

ECONOMIC DEVELOPMENT

# Strategic Plan

2015 - 2017



**Town of Vermilion  
Economic Development Priorities  
and Implementation Considerations**

May 2015

Assisted by: **EcDev** Solutions Ltd.

# **Town of Vermilion Economic Development Priorities and Implementation Considerations**

## **Introduction and Background**

Vermilion Town Council and Administration have determined that a high level Economic Development Strategy is required for the ongoing development of the Town. This report documents the specific high level strategic economic development priorities presenting commonly perceived opportunities for development, over the next few years. It is also evident that implementation considerations will need to be clearly understood to enable prudent decision making in the future.

The report includes a description of the process by which this work was completed, the background information that was collected, synthesized and presented to inform the participants that were engaged, the summary of the resulting priorities and a description of implementation considerations.

## **The Process**

This project was initiated by a thorough review of appropriate background documents to create a relevant Background Brief and the creation of a statistical Abbreviated Economic Base Overview. These information packages were distributed to all participants in advance of interviews and facilitated sessions to solicit their input into the economic development direction and strategies that the Town should pursue in the future. The intent was to ensure all parties had a similar, and accurate, picture of the current reality from which to base their decisions and recommendations.

The Background Brief included descriptions of community assets and strengths, as compiled from numerous published sources. This short report identified sectors for development and industry strengths extracted from published reports commissioned and provided by external agencies. Town policies and actions designed to enable, stimulate, and accelerate development were also described and assessed. Additionally, summary information pertaining to key demographic characteristics of Town residents was provided (Population, Age Distribution, Educational Attainment, Household Income, Labour Force and Commuting Patterns). Finally, community realities including challenges to be overcome, if possible, were identified to assist with the selection of economic development priorities. For a complete list of documents that were reviewed please see Appendix A.

All economic information contained in the Abbreviated Economic Base Overview measured change over the period 2006-2011, average annual rates of change and compared Vermilion to similar changes in Alberta. The Economic Base information pertained to the Vermilion Census Agglomeration Area which includes the Town of Vermilion and Vermilion River County and included:

- Population and growth rates,
- Incoming population migration,

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- Home based business information,
- Unemployment rates,
- Job creation, growth rates and proportional share of the overall economy by industry sector,
- Change in industry proportional share of employment, and
- Location quotients – comparing industry employment concentrations in Vermilion with the Alberta averages.

Next, a series of four different input sessions were conducted to solicit input regarding potential, and priority, economic development initiatives:

- Senior Administrative Staff, March 17, 2015,
- A series of 16 individual interviews were conducted with key business people, March 18 and 19, 2015,
- A group of 10 Community Organizations participated in a facilitated Focus Group, March 18, 2015, and
- Vermilion Town Council participated in a facilitated discussion and priority setting session, April 20, 2015.

As noted previously, all participants were provided with the Abbreviated Economic Base Overview and the Background Brief in advance. In addition, Town Council was also provided with the Interview Summary in advance for their review prior to the facilitated session. For a complete list of participants please see Appendix B.

The discussion with senior staff was to ensure the completeness of the Background Brief prior to its distribution to business representatives and to Town Council. This group was also asked for their ideas related to business, community and overall economic development. They were also requested to indicate which proposed initiatives were the highest priority.

Next, separate individual interviews were conducted with business and community organization representatives. Based on the Background Brief and the Abbreviated Economic Base Overview, and augmented by their individual understanding of the community and its needs and opportunities, participants provided input regarding economic development priorities including identifying the underlying rationale for proposing individual items. This information was summarized and provided to Town Council prior to their session. A total of 56 distinct initiatives were identified and participants were asked to indicate which of these should be a priority for the Town. All of this input has been summarized and forwarded to the Town under separate cover.

Finally, a facilitated session was held with the entire Town Council. Previously distributed information was reviewed and discussed. Council then brainstormed potential economic development priorities and opportunities. There were 19 specific initiatives identified in this process. Priorities were then selected, through a visible democratic vote – each participant

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had a limited number of votes they could use in any way they wished. Each person also had veto votes they could use if they were strongly opposed to pursuing any specific initiatives. Of these, only 1 proposed initiative was vetoed with individuals being strongly opposed to pursuing the initiative. This proposed initiative was discussed to determine the underlying reasons for the lack of support. It was determined that the proposed initiative would not be pursued.

