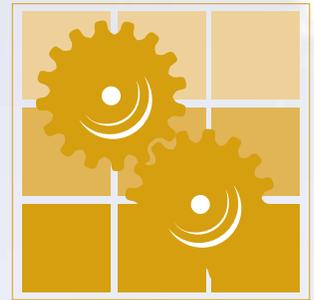


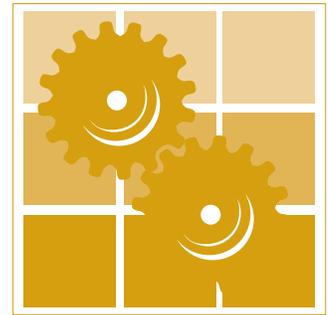
Strathcona County's
**Economic
Sustainability
Framework**

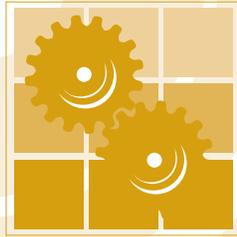


Strathcona
County

March 2011

Strathcona County's
Economic
Sustainability
Framework





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Economic Sustainability Framework



Steering committee

Staff	Department
John Elzinga (Chair)	Economic Sustainability Steering Team
Catriona Gunn-Graham	Family & Community Services
Cheryl Hagen	Financial Services
Jeff Hutton	Utilities
George Huybregts	Associate Commissioner Corporate Services / County Treasure
Lisa Knorr	Engineering & Environmental Planning
Roxanne Komick	Financial Services
Wayne Minke	Assessment and Taxation
Russ Pawlyk	Recreation, Parks and Culture
Kyle Reiling	Economic Development and Tourism
Randy Richards	Economic Development and Tourism
Kelly Rudyk	Corporate Planning and Intergovernmental Affairs
Neal Sarnecki	Planning & Development Services
Thelma Scammell	Communications
Sarah Schiff	Executive Administration



1. Overview

As the population of Strathcona County grows over the next 30 years, our urban and rural communities will face a number of important challenges. The approach we take to accommodating growth and the decisions we make regarding economic development will have a profound impact on our quality of life and social well-being, our environment, our existing and future infrastructure, and our ongoing prosperity.

Strathcona County is committed to ensuring that the growth and development of our urban and rural communities is sustainable. Approved in 2009, our Strategic Plan defines a vision for Strathcona County and a strategic planning framework that emphasizes the importance of social, environmental and economic sustainability.

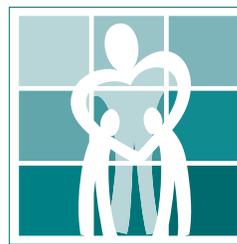
Vision

Strathcona County is a safe, caring and autonomous community that treasures its unique blend of urban and rural lifestyles while balancing the natural environment with economic prosperity. Through strong, effective leadership, the County is a vibrant community of choice.

Strathcona County recognizes that quality of life is an essential ingredient for economic growth and prosperity. Communities that are safe, caring, attractive, and environmentally sound are desirable places to live, work and play.

Strathcona County recognizes the important role quality municipal infrastructure and services play in supporting our quality of life.

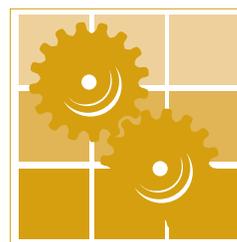
The Strategic Plan includes three complementary frameworks designed to sustainably manage the growth of our communities and to guide decision making in Strathcona County.



Our **Social Sustainability Framework** was approved in 2007. It guides Strathcona County's approach to supporting a caring and connected community.



Our **Environmental Sustainability Framework** was approved in 2009. It guides Strathcona County's approach to protecting and conserving our natural environment.



Our **Economic Sustainability Framework** was approved in 2011. It guides Strathcona County's approach to encouraging economic prosperity.

Together, these frameworks guide our business planning and budgeting processes and the day-to-day delivery of municipal services.



2. What Does Sustainability Mean?

Sustainability for Strathcona County means...

