



# **NORTHERN SUNRISE COUNTY**

## **SUNRISE GATEWAY BUSINESS PARK 2019 DEVELOPMENT STRATEGY**

**August 2019**



## Table of Contents

### Executive Highlights

<b>Section 1</b>	<b>Background</b>	<b>7</b>
<b>Section 2</b>	<b>Overview of Northern Sunrise County</b>	<b>9</b>
<b>Section 3</b>	<b>Population &amp; Traffic Counts</b>	<b>12</b>
<b>Section 4</b>	<b>Agriculture in the Peace Country</b>	<b>17</b>
<b>Section 5</b>	<b>Mil Rate and Property Costs</b>	<b>19</b>
<b>Section 6</b>	<b>Potential Opportunities</b>	<b>22</b>
<b>Section 7</b>	<b>Financial Mentoring</b>	<b>33</b>
<b>Section 8</b>	<b>Cooperatives</b>	<b>34</b>
<b>Section 9</b>	<b>Municipal Process and Procedures</b>	<b>37</b>
<b>Section 10</b>	<b>Municipal Incentives</b>	<b>39</b>
<b>Section 11</b>	<b>Summary Recommendations and Closing Comments</b>	<b>44</b>

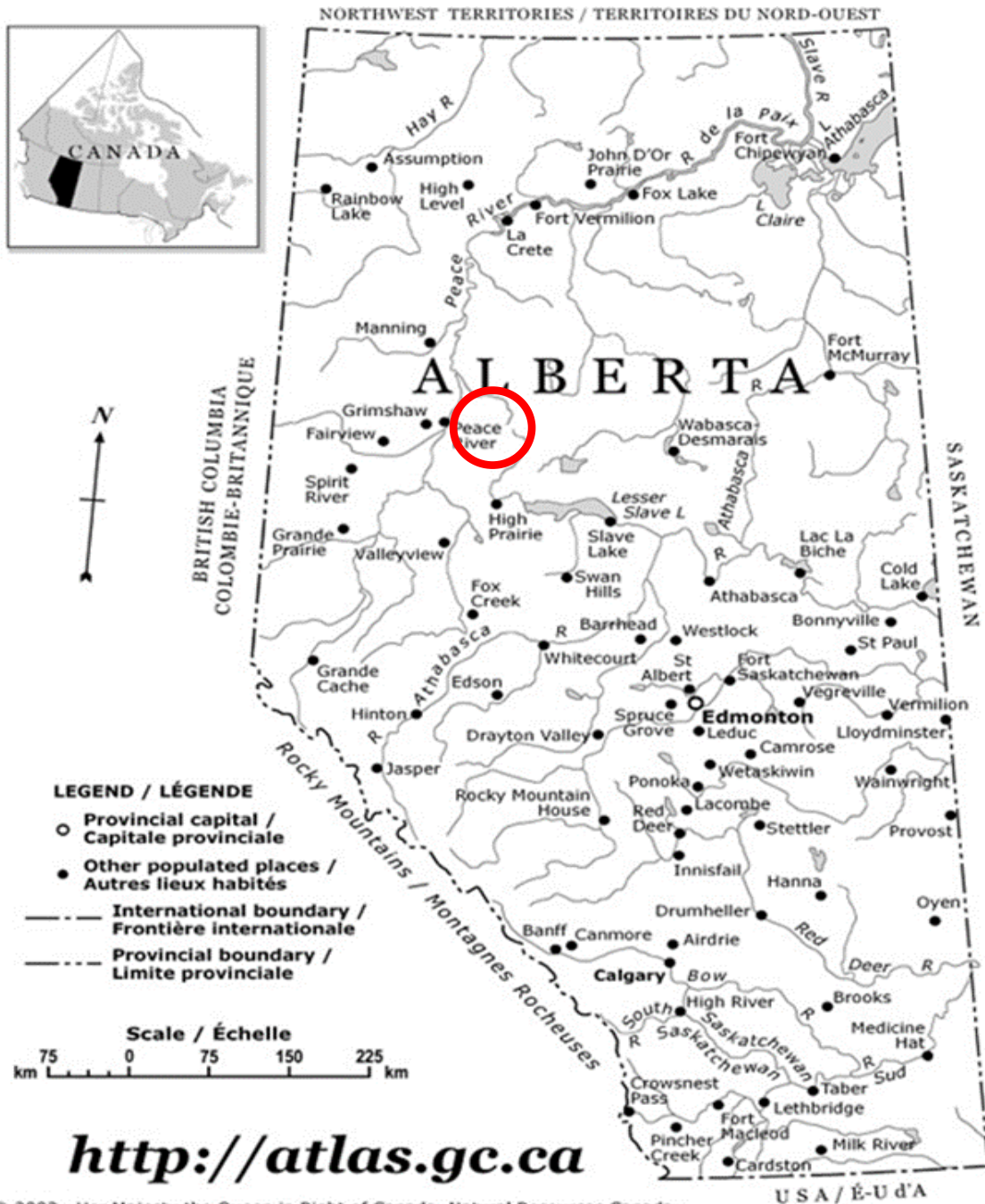
## Appendices

<b>A</b>	<b>Sunrise Gateway Business Park – Proposed Phase Development Map</b>
<b>B</b>	<b>Population Charts – By Gender and By Municipality</b>
<b>C</b>	<b>Peace Region - Retail Trade Profile</b>
<b>D</b>	<b>Traffic Schematic – 2018 Average Daily – HWY 2 &amp; HWY 688 Alberta</b>
<b>E</b>	<b>Agriculture Exports</b>
<b>F</b>	<b>Request for Entrepreneurial Grant</b>
<b>G</b>	<b>Alberta New Municipal Tax Incentives</b>
<b>H</b>	<b>Entrepreneur Bootcamp - Agenda</b>
<b>I</b>	<b>Map of Gasoline Alley – Loop Concept</b>



This report is in reference to Northern Sunrise County, Alberta.

Location circled on the map below.



## Executive Highlights

Economic Development is the practice of selling your community to a potential buyer. The community is a commodity, hopefully one that someone wants to invest in. The buyer is a business, developer, or investor that is looking for a community to set up in. In order to successfully sell itself Northern Sunrise County must think of itself as the commodity for sale and then several factors need to be in place:

