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Flagstaff County: Competitiveness Assessment of the Flagstaff Region

Appendix A to the Flagstaff County Branding and Marketing Initiative 2015

Final Report

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Contents

1 Competitive Positioning Assessment

An important step in the development of the Flagstaff Region's competitive assessment was to gain a better understanding of the region and how the County positioned itself within *Flagstaff County: Our Common. Wealth. Economic Development Pathways (2015-2018)*. This provided the vision of a safe, caring, and vibrant rural "Communities of communities" that promises an excellent quality of life for all its citizens. However, to achieve this it was necessary to understand the competitive advantages and disadvantages of the Flagstaff Region.

The Flagstaff Region has an economic development strategy with an aim of addressing the region's declining population. Between 2006 and 2013 the population of the Flagstaff Region declined by 5.7% from 8,803 to 8,304[1] and this can be partially attributed to an overall decline in rural Alberta people continue to migrate to larger urban centres. The economic development vision establishes a path to enhancing the region's profile as a destination for working age people and sets a goal of reducing the rate of population decline by 50% by 2021. To achieve this vision, the County must clearly communicate the region's competitive advantages.

Flagstaff is part of a large and strong regional economy. The unemployment rate for Camrose-Drumheller economic region was the second lowest in Alberta at 4.7% in May 2015.[2] Only the economic region of Lethbridge-Medicine Hat has performed better. This suggests that Flagstaff Region, along with other communities in the Camrose-Drumheller economic region, are seeing a return to their traditionally low unemployment rates. This speaks to the resiliency of the regional economy in light of the weaknesses that are being seen in other regions across Alberta due to lower oil prices. Continued success will be dependent on leveraging regional strengths in the agriculture, oil and gas, metal fabrication, and tourism sectors.

To complete the competitive assessment, a detailed analysis of Flagstaff's economic assets was undertaken. In many cases they have been compared to competitor communities. The result is a high-level overview of Flagstaff's "Competitive Position".

The competitive positioning figure on the following page highlights the strengths of the region as well as the targeted sectors of value-add agriculture, tourism and hospitality, oil and gas, and the supportive role of fabricated metal manufacturing. Each circle encompasses the competitive advantages that the Flagstaff Region has in relation to comparator communities.

[1] Government of Alberta, Municipal Affairs, *2013 Municipal Affairs Population List*, 2013.

2 Statistics Canada, Alberta Labour Force Statistics May, 2015

FIGURE 1: FLAGSTAFF REGION COMPETITIVE POSITIONING

The strengths identified above can be used as part of a larger investment attraction marketing strategy or making a business case for local business retention and expansion. The competitive strengths also highlight the region’s advantages in relation to the weaknesses of other communities and identifying areas that constitute key assets.

2 Local Competitive Advantages/Disadvantages

An integral component of Flagstaff's competitive assessment was to identify the region's competitive advantages and disadvantages relative to comparator communities in Alberta. This included a demographic profile review and an assessment of the regional workforce, economic, and business composition.

This information was then used in conjunction with an asset inventory assessment in the site selection matrix. The matrix provided a weighting of different sector specific investment factors that investors look for when deciding on a business location.

The following table highlights the key findings for the Flagstaff Region and is presented in more detail in Section 5 Competitive Benchmarking. This section provides an easy overview for reference purposes.

FIGURE 2: LOCAL COMPETITIVE ADVANTAGES AND DISADVANTAGES

Competitive Advantages	Competitive Disadvantages
▪ Skilled wages are comparatively lower by \$1,000 to \$7,000 depending on comparator areas ▪ Flagstaff has higher employment concentration rankings in Mining, Quarrying, Oil and Gas Extraction than comparator areas signaling labour pool advantage (excluding Lloydminster) ▪ Average wages competitive in Oil and Gas sector ▪ Ample campgrounds, open space, RV parks, and numerous heritage museums that celebrate its agricultural, mining, and oil industry history (e.g., Battle River Railway) ▪ Distinct housing cost advantage over major and larger urban centres ▪ 70 acres in assorted industrial and commercial lands available in the region, which provides an advantage to the area for companies consider location, or expansion ▪ Some industrial lands are competitively priced, and priced low representing distinct advantage over some comparator areas ▪ Supplier network contained in Flagstaff for Oil and Gas Processing, Support, and Related Industries	▪ Median age in the Flagstaff Region is 47.5 years of age, relatively higher than the surrounding comparator areas ▪ Flagstaff is facing a population decline of key younger demographics in the working age cohorts of 20 to 44 years of age ▪ No post-secondary institutions, campuses, education or training services in the region ▪ No housing cost advantage between neighbouring comparators ▪ Abundance of serviced and unserviced industrial and commercial land in comparator areas ▪ MD of Provost has 672 acres available for expansion adjacent to Hardisty Energy Hub ▪ Potentially prohibitive serviced industrial land prices ▪ Higher levels of supporting industries in MD Provost and MD Wainwright for Oil and Gas ▪ Relatively disadvantaged by distance from provincial Highway 2 that intersects with Red Deer, and Edmonton ▪ Food processing labour costs higher in Camrose –Drumheller economic region than comparator regions

Competitive Advantages	Competitive Disadvantages
▪ Significant advantage in cost and availability of abundance in underground water ▪ Battle River Railway short line servicing local industry and agriculture by providing and innovative Composite Blending Program and more flexible storage and handling options ▪ Unskilled labour rates lower than MD Provost and Camrose County ▪ Flagstaff serviced by Highway 13 and 36 with direct linkages to Highway 2, and thereby the closest major urban centres and markets ▪ High levels of self-employment in fabrication, industrial and agricultural machinery manufacturing and servicing	▪ Unskilled labour rates significantly higher than Beaver County and MD Wainwright ▪ Primary offering for manufacturing expansion or relocation is only (relatively expensive) land, with few facility offerings

3 Environmental Scan

3.1 Flagstaff Workforce

To provide a different perspective to Flagstaff Region's labour force assessment an analysis of Statistics Canada's Canadian Business Patterns (CBP) was used. CBP data is a count of the number of active businesses locations by industry with nine business size ranges; including businesses with no employees to those with 500+. The data itself is compiled from the Business Register, which is a repository of information on the Canadian business location. To assess Flagstaff's labour force the minimum employment levels for each range were used to provide an estimate regarding the minimum levels of employment in each sector. For example, a business in the 5-9 employee range would only be counted as employing five people.

By combining the Canadian Business Pattern minimum employment estimation this enabled us to compare it with Flagstaff's labour force by sector according to the 2011 National Household Survey. This methodology was used due to the high global non-response rate for many of the towns and the rural county itself. The global non-response rate (GNR) is used as an indicator of data quality. This indicator combines complete non-response (household) and partial non-response (question) into a single rate. A smaller GNR indicates a lower risk of non-response bias and as a result, lower risk of inaccuracy. The threshold used for estimates' suppression is a GNR of 50% or more. The result of such a high GNR for the county means and many of the towns means the data should be interpreted with caution as it may not provide a completely accurate representation of the labour force.

According to the 2011 NHS, Flagstaff has a majority of the labour force involved with agriculture, oil and gas extraction, and retail trade. Flagstaff has a disproportionate share of its labour force employed in:

- agriculture (16.6%), followed by
- mining, quarrying, and oil and gas extraction (10.7%), and
- retail trade (8.8%).

There are a number of sectors that according to the NHS have zero levels of employment in other sectors such as information and cultural industries; real estate and rental and leasing; management of companies and enterprises; arts, entertainment, and recreation; and accommodation and food services.

In comparison when Flagstaff's workforce is assessed using the lowest estimate of employee levels through Canadian Business Patterns there is a shift in key sectors of employment.

There continues to be an emphasis on **agriculture** as significant sector of employment **(24.7%),** however, **construction (16.6%)**, and **retail trade (7.3%)** become the second and third largest areas of employment.

Outside of agriculture, sector-based employment becomes more diverse. According to CBP data there is some level of activity in every sector of the economy.

FIGURE 3: FLAGSTAFF REGION WORKFORCE BY INDUSTRY, 2011 AND 2014

Industry	% of Workforce	
	NHS 2011	CBP 2014
11 Agriculture, forestry, fishing and hunting	**16.6%**	**24.7%**
21 Mining, quarrying, and oil and gas extraction	**10.7%**	**6.3%**
22 Utilities	2.0%	0.9%
23 Construction	**5.8%**	**16.6%**
31-33 Manufacturing	1.0%	2.1%
41 Wholesale trade	1.8%	2.9%
44-45 Retail trade	**8.8%**	**7.3%**
48-49 Transportation and warehousing	3.5%	4.3%
51 Information and cultural industries	0.0%	0.5%
52 Finance and insurance	2.5%	2.9%
53 Real estate and rental and leasing	0.0%	5.6%
54 Professional, scientific and technical services	1.1%	3.4%
55 Management of companies and enterprises	0.0%	0.6%
56 Administrative and support, waste management and remediation services	1.8%	2.3%
61 Educational services	4.9%	0.0%
62 Health care and social assistance	8.5%	6.5%
71 Arts, entertainment and recreation	0.0%	1.3%
72 Accommodation and food services	0.0%	3.4%
81 Other services (except public administration)	4.1%	5.3%
91 Public administration	3.9%	3.1%

Source: Statistics Canada, National Household Survey, 2011 and Canadian Business Patterns, December, 2014. Custom data set by MDB.

In Figure 4 (below) Flagstaff's labour force was compared to four other communities to help identify regional strengths and weaknesses. Here we see that Flagstaff's workforce concentration in agriculture is significantly higher than Camrose, Lloydminster[3], Edmonton, and Red Deer.

The Flagstaff Region also has a significant percentage of its workforce in the mining, quarrying, and oil and gas extraction sector (10.7%). Lloydminster was the only other competitor community to have a higher percentage of its workforce in that sector (17.4%).

Employment in the transportation and warehousing sector in Flagstaff Region, although lower than many competitor communities, points to the importance of the region in large trade networks such as the Eastern Alberta Trade Corridor and the potential export of goods from the area.

This is further supported by the workforce present in wholesale trade, which is closely linked to the transportation sector through supply chain logistics and services. As identified above, although moderately lower than the competitor areas, still illustrates a linkage that can be supported for growth opportunities supporting other local sectors.

3 To provide a more accurate and regional perspective of Lloydminster's economy both census subdivisions or Lloydminster, AB and Lloydminster, SK were combined.

FIGURE 4: WORKFORCE FOR FLAGSTAFF REGION AND COMPETITOR COMMUNITIES, 2011

Total Industry	Flagstaff[4]	Camrose	Lloydminster	Edmonton	Red Deer
11 Agriculture, forestry, fishing and hunting	16.6%	29.5%	1.2%	0.2%	0.6%
21 Mining, quarrying, and oil and gas extraction	10.7%	3.0%	17.4%	2.0%	8.9%
22 Utilities	2.0%	0.9%	0.5%	1.0%	0.4%
23 Construction	5.8%	10.1%	8.4%	8.7%	8.8%
31-33 Manufacturing	1.0%	3.2%	4.7%	6.6%	7.6%
41 Wholesale trade	1.8%	3.6%	4.3%	4.8%	4.5%
44-45 Retail trade	8.8%	7.3%	14.8%	11.6%	13.5%
48-49 Transportation and warehousing	3.5%	4.3%	4.5%	4.6%	3.1%
51 Information and cultural industries	0.0%	0.6%	1.0%	2.0%	1.0%
52 Finance and insurance	2.5%	2.8%	4.0%	3.8%	3.3%
53 Real estate and rental and leasing	0.0%	1.9%	1.2%	2.0%	2.1%
54 Professional, scientific and technical services	1.1%	3.8%	5.8%	7.5%	5.1%
55 Management of companies and enterprises	0.0%	0.0%	0.2%	0.1%	0.1%
56 Administrative and support, waste management and remediation services	1.8%	3.0%	2.5%	3.6%	2.9%
61 Educational services	4.9%	5.7%	6.8%	8.0%	6.0%
62 Health care and social assistance	8.5%	9.0%	7.9%	11.5%	12.2%
71 Arts, entertainment and recreation	0.0%	1.5%	0.6%	1.8%	1.4%
72 Accommodation and food services	0.0%	2.0%	5.3%	6.8%	7.5%
81 Other services (except public administration)	4.1%	4.1%	6.7%	5.0%	5.6%
91 Public administration	3.9%	3.7%	2.2%	8.4%	5.3%

Source: Statistics Canada, National Household Survey, 2011.

4 Flagstaff's employment based on the 2011 National Household Survey to maintain consistency with other competitor communities.

3.2 Business Patterns Assessment

Statistics Canada's Canadian Business Patterns Data provides a record of business establishments by industry and size. This data is collected from the Canada Revenue Agency (CRA). The business data collected for Flagstaff includes all local businesses that meet at least one of the three following criteria:

- Have an employee workforce for which they submit payroll remittances to CRA; or
- Have a minimum of $30,000 in annual sales revenue; or
- Are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years.

The Canadian Business Patterns Data records business counts by "Total", "Indeterminate" and "Subtotal" categories. The establishments in the "Indeterminate" category include the self-employed (i.e. those who do not maintain an employee payroll, but may have a workforce consisting of contracted workers, family members or business owners). It should be noted that the Canadian Business Patterns Data uses the CRA registrar as a primary resource in establishment counts; therefore, businesses without a business number or indicating annual sales less than $30,000 are not included. The population of these small, unincorporated businesses is thought to be in the range of 600,000 in all of Canada.

