

ECONOMIC DEVELOPMENT FOR A

FIRST-CLASS SMALL CITY

Economic Development

LETHBRIDGE

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Tourism: Lindy Rollingson, Nikka Yuko Japanese Garden
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University of Lethbridge: David Hill



Economic Development Lethbridge's 25 member Board is comprised of a diverse cross-section of the community with the intention to best accomplish the mandate and objectives of the organization. EDL Board members provide direction and proactive leadership that encourages the private and public sectors to undertake programs and projects that will promote and foster economic growth in the city and region.



Kurt Schlachter,
President & Board Chair



Mayor Chris Spearman,
Vice Chair

TABLE OF CONTENTS

Foreword	2
Strategic Framework	6
Introduction	8
2015-2018 Strategic Goals: Background	10
Core Business: Business Development	12
CEO Commentary	14
Core Business: Convention & Event Development	18
CEO Commentary	19
Core Business: Respect & Reputation	22
CEO Commentary	24
Core Business: Organizational Stability & Sustainability	28
CEO Commentary	28
Recognition of Success	30

Supplemental Appendices are available under separate cover.
See inside back cover for list.

FOREWORD -

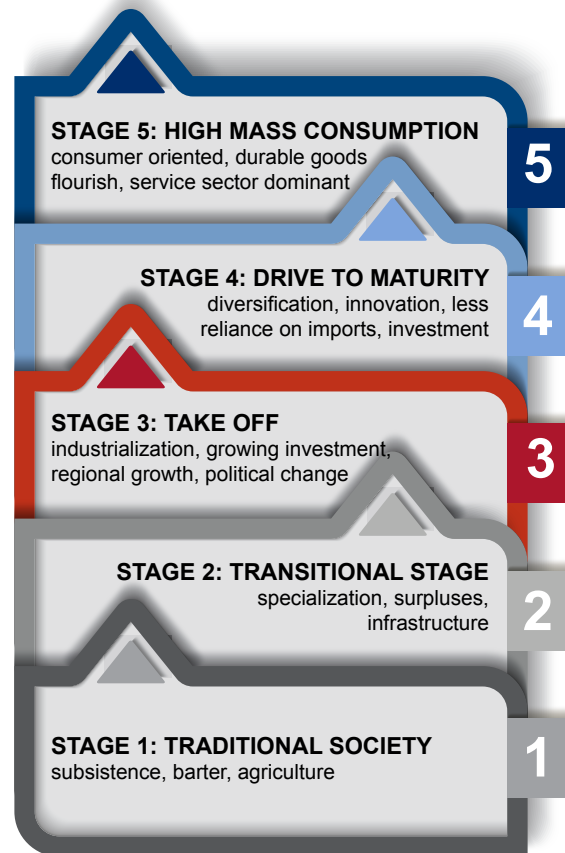
WHAT IS THE PURPOSE OF 21ST CENTURY ECONOMIC DEVELOPMENT?

By Cheryl Dick
Chief Executive Officer



In the 1960's, American economic historian W.W. Rostow developed a model suggesting that countries pass through five stages of economic development.

According to Rostow, moving through the stages requires substantial investment in capital. There is also a correlation with population growth and skill development.



For example, Great Britain is believed to have gone through their Take Off period between 1783 to 1802 when the population reached an estimated 10.5 million. The United States went through the Take Off period between 1843 and 1860 with a population that grew from 17 million to 31.4 million (84.7% increase). Riding on the same wave of immigration, Canada's Take Off period ranges between 1896 to 1914 when population grew from 3.69 million to approximately 8 million (116.8% increase).

Following on that, Great Britain reached Maturity by 1850, the United States by 1900 and Canada by 1950. Using Rostow's model, it is reasonable to assume that all of these economies have now moved into the High Mass Consumption stage. In Canada in 2013, this was demonstrable: in comparison to the traditional goods-producing industries, the portion of Canada's GDP in service-producing industries (one of the criteria of a High Mass Consumption economy) was 70% and the portion of employment in service-producing industries was 78%.

As we now understand economic development, Rostow's stages took citizens through improvements in per capita income, standard of living and purchasing power. Gross Domestic Product (GDP) began to be calculated using measures that reflected economic priorities like:

- developing resources
- job creation
- raising incomes
- increasing the tax base
- stabilizing the economy
- and avoiding obsolescence.

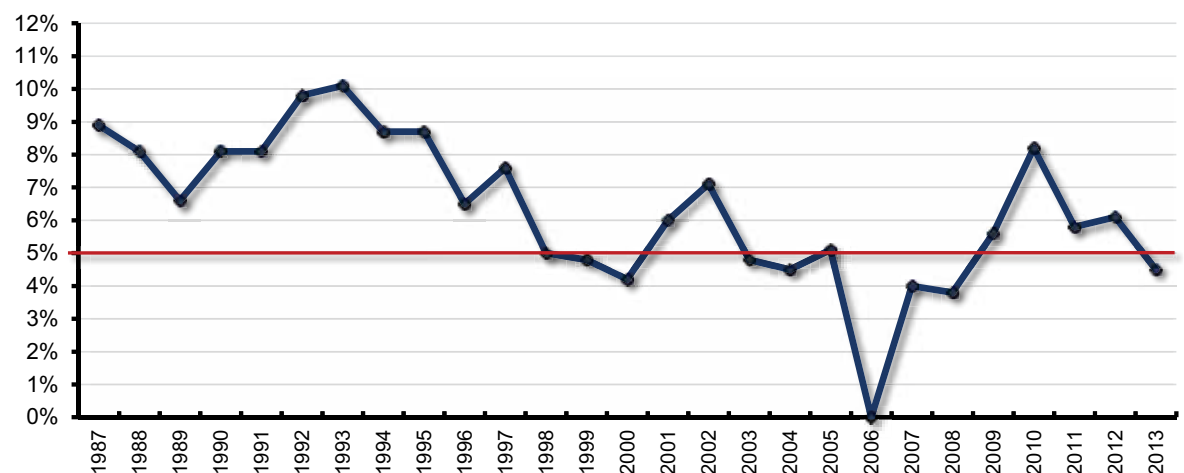
In reviewing the theories of economic development for the development of this plan, it became clear that the original premise of 20th century economic development was to increase growth in order to achieve full employment. With rapidly growing populations due to high birth rates and strong immigration from improved transportation, employment was foundational to quality of life and improved standards of living.