- A) you must have something that makes you stand out from the crowd to the buyer;
- B) there is market demand for what you are selling;
- C) you have available land, properties, housing, labour, water, and utilities.

This can be more challenging for rural municipalities than for urbans, simply because there is not always a definable business centre and frequently, access to infrastructure and services is limited. Northern Sunrise County benefits from having a serviced industrial park strategically located off Highway 49 at the entrance to the Town of Peace River; referred to as Sunrise Gateway Business Park (SGBP).

Northern Sunrise County has had considerable success in the development of Sunrise Industrial Park. What has been identified as lacking, is service-related industries that would benefit existing businesses, through-fare traffic, and area residents.

In order to successfully sell itself Northern Sunrise County must think of itself as a commodity for sale and then several factors need to be in place.

1. The community must have something that makes it stand out from the crowd to the buyer. There are 352 municipalities in Alberta, varying from summer villages to cities. The buyer intends to put his business in one of those municipalities. Most municipalities market themselves as “the best place to live, work and play.” But are they really? It is essential a municipality knows its faults and is honest about them. A potential new business will do their homework and find out anyway. So, what makes Northern Sunrise County, and in particular SGBP, better than all the rest? What makes Northern Sunrise County a contender?
2. Many factors, including marketing region, transportation, access to commodities, access to labor force, access to services, property prices, property taxes, etc.... all impact an investor’s decision on where to locate. Ultimately the investor wants to make money. Can they make money locating their business in Northern Sunrise County?