3.2.1 Key Business Characteristics

In terms of concentration, the following sectors (identified in the figure below) exhibit the highest proportion of business establishments in Flagstaff as of December 2014:

- Agriculture, Forestry, Fishing and Hunting (904 businesses, 41.9% of total)
- Real Estate and Rental and Leasing (218 businesses, 10.1% of total)
- Construction (122 businesses, 5.7% of total)
- Transportation and Warehousing (113 businesses, 5.2% of total)

Notably, when the indeterminate category (owner-operated) is removed, agriculture remains the largest business sector, and Real Estate and Rental and Leasing is replaced with Other Services:

- Agriculture, Forestry, Fishing and Hunting (121 businesses, 19.8% of subtotal)
- Other Services (except Public Administration) (68 businesses, 11.1% of subtotal)
- Construction (57 businesses, 9.3% of subtotal)
- Transportation and Warehousing (55 businesses, 9.0% of subtotal)

FIGURE 5: FLAGSTAFF REGION BUSINESSES BY LOCATION AND SIZE, DECEMBER, 2014

Industry (NAICS)	December 2014								
	Total	Indeterminate	Subtotal	1- 4	5- 9	10-19	20-49	50-99	100+
Total Economic Snapshot	2047	1462	585	425	90	44	21	1	4
11 Agriculture, Forestry, Fishing and Hunting	**904**	**783**	**121**	**105**	**12**	**3**	**1**	**0**	**0**
21 Mining, Quarrying, and Oil and Gas Extraction	90	47	43	32	7	2	1	0	1
22 Utilities	8	4	4	1	2	0	1	0	0
23 Construction	**122**	**65**	**57**	**46**	**8**	**2**	**0**	**0**	**1**
31-33 Manufacturing	27	13	14	7	3	3	1	0	0
41 Wholesale Trade	35	20	15	8	2	2	3	0	0
44-45 Retail Trade	**89**	**42**	**47**	**24**	**12**	**5**	**6**	**0**	**0**
48-49 Transportation and Warehousing	**113**	**58**	**55**	**42**	**11**	**2**	**0**	**0**	**0**
51 Information and Cultural Industries	**9**	**3**	**6**	**4**	**1**	**1**	**0**	**0**	**0**
52 Finance and Insurance	43	26	17	5	7	5	0	0	0
53 Real Estate and Rental and Leasing	**218**	**206**	**12**	**11**	**0**	**1**	**0**	**0**	**0**
54 Professional, Scientific and Technical Services	92	53	39	33	4	1	1	0	0
55 Management of Companies and Enterprises	20	14	6	5	1	0	0	0	0
56 Administrative and Support, Waste Management and Remediation Services	48	32	16	11	2	2	1	0	0
61 Educational Services	2	1	1	1	0	0	0	0	0
62 Health Care and Social Assistance	36	14	22	14	1	2	3	1	1
71 Arts, Entertainment and Recreation	20	13	7	3	1	3	0	0	0
72 Accommodation and Food Services	42	14	28	15	8	3	2	0	0
81 Other Services (except Public Administration)	**119**	**51**	**68**	**55**	**6**	**6**	**1**	**0**	**0**
91 Public Administration	10	3	7	3	2	1	0	0	1

Source: Statistics Canada, Canadian Business Patterns December, 2014

Overall, business establishments in the Flagstaff Region are overwhelmingly characterized by small companies and enterprises that employ less than 10 people.

In 2014, excluding the businesses consisting of the self-employed – which themselves are small enterprises – there were 425 businesses, or 72.6% of the subtotal, that employ 1-4 people.

An additional 90 businesses, or 15.4% of the subtotal, employ 5-9 people. In comparison, Camrose had a similar business structure with 60.3% of the subtotal employ 1-4 people and 18.8% employ between 5-9 people. Lloydminster is comprised of businesses that employed 1-4 people accounted for 55.0% of the subtotal and 16.0% employed between 5-9 people.

Flagstaff has five businesses that employ more than 50 people and 21 employing 20-49 people. It should be noted that **Flagstaff has one utility system construction business that employs more than 500 people**. This is of interest because small, medium and large firms are generally believed to provide different economic functions within an economic region. The lack of mid-size and large businesses in Flagstaff is concerning as these firms are typically more export oriented and generate higher operating surpluses. This indicates that a large proportion of the economic activity within the region is serving the local economy rather than being exported and into larger national and international economies markets.

FIGURE 6 (below) provides a snapshot of the largest business categories at the most detailed level of analysis.

From this figure, it is evident that farming related activities, including, oilseed and grain farming, cattle ranching and farming, other animal production, and other crop farming account for a considerable number of businesses within the region.

Lessors of real estate are the third leading business category with 67 total firms and are largely engaged in the rental and leasing of real estate. It should be noted, that with the exception of two firms employing 1-4 people, the subsector is dominated by self-employment.

FIGURE 6: TOP LOCAL BUSINESSES BY TOTAL NUMBER AND EMPLOYMENT CATEGORY

NAICS	Industry	Total	Owner-Operated	Sub-total	1-4	5-9	10-19	20-49
1111	**Oilseed and grain farming**	**423**	**343**	**80**	**70**	**9**	**1**	**0**
5311	**Lessors of real estate**	**191**	**184**	**7**	**6**	**0**	**1**	**0**
1121	**Cattle ranching and farming**	**174**	**163**	**11**	**10**	**1**	**0**	**0**
1119	**Other crop farming**	**134**	**130**	**4**	**4**	**0**	**0**	**0**
1129	**Other animal production**	**121**	**111**	**10**	**8**	**1**	**1**	**0**
2131	Support activities for mining, and oil and gas extraction	79	39	40	32	6	2	0
4842	Specialized freight trucking	60	25	35	26	7	2	0
8113	Commercial and industrial machinery and equipment (except automotive and electronic) repair	46	12	34	29	1	3	1
4841	General freight trucking	41	26	15	13	2	0	0
5416	Management, scientific and technical consulting services	41	20	21	19	0	1	1
1151	**Support activities for crop production**	**28**	**18**	**10**	**8**	**1**	**1**	**0**

NAICS	Industry	Total	Owner-Operated	Sub-total	1-4	5-9	10-19	20-49
2382	**Building equipment contractors**	**28**	**13**	**15**	**13**	**2**	**0**	**0**
2389	**Other specialty trade contractors**	**28**	**20**	**8**	**5**	**2**	**1**	**0**
8111	Automotive repair and maintenance	25	13	12	7	4	1	0
2361	**Residential building construction**	**24**	**9**	**15**	**13**	**2**	**0**	**0**
5239	Other financial investment activities	24	22	2	2	0	0	0
7225	Full-service restaurants and limited-service eating places	23	7	16	8	5	2	1
5419	Other professional, scientific and technical services	20	13	7	6	1	0	0
5511	Management of companies and enterprises	20	14	6	5	1	0	0
5617	Services to buildings and dwellings	17	12	5	4	0	1	0
2371	Utility system construction*	13	3	10	7	1	1	0

Source: Statistics Canada, Canadian Business Patterns, December 2014

Outside of industries supporting the agricultural supply chain, when examining the subsectors further, the concentration of industry subsectors supporting the Oil and Gas, and Mining sector becomes more apparent. This is seen in more elevated levels of total business counts in support activities for mining, oil and gas extraction (79), specialized freight trucking (60), and management, scientific and technical consulting services (41) businesses.

As was illustrated in the previous section, there are high levels of self-employment in these categories, but, also evidence again of a very strong micro-business climate with most firms employing 1-4 employees,

This is also evident in general freight trucking and commercial and industrial machinery and equipment (except automotive and electronic) repair, which are likely to serve the mining, oil and gas, and agricultural sectors more equally.

3.3 Flagstaff and Competitor Communities

In Figure 7, the total numbers of business by sector in the Flagstaff Region have been compared to other communities in Alberta. Despite its more moderate business count of 2,155 comparatively, Flagstaff has a significant number of businesses in agriculture, forestry, fishing, and hunting (904). This is comparable to Camrose and higher than Lloydminster; despite having double the number of businesses. This serves to re-enforce the importance of agriculture to the region.

This regional strength has the opportunity to be leveraged to support the growth of other sectors of the economy such as agri-tourism and farming related commercial services.

Outside of the agriculture sector, real estate and rental and leasing also account for a significant number of businesses (218), representing for 10.1% of all businesses in the region.

As a percentage of businesses it is comparable to Red Deer and Lloydminster, where real estate and rental and leasing account for 14.9% and 11.8% of all businesses, respectively.

Flagstaff has 62 businesses in the arts, entertainment, and recreation and accommodation and food services sectors. Combined these sector represents a large proportion of the businesses engaged in the tourism sector and account for 2.9% of businesses in the region.

FIGURE 7: TOTAL NUMBER OF BUSINESSES BY SECTOR, 2014

Industry (NAICS)	Total Number of Businesses				
	Flagstaff	Lloydminster	Camrose	Edmonton	Red Deer
Total number of Businesses:	**2,155**	**4,821**	**4,095**	**98,257**	**19,286**
Unclassified	82	504	276	9,787	1,605
11 Agriculture, Forestry, Fishing and Hunting	**904**	**321**	**974**	**675**	**1,627**
21 Mining, Quarrying, and Oil and Gas Extraction	90	362	106	618	768
22 Utilities	8	6	6	50	12
23 Construction	122	554	446	11,225	2,457
31-33 Manufacturing	27	83	69	2,196	356
41 Wholesale Trade	35	120	102	2,894	470
44-45 Retail Trade	89	305	265	6,192	1,199
48-49 Transportation and Warehousing	**113**	**383**	**150**	**5,996**	**769**
51 Information and Cultural Industries	9	17	17	833	74
52 Finance and Insurance	43	164	133	4,932	810
53 Real Estate and Rental and Leasing	**218**	**569**	**525**	**14,132**	**2,873**
54 Professional, Scientific and Technical Services	92	393	282	12,678	2,022
55 Management of Companies and Enterprises	20	136	58	2,718	379
56 Administrative and Support, Waste Management and Remediation Services	48	172	118	4,061	682
61 Educational Services	2	26	21	970	156
62 Health Care and Social Assistance	36	214	144	7,138	919
71 Arts, Entertainment and Recreation	**20**	**31**	**38**	**1,015**	**196**
72 Accommodation and Food Services	**42**	**98**	**85**	**3,008**	**462**
81 Other Services (except Public Administration)	119	357	274	6,838	1,435
91 Public Administration	10	6	6	301	15

Source: Statistics Canada, Canadian Business Patterns, December 2014

3.3.1 Location Quotient Assessment

In order to determine the level and degree of industrial specialization that has developed in the Flagstaff Region, and thus the diversity of the regional economy, location quotients (LQs) have been calculated to measure the relative concentration of industry/business activity by major industry sector.

Location Quotients are a commonly used tool in local/regional economic analysis. They assess the concentration of economic activities within a smaller area relative to the overarching region in which it resides.

Understanding that the Flagstaff Region has experienced significant population decline of 5.7% from 8,803 in 2006 to 8,304[5] in 2013 it is important to understand Flagstaff's regional economic strengths. This allows better identification of target employment areas (by industry) that can be pursued to assist in overcoming additional population decline. By playing to the economic strengths, and the occupations associated with the industry demand, you can more easily attract the necessary skilled talent to an area and further facilitate expansion in growth industries.

LQs have been calculated to compare the Flagstaff's business concentrations relative to the Province of Alberta, to provide an understanding of the areas in which the region possesses a competitive advantage over the rest of the province.

A location quotient greater than 1.25 for a given sector indicates a local concentration of economic activity as compared to the overarching region (either Alberta or any other region) and may be an indication of competitive advantage with respect to the attraction of that industry sector.

Location Quotients between to 0.75 to 1.25 for a given sector suggest that the study area has the same concentration of economic activity as the overarching region.

Finally, a location quotient of less than 0.75 suggests that the community does not have a strong competitive advantage in that sector.

In theory, an industrial or business concentration that is greater than the overarching regional average may also represent the export base of the participating municipality (both in terms of products or services).

Businesses that make up this export base may have chosen to locate in the community due to certain local or regional competitive advantages. These competitive advantages can be used to attract additional investment, in the same or complimentary industries.

Flagstaff had high concentrations of businesses in a wide range of industries in 2014.

In total Flagstaff had 53 industries that had LQs higher than 1.60.

10 industries within the agriculture sector had LQs above 2.0 indicating a strong regional sector, which is supported by large percentage of the workforce as noted above.

5 Government of Alberta, 2013 Municipal Affairs Population List, 2013.

The agriculture sectors with the highest LQs were:

- 1111 Oilseed and grain farming (7.865)
- 1151 Support activities for crop production (5.47)
- 1122 Hog and pig farming (3.66)
- 1124 Sheep and goat farming (3.71)
- 1129 Other animal production (4.29)
- 1119 Other crop farming (4.59)
- 1142 Hunting and trapping (3.56)
- 1121 Cattle ranching and farming (3.39)
- 1152 Support activities for animal production (2.65)
- 1114 Greenhouse, nursery and floriculture production (2.03)

In addition to agriculture Flagstaff has 10 manufacturing industries that have high LQs:

- 3369 Other transportation equipment manufacturing (7.16)
- 3321 Forging and stamping (6.96)
- 3262 Rubber product manufacturing (6.58)
- 3312 Steel product manufacturing from purchased steel (3.93)
- 3111 Animal food manufacturing (5.18)
- 3333 Commercial and service industry machinery manufacturing (2.87)
- 3152 Cut and sew clothing manufacturing (2.36)
- 3331 Agricultural, construction and mining machinery manufacturing (2.34)
- 3118 Bakeries and tortilla manufacturing (2.32)
- 3273 Cement and concrete product manufacturing (2.19)

According to Statistics Canada Business Patterns data the Flagstaff Region had a total of 27 manufacturing businesses in 2014 and six identified business had zero employees.

