



Request for Decision

Title	Regional Economic Development Entity
Proposed Motions	<p>1. That Council authorize the Mayor to sign the Regional Economic Development Entity Memorandum of Association, on behalf of Sturgeon County Council, to subscribe for a share in the Part 9 Company to be incorporated for regional economic development in the Edmonton Metropolitan Region.</p> <p>2. That Council approve the three (3) year funding commitment to the Regional Economic Development Entity, to a maximum of \$40,000 in 2017; a maximum of \$60,000 in 2018; and \$80,000 in 2019, to be funded from the Economic Development Operating Budget.</p> <p>3. That Council appoint "<u>X</u>" to serve as the elected representative of Sturgeon County Council on the Regional Economic Development Entity and in the event that "<u>X</u>" is unable to attend any meeting of the shareholders, appoints "<u>Y</u>" to serve as the alternate elected representative, as required by the Articles of Association of the Company.</p> <p>4. That Council direct Administration to release annual funding to the Regional Economic Development Entity only after an annual presentation is made by the Board Chair and CEO, on or before September 30 of each year.</p>
Administrative Recommendation	<p>In consideration of the recommendation of the Sturgeon County Economic Development Advisory Board, Council should join the Part 9 Company, on the condition that an annual presentation is provided to Sturgeon County Council by the Regional Economic Development entity on or before September 30, and that funding allotments for the first three-years not exceed the defined maximums.</p>
Previous Council Direction	<p>April 25, 2017 - Motion 186/17 That Council direct Administration to coordinate a joint meeting with Council and the Sturgeon County Economic Development Advisory Board prior to May 23, 2017, to discuss the Edmonton Metropolitan Region Economic Development Initiative.</p> <p>April 25, 2017 - Motion 187/17 That Council refer the Edmonton Metropolitan Region Economic Development proposal to the Sturgeon County Economic Development Advisory Board for advice, to be received no later than May 23, 2017.</p>

April 25, 2017 - Motion 188/17

That Council direct Administration to bring forward a Request for Decision to the May 23, 2017, regular Council Meeting, seeking Council direction on participation in the Regional Economic Development Entity.

Report Background Information

- A briefing on this topic was previously provided to Sturgeon County Council at the April 25, 2017 Council Meeting. Since then,
 - Two joint meetings between Sturgeon County Council and the Sturgeon County Economic Development Advisory Board have occurred;
 - Members of Council have attended information sessions hosted by the Edmonton Metropolitan Region Economic Development entity (EMRED);
 - Administration submitted a letter with questions and concerns on the draft Articles of Incorporation on May 2; and
 - EMRED released a revised MOA and Articles package on May 10.
- While EMRED notified municipalities at the April 13, 2017, Capital Region Board (CRB) meeting that the deadline for ‘early adopter’ municipal sign-on is May 24, the CRB has been studying the notion of regional economic development the last couple of years.
- In the draft regulation for the Growth Management Board (currently known as the CRB), economic development has been added to the Board’s mandate by the Province of Alberta.

Year	Events
2014	Economic Development Summit
2015	Exploration of regional economic development options/strategies
2016	CRB Motions to incubate independent entity Metro Mayors Alliance Report Regional Site Selection Information Session
2017	Interim Board established Draft Articles Released Deadline for ‘Early Adopter’ Membership

- Per the information provided by EMRED, they envision focusing on a regional brand, developing/maintaining a regional database/site selector tool, and developing a regional economic development strategy.
- Sturgeon County Administration requested further information regarding cross-jurisdictional analysis that was completed for entities of this kind from the CRB; no further information was provided.
- On May 10, 2017, the Sturgeon County Economic Development Advisory Board made the following motion:
That the Economic Development Advisory Board recommend to Council that Sturgeon County proceed as an early adopter of the Edmonton Metropolitan Regional Economic Development Initiative, ensuring

balanced regional and local benefits through the associated mechanisms and activities (results) of the Edmonton Metropolitan Regional Economic Development Initiative.

Analysis of Articles and MOA

- The Articles of Incorporation propose that EMRED be established with the following framework, as a Part 9 company:

Shareholders (Municipalities)	Board of Directors
<ul style="list-style-type: none"> • Appoint Board of Directors • Contribute funds • Approve Budgets 	<ul style="list-style-type: none"> • Hire staff • Set Budgets • Approve Strategic Plan

- On May 2, 2017 Sturgeon County Administration submitted a letter to EMRED with questions and concerns regarding the Articles, based on feedback from Council and the Sturgeon County Economic Development Advisory Committee.
- Based upon the municipal feedback received on May 2, revised Articles were circulated May 10. Outside of the Board approving the Strategic Plan (instead of the Shareholders), the recommended changes submitted by Sturgeon County have been addressed.
- As of May 11, 2017, the City of Leduc, Strathcona County and Parkland County (with conditions that a majority of GMB members join) have passed motions to join EMRED.

External Communication

None.