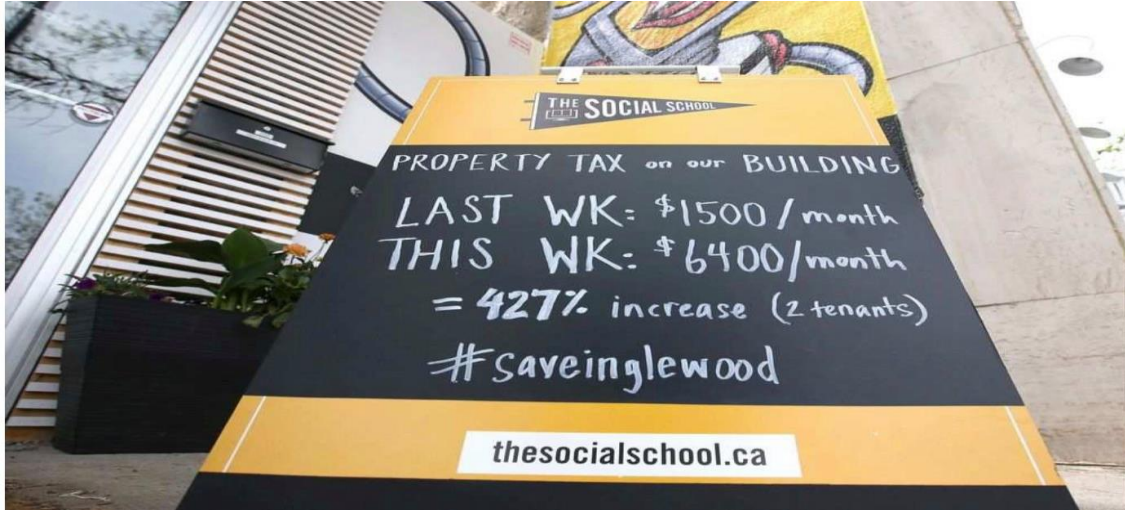


3. Demand for the product. In the case of retail and hospitality, there must be enough population to support the business. In today’s high labor, high tax (carbon tax) environment, more and more restaurants are closing. Hotels are also suffering with the slow down in the economy. The decline in the oil industry has greatly impacted not only the accommodation industry, but also service industries, from laundry services to fuel to groceries. Less people and fewer people with the financial resources have made these businesses less viable.
  
4. Marketing region refers to the region from which a business can draw customers. Northern Sunrise County has an excellent location and draws from about 17,000 people in a 45km radius plus through-fare traffic on the highway to and from Peace River and beyond. Most businesses require a certain number of people in the region for them to be viable. The one exception is niche stores, such as butcher shops, high-end ladies’ fashion, giftware, greenhouse, and antiques that people will travel greater distances to specifically shop there. Attracting or encouraging a business destined for failure is pointless.
  
5. Because of the financial challenges in setting up a new business, or even assuming ownership of an existing one, the cost is crucial. Land and building values are important. Equally important however, is the quality or existence of infrastructure. Any retail chains (including drive-thru restaurants) will be looking for new-build highway frontage. Northern Sunrise County has highway frontage property available, however access is a challenge.
  
6. Property costs and availability greatly impact the decision of a business to locate in your community. It is important to have an inventory of available properties and contact information for the owners.
  
7. Incentives to attract or sustain businesses is controversial. Providing tax incentives to new developers can anger existing business owners who invested in the community with no such incentives. On the other hand, waiving taxes to attract new businesses can be the incentive a business needs to locate in your community. Additionally, in the case of businesses that have a small profit margin (restaurants) this may be necessary.
  
8. In addition to property prices, property taxes can have a huge impact on where someone will set up business. Northern Sunrise County has a very competitive mil rate. The non-residential mil rate is the lowest amongst its competition in neighboring urbans and compared to the West hill. Its residential mil rate is second lowest.

