



Business Questionnaire Results

Submitted to: Strathcona County and KPMG Consulting
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1. Background

Criterion Research Corp., in partnership with KPMG Consulting and Calder Bateman, and on behalf of Strathcona County, was commissioned to conduct a questionnaire with businesses in the County as part of the Community Consultation 2002.

The primary objectives of the research included:

- Understanding the business climate for businesses in the County;
- Gauging concerns in the business community, particularly as it concerns growth in the County;
- Identifying how business owners feel the County needs to prioritize various issues; and
- Understanding community values with a view to guiding long term strategic planning.

2. Research Method

2.1. Data Collection

A 'pen and paper' questionnaire of 1,500 businesses in Strathcona County was distributed in June 2002. The questionnaire was designed in close consultation with Strathcona County's Project Team and closely mirrored the residential survey and questionnaire (reported under separate cover). A copy of the questionnaire is included in Appendix A.

Questionnaires were delivered to the 1,500 businesses in Strathcona County who have voluntarily registered with the County. Seventy (70) of these were returned undelivered due to a variety of reasons including business closures and moves. The questionnaire was also available on the Internet. A total of 204 questionnaires were completed for a response rate of 14%; above the typical response rate of 8-10% for this type of questionnaire.

A 'firmographic' profile of respondent companies is shown in Table 1.

Table 1: Firmographic Profile of Respondent Companies

		Questionnaire*
<i>Sample size</i>		(n=204)
Gender		
	Male	54%
	Female	36%
Company's Main Activity		
	Manufacturing	8%
	Retailing	15%
	Business Services	17%
	Non-Profit	1%
	Wholesale	2%
	Consumer Services	12%
	Building and construction	7%
	Resources	2%
	Agriculture	2%
	Other	17% ¹
Title or Position in Company		
	Owner/President/CEO	71%
	Manager	11%
	Vice-President/Director	3%
	Partner	2%
	Sales	2%
	Other	6%
Age of Business		
	Less than one year	1%
	1-9 years	36%
	10-19 years	22%
	20-29 years	22%
	30-39 years	5%
	40+ years	4%
	Mean (years)	14.7
	Median (years)	12.0
# Full-time Employees (excluding self)		
	Single person operation	20%
	1 employee	17%
	2 employees	12%
	3-9 employees	19%
	10-49 employees	15%
	50-99 employees	3%
	100+ employees	4%
	Mean (years)	32.9
	Median (years)	2.0
Home-based Business		
	Yes	31%
	No	59%
Parent Corporation with HQ outside Strathcona		
	Yes	10%
	No	80%

¹ "Other" responses included Healthcare (7 companies), Engineering/ Consulting Engineers (6), Professional services (5), Consulting (2), Education (3), etc.

		Questionnaire*
<i>Sample size</i>		<i>(n=204)</i>
Location of Company Operations		
	Industrial Park	11%
	Commercial Park	7%
	Strip Mall	10%
	Shopping Mall	4%
	Independent Business Building	22%
	Agricultural Site	3%
	Home Based Business	26%
	Other	3%
Had Contact with County Employee in Past Year		
	Yes	68%
	No	22%
Visited strathcona.ab.ca		
	Yes	35%
	No	55%
Visited strathconacounty.com		
	Yes	25%
	No	66%

* Responses may not add to 100% due to non-response of individual questions and/or rounding error

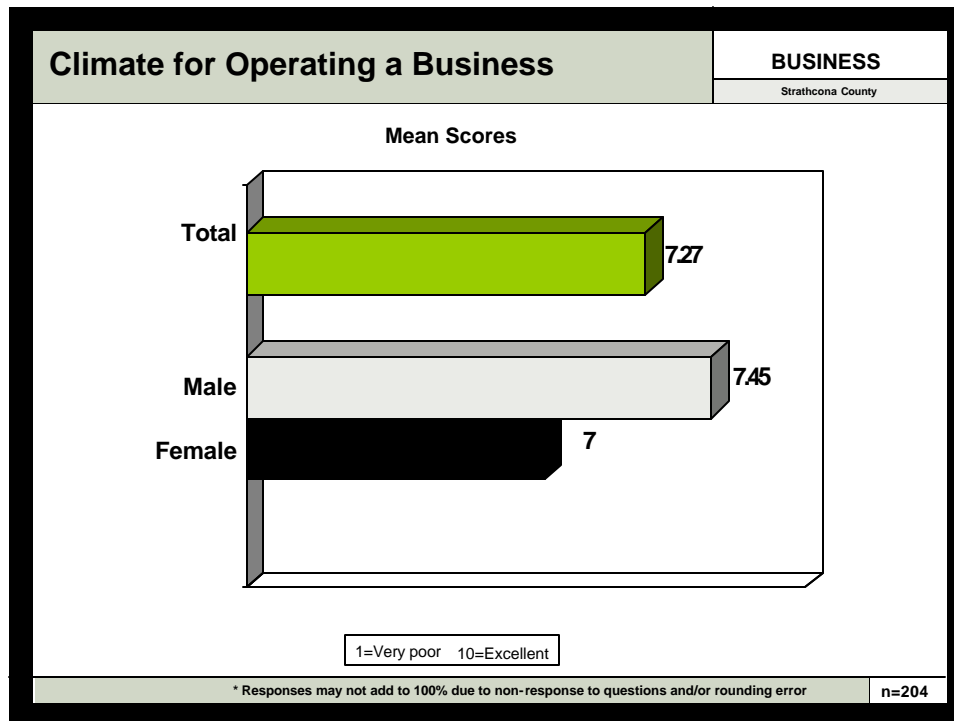
3. Analysis of Findings

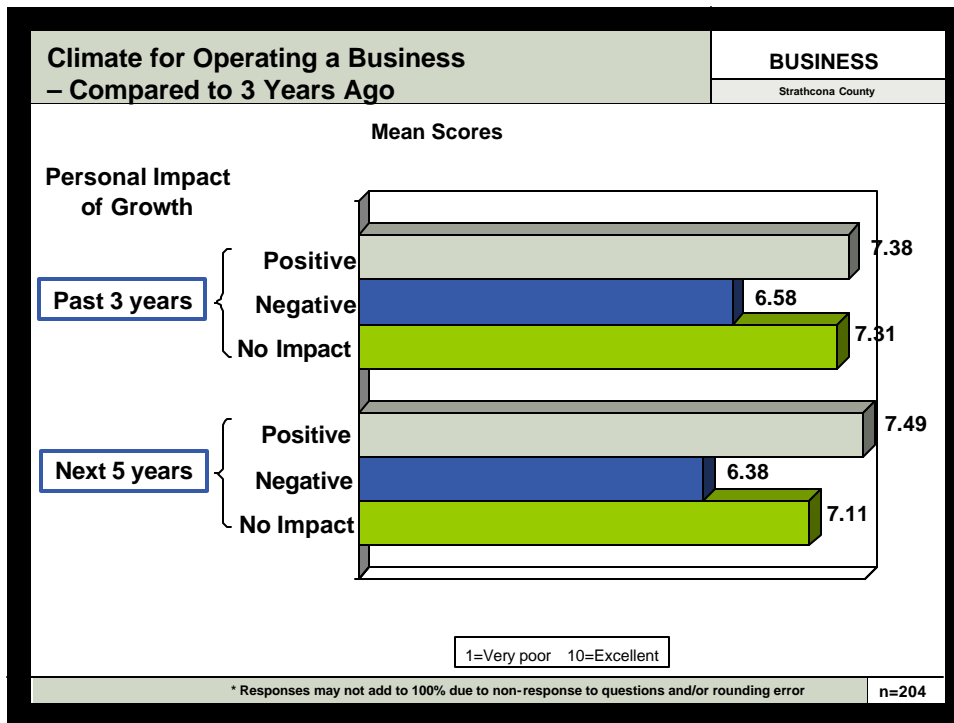
The following section details the key findings of the research.