Although this sector does not employ a significant portion of the labour force the significantly high location quotients in forging and stamping, rubber product manufacturing, and steel product manufacturing from purchased steel indicate that it may play an important role in the larger, export-orientated, regional economy.

FIGURE 8: TOTAL BUSINESS LQ FOR FLAGSTAFF AND COMPETITOR COMMUNITIES, 2014

Industry	Flagstaff	Lloydminster	Camrose	Edmonton	Red Deer
2122 Metal ore mining	15.22	0.00	0.00	0.67	3.40
4852 Interurban and rural bus transportation	8.40	0.00	0.00	1.29	1.30
4821 Rail transportation	8.12	0.00	1.06	1.42	1.05
2121 Coal mining	7.86	0.00	0.00	1.38	0.00
4872 Scenic and sightseeing transportation, water	7.86	0.00	0.00	0.69	1.70
1111 Oilseed and grain farming	7.63	0.95	3.77	0.09	0.81
6223 Specialty (except psychiatric and substance abuse) hospitals	7.61	0.00	0.00	1.17	0.00
2212 Natural gas distribution	7.16	0.00	2.26	0.25	0.32
3369 Other transportation equipment manufacturing	7.16	0.00	0.00	0.79	4.95
3321 Forging and stamping	6.96	0.00	0.00	0.61	0.00
9139 Other local, municipal and regional public administration	6.60	1.77	0.00	0.20	0.00
3262 Rubber product manufacturing	6.58	5.88	1.10	0.58	0.47
5174 Satellite telecommunications	5.94	0.00	0.00	1.17	1.01
4442 Lawn and garden equipment and supplies stores	5.73	1.28	1.52	0.94	1.55
1151 Support activities for crop production	5.47	0.96	2.47	0.12	1.03
4171 Farm, lawn and garden machinery and equipment merchant wholesalers	5.32	1.59	0.53	0.35	1.21
3111 Animal food manufacturing	5.18	1.16	4.09	0.68	1.45
4111 Farm product merchant wholesalers	4.75	0.91	1.65	0.36	1.11
1119 Other crop farming	4.59	0.72	2.92	0.08	1.04
4183 Agricultural supplies merchant wholesalers	4.34	0.97	0.00	0.27	1.08
1129 Other animal production	4.29	0.67	2.65	0.07	1.04
6233 Community care facilities for the elderly	4.25	1.43	1.50	1.42	0.64
8122 Funeral services	3.95	0.59	0.87	0.95	1.12
3312 Steel product manufacturing from purchased steel	3.93	0.00	0.00	1.29	0.00

Industry	Flagstaff	Lloydminster	Camrose	Edmonton	Red Deer
1124 Sheep and goat farming	3.71	0.00	7.81	0.03	0.83
1122 Hog and pig farming	3.66	0.00	2.41	0.04	2.15
2123 Non-metallic mineral mining and quarrying	3.56	0.00	2.50	0.60	0.53
1142 Hunting and trapping	3.56	0.79	0.00	0.39	1.39
7121 Heritage institutions	3.55	0.00	0.74	0.54	0.47
1121 Cattle ranching and farming	3.39	0.80	1.88	0.03	1.10
5331 Lessors of non-financial intangible assets (except copyrighted works)	2.91	0.87	1.01	0.87	1.87
3333 Commercial and service industry machinery manufacturing	2.87	0.00	2.03	1.13	1.30
1152 Support activities for animal production	2.65	0.79	1.86	0.27	1.15
6243 Vocational rehabilitation services	2.65	0.59	0.00	1.34	1.18
3152 Cut and sew clothing manufacturing	2.36	0.00	0.00	1.66	0.00
3331 Agricultural, construction and mining machinery manufacturing	2.34	2.30	1.12	1.09	1.19
3118 Bakeries and tortilla manufacturing	2.32	0.00	0.61	1.50	0.39
5323 General rental centres	2.30	1.03	0.35	0.71	0.75
2211 Electric power generation, transmission and distribution	2.22	0.66	1.17	0.44	0.50
3273 Cement and concrete product manufacturing	2.19	0.49	0.00	0.91	0.00
6221 General medical and surgical hospitals	2.16	0.96	0.00	0.80	1.23
4531 Florists	2.07	1.23	1.07	0.92	1.13
1114 Greenhouse, nursery and floriculture production	2.03	0.00	3.47	0.20	1.36
5221 Depository credit intermediation	2.03	1.01	0.00	1.06	0.00
7224 Drinking places (alcoholic beverages)	1.98	1.11	1.38	1.28	1.08
2131 Support activities for mining, and oil and gas extraction	1.98	3.29	1.13	0.26	1.75
4842 Specialized freight trucking	1.91	2.73	0.83	0.81	0.66
5191 Other information services	1.88	0.84	0.63	0.96	0.73
5629 Remediation and other waste management services	1.83	2.87	0.00	0.64	1.39

Industry	Flagstaff	Lloydminster	Camrose	Edmonton	Red Deer
7112 Spectator sports	1.80	0.80	0.32	0.92	0.97
7211 Traveller accommodation	1.75	1.17	1.41	0.70	1.27
8113 Commercial and industrial machinery and equipment (except automotive and electronic) repair	1.63	2.01	0.61	0.64	1.24
3116 Meat product manufacturing	1.60	0.00	1.69	0.60	1.25

Source: Statistics Canada, Canadian Business Patterns, 2014. Custom data set by Millier Dickinson Blais.

4 Site Selection Considerations

The following section assesses the various key location factors that influence company investment decisions. A site location matrix adopted from Austin Consulting (a leading American firm that provides site selection services for expanding businesses) provides weighting for investment factors and differentiates these factors as high, medium or low levels of importance.

This matrix was used to guide the discussion for industry-specific site selection considerations for the target sectors in the Flagstaff Region:

- Agriculture (particularly Value Added Agricultural Processing)
- Oil and Gas (particularly Supporting Industries and Related Sectors)
- Metal Fabrication (supporting both the Oil and Gas and Agricultural sectors)
- Tourism and Hospitality (including eco/agri-tourism and sector accommodation)

The full matrix is provided in the appendix for further consideration and use by Flagstaff County staff.

The tables below provide the top location factors that had the highest Category Weight assigned to them, and reflected the highest level of factor importance in decision making.

4.1.1 Oil and Gas Production, Support, and Related Industries

It is no surprise the importance of the Alberta Oil Sands and the Oil and Gas sector is to the national, provincial, and local economies. According to the Canadian Energy Research Institute (CERI), in 2013 56% (or 1.98 million barrels a day) of the Canadian oil and oil equivalent production (3.5 million barrels per day) was generated by oil sands. Further, that production is forecast to increase up to 3.7 million barrels a day by 2020.[6] When looking out to 2038, this translates into an estimated $3.865 billion in total GDP impacts from oil sands, and represents significant employment opportunities – roughly 121,500 Alberta workers are directly employed in the oil and gas sectors and approximately 1 in 16 jobs is related to the energy sector.[7]

More recently, due to plummeting oil prices in the second half of 2014, the Conference Board of Canada estimates that roughly 8,000 jobs will be shed in 2015 as oil revenues are expected to drop by $43 billion.[8] Additionally, low oil price projections of roughly US$55/barrel are expected to have a significant impact on oil sands investments. Regardless, it is anticipated that oil production will continue to rise in 2015 due to pre-existing investments in capacity.[9]

Despite the turbulent environment described above, at a local level, the Flagstaff Region is still well positioned to benefit. This is particularly the case when considering the Hardisty Energy Hub. Demand for oil storage (a

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6 Canadian Energy Research Institute, “Canadian Economic Impacts of New and Existing Oil Sands Development in Alberta (2014-2038)” (Calgary, AB: CERI, 2014).

7 Government of Alberta, “About Oil Sands – Facts and Statistics” Alberta: Official Website <http://www.energy.alberta.ca/oilsands/791.asp> accessed on 2015-05-19.

8 The Conference Board of Canada, “Canada's Oil Industry to Lose Money and Jobs in 2015”, Conference Board of Canada News Release (Ottawa, ON: Official Website <http://www.conferenceboard.ca/press/newsrelease/15-03-25/canada_s_oil_industry_to_lose_money_and_jobs_in_2015.aspx> accessed on 2015-05-19.

9 Ibid.

boon for the tank farm), has spurred on capacity expansion by Gibson Energy, where the firm has announced in April that it will add 900,000 barrels of storage to existing operations.[10]

As such, the grouping of site selection factors below are representative of the production side, but also of the support and related industries side of the oil and gas sector. These factors represent areas of high levels of importance in the site location matrix contained in the appendix (below).

FIGURE 9: SITE LOCATION MATRIX SUMMARY

Labour Force Characteristics	▪ Population (current and projected) ▪ Age profile ▪ Commuting patterns ▪ Income (average income, household income) ▪ Size of total labour force / participation rate ▪ Unemployment rate/ employment rate ▪ Availability of skilled workers ▪ Cost of skilled workers ▪ Competition for required skill sets ▪ Level of education ▪ Language skills ▪ Presence of Union (labour management relations) ▪ Workers compensation and employment insurance
Education & Training	▪ Elementary school performance rankings ▪ Secondary school performance rankings ▪ Community colleges – availability and quality of programs ▪ Universities – availability and applicable programs ▪ Local employment and training services
Quality of Life	▪ Health care facilities ▪ Emergency services ▪ Crime rate ▪ Recreation and cultural facilities ▪ Housing availability and cost
Property Availability and Cost	▪ Commercial (office) building availability ▪ Commercial (office) land availability ▪ Cost of land/ lease rates ▪ Industrial Building Availability ▪ Serviced Industrial Land Availability (shovel ready sites)

10 Geoffrey Morgan, “Gibson Energy Inc plans to expand oil storage capacity as demand in Alberta soars,” Financial Post, April 14, 2015 8:47 AM ET <http://business.financialpost.com/news/energy/gibson-energy-plans-to-expand-oil-storage-capacity-as-demand-in-alberta-soars?__lsa=a63c-e662> accessed on 2015-05-19.

Local Industry	▪ Presence of Supplier/Support Businesses ▪ Existing Research Base
Utilities	▪ Electricity (Capacity, Availability, Rate, Reliability) ▪ Waste Management / Hazardous Waste Carriers & Facilities ▪ Telecommunications (High Speed Internet, Cell Phone carriers)*
Transportation and Distribution	▪ Proximity to Current and Future Customer Markets ▪ Proximity to Suppliers/Raw Materials ▪ Proximity to Highways ▪ Proximity to Railways / Intermodal Facilities ▪ 3rd Party Trucking Availability

4.1.2 Value Added Agricultural Processing

Agriculture is the largest and most robust sector in the Flagstaff Region. *Strategic Pathways* identifies the pursuit of Region-based Value Added Agricultural opportunities as a key initiative under the "Prosperity Horizons" pillar for investment attraction.[11]

Approximately1 million acres of high quality farmland (75% cultivated) produces many commercial crops including wheat, canola, barley, peas, flax, and oats.[12] Furthermore, the area is home to major companies such as Viterra and Great Northern Grain, with excellent rail infrastructure and access. The area around Killam rests on a vast groundwater aquifer with multiple bulk water stations throughout the region.[13] This is great for value added processing operations whose needs include availability and price of feedstock, access to commodity markets, inputs, transportation, and labour.[14]

The table below highlights that important location factors for agri-processing are related to water, sewer and electricity servicing capacity and availability, cost of industrial land and transportation networks and trucking availability.

FIGURE 10: SITE LOCATION MATRIX SUMMARY FOR VALUE ADD AGRICULTURAL PROCESSING

Labour Force Characteristics	▪ Income ▪ Ethnicity profile ▪ Size of the total labour force/ participation rate ▪ Unemployment rate/ employment rate ▪ Availability of unskilled workers ▪ Cost of unskilled workers ▪ Presence of union (labour management relations)
Transportation / Distribution	▪ Proximity to current and future customer markets ▪ Proximity to highways ▪ Third party trucking availability
Utilities	▪ Electricity (capacity, availability, rate, reliability) ▪ Water (capacity, availability, rate, reliability) ▪ Sewer (capacity, availability, rate, reliability)
Property Availability and Cost	▪ Serviced industrial land availability (shovel ready sites) ▪ Cost of Land / Lease Rates

11 Flagstaff County, "Flagstaff County Our Common Wealth: Economic Development Strategic Pathways (2015-2018)," January 2015, p. 10

12 Battle River Alliance for Economic Development, "Invest in Flagstaff County," p.2

13 Town of Killam, " Welcome to Killam", Official Website: http://www.town.killam.ab.ca/ accessed on 2015-05-20.

14 Don Hofstrand, "location, location, location: value-added processing / manufacturing," Agricultural Marketing Resource Centre, Official Website (revised July 2008) accessed on 2015-05-19 <http://www.agmrc.org/business_development/starting_a_business/creating_a_business/articles/location-location-location-value-added-processing-manufacturing/#>.

4.1.3 Fabricated Metal Products Manufacturing

FIGURE 11: SITE LOCATION MATRIX SUMMARY FOR FABRICATED METAL PRODUCTS MANUFACTURING

Labour Force Characteristics	▪ Size of total labour force / Participation rate ▪ Unemployment Rate / Employment Rate ▪ Availability of Skilled Workers ▪ Cost of Skilled Workers ▪ Competition for Required Skill Sets ▪ Level of Education ▪ Turnover / Absenteeism ▪ Presence of Union (labour management relations) ▪ Workers compensation and employment insurance
Transportation / Distribution	▪ Proximity to current and future customer markets ▪ Proximity to highways ▪ Third party trucking availability ▪ 3rd Party Warehousing Availability ▪ Proximity to Railways / Intermodal Facilities
Utilities	▪ Electricity (capacity, availability, rate, reliability) ▪ Water (capacity, availability, rate, reliability) ▪ Sewer (capacity, availability, rate, reliability)
Property Availability and Cost	▪ Serviced industrial land availability (shovel ready sites) ▪ Cost of Land / Lease Rates
Education and Training	▪ Community Colleges - Availability and Quality of Programs ▪ Technical/Vocational Colleges - Availability and Quality of Programs ▪ Local Employment and Training Services
Incentives / Business Support Programs	▪ Business Financing (Long term financing, etc.) ▪ Provincial and Local Incentive Programs (tax exemptions, grants, etc.) ▪ Provincial and Local Business Development Programs ▪ International Resources / Government Services

4.1.4 Tourism and Hospitality Services

Branded as the "Community of communities" the Flagstaff Region offers ten villages and small towns that are located within the County itself. From an attraction perspective, the area offers six heritage-based museums rooted in the agricultural and mining sector, four golf courses, campgrounds and RV parks, including Fish Lake and the Diplomat Trout Pond for family fishing, and other outdoor recreation amenities.[15]

Increased investment and ongoing growth associated with the oil and gas industry, especially in the Hardisty Energy Hub, has been a driver for hospitality and accommodation services. The area boasts roughly 14 hotels and motels of sizes ranging from 8 to 40 plus rooms[16], with new hotels recently developed to support growth associated with the energy sector.

The table below includes important locations factors for the hospitality and tourism sector. These are related to available commercial properties, transportation connections, and quality of life features.

FIGURE 12: SITE LOCATION MATRIX FOR TOURISM AND HOSPITALITY SERVICES

Labour Force Characteristics	▪ Population (Current Counts, Future Projections) ▪ Age Profile ▪ Income (Average Income, Household Income) ▪ Ethnicity Profile ▪ Availability of Unskilled Workers ▪ Cost of Unskilled Workers
Property Availability and Cost	▪ Commercial building availability ▪ Commercial land availability ▪ Cost of land and lease rates
Transportation / Distribution	▪ Proximity to Current/Future Customers ▪ Proximity to Highways ▪ Proximity to Airports
Quality of Life	▪ Health care facilities ▪ Emergency services ▪ Crime rate ▪ Recreational and cultural facilities

15 Go East of Edmonton Regional Tourism Organization, Official Website, "Flagstaff County" <http://www.townlife.com/38/businesses/10160/340/Flagstaff-County> accessed on 2015-05-18.

16 Flagstaff County, "Business Directory – Accommodations" Official Website: <http://www.flagstaff.ab.ca/businesses/business-directory/accomodations> accessed on 2015-05-18.

These industry-specific site selection considerations provide the framework to benchmark the Flagstaff Region against the following competing communities for new business investment:

- Beaver County
- MD of Provost
- MD of Wainwright
- Camrose County
- City of Lloydminster
- Red Deer County
- City of Edmonton[17]

17 These competitor communities were identified through the background research by Millier Dickinson Blais and in consultation with Flagstaff County economic development staff.

5 Competitive Benchmarking

Millier Dickinson Blais performed a comparative analysis of the various investment and location factors for each target industry against the competitor communities identified above.

The sources of data are as follows:

- Labour force characteristics were sourced from Statistics Canada's Census Profiles and most recent labour force information, and Service Canada
- Quality of life characteristics were sourced from Statistics Canada's Census profiles for average dwelling and household income values and municipal websites
- Utilities characteristics were sourced from the Alberta Utilities Commission
- Property availability and cost characteristics were sourced from municipal websites, ICX, and various local real estate sources
- Education and training facilities were sourced from institutional websites[18]

The following sections contain tables highlighting the key benchmark indicators for the Flagstaff Region by target industry.

5.1.1 Oil and Gas Production, Support, and Related Industries

Labour Force Characteristics

The median age in the Flagstaff Region is 47.5 years of age, relatively higher than the surrounding comparator areas, with MD of Provost being as low as 39.6 years of age. Further, Flagstaff is facing a population decline of key younger demographics in the working age cohorts of 20 to 44 years of age. Coupled with an aging population, this stands as a significant competitive disadvantage that County staff are aware of, and is captured in the Economic Development Strategic Pathways report as a key strategic objective to correct.

That said, average wages are relatively in line with the neighbouring competitor areas, with the exception of the MD of Wainwright posting almost $2,000 higher in annual wages. This does not represent a significant advantage, or disadvantage. Further, when considering the labour catchment area could extend as broad as the economic region of Camrose – Drumheller, wage ranges are slightly more competitive than Edmonton, Red Deer, and Calgary economic areas. However, some cost advantage can be seen in skilled wages that are comparatively lower by $1,000 to $7,000 depending on comparator areas.

When considering employment concentrations, Flagstaff ranks higher at 10.7% total employment in Mining, quarrying, and oil and gas extraction; rivaled only by Lloydminster at 17.4% indicated a competitive advantage as far as labour pool is concerned. Although median wages for the economic region are in line with other neighbouring regions at roughly $36/hour for oil and gas well drillers, servicers, testers and related workers.[19]

18 Location of education and training facilities were sourced from: < http://humanservices.alberta.ca/services-near-you/2929.html>; < https://www.augustana.ualberta.ca/>; < https://www.norquest.ca/home.aspx>; < https://concordia.ab.ca/>; < http://www.kingsu.ca/>; < http://www.macewan.ca/wcm/index.htm>; < http://rdc.ab.ca/>; < http://www.lakelandcollege.ca/>

19 Government of Canada, "Job Bank – Explore Careers: Wage Report" Official Website: <http://www.jobbank.gc.ca/LMI_report_bynoc.do?&noc=8232&reportOption=wage> Accessed on 2015-05-21.

Education and Training

There are no post-secondary institutions in the Flagstaff Region, Beaver County, or the MD of Provost indicating the offering is neutral from a competitive advantage perspective. The Flagstaff Community Adult Learning Centre does provide over 75 courses, some of which can provide employable skills. Further, the MD of Wainwright no longer has a Portage College campus. There is, however, access to post-secondary education through the Augustana Campus in Camrose, and from a further distance through Red Deer and Lloydminster. In addition, the City of Edmonton is the centre for post-secondary education in the Edmonton Region. All of which are within a 2 hour commute time. Overall, this does not place Flagstaff at any relative disadvantage over adjacent competitor areas, with the exception of Camrose being only 1 hour away and positioned closer to Edmonton.

Quality of Life

Although quality of life is subjective in nature, for the purpose of this analysis Flagstaff's quality of life is measured by the high number of health care centres relative to the comparator jurisdictions.

As highlighted in the previous section, it is also provided through the ample availability of campgrounds, open space, RV parks, and numerous heritage museums that celebrate its agricultural, mining, and oil industry history. This is also reflected in the Friends of the Battle River Railway offering theme-based passenger rides along the historic railway, and the Battle River Crossing Resort.

There are also four golf courses and additional recreational facilities in a number of the larger towns. Housing costs vary between $165,000 and $325,000; which are relatively in line with the adjacent comparator areas providing no heightened advantage. However, compared to larger urban centres there is a distinct cost advantage.

Property Availability and Cost

According to available sources, research, and communications with local real estate professionals, the Flagstaff Region has roughly 34 acres of mixed use commercial and industrial lands available in 18 lots that are planned for servicing in 2015. The average cost of these lands ranges from $140,000 to $190,000 (according to direct interview communications with the development firm/land owner).

Although the availability of (potentially serviced) land is of relative advantage, Beaver County, and the MD of Provost have large tracts of available unserviced industrial lands. These are 373 acres and 672 acres respectively, and have significantly more competitive land prices (even considering a lack of servicing) ranging from $50,000 - $58,805 in Beaver County and as low as $6,188 / acre in Provost. In particular, the lands available in the MD of Provost represent a competitive disadvantage to Flagstaff given that they are relatively adjacent to Hardisty and actively marketed as Energy Hub expansion lands. With a significant price differential.

Flagstaff is competitively positioned with MD of Wainwright, with serviced lands listing slightly higher at $186,000 to $205,000, although this is limited to 6 acres compared to 34 in Flagstaff – representing a competitive advantage.

Additionally, there are 15.7 acres of a mixture of public and privately owned industrial lots available in Forestburg that are very competitively priced at $25,000 an acre. However, the current level of servicing is undisclosed. Further, the Town of Killam also has a privately owned 21.78 acres of industrial lands with buildings (previous Killam Livestock Inc.) priced at $10,055 an acre. This represents a competitive advantage for the Flagstaff Region.

Overall, when compared to Camrose, Flagstaff is at a price disadvantage in general for serviced industrial land. Further, there is 149 acres of serviced industrial development land available for $46,644 / acre (that is identified for commercial and mixed use, and general urban zoning. This is a competitive disadvantage for the Flagstaff Region.

Local Industry

The presence of suppliers and a business support base is an important consideration for site location. Flagstaff has over 100 general and specialized freight trucking businesses (41 and 60 respectively) and relatively high levels of Management, Scientific, and Consulting Services (41 firms) and Commercial and Industrial Machinery and Equipment Repair companies (46). Along with 79 companies in Support Activities for Mining, and Oil and Gas Extraction, this illustrates that Flagstaff has a local industry support network for new companies considering location, or existing expansion. [20]

When comparing Flagstaff to its neighbouring competitor areas, such as MD Provost and MD of Wainwright, there are relative disadvantages given the higher levels of supporting industries in the communities – with the exception of actual Support Activities for Mining, and Oil and Gas Extraction. What this does indicate is a closely interconnected supply chain around the Flagstaff Region, which can be leveraged. Although, consideration should be given to how Flagstaff can differentiate itself and make it more attractive to firms looking to locate in the general area, where municipal and county boundaries are not a general consideration.

Utilities

In general, there is no competitive advantage, or disadvantage for electricity rates as they are provincially regulated and the same across adjacent and near comparator areas that are serviced by the same distribution carrier (EPCOR). The rates are also in-line with rates provide by other local distribution carriers in the large urban centres of Edmonton, Red Deer, and Lloydminster, with minimal variations. The Towns of Killam and Sedgewick together operate a natural gas service, the Sedgewick Killam Natural Gas System; thereby providing residents and businesses in the community with competitive natural gas rates. Natural gas is also provided by Direct Energy across all jurisdictions and also presents no advantage.

However, where Flagstaff does hold significant potential opportunity is in the cost and availability of water. Although rates vary across providers, the Flagstaff Region is geographically positioned on a vast groundwater aquifer (as mentioned above) with opportunities for large water users to draw direct from ground sources. This represents a significant competitive advantage over competitor areas.

Transportation and Distribution

From a road transportation perspective, the Flagstaff Region and its immediate competitor communities (those adjacent to it) are all relatively disadvantaged by their distance from provincial Highway 2 (Queen Elizabeth II Highway) that intersects with Red Deer, and Edmonton. Flagstaff is advantaged in that the majority of urban towns, including Hardisty are located along Highway 13, which travels into Camrose and connects to Edmonton through Highway 2. Flagstaff is also intersected by Highway 36, a hi-load corridor that is part of the Eastern Alberta Trade Corridor, through Killam, that connects Fort McMurray to the US border

20 Statistics Canada, Canadian Business Patterns December 2014 (note, Flagstaff County figures include County and the 10 municipalities within the County geography).

and a large corridor that extends to Mexico. Any competitive advantage that may exist is in the relative, closer proximity to Edmonton from Flagstaff compared to the MD of Wainwright and MD of Provost, although Provost is also located along Highway 13, and abuts the Hardisty Energy Hub.

Labour Force Characteristics[21]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Median Age	47.5	45.8	39.6	40.0	42.5
Average Wages	$48,822	$47,036	$46,003	$50,964	$43,225
Total Labour Force	4,950	7,600	3,590	8,110	29,345
Unskilled Labour & Wages	1,430 - $36,284	1,955 - $30,526	960 - $46,003	1,800 - $26,779	7,485 - $25,843
Skilled Labour & Wages	2,655 - $50,002	3,480 - $50,848	1,545 - $56,225	3,855 - $58,927	13,520 - $51,278

Labour Force Characteristics[22]

	Red Deer	Lloydminster	Edmonton
Median Age	40.5	31.2	36.0
Average Wages	$44,462	$53,470	$48,753
Total Labour Force	105,785	21,215	660,815
Unskilled Labour & Wages	23,305 - $32,626	4,800 - $52,823	115,630 - $30,822
Skilled Labour & Wages	53,045 - $51,313	10,565 - $56,898	372,220 - $57,247

Education & Training

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Primary & Secondary Schools	▪ All counties and the town of Provost have access to local primary and secondary education facilities.				
Post-Secondary Schools	Although there are no post-secondary institutions located in the immediate vicinity there are college and university campuses located nearby.				▪ The Augustana Campus University of Alberta

21 Labour Force Characteristics are based on the following customized data sources provided by Millier Dickinson Blais: Statistics Canada 99-014-X2011044, 99-014-X2011042, and Census Profile, 2011. Unskilled labour is defined by the workforce with no certificate, diploma or degree and skilled labour has been defined by the workforce with a postsecondary certificate, diploma or degree.