<b>Municipality</b>	<b>Residential mil rate</b>	<b>Non-residential mil rate</b>
---------------------	-----------------------------	---------------------------------



<b>Northern Sunrise County</b>	5	13.
<b>Town of Peace River</b>	8.928	16.2943
<b>Nampa</b>	5.48	14.23
<b>M.D. of Peace</b>	4.3405	13.77
<b>County of Northern Lights</b>	6.2016	14.0093



**Property taxes matter. City of Calgary businesses have seen a substantial hike in their property assessments and subsequently their property taxes.**

9. Other factors can mitigate the mil rate. Location, location, location! Highway 2 runs through Northern Sunrise County. There are approximately 5000 vehicle movements in the SGBP area everyday. Of that, daily traffic counts on Highway 2 average 2500+ with an additional 500+ on Sunrise Road and 1000+ on Highway 688. T
10. There are 1861 residents in the County. While the trading area is estimated at around 17,000 people, it should be noted that most Peace River residents will not venture up the East Hill for services they can readily find in town. This needs to be kept in the forefront when approving new businesses in Sunrise Park.
11. Access to labor and housing is important to developers and investors. Northern Sunrise County does not have an issue with either of these requirements. Again, drawing from a population in excess of 17,000, Northern Sunrise County, as in all the municipalities in the area, draws workers from a large radius. The challenge is more on the low paying or minimum wage jobs. Housing, likewise, is diverse and available. Employees can live-in surrounding municipalities. Also St. Isidore has housing, including the St. Isidore Housing Coop which features 20 two and three-bedroom properties and presently has vacancies.





12. There is a reason the consumer has turned to online shopping. Online catalogues let consumers shop easily and comfortably, from their home, peruse products, select what they want, go the shopping cart and identify all applicable costs. No one likes it when a product is hard to find, the price tag is missing, there isn't a salesperson to be found and where exactly is the cashier? Additionally, the product is delivered to the customers home often the next day or within a week of ordering, often with no shipping charges.
13. A targeted proposal / business case for an agriculture value added processor should be on Northern Sunrise County's priority list (though not specially to be located in Sunrise Park). This proposal needs to be concentrated on one (or two) of the agriculture commodities grown in the Region.
14. It is essential that Land Use By-Laws be up-to-date and have been thoroughly revised to allow developments you want in your municipality. In the time it takes for a municipality to rezone a property to accommodate a potential business, that business can locate in another community. Ensure the Land Use By-Laws reflect Council's vision of what businesses they want AND where they want them in the County.
15. Equally important is aftercare. People love online shopping and Costco, because if they are unhappy with their purchase, they can send it back for a full refund. Well, a municipality can't do that. But what it can do is ensure that once a business moves in, they do their due diligence and follow up to ensure the business is happy. Visit the new business. Promote it on the municipal website. And utilize the business.
16. Shop local. A common complaint from all businesses, including industrial and retail is that locals (both residents and businesses) do not shop local.
17. Esthetics. Plain and simple, people want to live in an attractive and well-maintained community. We want pretty streets (that doesn't mean paved) with cared for yards, free of derelict buildings and junk. This includes highway frontage and industrial/commercial properties.
16. It is recommended that Northern Sunrise County focus on three primary development opportunities relative to SGBP: Note the running under-current of incorporating local products to enhance and promote current consumer trends.
  - a. Restaurant / Café / Can Local products be used?
  - b. Speciality Foods / Products / Can Local products be used?
  - c. Multi-purpose / private venue – Hotel / Casino Can Local products be used?

## Section 1 Background

In February of 2019, Northern Sunrise County contracted Aylward Research Services to complete an assessment of previous economic development work completed on the SGBP (Appendix A – Phase Development Map), which included current active businesses and previous strategic recommendations, and to provide recommendations for “next steps” in development.

In partnership with the recently recruited Economic Development Officer (who was actively involved in the report development and background data collection), this report also includes details of the types of information an Economic Development Officer needs to have on hand in order to actively pursue and engage potential commercial ventures into a community.