The challenge with this premise now is that full employment has become the norm, particularly in resource-rich Alberta. The graph below shows that, even though Lethbridge is not in the vortex of Alberta's non-renewable resource economy, unemployment rates since 1995 have been below 8% (with the exception of 2010's recessionary impact) and, in fact, have been below the accepted 'full employment' benchmark of 5% for a number of those years. We've seen the strain in Lethbridge.

In particular, it is notable that during the boom of 2005 to 2008, low labour availability actually resulted in a 2005 decline in GDP as companies were unable to find the labour they needed fast enough to take full advantage of the booming business environment. Even though GDP improved again after 2005, it is likely the labour shortage restricted the potential GDP opportunity throughout that full period of time.

ANNUAL UNEMPLOYMENT RATE: Lethbridge Census Agglomeration (CA)

– Full Employment Considered 5% Unemployment



FOREWORD (CONTINUED)

Full employment and labour shortages are predicted to continue into the foreseeable future, begging the question **“What is the 21st century purpose of economic development?”**

New models of economic development are being considered around the world. The New Economics Foundation (UK) and the New Economics Institute (US) are just two organizations working on more dynamic models of economic development. Their work emphasizes that the quality of jobs, not the quantity, is key. This is because the current expectations for standard of living improvement generally encompass Quality of Life measures, not just ‘having a job’.

These organizations are suggesting the following as possible metrics in addition to the more familiar business-driven metrics of GDP, job creation, capital investment, etc.:

- Levels of literacy and income equality
- Accessible health, education, sports and cultural facilities
- Number of people living below the poverty line and measures taken to reduce
- Status of women, children and minorities
- Fiscal and environmental sustainability

On this basis, Economic Development Lethbridge (EDL) has placed more emphasis in this four-year plan on economic strength and diversity combined with quality of life than in previous plans. In a creative economy, people come together constructively to foster economic growth, competitiveness and prosperity. This places priority on creating an environment where quality jobs associated with increased income per capita and income equity are cultivated.

One of the ways EDL intends to move this forward is with a major new priority in collaboration with the City of Lethbridge, Team Lethbridge and other stakeholders throughout the community to achieve the ‘Intelligent Community’ designation. This work will ensure Lethbridge citizens and companies have the capacity to participate fully in the digital economy, keeping Lethbridge competitive in a rapidly changing global market. The plan includes leveraging that technological infrastructure into a progressive and comprehensive brand that represents Lethbridge as a first-class small city to the world. This also supports EDL’s continuing focus on the growing knowledge economy through our work with **tecconnect** – An Alberta centre for new commerce and the Regional Innovation Network of Southern Alberta (RINSA).

Of course, all of the quality services and decision-making data EDL manages will continue to be tracked and offered to companies and entrepreneurs investing in Lethbridge. EDL’s services to meeting, conference and event planners have supported significant visitor spending during the past three-year business plan cycle. We will continue to market the city for conferences as well as work with others to attract world class events. This plan also includes working with the tourism partners in Lethbridge to create a robust and comprehensive plan for tourism development during the next four years.

Overall, our Board of Directors and staff team are committed to being the best economic development organization possible to serve this fine city and support the region. It is all about being a catalyst for investment, connecting us to each other and to the world. We appreciate the relationships and positive attitude of our stakeholders. In particular, we acknowledge our 19 Team Lethbridge partners, a collaboration that no other Alberta community has been able to duplicate. **This spirit is what makes Lethbridge first class.**



35%

Change in Lethbridge's population since 1999.
At 93,004, Lethbridge's population represents
about 2.2% of the Alberta population.

\$348 MILLION

2013 residential construction investment
value in Lethbridge. This industry
employs nearly 2,600 people.

12,706

Total number of jobs attributed to the top
10 major employers in Lethbridge. In 2013,
this is nearly 27% of the workforce.

\$247 MILLION

Lethbridge building permit construction
values in 2013. The highest on record
since recording began in 1962.

STRATEGIC FRAMEWORK

Vision Statement

Lethbridge is recognized as a first-class small city by 2025.

Vision

The following phrases represent EDL's long-term intentions. Lethbridge is a:

- leading-edge community supporting economic prosperity
- knowledge economy founded in creativity and innovation
- confident community with a shared sense of identity and pride
- vibrant, dynamic community of welcoming neighbours
- vibrant, welcoming community rich in cultural diversity

The EDL Board of Directors is conscious of the importance of the alignment of this vision with that of the City of Lethbridge, which is represented by the Community Vision in the Integrated Community Sustainability Plan/Municipal Development Plan:

"We will continue to work together to ensure that Lethbridge demonstrates active leadership in environmental stewardship and innovation and is recognized as being a safe, healthy, vibrant, prosperous, economically viable place where all people can fully participate in community life."

Mission Statement

EDL's mission is to strengthen and develop the Lethbridge economy by initiating and facilitating proactive economic development strategies and promoting Lethbridge as an excellent place to live, learn, invest, visit and do business.

Roles & Principles

EDL's Role is to:

- Communicate
- Educate
- Facilitate
- Initiate
- Lead
- Motivate
- Promote

Our Principles are:

- Integrity
- Independence
- Innovation
- Inclusion

Critical Success Factors

- Partnership & Collaboration
- Quality Information & Data
- Open Communication & Teamwork
- Marketing & Promotion Mind-set
- Planning & Coordination

"Economic development is the process of developing and maintaining suitable economic, social, cultural, learning, environmental and political environments in which balanced growth may be realized, increasing the prosperity of the community."