Not all initiatives can, or should be pursued immediately. The process followed by Vermilion's Council ensured the selection of a limited number of initiatives to be pursued – essentially the Top 5 priorities. This allows for a focused approach and should provide greater probability of success.

All information summaries, including the individual detailed expressions of priority, have been delivered to the Town under separate cover for further evaluation, consideration and potential pursuit.

### **The Consolidated Economic Development Priorities**

As noted above, the following economic development priorities have been determined by Vermilion Town Council and are presented below in priority order. It is also important to note at this point that economic and community development is a team effort and community partners should be identified and engaged for almost all future initiatives and activities.

- Attract a developer / builder to improve the number and choices of rental residential housing options;
- Develop a business case and attract a “Super Truck Stop”;
- Work on establishing improved relationships with Lakeland College and improve engagement with the students;
- Ensure the Town's Economic Development officer is clearly the Single/Only Point of Contact for all economic development questions, priorities, discussion, etc.;
- Improve the relationship with the Provincial Park, improve the Park and then promote it;
- Attract 2-3 new industrial / manufacturing businesses to locate in the Yellowhead Business Park; and
- Identify prospective target company leads for investment attraction efforts and pre-qualify their interest and intentions.

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Of course, there are a number of other initiatives currently under development by Vermilion's Economic Developer which should be continued, notably the development of a specific action-oriented plan for the "Good Life Institute".

### **Implementation Considerations**

#### **1. Business and Investment Attraction**

The underlying heart of effective business and investment attraction programs is in the ability to focus on a limited number of targets and develop sound business cases to facilitate their pursuit and, ultimately, successful attraction. Once targets have been selected, by whatever means chosen, there is a crucial role to be played by the private sector. With their networks of other business owners and operators, especially from outside of the community, Vermilion's business community is well positioned to be ambassadors, door openers, influencers, and an on the ground "sales force" with incoming potential new businesses. In fact, the local business community can often be a rich source of potential key targets as they are already aware of their supplier networks and other businesses seeking appropriate and viable investment opportunities.

An important ingredient in successful business investment attraction rests, to a large degree, in the ability to focus efforts on specific targets which should lead to maximum returns. Fortunately, a number of rigorous analytical tools exist to help economic developers, and communities, refine their areas of focus, and hence concentration of effort.

A critical element in business attraction is getting on the radar early and maintaining an appropriate level of engagement, since it does not matter how well a region can execute on a project if it is not included in the process from the beginning or does not properly cultivate the relationship.

An equally important key to success is committing to the long term in cultivating these relationships. Investment attraction is a "long sales cycle" process that typically takes many months, sometimes years, for opportunities to evolve into projects and ultimately investments.

Furthermore, most companies, especially small and medium sized enterprises, are likely to consider strategic alliances or partnering as one of their options for business expansion, instead of, or in addition to the option of direct investment. Direct investment may take place as a subsequent step but it is not the only way for a region to obtain economic development benefits from a foreign or external company's business expansion. Strategic alliances and partnering can also result in the creation of sustainable new jobs and enhanced

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economic activity. Any region not willing to engage targets in a discussion of the full range of their business expansion options will inevitably miss opportunities.

There are a variety of types of investment attraction opportunities including:

- Grand Prize - capital investment that creates significant, well-paying jobs and substantial additions to the tax base,
- Smaller to medium scale capital investments,
- “Beachheads” - sales and marketing offices, focused on developing market share,
- Joint ventures and acquisitions of in-region players, potentially leading to further investment, but also risking consolidation/rationalization/downsizing plays,
- Research and Development collaboration to develop marketable products/services, and
- Sub-contracting and supply chain development - investment does not often happen without some kind of trade happening first.

Opportunities for beachhead and future investment should be cultivated, even if the returns cannot be quantified immediately. These will be important components of ‘networking’ the value propositions of Vermilion and will help reinforce positive perceptions as these relationships grow.

### **2. Business Retention and Expansion**

The value of business retention and expansion activities should not be underestimated. These activities are usually based on a local Business Visitation Program where the focus is on growth, expansion, import replacement, and the identification of barriers, obstacles and hurdles that need to be removed. These actions can be enhanced and accelerated through formal education programs targeted to business needs, incubator programs, and the establishment of effective business support organizations.