---

Previous Strategy: In 2016, Northern Sunrise County completed their “Strategies for Economic Diversification in Northern Sunrise County” report. The report done by *PlanAlberta* identified six key strategies for the County to pursue:

1. Develop a youth strategy as part of an overall population attraction strategy
2. Continue focused development of Sunrise Park
3. Support the growth of existing businesses
4. Provide maximum support for entrepreneurship
5. Work regionally and within the County to develop tourism, and
6. Attract new businesses that are linked to existing strengths

The *PlanAlberta* report identified some key industries or businesses that could be attracted to the Park which would build upon existing businesses in SGBP:

- Truck stop
- Truck wash
- Machine shop for Large repairs
- Hot shot service
- Welding service
- Equipment rental



Additionally, *PlanAlberta* identified opportunities for travelers and visitors and included:

- Convenience store/tourist information
- Coffee shop
- Restaurant
- Take-out Food (based on 17,000 local population within 45-minute radius)
- Gas station
- Rest stop with access to the park
- Gift/craft store with local products

The *PlanAlberta* report also identified the following light industrial opportunities:

- Poultry processing (small scale)
- Commercial building for beekeepers, bakers and other value-added
- Cooperative of local value-added product manufacturers
- Containerizing in partnership with Grande Prairie
- Farm equipment rental
- Farm equipment dealership other farm supplies

Northern Sunrise County administration has been working on implementing the various aspects of the *PlanAlberta* report. Unfortunately, the slow down in the economy brought on by slumping oil prices has greatly impacted investment in the County as well as the region. During the course of compiling this report some of the above-mentioned opportunities were revisited; additional new opportunities were also considered.

---

There are four primary purposes a municipality creates a business development strategy:

1. To build consensus and understanding amongst and with Council and administration on the direction they wish the municipality to go economically;
2. To work together in establishing an economic vision for the community that is internally supported through appropriate by-laws, land-use clarification, processes and priorities for Council and administration to focus on achieving that vision;
3. To create and implement a follow-up action plan that incorporates the information collected in the economic development strategy;
4. And finally, to encourage growth in your community hence increasing your community's tax base and viability.

## Section 2 Overview of Northern Sunrise County

Northern Sunrise County was incorporated in 1913; became a municipal district in 1994, and renamed to a County in 2002. The County sits on the banks of the Peace River, with its administration building located seven kilometers east of the Town of Peace river.

The Village of Nampa is the only urban municipality within its boundaries, though it does border the Town of Peace River. Additionally, there are five hamlets; Cadotte Lake, Reno, Little Buffalo (soon to become a reserve), St. Isidore and Marie Reine. The largest hamlet with multiple services and a strong francophone ancestry is St. Isidore. There is a total of 1,891 residents and 901 dwelling units.

The majority of retail services are sourced out of the Town of peace River, however, residents also frequent Grande Prairie, with a population of just under 70,000 residents. Highway 2 and HWY 688 run through the County as well as 1158km of municipal roads. Canadian National Railway also runs through the County with a major grain terminal and rail pick-up point located on the tracks behind the Village of Nampa. Commercial and charter air service are available through the Peace River Airport, approximately 20km west of the County. The main industries are oil and gas, forestry and agriculture.

The development of SGBP has been a focus of Northern Sunrise County for almost 20 years. Over the years the County has streamlined its strategic phased-in plan with increasing successes of bringing businesses and light industrial into the Region. SGBP has been recently expanded into the next phase of its development vision which is opening new opportunities for industry, and retail and hospitality industries.

Northern Sunrise County has invested in ensuring the lots available are fully serviced. Though at first glance the property prices appear high; any developer with experience will appreciate the amount of paperwork, permits, finances, and time that these “ready for building” lots save them in their development timelines.

**Community** The Community Services Department provides cultural, recreational, and preventative programs through Family and Community Support Services (FCSS), that enhance the quality of life for those living in or visiting the County. The Community Services department takes pride in partnerships with surrounding municipalities and various community organizations in providing programs and services that enhance the well-being of residents and visitors alike.

**Education** Students in the County have multiple options for primary education, including public, separate and francophone education in several communities. Post-secondary education is available locally through Northern Lakes College.

**Agricultural Society and Community Centre** Halls & Agricultural Societies aid in the growth & maintenance of the County and the surrounding communities. They provide an opportunity to develop and adapt programs or services based on the needs of the community and its residents.

**Health Services** County residents access health care at the Community Health Center in Peace River. Services include mental health, diabetes prevention & wellness, immunizations, prenatal classes, home care, diagnostic imaging, emergency and laboratory, and palliative care. A newly constructed medical clinic is being completed on Peace River's West hill. The clinic is designed for up to 28 doctors and will be complete with state-of-the-art equipment.