22 Labour Force Characteristics are based on the following customized data sources provided by Millier Dickinson Blais: Statistics Canada 99-014-X2011044, 99-014-X2011042, and Census Profile, 2011. Unskilled labour is defined by the workforce with no certificate, diploma or degree and skilled labour has been defined by the workforce with a postsecondary certificate, diploma or degree.

Education & Training

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Additional Training	Adult education services are provided in each county with additional training supports provided in the neighbouring communities of Wainwright and Camrose.			Alberta Works centres are located in both Wainwright and Camrose providing career consulting, training services for adults and apprenticeship.	

Education & Training

	Red Deer	Lloydminster	Edmonton
Primary & Secondary Schools	All cities have adequate access to local primary and secondary education facilities.		
Post-Secondary Schools	Red Deer College	Lakeland College	University of Alberta The Northern Alberta Institute of Technology NorQuest College Concordia University College of Alberta The King's University MacEwan University
Additional Training	Alberta Works centres provide career consulting, training services for adults and apprenticeship.		

Quality of Life

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Health Care Facilities[23]	▪ Killam Health Care Centre	▪ Viking Health Centre	▪ Provost Health Centre	▪ Wainwright Health Centre	▪ St. Mary's Hospital
	▪ Daysland Health Centre	▪ Tofield Health Centre	▪ Provost Provincial Building		
	▪ Hardisty Health Centre				
Recreational & Cultural Facilities	Access to recreational facilities in Sedgewick and Killam including four golf courses and six museums across the region.	Recreational facilities include the Viking Carena Ryley Community Centre	Recreational and culture centre located in town	Peace Memorial Multiplex and Communiplex	Miquelon Lake Provincial Park and Camrose County Nature Conservation Centre as well as a recreational centre with regulation size ice surface
Housing Cost (2011)[24]	$165,133-$324,461	$121,938-$333,059	$137,278-287,996	$168,022-$321,954	$204,082-$360,344

23 Alberta Health Services, Data, Statistics, and Reporting, http://www.albertahealthservices.ca/211.asp

24 Statistics Canada, National Household Survey, 2011. Customized data provided by Millier Dickinson Blais.

Quality of Life

	Red Deer	Lloydminster	Edmonton
Health Care Facilities[25]	▪ Red Deer Regional Hospital Centre	▪ Lloydminster Hospital	▪ Royal Alexandria Hospital ▪ Glenrose Hospital ▪ University of Alberta Hospital ▪ Stollery Children's Hospital ▪ Cross Cancer Institute ▪ Misericordia Community Hospital ▪ Grey Nuns Community Hospital
Recreational & Cultural Facilities	Access to a network of recreational and aquatic centres, art galleries, and museums	Access to Servus Sports Centre, an all seasons park, recreational centre, golf and curling centre	Recreation and cultural attractions that can draw people to the region including golf courses, skate parks, playgrounds, and parks.
Average Housing Cost (2011)[26]	$198,410-$431,344	$327,608	$379,968

25 Alberta Health Services, Data, Statistics, and Reporting, http://www.albertahealthservices.ca/211.asp.

26 Statistics Canada, National Household Survey, 2011. Customized data provided by Millier Dickinson Blais.

Property Availability and Cost[27]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Commercial Lands/ Businesses - Acreage/Ave. ($)	A number of commercial properties and businesses for sale ranging from $180,000 for a bottle depot to $1.79 million for a truck and car wash business. 14.5 acres of a variety of sized parcels and serviced commercial lots available throughout the region starting at $13,041 and costing up to $78,171/acre	Existing commercial lots and businesses for sale ranging from $20,000 for unserviced lots to $179,000 for an existing business.	640 acres of Mixed grain farm lands (agricultural) at $3,828 per acre.	Vacant commercial space (buildings) for purchase and lease.	A number of commercial properties available ranging from $55,000 to $1.2 million Approximately 46.21 acres of commercial lots available ranging from $25,404 to $385,444 per acre. 116 acres of farmland (agricultural) at $3,405 per acre.

27 Property availability and cost were determined through an assessment of identified properties currently on the market through a number of different realtors. Additional information was sourced from: <http://www.braedalberta.ca/our-region/regional-information/real-estate/>; < http://www.beaver.ab.ca/business/business-parks>; municipal governments; and The City of Edmonton's Industrial Land Capacity Profile < http://www.edmonton.ca/business_economy/industrial_development/industrial-land-capacity.aspx>.

Property Availability and Cost[27]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Industrial Lands - Acreage/Ave. ($)	34.2 acres of mixed use commercial and industrial lands slated to be serviced in 2015. Approximately 18 privately owned lots in Hardisty ranging from $140,000-$190,000 / acre[28] 15.7 acres public industrial lots (4 lots) available in Forestburg approximately $25,000 / acre (servicing unknown) 21.78 acres of industrial land with buildings available in Killam at $10,055 per acre.	373 acres of unserviced lands ranging from $50,000-$58,805 per acre	672.2 acres of unserviced industrial lands at $6,188 per acre located near Hardisty.	6.36 acres of serviced industrial lands ranging $186,000 to $205,000 per acre. 32 acres of vacant industrial lands ranging in price from $6,813 to $15,688 per acre.	Approximately 15.8 acres of serviced industrial available at $95,000-99,000 per acre 148 acres of prime, serviced industrial/commercial development lands available at $46,664 / acre.
Availability of Existing Industrial Space	Existing industrial space available starting at $16.00 sq./ft./ (see car truck wash above)	N/A	N/A	N/A	N/A

28 Value range based on MDB phone interview with Battleview Development Ltd. regarding local land values.

Property Availability and Cost[29]

	Red Deer	Lloydminster	Edmonton
Commercial Lands/Businesses - Acreage/Ave. ($)	Queens Park development 4.8 acres at $450,000 and 23 acres of commercial at $75,000. Existing businesses available for sale starting at $49,900. 108 acres of farmland (agriculture) at $3,643 per acre.	Existing commercial space available starting at $9.50 sq./ft. A number of businesses available for sale ranging from $69,900 to $688,000 for an established dry cleaning business.	A number of commercial properties and business are for sale starting at $26,900 for a hair salon, $500,000 for established restaurants, to $4 million for hotels and resorts
Industrial Lands - Acreage/Ave. ($)	226 acres of unserviced lands ranging from $17,450-$44,000 per acre.	City of Lloydminster - All lots are currently sold out.	4,235 acres of vacant industrial lands available for development
Availability of Existing Industrial Space	149 acres of serviced industrial lands ranging from $261,000 to $450,000 per acre. Existing industrial space starting at $14.00 sq./ft.	N/A	3.98 acres of serviced industrial lands available at $761,809 per acre.

29 Property availability and cost were determined through an assessment of identified properties currently on the market through a number of different realtors. Additional information was sourced from: <http://www.braedalberta.ca/our-region/regional-information/real-estate/>; < http://www.beaver.ab.ca/business/business-parks>; municipal governments; and The City of Edmonton's Industrial Land Capacity Profile < http://www.edmonton.ca/business_economy/industrial_development/industrial-land-capacity.aspx>.

Utilities[30]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Electricity	▪ Electricity for the area is provided by EPCOR. As of May 2015, current electricity rates for small commercial businesses were 4.287¢ KwH.				
Water	▪ Water rates are dependent on location of businesses. Rural areas of the municipal districts are largely dependent on well water, whereas smaller municipalities may or may not provider water as a utility.				
Natural Gas	▪ For commercial gas pricing companies are encouraged to contact their local service providers directly due to the variability in rates. General service provided by Direct Energy is currently 2.186 $/GJ.				

Utilities[31]

	Red Deer	Lloydminster	Edmonton
Electricity	▪ Electricity for the area is provided by Enmax. As of May 2015, current electricity rates for small commercial businesses were 4.591¢.	▪ Electricity for the area is provided by Direct Energy. As of May 2015, current electricity rates for small commercial businesses were 4.523¢.	▪ Electricity for the area is provided by EPCOR. As of May 2015, current electricity rates for small commercial businesses were 4.337¢.
Water	▪ Water rates vary based on urban communities and rural areas. In urban communities rates are based on meter size and meter area. It is therefore advisable for companies to contact the provider.		
Natural Gas	▪ For commercial gas pricing companies are encouraged to contact the local provider directly due to the variability in rates. General service provided by Direct Energy is currently 2.186 $/GJ.		

30 Utility rates were determined by accessing: <http://www.ucahelps.alberta.ca/regulated-rates.aspx>, < http://www.epcor.com/power-natural-gas/regulated-rate-option/commercial-customers/Pages/commercial-rates.aspx>, < http://www.reddeer.ca/city-services/electric-light-and-power/getting-electricity/regulated-rate-option/>, < http://www.directenergyregulatedservices.com/ELE/Electricity-Rates.aspx>, and < http://www.directenergyregulatedservices.com/GAS/Current-Natural-Gas-Rates.aspx>

31 Utility rates were determined by accessing: <http://www.ucahelps.alberta.ca/regulated-rates.aspx>, < http://www.epcor.com/power-natural-gas/regulated-rate-option/commercial-customers/Pages/commercial-rates.aspx>, < http://www.reddeer.ca/city-services/electric-light-and-power/getting-electricity/regulated-rate-option/>, < http://www.directenergyregulatedservices.com/ELE/Electricity-Rates.aspx>, and < http://www.directenergyregulatedservices.com/GAS/Current-Natural-Gas-Rates.aspx>

Transportation Access[32]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Road	Accessed by Hwy 36, Hwy 13, and Hwy 53	Access to Hwy 36, Hwy 14, and Hwy 834	Access to Hwy 13 (via Hwy 41)	Access to Hwy 14 and Hwy 41	Access to Hwy 13 and Hwy 21
Rail	Serviced by CP Rail (spur trackage available) and Battle River Railway Short line	Serviced by CN Rail	Serviced by CP rail with spur trackage available	Serviced by CN Rail with spur trackage available	
Air	Access to the Flagstaff Regional Airport; Forestburg Airport and the Hardisty Airport.	Access to Tofield Municipal Airport	Access to Provost Airport	Access to Wainwright Municipal Airport	Access to Camrose Airport

Transportation Access

	Red Deer	Lloydminster	Edmonton
Road	Access to QEII and Hwy 11, Hwy 12, and Hwy 9.	Accessed by Hwy 16 & 17	Hwy 216, QEII, and Hwy 16
Rail	Serviced by both CN and CP Rail to three industrial parks	Serviced by CN & CP Rail with spur trackage available	Serviced by CN and CP Rail spur tracking is available and access to intermodal services for both railways
Air	Access to Red Deer Regional Airport	Access to Lloydminster International Airport	Access to Edmonton International Airport

32 Transportation access and infrastructure was sourced from a variety of sources including: < http://rdcounty.ca/248/Economic-Development>; http://www.lloydminstereconomy.ca/news/media-release-community-profile>; < http://albertacommunityprofiles.com/>.

5.1.2 Value Added Agricultural Processing

Labour Force Characteristics

Industry specific wage and earnings data is difficult to obtain for the Flagstaff Region and its partner municipalities (along with many of the rural comparator areas) with information and data largely suppressed due to significantly high global non-response rates in the National Household Survey. That said, for the Camrose – Drumheller economic region, Labourers in Food, Beverage and Tobacco Processing have median wages of $16.50 / hr according to the Government of Canada Job Bank. These wages are slightly higher than the Red Deer economic region, which may place the area at a competitive disadvantage from a labour cost perspective.

Overall, unskilled labour from a total wages perspective is lower than MD of Provost and Camrose, indicating a competitive advantage over these areas. However, compared to Beaver County and the MD of Wainwright, Flagstaff unskilled labour rates are far above, ranging from roughly $6,000 to $9,000 more in annual wages, representing a competitive disadvantage. Compared to larger urban centres (Red Deer, Lloydminster, and Edmonton), Flagstaff has is competitive with labour costs signifying no real advantage.

Availability of labour may also be a challenge that the Flagstaff Region will contend with (along with its neighbouring comparator areas), and presents a relative competitive disadvantage in relation to larger urban comparators such as Lloydminster, Camrose, and Red Deer for value added agricultural opportunities.

Transportation and Distribution

The Flagstaff Region has a significant competitive advantage over its competitor areas contained in the Battle River Railway short line. This innovative co-operatively owned railway dedicated to servicing the local agricultural sector and grain producers positions the Flagstaff Region as a leader in the area. Headquartered in Forestburg, the railway provides facilities along a direct line from Alliance to Camrose that supports commodity shipments. The innovative Composite Blending Program provides increased loading and handling solutions and value to the grain industry and agricultural supply chain.

From a road transportation perspective, despite the relative disadvantage in distance from Highway 2 and the urban centres, Flagstaff is serviced by Highways 13 and 36 with direct linkages to Highway 2, and thereby the closest major urban centres and markets. However, many competitors share the local access routes.

Utilities

As identified above, one of the greatest competitive advantages that the Flagstaff Region has over other neighbouring comparator communities and those within the broader Camrose – Drumheller economic region is the availability of fresh underground water. This is a key resource for agri-food operations; value added agricultural processing and food processing operation s that have heavy water capacity requirements.

As mentioned above, electric rates are generally similar, and gas rates are the same across comparator jurisdictions, there is no competitive advantage in this factor.

Property Availability and Cost

As was identified above, there is roughly 70 acres in assorted industrial and commercial lands available in the Flagstaff Region, which provides an advantage to the area for companies consider location, or expansion. Further, the lots in Forestburg are particularly competitive given that lots are roughly $25,000 / acre (level of servicing undisclosed). However, when compared against comparators such as the MD of Provost with unserviced industrial lots as low as $6,188 Flagstaff is competitively disadvantaged. That said, market values vary, ranging between $40,000 to $100,000 for serviced lands available in Camrose, which may present significant disadvantages once again, as serviced land averages between $140,000 and $190,000 in the Flagstaff Region.

Labour Force Characteristics[33]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Median Age	47.5	45.8	39.6	40.0	42.5
Average Wages	$48,822	$47,036	$46,003	$50,964	$43,225
Total Labour Force	4,950	7,600	3,590	8,110	29,345
Unskilled Labour & Wages	1,430 - $36,284	1,955 - $30,526	960 - $46,003	1,800 - $26,779	7,485 - $25,843
Skilled Labour & Wages	2,655 - $50,002	3,480 - $50,848	1,545 - $56,225	3,855 - $58,927	13,520 - $51,278

Labour Force Characteristics[34]

	Red Deer	Lloydminster	Edmonton
Median Age	40.5	31.2	36.0
Average Wages	$44,462	$53,470	$48,753
Total Labour Force	105,785	21,215	660,815
Unskilled Labour & Wages	23,305 - $32,626	4,800 - $52,823	115,630 - $30,822
Skilled Labour & Wages	53,045 - $51,313	10,565 - $56,898	372,220 - $57,247

33 Labour Force Characteristics are based on the following customized data sources provided by Millier Dickinson Blais: Statistics Canada 99-014-X2011044, 99-014-X2011042, and Census Profile, 2011. Unskilled labour is defined by the workforce with no certificate, diploma or degree and skilled labour has been defined by the workforce with a postsecondary certificate, diploma or degree.

34 Labour Force Characteristics are based on the following customized data sources provided by Millier Dickinson Blais: Statistics Canada 99-014-X2011044, 99-014-X2011042, and Census Profile, 2011. Unskilled labour is defined by the workforce with no certificate, diploma or degree and skilled labour has been defined by the workforce with a postsecondary certificate, diploma or degree.

Utilities[35]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Electricity	▪ Electricity for the area is provided by EPCOR. As of May 2015, current electricity rates for small commercial businesses were 4.287¢ KwH.				
Water	▪ Water rates are dependent on location of business. Rural areas of the municipal districts are largely dependent on well water, whereas smaller municipalities may or may not provider water as a utility.				
Natural Gas	▪ For commercial gas pricing companies are encouraged to contact the local service providers directly due to the variability in rates. General service provided by Direct Energy is currently 2.186 $/GJ.				

Utilities[36]

	Red Deer	Lloydminster	Edmonton
Electricity	▪ Electricity for the area is provided by Enmax. As of May 2015, current electricity rates for small commercial businesses were 4.591¢.	▪ Electricity for the area is provided by Direct Energy. As of May 2015, current electricity rates for small commercial businesses were 4.523¢.	▪ Electricity for the area is provided by EPCOR. As of May 2015, current electricity rates for small commercial businesses were 4.337¢.
Water	▪ Water rates vary based on urban communities and rural areas. In urban communities rates are based on meter size and meter area. It is therefore advisable for companies to contact the provider.		
Natural Gas	▪ For commercial gas pricing companies are encouraged to contact the local service providers directly due to the variability in rates. General service provided by Direct Energy is currently 2.186 $/GJ.		

35 Utility rates were determined by accessing: <http://www.ucahelps.alberta.ca/regulated-rates.aspx>, < http://www.epcor.com/power-natural-gas/regulated-rate-option/commercial-customers/Pages/commercial-rates.aspx>, < http://www.reddeer.ca/city-services/electric-light-and-power/getting-electricity/regulated-rate-option/>, < http://www.directenergyregulatedservices.com/ELE/Electricity-Rates.aspx>, and < http://www.directenergyregulatedservices.com/GAS/Current-Natural-Gas-Rates.aspx>

36 Utility rates were determined by accessing: <http://www.ucahelps.alberta.ca/regulated-rates.aspx>, < http://www.epcor.com/power-natural-gas/regulated-rate-option/commercial-customers/Pages/commercial-rates.aspx>, < http://www.reddeer.ca/city-services/electric-light-and-power/getting-electricity/regulated-rate-option/>, < http://www.directenergyregulatedservices.com/ELE/Electricity-Rates.aspx>, and < http://www.directenergyregulatedservices.com/GAS/Current-Natural-Gas-Rates.aspx>.

Property Availability and Cost[37]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Commercial Lands/ Businesses - Acreage/Ave. ($)	A number of commercial properties and businesses for sale ranging from $180,000 for a bottle depot to $1.79 million for a truck and car wash business. 14.5 acres of a variety of sized parcels and serviced commercial lots available throughout the region starting at $13,041 and costing up to $78,171/acre	Existing commercial lots and businesses for sale ranging from $20,000 for unserviced lots to $179,000 for an existing business.	640 acres of Mixed grain farm lands (agricultural) at $3,828 per acre.	Vacant commercial space (buildings) for purchase and lease.	A number of commercial properties available ranging from $55,000 to $1.2 million Approximately 46.21 acres of commercial lots available ranging from $25,404 to $385,444 per acre. 116 acres of farmland (agricultural) at $3,405 per acre.

37 Property Availability and cost were determined through an assessment of identified properties currently on the market through a number of different realtors. Additional information was sourced from: <http://www.braedalberta.ca/our-region/regional-information/real-estate/>; < http://www.beaver.ab.ca/business/business-parks>; municipal governments; and The City of Edmonton's Industrial Land Capacity Profile < http://www.edmonton.ca/business_economy/industrial_development/industrial-land-capacity.aspx>.

Property Availability and Cost[37]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Industrial Lands - Acreage/Ave. ($)	34.2 acres of mixed use commercial and industrial lands slated to be serviced in 2015. Approximately 18 privately owned lots in Hardisty ranging from $140,000-$190,000 / acre[38] 15.7 acres public industrial lots (4 lots) available in Forestburg approximately $25,000 / acre (servicing unknown) 21.78 acres of industrial land with buildings available in Killam at $10,055 per acre.	373 acres of unserviced lands ranging from $50,000-$58,805 per acre	672.2 acres of unserviced industrial lands at $6,188 per acre located near Hardisty.	6.36 acres of serviced industrial lands ranging $186,000 to $205,000 per acre. 32 acres of vacant industrial lands ranging in price from $6,813 to $15,688 per acre.	Approximately 15.8 acres of serviced industrial available at $95,000-99,000 per acre 148 acres of prime, serviced industrial/commercial development lands available at $46,664 / acre.
Availability of Existing Industrial Space	Existing industrial space available starting at $16.00 sq./ft./ (see car truck wash above)	N/A	N/A	N/A	N/A

38 Value range based on MDB phone interview with Battleview Development Ltd. regarding local land values.

Property Availability and Cost[39]

	Red Deer	Lloydminster	Edmonton
Commercial Lands/ Businesses - Acreage/Ave. ($)	Queens Park development 4.8 acres at $450,000 and 23 acres of commercial at $75,000. Existing businesses available for sale starting at $49,900. 108 acres of farmland (agriculture) at $3,643 per acre.	Existing commercial space available starting at $9.50 sq./ft. A number of businesses available for sale ranging from $69,900 to $688,000 for an established dry cleaning business.	A number of commercial properties and business are for sale starting at $26,900 for a hair salon, $500,000 for established restaurants, to $4 million for hotels and resorts
Industrial Lands - Acreage/Ave. ($)	226 acres of unserviced lands ranging from $17,450-$44,000 per acre.	City of Lloydminster - All lots are currently sold out.	4,235 acres of vacant industrial lands available for development
Availability of Existing Industrial Space	149 acres of serviced industrial lands ranging from $261,000 to $450,000 per acre. Existing industrial space starting at $14.00 sq./ft.	N/A	3.98 acres of serviced industrial lands available at $761,809 per acre.

39 Property Availability and cost were determined through an assessment of identified properties currently on the market through a number of different realtors. Additional information was sourced from: <http://www.braedalberta.ca/our-region/regional-information/real-estate/>; < http://www.beaver.ab.ca/business/business-parks>; municipal governments; and The City of Edmonton's Industrial Land Capacity Profile < http://www.edmonton.ca/business_economy/industrial_development/industrial-land-capacity.aspx>.

5.1.3 Fabricated Metal Products Manufacturing

Labour Force Characteristics

From a skilled labour perspective, wages are relatively in line and competitive across all comparator jurisdictions ranging from roughly $50,000 / year in Flagstaff to $57,000 in Edmonton and varying degrees in between. This fluctuation could be based on many factors, including experience and tenure, as well as industry specialization. Overall, there is no competitive advantage or disadvantage from a labour cost perspective recognized in the data.

However, from an industry perspective, a significant number of companies operating in fabricated metal manufacturing, agricultural, construction, and mining machinery manufacturing, and commercial and service industry machinery manufacturing are self-employed in the area.[40]

There is a distinct competitive advantage that the Flagstaff Region has over the adjacent neighbouring jurisdictions of MD of Wainwright and MD of Provost, where Flagstaff has a total 6 independent operators, compared to 1 and 2 firms respectively. However, Beaver County is competitive from a business perspective in this area, along with Camrose that also has small micro business firms in this industry as well.

Utilities

As was identified in the previous sections, there is not a competitive advantage in this area. However, neither is there a disadvantage as the playing field is relatively equal across comparator areas.

Property Availability and Cost

With respect to this target sector there are few industrial facility opportunities that an existing or newly locating operation could move into in Flagstaff. The primary offering would be seen in new build through available industrial land. As identified above, serviced industrial land is relatively expensive compared to other neighbouring and more distanced comparators, presenting a competitive disadvantage for this industry subsector.

Education and Training

Since the Battle River Training Hub closure in 2014[41], there is no known specific advantage for Flagstaff related to education and training. Alberta Works centres are located in Camrose and Wainwright, along with additional training supports. This is a competitive disadvantage for the Flagstaff Region.

40 Statistics Canada, Canadian Business Patterns, 2104 (all comparator areas – note: Flagstaff County includes all municipalities in the geographic boundaries of the county in totals).

41 Flagstaff County, Official Website: http://www.flagstaff.ab.ca/news/527-tri-county-job-and-career-fair accessed on 2015-05-21.

Labour Force Characteristics[42]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Median Age	47.5	45.8	39.6	40.0	42.5
Average Wages	$48,822	$47,036	$46,003	$50,964	$43,225
Total Labour Force	4,950	7,600	3,590	8,110	29,345
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Labour Force Characteristics[43]

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Education & Training

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Primary & Secondary Schools	▪ All counties and the town of Provost have access to local primary and secondary education facilities.				
Post-Secondary Schools	Although there are no post-secondary institutions located in the immediate vicinity there are college and university campuses located nearby.				▪ The Augustana Campus University of Alberta
Additional Training	▪ Adult education services are provided in each county with additional training supports provided in the neighbouring communities of Wainwright and Camrose.			▪ Alberta Works centres are located in both Wainwright and Camrose providing career consulting, training services for adults and apprenticeship.	

Education & Training

	Red Deer	Lloydminster	Edmonton
Primary & Secondary Schools	▪ All cities have adequate access to local primary and secondary education facilities.		
Post-Secondary Schools	▪ Red Deer College	▪ Lakeland College	▪ University of Alberta ▪ The Northern Alberta Institute of Technology ▪ NorQuest College ▪ Concordia University College of Alberta ▪ The King's University ▪ MacEwan University
Additional Training	▪ Alberta Works centres provide career consulting, training services for adults and apprenticeship.		

Property Availability and Cost[44]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Commercial Lands/ Businesses - Acreage/Ave. ($)	A number of commercial properties and businesses for sale ranging from $180,000 for a bottle depot to $1.79 million for a truck and car wash business. 14.5 acres of a variety of sized parcels and serviced commercial lots available throughout the region starting at $13,041 and costing up to $78,171/acre	Existing commercial lots and businesses for sale ranging from $20,000 for unserviced lots to $179,000 for an existing business.	640 acres of Mixed grain farm lands (agricultural) at $3,828 per acre.	Vacant commercial space (buildings) for purchase and lease.	A number of commercial properties available ranging from $55,000 to $1.2 million Approximately 46.21 acres of commercial lots available ranging from $25,404 to $385,444 per acre. 116 acres of farmland (agricultural) at $3,405 per acre.

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Property Availability and Cost[44]

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Availability of Existing Industrial Space	Existing industrial space available starting at $16.00 sq./ft./ (see car truck wash above)	N/A	N/A	N/A	N/A

45 Value range based on MDB phone interview with Battleview Development Ltd. regarding local land values.

Property Availability and Cost[46]

	Red Deer	Lloydminster	Edmonton
Commercial Lands/Businesses - Acreage/Ave. ($)	Queens Park development 4.8 acres at $450,000 and 23 acres of commercial at $75,000. Existing businesses available for sale starting at $49,900. 108 acres of farmland (agriculture) at $3,643 per acre.	Existing commercial space available starting at $9.50 sq./ft. A number of businesses available for sale ranging from $69,900 to $688,000 for an established dry cleaning business.	A number of commercial properties and business are for sale starting at $26,900 for a hair salon, $500,000 for established restaurants, to $4 million for hotels and resorts
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Utilities[47]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Electricity	▪ Electricity for the area is provided by EPCOR. As of May 2015, current electricity rates for small commercial businesses were 4.287¢ KwH.				
Water	▪ Water rates are dependent on location of businesses. Rural areas of the municipal districts are largely dependent on well water, whereas smaller municipalities may or may not provider water as a utility.				
Natural Gas	▪ For commercial gas pricing companies are encouraged to contact the local service providers directly due to the variability in rates. General service provided by Direct Energy is currently 2.186 $/GJ.				