Developing in a manner that meets the needs of the present without compromising the ability of future generations to meet their own needs, while striking a balance between:

- economic prosperity
- social responsibility
- environmental stewardship

To achieve a sustainable community, Strathcona County has adopted a process defined by four science-based sustainability principles adapted from the Natural Step Framework. These sustainability principles are:

Principle 1

Move toward, and ultimately achieve...

solutions and activities that conserve, enhance and regenerate nature and life-sustaining ecosystems.

Principle 2

Move toward, and ultimately achieve...

solutions and activities that free us from our dependence on substances that are extracted from the earth's crust and accumulate in nature.

Principle 3

Move toward, and ultimately achieve...

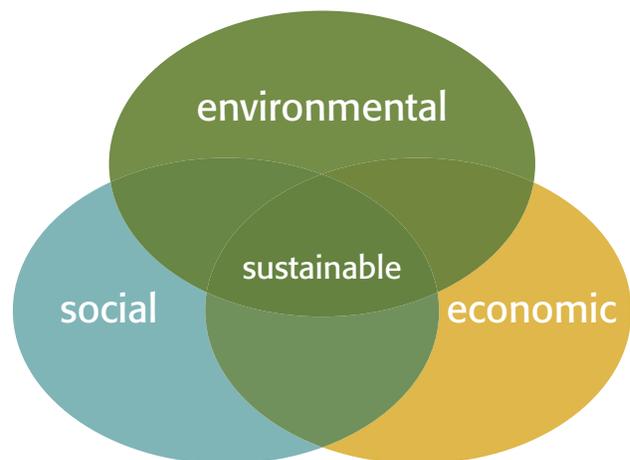
cradle-to-cradle solutions and activities in design, manufacturing and consumption such that substances produced by society do not accumulate in nature.

Principle 4

Move toward, and ultimately achieve...

social solutions and activities that allow every person to meet basic human needs and achieve their potential in life, now and in the future.

A sustainable community balances its social, economic and environmental components while maintaining the quality of life for both existing and future generations. Ultimately, the goal of sustainability is to enhance people's well-being while living within the capacity of the eco-system.





3. Focusing on our Quality of Life

Strathcona County residents value their quality of life and the unique character of their urban and rural communities. Public consultation initiatives highlight that residents feel strongly about the rate and direction of growth in the County. The challenge is to manage growth while maintaining the quality of life of County residents, in a sustainable manner.

Strathcona County recognizes the importance of guiding growth and development in a manner that considers long-term social, environmental and economic impacts on the community. We will continue to integrate our economic development, environmental conservation and social responsibility efforts in a manner that maintains our quality of life.

Quality of life is seen as an essential ingredient for economic growth, competitiveness and prosperity. Research clearly indicates that businesses and entrepreneurs carefully consider quality of life in choosing places to invest and live.

Strathcona County is committed to maintaining the quality of life we enjoy and will use its three sustainability frameworks to do so. It will continue to work with residents and stakeholders to develop quality of life indicators and measures.

4. Principles

The following 10 principles guided the preparation of the Economic Sustainability Framework.

Strathcona County

1. values its unique blend of urban and rural lifestyles
2. recognizes the interdependencies between social, environmental and economic sustainability
3. recognizes our quality of life as an important competitive economic advantage
4. values economic development and recognizes the contribution it makes to our quality of life by contributing to the municipality's fiscal capacity to provide programs and services
5. values the municipality's existing assets and the need to maintain this investment
6. values existing businesses and supports business attraction, retention and expansion
7. recognizes that it shares economic objectives with the provincial and federal governments and encourages intergovernmental approaches to economic development
8. appreciates the importance of a regional approach to economic development and will work with its municipal neighbours to promote the Capital Region
9. understands the competitive nature of municipal economic development and will work to support an open and competitive business climate
10. recognizes the vulnerabilities of resource-based economies and will work to diversify its economic base