Definition of Economic Development used by EDL

Core Businesses & Long-Term Goals

Business Development

- Investment Attraction
- Retention & Expansion

Lethbridge has leveraged its excellent infrastructure, transportation systems, qualified labour force and natural resources to support and attract investment.

Convention & Event Development

Lethbridge is a desirable destination for business travelers.

Respect & Reputation

Lethbridge is recognized and respected as a vital player in the provincial and national marketplace.

Organizational Stability & Sustainability

EDL is a stable organization with an effective Board of Directors with policies and practices that engage qualified employees with the resources to generate results for the community.

100%

Employment growth in the Information and Cultural industry in Lethbridge in 2013. The GDP also increased by 12.3%.

INTRODUCTION

The preparation for this plan was completed over a three month period in the spring of 2014. The Board of Directors reviewed a significant amount of information related to the past 10 years of economic indicators and best practice documents from around the world. These are available as a separate appendix for anyone interested in the perspectives behind these directions.

In addition, the City of Lethbridge 2014 – 2017 Strategic Plan and the Government of Alberta's Economic Development Framework entitled 'Building on Alberta's Strengths' were reviewed and integrated wherever possible into this plan.

Given those foundations, the following assumptions were used as a framework for the strategic directions and budget:

- The current Strategic Framework remains applicable. The 'core businesses' of the organization remain aligned with economic development best practices and will continue to evolve as needed.
- The long-term goals of the core businesses are still relevant and important to the overall viability and vibrancy of the city and region; however, as the 'first-class small city' criteria is established and vetted, there will be the opportunity to update these goals.
- **tecconnect** – An Alberta centre for new commerce' will continue to be a primary focus for the attraction and expansion of growth-oriented technology businesses to support diversification of the knowledge industry sector. It will continue to demand significant attention and resources, including ongoing subsidization, but the success of its current business plan and the related partnerships bode well for continued development of a robust entrepreneurial ecosystem for Lethbridge.
- Regional collaboration and partnerships with other business-related organizations are valuable, reducing internal competition and allowing EDL to maintain a client-centered approach to meeting industry needs.
- Even though some market rate increases exceed this, a 2% base operating budget increase will be applied annually unless other official communication from the City of Lethbridge is received.
- Opportunities that allow for leveraged funds are generally well-aligned with community and government priorities, thereby demonstrating value for money.
- There will be no new permanent staff positions added to achieve these objectives although there will be additional resources required on a term definite basis.

It should be noted that even with this clarity of direction, economic development by its nature is an opportunistic discipline, requiring flexibility and adaptability to respond to rapidly changing market conditions. EDL focuses on moving 'at the speed of business' and has been successful in achieving its strategic objectives while also responding to unanticipated challenges and opportunities.

Value for Money

Economic Development Lethbridge receives core funding (or the engine on the train as founding Board Chair Paul Pharo would refer to it) from the City of Lethbridge. As a result, the organization considers leveraging funds and maximizing productivity to be two of the key responsibilities EDL holds for the tax-supported dollars received. The chart below demonstrates EDL's ability to work with other partners to maximize operational funding.

Chart Highlights

- In 2013, EDL leveraged \$0.45 for every dollar of tax-supported funding; this is well above the \$0.27 average leveraged-per-dollar over the previous five-year period (2009-2013).
- In 2013 EDL leveraged more funds than in any other operating year, an increase of 78% year-over-year
- Since 2005, EDL has leveraged core funding to gain \$2 million in additional funding from other sources.

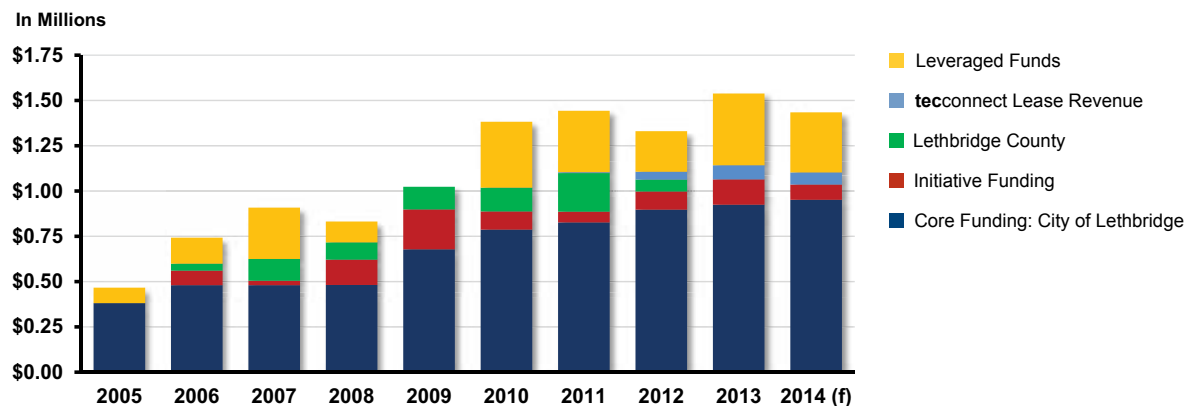
It should also be noted that from 2009 to 2011, EDL built 'tecconnect – An Alberta centre for new commerce' through the leveraging of \$1.16 million from the City of Lethbridge with \$4.39 million from the Government of Canada Action Plan via Western Economic Diversification. This, and the ongoing management of the facility since its opening, has been accomplished with no significant staffing increases.

Partnerships and Engagement

When Economic Development Lethbridge celebrated its 10th Anniversary in February 2013, it was calculated that since inception more than 18,000 volunteer hours were contributed by Board members, partners and local business leaders, equating to 35 years of 8-hour days.

Our organizational network of contacts is nearing 5,000 people and more than 170 Lethbridge-based businesses are involved with our interactive online business directory. This level of collaboration and engagement is fundamental to EDL's ability to achieve its objectives and understand business needs.

BUDGET REVENUE OVERVIEW: LEVERAGED FUNDS



2015-2018 STRATEGIC GOALS: BACKGROUND

There were four predominant themes that emerged from the Board discussions and from other strategic conversations over the past few months. Economic Development Lethbridge plays a role in leading or supporting the achievement of all of these. They also connect well with the opportunity to claim Lethbridge as a 'first-class small city' by 2025.

