

**EMERGING TRENDS IN MUNICIPAL LAW 2019**



**Creating Economic Development:**  
Strategies for Taking Concept to Reality



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- **Introduction** – the concept to reality process
- **Economic Development** – defined and key elements
- **Examples/Concepts/Models** – what are we talking about
- **Strategies** – how to and tools
- **Closing Comments & Advice**

**Overview**



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**Introduction**

**Concepts to Reality**



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**Economic Development**

**Defined**

 ...its all about the money/base, etc., right?

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**Economic Development**

**Defined**

 ...its all about the money/base, etc., right?

*Well, not so much...or not entirely.*

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**Economic Development**

**Defined**

**Most Common/Key Elements** – of successful economic development projects:

-  **Strengths** – building off unique strengths
-  **Extensive Research and Marketing** – SWOT, etc.
-  **Relationships** – local partnerships and regional collaboration
-  **Champion** – leadership from Local Leaders

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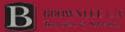
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## Economic Development

### Defined

**Next Most Common/Key Elements:**

-  **Quality of Life** – the motivation, the glue, the engagement
-  **Planning** – long term and strategic plan
-  **Vision** – and engagement of residents, youth, and community in a vision

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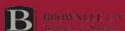
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## Economic Development

### Defined

**Lastly, Common/Key Elements:**

-  **Population Diversify** – new or diverse demographics
-  **Retention/Expansion** – of businesses, population
-  **Innovation** – green innovations, new industries like cannabis, etc.
-  **Economic Diversification**

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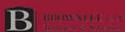
## Economic Development

### Defined

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**KEYS** are closer to home, more human, and very much dependent upon relationships

**RESULT** might be growth, retention, expansion, diversification... **tax \$**

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## Economic Development

### Defined

**FOCUS:**

*Relationships – strategic alliances, partnerships, collaboration, and more...*

How to create, document, maintain, rely upon...

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## Models/Examples

### Examples

**Alberta's Industrial Heartland** – industrial hub  
**Cross Iron Mills** – shopping/sports/commercial hub  
**Olds Fibre and CCI** – broadband internet providers  
**Aquaterra, ACE Water, New Water** – regional utilities

**Economic Development Entities...**

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## Models/Examples

### Concepts/Models



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Strategies

**Sports/Entertainment/Retail/Education/Arts & Recreation Hub – WHY?**

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Strategies

**Sports/Entertainment/Retail/Education/Arts & Recreation Hub – WHAT YOU NEED?**

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Strategies

**Sports/Entertainment/Retail/Education/Arts & Recreation Hub – WHAT YOU NEED?**

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**Strategies**

**Sports/Entertainment/Retail/Education/Arts & Recreation Hub – HOW?**

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graph LR; SA[Strategic Alliance] --> LI[Letter of Intent]; LI --> MOU[Memorandum of Understanding]; MOU --> O[Other];
```

- Strategic Alliance**
  - Non-Binding
  - Often unwritten
- Letter of Intent**
  - Non-binding
  - Express intentions
- Memorandum of Understanding**
  - Non-binding
  - Moving closer to agreement
- Other**
  - Whatever you want

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**Strategies**

**Sports/Entertainment/Retail/Education/Arts & Recreation Hub – HOW?**

**MOU & Interim Agreement:**

- Research
- Community engagement & Visioning
- Identify/Engage your partners, representatives, committees
- Identify leader(s)/champion(s)

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**Strategies**

**Sports/Entertainment/Retail/Education/Arts & Recreation Hub – HOW?**

**MOU – GOALS/OUTCOME:**

- A VISION
- LONG TERM/STRATEGIC PLAN
- ENGAGED COMMUNITY & LEADERSHIP
- FINAL BINDING AGREEMENTS

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### Strategies

#### Sports/Entertainment/Retail/Education/Arts & Recreation Hub – RESULTS



- Commercial/retail hub and attraction
- Horse Racing/Casino
- Numerous new logistics and warehousing centres
- Tremendous diversification of tax base for rural

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### Strategies

#### Commercial/Industrial Hub – Why?



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### Strategies

#### Commercial/Industrial Hub – WHAT YOU NEED?



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**Strategies**

**Commercial/Industrial Hub – WHAT YOU NEED?**

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**Strategies**

**Commercial/Industrial Hub – WHAT YOU NEED?**

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**Strategies**

**Commercial/Industrial Hub – WHAT YOU NEED?**

• If you got it, great!

- Utility bylaws
- Rates/Charges bylaw

Municipal Services

- Service requirement
- Define a service level
- Address how new additions/expansions to the systems are handled
- Default and termination
- Municipal purchase

Franchise Agreements

- “wholesale” supply or “retail” to the consumer?
- water licence compliance/amendments?
- rates, rate setting, and disputes?
- capital cost of existing capacity – connection fee?
- Contribution to future capital repairs and replacements?

Inter-Municipal Service/Supply Agreement

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**Strategies**

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**Commercial/Industrial Hub – WHAT YOU NEED?**

**Municipal Services**

- If you got it, great!
- **Utility bylaws** – terms of service
- **Rates/Charges bylaw** – all charges for utility related services

*For gosh sakes – get it into bylaws...*

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**Strategies**

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**Commercial/Industrial Hub – WHAT YOU NEED?**

**Franchise Agreements**

- Service requirement
- Define a service level
- Address how new additions/expansions to the systems are handled
- Default and termination
- Municipal purchase

*Caution – particularly with new utilities/developers*

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**Strategies**

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**Commercial/Industrial Hub – WHAT YOU NEED?**

**Inter-Municipal Service/Supply Agreement – e.g. water**

- “wholesale” supply or “retail” to the consumer?
- water licence compliance/amendments?
- rates, rate setting, and disputes?
- capital cost of existing capacity – connection fee?
- Contribution to future capital repairs and replacements?

*Great Tool – but with complications*

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### Strategies

#### Commercial/Industrial Hub – RESULTS?



- Over \$40 billion invested
- Another \$224.3 billion in projects are planned, underway, or have recently been completed
- Strong advocacy group, promotion
- Canada's largest hydrocarbon processing region

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### Strategies

#### First Nations Development & Services – WHY?



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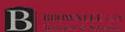
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### Strategies

#### First Nations Development & Services – WHAT IS IT? WHAT ARE THE OPPORTUNITIES?

- **On Reserve Services:**
  - **Water** – bulk supply and/or distribution
  - **Sewer** – bulk treatment/disposal and/or collection
  - **Natural Gas** – bulks supply or full distribution model
  - **Emergency Services** – sharing fixed costs and sharing service
  - **Planning/Development**
- **On Reserve Development:**
  - Trend towards self government/management of lands
  - Tremendous potential for on-reserve development
  - E.g. Tsuut'ina First Nation – massive commercial development SW Calgary

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Strategies

First Nations Development & Services – WHAT DO YOU NEED?

Land Access

Business Deal

ISC

KEY ELEMENTS - First Nations Arrangement

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Strategies

First Nations Development & Services – WHAT DO YOU NEED?

Business Deal

- Supply Agreement
- Service Agreement
- Limited Partnership
- Other

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Strategies

First Nations Development & Services – WHAT DO YOU NEED?

Land Access

- Distribution Permit
- Dedicated Lands
- Lease
- Sublease

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### Strategies

#### First Nations Development & Services – WHAT DO YOU NEED?

ISC

- Funding Commitments
- Land Grants
- Supports

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### Strategies

#### First Nations Development & Services – WHAT DO YOU GET?

Expand Service Areas

Local attraction

Revenue in lieu of taxes

Cost share

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### Strategies

#### First Nations Development & Services – WHAT DO YOU GET?

- Innovation and research Park
- Regional retail and commercial centre
- Cultural and entertainment hub
- Tsuut'ina Nation is revealing
- Parks/Trails

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**Strategies**

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**Next Level**

- What happens when you **need to co-own** something?
- What happens when all the little **relationships** makes it **complicated to manage**?
- What happens when you **need to make joint decisions**?

*...the next level of complexity, collaboration, ownership, governance, partnership...*

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**Strategies**

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**New Corporate Entity**

New Corporate Entity

- The regional partners will join together to create a new corporate entity to:
  - Provide the service;
  - Own the assets;
  - Be the employer (if desired)
  - Be contracting party with others



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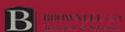