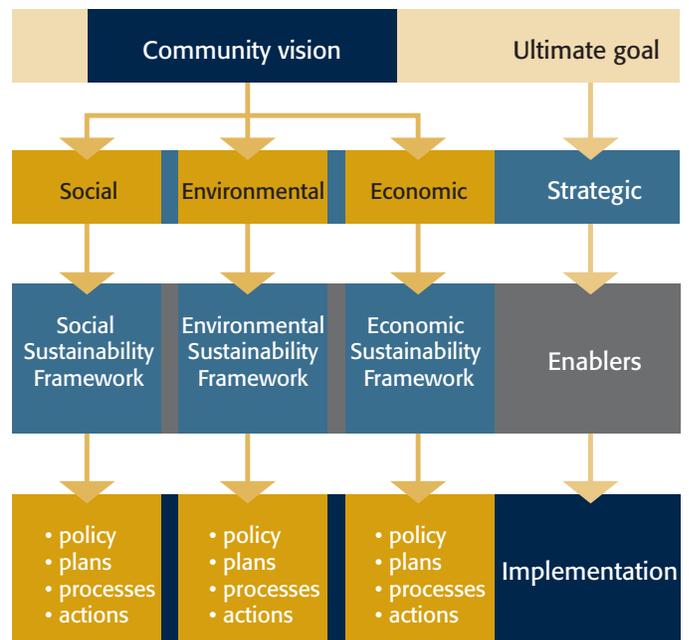


5. Purpose

The Economic Sustainability Framework is intended to:

- strengthen the fiscal sustainability of the County
- support municipal programs and services and the provision of infrastructure
- guide economic development across the County
- inform economic policy development
- complement the County’s commitment to social and environmental sustainability
- support and develop innovative responses to economic development issues
- assess the impact of economic trends on residents, businesses and municipal operations
- prioritize and plan for future economic development initiatives
- encourage economic partnerships and alliances
- support inter-governmental efforts to promote economic development

The Economic Sustainability Framework is one of three enablers for the development of corporate policies, plans and processes.





6. Development of the Framework

The process of developing Strathcona County's Economic Sustainability Framework began in August 2009 with the establishment of an interdepartmental steering committee and the engagement of an independent consulting firm.

The framework, developed in three phases over a seven-month period, is based on:

- economic research
- a review of best practices in municipal economic development
- careful consideration of the objectives of the County's social and environmental sustainability frameworks
- analysis of Strathcona County's position within regional, provincial and global economies
- internal and external consultation with key stakeholders
- public input gathered through an online questionnaire

The consulting team worked closely with the steering committee and provided project updates at the conclusion of each phase of the project.

Phase 1 – Research

The research phase focused on the main drivers of the Strathcona County economy and the impact of global economic trends. It assessed leading practices in municipal economic development and reviewed Strathcona County's current economic development policy framework.

Specific attention was given to the linkages between the economic and fiscal sustainability of the County. Leading municipal approaches to fiscal sustainability were reviewed and incorporated into this framework. While the County is currently in a strong financial position, it needs to ensure that it continues to have the fiscal sustainability to provide services over the long term.

Phase 2 – Consultation

This phase of the project involved extensive consultation with internal and external stakeholders, including:

- one-on-one interviews with members of County Council and County administration and key community stakeholders
- focus groups with representatives of major sectors of the Strathcona County economy (energy; business and financial services; agriculture; tourism; commercial, retail and food/accommodation services)
- focus groups with the County's Youth Council and Seniors Advisory Committee
- over 600 responses from the public to an online questionnaire

Phase 3 – Framework Development

The final phase of the project involved the development and approval of the framework.





7. Plan Alignment

The Economic Sustainability Framework is aligned with our Strategic Plan and Municipal Development Plan.



This alignment ensures that our sustainability objectives and policies drive both our long-range planning and our delivery of programs and services.

Capstone Policy

Strathcona County fosters an economy which benefits residents, business and industry.

The Strategic Plan identifies these economic development goals.

- Strathcona County supports a healthy economy.
- Strathcona County harbours a viable community of businesses that reflect its rural/urban diversity.
- Residents, business, industry and the County benefit from the County's economic prosperity.

Municipal Development Plan

The Municipal Development Plan (MDP) emphasizes that to be economically sustainable, our community needs to be designed in a manner such that the costs of building, operating and maintaining it, and its supportive infrastructure and services, are affordable and will not become a burden on future generations.