3.1. Business Climate

In comparison to other places, how would you describe the climate for operating a business in Strathcona County? (One to ten scale where 1= very poor and 10= excellent)

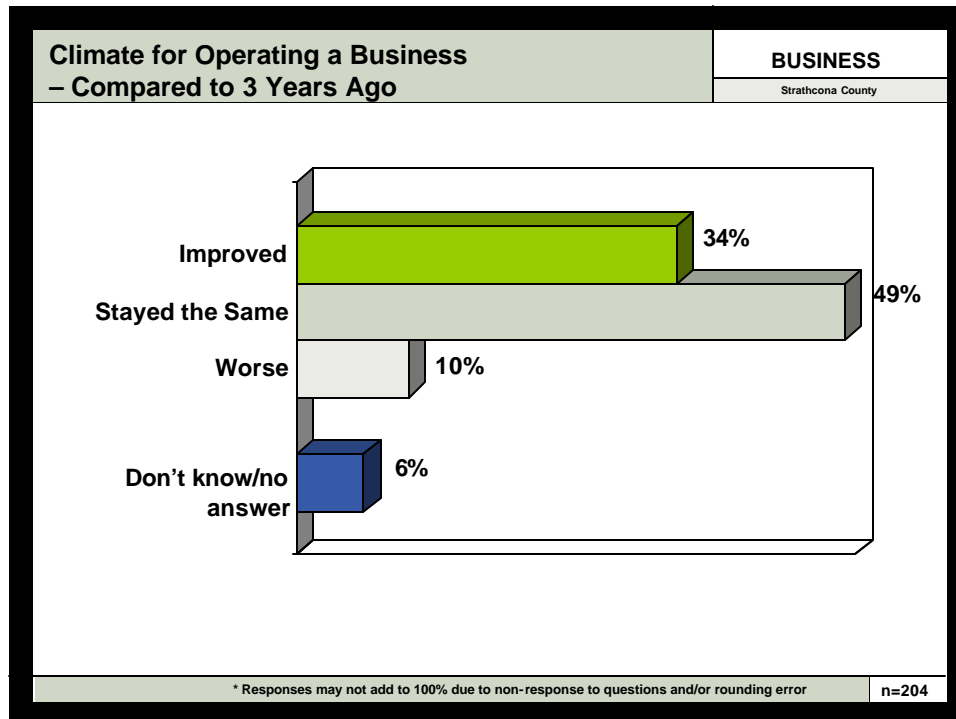
- Overall, businesses rate the business climate in the County a high 7.27 out of 10 points. Male business owners give the business climate a higher score compared to female business owners (7.45 versus 7.0 out of 10, respectively).
- Business respondents who feel growth has had a positive impact on them personally in the past 3 years, and who think growth will continue to have a positive impact, are more likely to give a higher rating to the overall business climate in the County compared to those who feel a negative personal impact of growth.
- Subsample sizes are too small in most cases to conclusively identify differences based on the demographic characteristics of companies.

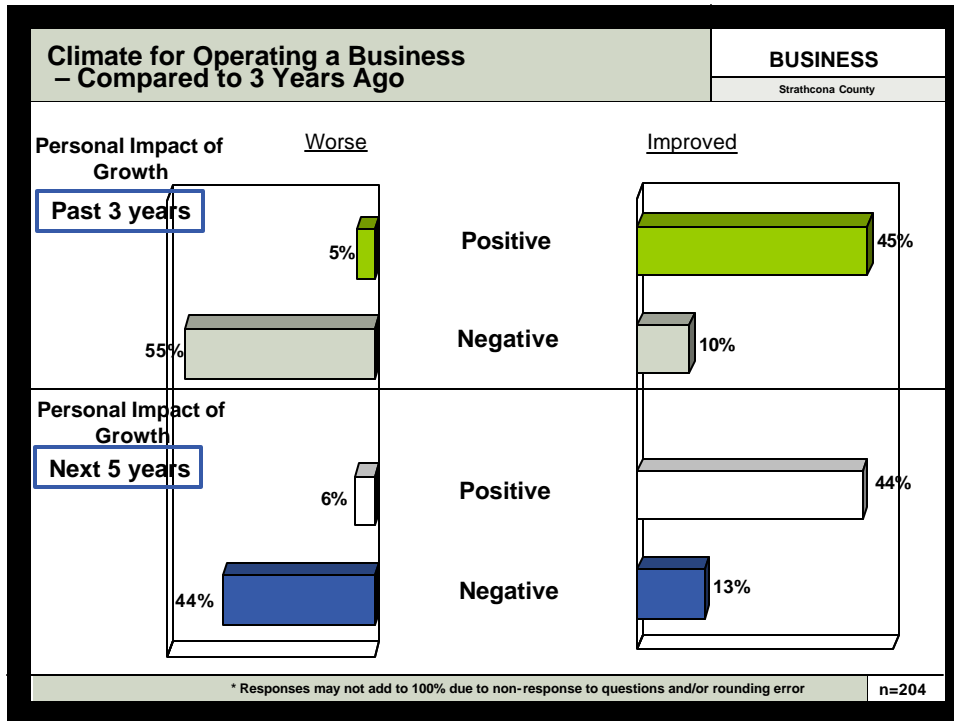




Compared to three years ago, do you think the climate for operating a business in the County has improved, gotten worse or stayed about the same?

- Compared to three years ago, 49% of businesses surveyed feel the climate for operating a business in the County has stayed the same, while a solid one-third (34%) of businesses feel the climate has improved. Only 10% of business respondents report a worsening of the business climate in the past 3 years.
- Business respondents reporting a positive growth impact (past 3 years and next 5 years) are more inclined to report an improvement as opposed to a worsening of the business climate compared to 3 years ago. Conversely, those who are more pessimistic about the impact of growth are more likely to report a worsening in the business climate.
- Businesses that have been operating for over 10 years are more likely to report the business climate to have stayed the same in the past 3 years compared to those who have operated 10 years or less (57% versus 42%). Conversely, businesses that have operated for 10 years or less are more likely to report an improved business climate when compared to their longer standing counterparts (41% versus 27%).
- Businesses that are not home-based are more likely to report an improved business climate when compared to home-based businesses (39% versus 23%). The latter, home-based businesses, are more likely to feel the business climate has remained the same compared to 3 years ago (61% versus 45% for non-home based businesses).

