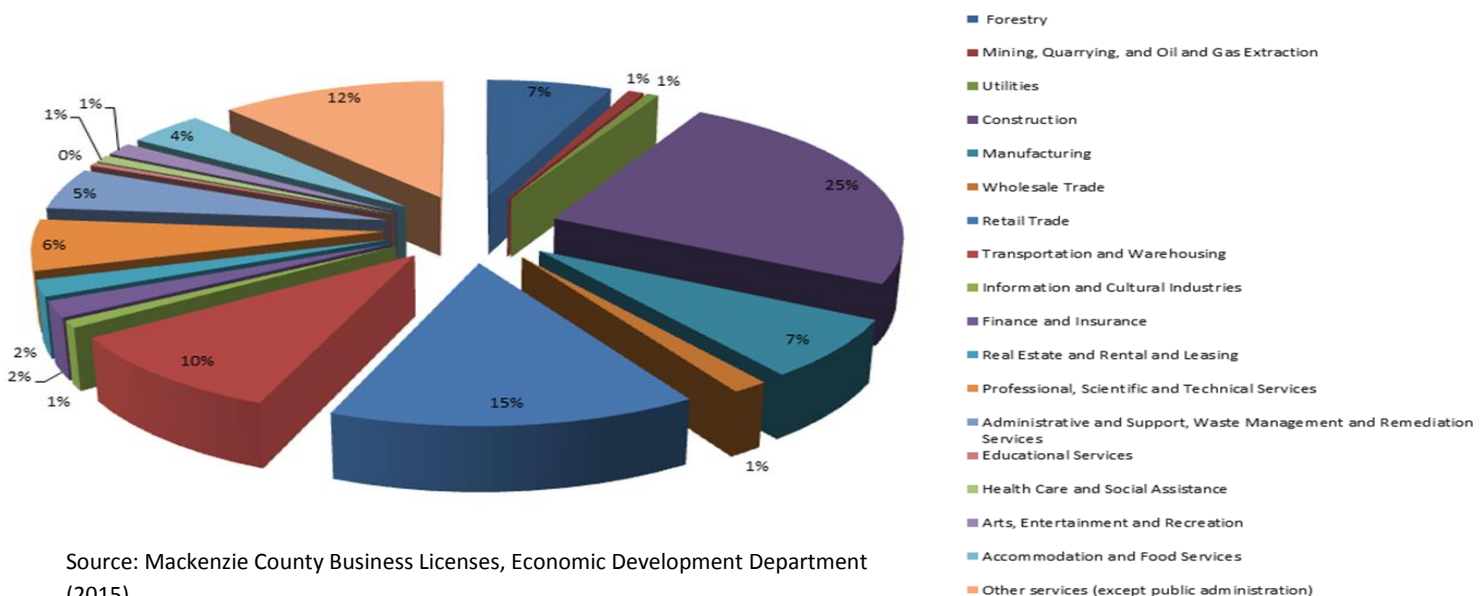


Source: Statistics Canada’s Business Register (2011)

There are dozens of provincial and federal government programs available that could benefit small business, yet most often the business are not aware of the programs. The opportunity to meet with County business on a regular and consistent basis through business visits, round table discussion, and surveys will provide the County with foundational data for policy and program development, as well as provide the opportunity to discuss resources available for business. Business retention leads to new investment. A number of studies completed by economic organizations throughout the world have documented that new business development, job growth and maintaining strong, local economies (sustainable communities) can largely be attributed to the retention and expansion of existing businesses. In fact, often the existing businesses in a community are the benchmark or attraction for other companies looking to relocate.

Mackenzie County has a diverse mix of business. While the core economic engines are oil, gas, forestry and agriculture (tax assessment revenue), the highest category of licensed business (25%) is construction, followed by retail trade (18%). Using 2011 as the baseline, the largest business sector growth has been in construction, increasing by 10%, retail and wholesale trade collectively has increased by 2%. Transportation and warehousing (10%) has dropped 4% in the last five years while manufacturing (7%) increased by 5%.

Figure 2: Mackenzie County Business License Breakdown, NAICS codes (2015)



Source: Mackenzie County Business Licenses, Economic Development Department (2015)

The establishment of a business license system in 2013, and categorically coding using the North American Industrial Classification System (NAICS) provides a good starting point for future business shifts. Expanding content that the County presently collects on their business licenses in addition to the ability to track linear assessment (road versus pipelines) will provide a clear picture of business shifts and changes in tax assessment.

The 2016 municipal tax revenue has decreased by 3.68% over 2015 due to a decrease in taxable assessment. This trend is expected to continue in 2016. It is imperative business visits and conversations with about company's expansion and downsizing plans are fully understood, especially in relation to companies with high machine, equipment and linear tax assessment.

Cost of Doing Business

The cost of doing business is north is high, mainly due to the cost of logistics and living. Supporting strategies to keep the cost of business down and profits up is a role of the County and the economic development office.

Tax

Mackenzie County falls into Zone B and residents who live there are eligible for the full Northern Residents Deduction; at current rates, that would result in a typical Tax Deduction of \$6226.00 per household. Comparatively, the County has lower tax and utility rates than other neighbouring jurisdictions.

Table 3 : Tax Rate Comparison (2016)

Municipality	Residential	Farmland	Non-Residential
Mackenzie County BYLAW 1026-16	7.283%	8.508%	11.9030%
MD of Opportunity No. 17 BYLAW 2015-06	2.24%	2.24%	19.8389%
County of Northern Lights BYLAW15-14-342	6.233%	7.265%	13.73465
Northern Sunrise Country BYLAW B291/16	5%	7.6%	12.8%

Utilities

The County boasts low utility rates provided by cooperatives, municipalities and larger providers of electricity with capacity reserves capable of handling major users. Water is abundant and natural gas is available throughout the County.

Table 4: Water & Sewer Usage Rates (2015) Comparisons

MACKENZIE COUNTY	Monthly Fee	Consumption Rate
Water System Rates – Fixed Fee (metered users)	\$37.04/month	\$3.18/m3
Treated Water – Cardlock	NA	\$3.18/m3
Raw Water - Cardlock	NA	\$2.31/m3
Sewer Rates	\$31.52/month	\$0.73/m3 of water consumption
HIGH LEVEL		
Residential	\$39.50	\$1.75/m3
Non-Residential	\$64.00	\$2.00/m3
Sewer - Residential	\$7.50	NA

MACKENZIE COUNTY	Monthly Fee	Consumption Rate
Sewer – Non-Residential	\$20.00 or	0.0495% of water consumption
COUNTY of NORTHERN LIGHTS		
Truck fill Metered	\$40.00	\$2.42/m3
Rural	\$40.00	\$2.42m3 up to 2000, \$4.84.m3
Wastewater	\$15.00	

Incentives

The Municipal District of Opportunity appears to be the only northern municipality that offers ‘incentives’. Three programs are offered to encourage residential, commercial and industrial business growth and new investment. <http://www.mdopportunity.ab.ca/content/Incentive-Programs>. There are creative methods to stimulate business growth, (not just tax reduction) such as working collaboratively on ASP, LUB’s and utility agreements would server business well. See Appendix F: Land-use Bylaw Review.

All components of tracking business data, and working with business to help them thrive and grow points back to gathering primary information from the business. The following table illustrates the purpose and outcomes of a business visitation program.

Table 5: Purpose of a Business Visitation Program (BVP)

Purpose of a Business Visitation Program (BVP)	Outcome(s)
1) Gather current information about your businesses. Are they growing, moving, downsizing, needing resources?	Relevant primary data that can be summarized and analyzed to support infrastructure decisions, zoning/development requirements, workforce/training needs, red flags and matchmaking potential (B2B, B2G opportunities).
2) Identify ‘green flags’: companies looking to re-invest, or invest in the region.	Ability to track new investment dollars, increase in business size and/or capacity.
3) Establish a two-way relationship with businesses.	Build awareness of the County’s desire to ‘hear’ from business. Ability to use existing companies’ testimonials on why it is beneficial to do business in the region.
4) Learn first-hand what County policies, regulations, and processes may be inhibiting business investment.	Resolve red tape, bottlenecks, and inconsistent business practices and/or lessen negative perception of the processes.
5) Knowledge of the County’s products and services allows you to refer companies to other regional business opportunities, and ‘match make’ to create more new investment locally. For example, Prairie Packers supplying the FVSD farming project with abattoir services, or FVSD with projects to build for FV Streetscaping, etc.	Increase more B2B investment, which could lower cost of doing business (less expensive logistics, etc.)
6) Provide current business resources, programs and tools that business could use.	Increase in business awareness and use of programs.
7) Progressive data. You have the ability to build on tombstone data annually. For example, owner/manager	Historical up to current data on business investment, and workforce trends etc. for

Purpose of a Business Visitation Program (BVP)	Outcome(s)
names, emails, etc. number of employees, products and services. Also add opportunities, challenges, green flags, red flags, anticipated growth/changes, new certifications, new products, etc.	analysis, reporting, program development. E.g., New investment projects, land requirements, mergers/acquisitions, challenges (logistics), etc.

The following table lays out the path for developing and launching a comprehensive business retention, expansion and investment attraction program which includes regular business visits throughout the county in addition to other longer-terms goals.

Table 6: To develop and implement a business retention, expansion and new investment program that extends from 2016 to 2020.

Goal #1: Foster an environment that supports existing businesses with a focused business retention and expansion program.
Strategy: To develop and implement a business retention, expansion and new investment program that extends from 2016 to 2020.
Outcomes: <ul style="list-style-type: none"> • Increased proactive interaction between the County and the business community. • Establishment of a process to annually track and measure business start-ups, expansions and new investment. • Creation of strong community partnerships that support businesses and focus on opportunities to foster growth in the region.
Benchmarks: <ul style="list-style-type: none"> • Incorporation of the North American Industrial Classification System (NAICS) codes within the County’s systems to accurately categorize business segments (2016). • Capacity to track new products and services, business starts, investments, changes in employees, etc. (2016-2017). • Establishment of a business satisfaction survey (2017). • Clarity of roles and responsibilities in the various business support organizations within the region.

3.2 Establish an entrepreneurial spirit in the community with an Investment Opportunity Marketplace that supports local new business and projects utilizing local investors funds

Out of the Box Opportunity: A Peace Region Investment Consortium

Over 90% of Alberta's businesses are micro-enterprises, each employing less than 10 people. These small and medium enterprises are collectively the key drivers in job creation, diversification and economic sustainability. The Mackenzie County business community, similar to the rest of Alberta and Canada, is largely made up of small businesses. Consideration should be given on how to set policy and programming to facilitate growth.

Stakeholders, community organizations and business owners participating in the Mackenzie County Economic Strategy Plan interviews and round table discussions identified the key gaps or challenges to business growth and new investment as:

- 1) The lack of access to capital – be it start-up, for expansion, investment in capital expenditures or to fund continuing operations through down cycles;
- 2) Need for skilled human resources; especially a shortage or lack of management skills as a company grows and/or faces market challenges; and
- 3) A lack of awareness of available programming supports for business.

The ability to provide a series of funding options and business supports through an investment pool of local investors could provide the foundation for new investment, funding both economic and social development projects. We refer to this possibility as an 'Opportunity Investment Marketplace'.

Local Investors, Local Business, Local Solution

Co-operative funding models, while not new, are coming into vogue again as a means to access scarce capital in rural areas where projects may be smaller, more local in scope and/or returns on the capital are expected to take longer to accumulate. One need only consider George Bailey, the protagonist in the holiday classic film 'It's a Wonderful Life', who worked for the local building and loans operation to understand the idea of a co-operative funding model. The community pools its money and lends to its' neighbours, thereby growing the wealth of the area.

Individuals with capital to invest seek low risk opportunities with high after tax returns, and they also try to maximize the benefit of tax planning strategies. Generally, individuals place their money into the huge industry of extremely sophisticated financiers. Firms in the investment industry are often aligned with banks, are well regulated, and exist to gather the capital and disperse it directly through stock offerings, private placement or mutual funds, to the mutual advantage of the investor and the issuer. Sophistication does not mean, however, that it is risk free as various financial meltdowns have proven.