The MDP identifies four economic development objectives for Strathcona County:

- develop a strong, diversified and sustainable economy that will provide expanded opportunities for employment, support community growth and foster community pride
- enhance and strengthen the economy of the County
- promote sustainable development principles in order to provide increased opportunities for the long term
- continue to retain, expand and attract new industry and business to Strathcona County





8. Public Consultation

Over 600 people provided input into the development of the Economic Sustainability Framework through a public online questionnaire. Approximately 150 stakeholders representing the major sectors of the County’s economy, County Council and Administration, the Seniors Advisory Committee, and the Youth Council provided input through a series of interviews and focus groups.

Survey Results

A strong majority of survey respondents support County Council’s position that the growth and development of the County should meet the needs of the present without compromising the ability of future generations to meet their own needs. They agree that community sustainability requires a balance between economic prosperity, social responsibility and environmental stewardship.

Most respondents indicated that the economy (85%), education (83%) and the environment (75%) are the leading public policy issues currently facing Strathcona County.

When asked to identify words and phrases that best describe “sustainable community,” the following top ten list was developed.

A sustainable community has...

1. a legacy for future generations
2. a healthy economy
3. a healthy environment
4. small business development
5. quality of life
6. a more comfortable lifestyle
7. economic diversification
8. a growing economy
9. a stable population
10. a stable economy

This table illustrates that the majority of survey respondents indicated it is important or very important that Strathcona County’s Economic Sustainability Framework focus on:

small business development	92%
economic diversification	82%
oil/gas/petrochemicals	68%
green economy	67%
tourism development	66%
infrastructure and attractive business environment.	66%
recreation and culture	65%
research and development	61%
home-based business	60%
manufacturing	54%
commercial/retail development	52%
transportation and freight	47%
youth business development	47%
agriculture and agri-business	42%
residential development	35%

A full report on the findings of the public online questionnaire is available on the County’s website.



Interview and Focus Group Results

Key stakeholders recognize the importance of balancing social, environmental and economic sustainability. They emphasize that quality of life and place are in and of themselves key locational and competitive advantages in today's global, knowledge intensive economy. They are supportive of a triple-bottom-line approach to decision making within Strathcona County.

Strathcona County's unique urban/rural blend is identified by most stakeholders as a core strength that should be maintained in the future and supported by the Economic Sustainability Framework. Many worry about what the future holds for the traditional family farm. They emphasize that the County should not overlook the potential diversification benefits within the agricultural sector. Without a sustainable agricultural sector, Strathcona County's very sense of being, which has been strongly influenced by its historical evolution, is at risk.

Interviewees and focus group participants recognize the vulnerabilities of a resource-based economy and emphasize the need to diversify Strathcona County's economy.

They emphasize that diversification strategies need to be focused and built upon the strengths and competitive advantages of the existing economy. They argue that diversification initiatives should focus on the oil, gas and petrochemicals supply chain.

Small business retention, growth and attraction strategies were identified as critical to community

sustainability and economic diversification.

Interviewees and focus group participants emphasize the importance of small businesses within the County's current economy. They also note that Strathcona County has significant potential and very attractive demographics for small business start-ups and for transitioning and growing small businesses into medium-sized enterprises.