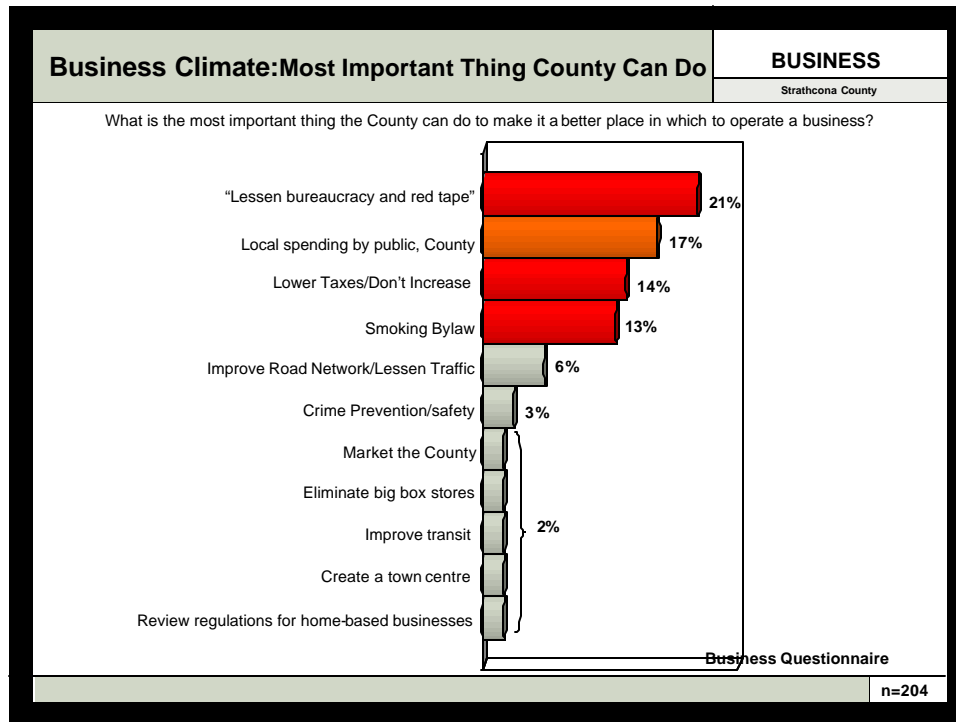




3.2. Business Concerns

What is the most important thing the County can do to make it a better place in which to operate a business? (unaided, open-ended question).

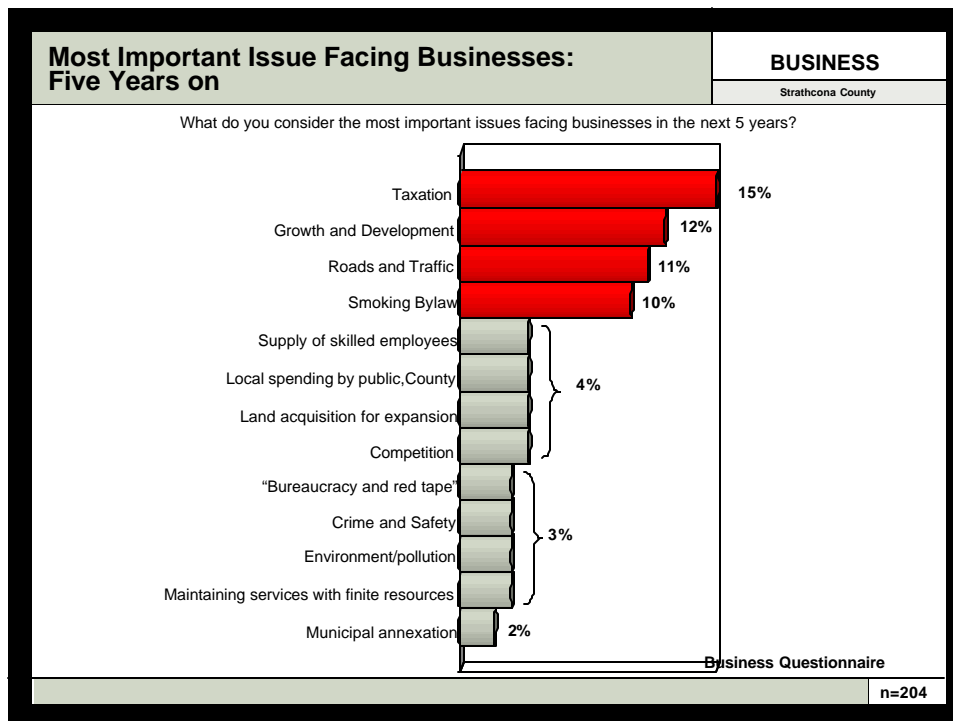
- The top suggestions from business respondents as the “most important thing than County can do to make it a better place to do business” are:
 - Cut down on bureaucracy and red tape at 21%.
 - Encourage local spending and business patronage at 17%. It is suggested that the County proactively promote this with residents, but also heed this advice in it’s own purchasing habits.
 - Fourteen (14%) percent of Strathcona County business respondents want the county to hold the line on or decrease current levels of taxation.
- The next most common comment concerns the proposed smoking by-law with 13% of respondents listing attention to this issue as the “most important thing the County can do”.
- A mid-pack issue for the “most important thing the County can do” is the suggestion to increase road construction and/or alleviate traffic congestion at 6%.
- Other areas requiring attention noted by business respondents in percentages of 3% and 2% were crime prevention, marketing of the county as a place to do or establish a business, eliminate big-box stores, improve public transit, develop a town centre, and revising the regulatory framework for home-based businesses.



3.3. Issues Facing the County in the Next Five Years

Thinking about the next five years in the County, what do you consider to be the three most important issues facing businesses in Strathcona County in the next five years? (unaided, open-ended question).

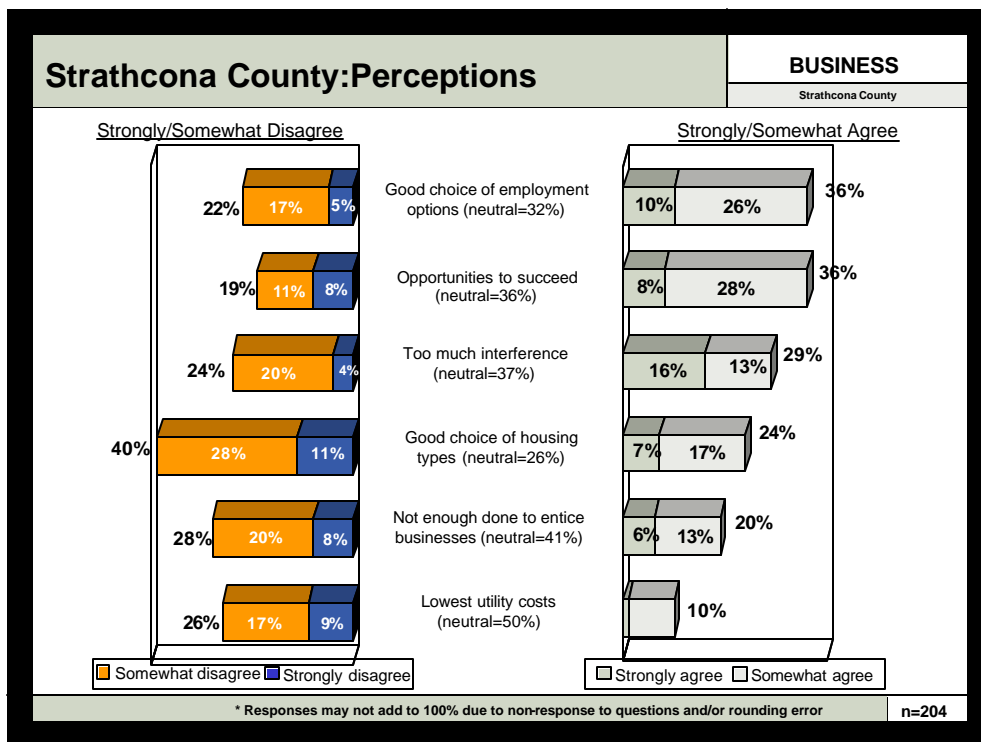
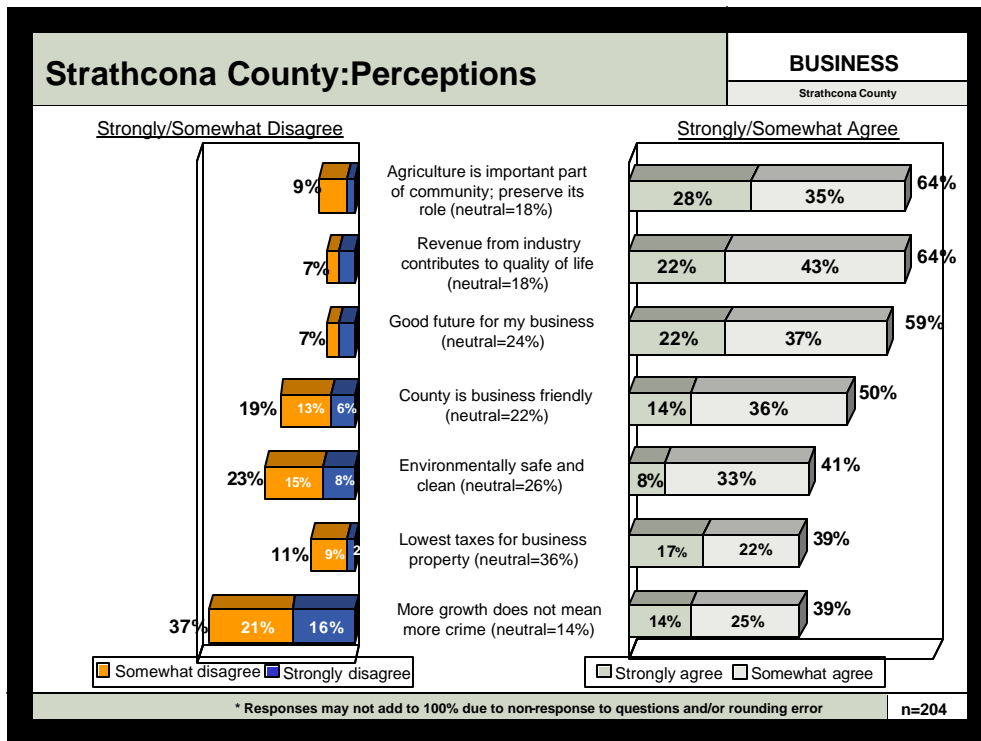
- Respondents to the business questionnaire identify taxation levels as the “most significant issue facing them over the next five years” most often at 15%.
- Other issues mentioned prominently were the pace of/planning for growth (12%), road quality/sufficiency and traffic congestion (11%), and the smoking bylaw at 10%.
- Other issues anticipated over the next five years mentioned by between 2% and 4% of business respondents include concerns around the supply of skilled employees, County residents and the County Administration shopping or not shopping locally, land acquisition for expansion, reducing unnecessary “bureaucracy and red tape” in permitting for and regulation of business, crime and public safety, environmental health and pollution, and the threat of municipal annexation.



3.4. County Perceptions

Business respondents were asked to agree or disagree with a series of statements about Strathcona County as it is today.

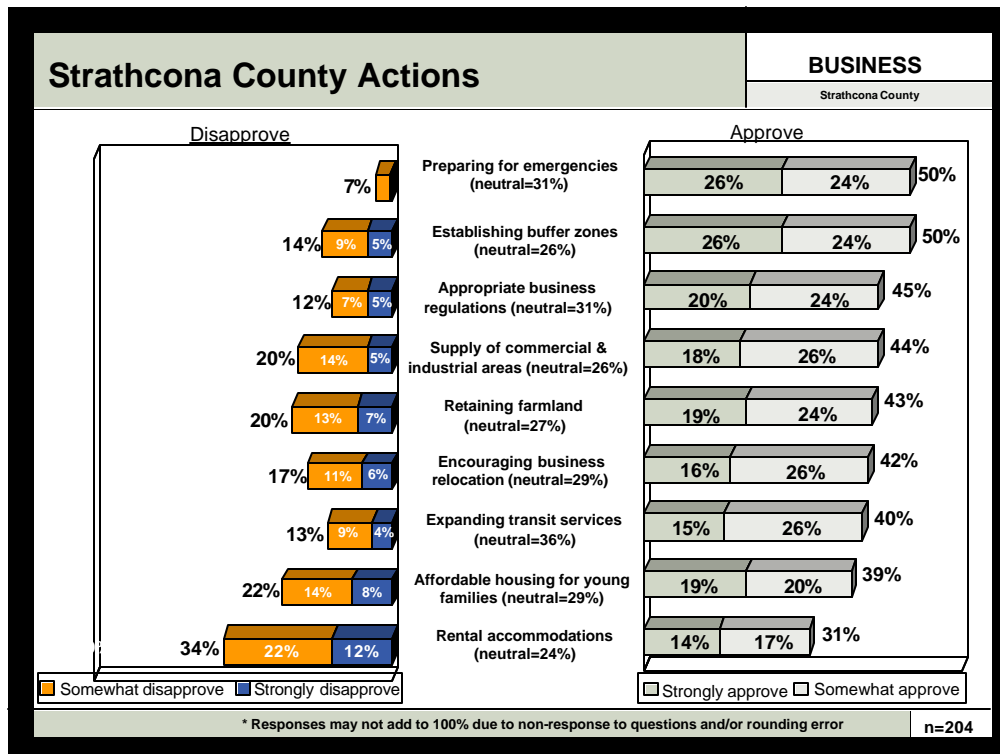
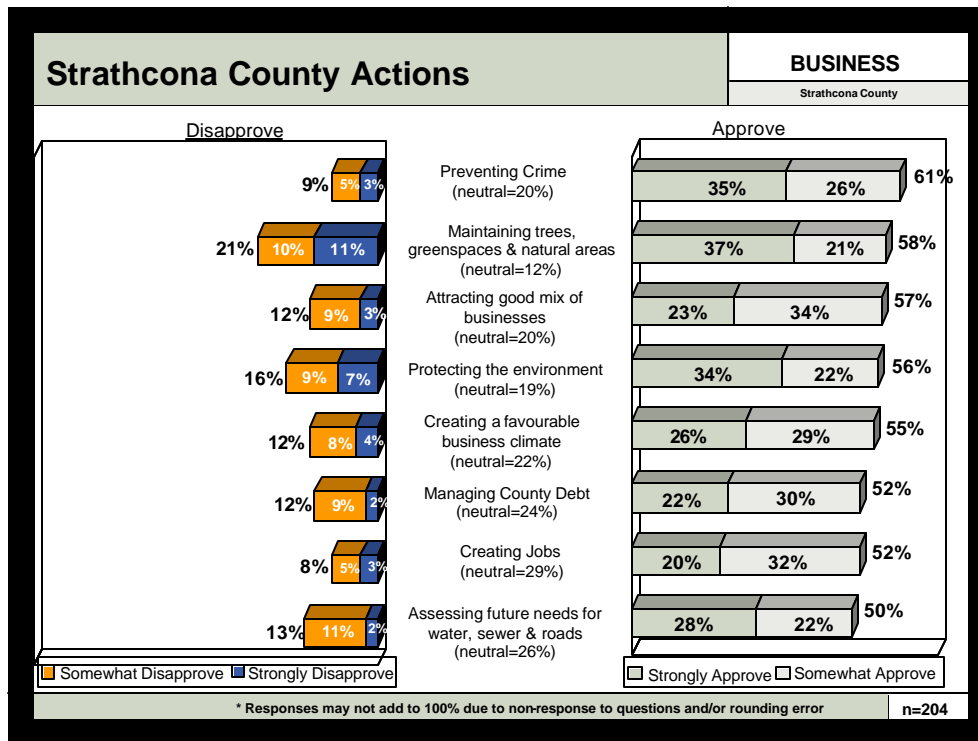
- A majority (64%) of respondents agrees (28% 'strongly' and 35% 'somewhat') agriculture is an important part of the community and the County should work hard to preserve its role in the future.
- A majority of businesses (64%) agree with the statement "revenue generated from industry contributes to a good quality of life for all people in the County." This is consistent with the residential questionnaire and survey results.
- Almost six-in-ten (59%) of businesses feel there is a good future for their business in the County, while one-quarter (24%) are neutral on this issue.
- Half of the businesses responding to the questionnaire feel the County is business "friendly" while two-in-ten (22%) is neutral on this subject.
- While 41% of businesses agree the County is environmentally safe and clean, one-quarter (26%) is neutral on this statement while almost the same number of businesses (23%) disagrees.
- Nearly four-in-ten (39%) businesses agree the County has one of the lowest taxation levels for business properties in the region. One-third (36%) of businesses are neutral on this while 11% disagree that the County has the lowest tax levels on businesses.
- On the relationship between growth and crime and social problems, businesses are equally divided. Thirty-nine (39%) percent agree that more growth does not mean more crime, while a similar proportion (37%) disagrees with this statement.
- Agreement is moderate when it comes to the choice of employment options in the County (36% agreement; 22% disagreement).
- Slightly more than one-third (36%) agrees the County supports and facilitates opportunities to succeed in business (19% disagreement). Only 20% of businesses agree the County doesn't do enough to entice new businesses into the community.
- Businesses are divided on the issue of whether or not there is too much interference by the County in the affairs of business. Twenty-nine percent (29%) agree there is too much interference while 24% disagree (37% are neutral).
- With regard to the issue of housing options in the County, 24% agree there is a good choice available while 40% disagree.
- Fifty percent of business respondents are neutral on whether or not Strathcona County has some of the lowest utility costs. This may be indicative of a lack of knowledge of other jurisdictions' utility costs.



3.5. Strathcona County Actions

To what extent do you approve or disapprove of Strathcona County's actions with regard to the following issues (Rating scale where 1=strongly disapprove and 5=strongly approve).

- The business community in Strathcona generally approves of the County's actions on all issues included in the questionnaire, with the exception of the provision of rental accommodations for low-income families and individuals. On this issue, disapproval outweighs approval by a slim 34% to 31%. On all other issues, approval prevails over disapproval.
- With regard to preventing crime, a majority 61% of businesses approves of the County's actions. Less than 10% disapproves and 20% are neutral.
- Approval is also solid for the County's actions on the following issues:
 - Maintaining trees, green spaces and other natural areas (58%) - although 21% disapprove of the County's actions in this area;
 - Attracting a good mix of businesses into the community to support the tax base (57%);
 - Protecting the environment (56%), although a small group of 16% disapproves with the County's actions in this regard; and
 - Creating a favourable business climate (55%).
- Approximately half of the businesses who responded to the questionnaire support the County's actions with regard to creating jobs (52%), managing the County's debt (52%), assessing future needs for water, sewer and roads (50%), preparing for emergencies (50%), and establishing and enforcing buffer zones between industrial development and other land uses (50%).
- Less than half of the business respondents approve of the County's actions regarding:
 - Ensuring the appropriateness of regulations for business (45%);
 - Managing the supply and development of new commercial and industrial areas (44% - 20% disapproval on this issue);
 - Retaining farmland for agricultural purposes (43% - 20% disapproval);
 - Encouraging business relocation to the County (42%); and
 - Expanding transit services (40% approval, 36% neutral).
- As noted, disapproval outweighs approval on the County's actions regarding the provision of rental accommodations for low-income people (34% disapproval versus 31% approval).
- While 39% approve of the County's actions with regard to providing affordable housing for young families, 22% disapprove.

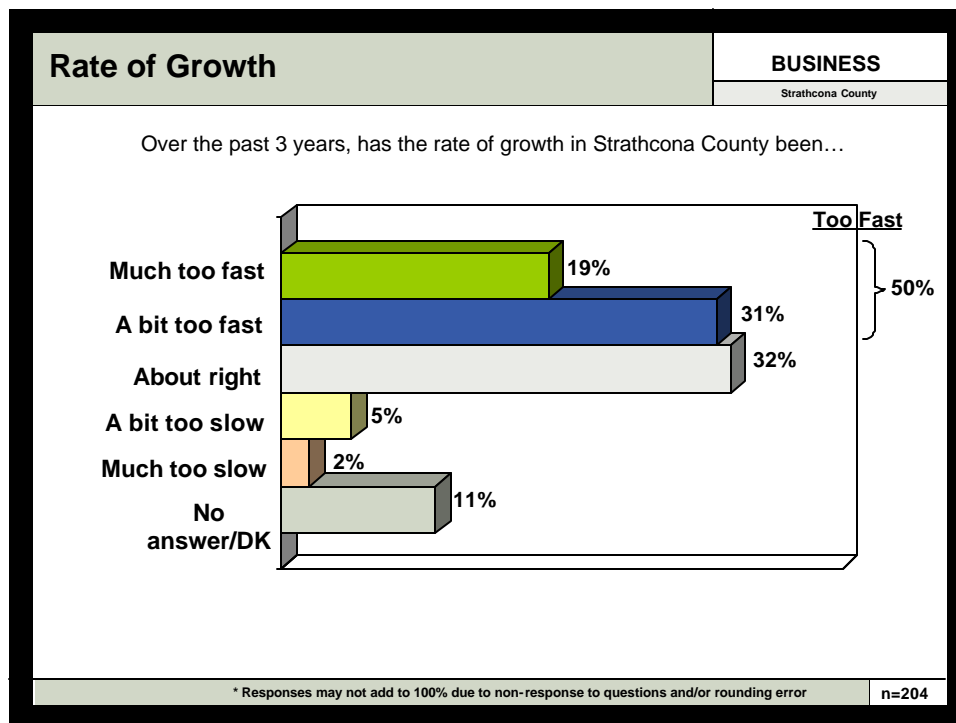


3.6. Growth Issues

Rate of Growth

In your opinion, over the past 3 years, has the rate of growth in Strathcona County been too fast, about right, or too slow?

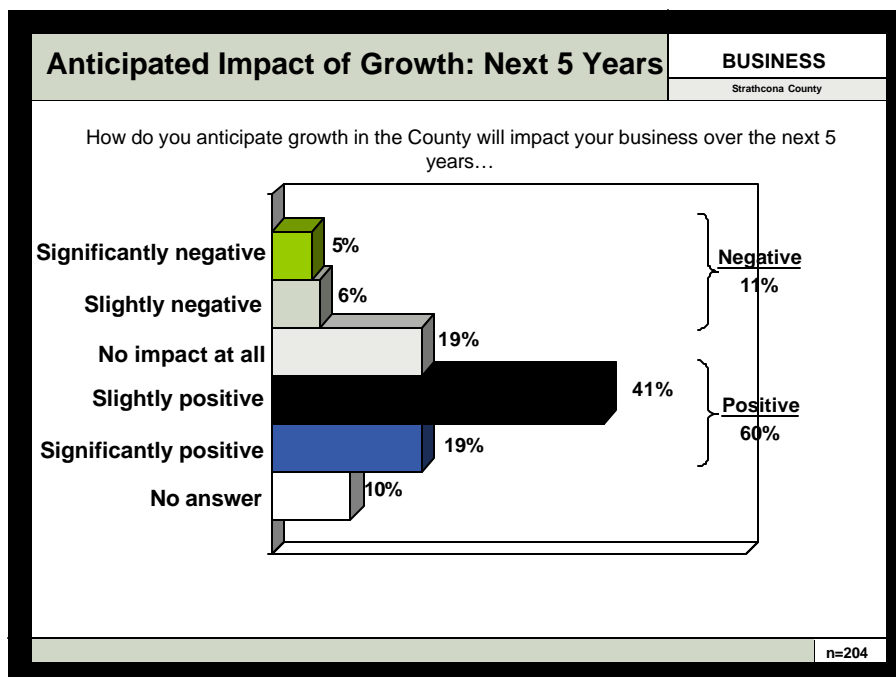
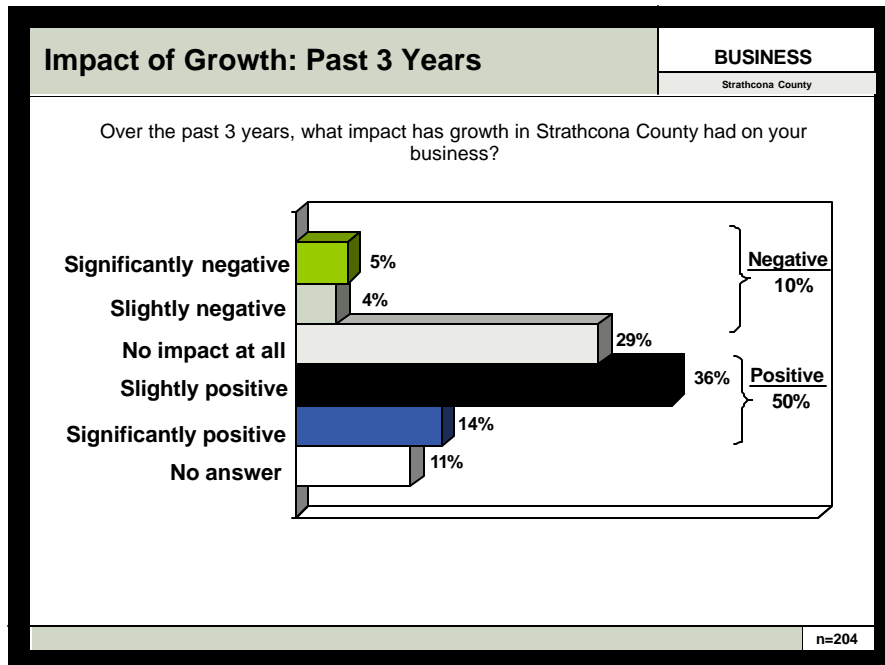
- Half (50%) of the business respondents feel growth in the County over the past three years has been too fast, and just under one-third (32%) feel growth has been about right. A minority (7%) feel the rate of growth over the last three years has been too slow.
- In comparison, in the residential survey and questionnaire 67-68% of residents feel growth has been too fast and about half of these people feel growth has been much too fast.



Personal Impact of Growth

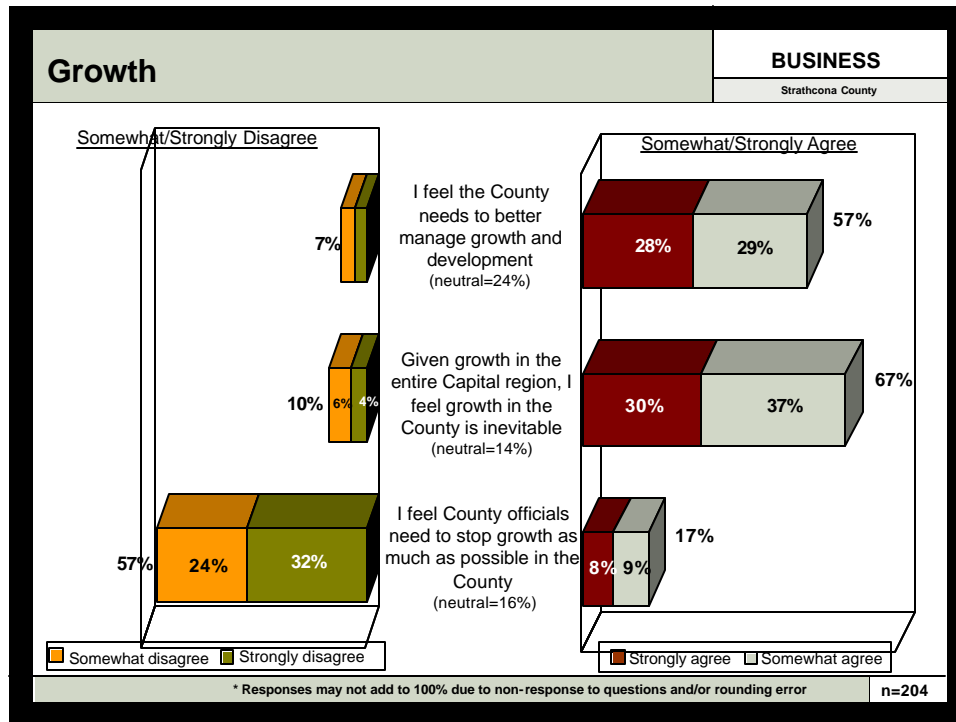
Thinking back over the past three years, has growth in Strathcona County had a positive or negative impact on your business? How do you anticipate growth in the County will impact your business over the next 5 years?

- Fifty percent of businesses note that growth over the past 3 years has had a positive impact on their business while only 10% report a negative impact. Further, 60% of businesses anticipate their business will be positively impacted by growth in the next 5 years and 11% feel growth will negatively impact their business.



Still thinking about growth, to what extent do you agree or disagree with the following statements?

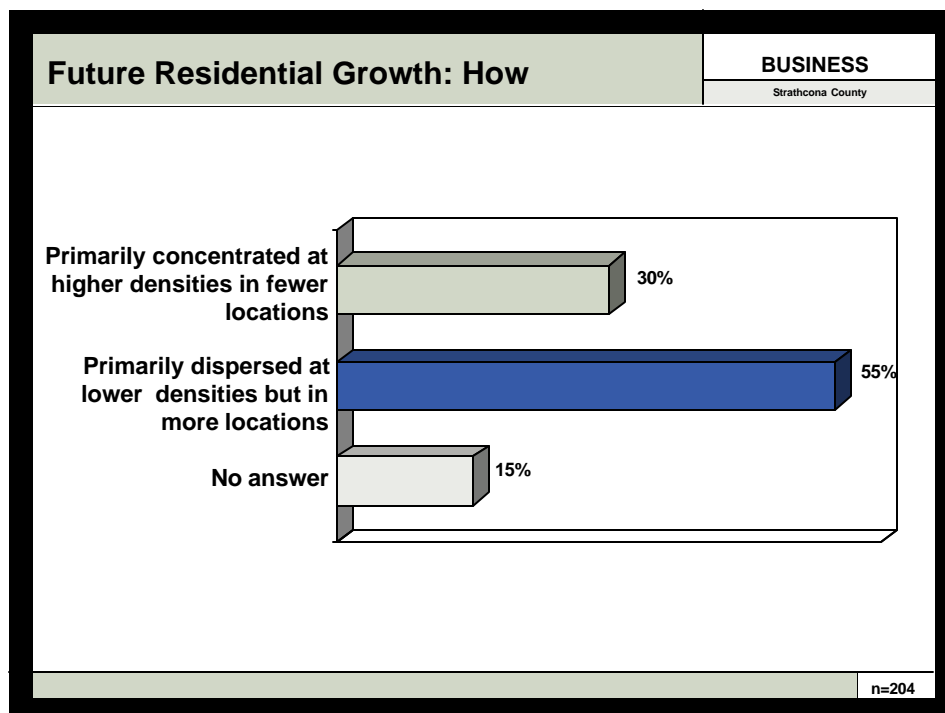
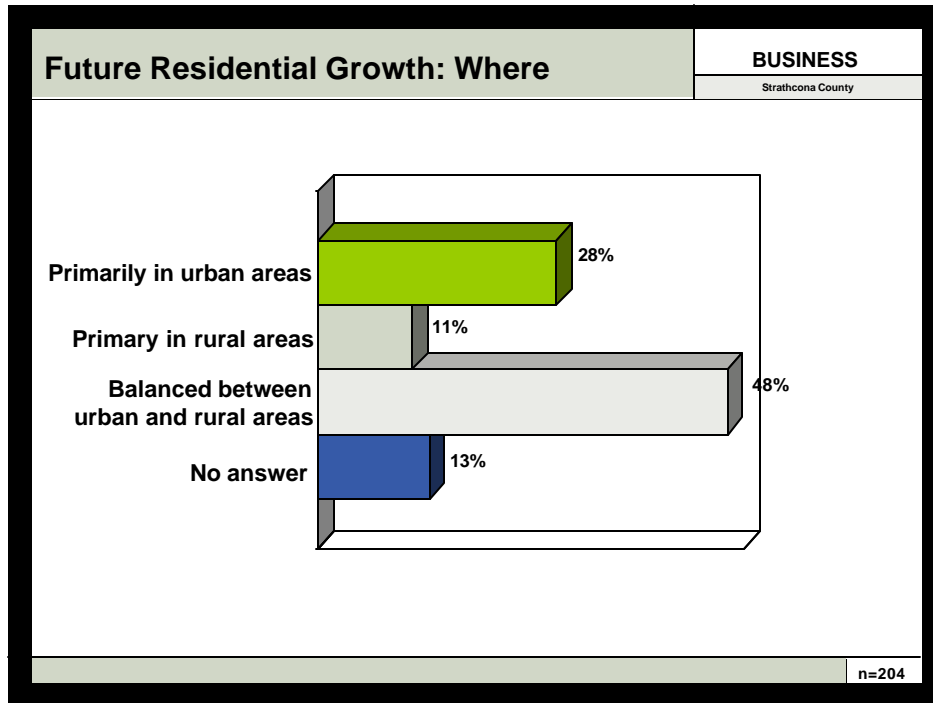
- A strong majority (67%) of business respondents agree (30% strongly) that growth is inevitable given the growth in the Capital region as a whole and that the County needs to better manage growth and development (57%).
- However, 57% of the businesses who responded to the questionnaire disagree (with 32% strongly disagreeing) that County officials need to stop growth as much as possible while a small (17%) agree with this statement.



Future Residential Growth: Location and Form

Which of the following statements describes your preference for where any future residential growth occurs in the County?

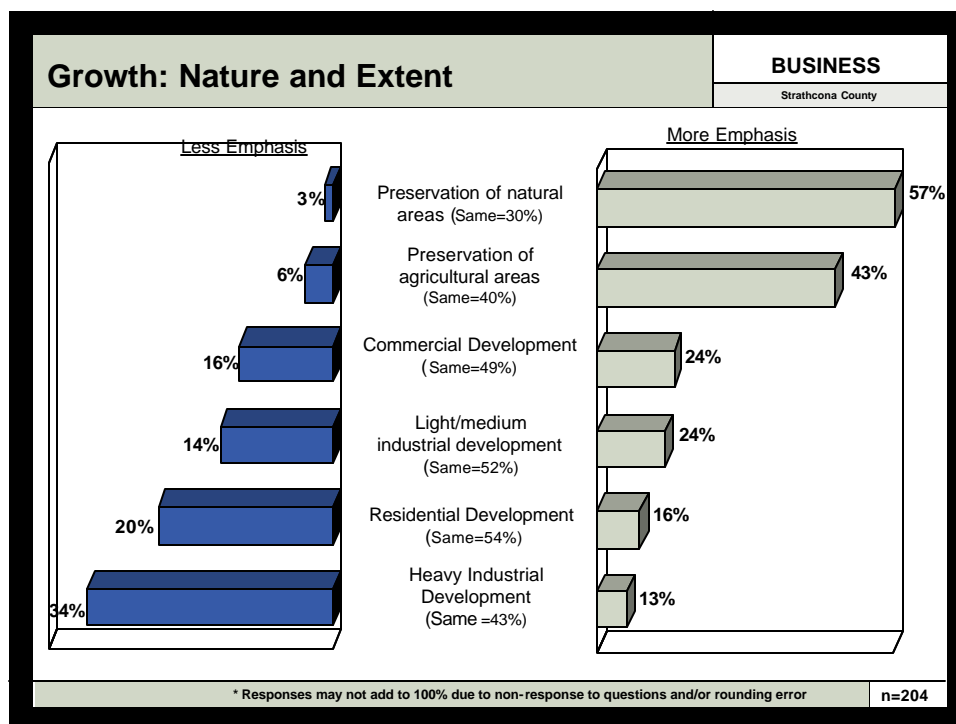
- Businesses surveyed are clear in their preferences for future residential growth: It should be balanced between urban and rural areas (48%) and be primarily dispersed at lower densities but in more locations (55%).



Nature of Future Growth

Thinking about the nature of any future growth over the next 10 years, do you think the County should place more, less or about the same emphasis as now on the following areas of development?

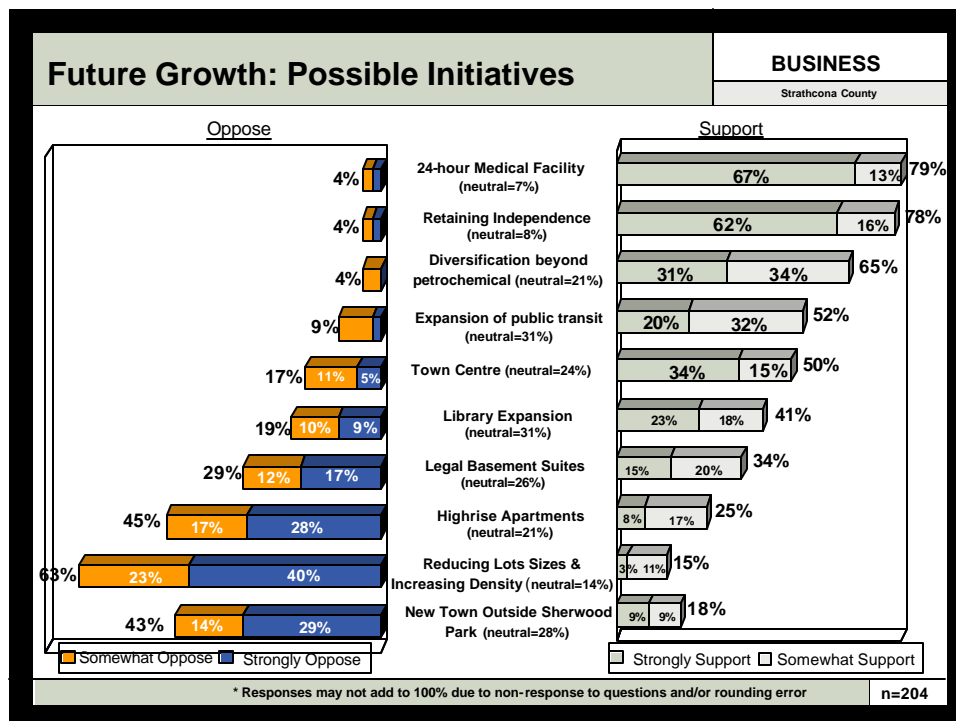
- A majority (57%) of business respondents clearly identify the preservation of natural areas and open spaces as needing more emphasis in future growth plans. The preservation of agricultural areas also garners support for more emphasis (43%) in future growth plans although a core of 40% of business feel the emphasis should be about the same as it is now.
- Businesses call for the status quo on commercial, light/medium industrial, residential development and, to a lesser extent, heavy industrial development. In the case of heavy industrial development, 43% call for about the same emphasis as there is now while 34% feel there should be less emphasis on heavy industrial growth.