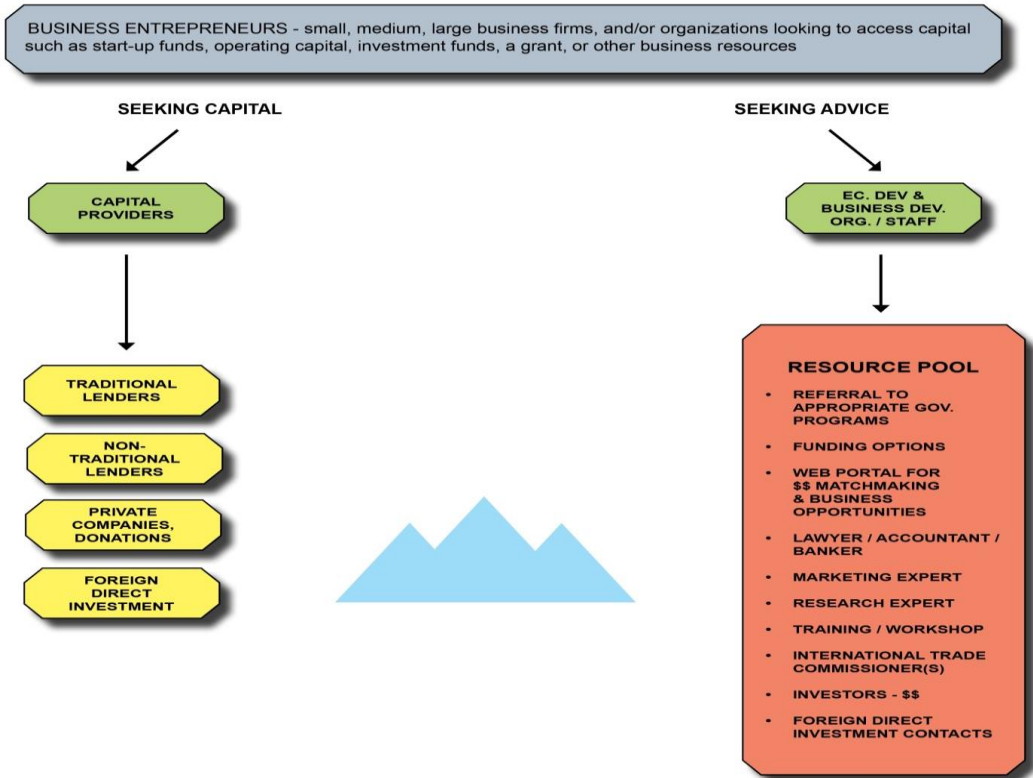
A running joke in the investment industry is “We take your money and our experience and make it our money and your experience.”

It is a truism that the less likely you are to need capital the more likely you are to be offered it. Conversely, when entrepreneurs most need capital is when it is least likely to be available to them. A successful firm with good cash flows can access funds easily while start-ups and riskier ventures struggle to find equity investors or garner loans. The idea of a regional funding/financing model is a very attractive one to those who have neither the means nor ability to attract the usual financial resources. A regional business development and investment consortium funding model may well be the only way for certain local projects to be financed or for businesses to thrive and compete with larger players, especially in the retail investment sector.

Existing Business Funding Model

Entrepreneurs seek both business advice and financing for the successful development of their business. Both advice and investment are keys to success.

Figure 3: Traditional Flow-through for Entrepreneurism Seeking Resources



Source: InnoVisions and Associates

Business advice comes from a multitude of sources, and in a piecemeal fashion that often results in inaccurate, incomplete or confusing information. It is not surprising that a lawyer or an accountant might see things differently from a marketer or a county planner. And that assumes that the entrepreneur can even access professionals. Sometimes the information comes from around the kitchen table or from buddies at the bar.

Without a frame of reference garnered from experience or education, the entrepreneur will tend to believe only that information which fosters his or her perception of what the business needs. Human nature tends to ignore negative information or warnings that don't fit the storyline about the business' chance of success.

Financing the business is another issue because of the way entrepreneurs currently access both capital investment and debt. Money often comes from family or friends with no proper assessment of risk or return (financial or social). The traditional method is to ask the local bank for a loan, but without assets to secure against there is a very low likelihood of receiving the funds needed. In addition, a loan requires immediate repayment and so money borrowed often goes back to repaying the loan. So the typical entrepreneur then goes on a tour of the local government offices seeking assistance in securing financing and ends up traveling in circles. Angel investors exist but how are they accessed by those unfamiliar with the process? If one is lucky enough to get an angel investor chances are that they are from another community and so the potential shareholder profit of the firm is lost from the community in which the business is created.

The lack of cohesion between sources of information and access to financing results in inevitable frustration for entrepreneurs. Much is lost in the way of time, productivity and potential success because the system is not really a system that works for the entrepreneur.

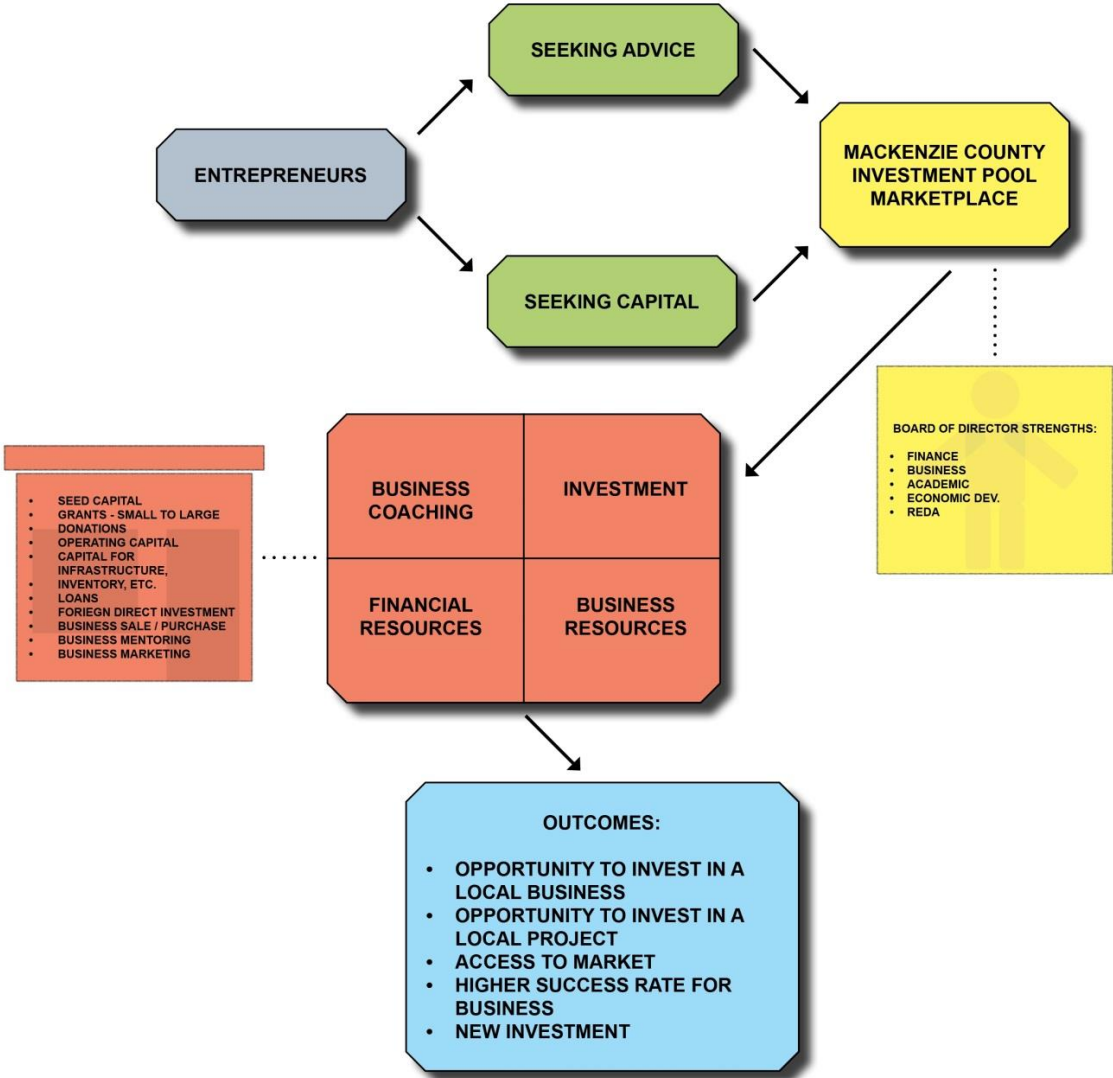
Develop a Local Opportunity Investment Marketplace

InnoVisions proposes a regional investment pool concept. Additional names for this concept are: an investment pool co-op or local investment marketplace project. This funding model could provide entrepreneurs and organizations with access to start-up funds, customized and staged loans, and regional investors investing in a business or even funding a project in their own back yard. Unlike many existing funding co-ops or investment clubs, it is recommended that the funding model include a component of business coaching, mentoring, and path finding to link an entrepreneur to business tools and resources that would support his or her business in future growth.

The board of directors and/or structure behind an investment marketplace must include financial institutions (for safety and efficacy), and organizations to support and mentor business. The vehicle for this marketplace could be a third-party service provider; Mackenzie County could champion the concept without being liable and responsible for the management. For example, Community Futures Grande Prairie has set-up an Opportunity Fund for their own regional investment. They used the Alberta

Community and Cooperative Association to create the processes, engage the business, etc. The regional Community Futures North West Alberta(CF), has indicated that this is a model that they will consider leveraging and adapting for Mackenzie County. In addition, local banks such as ATB and/or Credit Union could also partner within the process.

Figure 4: Proposed Mackenzie Region Investment Marketplace Model for Entrepreneurs



Source: InnoVisions and Associates

The benefit of the model proposed is a change in access to financing and a change in advice offered to entrepreneurs. The new model pools both capital from the local economy and talent within the local economy to ensure that the business has the best chance of success before and after an investment is made.

The new model brings together local investors to pool their money to invest locally. But to protect their investment and to ensure that due diligence is done, the pooled funds would be managed by a local bank. The bank already has the systems in place to ensure the proper paperwork is completed, to secure the loan and to channel the funds. A bank, or an organization with a financial mandate, is a necessary part of the process. The bank also knows who needs funds that the bank cannot lend because of their mandate. So the bank can be a conduit between local investors and local entrepreneurs. A local banker has the means and connections to be a reliable source of referral for both investors and entrepreneurs.

For entrepreneurs to get good advice, information sources need to be pooled as well. Experts in business need to be included to mentor and coach entrepreneurs to access the resources needed and help to grow the business. Many of the information resources already exist; they just need to be developed into a cohesive source of expertise. With timely, accurate advice and proper coaching the success of the enterprise goes up substantially, and the community investors have a greater chance of a return on their capital.

Table 7: Investment Marketplace – Pros and Cons

Benefits of a Regional Investment Consortium Model	Challenges of an Investment Model
<ul style="list-style-type: none"> • Keeps capital local or within a particular project. • Can remove barriers for business growth or entrepreneurs. • Allows the investor a hands-on role or insider knowledge of the workings of the firm. • Can provide a means for revitalization of a community. • Has the opportunity to offer more than money: local knowledge, access to business acumen, and sweat equity. • Good means to encourage entrepreneurship among youth. • Closer connection between lender and borrower can mean a higher commitment to repay the loan. • Loans and/or investment can be as big or small as the opportunity presented. • Community buy-in to the concept can mean guaranteed customers for the firm. 	<ul style="list-style-type: none"> • Success depends on the ability to objectively analyze the merits of a project or firm. • Co-op vs. Consortium - co-ops carry a stigma of past failed organizations. • Not many co-ops/consortiums have skilled business analysts on staff and rely on local business savvy which may be more emotion than logic driven. • Oversight of the funds is left to volunteer board members who often do not have experience in governance or an understanding of managing access to capital or managing loan portfolios. • Huge opportunity for fast talking con artists to insert themselves into the process and distort the results.

Implementation of an Investment/Donation Model

The first step is to set up a meeting to explore the potential of a regional business development organization. County invitees would potentially include: financial institutions; Chamber of Commerce/Board of Trade; Community Futures; Aboriginal Relations; Indigenous Affairs; MARA, etc. The key to success is to have everybody that an entrepreneur would seek advice from, or potentially market to, at the table. The next stage would be to set up a Board of Directors and select a structure for the investment co-op.

Mitigating the Risks

The risks of the consortium funding model can be mitigated if a banking institution with local knowledge becomes a key participant. Banks know how to assess risk and manage funds and a local lender with a better understanding of, and commitment to, the community is the most likely entity to mitigate the risks noted above. In addition, banks hold the capital of potential investors. They are in the perfect position to put together a local project with local investors. They have the ability to take the role of a merchant bank, act as dealmakers, and take a commensurate fee for the service.

Another way to mitigate the risk of an investment is to limit the size of the loan or investment. Starting and growing new businesses with smaller increments of capital is going to be less risky as well as more likely to result in economic growth if the funds are invested locally. If combined with access to business acumen, both in analyzing the business proposal as well as through business coaching of the entrepreneur to maximize the opportunity, the risk will be further reduced. The access to business acumen has the added advantage of increasing community capacity for further investment.

Figure 5: Example of the Landing Page for Opportunities to Invest in.



Source: InnoVisions and Associates (2016).

Table 8 provides an overview of setting up an Investment Marketplace using the Community Future and ACCA partnership. **Table 9** provides an overview of how to set up a foundation. A foundation could be linked to anything that is of a charitable status and/or donation versus an investment. Both could be linked into the webpage.

Table 8: Champion the idea of an Investment Marketplace in conjunction with the Community Futures Opportunity Fund. (Note: the Investment side.)

Goal #2: Establish an entrepreneurial spirit in the community with an Investment Opportunity Marketplace that supports local new businesses and community projects, utilizing local investor funds.

Strategy: Champion the idea of an Investment Marketplace in conjunction with the Community Futures Opportunity Fund. The Marketplace would connect those with money to invest with those who need capital. (Note: Investment side.)

Outcomes:

- More start-up businesses succeeding and remaining local as they are able to attract local investors who can offer money but also advice and often access to local markets;
- Businesses with expansion needs obtaining capital with local investment in the form of share ownership or loans;
- Solve the problem of businesses/farms with aging owners who would sell to a family member or third party who may not qualify for loans or have access to capital;
- Increase in local investment and business opportunities;
- Reduce barriers to entry for new business start-ups;
- Increase in awareness of local business opportunities; and
- Increase in community buy-in and regional buyer/supplier network.

Local Investor Funding of Community Projects (Foundation)

There will be instances of potential community investors who have money that they really wish to donate to the community for the benefit of local projects. These philanthropists currently have as their only option the opportunity to give to established charities with the hope that some of the money will be used locally.

A current trend within the charitable industries is the inception of funds within a particular charity that are earmarked for local spending. For example, the Red Cross has recently established a Fort McMurray Fire Fund within the organization. But these local funds tend to set up when there is a disaster and not all of the money actually remains in the community, as once the work of the organization is completed, if funds remain, they go on with the charity to the next community's disaster.

In response to the wishes of local philanthropists to ensure that the money remains in the community, foundations have been set up that allow individuals to make donations of capital to the foundation with the interest earned through pooled investments used to fund local organizations. Examples of this in Alberta are the Calgary Foundation and the Edmonton Foundation.

The benefit of these foundations are that:

- 1) The donor provides capital as a donation, sets up a fund in their own name within the foundation and gets the tax advantages;
- 2) No legal structure is required as the foundation is the structure;
- 3) The foundation manages the money professionally and earns a return on the capital;
- 4) A portion of that return is then used for the benefit designated by the donor in perpetuity; and
- 5) The capital continues to benefit local projects.

Pooled funds within the foundation allow for greater returns to local organizations in the long term as the capital remains within the foundation and only a percentage of the return is spent in any given year.

Potential investors who are cool to the idea of lending capital to an individual or firm might be warm to the idea of becoming local philanthropists via a local Mackenzie County Foundation. The philanthropist could elect to fund various community groups that work for the betterment of the County through such means as providing grants to the school for building street scape items, or building a community kitchen or simply giving to a local charity.

The establishment of a local foundation is something that needs to be considered with care. It is not likely that there will be enough money donated initially, or the necessary skilled people to manage the money, with a stand-alone fund in the area. Therefore, we recommend that Mackenzie County establish their fund within one of the two larger foundations in the province –Calgary or Edmonton. There exists a provision for these larger foundations to carry a fund for a smaller community within their auspices and indeed they already do this for other municipalities in the province. The minimum donation to establish a fund is \$10,000 and no legal structure is required to set up if the County works within an established foundation. The foundation will simply need local direction on how the monies of the Mackenzie County fund are to be dispersed.

There is another benefit to the establishment of a fund of this type at this time. If a fund already exists and there is a community disaster where outside donations are requested, then the fund is an immediate place to direct people to donate. If High River and Slave Lake, and now Fort McMurray, had had a fund in place prior to their need more money would have stayed in their communities to be directed locally.

Table 9 provides an overview of how to set up a foundation. A foundation could be linked to anything that is of a charitable status and/or donation versus an investment.

Table 9: Champion the idea of an Investment Marketplace in conjunction with the Community Futures Opportunity Fund. (Note: The Foundation side.)

Goal #2: Establish an entrepreneurial spirit in the community with an Investment Opportunity Marketplace that supports local new businesses and community projects, utilizing local investor funds.
Strategy: Establish a charitable foundation that is specific to Mackenzie County
Outcomes: <ul style="list-style-type: none">• The County has a place to put donations that are secured for the use of the County Organizations in perpetuity;• The County can set the terms and use of the funds, but they must be for charitable giving;• Another way to fund community projects;• In the event of a disaster there is already a fund in place for immediate use; and• Money is professionally managed and at arm's length.

3.3 Focus the energy around Tourism Development to first understand the markets you have and then work on the attraction of those markets.

Discussion

The tourism market is not the solution that communities hope it will be. While tourism is often seen as a panacea for a declining economy, it is far more costly to create the tourism 'products' that attract tourists. The idea of bringing money in from outside the region via tourism is an understandable response from residents as they love where they live and can't imagine that it wouldn't be an attractive destination. The problem is that most don't understand the difficulties of attracting tourists, especially foreigners tourists (who spend the highest amount of travel dollars) to smaller Canadian regions.

In the mind of the average American tourist, Canada is a small country fighting for brand recognition with places like Finland and Norway. To Europeans, Canada is an 'untamed wilderness' and by that they mean our major cities. East Asians who live in incredibly urban areas cannot envision the expanse that is Banff National Park let alone the rest of rural Canada.

Canada's national tourism marketing agency spends millions of dollars trying to attract the most viable target, Americans, to simply drive across the border to shop when our dollar is low. This has proven successful in getting them to come to the major cities in the southern parts of the provinces but that is about as far as they venture.

That is not to say that there are not foreigners who make the trips to the remote rural areas but rather that they are few and far between. A lot of promotional money can be lost trying to catch these unicorns, especially if there is not a very targeted program of marketing. The marketing has to be about the compelling reason to visit and so far it seems that those international tourists who do come to remote areas do so because of a story they believe to be true about what their experience will be.

As a side note, the idea of developing a story to sell tourism is supported by the work of a persuasion researcher, Maria Konnikova, whose work is funded by both Harvard and Columbia universities, (<http://www.theatlantic.com/science/archive/2016/01/can-you-spot-a-liar/423588/>). She says that the more a story transports us into its world, the more likely we are to believe it. The sweep of a story overcomes the facts of logic. When we are entertained by a story, we are likely to agree with the beliefs the story implies. For that reason, there is a draw for Europeans and older Americans to want to go where there are “cowboys and Indians” – stories they knew as children and that is why there are a few small pockets of Germans travelling to Canada for the Aboriginal culture and rodeo experience.

Travel Alberta is the Alberta government’s designated marketing organization for the province. It was setup in April of 2009 to help Alberta’s tourism industry to market Alberta regionally, nationally and internationally. On the provincial level, there is promotion mostly of the ‘staycation’. Travel Alberta knows that there is a better chance to get people to travel around the province than to attract foreigners in large numbers. Concentrating on those who live nearby or are passing through on their way to somewhere else generally yields greater returns on marketing dollar investment.

Assessing the attractiveness of the Tourism Resource

Tourism experts assess an area and determine which of the following bests describe it:

1) Primary Destination

- Consumers choose to go to this location and stay for more than four nights because it has one or more core attractions.
- Most competitive international primary destinations are places like New York, California, Florida, London, Paris, and Hawaii.
- They have many attractions of varying types and offer hours of entertainment.
- They have lots of accommodation choice.
- They are top of mind for consumers.
- In Canada, Banff is a primary destination for international visitors.

2) Secondary Destination

- Consumers go because it is close to the primary destination.
- They plan to stop there in advance because it is usually enroute.
- They stay for at least one night.
- An example of this is would be Calgary, as people pass through on their way to Banff and stop to see the stampede.

3) Touring Stop

- Is a place that one goes through and stays to see the sights but only because they are on the way to somewhere else.
- It is a planned stop and people may stay overnight, but only for one night.

- Peace River is a good example of a touring stop for those travelling north along the highway – fuel, food, accommodation etc. are sought but for the shortest time possible so that the journey can continue.

4) Service Stop

- Is a place one must stop at for services in the middle of getting to somewhere else.
- Travelers stay less than a day and don't overnight.
- Often a last minute decision to stop for attractions.
- An example of this would be any small town along a major highway that is approximately 2 hours from the last one as drivers tend to stop at that interval.

Of course, for different markets a destination can be any one of the above. But in terms of assessment the destination is looked at from the perspective of how most tourists would view that locale.

Mackenzie County is a physically beautiful area. A systematic assessment of tourism resources and market demand suggests that it would be best positioned as a Service Stop for those travelling on the highway, and then build that particular market over time such that it is eventually viewed as a touring stop. The area has an abundance of reasons to visit but there is no well-developed market demand to do so.

Travel Alberta Research on Northern Alberta

In 2012, the last year for which there is data published, the statistics collected indicate that visits in Alberta are made by residents of Alberta more than by other Canadians, U.S. or overseas visitors. Of the 33.1 million total visits in the province, 28.3 million (85.5%) were by Albertans. Another 3.3 million (10.0%) were by residents of other parts of Canada. The remaining 1.5 million visits (4.5%) came from the U.S. (2.5%) and overseas (2.0%).

Of Albertans travelling in Alberta the biggest segment of travelers come from the Calgary region (24%), followed by the Central region at 21%. Alberta North residents count for only 6% of Albertans travelling within the province.



Figure 6: Alberta's Tourism Destination Regions, Tourism, Parks and Recreation, Government of Alberta,

*Source: Travel Alberta Research ** Note that some of their research contradicts other data in the same document but this is all that is available for the region. <http://tpr.alberta.ca/tourism/statistics/destinationregions.aspx>
Approximately 41% of all visits in the province included at least one overnight stop, yielding 13.5 million overnight visits in 2012. Approximately 33% of all visits in the province by Albertans included spending one or more nights away from home (9.2 million).

Northern Alberta received 5% of the total visits to Alberta which would mean a total of approximately 1,750,000 visitors. Further, according to the research, residents of Alberta visiting the northern region accounted for 5% of the total Albertan visits or in real numbers 87,500 visitors. Of the total visits from other parts of Canada, 12% (210,000) visited northern Alberta. Visitors from the United States accounted for 5% (87,500) and overseas to the region accounted 1% or 1750 people.

It is very important to know that the statistics don't mean different people necessarily. Much of the data reflects the same person counted more than once simply as a result of the data collection process. It is the number of visits, not visitors, that is counted.

The startling result of this data is that 77% of all visits to the Northern Region seem to be from within the region itself. This suggests that that the number one market for the area is likely the visiting friends and family (VFF) and/or those travelling through the region on their way to somewhere else.

Interestingly the visits tend to be in the northern region more in the 3rd and 4th quarters which would be VFF and likely oil activity related.

Table 10: Comparison of Tourism Numbers, Northern Alberta Only (2015)

Comparison of Tourism Numbers of Northern Alberta Only			
	Alberta North Tourism Region	Total Alberta	Alberta North Tourism Region % of Alberta
Number of Visits (<i>Millions</i>)	1,750,000	33,100,000	5%
Overnight Person-Visits	0.86	13.49	6%
Total Person-Visits	1.75	33.09	5%
Origin of Visits (Total Person-Visits)			
Alberta	1.31	28.27	5%
Other Canada	0.39	3.33	12%
United States	0.04	0.82	5%
Overseas	0.01	0.68	1%
From within region			77% come from within their own region 1,347,500 visits*

Source: http://11bbf.wpc.azureedge.net/8011BBF/cms/~/_media/Industry/Files/resources/research/visitor-profiles/2012/2012-Visitor-Profile-for-Alberta-North

NOTE: * a visit is much different than a visitor as one visitor may account for more counted visits.

Strategic Direction for Tourism Investment and Promotion

To determine the direction to take it is important to first understand the makeup of the general market. Without understanding who is likely to come to the area, as well as how and why, the dollars spent on marketing may be misdirected.

Understanding the Visitor Markets

Visiting Family

- Currently this likely comprises the greatest number of tourists to the area
- Most likely to be weekend and holiday stays
- Likely to have children as part of the mix
- Likely to be 20-50 years of age in family groups
- Likely to stay within residences
- Likely to visit attractions and to shop
- Get their information about the area from within the family group

Visiting friends

- Likely tied to a wedding or funeral
- More likely to stay in a hotel
- One-night stay
- May visit attractions but they are not generally looking for them
- More likely to be a single traveler or couple
- Get their information about the area from the friend they are visiting

Outdoor Activity Markets (Hunting, Fishing, Boating, Camping, Golfing etc.)

- Good weather visitors tend to arrive with their own dwelling (R.V., tent)
- Generally fit individuals 20-60 years of age
- Winter sports enthusiasts will likely come from within County
- Mostly bring what they need with them but make stops for gas, food, toilets
- Seek services such as showers, septic connection, restaurants
- Also seek ancillary services (taxidermy, sporting goods, licensing)
- Travel in groups (all men or families)
- Golf market tends to be couples in R.V.s that are empty nesters
- Get their information online prior to travel, from bill boards, or in print from service stops along the road

Special Events Markets

- Typically, this market is regional

- Families from within the region attending school sponsored events
- Hobbyists gathering for conferences
- Local businesses doing team development
- Get their information from local news source such as papers, websites, radio

Given that the visitors are mostly from within the region, the method of travel by all markets will be by motor vehicle. Given also that Mackenzie County is comprised of potential service stops, roadside information will be critical in achieving greater numbers of stops. School sporting events will attract visitors from other communities as will farmer's markets, art shows, gun shows, theatre and other special events. The development of more reasons to come into and stay in the County will move the community from a service stop to a touring stop.

Attractiveness of a destination to a visitor market is dependent upon what else is on offer. Even within a region competitors are many for the same visitor dollars. Each market views the product offering from the benefit it affords and then takes action when the best fit is found.

Communities tend to spend a lot of time with the idea of "if you build it they will come" kind of thinking. Perhaps that is true if one is building Disneyland but for the most part the product isn't about just one thing; it is the grouping of wanted attractions in the area that if done well can create a critical mass that brings a visitor. Considerations for attractions development generally fall into the following categories:

- **Cultural or Historical Attractions**
 - Archeological sites
 - Battlefields/old forts
 - Birthplaces or current homes of famous people
 - Burial grounds or other historic sites
 - Churches especially if architecturally interesting or well decorated
 - Architecturally significant buildings of all sorts
 - Museums
 - Memorials and monuments
 - Icons to build branding around
- **Natural Attractions**
 - Wildlife easily visible
 - Geological formations (mountains, lakes etc.)
 - Geological phenomena (spirit rocks, unique rocks, healing waters)
- **Stargazing sites and Northern Lights**
 - Unique photographic opportunities
 - Interesting weather (tornados attract storm chasers, for example)
 - Unique agriculture (crop circles, corn mazes)
- **Recreation and event based attractions**
 - Western life style (rodeos, horse shows, gun shows etc.)
 - Specialty livestock Ranches
 - Time away locations (Dude ranches, corporate retreats, spas etc.)
 - Sporting Events (team based where there are tournaments)
 - Recreation facilities (sport plexes, games fields, pools)

- **Special Events**
 - Farmer’s Markets
 - Homecoming Events
 - Air Shows
 - Art Shows
 - Theatre
 - Musical Events
 - Ethnic Celebrations
- **Visitor Amenities (if these are not at the attractions visitors don’t go)**
 - Shopping
 - Hospitality in the businesses to visitors
 - Toilets (clean and accessible)
 - Visitor Information
 - Signage

Generally, creating an inventory of what is available and then completing a gap analysis is the starting point to determine what one has versus what is needed or held nearby. The success of a regional marketing plan comes from an understanding by all parties that the visitor doesn’t distinguish between communities close to each other. As a result, success comes from working together. So what might not be in one community could be supplemented with something right down the road.

Each of the items listed above has to be considered from a very analytical view point as to whether or not it has potential to market. For example, in Mackenzie County there are rare historical assets. Such assets are attractive to older Canadians and history buffs but the popularity of any given facet of history waxes and wanes with the times. With regard to children, if the subject matter of Canada’s opening up of the west is in the curriculum of the school system, then there is an awareness of the area that helps to create demand for travel in the area. Curriculums are ever changing and the selection of period of history to teach is often at the discretion of a teacher and often dependent upon historical anniversary dates. (For example, the war of 1812 commemorated in 2012 drove the curriculum for that year and many of those leading up to it. As a result, there was much tourism in 2012 in those areas of North America involved in the war). But school teachers are easy to reach and so it makes sense to think about creating something around the very unique history.

Each region is provided with funding to assist with marketing initiatives through tourism organizations within each district. Mackenzie County has a Destination Marketing Organization referred to as Mackenzie Frontier which pools funds from communities in the area to market to the potential visitors.

There is potential to leverage pooled funds in cash or kind by forming partnerships with organizations that benefit from association with the attraction in some way. Hudson’s Bay Company for example, is a logical partner who may be willing to offer space in their consumer promotions materials to deliver a message about the attraction and/or region. The North West Company (northwest.ca) did have a ‘Northern’ store in Fort Vermilion and has other stores under different banners around Alberta. Perhaps the retail behemoth Hudson’s Bay maybe interested in helping to fund restoration of the building as it ties with their cultural corporate agenda. Perhaps North West Company may see a marketing link of interest to them that can leverage their own banner stores. These are the kinds of things to think about when attempting to leverage.

InnoVisions recommends that Mackenzie County work with the Destination Marketing Organization (DMO), Mackenzie Frontier and REDI, to focus on the following strategies for Goal #3.

1. Complete an inventory of the tourism assets you have and then do a gap analysis of what you need.
2. Strategy Development of a signature event with a corresponding feasibility study.
3. Focus on the market there is – those already on the highway driving by.

The following table provides direction for the EDO to work with external organizations to support champions in the tourism sector.

Table 11: Complete an inventory of the tourism assets you have and then do a gap analysis of what is needed to develop and support the tourism sector.

Goal #3: Focus the energy around Tourism Development to first understand the markets you have, and then work on the attraction of those markets.
Strategy 1: Complete an inventory of the tourism assets you have and then do a gap analysis of what is needed to develop and support the tourism sector.
Outcomes: <ul style="list-style-type: none">• An understanding of where to put public funds into tourism infrastructure development;• Knowledge of where partnerships might lie for investment and development;• A roadmap for development of the assets; and• New photographs for use in promotion.

Table 12: Focus tourism efforts on the market that already exists – tourists on the highway driving by – for immediate returns on investment.

Goal #3: Focus the energy around Tourism Development to first understand the markets you have and then work on the attraction of those markets.
Strategy 3: Focus tourism efforts on the market that already exists – tourists on the highway driving by – for immediate returns on investment.
<p>Outcomes:</p> <ul style="list-style-type: none"> • Better return on promotional dollars; • Increased use of existing tourism assets; • Increase in dollars spent in the community by visitors; and • Resources leveraged for greater returns across the board .

The County has the benefit of individuals who are very passionate about their region, and who have the perception that tourism could be an economic engine. To focus this energy, and work towards building regional camaraderie and awareness of business, consider a ‘signature event’, something that is significant event that could draw new visitors into the area and/or increase the number of visiting friends and family. Table 12 includes an action plan to support the strategy.

Table 13: Develop a signature event with a corresponding feasibility study.

Goal #3: Focus the energy around Tourism Development to first understand the markets you have and then work on the attraction of those markets.
Strategy 2: Develop a signature event with a corresponding feasibility study.
<p>Outcomes:</p> <ul style="list-style-type: none"> • Mackenzie County becomes known for the event and begins to be positioned in the mind of the visitor like Grande Cache is with the Death Race, Boston is with the Marathon, or Calgary is with the stampede; • Event becomes a rally point for community cooperation with regard to Tourism development; • Develops add on economic activity in hospitality, accommodations and retail; and • Creates another reason to be proud of the community.

4.0 Strategic Priorities

To capitalize on the available opportunities and offset the challenges, Mackenzie County staff and Council have the capacity and the resources to ACT: Advocate, Champion and Team Up. As Ambassadors of business consider the following projects in 2016-2017 as priorities:

Advocate: In the role of advocate, the County can leverage their collective voice and resources for various project champions to be more effective, expand participation, draw new investment, reach new partners, and access provincial and/or federal dollars etc. Some examples of how the County can be an effective Advocate are:

1. Support the Fort Vermilion School Division's unique Home Building Program and connect it to the Street Scape Project.
2. Connect the construction of the proposed Fort Vermilion Seniors facility to the Home Building program for the same reasons as above.
3. Link the Fort Vermilion School Division's unique Farm Program to the Mackenzie Applied Research Association (MARA) projects for agriculture support of the students' 'farm' business, greenhouse and cattle operations.
4. Improve connectivity via Broadband. This is a critical issue for businesses and it must be addressed. Continue to support Regional Economic Development Initiative (REDI) and aggressively advocate for broadband infrastructure support by the province.

Champion: In the role of 'Champion' the County will lead with strategic direction and provide resources (people, time and budget) to implement projects or processes.

1. Champion infrastructure for business development. It is critical to Champion projects that create the conditions for businesses to invest in the region (shovel ready land options, new lagoon investment, expanded/new water treatment facility for La Crete, address the air transportation changes and flight restrictions, etc.).
2. Champion a business retention and expansion program. Have staff meet with County business, link to regional business support initiatives. As business Ambassadors recognize and strategically build a regional buyer-supplier network. There are over 450 business in the County alone, combined with High Level and Rainbow Lake there is the ability to increase awareness and interaction between regional consumers. It is important to note that the indigenous population represents over 7,800 individuals both as business owners and consumers within the region.

Team Up: The County can collaboratively team up with other organizations' projects and processes. Especially get involved with those that support business retention and new investment, or lessen challenges such as business' access to employees, to profitability and/or to market. Some examples of ways to Team Up are:

1. Speak with regional organizations (quarterly) about their existing or upcoming projects. Keep a running inventory. Any organization, whether it is a volunteer group or paid professional social supports, working for the betterment of the community has potential for partnership; if not directly with the county, then at least they can Team Up with each other.
2. Support businesses, organizations and/or institutions that are caught in bureaucracy that affects their budget and/or service delivery.
 - Strategically engage stakeholders to support Mackenzie region initiatives and projects that address critical issues like workforce retention and expansion, the airport cut-backs, the Lower Peace Region Framework and First Nation projects.
3. Collaborate on Northern Alberta economic development initiatives lead by REDI, FVSD, AHS Zone 1, Rainbow Lake and High Level projects and aboriginal economic development projects.

The Economic Development Strategy for Mackenzie County focuses on three core goals. In priority order:

1. Foster an environment that supports existing businesses with a focused business retention and expansion program;
2. Establish an entrepreneurial spirit in the community with an Investment Opportunity Marketplace that supports new local businesses, and community projects, by utilizing local investors' funds; and
3. Focus the energy around Tourism Development to first understand the markets you have and then work longer term on the attraction of those markets.

Each of the goals have corresponding strategies, action plans, proposed initiation timelines and a projected budget.

5.0 Conclusion

Mackenzie County is at a crossroads. It must quickly come to grips with a coming decline in revenue and the need to diversify its economy if it wishes to continue to provide the same quality of community services.

There is a substantial opportunity to capture more 'value' locally, to expand the knowledge and exchange of products and services that are available closer to home, to increase the economic benefits to regional business and the Mackenzie County residents. This can be done by acting as a conduit to resources, programs, and projects to support business growth and vitality.

The County has a role as business ambassadors. Recognition of their existing businesses 'life time value', tax contribution and ongoing challenges is relevant to Mackenzie region. The oil and gas industry that supplies a major part of the revenue for the County is in jeopardy all over the province but particularly in operational areas like Mackenzie County. The trickle down to other firms in the area, due to the decreased production and revenue, is already affecting the supply chains and the service companies that support them. Even when the economy recovers, the 30-year lifespan predicted in the County oil reservoirs is a red flag. This also apply to the market fluctuations and conditions experienced by the forestry and agriculture industry.

The County must work with the companies it has already operating in the area to keep them there and working. It must reach out to surrounding jurisdictions to actively engage in problems solving and collectively pursuing opportunities. This includes the entire trade population, the hamlets of Fort Vermilion, Zama City and La Crete as well as Rainbow Lake, and High Level. In addition, strategies to support and engage the First Nations should be a priority as they represent over 30% of the trade population base in the Mackenzie region.

The Mackenzie County economic development strategy (2016) identifies a number of opportunities and assets, all of which make for a strong springboard for economic investment and growth. To capitalize on these opportunities will require all those involved not only to reframe the problem but also the solutions. In this report, we have provided goals and strategies to mitigate the potential harm to the community by increasing opportunities in other sectors.

6.0 Appendices

Appendix A: Situation Analysis SWOT (2016)

In general, strengths and weaknesses are internal and are **controllable by capable managers**. They can be managed, changed or improved by strategic efforts. Opportunities and threats are external; they are **not controllable but your response to them can be**.

A CIR specific SWOT focuses on the tools, resources, people and networks that can assist you in becoming investment ready. It aids in responding to investment leads and referrals.

- **Strengths:** Positive aspects internal to your community, region and/or organization.
- **Weaknesses:** Negative aspects internal to your community, region and/or organization.
- **Opportunities:** Positive aspects external to your community, region and/or organization.
- **Threats:** Negative aspects external to your community, region and/or organization.

A SWOT analysis looks at how these factors are changing, and how the changes might affect business/investment.

Strengths and Weaknesses

In general, there are five key areas to consider when looking at strengths and weaknesses. These areas are:

1. Human Resources
2. Systems (social and physical)
3. Financial Capacity
4. Policy Framework
5. Current product marketing (a community can be broadly defined as a product) Acronyms: 'The

*County' includes the hamlets of Fort Vermilion (FV), La Crete (LC), and Zama City (ZC). Other acronyms First Nation (FN), Fort Vermilion School Division (FVSD), Rainbow Lake (RL), High Level (HL), etc.

Table 14: SWOT: Strengths and Weaknesses

Human Resources (People)

Strengths	Human Resources	Weaknesses
<ul style="list-style-type: none"> • Total population is 11,750 (2015) census • First Nations (FN) estimated at 7,858 (2015) • Combined County population, total 19,608 • Trade population is 24,369 • Over 3500 f/t and p/t employees employed by 469 companies within the County (2015) • A high number of talented (old school/artisan) carpenters and craftsmen • Fort Vermilion School Division (FVSD) and healthcare sector the largest employers • Range of workforce from oil and gas, to forestry, agriculture, retail, and construction • LC has a young workforce, on occasion youth return home after secondary education, especially in trades. • Diverse cultural workforce. FV is predominately Métis , while La Crete is Mennonite, Rocky Lane is Ukrainian, etc. 	<p>Workforce</p> <ul style="list-style-type: none"> • Enough workers to meet demand • Good salaries by occupation • Diversity • Immigration • Emigration • Languages spoken • Unemployment by sector • Avg. length of employment 	<ul style="list-style-type: none"> • Lack of labor force and lack of competitive salaries – e.g., forestry versus O&G • FV majority of workforce is retired or nearing retirement. Not a lot of skilled labour. Low salaries on average. • Very little diversity, low immigration & only maybe a few families that speak other languages – FV • Limited FN engage in the urban workforce • Challenges in attracting professional employees • Limited pool of women in the workforce, especially 20 to 40 years of age – LC • Shortage of healthcare professionals and support staff, and teachers
<ul style="list-style-type: none"> • High school and alternative schooling – FV • High number of Christian private schools – LC • AB Works Centre with the Chamber of Commerce – LC • High school has a unique program for youth Home Building – FV, Rocky Lane Farm and HL Store – also an opportunity • Northern Lakes College in FV, and HL trades in High School • Preschool to high school, and College within 	<p>Educational capacity</p> <ul style="list-style-type: none"> • Skills and labour training • Schools (primary and secondary) • Post-secondary institutions • Apprenticeship programs • Internet access 	<ul style="list-style-type: none"> • Northern Lakes College closed office in in 2015 • No post-secondary or trade schools within the region • Skills and training challenges is done remotely or students have to travel. • Young people leaving for Post-Secondary, many do not return • Closest University is Edmonton, 800 km away • Shortage of health care and social services professionals

Strengths	Human Resources	Weaknesses
<p>commutable distance</p>		
<ul style="list-style-type: none"> • Over 3,000 residential dwellings within the County (2008) • Own and build capacity – LC • Cognizant of need for affordable housing and housing for professionals – FV • Tall Cree FN subdivision has space and or preliminary services available for up to 70 homes~– FV 	<p>Housing availability</p> <ul style="list-style-type: none"> • Rent capacity • Own capacity • Build capacity <p>Land availability</p> <ul style="list-style-type: none"> • Residential 	<ul style="list-style-type: none"> • No realtors or property managers within the County, primarily private sales • Zero percent rent availability – FV • Lack of decent housing – FV • LC has seasonal rental fluctuations around logging
<ul style="list-style-type: none"> • Safe playgrounds, lots of activities, facilities, churches, etc. • Clubs and recreational programming are growing – LC • Golf course, riding arena, ball diamonds, community halls, etc. • Clubs focused on young (teens) – FV and LC • Fort Pioneer Homes (12 units). Level 1 and 2 care – FV • Fort Mackenzie Housing Authority has 46 low income housing units, provides rental subsidy and remote location housing programs • La Crete Mackenzie Housing Authority includes Heimstaed Lodge (41 units) Assisted Living Program ALP) SL2 (15 beds), ALP SL3 (22 beds), ALP SL4 (17 beds) • FV RCMP Detachment (new facility to be built) 	<p>Social</p> <ul style="list-style-type: none"> • Social economic supports • Low income housing • Seniors care • Safe playgrounds • Activities abound • Facilities for recreation • Churches are active • Clubs are growing 	<ul style="list-style-type: none"> • Clubs are shrinking for FV (e.g. sports/hockey) • No recreation/pool facility within the region • Seniors facility (Heimstaed Lodge) is at capacity – LC • There is no seniors facility for Level 3 and 4 of care • FV and FN seniors are not likely to apply for seniors care in LC
<ul style="list-style-type: none"> • Quality of life – LC is good • Slow growth, 20-30 age gap – FV • ZC population retracting • LC has the highest growth rate, lots of young people 	<p>Population knowledge</p> <ul style="list-style-type: none"> • Demographic data is positive • Psychographic data indicates good quality of life • Culture 	<ul style="list-style-type: none"> • Negativity toward First Nations (FN) • Perceived intolerance and clash of cultures between FV, LC, and High Level

Strengths	Human Resources	Weaknesses
<ul style="list-style-type: none"> • Very active, and passionate volunteers, and fundraisers within the County • Very strong volunteer base in the County • High volunteer and fundraising capacity in the County • Individuals who are fiercely independent, and passionate about their community and will champion large projects 	<p>Volunteers</p> <ul style="list-style-type: none"> • Social groups exist • Individuals are active 	<ul style="list-style-type: none"> • Social groups exist but segregated and competitive between LC and FV • Cliques, Mennoites vs Métis vs. HL vs. RL

Systems

Strengths	Systems	Weaknesses
<ul style="list-style-type: none"> • Business licensing program started in 2014, an excellent resource to better understanding the type of business • 469 registered businesses, ten closed in 2015 • Inexpensive to have a business license 	<p>Business licensing</p>	<ul style="list-style-type: none"> • Businesses are slowly signing up for a license, there is some push back • Business licenses could capture more data useful to the County. • Home based businesses not included
<ul style="list-style-type: none"> • Development permits are tracked 	<p>Development permits</p>	<ul style="list-style-type: none"> • Development permits dropped as a result of the economic downturn (2016), another drop anticipated in 2017 • Larger corporations are disconnecting underutilized equipment, significant drops in the County's tax assessment in 2015 and 2016. • Tax assessment process is controversial within the County
<ul style="list-style-type: none"> • Mackenzie Hwy. land on the outskirts of High Level, along rail • Public and private land is available for sale • Land for residential and commercial development 	<p>Greenfield development Land availability</p> <ul style="list-style-type: none"> • Commercial • Industrial 	<ul style="list-style-type: none"> • No clearing house of information • No realtors to advertise availability of land • No engagement with FN on land development

Strengths	Systems	Weaknesses
<ul style="list-style-type: none"> • New strip mall being built in LC • Tall Cree subdivision in FV has land available for commercial/residential growth 		
<ul style="list-style-type: none"> • Working on reclaiming one key site along main street – LC • Several industrial/commercial businesses and/or buildings available 	Brown field development	<ul style="list-style-type: none"> • Several gas stations – contaminate sites – LC
<p>Infrastructure to support business is good</p> <ul style="list-style-type: none"> • Highway 88 completion a big boost to the supply of goods and services to/from Edmonton • Roads are all in good shape • Three airports within the County: 1) 100' x 4400', hard surface runway, WAAS approach – LC. 2) XX 3) Airport north of HL (managed by HL) 5,002' runway, regularly scheduled flights (13,279 per year [2010]), aviation fuels, helicopter, and rental car services available • Regional Emergency Services both FV and LC used for emergency services and private companies 	<p>Physical Infrastructure in good shape</p> <ul style="list-style-type: none"> • Roads • Rail • Airport • Water transport (rivers) 	<ul style="list-style-type: none"> • The County manages approx. 1,836 km of open roads • The highest cost factor for the County is maintenance of roads • Airport has reduced flights. Company's impacted - HL • 45 km of gravel limits recreational travel – ZC • An ice road replaces the La Crete ferry during the winter – restricts the flow of goods • No rail service or spurs in the County, the closest rail is HL, approx. an hour away operated by CN • New truck stop in Loon Lake, industry appreciates truck stops every two to three hours. • Hwy. 58 north of Rainbow Lake is presently a dead end. BC Government pushback on extending it to Fort Nelson. Limits the flow through of people and goods from GP north. • Changing provincial management of roads, has dramatically impacted one FN. Consider the financial implications to business.
<ul style="list-style-type: none"> • Upgraded lagoon doubled capacity for up to 7,735 people in 2015, a \$7 ~ million dollar investment – LC • Available capacity for up to 1,500 people (existing population is approx. 750 people) 	Lagoon capacity	<ul style="list-style-type: none"> • Future investment required for FV upgrades • Challenges with the inner distribution system – bleeder systems in place, 30 homes required to 'trickle' 5,000 to 7,000 cubes per year of water to prevent their systems from freezing, costly – FV

Strengths	Systems	Weaknesses
<ul style="list-style-type: none"> – FV • Capacity available to double community population for water and sewer • Lagoon upgrades (2010), currently at only 8% capacity – ZC 		
<ul style="list-style-type: none"> • New 45 km water line from FV water plant to LC, \$3.1 (2013). • Ability for up to 83 residents to tie into new water line, bylaw in place. Prices to tie in range from \$8,000 to \$14,000 • Bylaw provides ample water use, e.g. residents at 1 gallon per minute, commercial users at 2 gallons per minute • Direct control for commercial water users can be brought to Council for higher water usage per minute • Ductile iron pipelines within the County have been replaced by PVC pipe • Water stations expanded in 2016 • Surface water facility in FV, water quality is superior to LC water, (less scaling, not as hard, less scum, etc.) • Water treatment plant built in 1998, at only 35 to 40% capacity • Second waterline from HL, large industrial use capacity • Consider the cost of growth nodes (Blue Hills) impact on future County budgets. Residents desire ‘to live away from it all’ should not fall to the taxpayers. 	<p>Water capacity</p>	<ul style="list-style-type: none"> • Third party Capacity Assessment recommends an upgrade within two to five years – LC • 2015 ‘perfect storm scenario’ of drought, high number of fires, low water wells/dugouts could expedite the need. Similar in 2016. • Water in LC would be challenging for certain industries to use due to quality. E.g., food processing • New surface water treatment plant in LC a substantial capital investment, \$50 million • Low number of residents (20) out of the 83 have bought into the new water line from FV • Mustus recently sold to Powerwood. Exceptionally high water requirements at 60 gallons per minute – secondary heavy water user would challenge the LC water treatment facility. • Challenge to service LC if the Oat Processing plant comes on, limits additional investment • Perceived challenges about the quality and future capacity of the HL water line – if Footner Lake becomes depleted this presents a threat for existing commercial/industrial users and new investors, and an opportunity for researching a Regional Water System • Rapid growth in Blue Hills population could require another waterline to the region (weigh waterline ROI versus filling station). • Boyer River/ Beaver FN water station is coin operated – system frequently goes down and causes