**Recreation** County residents access most recreational services through a partnership with the Town of Peace River. The Peace Regional Recreation Centre, presently under construction, will contain an NHL sized rink, a multi-use field house, a three-lane walking track, a fitness room, three multipurpose community rooms, and an indoor children's play space. Additionally, an indoor swimming pool, multiple outdoor rinks, curling, fitness facilities, skate parks, splash parks, outdoor swimming pools etc. are all within the radius of Northern Sunrise County. For example, Cecil Thompson Park, a local landmark, features a bouncy pillow, challenging outdoor exercise equipment, a fishing pond, gazebo a walking bridge and unserviced camping spots.

In addition to municipal infrastructure, the region is an ideal area for outdoor recreation. There are numerous ski hills and golf courses, and many campgrounds, and opportunities for boating, hunting and fishing. For example, Harmon Valley park features 17 unserviced camping spots, and is close to the Harmon Valley grounds, home to infamous Harmon Valley Rodeo.

The Heart River Golf Course features nine holes, a driving range, pro shop and clubhouse and is a regional favorite. There are also numerous lookout points in the county including Sagitawa lookout and the Twelve Foot Davis gravesite which overlook the majestic merging of the Smoky and Peace Rivers (picture below).

**Culture** St. Isidore is home to the St. Isidore Museum and Cultural centre which showcases the artifacts of the founders of St. Isidore, the youngest French-Canadian community in Western Canada. Also located here is a library, community hall, the St. Isidore Weavers and it is home to the Carnaval de St. Isidore, a much-loved winter celebration of the French culture in the Region.

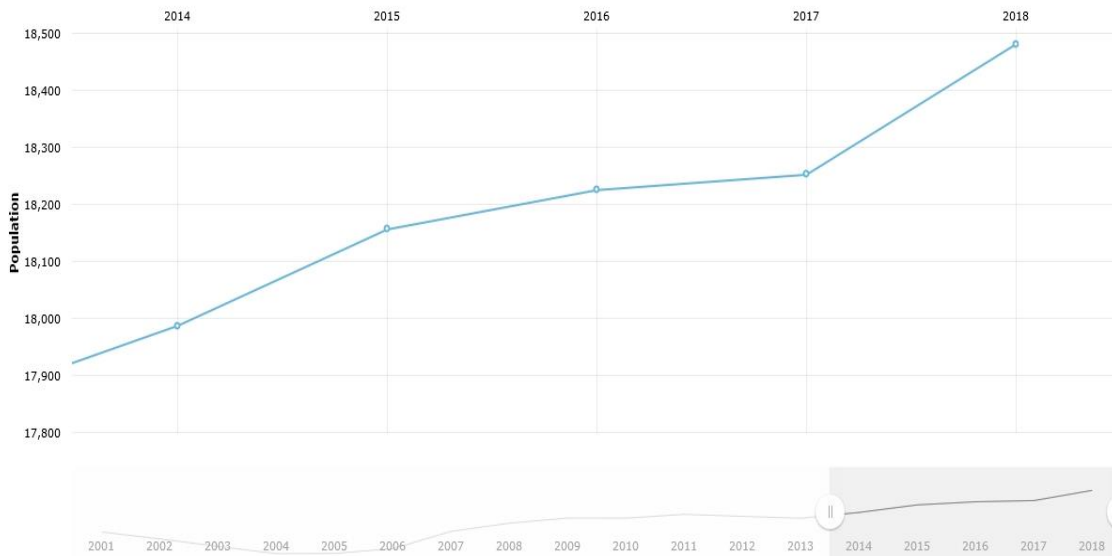
**Housing** Housing is essential to attract new residents. And Industry looks at housing availability when they look to moving into a municipality. A business that may have 10 employees may need housing for 10 families. They may also need housing for senior staff. Current businesses need housing in order to attract employees. In addition to rural properties, St. Isidore is home to the St. