

City of
Cold Lake

January 2019



Economic Development Strategy

for the City of Cold Lake



McSWEENEY
inspiring economic sustainability®



Economic Development Strategy

for the City of Cold Lake

Prepared: January 2019



McSWEENEY
inspiring economic sustainability®

McSweeney & Associates

121 Crystal Green Bay | Okotoks, Alberta | T1S 2N4

1-855-300-8548 | consult@mcsweeney.ca | www.mcsweeney.ca

Table of Contents

1.	INTRODUCTION	1
1.1.	Purpose/Call to Action.....	1
2.	PROCESS FOLLOWED	3
3.	CITY OF COLD LAKE'S TOP 10 PRIORITY ACTIONS & TIMELINES	5
4.	STAKEHOLDER CONSULTATIONS.....	7
4.1.	Strategic Plan Update Consultation Process	7
5.	STATISTICAL ANALYSIS.....	10
5.1.	Data Sources	10
5.2.	Statistical Analysis.....	12
5.3.	Statistical Overview	15
6.	STRENGTHS, CHALLENGES, OPPORTUNITIES, ASPIRATIONS AND RESULTS (SCOAR™).....	28
7.	CITY OF COLD LAKE STRATEGIC ECONOMIC DEVELOPMENT ACTION PLAN.....	31
7.1.	Theme #1 – Investment Readiness	32
7.2.	Theme #2 – Community Development	34
7.3.	Theme #3 – Industry Development	36
7.4.	Theme #4 – Tourism	37
8.	CONCLUSION.....	38
	APPENDIX A–PROJECT DESCRIPTIONS	40

1. INTRODUCTION

1.1. Purpose/Call to Action

Located on the shore of Alberta's seventh largest lake, a three-hour drive northeast of Edmonton and 20 minutes west of the Saskatchewan border, the City of Cold Lake (Cold Lake) is home to over 15,000 residents.

Cold Lake offers a great quality of life, with the City and the surrounding area having beautiful natural settings, state-of-the-art recreation and sport facilities, a multi-purpose Family and Community Support Services (FCSS) facility, urban and rural trail systems, and a provincial park next door with pristine lakes. Cold Lake itself is well known for its world-class sport fishery, pristine water and surrounding habitats which draw hundreds of bird species and an abundance of wildlife to its shores. One of the City's challenges is lack of awareness of its quality of life and a perception that it is isolated and 'at the end of the road'.

The City is the regional centre for northeast Alberta, supplying retail and services to surrounding rural communities. Its main industries of employment include oil and gas, the Federal Government (military) and tourism. Cold Lake is part of Alberta Hub – the region's Regional Economic Development Alliance (REDA) that is currently working on several projects that could positively affect the City, including broadband and aerospace development. It is also home of one of the Province's Rural Alberta Business Centres (RABC)¹, that is a valuable business/entrepreneur support resource for the City and region.

The City of Cold Lake and its Cold Lake Economic Development Advisory Committee (EDAC) have seen a number of successes in the past decade, guided in large part by the City's Action Plan 2006/2007: An Economic Development Strategy for the City of Cold Lake. The downturn in Alberta's economy over the past 3 years has necessitated that every municipality consider implementing an economic development program, that the boom economy never required. Over the past few years, the impetus to diversify the local economy has also gained momentum as businesses throughout Alberta look to respond to the pressures of a changing economy. Effective economic development is both planned and resourced – and the City of Cold Lake and its Economic Development Advisory Committee (EDAC) have responded by taking the first step towards economic sustainability by commissioning an Economic Development Strategy.

Like many Alberta communities, economic prosperity has, until recently, come easily and economic development has been more a function of growth management. However, communities are now having to take a more proactive and competitive approach to economic development – and Cold Lake is no exception.

¹ There is some uncertainty around the Province's future funding of their four RABC's. In the event that Cold Lake's RABC is shut down, there will be a void in entrepreneur support that has become especially important since the recession began as many former employees who want to stay in Cold Lake are now starting their own enterprises.

A new Economic Development Strategy will provide the City with a roadmap to create the economic future that the community aspires to. It also guides City's efforts in meeting new challenges in Alberta's transforming economy so it will not miss out on emerging opportunities. The City and its EDAC recognise that facilitating an environment that assists existing businesses expand/diversify and/or reposition themselves in a changing economy, and that attracting new businesses are vital to Cold Lake's future vitality. Recognising that 75-85% of all job growth typically will come from its existing employers, the City is committed to understanding its business base (and gaps), the challenges and opportunities businesses face and how the City can facilitate business retention, growth and investment.

The Strategy accomplished the following project goals:

1. Identify and align the current priorities of Cold Lake's economic development partners.
2. Create a united vision and direction for economic development.
3. Identify and prioritize new economic development tactics and best practices.
4. Define clear actions, projects and desired outcomes.

The strategy also provides direction on best practices for retention and attraction of employers and jobs, residential magnetism, and increased economic investment to the City. It also focuses on producing continuous momentum by defining clear, achievable/realistic actions and desired outcomes.

Very importantly, at the basis of the Strategy is the economic vision for the City. This vision provides the compass for all decisions that affect economic development, including infrastructure spending, staffing and incentive offers. In fact, almost all budget decisions made by Council will somehow affect economic development, either positively or negatively. Extensive consultation process gained the input of over 550 people that were either businesses, residents (including high school students) and stakeholders. One of the questions was around aspirations for the City of Cold Lake. This feedback was used in developing what the essence of what is the desired state of Cold Lake's economy in the future.

Economic Vision

The City of Cold Lake boasts a vibrant, entrepreneurial and diversified economy, offering opportunities for its residents and newcomers alike. It is widely recognised as an important location for companies in the aerospace (both civilian and military), oil and gas or regional healthcare industries.

Its high quality of life with its educational, sports and cultural assets make it a magnet for its highly skilled workforce and for the hundreds of thousands of visitors the City attracts each year.



2. PROCESS FOLLOWED

The process followed to create the 2018 City of Cold Lake Economic Development Strategy was comprised of a document review, statistical analysis and community consultation.

The study began with a familiarization tour of the City and a municipal document review, followed by a statistical analysis of the City's economy and demographics that yielded a current situational analysis report, after which a thorough consultation process was followed that included:

- A session with Council, the City's Economic Development Committee and stakeholders;
- An open-house community consultation at the Lakeland Inn;
- A series of one-on-one interviews with businesses and economic development stakeholders;
- Three focus group sessions with representatives from military contractors, tourism & culture and the oil and gas sector;
- A discussion with the City of Cold Lake Youth Council who then produced a short video and assisted with an on-line survey for high school students that yielded 37 responses;
- An online community survey that received 409 responses; and
- A working session with key stakeholders.



This process led to the creation of a detailed realistic and doable short, medium and long-term Strategy for the next five years, and accompanying Implementation Plan with an aim of:

- Identifying means of helping the existing business community retain employees while also identifying opportunities for existing businesses to expand and/or reposition themselves in a changing economy.
- Identifying challenges that businesses in the community may face and the means through which these may either be overcome or mitigated.
- Supporting retention, expansion and attraction of new investment into the region's business community to achieve long-term, sustainable employment growth numbers.
- Outlining best practice approaches to tourism development and regional marketing, including identifying and engaging regional tourism partners.
- Assessing and recommending any missing ingredients (i.e. policy/procedures/etc.) needed to successfully retain and attract investment within key sectors.
- Providing a framework for the Cold Lake Economic Development Advisory Committee to continue in its mandate of advising the Cold Lake City Council on economic development initiatives and opportunities for business stimulus programs within the City of Cold Lake.

The Economic Development Strategy is based on a comprehensive understanding of the City, its economy, businesses and stakeholders, as well as their collective aspirations.



**TOP
10**

3. CITY OF COLD LAKE'S TOP 10 PRIORITY ACTIONS & TIMELINES

Experience indicates that presenting a small number of key strategic actions for communities to focus on is far more effective than a long laundry list of items that seems impossible to implement. While the remainder of this report and the implementation plan will elaborate on these priorities, below are the **Top 10 Priority Actions**, focused on providing initiatives which are necessary to be carried out first and are the foundational actions required to realise the City of Cold Lake's Economic Vision. These initiatives are aimed at strengthening both the community and economy.

ACTION	SUGGESTED TIMING	LEAD / SUPPORT
1. Assemble 'Team Cold Lake' with senior staff, a Councillor with the economic development portfolio and key external stakeholders that meet monthly to ensure the Strategy and its workplan are being implemented, address any challenges or opportunities that may arise, and adjust the workplan when necessary.	Immediate	CAO Strategic Initiatives
2. Assess the water, waste water, electrical, gas and broadband capacity of the City to ensure that these utilities support and encourage progressive and growing businesses, investment and residential growth. Proactively budget infrastructure spending to facilitate growth and the servicing of annexation lands.	Short-term	CAO Council Planning Infrastructure staff Utility firms serving City of Cold Lake
3. Assess development land to determine what is required to create a "shovel ready" supply and approaches for working with investors and developers to achieve the outcomes the City wishes to see. Developers can assist in setting targets for a readily marketable supply of employment lands.	Immediate	Planning Local developers
4. Engage residents and businesses to create a Community Vision for the City of Cold Lake. The objective is to provide a shared view of the future that engages the original component communities that make up the City of Cold Lake and will assist in the shaping of future growth that incorporates the additional new land being added to the City.	Immediate	CAO Strategic Initiatives Planning
5. Develop a way-finding program that builds upon community branded signage to build community identity and to support tourism and the cultural assets of the City. Use the same visual identity on all community communications and marketing pieces.	Immediate	CAO Communications

ACTION	SUGGESTED TIMING	LEAD / SUPPORT
6. Develop a transportation strategy that improves access and safety for businesses and residents. This includes the establishment and promotion of the City's new airport, improvement of highways 28 and 55 in partnership with neighbouring municipalities and the Province - considering ways to decrease the perception that Cold Lake is 'the end of the road' ²	Immediate – Long-Term	Strategic Projects Communications
7. Design and deliver a Business Retention and Expansion (BR+E) Program to initiate and maintain a proactive engagement with businesses and establish ongoing relationships to stay abreast of issues facing businesses. This will support efforts to retain existing businesses as well as plan for both internal growth and attraction of key suppliers required by local businesses.	Immediate	Strategic Initiatives
8. Complete a workforce retention and attraction strategy and action plan that responds to the needs of employers and potential investors. A key focus should be on creating an exciting hub of knowledge economy jobs in aerospace and energy production.	Immediate	Strategic Initiatives
9. Develop tourism. Work closely with existing organizations to promote tourism for the City, including Travel Alberta, the Municipal District of Bonnyville and private operators. Encourage collaboration and regular communication to avoid timing conflicts and to enable joint marketing. Create an asset inventory of attractions, cultural assets and supporting infrastructure and identify gaps. The gaps may include new tourism products and packages – more reasons for tourists to stop and spend time and money in the City of Cold Lake. Monitor visitors through the Chamber and private partnerships.	Immediate – Short-term	Strategic Initiatives Chamber of Commerce
10. Take a "Centre of Excellence" approach to developing the Aerospace sector. Take advantage of anticipated construction and Future Fighter developments that will drive workforce demand and potential new businesses. Build on Art Smith Academy and extend to high school and into college. Leverage College resources as well as other sources of training, skill development and advanced learning.	Short-term	Strategic Initiatives Portage College CAO Council Chamber

Immediate = 2019-2020 | Short term = before the end of 2021 | Long term = before the end of 2024

² Highway 55 connects with 63 and continues east down to Prince Albert and then through Winnipeg to the port at Thunder Bay

4. STAKEHOLDER CONSULTATIONS

4.1. Strategic Plan Update Consultation Process

Approximately 550 stakeholders were consulted throughout this process. The consultations consisted of confidential one-on-one interviews, an open house as well as an online survey open to the public, three focus groups with key sectors and a working session with targeted stakeholders.