1. Business Development:

There is significant interest on all fronts for a continued focus on **Business Development and Investment**, the primary purpose of economic development. Creating the right internal environment for success will inevitably connect with any proactive marketing initiatives to attract new external investment. There were a few items in particular that received repeated support:

- Leveraging **tecconnect** and the strengths of the RINSA partners for creating an enhanced entrepreneurial ecosystem; working closely with all those involved in entrepreneurial services to ensure a high level of service and effectiveness in meeting the needs of new businesses for rapid commercialization (focusing on high-growth high-tech potential)
- Engaging with businesses and providing exceptional service and information to those interested in investing in Lethbridge, maximizing their investment and expansion potential
- Facilitating investment and development in downtown Lethbridge
- Supporting Lethbridge County in attracting enhanced air service and investment at the Lethbridge Airport

2. Convention & Event Development:

Over the past three years, the **Tourism Development and Marketing** landscape has changed in Lethbridge and throughout the province. The Government of Alberta introduced 'A Pathway to Growth: Alberta's Tourism Framework' in Spring 2014, the first provincial strategic tourism plan of its kind. The organizations funded by the City of Lethbridge to market and provide services to various segments of this market (Chinook Country Tourist Association, Economic Development Lethbridge and Lethbridge Sport Council) have been meeting to discuss future directions. This led to a community engagement session in April 2014 called 'Tourism – A Community Conversation' where 80 people indicated their interest in supporting a more robust direction for tourism in Lethbridge.

3. Respect & Reputation:

There is growing momentum around the world for ensuring cities and regions have the **Technological Capacity** in place to advance citizen and business connectivity in order to remain competitive. A number of cities around the world, including some in Canada of similar size to Lethbridge, have achieved Smart City status through the Intelligent Communities Forum. There are also regional initiatives underway in the immediate area. This kind of municipal leadership combined with related marketing opportunities will be necessary in order for Lethbridge to build on existing strengths and claim the status of 'first-class small city'.

In all three of these goals, there has been a repeated interest in seeing a broader **Branding** for Lethbridge in order to continue to develop a competitive advantage and more dynamic image for the city. The spirit of collaboration in Lethbridge combined with its size and strengths would create an ideal environment in which to formalize a focused and representative message. This is also aligned with EDL's plan of 'Economic Development for a First-Class Small City.' This would be a major undertaking but one that could serve the greater interests of business development, citizen engagement and the elevation of Lethbridge as a vital participant in the province and country.

4. Organizational Stability & Sustainability:

The Board of Directors of Economic Development Lethbridge is also interested in building a 'first-class' Board for the future of EDL as well as quality volunteer board service throughout the city. The enthusiasm demonstrated during the strategic planning meeting and the opportunity to further Board engagement are considered vital to ongoing organizational success.

\$4.97 BILLION

Gross Domestic Product (GDP) in Lethbridge in 2013. This is anticipated to surpass \$5 Billion in 2014.

18,000⁺

Volunteer hours contributed by EDL Board members, partners and local business leaders, equating to 35 years of 8-hour work days.

60%

Proportion of Alberta's population who deem entrepreneurship a good career choice.

\$2.8 BILLION

Annual revenue generated by the geospatial industry in Canada. This is 20% of the global market.

BUSINESS DEVELOPMENT

- Investment Attraction
- Retention & Expansion



1

2015 – 2018 THEME: INCREASE BUSINESS INVESTMENT AND ENHANCE ENTREPRENEURIAL ECOSYSTEM

Strategic Goal One: Realize growth in emerging/entrepreneurial and established industry sectors that complement our region.

This will be accomplished by:

Emerging/Entrepreneurial Sectors

- Aggressively marketing 'tecconnect – An Alberta centre for new commerce' to attract and support the establishment and growth of technology companies; update the tecconnect business plan in 2015
- Partnering with private sector leaders like the BlackBridge Group and thirdstream to build on private sector capacity and further develop the environment for technology company success
- Working with partners like the Regional Innovation Network of Southern Alberta (RINSA), TECTERRA, post-secondary institutions, other orders of government and various funders/service providers to create, access and offer services that support rapid commercialization and expansion of client companies
- Working with our partners to attract or create a Western Canadian or Canada-wide conference with emerging sector relevance

Established Sectors

- Identifying and pursuing wealth-generating industry growth opportunities through targeted marketing and expanded engagement with local business owners and leaders
- Supporting local industry in achieving their objectives and overcoming barriers to growth, these include but are not limited to transportation issues, labour force requirements, government regulatory restrictions, etc.
- Capitalizing on the scope of industry data and research available with Economic Development Lethbridge as the hub for business decision-making information
- Working closely with commercial realtors, the Lethbridge Chamber of Commerce, the Blood Tribe Economic Development department, Lethbridge County Economic Development Office and other business-related organizations to understand and meet the needs of business in the city and region

Long Term Goal: Lethbridge has leveraged its excellent infrastructure, transportation systems, qualified labour force and natural resources to support and attract investment.

This will be measured by:

- **Numbers of companies served, jobs created and capital invested (as provided by companies as available)**
 - Inquiry Activity (*Number, Type/Caliber, Geographic Origin, Industry, Status*)
 - Investment Attraction Metrics (*Value of Investment, Number of Potential Jobs, Land/Building Size*)
 - Retention & Expansion Metrics (*Company/Cluster, Type and Size of Expansion, Capital Investment, Potential Employment Growth, Future Opportunities*)
- **Positive changes in the key Economic Indicators tracked by EDL:**
 - People (*Demographics, Labour & Employment, Education & Workforce*)
 - Development (*Lethbridge GDP, Investment, Housing & Commercial Real Estate*)
 - Business Health (*Costs, Business Licenses Issued, Bankruptcy Levels*)
 - Lodging (*Hotel & Lodging Data*)
- **Results tracked annually for tecconnect client company performance and for RINSA**
 - Jobs Created (*Lethbridge post-secondary graduates employed*)
 - Funding Generated (*Grants, Private Investment, Vouchers*)

Alignment

- Connects with City Council 2014 – 2017 Strategic Plan: Strategic Goals 1.2, 1.3, 4.1, 4.2, 6.
- Connects with all four strategic priorities in Alberta's Economic Development Framework.

