Updated: July 18, 2013

Questions and Answers

1. **What is the purpose of the Economic Development Strategy?**
    The Economic Development Strategy will be the guiding document for The City's economic development initiatives. This strategy will identify initiatives that will drive economic development in Red Deer. Once finalized, The City will use the strategy to implement projects.

2. **What is economic development?**
    Economic development aims to:
    - Enhance the general population's quality of life and socio-economic conditions
    - Create more sustainable long-term economic opportunities by creating conditions necessary for economic growth, such as a more educated workforce
    - Develop initiatives that leverage and enhance a community's assets (people, land capital and resources), relationships and opportunities while reducing the barriers that might inhibit it

3. **Why is The City undertaking an Economic Development Strategy?**
    The Economic Development Strategy is the first initiative of the Economy Charter set by council in September 2011. It states: "Our economic development activity within Red Deer diversifies and stabilizes our economy, increases local businesses and job opportunities, utilizes properties to their potential, and has resulted in appropriate use of land that reflects our identity and community values for the benefit of our taxpayers, community groups and business owners."

    The Economic Development Strategy will identify outcomes that are a result of economic growth and development, which are accompanied by strategic methods to achieve these outcomes.

4. **How was the strategy developed?**
    Through a Request for Proposal process The City contracted Urbanics Consultants Ltd to develop the Economic Development Strategy.

    Between December 2012 and February 2013, Urbanics utilized local and national research data to gain an understanding of the demographic, socioeconomic, economic base and environmental factors that affect businesses. As well as research, focus groups and surveys of stakeholders, local businesses, and Council were conducted to find out the emerging trends and issues in the business community.

    As part of the business consultation process, in June 2013 another Economic Development Strategy Advisory Committee focus group was held, and surveys sent out to 1,200 members of the business community, asking them to rank the plan's 34 specific strategies for economic development. Based on the feedback from the focus group and surveys, five strategies were ranked as high priorities:

    - Capitalize on Red Deer's central location
    - Attract more workers to Red Deer
    - Promote growth of creativity and knowledge based businesses
    - Ensure sufficient supply of serviced industrial land
    - Unlock the full potential of road, rail and air transportation networks

5. **What are the next steps?**
    If Council approves the final report, Administration will assess The City's role in relation to individual strategies and determine if The City leads, partners, or supports each initiative. An implementation plan with recommended priorities and timelines will then be developed for Council approval.

6. **What are the major focus areas of the Economic Development Strategy?**
From the gathered data, trends were categorized into actionable strategies. The six distinct, yet related, focus areas are:

1. Red Deer's Strategic Positioning
2. Economic Diversification
3. Effective Land Use
4. Labour Availability
5. Small Businesses Support
6. Downtown Revitalization

Six major focus areas

Red Deer's Strategic Position
Challenges identified:
- Red Deer does not seem to be fully capitalizing on its competitive advantages, namely its central location along the Red Deer Corridor.
- Red Deer has not channeled its unique value proposition in a sort of nationally recognized identity or brand.

Research findings:
- Red Deer is positioned to service over 2.9 million Albertans – over 80 per cent of the province.
- Analysis suggests Red Deer is a net importer of logistics services.
- Lack of a unique brand identity for the city of Red Deer means it doesn't stand on its own distinct from Calgary and Edmonton.

Economic Diversification
Challenges identified:
- Red Deer is heavily reliant on goods-producing industries, specifically oil and gas extraction and mining, construction and manufacturing.

Research findings:
- Employment in good-producing industries (25 per cent of the workforce) has fluctuated greatly in recent years. Since 2006, annual gains and losses are over 1,000 jobs in manufacturing, construction and extraction sectors.
- Relative employment underrepresentation in the Transportation and Agriculture sectors.
- Red Deer would benefit from greater economic diversity.

Effective Land Use
Challenges identified:
- Ensuring sufficient available land for all uses is critical to Red Deer's economic development.
- Redeveloping and revitalizing the riverfront and downtown will involve rehabilitating brownfields.
- Red Deer housing is perceived as low quality yet unaffordable, compounded by very low apartment vacancies.

Research findings:
- Annual demand for 1,100-1,200 units of housing
- Over 62 per cent of new units are single-detached homes toward the edges of the city.

- Perception that The City zoning and approval policies inhibit small business growth and existing commercial space is inadequate.

Labour Availability
Challenges identified:
- Businesses believe that local labour often does not have the right skills and needs to be augmented by immigrant workers.
- Using immigrant workers does not necessarily solve matters.
- Complicating matters is Red Deer's lower than average rate of post-secondary education.

Research Findings:
- Red Deer working-age cohort will rise from 65,000 to 112,000 workers by 2041.
- High school completion rates are generally comparable with those of Alberta and the nation.
- Focus group participants felt Red Deer was not an attractive place for unattached professionals. It is great for families, but not younger single people.

Small Business Support
Challenges identified:
- Creating an environment where small businesses may start, thrive and grow is essential.
- Lack of succession plans for family businesses.
- Innovation-oriented startup businesses would help build a diverse and sustainable economy.

Research findings:
- Red Deer has the highest ratio of small to medium enterprises to residents in Canada at 7.51 small businesses per 100 people
- Do more to help new businesses get set up as well as develop advisory services for succession planning and other needs.
- Focus group participants felt there was a need to promote locally-owned small retailers over "big box" stores.

Downtown Revitalization
Challenges identified:
- The City's Greater Downtown Action Plan is but one component of what needs to be done to leverage this resource.
- Several barriers exist which could impede progress.

Research Findings:
- More people need to live downtown. Only 6 per cent of housing is downtown, with very few new units.
- Downtown needs more attraction such as markets, restaurants and recreational activities.
- Crime downtown needs to be reduced.

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