Given that a large portion of the total new business investment in a region is reinvestment by existing companies, the investment attraction strategy must be closely aligned with the business retention and expansion program. This is to ensure that the investment attraction program can benefit from:

- Market intelligence from existing investors and indigenous companies about trends and opportunities in their sectors, including suggestions of, and referrals to, potential targets,
- The development of a directory of regional businesses and capabilities to aid in discussions with prospects about their business growth options,
- Information about expansions by foreign companies with existing operations in the region,

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- Information about possible new investments by other divisions of foreign companies with existing operations in the region,
- Testimonials from existing business leaders and their input to value propositions, and
- The participation by local business leaders in external company visits to the region.

### **3. Research, Marketing and Promotion**

To succeed in today's highly competitive marketplace, economic development is an incredibly information intensive undertaking. Today's investors, both local and external, are very sophisticated and typically use third party, verifiable information on which to base their investment decisions. Therefore, it is crucial to Vermilion's economic development future that appropriate economic base information not only be collected, maintained, and be made widely available, but it must be augmented with additional information for promotional, advertising and business attraction efforts. In today's environment this information must be made available in digital format and on-line.

Typically, the following is the minimum business and market research activities that are needed to support effective economic development and community promotional efforts:

- Provide up-to-date information about Vermilion's key economic sectors and their recent performance,
- Identify and evaluate current issues impacting Vermilion's economic development and performance,
- Identify internal and external economic trends and target opportunities for business development,
- Compile and disseminate key statistics and economic indicators about Vermilion, including current socio-demographic information,
- Collect and provide community lifestyle and tourism information,
- Evaluate potential target markets as opportunities for Vermilion companies,
- Evaluate the business needs of Vermilion to identify specific target industries and companies for business investment attraction activities,
- Identify prospective target company leads for investment attraction efforts and pre-qualify their interest and intentions, and
- Develop and package information to be used as preliminary business cases for presentation to those targeted, pre-qualified companies in business investment attraction efforts.

Marketing and Promotion are the outreach efforts that inform potential new businesses, residents and tourists about Vermilion, the opportunities, and the amenities and attractions available. Today's marketing environment is absolutely full of "community and experience messages" from competing communities. It is therefore imperative that Vermilion's



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message be as crisp, clear and compelling as possible in order to be noticed in this “noise”. The objective of these messages is to convey that Vermilion is THE preferred location to work, shop, visit and live, as well as a community that not only knows where it is going, but also knows how it is going to get there – the existence and implementation of its economic development strategy.

At the same time, there is an overwhelming choice of marketing and promotion vehicles available ranging from print, the internet, social media, streaming video and audio, to radio, television, trade shows, and outgoing prospecting missions. A careful analysis of the effectiveness and reach of these instruments will pay off handsomely to ensure the maximum exposure to the appropriate audiences. Also, as no community can possibly afford to advertise and promote itself in all markets in Canada, let alone North America and overseas, Vermilion will need to conduct a careful analysis to ensure they are investing in the appropriate markets, and vehicles, where their targets – both businesses and tourists – can be reached most effectively and efficiently.

As usual, marketing and promotion investments can always be leveraged with those already being made by the private sector and other community organizations and institutions. An important caveat is to ensure that all of the various messages being delivered regarding development, amenities and quality of life in Vermilion are consistent and that they re-enforce each other – a key deliverable of an effective economic development strategy.

### **Conclusions**

Now that this work has been completed and the selection of strategic economic development priorities has been accomplished, the detailed work can begin with focused effort, resources and enthusiasm.

This project should be followed by the development and implementation of a comprehensive economic development tactical plan, based on strategic priorities as noted above. This plan will necessarily include projects; priorities; the assessment of options; feasibility reviews of various choices that must be made; action plans with budgets, performance targets (based on expected outcomes) and measurement metrics; evaluation systems and processes; and finally, communications and reporting protocols.

Included in this work would be the selection of an appropriate mix of implementation activities (investment attraction, retention and expansion, research, marketing and promotion) and the allocation of proportional concentration of effort, resources and including budgets.

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Finally, it is crucial that all economic development activities and initiatives be coordinated through a “single-window” approach in Vermilion. This can, and will, maximize the Town’s investment in economic development by facilitating coordinated delivery – making sure that people and initiatives are linked to help foster an environment of teamwork and ensuring that everyone who should be informed receives the necessary information they can then act upon.