"EDL supported the development of our business from the first time we met through to our grand opening in December 2013. They helped us find a great site, complete public consultation activities and share information with government regulators. We sincerely appreciate their work in making our business a reality."

**Thane Hurlburt, President,
Lethbridge BioGas LP**

BUSINESS DEVELOPMENT (CONTINUED)

- Investment Attraction
- Retention & Expansion

1

CEO Commentary

Economic Development Lethbridge focuses on wealth-generating industries as the primary sectors for business development. These are defined as:

- **Agri-Food/Agriculture** – This remains one of the core clusters of Lethbridge's value-added businesses mix. There is significant investment happening in agri-food that bodes well for continued expansion of this industry in the city.
- **Manufacturing** – Lethbridge's manufacturers grew their employment by more than 85% over the past 10 years, much of it related to serving the agriculture and resource industries.
- **Resource Development** – Non-renewable resource development in the surrounding region has grown in the past few years due to exploration of the Alberta Bakken; however, the industry as a whole remains cautious in terms of its potential and the related value to Lethbridge industry. At the same time, there appears to be an increased interest provincially on investment in renewable resources, which could stimulate renewed regional collaboration for this expansion opportunity.
- **Knowledge Industry** – The construction and opening of **tecconnect** has corresponded with a significant shift in attention to entrepreneurial development and start-up business support from all levels of government. With a 100% increase in employment in Information and Cultural Industries in 2013, EDL sees maximizing that momentum as an opportunity to add high-quality jobs and anchor more head offices in our community.

While the first three primarily deal with established companies, the fourth industry cluster is more of an emerging sector for Lethbridge (particularly in the relatively new field of geospatial imaging).

This has resulted in EDL becoming involved with the development of the region's entrepreneurial network including our partnership with the Regional Innovation Network of Southern Alberta (RINSA).

This requires an expanded level of service and support than for established larger companies, which is one of the factors driving the need for an enhanced entrepreneurial ecosystem across the community and throughout the province, as led by Alberta Innovates – Technology Futures.

In terms of return on investment, here are a few key metrics of what **tecconnect** has done for business development in the knowledge industry sector since opening in June 2011:

- **tecconnect** has served nine incubator clients (with three graduating companies) and provided information and/or assistance to more than 39 other IT/geospatial related companies.
- Companies connected to **tecconnect** have accessed funding of over \$13 million through AITF, RINSA funding, NSERC, IRAP and other programs and have created over 60 jobs.
- EDL has hosted, attended and/or sponsored over 38 industry related events including our annual **tec & mingle**.
- EDL has also hosted TECTERRA client meetings and participated in a pivotal industry Round Table meeting in Ottawa as one of 100 geospatial business leaders providing input into a Pan Canadian Strategy to promote the geospatial sector to a global market.

EDL also provides extensive support to businesses looking for information and connections in order to establish or grow their business in the city and surrounding region. In order to provide accurate and thorough information, EDL collects and interprets data for more than 80 tables and charts with over 3,000 individual data points. The online interactive map has 13 demographic base layers with 24 overlays and a directory map of more than 170 companies. Additionally, EDL gathers and interprets a range of key economic indicators as well as studies from other third-party surveys. All of this data is provided to companies in order to support their decision-making efforts for investment.

tecconnect - An Investment in a Diversified Future

According to studies conducted by the National Business Incubators Association (US) and The Business Link (Canada), business incubation financial sustainability is difficult to achieve. In fact, they state, it may be an unrealistic expectation for some incubation programs, particularly those in smaller urban centres. In these cases, the sustainability of the incubation programs is due in large part to funds from external community and government based sources because they are considered to be worthwhile investment in the economic well-being of the region.

When **tecconnect** was built, the capital funding made available through Western Economic Diversification and the City of Lethbridge did not support adequate square footage to become financially sustainable based on lease revenues alone. The Board of Directors was aware of this and felt the investment in a diversified economy was a strategic direction worth pursuing. In particular, the long-standing interest in being able to retain more of the highly skilled graduates of Lethbridge College and the University of Lethbridge was a prime motivator.

Projections within the business plan assumed that other financial support would come from the Government of Alberta, sponsorships, data centre access and services, cost recovery in business support services and BlackBridge's five-year investment. EDL has been able to secure some additional funding and the BlackBridge partnership is instrumental in the ongoing success of the facility. Efforts to leverage the investments into **tecconnect** through other orders of government and private sector partnerships continue to be a priority to ensure the sustainability of the operation. The Board approved a Sustainability Plan in the summer of 2013 that is being implemented.

The support of the City of Lethbridge and our other partners like the Regional Innovation Network of Southern Alberta (RINSA) is foundational to spinning out successful companies that strengthen and diversify the city's economic base.

\$ 100
MILLION

Value of the 2013 Manufacturing sector GDP in
Lethbridge. An increase of \$9 million since 2012.

20.7%

Canada's total agriculture output that is produced in Alberta: primary agriculture is 1.3% of Alberta's GDP.

\$ 900 MILLION

Overall value of the potato industry in Alberta.

169,000

Total number of businesses in Alberta.
Only 386 (0.2%) of them have more than 500 employees.

15%

Expected growth rate for the national geospatial industry.

CONVENTION & EVENT DEVELOPMENT



2

2015 – 2018 THEME: CONTINUED ATTRACTION OF BUSINESS TRAVELERS AS WELL AS SUPPORT FOR TOURISM DEVELOPMENT STRATEGY

Strategic Goal Two: Continue marketing efforts targeted at business activities and providing exceptional service to landed business; support the creation of a strategic Tourism Development and Destination Management Plan.