Strengths	Systems	Weaknesses
		<p>issues for Rocky Lane residents</p> <ul style="list-style-type: none"> Sanitary issues at water filling stations expressed by concerned residents. Gaps in guidelines on the 'pad' between Alberta Environment (treatment plant) and Alberta Health (water carriers) governance, hard to police – Liability issues
<ul style="list-style-type: none"> Mackenzie Regional Waste Management, operating for four years with High Level, the County Regional Service Sharing Agreement with HL Agriculture and Forestry north, Fire ATTACK program has dozens of trained, certified fire fighters in the region 	<p>Partnerships</p> <ul style="list-style-type: none"> Joint use Regional resource sharing 	<ul style="list-style-type: none"> More collective 'sharing' and collaborating can be done. Provincial government study underway which includes RL, HL and the County.
<ul style="list-style-type: none"> Telus and Bell are regional service providers New wireless company Provincial government rural broadband project. REDI completing a study (2016) 	<p>Communications systems</p> <ul style="list-style-type: none"> Internet capacity Cellular coverage 	<ul style="list-style-type: none"> Broadband issues Inconsistent internet and cell service through-out the region Monopoly limits service provision yet cost is high compared to other regions
<ul style="list-style-type: none"> Active and engaged Council 	<p>Active and engaged council</p>	<ul style="list-style-type: none"> Active and engaged, at times too engaged. Governance vs. operations is cloudy.
<ul style="list-style-type: none"> Established LUB business planning and policies Systems are flexible and in place 	<p>Proactive business, planning regulations and policies</p>	<ul style="list-style-type: none"> No development or tax incentives 2009 MDP is very general, needs updating
<ul style="list-style-type: none"> Active Chamber – LC and Board of Trade – FV Desire by Council for economic development and diversification 	<p>Good governance practices by council and committees</p>	<ul style="list-style-type: none"> Need common goals, leadership and vision Very little strategic planning with Mackenzie Region Councils Council is very ag-focused, as a result ag programming and resources are more readily available than supports to other sectors
<ul style="list-style-type: none"> Budget format and information is well done 	<p>Transparency of decisions</p>	<ul style="list-style-type: none"> Business perceives lack of transparency. Especially in relation to applications for new development and tax assessment Lack of awareness within the County of the

Strengths	Systems	Weaknesses
		ramifications of fully taxing companies that are in economic ruin, closed on in a downturn economy.
<ul style="list-style-type: none"> Hospitals in FV, medical clinic in LC Good health care service, full services, seven doctors, hospital with full services available 1 hour away in HL. Very busy hospital – FV 	Medical facilities	<ul style="list-style-type: none"> Historic St. Teresa’s hospital while an asset has challenges getting staff and specialty services. No obstetrics any longer. Doctors determine what type of care exists. Rotating shifts – FV
<ul style="list-style-type: none"> One vet in FV 	Veterinarian facilities	
<ul style="list-style-type: none"> Mackenzie Applied Research Association (MARA) supports regional growers in advancing agriculture and environmental research 	Ag support services/research	<ul style="list-style-type: none"> Farmers are far from market/elevators, driving six or seven hours to Rycroft or McLennan (Cargill Grain elevator) plant. Restricted to what the elevators will buy and they buy a more diverse range of product. Minimal selection for retail stores – FV Larger item shopping done out of town – FV/LC/ZC
<ul style="list-style-type: none"> Good quality but limited availability of restaurants 	Restaurants	<ul style="list-style-type: none"> Limited dining facilities Irregular hours of operation. E.g., food establishments close Saturday evening to Monday morning – LC. FV schedules change with no notice.
<ul style="list-style-type: none"> Available gas stations plus Bulk & service stations – LC 	Fuel accessibility	<ul style="list-style-type: none"> Limited gas available afterhours or the weekend – limited to a cardlock which travelers cannot access.
	Safe shelters	<ul style="list-style-type: none"> No specific shelter – FV
<ul style="list-style-type: none"> Many churches FCSS Alberta Health Service A number of specialized support services for FN 	Social services Counseling	<ul style="list-style-type: none"> Strong Christian base in LC, cliques limit the sense of being a ‘welcoming community’, which in turn impact commerce in the region

Local Financial Capacity

Strengths	Local Financial Capacity	Weaknesses
<ul style="list-style-type: none"> Local banks in LC, FV, and ATB agency services- ZC 	Bank lenders supporting local firms	
<ul style="list-style-type: none"> Community Futures supports the County Strong Chamber of Commerce in La Crete, and Board of Trade in FV 	Micro-loan providers <ul style="list-style-type: none"> Community Futures Chamber of Commerce 4-H Mennonites Others 	<ul style="list-style-type: none"> Many are not aware of the vast number of business support programs Regional businesses tend to have “a fierce tenacity to do it all on their own” RABC program within LC was active and supported business, but provincial gov’t pulled the program
<ul style="list-style-type: none"> FVSD has three very engaging entrepreneur type programs through their alternative education programs. FVSD crosses all political boundaries Student store program in HL 	Investment clubs (within school, Chamber, 4-H actively engaging entrepreneurship)	<ul style="list-style-type: none"> No investment clubs or organizations
<ul style="list-style-type: none"> Mackenzie Regional Waste Management Commission Regional Service Sharing Agreement with HL 	Shared services partnerships	<ul style="list-style-type: none">
<ul style="list-style-type: none"> No investment groups, or clubs. Yet, a high number of citizens with a high net worth and quiet money Banks are aware of who wants to invest 	Investment clubs	<ul style="list-style-type: none"> Not aware of any investment clubs No garage sale type buy and sell Previous investment group bought into a hog barn that failed, limited due diligence. Trust now an issue.

Policy

Strengths	Policy	Weaknesses
<ul style="list-style-type: none"> As a Specialized Municipality you can set new precedent with the government on what you want and need – there is no currently established precedent 	Corporate structure	Incorporated history is unique in Alberta, this challenges provincial decision makers on how to support and/or handle the County

Strengths	Policy	Weaknesses
		<ul style="list-style-type: none"> January 1, 1995 (Municipal District from ID) June 23, 1999 (Specialized Municipality) March 8, 2007 (name changed to Mackenzie County)
<ul style="list-style-type: none"> Low agriculture/farming taxation Business and property tax is competitive in comparison to other Counties Utility rates are comparable (slightly under) other municipalities 	<p>Taxes</p> <ul style="list-style-type: none"> Business tax Property tax 	<ul style="list-style-type: none"> Deterrent to business investment is existing tax assessment process – inconsistencies reported, assessments done by an independent third party Stated inconsistencies in mill rate application, for example, acreages versus farms 2015 saw another substantial tax increase for acreage owners.
<ul style="list-style-type: none"> Land-use bylaws (LUB) exist, to be updated in 2016-2017 Each community/hamlet has a slightly different Area Structure Plan (ASP) with zoning districts (one key direct control is LC allows no liquor stores) 	<p>Land Use</p> <ul style="list-style-type: none"> MDP ASP Joint regional agreements 	<ul style="list-style-type: none"> Always room to improve Open zoning, ‘anything goes, e.g. shop and house on same lot’ – ZC Offsite levies are cost recover only Three different ASP’s contribute to the perception the County is inconsistent in planning policies
<ul style="list-style-type: none"> Development policies are in place Wait times trending down 	<p>Development permits</p>	<ul style="list-style-type: none"> Reported inconsistencies in the development process Perception of inconsistencies in relation to the road allowance that runs parallel to main street
<ul style="list-style-type: none"> Landscaping evolving 	<p>Architectural controls</p>	<ul style="list-style-type: none"> None within the County Loss of heritage buildings in FV Existing heritage buildings are not tied to a regional project
<ul style="list-style-type: none"> Streetscaping project provides new architectural design and engaged the community at large Façade program introduced for LC 	<p>Beautification measures</p> <ul style="list-style-type: none"> Streetscaping Placemaking Main Street Development 	<ul style="list-style-type: none"> Unclear of what investment will be made by the Council Political will is not evident
<ul style="list-style-type: none"> Residential and industrial separate Cognizant & working to address infrastructure needs 	<p>Residential vs. industrial separation</p>	<ul style="list-style-type: none"> Challenging to do – ZC. ASB is blended.

Strengths	Policy	Weaknesses
<ul style="list-style-type: none"> • Good quality of life • Social is evolving, e.g. New Arts Society • Infrastructure, new walking path – LC • Continued historic development (they have leveraged grants) – FV 	<p>Quality of Life</p> <ul style="list-style-type: none"> • Walking paths • Biking paths • Community gardens • Music and festivals • Parks 	<ul style="list-style-type: none"> • No long-term funding plan for Quality of Life, infrastructure a priority
<ul style="list-style-type: none"> • RCMP stationed in FV, bylaw officer, Local RCMP does regular patrols & Bylaw does a good job. 	<p>Policing</p> <ul style="list-style-type: none"> • Peace policies • Bylaw enactment and enforcement • Traffic 	<ul style="list-style-type: none"> • Tension between FN and local communities

Current Product

Strengths	Current Products	Weaknesses
<ul style="list-style-type: none"> • 16 reserves (approximately over 7,800 FN on reserve residents) have a strong purchasing power in the County 	<p>Business</p> <ul style="list-style-type: none"> • Retail • Commercial • Professional services 	<ul style="list-style-type: none"> • FN may not be recognized for their economic impact in the region • FN carry on their 'business' with little interaction with the County
<ul style="list-style-type: none"> • Old Bay House restoration nearly complete – FV • Museum curator has a succession plan • Museum has a good network of resources • Mennonite Heritage Centre and Pioneer Village are assets • Carcajou inventory study (REDI 2016) could tie to a tourism project 	<p>Cultural</p>	<ul style="list-style-type: none"> • Heritage Centre is underutilized - LC • Museum is small in size, signage needed, not atmospheric controls – FV • Little information available about potential Aboriginal cultural tourism sites
<ul style="list-style-type: none"> • 13 campgrounds, new County marketing brochure. Wadlin Lake upgraded in 2015 	<p>Tourism</p>	<ul style="list-style-type: none"> • Wadlin Lake campground expansion occurred without advising/engaging FN neighbours • Very little demand for cultural products of this type for visitors

Strengths	Current Products	Weaknesses
<ul style="list-style-type: none"> Rodeo Indoor ice arena, bowling alley, ball diamond Sought after ice programming in LC 	Sports Recreation	<ul style="list-style-type: none"> No indoor pool, controversial topic
<ul style="list-style-type: none"> Telus and Bell use LTA as a carrier 	Telecommunications capacity	<ul style="list-style-type: none"> Inconsistent cell phone reception in the County Broadband issues impacting speed of commerce
<ul style="list-style-type: none"> Visitors to the region are visiting friends and family (VFF) or driving by on the highways, so easily targeted with a service stop offering 		<ul style="list-style-type: none"> No GPS mapping for those driving by to give them a reason to stop Visitor infrastructure not available consistently throughout the County (toilets, dog walking locations, large truck stops etc.)
<ul style="list-style-type: none"> Regional DMO/or DMF has a brochure and some marketing materials but seems focused on tourists and not visitors 		<ul style="list-style-type: none"> No concerted effort to work with residents on a VFF program

Opportunities and Threats (Uncontrollable)

The eight basic categories of opportunities and threats are:

1. Physical Environment
2. Political Environment
3. Social Environment
4. Competition
5. Changes in Technology
6. Legal and Regulatory Environment
7. Changes in Consumer Behavior
8. Trends

1. How are these factors changing?
2. How might changes affect investment opportunities?

Table 15: SWOT: Opportunities and Threats

Physical Environment

Opportunities	Physical Environment	Challenges
<ul style="list-style-type: none"> • County owned quarters (Mackenzie Hwy. park) close to Norbord, close to rail, utilities, and High Level • Footner Lake commercial land could be developed • County is in the process of buying more land from the province 	Commercial land	<ul style="list-style-type: none"> • To purchase Crown Land from the province is a long, labour intensive challenge – five years on average which limits the County’s option of opening up more
<ul style="list-style-type: none"> • Natural resources: water, gravel, oil and gas, minerals, natural gas • Substantial lithium, potassium and magnesium 	Natural resources	<ul style="list-style-type: none"> • Accessing Crown Land for private companies – bottleneck is (often) Aboriginal consultations, minimum 40 day process, and inconsistently