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### Appendix A

The background documents reviewed included:

- Town of Vermilion, South 41 Gateway Area Structure Plan, Bylaw 2-2009, May 19, 2009
- Vermilion Intermunicipal Development Plan, December 2009
- Town of Vermilion, Municipal Development Plan, Bylaw 18-2011, no date
- Community Brand Action Plan, Final Report, Destination Development International, November, 2011
- Town of Vermilion, Brand Identity Style Guide, March 2012
- Town of Vermilion, Strategic Plan, March 23, 2012
- Town of Vermilion, Mock Familiarization Tour, EDA Alberta / Rainmaker Global, July 2012
- Town of Vermilion, Brennan North Area Structure Plan, By-Law 13-2013, February 18, 2014
- Town of Vermilion, 2014 Strategic Plan
- The Good Life Institute, Events Pamphlet, Fall, 2014
- Alberta Municipal Affairs, Statistical Profiles for Vermilion and the County of Vermilion River, accessed January 9, 2015.
- Town of Vermilion / Avison Young, East Point and Yellowhead Business Parks information Circular, January 23, 2015
- <http://albertacommunityprofiles.com/Profile/Vermilion>, accessed February 16, 2015
- Town of Vermilion, Style Your Business, Business Revitalization Program Flyer, no date
- Town of Vermilion, New Business Development Incentive Program Flyer, no date
- Town of Vermilion, South Brennan Lots Information Circular, no date
- Town of Vermilion, Junction Sixteen 41 Information circular, Highway Commercial Lots, no date
- Town of Vermilion, Vermilion Business, The Hub of Regional Industries Information Circular, no date
- Town of Vermilion, Vermilion Business and Community Profile, TNC Publishing, no date
- The Good Life Institute, Information Handout, no date
- Alberta HUB, Information package, no date
- Vermilion Region Partnership, Ambassador Program Flyer, no date
- Vermilion Region Partnership, Breakfast Sponsorship Opportunities Flyer, no date
- Town of Vermilion / County of Vermilion River, Highways 16/41 Crossroads Area Structure Plan, Town of Vermilion Bylaw 13-2010 and County of Vermilion River Bylaw 10-15, no date
- County of Vermilion River, North 41 Gateway Area Structure Plan, Bylaw 10-11, no date

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### **Appendix B**

In addition to the full Town Council: Mayor Bruce MacDuff; Councillor Robert Pulyk; Councillor Clint McCullough; Councillor Caroline McAuley; Councillor Harp Khela; Councillor Greg Barr; and Councillor Richard Yaceyko; the following individuals provided their assessment and input in either a small group meeting or in face-to-face interviews:

- Dion Pollard, Town Manager, Town of Vermilion
- Denise Macdonald, Director – Finance & Administration, Town of Vermilion
- Shawn Bell, Director – Community Services, Town of Vermilion
- Allan Wilson, Planner & Development Officer, Town of Vermilion
- Mary Lee Prior, Community Economic Development Coordinator, Town of Vermilion
- Harp Khela, Owner, Lakeland Mall
- Darin Zubiak, Fountain Tire
- Mike Webb, Webb's Ford
- Craig Brown, Apple Drugs
- Hugh Stewart, Stewart Realty
- Toland Cochran, Dundonald Homes
- Jason Long, Long's Value Drug Mart
- Glenn MacDonald, Family Foods
- Doug Stewart, Craig's of Vermilion
- Audrey Chersterman, Vermilion Heritage Museum
- Kerri Pullyblank, Vermilion Allied Arts
- Colleen Berg, Good Life Institute
- Carol Wasylik, Quilting Club and Extra Ordinary Extras
- Eugene Wasilyk, Rotary Club of Vermilion
- Brenda Lee, Rotary Club of Vermilion
- Liz Purcell, Vermilion Pottery Guild
- John Lychak, Vermilion Community Art Club
- Brenda Bintz, Vermilion & District Chamber of Commerce
- Darlene Dicke, Daroma Spa Boutique
- Lee Gottschlich, LMG Manufacturing
- Brent Baddock, Ireland Farm Equipment
- Greg Lumley, Vermilion Agriculture Society
- Jay Sinclair, Vermilion Agriculture Society
- Gerald Heibert, Eastalta Co-Op
- Gerogina Altman, Lakeland College