This will be accomplished by:

CONVENTION & EVENT MARKETING

- Building on established and new relationships at tradeshow targeted at professional meeting and event planners to continue to build business traveler revenues
- Continuing collaboration with hospitality partners, governments and attractions to provide quality business traveler and guest experiences in Lethbridge
- Supporting the bids for major national events like 2019 Canada Winter Games and Skate Canada 2015

DESTINATION MANAGEMENT PLAN

- Working with the other tourism-related organizations in the city to create a plan that identifies and integrates the various aspects of tourism opportunity
- When complete, considering options for organizational structure that best serves implementation and goal achievement

This will be measured by:

- Achieving targets of \$7.5 million to \$10 million in direct spend through a combination of EDL marketing efforts and service support for other bids and events
- Attracting or supporting the development of a Western Canadian or Canada-wide conference with emerging sector relevance
- Successful major bids and events
- Support for the completion of a Tourism Development and Destination Management Plan along with decisions related to organizational structure for implementation of that plan

Alignment

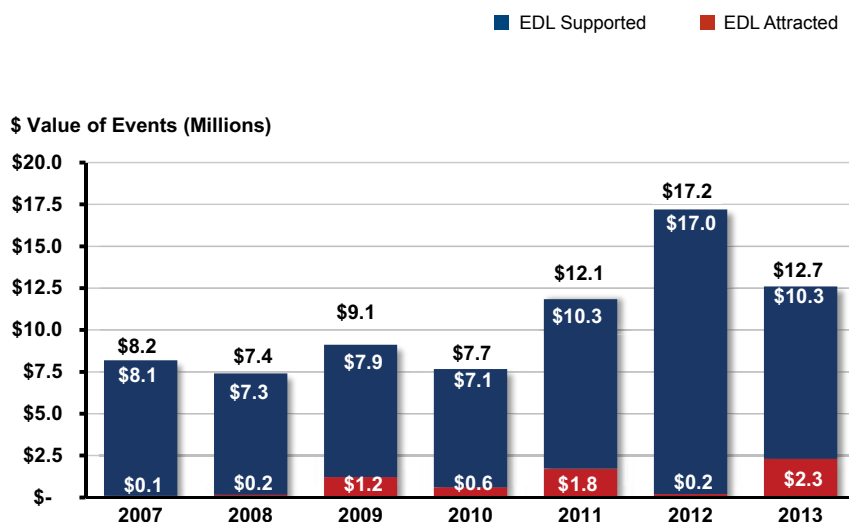
- Connects with City Council 2014 – 2017 Strategic Plan: Strategic Goals 2, 3.1, 3.3, 4.1, 4.2
- Connects with the strategic priorities in A Pathway to Growth: Alberta's Tourism Framework

Long Term Goal: Lethbridge is a desirable destination for business travelers.

CEO Commentary

The past three years have sustained strong direct spend values, exceeding our anticipated annual target of \$10 million. This has been largely due to an increase in sports tourism based on the quality and caliber of sporting facilities built up in the city over the past few years. Having said that, EDL's convention and event marketing efforts resulted in the highest annual meeting-specific attraction success in 2013.

CONVENTION & EVENT ACTIVITY: DIRECT SPEND SUMMARY



Outside of the increment applied by the City of Lethbridge to the annual budget, there has been no new funding for Convention & Event Development since 2008 (various new initiative requests were unfunded). With the existing resources and amenities, EDL has likely reached its capacity for expanding market share. As outlined in the table, efforts continue to generate interest and leads but projections remain for direct spend impact somewhere between \$7.5 million and \$10 million per annum going forward. The Government of Alberta has set a target for tourism revenues in the province of \$10.3 Billion by 2020. Unfortunately even with a new cohesive tourism plan, the two major barriers to continued expansion are air service constraints and quality hotel facilities connected to convention and conference space. While EDL remains committed to supporting airport development in conjunction with the efforts of the County and City, without new facility development or expanded air service, these two factors will inhibit marketing efforts to bring repeat business or new, larger conferences to the city.

The opportunity for a formalized, collectively-designed tourism plan may stimulate further public and private sector interest in investing in new facilities; however, it is likely there will be a need for municipal and other government involvement in relevant opportunities. A tourism plan could also be useful in demonstrating market growth potential to interested airlines.

FUNDING SUPPORT FOR TOURISM PLAN DEVELOPMENT

As a show of support for this undertaking, EDL would commit up to \$15,000 per year for 2015 and 2016 from the Convention & Event funding received from the City of Lethbridge to the costs associated with the development of this plan and would ask the Lethbridge Lodging Association to match that.

\$41.3
MILLION

Total value of The Crossings Ice Complex which
is projected to open in late 2015.

\$12.8
MILLION

Direct spend impact on local economy from
conferences, meetings and events that EDL
attracted and supported in 2013.

\$29.1 **BILLION**

Direct spend impact on national economy
from business-related events in 2012. These
events attracted 35.3 million participants.

2 in 100

Ratio of Canadians working in the
business events industry.

\$1.74 **BILLION**

Profits in Alberta's accommodation
sector in 2012.

3

2015 – 2018 THEME: STIMULATE COMMUNITY ENGAGEMENT TO DEFINE ATTRIBUTES OF ‘FIRST-CLASS SMALL CITY’ FOR BRAND DEVELOPMENT AND ‘BIG CITY’ MARKETING IMPACT

Strategic Goal Three: Build internal brand identity and capacity for first-class small city attributes through citizen and business engagement in community-wide strategic initiatives including technological capacity to achieve Intelligent Community designation, ultimately resulting in a new brand strategy for Lethbridge in 2018.