4.1.1. Interviews & Community On-Line Surveys

One-on-one interviews were undertaken with City businesses and other economic development stakeholders such as senior staff, the Chamber, the RABC, CFB Cold Lake, Cold Lake First Nation, Alberta Hub and several others. The same seven open-ended questions were used to guide both those interviews and the on-line surveys (for both general public and high school students). These questions probed into the major strengths and challenges of doing business in the City and looked forward to defining future opportunities, aspirations and results. All participants provided feedback on these questions, providing a statistically significant result.

4.1.2. Focus Groups and Open House

Focus Groups were held with company representatives from three key sectors: Aerospace, oil & gas and tourism/culture. In addition, a general community open house was held at the Lakeside Inn where community members answered the same seven questions.

4.1.3. Working Session

The Working Session was held November 6, 2018 and was attended by approximately 25 key community stakeholders which included representation from Council, the business community, regional and Provincial support agencies, the Canadian Forces Base, the City of Cold Lake Chamber of Commerce, City of Cold Lake staff, the Reeve of the MD of Bonnyville, and the Cold Lake First Nations Economic Development Officer and Chief Executive Officer.

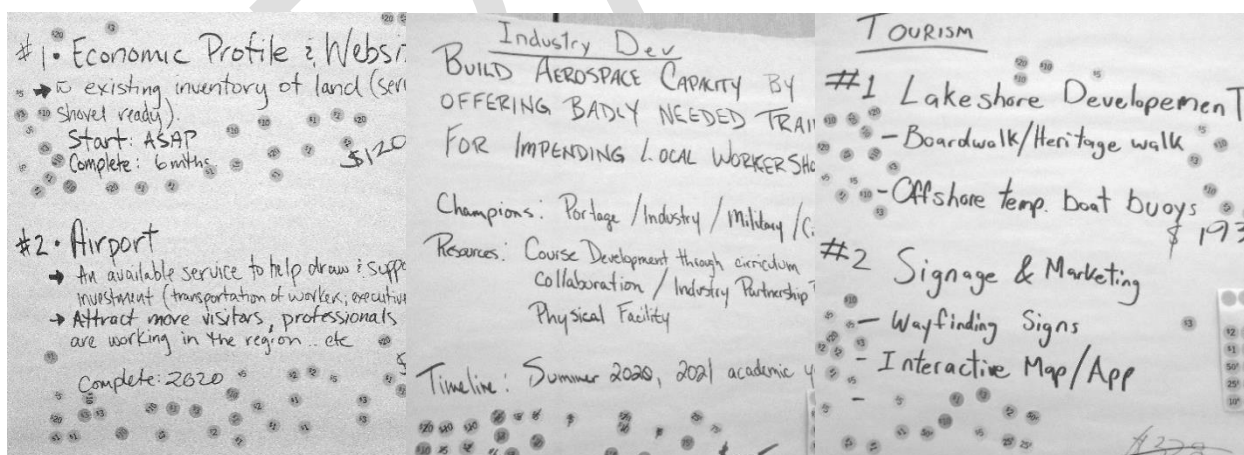


The purpose of the Summit was to bring together economic development, community and business leaders to review the project findings to date, to get confirmation on the themes that were derived from the research, and to begin strategizing and crafting action items for each of those themes that emerged from the consultation process. The themes that were brought forward to the presentation and were validated were:

			
Investment Readiness	Community Development	Industry Development	Tourism

Working groups identified projects (and actions?) that would address the challenges and opportunities under each theme. They then presented their work to the entire group in a "Dragon's Den"-type format. Everyone then voted with their 'money' to prioritise the various projects/actions that varied from marina improvements to training for military ground crew!

See Appendix A for detailed project descriptions. The advantage of considering these projects is that some already have identified champions and buy-in from those who attended the Working Session.



Informal Investment Readiness Review

McSweeney & Associates undertook an informal investment readiness assessment by reviewing the adequacy of the City of Cold Lake's tools and indicators including:

- Web Presence – Economic Development Site.
- Economic/Community Profile.
- Industrial and Commercial Land and Building Inventories.
- Investment Marketing Tools.
- Adequacy and Readiness of Employment Lands.
- How Investment Inquiries/Requests are Handled.

It was determined that the City of Cold Lake is missing key elements that should be undertaken in order to prepare the City for investment.

Web Presence: The City requires a comprehensive economic development section with all the essential information required by a site selector/investor (regional and local maps, community profile, workforce). Ideally, it should be a separate site as it has a different audience/target than the City site, but if a section of the City site, there should be link from the homepage. There should also be links to the economic development strategy and pertinent reports.

Economic/Community Profile: There is currently no economic/community profile available.

Industrial and Commercial Land and Building Inventories: Requires an inventory of available land and buildings and all property including information on servicing, zoning, maps, etc.

Investment Marketing Tools: There are currently no marketing tools available, even for key sectors.

Adequacy and Readiness of Employment Lands: Currently there is an inadequate supply of ready to be serviced employment land and very little shovel-ready industrial land. Some vacant commercial sites are available in the City..

How Investment Inquiries/Requests are Handled: To date the inquiries are dealt with by the CAO, Mayor or planner on an ad hoc basis. There is no central contact or investment enquiry handling/tracking program.



5. STATISTICAL ANALYSIS

5.1. Data Sources

Please note that every effort has been made to use the most current data available. There are four major sources of information for the remainder of this document:

- The 2011 and 2016 Census from Statistics Canada;
- SuperDemographics 2018 from Manifold Data Mining Inc.;
- EMSI Analyst 2018; and
- Canadian Business Patterns (CBP) – June 2017 and June 2012.

Canadian Business Patterns

The major sources of information for the Business Registry are updates from the Statistics Canada survey program and from Canada Revenue Agency's (CRA) Business Number account files. This CRA administrative data source allows for the creation of a universe of all business entities.

Manifold Projection Method

Production of 2018 Demographic data estimates are partially based on population statistics collected by Statistics Canada via Census every 5 years. Manifold estimates demographic data annually, including population projections for 5 and 10 years in the future. Manifold methodologies are based on the following techniques:

- Enhanced cohort survival methods;
- Nearest neighborhood and regression techniques; and
- Structural coherence techniques.

Manifold Data Sources include:

Statistics Canada	Real Estate Boards/Companies
Health Canada	Canadian Bankers Association
Regional Health Ministries	Bank of Canada
Citizenship and Immigration Canada	Canada Post Corporation
Regional School Boards	Consumer and business directories books
Flyer Distribution Association	Publications of hospitals, CMHC, BBM and partners
Proprietary survey and research	

EMSI Analyst

EMSI data brings the various snapshots of the Canadian economy together in a single picture. First, it aligns the geographies of the data from 2001 to the present, which means the Cold Lake of 2001 is the same as the Cold Lake of 2018. This results in geographically detailed data (down to the Census Subdivision level) that is applicable to today's economy.

The data is remarkably detailed, giving you information on 305 industry classifications using the NAICS system and 522 occupations from Statistics Canada's NOCs classification system in over 4,300 integrated geographical areas. The data is updated twice a year, so users have the most current information possible. And to top it all off, it adds 10-year projections based on the CBR data so that it provides a sense of the future alongside the past and present.

EMSI Data Sources include:

Canadian Business Registry (CBR)

2001, 2006, and 2011 Census data

Survey of Employment, Payroll and Hours (SEPH)

Labour Force Surveys (LFS)

Canadian Occupational Projection System (COPS)

CANSIM Demographics

Postsecondary Student Information System (PSIS) Education Data

5.2. Statistical Analysis



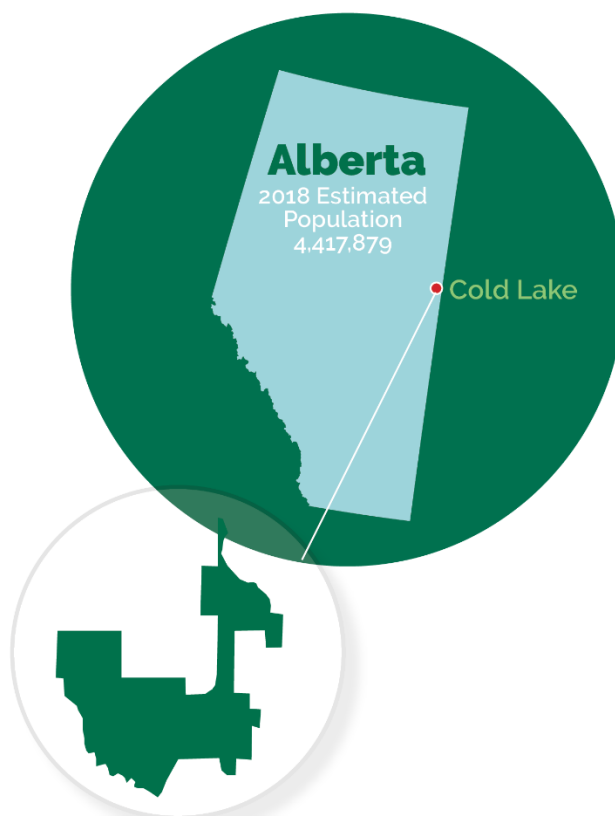
A Snapshot of COLD LAKE

Location

Nestled on the shore of Alberta's seventh largest lake, a three hour drive north east of Edmonton and 20 minutes west of the Saskatchewan border, Cold Lake is home to over 15,000 residents. The community of choice for many workers in the nearby oil patch, the City of Cold Lake is also the proud home of 4 Wing, one of Canada's busiest fighter bases.