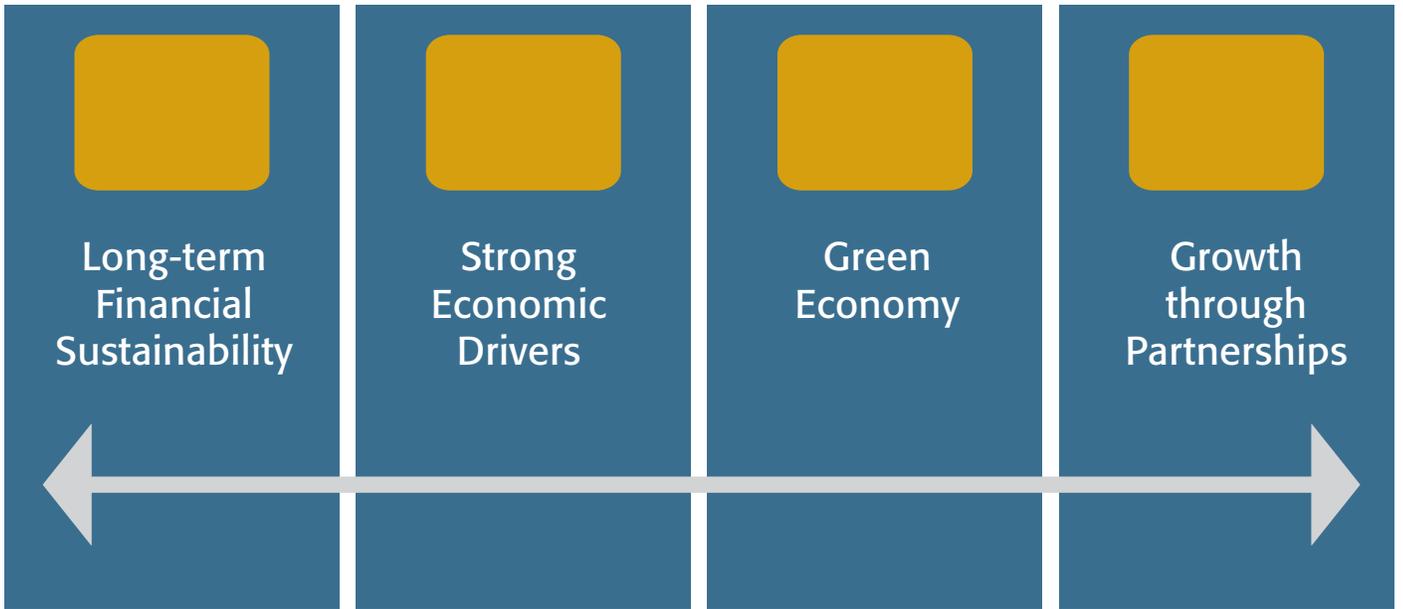
Strong support was voiced for encouraging the environmental business sector and green economic development within Strathcona County.

Stakeholders emphasized that the County "is not an island unto itself" and urged that the economic development strategies be aligned or developed in concert with those being pursued by the provincial and federal governments, and Strathcona County's municipal neighbours.

Finally, stakeholders noted that Strathcona County has not developed a recognizable brand or image to support its marketing initiatives. Many emphasized that the County should not be defensive in terms of its environmental record and footprint, noting that the County is a progressive jurisdiction that is subject to one of the world's most aggressive environmental regulatory frameworks and has made huge contributions to conservation, recycling and energy efficiency.

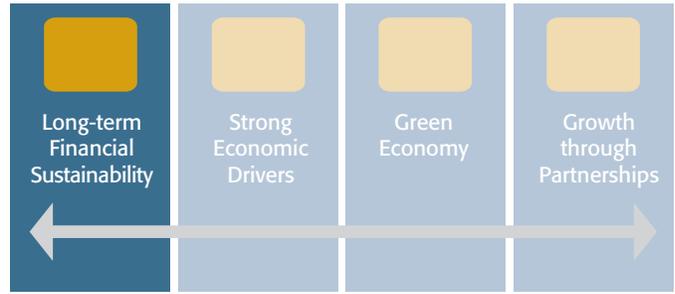


9. Economic Sustainability Framework Themes



The Economic Sustainability Framework is comprised of four complementary themes. The strategies identified under these four themes address the major issues identified through public consultation and research, and analysis of the strengths and weaknesses of Strathcona County's economy.





Theme 1 – Long-term Financial Sustainability

Guiding Statement

Strathcona County is in sound financial condition and has the fiscal capacity to deliver services and infrastructure on a sustainable basis.

County Council is responsible for funding a wide range of services to support the social, environmental and economic sustainability of Strathcona County. While the County is currently in a strong financial position, it needs to ensure that its fiscal capacity to provide services is maintained over the long term.