Utilities[48]

	Red Deer	Lloydminster	Edmonton
Electricity	▪ Electricity for the area is provided by Enmax. As of May 2015, current electricity rates for small commercial businesses were 4.591¢.	▪ Electricity for the area is provided by Direct Energy. As of May 2015, current electricity rates for small commercial businesses were 4.523¢.	▪ Electricity for the area is provided by EPCOR. As of May 2015, current electricity rates for small commercial businesses were 4.337¢.
Water	▪ Water rates vary based on urban communities and rural areas. In urban communities rates are based on meter size and meter area. It is therefore advisable for companies to contact the provider.		
Natural Gas	▪ For commercial gas pricing companies are encouraged to contact the local service providers directly due to the variability in rates. General service provided by Direct Energy is currently 2.186 $/GJ.		

47 Utility rates were determined by accessing: <http://www.ucahelps.alberta.ca/regulated-rates.aspx>, < http://www.epcor.com/power-natural-gas/regulated-rate-option/commercial-customers/Pages/commercial-rates.aspx>, < http://www.reddeer.ca/city-services/electric-light-and-power/getting-electricity/regulated-rate-option/>, < http://www.directenergyregulatedservices.com/ELE/Electricity-Rates.aspx>, and < http://www.directenergyregulatedservices.com/GAS/Current-Natural-Gas-Rates.aspx>

48 Utility rates were determined by accessing: <http://www.ucahelps.alberta.ca/regulated-rates.aspx>, < http://www.epcor.com/power-natural-gas/regulated-rate-option/commercial-customers/Pages/commercial-rates.aspx>, < http://www.reddeer.ca/city-services/electric-light-and-power/getting-electricity/regulated-rate-option/>, < http://www.directenergyregulatedservices.com/ELE/Electricity-Rates.aspx>, and < http://www.directenergyregulatedservices.com/GAS/Current-Natural-Gas-Rates.aspx>

5.1.4 Tourism and Hospitality Services

Labour Force Characteristics

With an aging workforce, potential outmigration of youth and young families, and steady population decline this sector is at a relative disadvantage in the Flagstaff Region from a supply perspective. As identified in the agricultural section above, there is a distinct competitive advantage in general unskilled labour cost for the region when compared to MD Provost and Camrose.

However, when scaled against the other adjacent comparators there is a significant competitive disadvantage. Compared to major urban centres in the comparator areas, Flagstaff is equally competitive with labour costs signifying no real advantage.

That said, based on average housing rates as an indicator of cost of living, Flagstaff has a competitive advantage over the larger urban centres in the comparator areas. However, the competitive advantage diminished when compared against the adjacent competitor jurisdictions that are in line with Flagstaff housing costs.

Property Availability and Cost

There is just over 14 acres of serviced commercial land available through the region that is competitively priced. Compared to the comparator areas it is relatively in line from a cost perspective, although some lots listed at roughly $13,000 hold a significant advantage over other areas. Compared to the immediate, adjacent comparator areas, Flagstaff has a relative competitive advantage in this area.

Transportation and Distribution

An advantage for the Flagstaff Region rests in Highway 13, and that it traverses many of the 'larger' urban areas (towns and villages), particularly that it is the connecting transportation route to the Hardisty Energy Hub, and runs through Sedgewick where the County Municipal Office and Council are seated. From a hospitality and Tourism perspective, Highway 13 is main connector route from the MD of Provost to the City of Camrose, and links up to Highway 2 halfway between Red Deer and Edmonton. A significant competitive advantage is containing in the growth associated with the Hardisty Energy Hub, and can be leverage to fuel continued recreational and lifestyle amenity growth to service growing local needs related to industry.

Quality of Life

As mentioned in previous sections, for the purpose of this analysis the Flagstaff Region's quality of life is measured by the high number of health care centres relative to the comparator jurisdictions. Further, there is an ample availability of campgrounds, open space, RV parks, and numerous heritage museums that celebrate its agricultural, mining, and oil industry history.

There are potential outdoor, and agri-tourism opportunities, along with existing heritage tourism opportunities that represent significant competitive advantages for the Flagstaff Region. An excellent case in point is the Battle River Crossing Resort and the Battle River Railway working together to offer a complete theme based experience that celebrate local heritage and the importance of the railway on the local communities.

There are four golf courses and recreational facilities in a number of the larger towns within the region serving local needs.

Housing costs vary between $165,000 and $325,000; which are relatively in line with the adjacent comparator areas providing no heightened advantage. However, compared to larger urban centres there is a distinct cost advantage.

Labour Force Characteristics[49]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Median Age	47.5	45.8	39.6	40.0	42.5
Average Wages	$48,822	$47,036	$46,003	$50,964	$43,225
Total Labour Force	4,950	7,600	3,590	8,110	29,345
Unskilled Labour & Wages	1,430 - $36,284	1,955 - $30,526	960 - $46,003	1,800 - $26,779	7,485 - $25,843
Skilled Labour & Wages	2,655 - $50,002	3,480 - $50,848	1,545 - $56,225	3,855 - $58,927	13,520 - $51,278

Labour Force Characteristics[50]

	Red Deer	Lloydminster	Edmonton
Median Age	40.5	31.2	36.0
Average Wages	$44,462	$53,470	$48,753
Total Labour Force	105,785	21,215	660,815
Unskilled Labour & Wages	23,305 - $32,626	4,800 - $52,823	115,630 - $30,822
Skilled Labour & Wages	53,045 - $51,313	10,565 - $56,898	372,220 - $57,247

49 Labour Force Characteristics are based on the following customized data sources provided by Millier Dickinson Blais: Statistics Canada 99-014-X2011044, 99-014-X2011042, and Census Profile, 2011. Unskilled labour is defined by the workforce with no certificate, diploma or degree and skilled labour has been defined by the workforce with a postsecondary certificate, diploma or degree.

50 Labour Force Characteristics are based on the following customized data sources provided by Millier Dickinson Blais: Statistics Canada 99-014-X2011044, 99-014-X2011042, and Census Profile, 2011. Unskilled labour is defined by the workforce with no certificate, diploma or degree and skilled labour has been defined by the workforce with a postsecondary certificate, diploma or degree.

Property Availability and Cost[51]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Commercial Lands/ Businesses - Acreage/Ave. ($)	A number of commercial properties and businesses for sale ranging from $180,000 for a bottle depot to $1.79 million for a truck and car wash business. 14.5 acres of a variety of sized parcels and serviced commercial lots available throughout the region starting at $13,041 and costing up to $78,171/acre	Existing commercial lots and businesses for sale ranging from $20,000 for unserviced lots to $179,000 for an existing business.	640 acres of Mixed grain farm lands (agricultural) at $3,828 per acre.	Vacant commercial space (buildings) for purchase and lease.	A number of commercial properties available ranging from $55,000 to $1.2 million Approximately 46.21 acres of commercial lots available ranging from $25,404 to $385,444 per acre. 116 acres of farmland (agricultural) at $3,405 per acre.

Property Availability and Cost[52]

	Red Deer	Lloydminster	Edmonton
Commercial Lands/ Businesses - Acreage/Ave. ($)	Queens Park development 4.8 acres at $450,000 and 23 acres of commercial at $75,000. Existing businesses available for sale starting at $49,900. 108 acres of farmland (agriculture) at $3,643 per acre.	Existing commercial space available starting at $9.50 sq./ft. A number of businesses available for sale ranging from $69,900 to $688,000 for an established dry cleaning business.	A number of commercial properties and business are for sale starting at $26,900 for a hair salon, $500,000 for established restaurants, to $4 million for hotels and resorts.

51 Property Availability and cost were determined through an assessment of identified properties currently on the market through a number of different realtors. Additional information was sourced from: <http://www.braedalberta.ca/our-region/regional-information/real-estate/>; < http://www.beaver.ab.ca/business/business-parks>; municipal governments; and The City of Edmonton's Industrial Land Capacity Profile < http://www.edmonton.ca/business_economy/industrial_development/industrial-land-capacity.aspx>.

52 Property Availability and cost were determined through an assessment of identified properties currently on the market through a number of different realtors. Additional information was sourced from: <http://www.braedalberta.ca/our-region/regional-information/real-estate/>; < http://www.beaver.ab.ca/business/business-parks>; municipal governments; and The City of Edmonton's Industrial Land Capacity Profile < http://www.edmonton.ca/business_economy/industrial_development/industrial-land-capacity.aspx>.

Transportation Access[53]

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Road	Accessed by Hwy 36, Hwy 13, and Hwy 53	Access to Hwy 36, Hwy 14, and Hwy 834	Access to Hwy 13 (via Hwy 41)	Access to Hwy 14 and Hwy 41	Access to Hwy 13 and Hwy 21
Rail	Serviced by CP Rail (spur trackage available) and Battle River Railway Short line	Serviced by CN Rail	Serviced by CP rail with spur trackage available	Serviced by CN Rail with spur trackage available	
Air	Access to the Flagstaff Regional Airport; Forestburg Airport and the Hardisty Airport.	Access to Tofield Municipal Airport	Access to Provost Airport	Access to Wainwright Municipal Airport	Access to Camrose Airport

Quality of Life

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Health Care Facilities[54]	▪ Killam Health Care Centre	▪ Viking Health Centre	▪ Provost Health Centre	▪ Wainwright Health Centre	▪ St. Mary's Hospital
	▪ Daysland Health Centre	▪ Tofield Health Centre	▪ Provost Provincial Building		
	▪ Hardisty Health Centre				

53 Transportation access and infrastructure was sourced from a variety of sources including: < http://rdcounty.ca/248/Economic-Development>; http://www.lloydminstereconomy.ca/news/media-release-community-profile>; < http://albertacommunityprofiles.com/>.

54 Alberta Health Services, Data, Statistics, and Reporting, http://www.albertahealthservices.ca/211.asp

Quality of Life

	Flagstaff Region	Beaver County	MD of Provost	MD of Wainwright	Camrose County
Recreational & Cultural Facilities	Access to recreational facilities in Sedgewick and Killam including four golf courses and six museums across the region.	Recreational facilities include the Viking Carena Ryley Community Centre	Recreational and culture centre located in town	Peace Memorial Multiplex and Communiplex	Miquelon Lake Provincial Park and Camrose County Nature Conservation Centre as well as a recreational centre with regulation size ice surface
Housing Cost (2011)[55]	$165,133-$324,461	$121,938-$333,059	$137,278-287,996	$168,022-$321,954	$204,082-$360,344

Quality of Life

	Red Deer	Lloydminster	Edmonton
Health Care Facilities[56]	▪ Red Deer Regional Hospital Centre	▪ Lloydminster Hospital	▪ Royal Alexandria Hospital ▪ Glenrose Hospital ▪ University of Alberta Hospital ▪ Stollery Children's Hospital ▪ Cross Cancer Institute ▪ Misericordia Community Hospital ▪ Grey Nuns Community Hospital

55 Statistics Canada, National Household Survey, 2011. Customized data provided by Millier Dickinson Blais.

56 Alberta Health Services, Data, Statistics, and Reporting, http://www.albertahealthservices.ca/211.asp

Quality of Life

	Red Deer	Lloydminster	Edmonton
Recreational & Cultural Facilities	Access to a network of recreational and aquatic centres, art galleries, and museums	Access to Servus Sports Centre, an all seasons park, recreational centre, golf and curling centre	Recreation and cultural attractions that can draw people to the region including golf courses, skate parks, playgrounds, and parks.
Average Housing Cost (2011)[57]	$198,410-$431,344	$327,608	$379,968

57 Statistics Canada, National Household Survey, 2011. Customized data provided by Millier Dickinson Blais.

Appendix: Site Selection Matrices

Oil and Gas Production, Support, and Related Industries

INVESTMENT FACTORS	Petroleum Products Manufacturing		Professional, Scientific & Technical Services	
	Category Weight %	Location Factor Importance	Category Weight %	Location Factor Importance
Labour Force Characteristics	12	-	18	-
Population (Current Counts, Future Projections)		L		H
Age Profile		L		H
Commuting Patterns		M		H
Income (Average Income, Household Income)		M		H
Ethnicity Profile		L		L
Size of total labour force / Participation rate		H		H
Unemployment Rate / Employment Rate		H		M
Availability of Skilled Workers		H		H
Cost of Skilled Workers		H		H
Availability of Unskilled Workers		L		L
Cost of Unskilled Workers		L		L
Competition for Required Skill Sets		H		H
Level of Education		M		H
Turnover / Absenteeism		M		M
Presence of Union (labour management relations)		H		L
Language Skills		L		H
Workers compensation and employment insurance		H		L
Local Industry	10	-	10	-
Largest Employers (type of company and employee counts)		M		M
Other local employers (type of company and employee counts)		M		M
Locally Targeted Industries		M		M
Recent projects / Companies new to the area		M		H
Same Industry Cluster		M		M
Presence of Supplier/Support Businesses		H		M
Existing Research Base		H		H
Presence of military base and installations		M		M
Transportation / Distribution	12	-	5	-
Proximity to Current and Future Customer Markets		H		L
Proximity to Suppliers/Raw Materials		H		L
Proximity to Highways		H		M
Proximity to Airports		L		M