The City and the surrounding area boast beautiful natural settings, complimented by state-of-the-art recreation and sport facilities, urban and rural trail systems, a provincial park and pristine lakes. Cold Lake itself is well known for its world-class sport fishery, pristine water and surrounding habitats which draw hundreds of bird species and an abundance of wildlife to its shores.

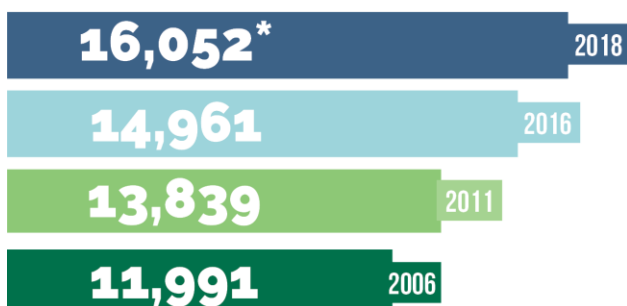
The City has grown to become the retail hub of north east Alberta, but has also kept its warm, rural roots. The main industries of employment include the oil and gas industry, the Federal Government, defense and tourism.



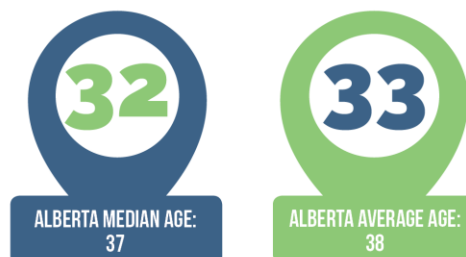
Demographics



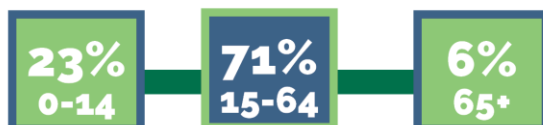
CENSUS POPULATION



MEDIAN & AVERAGE AGE



AGE PROFILE



POPULATION BY GENDER



18%

1 Year Mobility

Residents that had moved within the previous year

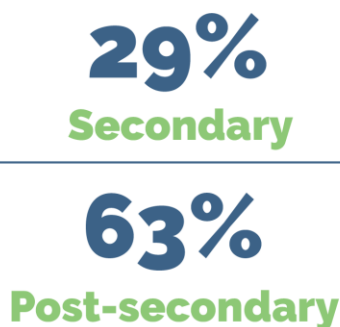


51%

5 Year Mobility

Residents that had moved within the previous 5 years

HIGHEST EDUCATION LEVEL



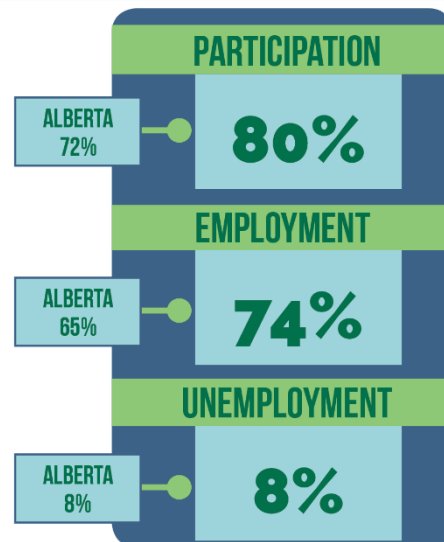
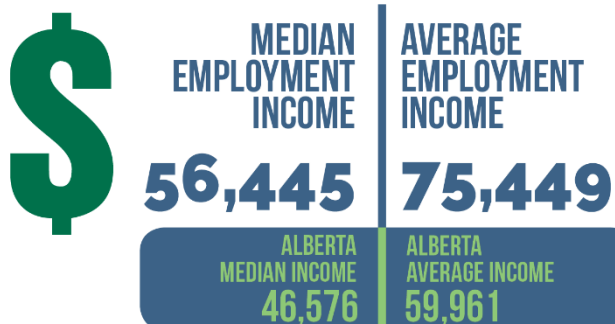
LANGUAGE



* All data is 2018 population estimates from Manifold SuperDemographics, unless otherwise specified.



Labour Force



RESIDENT LABOUR FORCE EMPLOYMENT

TOP 5 INDUSTRIES*



Public Administration
(23%)



Mining, Quarrying & Oil & Gas Extraction
(15%)



Retail Trade
(11%)



Construction
(8%)



Health Care & Social Assistance
(7%)

TOP 5 OCCUPATIONS*



Sales & Service
(21%)



Trades, Transport & Equipment Operators
(17%)



Education, Law & Social, Community & Govt Services
(16%)



Business, Finance & Administration
(10%)



Management
(10%)

* by labour force employment

**All data is 2018 population estimates from Manifold SuperDemographics, unless otherwise specified.*

5.3. Statistical Overview



Population and Age Structure Profile

This subsection examines the characteristics of the population in the City of Cold Lake. Table 1 illustrates population changes in Cold Lake from 2001 to 2018 compared to Alberta. The census population grew by 25% over the past 2 census periods.

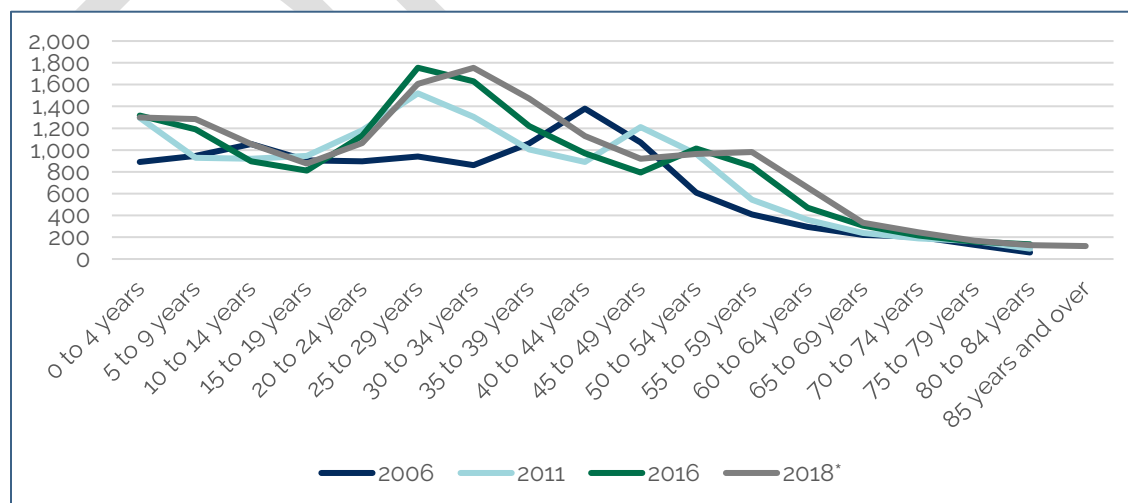
Table 1: Population Change, Cold Lake vs. Alberta, 1996-2018

	2001	2006	2011	2016	2018*
Cold Lake Population Count	11,520	11,991	13,839	14,961	16,052
Growth	-2.3%	4.1%	15.4%	8.1%	/
Alberta Population Count	2,974,807	3,290,350	3,645,257	4,067,175	4,417,879
% Change from Previous Census	10.3%	10.6%	10.8%	11.6%	/

Source: Statistics Canada Census data 1996, 2001, 2006, 2011 2016; Manifold SuperDemographics 2018. Manifold population estimates vs. Census data are not directly comparable.

Figure 1 shows age profile over the last 3 census periods, and 2018. The most significant growth is in the group of persons aged 15 to 44, the “working age population”. The population aged 50 to 69 years old has also shown notable growth, however, there has only been a marginal change in the “retirement age” population (65 and older).

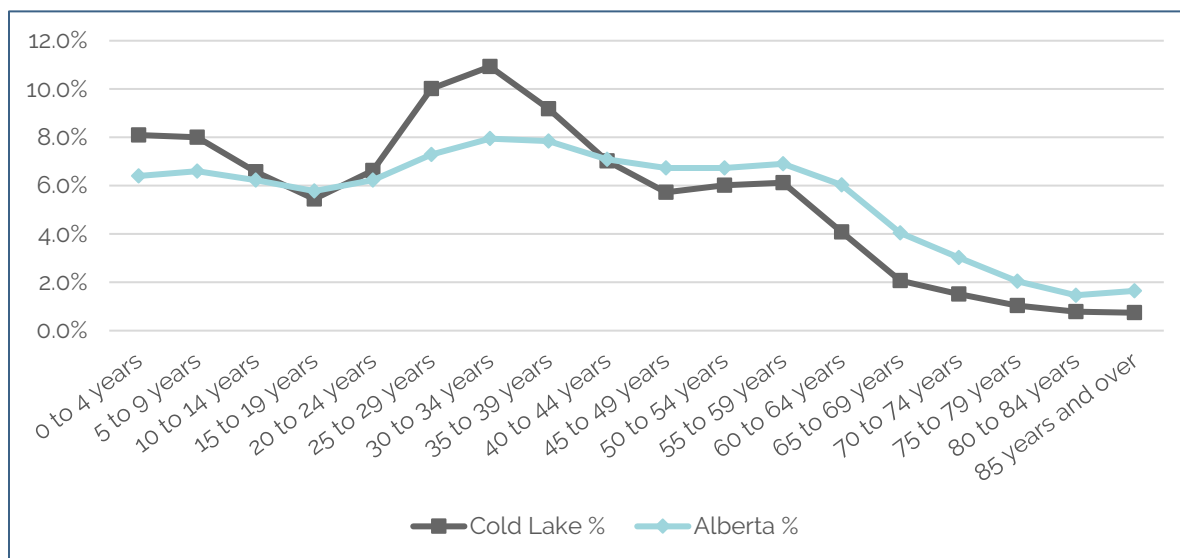
Figure 1: Percent Population by Age, Cold Lake, 2006-2016, 2018



Source: McSweeney & Associates from Statistics Canada Census data 2006, 2011 and 2016, and Manifold Data Mining Inc. SuperDemographics 2018

Figure 2 contrasts the age profile of residents in the City of Cold Lake and Alberta, in 2018.