Opportunities	Physical Environment	Challenges
<p>deposits</p> <ul style="list-style-type: none"> Minerals in demand, e.g., lithium used in alternative energy storage batteries The Rainbow Lake Basin has an estimated 30 years of reserves. New technology could extend this period. Suspended vs. abandoned vs. orphaned. Is there an opportunity to ‘revitalize the workforce’ through the cleanup? Advocacy role? Changes in government policy ‘greening’ Husky in the final stages of a \$100 million NGL optimization plant. 		<p>monitored/governed by the province</p> <ul style="list-style-type: none"> The Rainbow Lake Basin has an estimated 30 years of reserves. Mackenzie County has 15,000 suspended wells. More are being shut-in to lower the tax assessment due to the slow economy. This will impact the County’s tax assessment revenue substantially. Prices of O&G are very low compared to increasing costs of extraction in Canada. Less profitability makes Alberta capital investment unattractive to international oil companies who can move their capital to lower cost countries
<ul style="list-style-type: none"> Research a regional water co-op or ‘arms-length’ corporation for provision of utilities: <ul style="list-style-type: none"> 20 to 50 year lens, a strategic plan to support emerging needs Supply neighbouring communities servicing LC, FC, and one or two FN’s – consider generating revenue selling utilities. FN relationship building – A good starting point is working on projects with the FVSD, another might be in providing any infrastructure, then maybe go more into a regional water treatment centre. 	<p>Water</p> <ul style="list-style-type: none"> Regionalized water treatment Access to water 	<ul style="list-style-type: none"> For an independent regional water Corporation (like ‘Aquaterra’), one must first overcome the issue of autonomy. Considerable budget is required for maintenance, and there are issues with liability.
<ul style="list-style-type: none"> Large forestry reserves, reported life span by the industry is 75 to 100 years. (From the La Crete Sawmill Interview.) Forestry Management Agreement (FMA) cooperation between La Crete Sawmills, Tolko and Norbord Waste products value chain coordinated amongst the mills Room for additional value-add, value-chain investment in the forestry industry 	<p>Forests</p> <ul style="list-style-type: none"> Raw resource Fiber Value-added 	<ul style="list-style-type: none"> FN forest quotas/licensing in jeopardy – A9/Birch Hills already impacted by Regional Framework Plans (2012), stated loss was ~\$3 million annually Potential negative economic impact, conversations about Lower Peace Regional Plan taking F23 away from the FN as an environmental protected area Loss of the License of Occupation passed 1.5 miles of road to a private owner. The road closed and cut Little Red River Cree FN off (2,500 residents) from market access. Research conducted by the FN

Opportunities	Physical Environment	Challenges
<ul style="list-style-type: none"> The County maintains the Little Red River Cree FN road – Meet with AEP and the FN to determine a solution that provides them with ownership of the last 1.5 miles County owned quarters (Mackenzie Hwy. park) close to Norbord, close to utilities and High Level Value-added opportunities <ul style="list-style-type: none"> Discussion of a potential veneer plant Wood pellets to heat homes. Export of mill products to Yukon 		<p>indicated they spent \$7 million annually on products and services in the County.</p>
<ul style="list-style-type: none"> Pristine wilderness <ul style="list-style-type: none"> Wildlife Extreme wilderness sports, quad riding, biking, etc. Wildlife management programs to control the wolves, Alberta Environmental Parks – Wildlife Branch and FN 	Wildlife	<ul style="list-style-type: none"> It was reported that the wolf population is 4x what it should be in the County, a detriment to the deer and moose populations which ultimately impacts the FN and regional residents that rely on the meat.
<ul style="list-style-type: none"> Fresh water available, rivers offers potential for cottage country development for second homes and lakeside development Attractive regions Blue Hills, Buffalo Hills, etc. Native plants have medicinal properties and the Boreal Forest plants are growing in interest as a source of ingredients for pharmaceuticals 	Fresh Water Lakes Rivers Natural grasslands, native plants	<ul style="list-style-type: none"> Much of this land is not easily accessible within a reasonable period of time from major markets
<ul style="list-style-type: none"> Fresh air/big sky Northern lights 	Natural resources	
<ul style="list-style-type: none"> Grain crops, large organic crop cluster of growers Feasibility study favourable of an Oats Processing Facility, value-added products more profitable Grain is known (in North America) as high quality, dense and high yields (oats) 	Agri-business, grain growers, forage Organic grain growers	<ul style="list-style-type: none"> Furthest north agriculture growing zone in the province Distance to market
<ul style="list-style-type: none"> Historical landmarks FV is the oldest community in Alberta 	Historical landmarks	<ul style="list-style-type: none"> Limited tourism operators, limited capacity to 'make money' at tourism

Opportunities	Physical Environment	Challenges
<ul style="list-style-type: none"> Itemized historical spots in the Carcajou study. 		<ul style="list-style-type: none"> Fragmented offering of products will not attract tourists to come and stay
<ul style="list-style-type: none"> Could become a place of interest for archeologists. Philip Currie Dinosaur Museum is within the Peace Region. 	Paleontology	<ul style="list-style-type: none"> There is no current program in the area to study this subject
<ul style="list-style-type: none"> Deep historic lines, Aboriginal – First Nation, Métis, Mennonite, Ukrainian 	Cultures, ethnic groups	<ul style="list-style-type: none"> Cliques Tall Cree, lots of trained, certified residents not working
<ul style="list-style-type: none"> A couple of old historical buildings – Fort Vermilion Peace River an asset and opportunity 	Unusual infrastructure (wide streets, old buildings, western town, aqueducts)	<ul style="list-style-type: none"> There is an abundance of this kind of product all across the province and in the neighbouring provinces –difficult to differentiate it
<ul style="list-style-type: none"> FN interested in developing tourism Dena Tha’ six new cabins on Bitscho Lake 	Tourism <ul style="list-style-type: none"> FN tourism Ecotourism 	<ul style="list-style-type: none"> Limited tourism operators, limited developed tourism products No complete ‘package of the products’ in the region Economies of scale, FN are ‘bushed’, far behind other regions – the Chief and Council need to package up and get the buy in from the elders True numbers of tourists to the region are unknown but Travel Alberta indicates 87,000 visitors a year These visitors are likely the same people counted more than once and coming from within the region The market is comprised of those visiting friends and family (VFF)
<ul style="list-style-type: none"> New society in March 2016, formed to raise funds to build a Designated Assisted Living Facility of Supportive Living Levels 3 and 4, (FV and the four First Nations bands closest to FV) <ul style="list-style-type: none"> Could the facility house other businesses? Mental Health, additions? P3 Peace River Medical Clinic, 14 staff, medical and mental health 	Built capital infrastructure	
<ul style="list-style-type: none"> New \$40 million, in High Level 	Health industry	<ul style="list-style-type: none"> HL is perceived as ‘taking’ the professionals and

Opportunities	Physical Environment	Challenges
<ul style="list-style-type: none"> St Teresa Hospital in FV <ul style="list-style-type: none"> High number of admissions 'Grow Local' medical training could be endorsed and supported within the Mackenzie Region. 		<p>services away from FV. Many versions of fact and fiction creates additional tension</p> <ul style="list-style-type: none"> FV is highly used, challenge with getting professionals to work/stay in the community – Losing services Challenging to attract and retain medical specialists. Creates long waiting list.

Political Environment

Opportunities	Political Environment	Challenges
<ul style="list-style-type: none"> Opportunity to build trust and gain respect of FN 	Change in government = change in rules, programs, processes	<ul style="list-style-type: none"> New provincial government representatives. Previous PC La Crete MLA was very engaged, business acknowledged and appreciated this, but La Crete NDP MLA is new to the position, limited engagement with business
<ul style="list-style-type: none"> Look at the NDP and Liberal platforms, look at the new program dollars and compare to the County's priority projects – leverage partnerships to secure more funds Completed Strategic Plan – (2011) <ul style="list-style-type: none"> Ec. Dev. position new to the County New Streetscaping plan is underway 	New government budgets	<ul style="list-style-type: none"> There must be a focus on projects – Council must follow a strategic plan, clear goals and stay on track Council is at times personally involved in projects, no line between governance, operations and passion-based projects
<ul style="list-style-type: none"> Large firms in the region are already well connected in to these federal programs 	Federal Government Focus (Foreign Direct Investment [FDI])	<ul style="list-style-type: none"> Focus of this program is to bring foreign investors to Canada to set up businesses thereby investing in communities and also to sell Canadian goods abroad Hard to fit local firms into the parameters of the program
	Taxation policy (GST, duties and tariffs here and market)	<ul style="list-style-type: none"> Northern cost of doing business and living creates challenges for business
<ul style="list-style-type: none"> Immigrant groups can become the basis of foreign tourists who come to the area to visit family 	Immigration policy	<ul style="list-style-type: none"> Loss of the Foreign Worker program has created issues in the County

Opportunities	Political Environment	Challenges
<ul style="list-style-type: none"> Build a building that can house Canada Post, and have several other tenants (like Mirror, AB). 	Infrastructure decisions	<ul style="list-style-type: none"> Old Canada Post building in La Crete is causing challenges for residents and business alike. Substantial capital required for a new water treatment facility in LC
<ul style="list-style-type: none"> REDI is working on an airport study and a transport corridor road project to Alaska. NTA (Northern Transport Alliance). 	Political decisions made abroad that open markets or close them (ex. access to rail cars, Keystone pipeline, etc.)	<ul style="list-style-type: none"> Lower Peace Land-use Framework could negatively impact Little Red River FN and logging companies within the County.
<ul style="list-style-type: none"> FVSD has a very progressive teacher recruitment program Programming could be expanded to include more trades. New shop being built in HL. 	Educational mandates	<ul style="list-style-type: none"> Lack of higher education institution in the region means students must leave the community
<ul style="list-style-type: none"> Several companies reported their business has grown as their competition in GP has gone out of business. More quality workers now engaged by large forestry company. 	Workforce development	<ul style="list-style-type: none"> ZC has been hit hard by the economic downturn. There are many owner operators that do not qualify for EI. Students advancing their education have to leave the region for trade training, etc.

Social Environment

Opportunities	Social Environment	Challenges
<ul style="list-style-type: none"> Collect data on workforce shifts will completing the BVP program. Host and workshop on company diversification. Eg. BDC offers several. Job creation through support of entrepreneurs Job skill training through partnerships with the schools Expansion of local firms through capital infusion programs 	Unemployment levels	<ul style="list-style-type: none"> Decreasing oil and gas industry Other firms affected by reduced spending Development of value added products needs time before it needs regular employees
<ul style="list-style-type: none"> Reduces the rolls of the unemployed 	Migration out of community	<ul style="list-style-type: none"> Loss of skilled labour

Opportunities	Social Environment	Challenges
<ul style="list-style-type: none"> • Frees up scarce housing 	<ul style="list-style-type: none"> • Young • Skilled Employees of Big Firms downsizing 	<ul style="list-style-type: none"> • Depresses real estate values • Once gone not likely to return
<ul style="list-style-type: none"> • Youth return home – LC • Bring new ways of doing things • More likely to be willing to receptive to other view points 	<p>Migration into community</p> <p>Mennonites from Mexico, Brazil and European countries</p>	<ul style="list-style-type: none"> • No jobs means more unemployed and higher social costs
<ul style="list-style-type: none"> • Northern Europeans are looking for emigration opportunities into rural Canada and a population that speaks their language is attractive to them • Possible to do international business more easily 	<p>Languages spoken</p> <ul style="list-style-type: none"> • First Nations (various dialects) • Ukrainian • Russian • German • Spanish 	<ul style="list-style-type: none"> • Immigrants come with social needs that cost the community money in the short term • Skilled, educated immigrants usually want to go to the larger cities where they can be well paid and meet others from their home countries
<ul style="list-style-type: none"> • FVSD has very innovative and successful alternative programing available: School store in High Level, Rocky Acres Farm in Rocky Lane, and Housing Project in FV. 	<p>Access to education</p>	<ul style="list-style-type: none"> • Lack of mixing of students means that the cultures remain separate and don't know each other
<ul style="list-style-type: none"> • Value added products means people keep working • County is growing with youth –the best source of entrepreneurs to start new businesses 	<p>Workforce needs of local business</p>	<ul style="list-style-type: none"> • Shortage of professionals in healthcare, social services, education institutions
<ul style="list-style-type: none"> • Cultural communities are self-sufficient and industrious • Migrants from within the religious communities are attracted to life in the north 	<p>Perceived quality of life for residents</p>	<ul style="list-style-type: none"> • FN are below poverty line, many social challenges • Poor interaction among groups means less diversity of thought to solve common issues • Lack of understanding that neighbours are customers

Opportunities	Competition (both direct and indirect)	Challenges
<ul style="list-style-type: none"> Highway 35 HL to the NWT (43,000 pop. in 2013) and Yukon 33,000). Hwy 88, La Crete to Edmonton and Hwy 35, across the ferry. 	<p>Depends on each market</p>	<ul style="list-style-type: none"> Logistics are an issue for business. Rainbow Lake, Fort Nelson connector is not a high grade road
<ul style="list-style-type: none"> Local food products sold into High Level, north to NWT 	<p>Local businesses are competition with online products/services</p> <p>They are also in competition with major centres where people travel to stock up</p>	<ul style="list-style-type: none"> High Level, located an hour from LC on Hwy. 35 is starting to get big box stores Competition between business is very high in LC Local grocery stores compete with large chain stores in High Level and Grande Prairie Proximity to High Level increases amount of shopping dollars taken rather than being spent locally – vicious cycle with businesses struggling to make ends meet – LC and FV
<p>Specialty furniture manufacturing, close the loop</p> <ul style="list-style-type: none"> Value-add wood craftsmen readily available Local businesses have relationships with Ashley Furniture Local sawmills sell to China, which in turn sells to Ashley furniture 	<p>Local manufacturers compete with...</p> <ul style="list-style-type: none"> On line products anywhere in the world that can be easily shipped Other communities along the same physical trade routes 	<ul style="list-style-type: none"> Limited advanced manufacturing being done. Interesting that wood products extracted in the County are shipped to China to Ashley Furniture, the finished products (Ashley Furniture) are sold within the County.
<p>County just completed a campground visitors map</p> <ul style="list-style-type: none"> FV golf course could be an asset Western streetscape these will support FV's local storefront Embrace First Nations communities that surround FV and LC 	<p>Tourist attractions compete with?...</p> <p>Depends on the reason for travel but in general there is no unique product offering currently in the Region to differentiate the Region from neighbouring areas</p>	<ul style="list-style-type: none"> Small percentage of visitors in the north. Alberta Tourism data skews visits (87,000 to Region) per year versus actual visitors not tourists.
<ul style="list-style-type: none"> New committee for a future senior's home with FN is now up and running in FV. 	<p>County competes for residents with?...</p> <p>Every community in Canada in general and if broken down by consumer profiles of those who seek northern rural living then the</p>	<ul style="list-style-type: none"> The new hospital in High Level versus FV's hospital is a very contentious issue.