Future Growth: Reaction to Possible Initiatives

Thinking about future growth in the County, do you support or oppose the following possibilities?

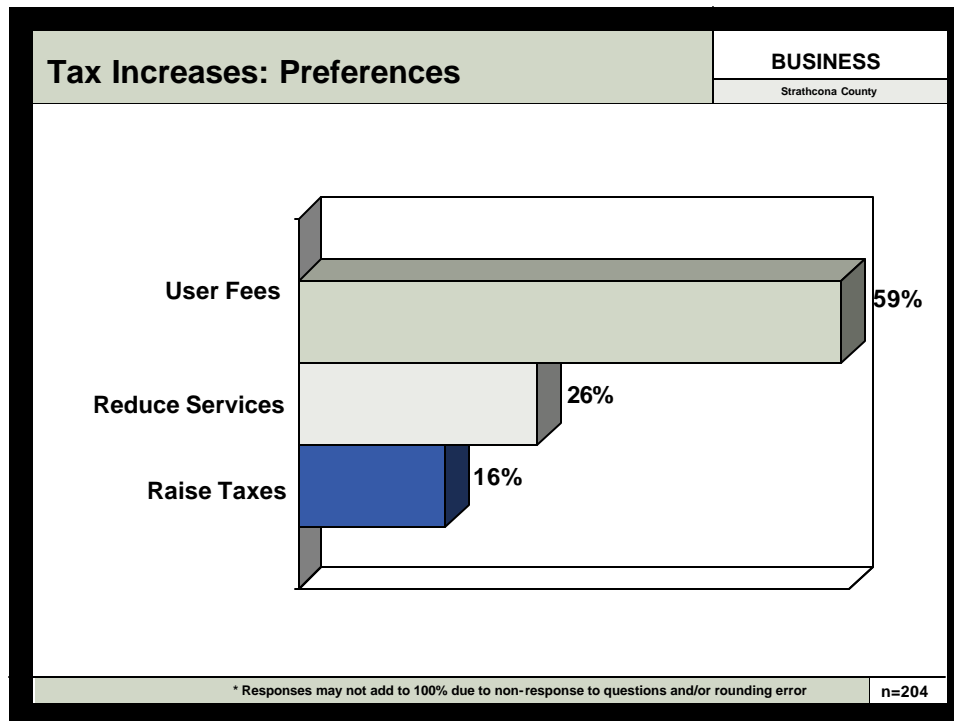
- A majority (79%) of respondents strongly supports the development of a 24-hour medical facility within Sherwood Park. Similarly, strong support is garnered for Strathcona County to retain its independence as a separate municipality (78%) and the diversification of businesses beyond the petro-chemical sector (65%).
- There is also a groundswell of support for the expansion of public transit services (52%) and the development of a town centre in Sherwood Park that serves as a focus point for shopping and community activity (50%).
- The relocation and expansion of the County Library garners 41% support with 31% of businesses being neutral to this idea.
- On the issue of allowing legal basement suites in residential neighbourhoods, one-third (34%) supports this idea while slightly fewer (29%) are in opposition to this.
- High-rise apartments and the development of a new town outside of Sherwood Park are greeted with opposition by 45% and 43%, respectively, of businesses that responded to the questionnaire. In the former case, there is, however, a solid core of 25% of businesses that are supportive of the idea of high-rise apartments.
- Business respondents strongly oppose the reduction of lot sizes and the consequent increase in residential density (63% oppose versus 15% support).



3.7. Taxes

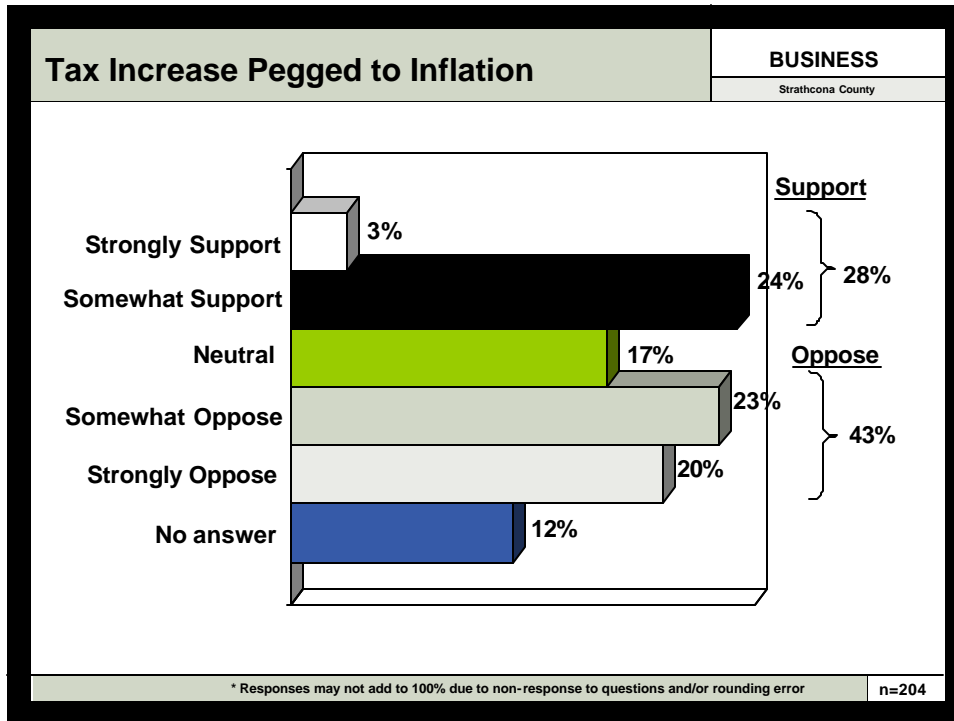
The cost of delivering municipal services today is higher than it was 10 year ago. To keep pace with cost increases, how should the County manage the increasing cost of services in the future? Given a choice, would you prefer to charge user fees for those who use the service, raise taxes or reduce services? (Paired comparisons).

- There is a clear preference by over a two-to-one margin for the County to pay for future services through user fees levied against those who use the service.
- Business respondents ranked reducing services as their second preference overall, followed by raising taxes.



Do you support or oppose a property tax increase that matches inflation?

- A majority of business respondents to the questionnaire oppose a tax increase pegged to inflation than support it (43% versus 28%).



3.8. County Governance

I'd like your opinion on how you feel the County governs. How would you rate the County on the following issues?

- Overall, the County rates a “fair” grade from businesses when it comes to a range of governance issues.
- The County rates highest overall in communicating with citizens (39% rate the County good or very good), providing value for one’s tax dollars (39% good/very good rating), and appropriate bylaw enforcement and effectively planning for the future (each 29% good/very good).
- Where the County scores most poorly is in providing efficient processes to obtain development and building permits. One-third (35%) of businesses score the County poor or very poor in this area, while 30% give the County a “fair” grade.