Figure 2: Percent Population by Age, Cold Lake vs. Alberta, 2018



Source: McSweeney & Associates and Manifold Data Mining Inc. SuperDemographics 2018

Compared to the Province, the City of Cold Lake has a larger percentage of its population within the age range of 0 to 44, and less of its population in the age range of 50 years and older. Cold Lake has a younger population than the Province as measured by the median age (32 vs. 37 in Alberta), and average age (33, vs 38 in Alberta).

32
Median Age

37 in Alberta

33
Average Age

38 in Alberta



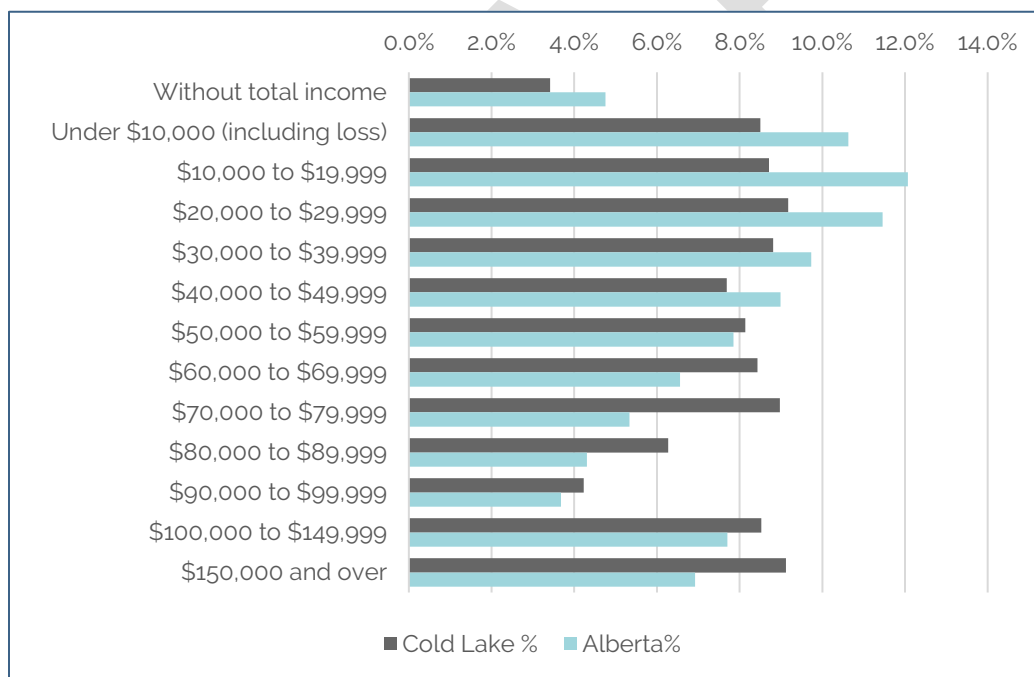
Income

This subsection describes the income earning capacity of the population of the City of Cold Lake. Using the information in Figure 3, the following observations can be made with respect to incomes³:

- The income distribution in Cold Lake is more equally distributed than in Alberta, with over 50% of the population earning above \$50,000.
- In 2018, the City of Cold Lake median individual total income was \$60,208, while in Alberta, the median individual income was \$47,572.
- The 2018 average individual income for the City of Cold Lake was \$78,593, versus \$62,758 for Alberta.

Figure 3 shows the distribution of total personal income for residents of Cold Lake.

Figure 3: Total Personal Income Levels by Percentage of the Population, 2018



Source: Manifold Data Mining Inc. 2018 (2017 incomes).

³ As noted previously, all income data uses the year previous; therefore 2018 data uses 2017 incomes.

\$60,208

City of Cold Lake
median individual total income

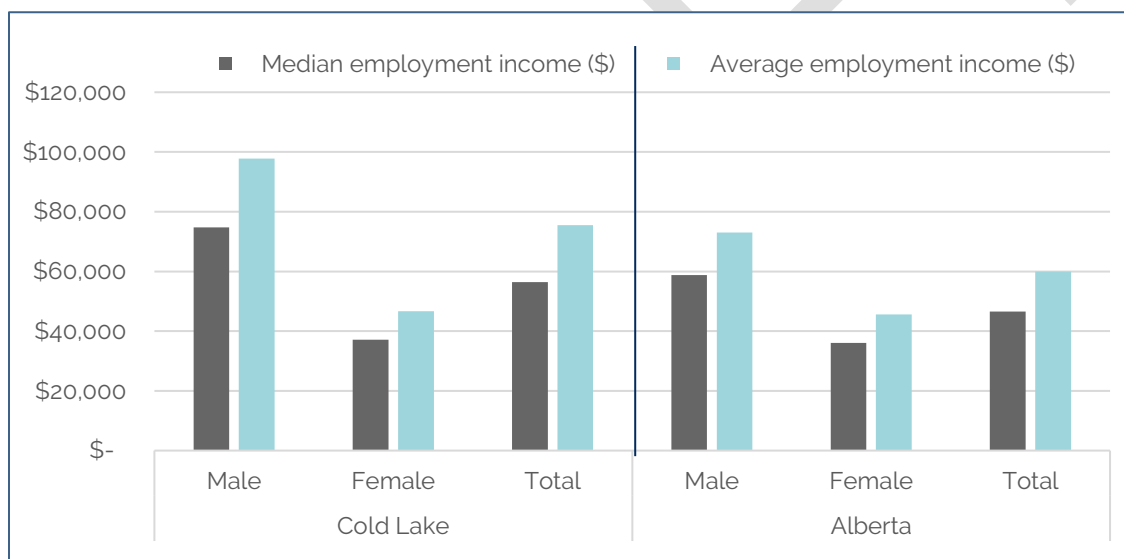
\$78,593

City of Cold Lake
average individual income

Figure 4 shows median and average employment incomes in Cold Lake and Alberta, by gender. The following can be said about employment incomes in the City of Cold Lake:

- City of Cold Lake residents have a median employment income 21% higher than that of the Province, and an average employment income 26% greater than the Province.
- City of Cold Lake males have a median employment income 100% higher than females, and an average employment income 110% higher than females.

Figure 4: Employment Income, Cold Lake vs. Alberta, 2018



McSweeney & Associates from Manifold Data Mining Inc. SuperDemographics .2018 (2017 incomes).

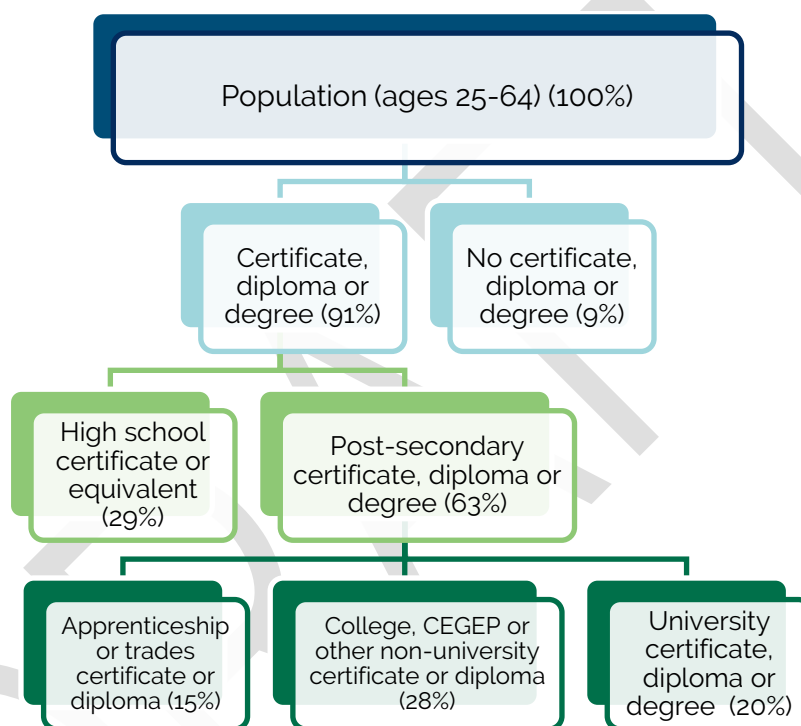
City of Cold Lake residents have a **median employment income 21% higher** than that of the Province, and an **average employment income 26% greater** than the Province.



Education

This subsection reviews the level of education and major fields of study for residents of City of Cold Lake. Figure 5 outlines the education levels obtained by City of Cold Lake residents ages 25-64, as compared to Alberta. Definitions may be found in the footnote.

Figure 5: Education Attainment Breakdown for Cold Lake, 2018⁴



Source: McSweeney & Associates from Manifold Data Mining Inc. SuperDemographics 2018

⁴ 'High school diploma or equivalent' includes persons who have graduated from a secondary school or equivalent. It excludes persons with a post-secondary certificate diploma or degree.

'Post-secondary certificate diploma or degree' includes 'apprenticeship or trades certificates or diplomas' 'college CEGEP or other non-university certificates or diplomas' and university certificates diplomas and degrees.

'Apprenticeship or trades certificate or diploma' includes Registered Apprenticeship certificates (including Comparisons with other data sources suggest that the category 'University certificate or diploma below the bachelor's level' was over-reported in the NHS. This category likely includes some responses that are actually college certificates or diplomas bachelor's degrees or other types of education (e.g. university transfer programs bachelor's programs completed in other countries incomplete bachelor's programs non-university professional designations). We recommend users interpret the results for the 'University certificate or diploma below the bachelor's level' category with caution.

'University certificate diploma or degree above bachelor level' includes the categories 'University certificate or diploma above bachelor level' 'Degree in medicine dentistry veterinary medicine or optometry' 'Master's degree' and 'Earned doctorate.'