Ensuring financial sustainability will be challenging. Strathcona County, like most Canadian municipalities, is overly reliant on property taxes and government transfers. Property taxes, while traditionally a stable source of revenue, are relatively inelastic. They do not grow with the economy in the same way as income and sales taxes. Government transfers are not guaranteed and will inevitably fluctuate with economic conditions and changing senior government priorities. Operating expenditures in growing communities typically outpace tax revenue growth. Capital expenditures will increase as existing infrastructure ages and new infrastructure is built to accommodate growth.

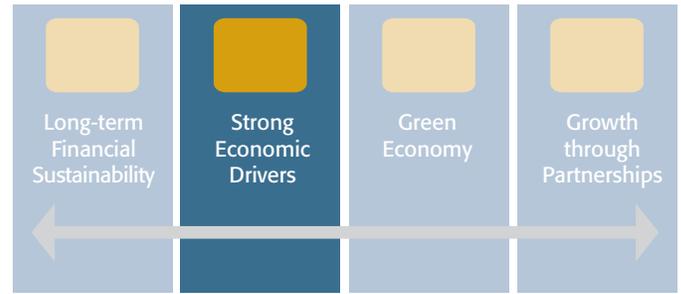
Long-term financial sustainability will enable Strathcona County to fund, on an ongoing basis, the services required to support its social, environmental and economic goals and achieve its vision of being “a safe, caring and autonomous community that treasures its unique blend of urban and rural lifestyles.”

Strategies

Develop a Long Range Financial Plan (LRFP), including sustainability principles and policies regarding service levels; infrastructure and asset management; taxation; fees, rates and charges; reserves; and debt

Update the County’s Fiscal Impact Model





Theme 2 – Strong Economic Drivers

Guiding Statement

Strathcona County’s economy includes a world-leading integrated energy sector, thriving small- and medium-sized businesses and a strong agricultural sector.

Strathcona County has an important role to play in promoting economic development as a means to encouraging sustainable growth.

The energy sector’s importance to Strathcona County’s economy cannot be overstated. The sector is a major contributor to the local economy and the County’s tax base. It employs the greatest number of people in the County and generates more new jobs, directly and indirectly, than any other sector of the economy. The sector also accounts for a significant proportion of the County’s exports and capital investment.

Small- and medium-sized enterprises (SMEs) are integral to economic development and the social well-being of urban and rural communities. They are the backbone of most economies and are a major source of jobs. Small business retention, growth and attraction strategies are critical to community sustainability and economic diversification.

A comprehensive study of the County’s agricultural sector in 2002 concluded that the sector was at a crossroads. The Future of Agriculture report considered agricultural trends, the County’s land base and its evolving agricultural sector and recommended a “managed approach” to optimizing the economic viability of agriculture in the County.

Strategies

Support the development of an integrated energy sector, including bitumen upgrading and petrochemical production in Strathcona County

Pursue the economic objectives identified in the Strategic Plan and Municipal Development Plan

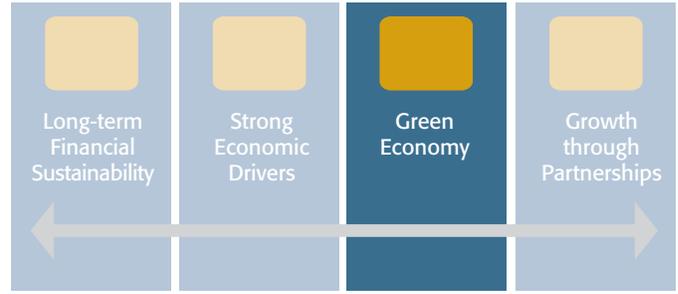
Work with the agricultural community to implement innovative ways to encourage agricultural activity in Strathcona County

Pursue opportunities to support home-based and small businesses

Encourage the development of local employment opportunities, including those for County youth and young professionals

Develop a Strathcona County brand that supports our high quality of life, diverse services and commitment to a sustainable community





Theme 3 – Green Economy

Guiding Statement

Strathcona County enables and promotes the diversification of its economy through the development of green jobs and investment with the goal to be a model for sustainable development.