Relevant Policy/Legislation/Practices:

Capital Region Board Regulation (Alberta Regulation 38/2012)
Business Corporations Act, RSA 2000 c.B-9

Implication of Administrative Recommendation

Strategic Alignment:

Strong Local Governance and Regional Leadership – Participation as an ‘early adopter’ in EMRED is consistent with Council’s goal of being a respected regional partner and establishing inter-municipal working agreements to strengthen the competitiveness of the County and sub-region. Given the one member-one vote framework, Sturgeon County may have stronger voting power with EMRED than with other regional entities.

Planned Growth – EMRED intends to maintain and grow a positive business environment regionally, and to pursue economic opportunities with targeted sectors.

Risks	Comments
Definition of ‘shared investment/shared benefit’	Subject to the type of model that is developed, this could pose a

	financial and sustainability risk to Sturgeon County.
Role clarity	There are already a number of entities that provide an economic development role within the region, including Alberta's Industrial Heartland Association. It will be important that as EMRED is being established, that duplication does not occur, and that the region leverages its strengths and assets.
Return on Investment	The ability to determine the ROI after a 3-year period is likely limited; it is more likely that longer term outcomes will be more appropriate.
Speed of Implementation	Sturgeon Administration may not be adequately equipped/resourced to critically review and provide recommendations in a manner that keeps pace with the changes made by EMRED.
Accountability for Public Dollars	Mechanisms will need to be put in place to ensure EMRED utilizes member municipalities' funds responsibly, and that there is a reporting structure back to Councils.

Organizational:

Joining this entity will likely represent new work for staff and representation from Sturgeon County Council, the scope and scale of which is unknown at this time.

Financial:

On April 13, 2017, Alberta Minister of Economic Development Trade, Deron Bilous, awarded a \$300,000 grant to EMRED to conduct an environmental scan to determine how it will interface with existing economic development agencies and stakeholders.

The proposed budgets for the initial three(3) years of EMRED are as follows:

Year	EMRED Budget	Municipal Contribution (Members Combined)
2017	\$ 1 million	\$500,000
2018	\$ 2 million	\$1 million
2019	\$ 5 million	\$2 million

	<p>Based on this information, the existing membership contribution formula, and assuming all thirteen (13) members of the GMB will join, Sturgeon County's estimated contributions are \$22,000; \$32,000; and \$52,000 respectively.</p> <p>Administration has run several scenarios based on membership and assessment changes, and believes that proposed motion #2 addresses these potentials (\$40K, \$60K and \$80K), without opening Council up to potential financial risks associated with the higher recommended motions circulated by the CRB, which suggested maximum allotments of \$50K, \$100K, and \$150K (potential reduced cost of \$120,000 over three years). The option would remain available for Council to allocate more funds to EMRED in the future, as more details become available.</p> <p>Should Sturgeon County Council join EMRED, the membership contribution for 2017 can adequately be funded from the Economic Development Operating Budget in 2017 (and related 2017 Service Enhancement).</p> <p>The approved maximums would be budgeted in the 2018 and 2019 Base Budgets.</p>
<p>Alternatives Considered</p>	<p>Council may choose to not become a founding member of EMRED.</p>
<p>Implications of Alternatives</p>	<p><u>Strategic Alignment:</u></p> <p>Strong Local Governance and Regional Leadership – Given the kinds of things EMRED will be looking at, in particular 'shared investment/shared benefit,' it is seen as more diligent to be involved in helping to shape and guide the discussions than to have them occur without a Sturgeon County perspective.</p> <p>Operational Excellence – Should Council choose not to become a member of EMRED at this point in time, but would like to in the future, it is unknown at this time what the mechanism is for a municipality to join in the future, as well as the cost to do so.</p> <p><u>Organizational:</u></p> <p>No additional staff or Council time would be required for this initiative.</p> <p><u>Financial:</u></p> <p>No financial resources would be required.</p>
<p>Follow up Action</p>	<p>1. Should Council approve the recommended motions, a signing ceremony is planned for May 24, 2017. The details will be shared with Council when they become available. (Intergovernmental Affairs, May 2017)</p>

Attachment(s)	1. EMRED Response to Sturgeon County Feedback (Attachment 1) 2. May 10 Correspondence and Draft Articles (Attachment 2) 3. Sturgeon County Economic Development Advisory Board Recommendation (Attachment 3)
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Report Reviewed by:	 Trevor Duley, Senior Advisor, Intergovernmental Affairs  Tyler Westover, Manager, Economic Development  Stephane Labonne, General Manager, Integrated Growth  Peter Tarnawsky, County Commissioner-CAO
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Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Consistent with neighborhood role (see MDP), master plans, policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Has a positive impact on regional and sub-regional cooperation</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Compliance with Provincial and Federal regulations and/or legislation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Ensure effective environmental risk management</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Enhances service provision through community partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Supports Sturgeon County's cultural history</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Considers cumulative costs and long-term funding implications</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Targets growth around current or planned infrastructure</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Supports and promotes volunteer efforts</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides programs and services that are accessible to all residents</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Staff have the knowledge, skills and capability to perform their jobs</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Streamlines operational processes and policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Promotes engagement and professional interaction with stakeholders</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>