Labour Force Profile

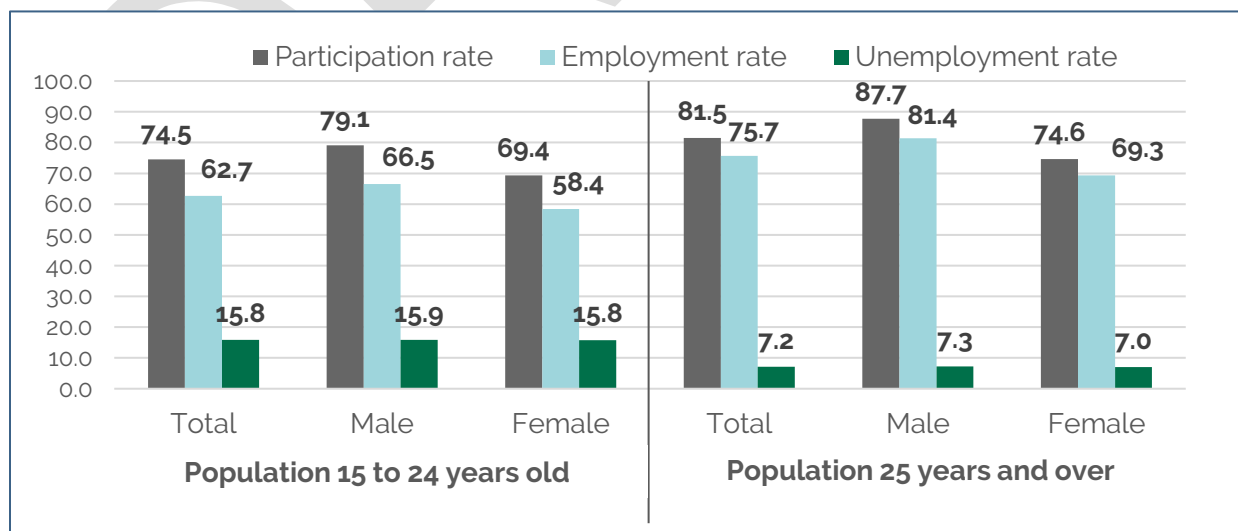
This section profiles the labour force that lives and works in City of Cold Lake. The first subsection has key employment indicators for the resident labour force, subsequent subsections describe the labour force available to city based on commuting flows. Overall, the City of Cold Lake has higher participation rates than the Province, as well as lower unemployment.

Key Indicators

Key indicators for the labour force are used to highlight the underemployed/under-utilized labour groups. For example, by examining labour force by gender and by age, one can quickly perceive that males under 25 years have the highest unemployment rate. Furthermore, women overall have a participation rate approximately 13 percentage points lower than men in Cold Lake. This indicates an opportunity to grow the labour supply by increasing women's participation.

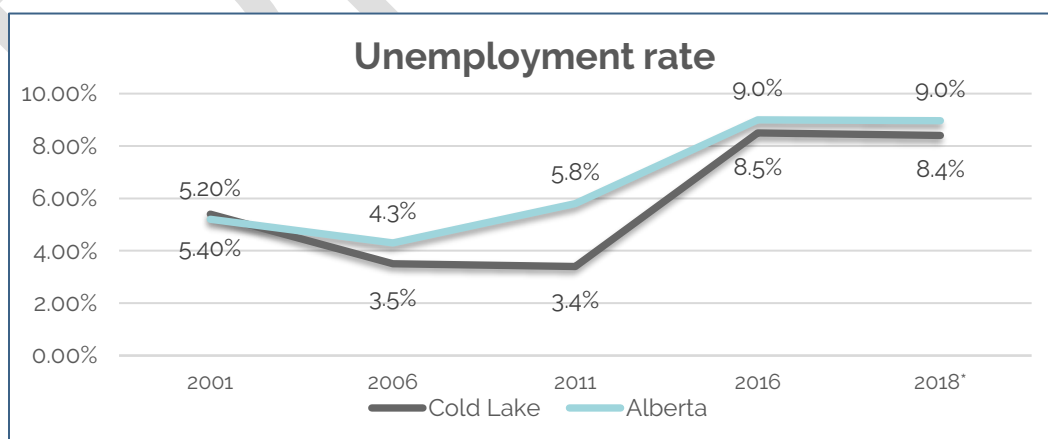
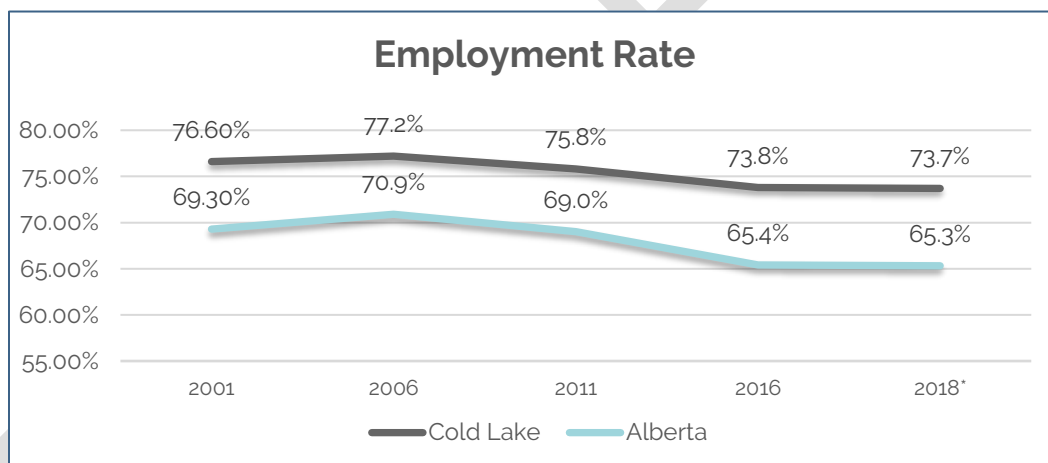
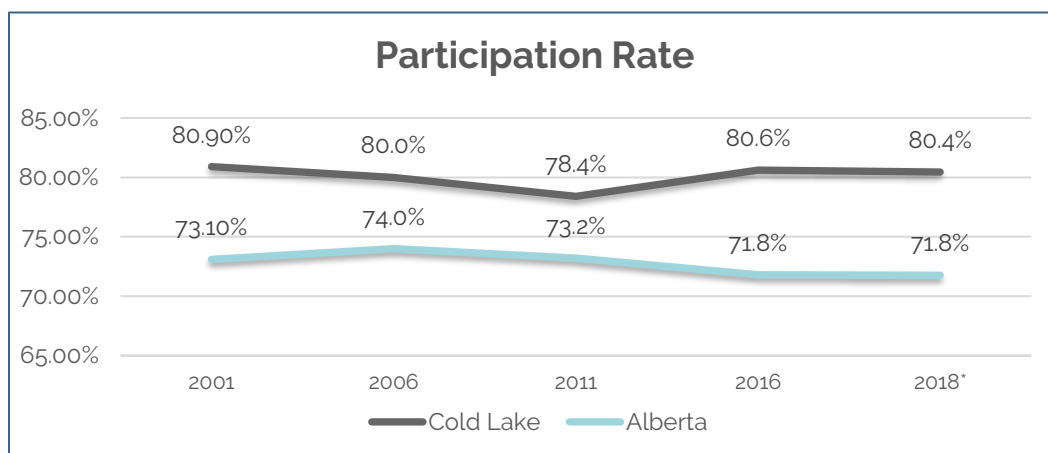
Labour Force Activity	Cold Lake	Alberta
Total population 15 years +	12,414	3,568,242
In the labour force	9,985	2,560,490
Employed	9,144	2,330,889
Unemployed:	841	229,600
Not in the labour force	2,429	1,007,752
Participation rate	80.44	71.76
Employment rate	73.66	65.32
Unemployment rate	8.42	8.97

Figure 6: Key Labour Force Statistics, 2018



Source: Manifold SuperDemographics 2018

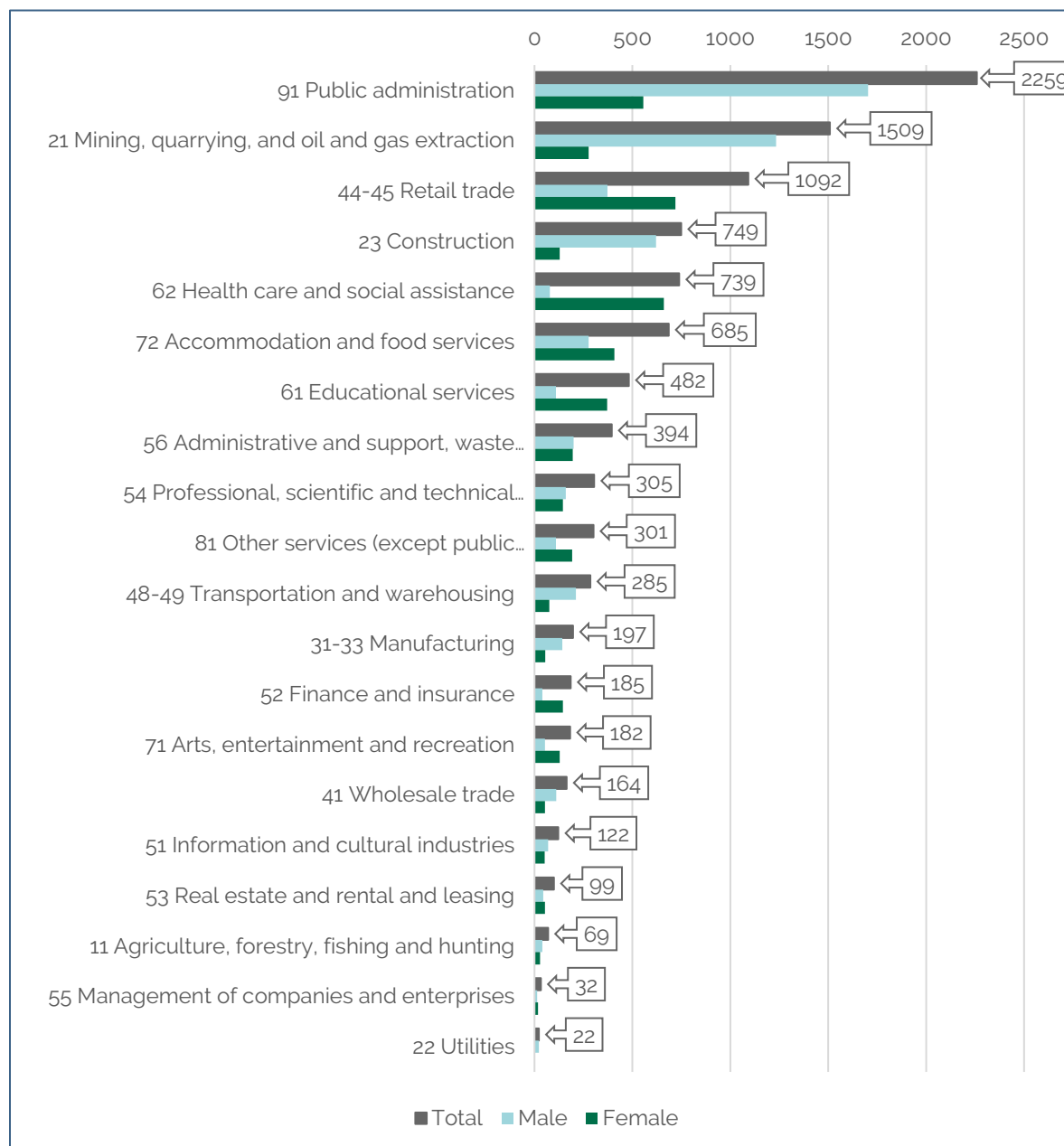
The following three tables illustrate labour force participation, employment and unemployment rates between 2001 to 2018. Participation has been on the rise since 2011, while employment has slightly decreased, which has resulted on a notable increased in unemployment between 2011 to now.