**This objective is in partnership with the City of Lethbridge Information Technology department and City Council.*

This will be accomplished by:

- Working with the City of Lethbridge to leverage the diverse relationships EDL has with Team Lethbridge, the city’s major employers and business leaders as well as other community leaders to achieve Intelligent Community designation
- During that process, discuss and develop the range of criteria to benchmark Lethbridge as a ‘first-class small city’
- Using that foundation to build internal brand identity and brand champions across all major stakeholder groups, ultimately resulting in brand development through 2017
- Launching a community-wide brand with all partners and stakeholders in 2018 tied to raising awareness of Lethbridge through focused messaging and maximizing reputational impact at large scale events
- Creating a National Promotional Tour, elevating Lethbridge in major centres and to investors across the country for the city’s innovation and first-class attributes

This will be measured by:

The following list represents potential measurements/outcomes that could be achieved through this strategy. These will be vetted during the Intelligent Community development process but give a sense of the foundation for this initiative:

- **Innovation**

- Use broadband access to level the playing field and position Lethbridge as an innovative community within the local, provincial and national market through collaborative partnerships, city-facilitated technology integration and establishment of a city-wide standard for online service delivery (benefits business and citizens)

- **Connectivity**

- Facilitate the attraction of Internet Service Providers to keep costs competitive and increase choice resulting in business growth and profitability, a business- and citizen-friendly downtown core, business and worker attraction

- **Digital Inclusion**

- Promote access to online services that enhance both business and citizen user experience and perception of our community resulting in increased engagement, business revenue and media attention

- **Knowledge Workforce**

- Retain post-secondary graduates and attract skilled professionals to grow the knowledge economy, resulting in:
 - Diversified industry and high-tech sector growth
 - GDP growth
 - Stable population growth and cultural vibrancy
 - High-quality employment

- **Marketing & Advocacy**

- Achieve a smart city status to enhance the brand attributes related to the reputation of our community
- Encourage purposeful growth resulting in increased business investment, industry growth and diversity, community and business sustainability

Alignment

- Connects with City Council 2014 – 2017 Strategic Plan: Strategic Goals 1.1, 1.2, 1.3, 3.0, 4.0, 4.1, 4.2, 5, 6
- Connects with all four strategic priorities in Alberta's Economic Development Framework
- Connects with Heart of our City Master Plan Part 3: The Vision

RESPECT & REPUTATION (CONTINUED)

3

“A place brand strategy requires a realistic, competitive and very compelling strategic vision for a city, region or country and needs to ensure that it is supported, reinforced and enriched by every act of communication between that place and the rest of the world. Every government and municipal department or local agency, local people and local companies must consistently communicate and demonstrate the same carefully developed brand.”

– Economic Development Association of Canada (EDAC) White Paper:
Place Branding in Practice

CEO Commentary

The establishment and success of Team Lethbridge since 2008 has built a sophisticated and effective internal network of connections, all with the interest in advancing Lethbridge as a city worth investing in. While the Team Lethbridge trip to Edmonton to meet with provincial government representatives will take place again in Fall 2014 and perhaps again in 2016, there is interest in connecting this network of community leaders to major community-changing efforts like this one. The Intelligent Communities Forum (ICF) states that ‘the culture of the community forms the launch pad for every program and project’. Lethbridge has a culture of partnership and collaboration that could transform a technological capacity-building initiative into a launch pad for effective and dynamic branding.

The ICF also says that Intelligent Communities turn to technology not just to save money or make things work better; they create high-quality employment, increase citizen participation and make themselves great places to live, work, start a business and prosper across generations. This sounds very much like EDL’s mission statement and is well aligned with the City’s community vision.

Long Term Goal: Lethbridge is recognized and respected as a vital player in the provincial and national marketplace.

NEW INITIATIVE FUNDING REQUEST

This is the major new work anticipated for the 2015 – 2018 Plan. This new initiative funding request is tied to the complementary piece required by the City of Lethbridge Information Technology department. In total, this is a \$1.82 million project over four years that will identify the necessary technology infrastructure for exceptional, community-wide broadband access as well as the development of the branding and marketing strategies that would leverage that investment into nation-wide attention and awareness of Lethbridge. This would include leveraging the City of Lethbridge funding with partner dollars for a major campaign in 2018.

The entire EDL portion is one-time funding. The brand management following development would fall within regular EDL business.

	2015	2016	2017	2018	Total
City of Lethbridge Information Technologies	\$267,500	\$269,500	\$260,500	\$245,500	\$1,043,000
Economic Development Lethbridge	\$144,500	\$144,500	\$244,000	\$244,000	\$777,000
Total	\$412,000	\$414,000	\$504,500	\$489,500	\$1,820,000

Note: The City of Lethbridge funded the full four years on the City of Lethbridge Information Technologies portion and the first two years (2015 & 2016) on the EDL portion.

"Approximately 70% of our students are from outside of Lethbridge. Attraction of these students is highly dependent on technology so the idea of having an intelligent community works from a marketing perspective. All great universities are in great cities."

Dr. Michael J. Mahon,
President and Vice- Chancellor, University of Lethbridge

\$427
MILLION

Amount that Lethbridge College students added
to the economy in the Lethbridge region during
the 2011-2012 year.

91%

Number of homes in the province with at least one mobile phone. That compares to the national average of 83%.

93%

Lethbridge residents that say they are proud to live in this community.

50 BILLION

Expected number of devices connected to the Internet by 2020.

64%

Proportion of people in Lethbridge that have completed some form of post-secondary education.

4

2015 – 2018 THEME: VALUE OF BOARD MEMBER RIPT CONTRIBUTES TO SUSTAINABLE AND SUCCESSFUL ORGANIZATION

Strategic Goal Four: Board members receive adequate Return on the Investment of their Personal Time (RIPT) through the satisfaction of successfully advancing the mission of Economic Development Lethbridge and through learning opportunities related to best practices in Not-for-Profit Boards.

This will be accomplished by:

- Effective regular meetings focused on strategic governance and policy requirements
- Meeting attendance and engagement in events that further the mission of EDL
- Annual presentation and discussion of a Policy Precis outlining existing and new policies for consideration
- Development of a Board Skills and Competencies Matrix for consideration by the Nominations Committee in recruiting and developing members
- Creating a plan to allow interested Board members to learn more about volunteer board service or economic development as a discipline

This will be measured by:

- Biennial Board of Directors self-assessment survey

CEO Commentary

This is an opportunity to enhance Board member recruitment and skill development as part of a high-performance culture. There is also an interest in improving Board member attendance at regular meetings while maintaining a focus on policy governance. By attracting interested and qualified Board members and then providing a high RIPT through development opportunities, EDL can continue its strong record of quality Board engagement.