Economic diversity is important for the financial strength and sustainability of Strathcona County. While the energy sector is of significant benefit to the County, the overall social, environmental and economic sustainability of the community will be enhanced through economic diversification. A broader, more diverse assessment base will enhance the fiscal sustainability of the County. A wider range of economic opportunities will make Strathcona County a more enviable place to live and invest.

Global, regional and local concerns around greenhouse gases and climate change need to be addressed. Governments around the world are responding through policy, legislation and investment. The evolving clean energy economy has tremendous potential for growth. The “green economy” is forecast to be the most rapidly growing sector of the global economy over the next few decades.

As the home to a significant energy sector, Strathcona County is well positioned to lead in the development of new technologies. With the support of the provincial and federal governments, Strathcona County can also lead in green economic development.

Strathcona County and its energy sector are committed to reducing their carbon footprints. Significant economic opportunities exist within Strathcona County to develop expertise around sustainable energy production and carbon capture and storage.

The generation of local jobs and businesses and the expansion of the County’s retail sector will provide opportunities for people to live and work in the County and will reduce travel demands.

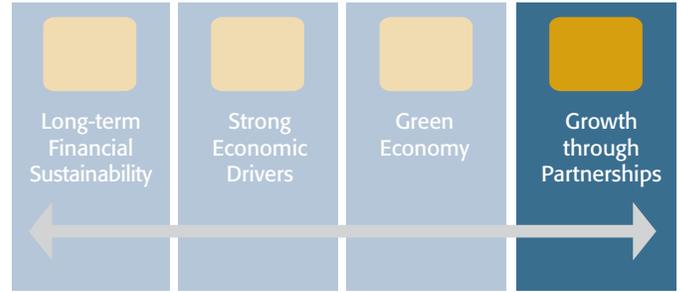
Strategies

Work with other levels of government, the private sector and research community to develop a green economic development strategy that promotes green job development, waste management, environmental stewardship, and energy and resource efficiency

Develop plans to promote research and investment within Strathcona County in the areas of carbon capture and re-use, clean energy production, and water conservation

* Develop a model to value and measure the economic importance of Strathcona County’s natural and social capital

* Defining natural and social capital is the first action identified in the Implementation Plan for this strategy



Theme 4 – Growth through Partnerships

Guiding Statement

Strathcona County partners with community organizations, municipalities in the region, other orders of government, and the private sector to promote sustainable economic development.

Strathcona County pursues economic development within a complex environment. As a municipality with important urban and rural components, it must strive to balance multiple, and often times, competing economic interests. As a regional municipality, it must consider the dynamics of the regional economy in which it exists and determine when to cooperate and when to compete with neighbouring municipalities. As a growing community in one of the most robust economies in the world, it shares with both the provincial and federal governments a fundamental interest in sustainable economic development. As a municipality with significant interests in the energy sector, it needs to ensure that it is working closely with key industries and industry associations.

Finally, as a growing municipality, it must also maintain strong working relationships with the Chamber of Commerce, the residential and commercial development community and the agricultural sector.

Alliances between municipalities and the academic sector are often key components in economic development strategies. Strathcona County needs to develop these types of alliances, particularly in the area of sustainable energy production, green technology and agriculture.

Strategies

Develop community partnerships to encourage sustainable economic development across Strathcona County

Work collaboratively with the Capital Region Board to develop and implement a comprehensive long-term economic development framework for the region that encourages social, environmental and economic sustainability

Pursue a tripartite development agreement with the federal and provincial governments to ensure collaboration on sustainable development





10. Corporate Indicators

The following corporate indicators can be used to determine whether the County is moving toward the achievement of the guiding statements established within the Economic Sustainability Framework. These indicators are intended as a tool for the whole organization to measure how well we are progressing along our path towards economic and fiscal sustainability. It is recognized that these will not be the sole indicators for Strathcona County and that individual departments will have their own indicators.



Theme 1 – Long-term Financial Sustainability

Guiding Statement

Strathcona County is in sound financial condition and has the fiscal capacity to deliver services and infrastructure on a sustainable basis.