Source: McSweeney & Associates from Statistics Canada Census data 2006, 2011 and 2016, and Manifold Data Mining Inc. SuperDemographics 2018

The resident labour force of the City of Cold Lake most commonly works in the following industries: Public administration, mining, quarrying, and oil and gas extraction and retail trade. The largest employing industries employ more men more than women.

Figure 7: Resident Labour Force by Industry, 2018



Source: Manifold SuperDemographics 2018. Note that the numbers beside the bars represent the total number of City of Cold Lake residents working in the industry.



Labour Market Surplus/Gaps

The labour market surplus or gap is defined as the difference between the number of jobs (by industry) in the City and the number of resident workers in the City employed in that industry.

The City of Cold Lake has a surplus of approximately 829 jobs, which indicates there are more jobs than resident workers employed in that industry, making City of Cold Lake a net importer of labour. A labour market **gap** is apparent in some industries in which the number of resident workers employed in particular industries exceed the number of jobs available in those industries in Cold Lake. This may represent an opportunity for Cold Lake to attract those industries based upon the availability of labour force.

The industries with the largest gap (where workers out-number jobs are highlighted in red) are mining, quarrying, and oil and gas extraction; accommodation and food services; arts, entertainment and recreation, finance and insurance; and information and cultural industries.

Description	Employed in Cold Lake	Resident of Cold Lake	Net Import
Construction	1,567	749	818
Administrative and support, waste management and remediation services	758	394	364
Retail trade	1,359	1,092	267
Other services (except public administration)	433	301	132
Educational services	611	482	129
Health care and social assistance	831	739	92
Transportation and warehousing	351	285	66
Unclassified	162	114	48
Professional, scientific and technical services	333	305	28
Utilities	26	22	4
Real estate and rental and leasing	101	99	2
Manufacturing	192	197	(-5)
Public administration	2,253	2,259	(-6)
Wholesale trade	141	164	(-23)
Agriculture, forestry, fishing and hunting	41	69	(-28)
Management of companies and enterprises	0	32	(-32)
Information and cultural industries	62	122	(-60)
Finance and insurance	92	185	(-93)
Arts, entertainment and recreation	85	182	(-97)
Accommodation and food services	417	685	(-268)
Mining, quarrying, and oil and gas extraction	1,000	1,509	(-509)
Total	10,815	9,986	829

Source: EMSI Analyst 2018



Economic Base Analysis

The list of industries on the previous page gives an indication of industries which could be successful in the City given the labour force supply, and could be further developed, along side supporting industries.

The economic base analysis will reveal industries which are currently successful: large, growing, concentrated, projected to grow and with large export sales.

This section investigates industry statistics pertinent to the local economy of the City of Cold Lake. Thus, **the central region of study for this section will be the City of Cold Lake, benchmarked to the REDA (Northeast Alberta HUB – including 32 municipalities) and Alberta.**

This section reports industry statistics related to exports, employment, and businesses for the local economy with the aim of uncovering key industries that either exist or are emerging in the City today,

The Statistics Canada "North American Industry Classification System" (NAICS) of classifying industries is used for this report. The largest groupings or aggregations of industries categories are called Sectors, which are broken down into sub-sectors, which are then further broken down into Industries. An example of this breakdown follows:

Sector Level	31-33 Manufacturing industries
Sub-sector Level	336 Transportation equipment manufacturing
Industry Level	3364 - Aerospace product and parts manufacturing



Export Sales

This subsection investigates export sales by industry, whereby export sales are the sales values of goods/services produced inside the local economy and sold/consumed outside the of the City.

The City of Cold Lake's total export sales amounted to 2.4\$ billion dollars.

Listed below are industries in order of export sales made outside of the City of Cold Lake.

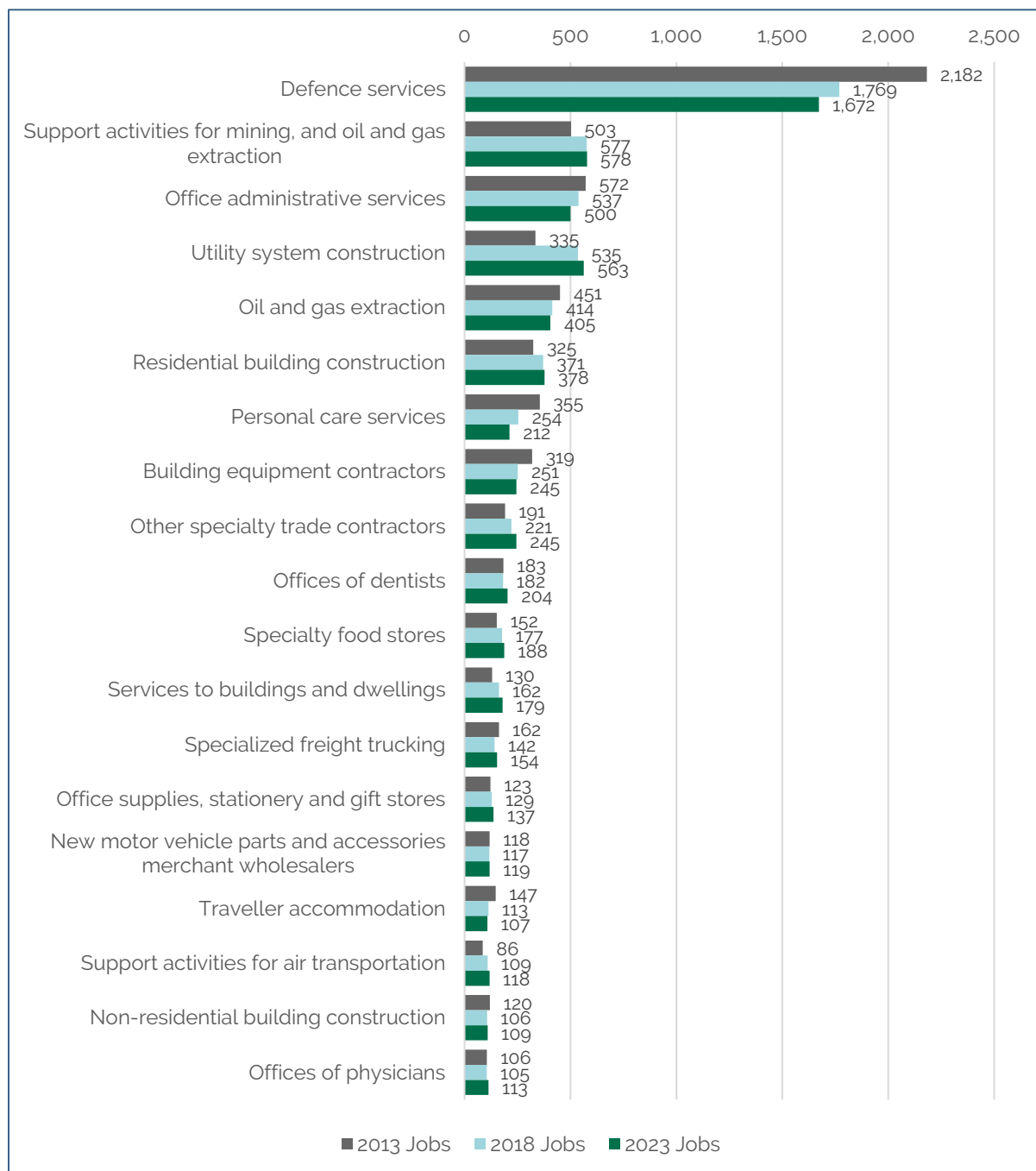
Table 2: Export Sales Dollars Flowing into the City of Cold Lake, by Industry

NAICS	Industry	Cold Lake	Cold Lake %	REDA %	Alberta %
2111	Oil and gas extraction	\$935,687,762	37.9%	30.4%	39.6%
9111	Defence services	\$395,713,087	16.0%	4.5%	0.5%
3241	Petroleum and coal product manufacturing	\$180,813,208	7.3%	7.4%	7.3%
2371	Utility system construction	\$93,289,098	3.8%	4.5%	3.2%
5611	Office administrative services	\$71,975,733	2.9%	0.7%	0.3%
2131	Support activities for mining, and oil and gas extraction	\$68,714,907	2.8%	8.1%	3.0%
3364	Aerospace product and parts manufacturing	\$59,546,571	2.4%	0.6%	0.1%
2361	Residential building construction	\$45,357,629	1.8%	0.5%	0.9%
4152	New motor vehicle parts and accessories merchant wholesalers	\$36,648,161	1.5%	0.3%	0.2%
4841	General freight trucking	\$30,149,334	1.2%	0.6%	0.5%
6221	General medical and surgical hospitals	\$28,507,150	1.2%	2.2%	0.2%
2382	Building equipment contractors	\$28,143,316	1.1%	0.7%	1.7%
4881	Support activities for air transportation	\$24,541,925	1.0%	0.2%	0.1%
2389	Other specialty trade contractors	\$24,412,781	1.0%	0.9%	0.9%
2362	Non-residential building construction	\$23,939,788	1.0%	0.9%	1.2%
5311	Lessors of real estate	\$20,305,234	0.8%	0.6%	0.6%
9130	Local, municipal and regional public administration	\$17,717,948	0.7%	1.7%	0.6%
8131	Religious organizations	\$16,347,966	0.7%	0.4%	0.0%
9112	Other federal services (9112-9119)	\$15,933,860	0.6%	0.8%	0.8%
1110	Farms	\$15,234,914	0.6%	5.9%	1.6%
6212	Offices of dentists	\$13,927,957	0.6%	0.2%	0.1%
5413	Architectural, engineering and related services	\$13,418,939	0.5%	0.5%	1.8%

Source: 2018 EMSI Analyst, based on 2013 National Input-Output Tables

To better understand which sectors are supporting the most jobs, Figure 8 shows the largest industries in the City of Cold Lake by number of jobs in 2013 and in 2018, as well as projections for 2023. This analysis does not include publicly-funded industries related to health and education.