**Strategies**

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**Why New Corporate Entity?**

|                           |              |
|---------------------------|--------------|
| Complexity                | Permanency   |
| Joint ownership of assets | Independence |

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**Strategies**

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**Real World Examples**

**Economic Development Corporation/entity**

- Features – Example #1 - JEDI
  - New corporate entity created to develop inter-municipal region
  - Provides support to regions and business
  - Markets and attracts new business

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**Strategies**

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**Real World Examples**

**Economic Development Corporation/entity**  
(continued)

- Features – Example #1 - JEDI
  - Building on existing strengths in the region of available industrial land close to key transportation hubs
  - Promotion of region as a whole
  - Sharing of taxation revenue

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**Strategies**

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**Real World Examples**

**Economic Development Corporation/entity**  
(continued)

- Features – Example #2 – Olds Institute/Fibre
  - Membership of Muni/Ag Society/Chamber of Commerce/Post-Secondary Institution and Municipality
  - Promotion of Town as place to work, live and play
  - Development of broadband fibre optic network

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**Strategies**

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**Real World Examples**

**Economic Development Corporation/entity**  
(continued)

- Features – Example #3 – TEC Edmonton/Startup Edmonton
  - Provides finance, IT, HR, market intelligence, administration and external relations to its economic development divisions

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**Strategies**

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**Real World Examples**

**Economic Development Corporation/entity**  
(continued)

- Features – Example #3- TEC/Startup Edmonton
  - Each division promotes:
    - Startups
    - Commercialization of post-secondary research
    - Research park with buildings and land
    - Marketing platform for locally made products

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**Strategies**

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**Real World Examples**

**Features**

**Economic Development Corporation/entity**

- Local promotion of local/regional strengths
- Separate legal entity
- Immune from local politics
- Full time staff

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**Strategies**

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**Real World Examples #2**

**Solid waste management**

- Can be very profitable
- Operation of Class II landfill



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**Strategies**

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**Real World Examples #2**

**Solid waste management**

- Presence of heavy industry/commercial activity
- Acceptance of regional waste
- Generates substantial profits for partners
- Generates good paying jobs

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**Strategies**

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**Real World Examples #2**

**Solid Waste Management**

**Features of Entity**

- Leveraging of existing assets
- Regionally owned landfill assets
- Separate legal entity
- Immune from local politics
- Full time staff

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**Strategies**

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**Real World Example #3**

**Wireless/broadband**

- Municipally owned broadband infrastructure and service delivery



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**Strategies**

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**Real World Example #3**



**Wireless/broadband**

- Typically done in areas of under-development
- If under-developed, this could negatively affect growth

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**Strategies**

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**Real World Example #3**



**Wireless/broadband #1 - CCI**  
**Features**

- Partnership of municipalities and rural utilities
- Separate owned entity – Entity owns infrastructure and provides service

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**Strategies**

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**Real World Example #3**



**Wireless/broadband #1 - CCI**

**Features**

- Full time staff hired
- Regional benefit provided for business and rural quality of life
- Access to federal and provincial grant \$\$



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**Strategies**

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**Real World Example #3**



**Wireless/broadband #2 – Olds  
Institute/Fibre**

**Features**

- Owned by economic development corporation
- Fibre optic system throughout area



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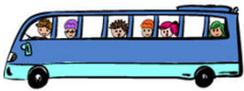
**Strategies**

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**Real World Examples**

**Regional transit**

- If citizens cannot get to work, school or to recreation, they may choose to relocate elsewhere



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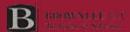
**Strategies**

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**Real World Examples**

 **Regional transit**

- Joint initiatives done to ensure entire region has access to transportation
- Supplements existing municipal transit/not replacement of existing transit

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**Strategies**

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**Real World Examples**

 **Regional transit**

- Creation of new entity to use for inter-municipal transit
- Sharing of costs for inter-municipal transit
- Supplements existing intra-municipal transit

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**Strategies**

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**Real World Examples**

 **Regional transit**

- Full time staff for operations and management
- Corporate entity ownership of inter-municipal assets
- Joint planning of routes for benefit of region

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**Strategies**

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**Common Features**

Corporate entity

Full time/expert staff

Immune from politics

Municipal funding

Good agreement

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**Strategies**

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**Common Features**

Differences

- Regional v. solo
- Municipal ownership
- Choice of structure
- Municipal control

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**Strategies**

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**The Next Level**

Choice of New Corporate Entity

- There are many choices
- Not all alike and there are many distinguishing characteristics
- Some are better than others
- **Not going to discuss this here today**



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## Strategies

### Key Considerations

-  Municipal Control
-  Debt re: Project
-  Ownership of Assets
-  Funding of Project

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## Closing Advice & Comments

**Remember  
the Keys**

**See The  
Opportunities**

**Build the  
Relationships**

**Plan For &  
Build For the  
Long Term**



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## Questions?



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