In addition to this, EDL has high standards for effective financial management including clean audit reports every year of operations. The organization also strives to create a collegial, high-performance team environment and positive team culture. In 2014, the Board introduced progressive Retention & Succession Planning Governance and Operational Policies to encourage long-term employee engagement, something considered very important in a small but dynamic organization. Implementation has begun and will continue.

Long Term Goal: EDL is a stable organization with an effective Board of Directors with policies and practices that engage qualified employees with the resources to generate results for the community.

"I will say that the response from all of you at Choose Lethbridge [Economic Development Lethbridge] is more positive and energetic than any other jurisdictions we've seen! Can't wait to visit."

**Current Investment Prospect,
Agri-Food Sector, May 2014**

"The Pacific Northwest Shriners Convention in Lethbridge was a wonderful success! What a beautiful city and great place to meet. The support and partnership we received from the hospitality sector and Economic Development Lethbridge convention team exceeded our expectations. "

**Chris Tsaros,
Al Azhar Shrine Centre Shriners International**

"tec and mingle was fantastic! We met many, many students and prospective employees with the skill sets we're looking to hire in our quest to find three new employees as soon as possible. Every single one of my business cards disappeared which I've never had happen at an event before, and the general interest in what we do was very high."

**Dave Gelowitz,
VP of Software Development,
InfoChip Systems Inc.**

Note: All three open positions were in fact successfully filled as a result of connecting with prospective employees at tec & mingle.

RECOGNITION OF SUCCESS

Since the inception of EDL in 2003, the organization has been formally recognized with 18 partner, provincial and national awards. This recognition validates the consistent high-level performance for which EDL strives.

With a move into the large community categories in 2009, the awards that followed are particularly gratifying as EDL is in a category that competes with major cities across the province (EDA) and the country (EDAC) including Calgary, Edmonton, Vancouver and Toronto.

SITE SELECTION MAGAZINE TOP CANADIAN ECONOMIC DEVELOPMENT GROUP

2006

Outstanding Economic Development Achievement

SOUTHGROW REGIONAL INITIATIVE CREATING OPPORTUNITIES

2008

- "Grow Ahead" - Joint Labour Market Initiative

2009

- Excellence in Investment/Business Attraction

ECONOMIC DEVELOPERS ALBERTA (EDA) MARKETING AWARDS OF EXCELLENCE

2004

Alex Metcalfe Economic Developer of the Year

- Edward R. Fetting

2006

Best General Purpose Brochure

- Convention & Event Planner

Best Multi Media

- www.chooselethbridge.ca

2007

Best General Purpose Brochure

- Business Investment Profile

2011

Advertising - Single Advertisement

- Lethbridge Awareness Campaign

Branding Destination Marketing

- Lethbridge Awareness Campaign

2012

Alex Metcalfe Award for best provincial project

- [tecconnect - An Alberta centre for new commerce](#)

Branding/Destination Marketing

- [tecconnect - An Alberta centre for new commerce](#)

2014

Website

- www.tecconnect.ca

Special Event/Program or Campaign

- [Success in Lethbridge](#)

ECONOMIC DEVELOPERS ASSOCIATION OF CANADA (EDAC) MARKETING CANADA AWARDS

2006

Website

- www.chooselethbridge.ca

2007

Business Development Publications (Print)

- [County of Lethbridge Business Investment Profile](#)

2009

Advertising - Single Advertisement

- [Collaborative Business Parks Promotion](#)

2011

Advertising Campaign

- [Lethbridge Awareness Campaign](#)

2012

EDAC RBC National Economic Development Achievement of the Year Award

- [tecconnect - An Alberta centre for new commerce](#)

2013

Promotional Items

- [Origami Fortune Teller](#)

> 100

Community leaders have had a hand in guiding
Economic Development Lethbridge as
Board Members and Advisory Group participants.

78%

Year-over-year increase in funds leveraged
by Economic Development Lethbridge
from 2012-2013.

100,000⁺

Website page views on Economic Development
Lethbridge managed sites in 2013.

>1,500

Approximate number of businesses EDL
has worked with since 2003.

\$ **853**
MILLION

The GDP in Lethbridge created by the Primary Industries sector (mining, oil & gas, agriculture and utilities). This is 17% of the city's total GDP.

2,300

Hours of sunshine in Lethbridge
each year.

10%

Increase in new business licenses
issued in Lethbridge between
2012 and 2013.

#1

Most affordable city in Alberta to buy a
new or resale home = Lethbridge!

APPENDICES

1. EDL Board of Directors Preparation Work for 2015-2018 Business Plan and Budget

- Board Input Form Responses
- Lethbridge 2025: A Visioning Exercise
- Economic Development for A First Class Small City: Prioritization of Opportunities
- 2015-2018 Budget Principles

2. EDL Pre-work and Background Review Materials

- Organizational SWOT Analysis
- **tec**connect: Assessment
- Business Friendly Community Criteria
- 2014 KPMG Competitive Alternatives Findings
- 10 Year Trends & Economic Indicators
- Top 10 Attributes of Successful Communities
- 13 Ways to Kill Your Community Summary
- KPMG Future State 2030: Nine Global Megatrends Summary

3. Current Community Directions Relevant to 2015-2018 Strategies

- SmartSouth Concept Idea – January 2014
- SmartSouth / Intelligent Communities Presentation Discussion Notes – April 2014
- Tourism – A Community Conversation Summary

4. 2012-2014 Economic Development Lethbridge Strategic Plan

5. Additional Reference Materials

- Lethbridge City Council 2014–2017 Strategic Plan
- Building on Alberta's Strengths: Alberta's Economic Development Framework