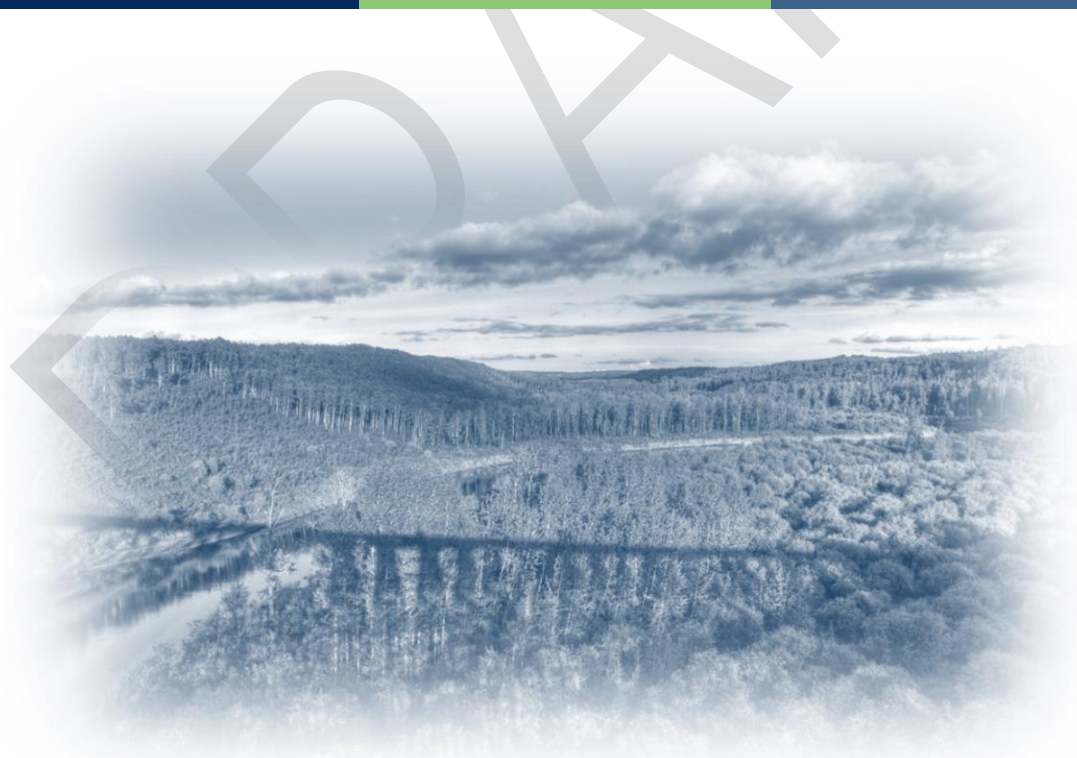
Figure 8: Largest Industries by Number of Jobs, 2013 - 2023



Source: EMSI Analyst.

Based on Figure 8, the following can be concluded about industry employment for the City of Cold Lake:

Largest Industries by Total Employment	Fastest Growing Industries by Employment Growth	Emerging Industries with Largest Projected Growth in Total Employment
<ol style="list-style-type: none"> 1. Defence services 2. Support activities for mining, and oil and gas extraction 3. Office administrative services 4. Utility system construction 5. Oil and gas extraction 	<ol style="list-style-type: none"> 1. Utility system construction 2. Support activities for mining, and oil and gas extraction 3. Other specialty trade contractors 4. Support activities for air transportation 5. Investigation and security services 	<ol style="list-style-type: none"> 1. Other information services 2. Utility system construction 3. Support activities for air transportation 4. Other specialty trade contractors 5. Services to buildings and dwellings



6. STRENGTHS, CHALLENGES, OPPORTUNITIES, ASPIRATIONS AND RESULTS (SCOAR™)



The following comprehensive SCOAR™ (Strengths, Challenges, Opportunities, Aspirations, Results) Analysis was prepared by analyzing the current statistics and data, a document review plus the feedback from elected officials, staff, stakeholders and residents engaged in the consultation.



- Stable, young, diverse population
- The Lake – offers natural beauty for residents and tourism asset for visitors
- Oil and gas sector offers accumulated wealth plus ongoing work and potential for future development
- CFB Cold Lake brings in both military personnel and contractors – many stay or return to live in Cold Lake permanently
- Stable employment and economic base from the Military base – employs over 1800 military staff plus 700 full-time civilian workers
- Good amenities – playing fields, arenas, marina area, good shopping
- Free public transport for workers
- Portage College that offers that offers trades training and a number of specially designed programs
- Small town feel with the amenities of a larger centre
- Good supply of land for future development
- Mayor, council and local leaders are focused on amenities that will attract residents and support future growth
- Friendly, strong sense of community



- Heavy reliance on Oil & Gas results in boom and bust cycles
- Lack of land that can be quickly developed (lack of Shovel-ready properties)
- Need more development of the lake-front – marina is too small, needs more shops and attractions at the Lake
- Need better way-finding signage for visitors to find the Lake, museum, shopping areas

- Lack of healthcare options and specialized services that are only available in Edmonton or Calgary
- Lack of capacity in Portage College to meet business & community needs
- Museum needs a long-term plan for its updating and improvement
- Lack of air service for both passengers and air freight
- Lack of awareness of available incentives for business improvements and expansions such as municipal tax rebates and business improvement grants.
- More employment options for residents; business diversification
- No dedicated Economic Development Officer to work with the business community and regional/government partners
- Continue to develop productive partnerships with neighbouring communities
- Petty crime – theft and vandalism
- Need more events to attract visitors
- High commercial and residential rents in spite of high vacancy rates
- Declining house values but increasing mill rates perceived as negative
- Highway 28 needs widening and more passing lane section, especially between Bonnyville and Cold Lake



- Lakefront development – recreation and accommodation
- More programs offered through Portage College, aligned with employer needs
- Aerospace development for civilian-focused technologies
- Construction, engineering and support service companies for both the oil & gas and aerospace industries
- Events and festivals including theatre
- Specialty stores and boutique retail stores
- Family restaurants near the lake
- Airport and related services
- Big box stores that offer quality with value pricing
- More year-round recreation
- Tourism options



- Lower unemployment rate – less cyclical economy
- Growth of new industries – more attractive employment options
- Growth and development that is planned and distributed over north and south parts of the City.
- Attractive local shops
- Lake front developed to offer more tourism and business possibilities
- Family-friendly, safe community – low crime rate
- Downtown area is redeveloped, open longer hours for shopping with more reasons to shop there
- Slow but steady growth that maintains a stable local economy
- Affordable flights to Edmonton and Calgary and beyond
- Pedestrian friendly areas in the city



- The gap between north and south is developed to feel like one community
- Great first impression when entering the city
- Attractive parks and green space
- Affordable housing with lower vacancy rates
- More variety of recreation, sports and cultural activities
- Good range of health care options supported by adequate numbers of doctors and health care workers
- Advanced education options for residents – linked to industry and jobs in the region
- More resilient economy supported by diverse industrial base.
- Good roads in a well-planned and organized community
- Stores and homes are attractive and well maintained – reflecting community pride



7. CITY OF COLD LAKE STRATEGIC ECONOMIC DEVELOPMENT ACTION PLAN

The following action areas have been derived through a rigorous process that included a thorough study of the City's economic base analysis, a target sector review, a full consultation and stakeholder engagement exercise and the City of Cold Lake SCOAR™.

These strategic areas of focus are where the City of Cold Lake should centre their resources.



Strategic Actions



7.1. Theme #1 – Investment Readiness

When investors want to invest in an area, they are looking for a strong, well-organized municipality with the capacity to meet their business needs. **The key to retaining existing and attracting new business is to undertake all the actions to be 'investment-ready' and 'business-friendly'.**

1. Assemble 'Team Cold Lake' with senior staff, a Councillor with the economic development portfolio and key external stakeholders that meet monthly to ensure the Strategy and its workplan are being implemented, address any challenges or opportunities and adjust workplan when necessary. This team should have at least one member of Council but should overall be a staff team that is mandated to implement economic development initiatives. In speaking with EDAC members, it was felt that they should have more of an advisory role rather than a doing role, as they all have their own full-time jobs/businesses and do not have a say over Council budgets.
2. Assess development land to determine what is required to create a "shovel ready" supply and approaches for working with investors and developers to achieve the outcomes the City wishes to see. Developers can assist in setting targets for a readily marketable supply of development.
3. Eliminate off-site levies in areas targeted for development and maintain off-site levies elsewhere until such time as those are planned for development.
4. Assess the water, waste water, electrical, gas and broadband capacity of the City to ensure that these utilities support and encourage progressive and growing businesses, investment and residential growth. Proactively budget infrastructure spending to facilitate growth.
5. Concentrate development in the areas where services can be readily extended from existing development. Investors and developers should be encouraged to locate in the planned, appropriately zoned growth areas to avoid unnecessary off-site levies, eliminate unexpected costs, delays and servicing complications.
6. Review policies and procedures, including process time, and any special policies, bylaws or procedures required to enable the desired level of control is delivered in a user-friendly manner. Benchmark process times against neighbouring/competing communities.

7. Use the economic base analysis to understand sectors/industries with the greatest competitive advantage and focus attraction efforts on those key sectors/industries. This would include developing sector knowledge, relationships and attending relevant conferences and trade shows in those sectors.
8. Work on measures to build the City of Cold Lake's reputation as a business-friendly place. An example might be an investment "concierge" (usually the EDO) to work with developments above a certain threshold to guide them through the necessary steps to reach a successful outcome with no delays or unpleasant surprises.
9. Compile and maintain a list of available development properties and their details.
10. Develop an Economic Development website to focus on information required by potential investors and to help direct them to available properties.

DRAFT



7.2. Theme #2 – Community Development

Community development directly impacts the positive growth of the economy. The role of community development is, in part, one of the building blocks to support economically strong and vibrant communities. The assets and services helped to shape the community into what it is today and will, in part, dictate what it will be in the future.