Goal

- Implement Strathcona County's Long Range Financial Plan (LRFP)

Target Measure

- To be established once LRFP is approved

Indicator

- To be established once LRFP is approved



Theme 2 – Strong Economic Drivers

Guiding Statement

Strathcona County's economy includes a world-leading integrated energy sector, thriving small- and medium-sized businesses and a strong agricultural sector.

Goals

- Develop an integrated energy sector within Strathcona County
- Increase the number of companies within the County's small- and medium-sized business sector
- Increase diversification of agricultural activity within the County

Target Measures

- Maintain and increase the value of heavy industrial permits
- On par with % growth in the number of companies in this sector for the Capital Region
- To be established by Agriculture Economic Development Strategy

Indicators

- Value of heavy industrial permits on a rolling 10-year average
- Number of full-time jobs in heavy industrial projects
- Number of businesses in the small- and medium-sized business sector
- Number of companies in specified North America Industry Classification System (NAICS) code categories, to be determined by the Agriculture Economic Development Strategy



Theme 3 – Green Economy

Guiding Statement

Strathcona County enables and promotes the diversification of its economy through the development of green jobs and investment.

Goal

- Encourage growth in the green economy

Target Measure

- To be established once the Green Economic Development Strategy is approved

Indicator

- Number of companies within the County's green economy



Theme 4 – Growth through Partnerships

Guiding Statement

Strathcona County partners with community organizations, municipalities in the region, other orders of government and the private sector to promote sustainable economic development.

Goal

- Ensure effective economic development partnerships

Target Measure

- 100% satisfaction with partnerships

Indicator

- Council satisfaction with partnerships

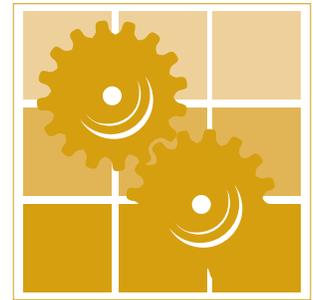


11. Decision Support Tool

Proposed project, program, plan or initiative:		
Theme 1 Long-term Financial Sustainability Guiding Statement: Strathcona County is in sound financial condition and has the fiscal capacity to deliver services and infrastructure on a sustainable basis.	<ol style="list-style-type: none"> Does the initiative enhance the municipality's financial capacity to provide programs and services? Does the initiative diversify the municipality's revenue base and reduce its reliance on property taxes? 	
Theme 2 Strong Economic Drivers Guiding Statement: Strathcona County's economy includes a world-leading integrated energy sector, thriving small- and medium-sized businesses and a strong agricultural sector.	<ol style="list-style-type: none"> Does the initiative enhance the competitiveness of our business climate? Does the initiative create local jobs? Will the initiative support development of an integrated energy complex in Strathcona County? Will the initiative support our efforts to establish a centre of excellence in carbon capture and storage cluster? Does the initiative enhance our unique blend of urban and rural lifestyles? Does the initiative support the standard of living in our rural communities? Is the initiative supportive of the Strathcona County brand? Does the initiative maintain Strathcona County's quality of life? 	
Theme 3 Green Economy Guiding Statement: Strathcona County enables and promotes diversification of its economy through the development of green jobs and investment.	<ol style="list-style-type: none"> Does the initiative support our efforts to diversify our economy through green development? Does the initiative increase the economic value of our natural capital? 	
Theme 4 Growth through Partnerships Guiding Statement: Strathcona County partners with community organizations, municipalities in the region, other orders of government and the private sector to promote sustainable economic development.	<ol style="list-style-type: none"> Are the economic development goals of the initiative aligned with those of other governments? Does the initiative promote regional economic development? 	
Guidance Required <input type="checkbox"/> (0 - 4 positive responses)	Manageable Risks <input type="checkbox"/> (5 - 9 positive responses)	Proceed with Confidence <input type="checkbox"/> (10 - 14 positive responses)
Completed by _____ Date _____		
Approved by _____ Date _____		



Strathcona County's
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