Opportunities	Competition (both direct and indirect)	Challenges
	decision becomes employment dependent	
<ul style="list-style-type: none"> Provincial GOA has funded a study to see how FV, LC and HL can work more collaboratively together 	Regional protectionism	<ul style="list-style-type: none"> Intolerance of FN and FV perceived by those outside of La Crete

Changes in Technology

Opportunities	Changes in Technology	Challenges
<ul style="list-style-type: none"> Broadband study underway (Regional Economic Development Initiative [REDI], April/May 2016) 	<p>Communication networks are critical to business.</p> <p>Consider accessibility to internet, broadband, cellular coverage, etc.</p>	<ul style="list-style-type: none"> Sporadic internet and cellular coverage is affecting business High cost of cell and internet service as only two providers (Bell and Telus), and small population to support infrastructure
<ul style="list-style-type: none"> Changes in provincial regulations and political will for alternative energy 	Alternative energy	<ul style="list-style-type: none"> Alternative energy requires a high capital outlay, and at this stage ROI is low
<ul style="list-style-type: none"> Remote learning available via Northern Lakes College 	Remote learning	<ul style="list-style-type: none"> FN have limited and at times no internet coverage
<ul style="list-style-type: none"> The ability to offer northern products online through sites like Amazon to consumers and through Merx to government 	Internet shopping	<ul style="list-style-type: none"> No broad band means it is expensive to have large data users in the area These data users will choose locales with better access
<ul style="list-style-type: none"> MARA is connected to nine other research facilities through the Agricultural Research and Extension Council of Alberta (ARECA) Leveraging of research capacity to develop new products using local area content (pharmaceuticals, cosmetics etc.) Researchers at the University of Alberta are looking at the Boreal forest to determine its value to science and 	<p>New methods of production</p> <p>Research networks</p>	<ul style="list-style-type: none"> Pharmaceutical company interest is hard to attract unless they are already looking for something you have A bio-chemical inventory would be needed of the area's potential for big pharma

Opportunities	Changes in Technology	Challenges
<p>may already be in contact with MARA</p>		
<ul style="list-style-type: none"> Embrace small niche farming and small scale boutique food production, making the area the go-to-zone for natural grown food supply within the area Hemp study – hemp seed market is flat, but bio-fiber is a big opportunity Organic grains Cover Crop trials to supplement soils, Co-op/MARA event had over 70 farmers attend. 	<p>Value-add agriculture</p> <ul style="list-style-type: none"> Organic grains New crops to be grown (GMO) Specialty crops 	<ul style="list-style-type: none"> County supported study on hemp, MARA research support, limited access to market for the product Distance to market for hemp bio-fiber commercial processing an issue, low uptake on farmers interested in growing hemp. Lost County \$\$ on the study. Cattle producers are limited in the County – first BSE, then the drought and cost of feed (especially in the north) forced producers to sell Soil has low organic matter, unique growing conditions and soil needs supplementation
<ul style="list-style-type: none"> Technology will support all resource based industry. Use R&E programs sponsored by the provincial and federal government as an incentive. 	<p>Smart technology - supportive of industry</p>	<ul style="list-style-type: none"> Muskeg formation, tight oil bearing reservoir. Hard to develop. New technology could change this. Natural gas has a low market value.
<ul style="list-style-type: none"> Clinic in La Crete and hospitals in High Level and Fort Vermilion 	<p>Medical</p>	<ul style="list-style-type: none"> Aging physicians hard to replace Specialized care is out of the community
<ul style="list-style-type: none"> HL has seven doctors, a few dentists, limited accountants, lawyer, etc. chiropractors available Embrace technology and innovation for business – decrease reliance on in-county shopping by selling goods and services online to regional, provincial, national and global markets. There is a big wide world outside of the County Mobile Dialysis Bus (Lloydminster), option to buy 	<p>Professional services</p> <ul style="list-style-type: none"> Changes in training and/or technology to support the region Medical technology Medical/professional training 	<ul style="list-style-type: none"> Professional services are hard to attract and retain in the region. Issues are housing, remote living, access to creative culture opportunities. Decentralization has AHS management team in Grande Prairie, limited capacity to manage team from HL or Zone One.

Legal and Regulatory

Opportunities	Legal and Regulatory	Challenges
<ul style="list-style-type: none"> There are a number of provincial and federal grants that would support the County. E.g., entrepreneur focused. 	Rise of Aboriginal activism supported by laws. (e.g. aboriginal consultation on any activities on Crown land)	<ul style="list-style-type: none"> Aboriginal buy-in – hard to engage the First Nations. Harder still to have a strategic plan that survives political shifts.
<ul style="list-style-type: none"> Growth in consulting work and monitoring companies for compliance 	Rise of triple bottom line (Environmental, social and financial)	<ul style="list-style-type: none"> Lower Peace Land-use Framework
<ul style="list-style-type: none"> Can force integration and fairplay 	Laws made elsewhere can affect business here!	<ul style="list-style-type: none"> AHS management/GP Land-use Framework can have considerable economic impact on the region.
<ul style="list-style-type: none"> Advocacy role: The County alongside FN to ensure their revenue streams are supported E.g., forestry agreements. In the beginning, select projects that don't have a net gain for the County. LRRFN road allowance. 	Environmental regulations	<ul style="list-style-type: none"> Potential negative economic impact from FN losing their forestry agreements/revenue – Lower Athabasca Regional Plan closed A9, \$3 million annual loss to FN Rumours that Lower Peace Regional Plan will take F23 away from the FN as an environmental protected area
<ul style="list-style-type: none"> Advocacy role: Forestry agreement talks for Beaver FN who cannot get a license. 		

Changes in Consumer Behaviour

Opportunities	Changes in Consumer Behaviour	Challenges
<ul style="list-style-type: none"> Larger families – La Crete Greater growth means greater vibrancy 	LC has larger families	<ul style="list-style-type: none"> Family values not shared across the cultural groups Many must leave community to find work
<ul style="list-style-type: none"> Increase of women in the workforce means more jobs available in the caring fields (child care, elder care) 	Two incomes needed to make one home	<ul style="list-style-type: none"> Many one income families in LC (women not in the workforce.)
<ul style="list-style-type: none"> Standard of living has never been higher and the that means greater consumer purchase ability 	Greater income disparity between social classes but better standard of living for all (Walmart Effect)	<ul style="list-style-type: none"> Perception is as important as truth when it comes to comparing ones' circumstance to one's neighbours –can build resentment and make cooperation hard to achieve

<ul style="list-style-type: none"> Cellphones, on-line access, etc. make it possible to research and gain access to any market in the world 	<p>Communicate person to person rather than place to place</p> <ul style="list-style-type: none"> Communication is instantaneous Less interaction in person, more online 	<ul style="list-style-type: none"> Online shopping is creating a new economy Companies are now vulnerable to distortions of their messages in a way they have never been before Small players can seem large and large ones small through their ability, or lack thereof, to use the technology
<ul style="list-style-type: none"> Becoming more receptive to virtual meetings which save time and are often more productive 	<p>Decline in volunteerism - less we, more me</p>	<ul style="list-style-type: none"> Harder to find people to come to the table and work for the benefit of the community
<ul style="list-style-type: none"> Society is moving towards more inclusive decision making which means a greater diversity of thought 	<p>Less patriarchal</p>	<ul style="list-style-type: none"> Women demanding more involvement in decision making but it is harder to reach them as they are working and caring for families
<ul style="list-style-type: none"> Greater scrutiny of the way in which public resources are used 	<p>Growth of environmentalism in place of religion</p>	<ul style="list-style-type: none"> More issues with people who think they know science because they listen to an uneducated media and then feel compelled to act to everyone's detriment

Trends

Opportunities	Trends	Challenges
<p>Alternative energy investors could lessen the power supply challenge</p> <ul style="list-style-type: none"> Mustus sold to Powerwood Another facility, potential Powerwood/Norbord facility (confidential) Longrun sold to Sineo Several large companies are looking at alternative energy as a resource to lowering their cost of inputs 	<p>Alternative Energy</p>	<ul style="list-style-type: none"> Powerwood facility is a high, high user of water – It will stress the L/C water treatment facility to serve it and/or another major development (i.e. the Oat Processing facility on stream)
<ul style="list-style-type: none"> Northern Alberta Advocacy Alliance (NTAA) (similar to the NW Corridor alliance) new transportation committee through REDI for access to market via Prince Rupert B.C. into Alaska 	<p>New investment</p> <p>International investment</p> <p>Value-add</p>	<ul style="list-style-type: none"> Number one issue stated by companies is location, cost of logistics, cost of utilities, limited market, etc. Issues with internet, cell coverage, monopoly by Telus and Bell

Opportunities	Trends	Challenges
<ul style="list-style-type: none"> Proposed pipeline through Alaska, Fort Mac via LC via BC up to Alaska, Siding Group Proposed value-add wood company researching a location within the County – Chinese investor 		<ul style="list-style-type: none"> Inconsistencies and challenges with the Gas Co-op reported
	Social-economic situation	<ul style="list-style-type: none"> Income disparity between Hamlets/County and First Nation Reserves
<p>Regional water system review required</p> <ul style="list-style-type: none"> Research the potential of the needs/requirements within the next 20 to 50 years Potential partners/users HL, and FN's Leverage partnerships to access new federal programs (2016) 	20 to 50 year view on infrastructure requirements	<ul style="list-style-type: none"> All regional communities having separate water and waste water systems is a waste of funds, resources and capacity If Footner Lake becomes depleted this presents a threat for existing commercial/industrial users within the County and an opportunity for a Regional Water System 2016 Federal Funds provide a number of programs for FN fresh and waste water Blue Hills population is growing rapidly, infrastructure requirements \$\$
<ul style="list-style-type: none"> Dene Tha' own the N'Dah Forestry Co., Little Red River, Forestry and Tallcree's Netaskinan company Through National Aboriginal Forestry Association (NAFA), agreement in 1995 partnered Little Red River Cree and Tallcree FN with DMI/Tolko There are several County companies that have JV partnerships with FN (progressive) 	FN companies, forestry, O&G, real estate	<ul style="list-style-type: none"> There are a number of substantial barriers to partnering with FN business. A good, credible, mediator could resolve this.
<ul style="list-style-type: none"> The County has been given a building they could use as an incubator, tie this to FVSD and Maker Space concept. Build a culture of creativity. http://renovatedlearning.com/2015/04/02/defining-makerspaces-part-1/ 	Business ideas/identified needs brought forward by the interviewees	<ul style="list-style-type: none"> Tallcree Truck stop where their existing Gas/Convenience store is located. The closest is the newly constructed truck stop (competition) Loon River and High Level truck stop
<ul style="list-style-type: none"> Northern Alberta – updated airport study, all of northern Alberta and nationally, airports all lose money. Rainbow Lake spends 20% of their budget on their airport. Governance, funding, best model. BC did one as well. RFP to look at 		<ul style="list-style-type: none"> Challenge - there is no succession plan for REDI's, executive director, Dan Dibbelt. As an ED he is getting work done, at a reasonable price. He manages the organization, he is not their EDO.

Opportunities	Trends	Challenges
then go out. June 2016.		
<ul style="list-style-type: none"> Northwest corridor. REDI completing the NW side of Alberta, what is produced, where is it shipped and when will be done. 2016. Analysis of NW Commodity Product and Shipment. 		