INVESTMENT FACTORS	Petroleum Products Manufacturing		Professional, Scientific & Technical Services	
	Category Weight %	Location Factor Importance	Category Weight %	Location Factor Importance
Proximity to Railways / Intermodal Facilities		H		L
Proximity to Port Facilities		L		L
3rd Party Trucking Availability		H		L
3rd Party Warehousing Availability		L		L
Taxes	10	-	8	-
Local Property Rates		M		H
Provincial Tax Rates		M		H
Federal Tax Rates / Corporate Tax Rate		M		H
Utilities	15	-	8	-
Electricity (Capacity, Availability, Rate, Reliability)		H		H
Natural Gas (Capacity, Availability, Rate)		M		H
Water (Capacity, Availability, Rate, Connection Fees, Quality)		M		L
Water Quality		L		L
Sewer (Capacity, Availability, Rate, Connection Fees)		M		L
Waste Management / Hazardous Waste Carriers & Facilities		H		L
Telecommunications (High Speed Internet, Cell Phone carriers)		M		H
Local Business Environment	8	-	9	-
ED involvement in local business community ("Business Friendliness")		M		H
Environmental Policies		H		L
Costs for Permitting, Construction, Occupancy		H		M
Time Required to Process Zoning Permit, Site Plan, Building Permits		H		M
Recent Level of Development Activity		L		M
Property Availability and Cost	10	-	10	-
Industrial Building Availability		H		L
Serviced Industrial Land Availability (shovel ready sites)		H		L
Commercial (Office) Building Availability		L		H
Commercial (Office) Land Availability		L		H
Cost of Land / Lease Rates		H		H
Incentives / Business Support Programs	10	-	10	-
Business Financing (Long term financing, etc.)		M		M
Provincial and Local Incentive Programs (tax exemptions, grants, etc.)		H		H
Provincial and Local Business Development Programs		H		H
International Resources / Government Services		H		H
Local Chambers of Commerce		M		H
Education & Training	10	-	12	-
Elementary School Performance Rankings		L		H
Secondary School Performance Rankings		L		H

INVESTMENT FACTORS	Petroleum Products Manufacturing		Professional, Scientific & Technical Services	
	Category Weight %	Location Factor Importance	Category Weight %	Location Factor Importance
Community Colleges - Availability and Quality of Programs		H		H
Universities - Availability and Applicable Programs		M		H
Technical/Vocational Colleges - Availability and Quality of Programs		H		M
Local Employment and Training Services		H		H
Quality of Life	3	-	10	-
Health Care Facilities		M		H
Emergency Services (Police, Fire, EMS)		H		H
Crime Rate		L		H
Recreation and Cultural Facilities		L		H
Climate		L		M
Housing Availability and Cost		M		H
Perception of Attractiveness to Employees Outside of Area		L		M

Source: Austin Consulting, modified by Millier Dickinson Blais.

Value Added Agricultural Processing

INVESTMENT FACTORS	Category Weight %	Location Factor Importance
Labour Force Characteristics	17	-
Population (Current Counts, Future Projections)		M
Age Profile		M
Commuting Patterns		L
Income (Average Income, Household Income)		H
Ethnicity Profile		H
Size of total labour force / Participation rate		H
Unemployment Rate / Employment Rate		H
Availability of Skilled Workers		M
Cost of Skilled Workers		M
Availability of Unskilled Workers		H
Cost of Unskilled Workers		H
Competition for Required Skill Sets		M
Level of Education		L
Turnover / Absenteeism		M
Presence of Union (labour management relations)		H
Language Skills		M
Workers compensation and employment insurance		M
Local Industry	8	-
Largest Employers (type of company and employee counts)		M
Other local employers (type of company and employee counts)		M
Locally Targeted Industries		M
Recent projects / Companies new to the area		M
Same Industry Cluster		M
Presence of Supplier/Support Businesses		H
Existing Research Base		L
Presence of military base and installations		L
Transportation / Distribution	13	-
Proximity to Current and Future Customer Markets		H
Proximity to Suppliers/Raw Materials		M
Proximity to Highways		H
Proximity to Airports		L
Proximity to Railways / Intermodal Facilities		M
Proximity to Port Facilities		L
3rd Party Trucking Availability		H
3rd Party Warehousing Availability		M
Taxes	8	-
Local Property Rates		M
Provincial Tax Rates		M
Federal Tax Rates / Corporate Tax Rate		M
Utilities	12	-
Electricity (Capacity, Availability, Rate, Reliability)		H
Natural Gas (Capacity, Availability, Rate)		M

INVESTMENT FACTORS	Category Weight %	Location Factor Importance
Water (Capacity, Availability, Rate, Connection Fees, Quality)		H
Water Quality		M
Sewer (Capacity, Availability, Rate, Connection Fees)		H
Waste Management / Hazardous Waste Carriers & Facilities		L
Telecommunications (High Speed Internet, Cell Phone carriers)		L
Local Business Environment	8	-
ED involvement in local business community ("Business Friendliness")		H
Environmental Policies		H
Costs for Permitting, Construction, Occupancy		H
Time Required to Process Zoning Permit, Site Plan, Building Permits		H
Recent Level of Development Activity		M
Property Availability and Cost	12	-
Industrial Building Availability		M
Serviced Industrial Land Availability (shovel ready sites)		H
Commercial (Office) Building Availability		L
Commercial (Office) Land Availability		L
Cost of Land / Lease Rates		H
Incentives / Business Support Programs	10	-
Business Financing (Long term financing, etc.)		M
Provincial and Local Incentive Programs (tax exemptions, grants, etc.)		H
Provincial and Local Business Development Programs		M
International Resources / Government Services		L
Local Chambers of Commerce		M
Education & Training	8	-
Elementary School Performance Rankings		L
Secondary School Performance Rankings		L
Community Colleges - Availability and Quality of Programs		M
Universities - Availability and Applicable Programs		L
Technical/Vocational Colleges - Availability and Quality of Programs		M
Local Employment and Training Services		H
Quality of Life	4	-
Health Care Facilities		L
Emergency Services (Police, Fire, EMS)		L
Crime Rate		L
Recreation and Cultural Facilities		L
Climate		L
Housing Availability and Cost		M
Perception of Attractiveness to Employees Outside of Area		L

Source: Austin Consulting, modified by Millier Dickinson Blais.

Fabricated Metal Products Manufacturing

INVESTMENT FACTORS	Category Weight %	Location Factor Importance
Labour Force Characteristics	16	-
Population (Current Counts, Future Projections)		M
Age Profile		M
Commuting Patterns		L
Income (Average Income, Household Income)		M
Ethnicity Profile		L
Size of total labour force / Participation rate		H
Unemployment Rate / Employment Rate		H
Availability of Skilled Workers		H
Cost of Skilled Workers		H
Availability of Unskilled Workers		M
Cost of Unskilled Workers		M
Competition for Required Skill Sets		H
Level of Education		M
Turnover / Absenteeism		H
Presence of Union (labour management relations)		H
Language Skills		L
Workers compensation and employment insurance		H
Local Industry	8	-
Largest Employers (type of company and employee counts)		M
Other local employers (type of company and employee counts)		M
Locally Targeted Industries		M
Recent projects / Companies new to the area		M
Same Industry Cluster		M
Presence of Supplier/Support Businesses		H
Existing Research Base		L
Presence of military base and installations		L
Transportation / Distribution	10	-
Proximity to Current and Future Customer Markets		H
Proximity to Suppliers/Raw Materials		L
Proximity to Highways		H
Proximity to Airports		L
Proximity to Railways / Intermodal Facilities		H
Proximity to Port Facilities		M
3rd Party Trucking Availability		H
3rd Party Warehousing Availability		H
Taxes	7	-
Local Property Rates		M
Provincial Tax Rates		M
Federal Tax Rates / Corporate Tax Rate		M
Utilities	12	-
Electricity (Capacity, Availability, Rate, Reliability)		H
Natural Gas (Capacity, Availability, Rate)		M
Water (Capacity, Availability, Rate, Connection Fees, Quality)		M

INVESTMENT FACTORS	Category Weight %	Location Factor Importance
Water Quality		L
Sewer (Capacity, Availability, Rate, Connection Fees)		M
Waste Management / Hazardous Waste Carriers & Facilities		M
Telecommunications (High Speed Internet, Cell Phone carriers)		L
Local Business Environment	8	-
ED involvement in local business community ("Business Friendliness")		H
Environmental Policies		H
Costs for Permitting, Construction, Occupancy		H
Time Required to Process Zoning Permit, Site Plan, Building Permits		H
Recent Level of Development Activity		M
Property Availability and Cost	12	-
Industrial Building Availability		M
Serviced Industrial Land Availability (shovel ready sites)		H
Commercial (Office) Building Availability		L
Commercial (Office) Land Availability		L
Cost of Land / Lease Rates		H
Incentives / Business Support Programs	10	-
Business Financing (Long term financing, etc.)		H
Provincial and Local Incentive Programs (tax exemptions, grants, etc.)		H
Provincial and Local Business Development Programs		H
International Resources / Government Services		H
Local Chambers of Commerce		M
Education & Training	12	-
Elementary School Performance Rankings		L
Secondary School Performance Rankings		L
Community Colleges - Availability and Quality of Programs		H
Universities - Availability and Applicable Programs		M
Technical/Vocational Colleges - Availability and Quality of Programs		H
Local Employment and Training Services		H
Quality of Life	5	-
Health Care Facilities		M
Emergency Services (Police, Fire, EMS)		M
Crime Rate		L
Recreation and Cultural Facilities		L
Climate		L
Housing Availability and Cost		M
Perception of Attractiveness to Employees Outside of Area		L

Source: Austin Consulting, modified by Millier Dickinson Blais.

Tourism and Hospitality

INVESTMENT FACTORS	Category Weight %	Location Factor Importance
Labour Force Characteristics	10	-
Population (Current Counts, Future Projections)		M
Age Profile		M
Commuting Patterns		L
Income (Average Income, Household Income)		M
Ethnicity Profile		M
Size of total labour force / Participation rate		M
Unemployment Rate / Employment Rate		H
Availability of Skilled Workers		M
Cost of Skilled Workers		L
Availability of Unskilled Workers		M
Cost of Unskilled Workers		L
Competition for Required Skill Sets		H
Level of Education		
Turnover / Absenteeism		M
Presence of Union (labour management relations)		L
Language Skills		H
Workers compensation and employment insurance		L
Local Industry	6	-
Largest Employers (type of company and employee counts)		L
Other local employers (type of company and employee counts)		L
Locally Targeted Industries		L
Recent projects / Companies new to the area		L
Same Industry Cluster		H
Presence of Supplier/Support Businesses		M
Existing Research Base		L
Presence of military base and installations		L
Transportation / Distribution	13	-
Proximity to Current and Future Customer Markets		H
Proximity to Suppliers/Raw Materials		L
Proximity to Highways		H
Proximity to Airports		H
Proximity to Railways / Intermodal Facilities		L
Proximity to Port Facilities		L
3rd Party Trucking Availability		L
3rd Party Warehousing Availability		L
Taxes	10	-
Local Property Rates		M
Provincial Tax Rates		L
Federal Tax Rates / Corporate Tax Rate		L
Utilities	9	-
Electricity (Capacity, Availability, Rate, Reliability)		L
Natural Gas (Capacity, Availability, Rate)		L
Water (Capacity, Availability, Rate, Connection Fees, Quality)		M

INVESTMENT FACTORS	Category Weight %	Location Factor Importance
Water Quality		M
Sewer (Capacity, Availability, Rate, Connection Fees)		M
Waste Management / Hazardous Waste Carriers & Facilities		L
Telecommunications (High Speed Internet, Cell Phone carriers)		H
Local Business Environment	10	-
ED involvement in local business community ("Business Friendliness")		H
Environmental Policies		L
Costs for Permitting, Construction, Occupancy		M
Time Required to Process Zoning Permit, Site Plan, Building Permits		H
Recent Level of Development Activity		M
Property Availability and Cost	15	-
Industrial Building Availability		L
Serviced Industrial Land Availability (shovel ready sites)		L
Commercial (Office) Building Availability		H
Commercial (Office) Land Availability		H
Cost of Land / Lease Rates		H
Incentives / Business Support Programs	7	-
Business Financing (Long term financing, etc.)		M
Provincial and Local Incentive Programs (tax exemptions, grants, etc.)		M
Provincial and Local Business Development Programs		L
International Resources / Government Services		L
Local Chambers of Commerce		H
Education & Training	8	-
Elementary School Performance Rankings		L
Secondary School Performance Rankings		L
Community Colleges - Availability and Quality of Programs		M
Universities - Availability and Applicable Programs		L
Technical/Vocational Colleges - Availability and Quality of Programs		L
Local Employment and Training Services		H
Quality of Life	12	-
Health Care Facilities		H
Emergency Services (Police, Fire, EMS)		H
Crime Rate		H
Recreation and Cultural Facilities		H
Climate		M
Housing Availability and Cost		M
Perception of Attractiveness to Employees Outside of Area		L

Source: Austin Consulting, modified by Millier Dickinson Blais.