1. Promote and gain buy-in to Cold Lake's Economic Vision:

Economic Vision

The City of Cold Lake boasts a vibrant, entrepreneurial and diversified economy, offering opportunities for its residents and newcomers alike. It is widely recognised as an important location for companies in the aerospace (both civilian and military), oil and gas or regional healthcare industries. Its high quality of life with its educational, sports and cultural assets make it a magnet for its highly skilled workforce and for the hundreds of thousands of visitors the City attracts each year.

2. Use the Economic Vision as a guiding principle for expenditure and strategic planning decisions.
3. Engage residents and businesses to create a Community Vision for the City of Cold Lake (testing and reinforcing Economic Vision). The objective is to provide a shared view of the future that engages the original component communities that make up the City of Cold Lake and will assist in the shaping of future growth that incorporates the additional new annexed land being added to the City.
4. Develop Planning and Development Guidelines that direct future growth and types of development that reflects the vision of the community. The Vision created in #2 is the aspiration of the community. The guidelines direct delivery of that Vision.
5. Develop a transportation strategy that improves access and safety for businesses and residents. This includes the establishment and promotion of the City's new airport in the shorter term and improvement of highways 28 and 55 in partnership with neighbouring municipalities and the Province - considering ways to decrease the perception that Cold Lake is 'the end of the road' (e.g. Highway 55 connects with 63 and continues east down to Prince Albert and then through Winnipeg to the port at Thunder Bay).

6. Develop and implement a healthcare improvement and recruitment strategy. Adequate healthcare was a key impediment cited by employers and residents and filling that void is imperative to completing the quality of life equation for Cold Lake.
7. Undertake the revitalization of the core areas of the City to "design out" petty crime, grow sustainable downtown businesses and address inviting entrance ways into the core areas. Plan and design adequate, convenient parking that will facilitate easy movement of people and vehicles, making downtown shopping a more enjoyable experience. Avoid street frontage parking/strip malls, developing parking lots behind the stores wherever possible – let the storefronts sell your downtown!
8. Develop a way-finding program that builds upon community branded signage to build community identity and to support tourism and the cultural assets of the City.
9. Develop a Communications Plan to collectively communicate the messages between government, businesses, CFB Cold Lake and residents.
10. Develop a Community Improvement Plan to encourage updating and improvement of properties in targeted areas of the City. This could include the formation of a Business Revitalization Zone (BRZ) that would access development tools and incentives not allowed otherwise.
11. Build on Volunteer Appreciation program, celebrating and acknowledging volunteerism.
12. Plan a 'Home-Coming' event that brings back graduates to the City and strategically exposes them to the quality of life offer and employment / business development prospects and supports. This has proven a very successful investment/resident attraction initiative for communities as investors that have roots in a community are more likely to stay even through downturns.
13. As the City's economic analysis indicates, women may represent an available labour supply in Cold Lake. Develop a project with Lakeland Employment Services for women and male spouses who come to Cold Lake with their families to find meaningful employment and utilize their skills, even if on a rotating basis. This will also differentiate Cold Lake from other Canadian Forces Bases.
14. Cold Lake is in a prime place to capitalise on the demand for skills in the aviation industry. Expand the Art Smith Aviation Academy curriculum to grade 12 in one of the high schools and tie that in to post-secondary education with SAIT, the new Elevate Learning Centre at Edmonton International Airport or others. This will develop home-grown talent as well as attract students from North America and overseas – establishing Cold Lake as the place to be if you are serious about a career in aviation.



7.3. Theme #3 – Industry Development

Most future growth will be driven by people and businesses already in the City of Cold Lake.

The Economic Analysis identified leading industries and competitive advantages. Indicators can be used to guide the efforts of the City of Cold Lake and provide a focus for Industry Development.

1. Take a “Centre of Excellence” approach to developing the Aerospace sector. Take advantage of anticipated construction and Future Fighter developments that will drive workforce demand and potential new businesses.
 - a. Build on Art Smith Academy and extend to high school and into college. Leverage College resources as well as other sources of training, skill development and advanced learning to build Cold Lake’s reputation as a centre of excellence in the aerospace industry.
 - b. Develop the municipal airport site for support industries.
 - c. Cooperate with SAIT and other PSIs (even outside of Alberta) to offer the experiential side of their aerospace programs.
2. Further develop the Business Directory that is searchable to aid in communication with key businesses and to help identify gaps in value chains that a new or existing business might fill. Potential investors will be curious about the types of businesses already in the City that they might work with either as suppliers or as users of their goods or services. The Directory can serve an additional purpose in emergency response management and demonstrate good stewardship of City of Cold Lake businesses.
3. Design and deliver a Business Retention and Expansion (BR+E) Program to initiate and maintain proactive engagement with key businesses and establish an ongoing relationship that the City can build upon to stay abreast of issues facing businesses in the City. It can also use the BRAPE tool as part of this BR+E Program. The ongoing engagement with businesses will support efforts to retain existing businesses as well as plan for both internal growth and attraction of key suppliers required by local businesses.
4. Assess the water, waste water, electrical, gas and broadband capacity of the City to be sure that these utilities support and encourage progressive and growing businesses. Needs differ from one sector to the next; business engagement through BR+E will identify the extent to which utility needs are being met.
5. Assess the workforce needs and training requirements of businesses to take advantage of opportunities that are available while meeting the needs to the business community as it grows, evolves and requires new technologies and workforce capabilities. Take advantage of foreseeable developments at CFB Cold Lake as well as associated civilian applications of aerospace technology. Portage College is a powerful asset in the community and can be an ally in addressing future opportunities.
6. Based on workforce needs, ensure housing stock and amenities are of a calibre to retain and attract highly skilled talent, their spouses or partners and families.
7. Develop a plan to capitalize on expected developments at the new civilian airport facility. The airport provides an important service for businesses and residents and also provides a focal point for new business opportunities that may be associated with the facility.



7.4. Theme #4 – Tourism

Tourism can be a major economic driver for the City of Cold Lake's economy. In addition, visitors who enjoy the City and area are the best prospects for new residents and investment. The sector encompasses local/regional activities such as food and accommodations, retail, festivals and events, sporting activities, arts, culture and heritage. To achieve the best benefit from tourism, there needs to be a plan to ensure that it grows and develops consistent with the community's vision. Tourism can serve a vital role in introducing people – potential new investors, skilled workers and residents to the City of Cold Lake, its quality of life and the natural beauty of the area.

1. Work closely with existing organizations to promote tourism for the City, including Travel Alberta and Municipal District of Bonnyville. Encourage collaboration and regular communication to avoid timing conflicts and to enable joint marketing.
2. Create an asset inventory of attractions, cultural assets and supporting infrastructure and identify gaps. The gaps may include new tourism products and packages – more reasons for tourists to stop and spend time and money in the City of Cold Lake.
3. Develop the Lake front and business offer in Cold Lake North. Work with existing businesses, Cold Lake First Nations, property owners and stakeholders to focus on developing an offer and work with surrounding area to keep visitors longer.
4. Create and implement a Tourism Signage program building upon community identity/brand and way-finding identified under the Community Development theme.
5. Develop a sports tourism strategy with enhanced programming to fully occupy the excellent arenas, new soccer pitch, playing fields and other facilities on a year-round basis.
6. Form two separate committees from the current Recreation and Culture Committee and allocate funding to both.
7. Develop a long-term plan for the development of the Museum as part of Cold Lake's Unique Selling Proposition (USP), perhaps as Drumheller has done with the Royal Tyrell, working with DND and local experts and volunteer board, This could be developed into a true destination!
8. Work with theatre, cultural tourism, including Cold Lake FN groups to develop a strategy to capitalize on their efforts. Promote and grow the theatre and cultural opportunities that exist and would benefit from improved collaboration with Travel Alberta and the ongoing efforts being supported in the Municipal district of Bonnyville to promote features, events and tourism bundles that include theatre and culture. This could include charter packages from Edmonton.

8. CONCLUSION

The City of Cold Lake is faced with a number of challenges and opportunities. At time of the writing of this report, the annexation of a significant area of land for future development is nearing completion. The development of a new airport facility is awaiting final approval. CFB Cold Lake is preparing for a new generation of fighter jets along with facilities and staff to support them. At the same time, oil and gas dependent businesses are enduring a long and painful period of depressed prices. Decisive action is needed to secure the economic future of the City and assure that opportunities are not missed.

There is current risk of missing opportunities at CFB Cold Lake and with oil & gas support businesses due to a lack of skilled people among other factors. Immediate action is needed to avert further eroding of potential opportunities. To capitalize on opportunities and mitigate risks, a number of actions are recommended:

1. The City needs to be more engaged and proactive in steering future economic development. Growth and investment driven by oil and gas might return and if it does then the City needs to be prepared to quickly land those opportunities. An emphasis needs to be placed on diversifying the economy in the event that oil and gas does not return with the same vigour as in previous economic cycles.
2. There is much work to be done with greater control by the City. EDAC may serve an advisory role but the required actions are beyond what can be expected of a volunteer group. The work requires the time and attention of an economic development professional to manage the process and capitalise on the existing culture of economic development awareness and teamwork within the City.
3. New employment lands need to be developed systematically to enable a reasonable supply of shovel-ready land availability that can be serviced at a reasonable cost.
4. Existing commercial areas within the City require some redevelopment with a view to greater integration of the former communities into a more consistent look and feel with amenities and features that will appeal to a young, highly skilled population.
5. Tourism, culture, arts and theatre represent economic opportunities in their own right. Additionally, they play a vital role in building the attractiveness and appeal of the City to attract and retain an increasingly skilled population with high expectations of the community that will be their home.

6. Developments at CFB Cold Lake will require a significant increase in the number of skilled maintenance people. Similarly the military contractors will require new and more complex skills in their workforce. The City must be proactive in collaborating with military contractors, Portage College, 4-Wing and other training facilities to assure that as much skill upgrading of existing staff as possible can be accomplished. In addition, new talent may need to be attracted to the City from other jurisdictions. Retention and attraction of new talent will be vital. Ongoing engagement with employers will help to identify and address attraction and retention issues.

7. There have been ongoing challenges in attracting doctors and some professionals (engineers, management staff) to the City. A factor identified has been career opportunities for spouses and partners. An initiative is required to identify opportunities in the City or nearby for partners and spouses as part of any talent recruitment program.

8. Issues facing the City require extensive collaboration with the MD of Bonnyville, Cold Lake First Nations and the HUB (Regional Economic Development Alliance). Working together, the communities can better address the big issues of workforce development, transportation, highway improvements and marketing of both tourism and investment opportunities that would be more difficult to accomplish individually.



APPENDIX A—PROJECT DESCRIPTIONS

DRAFT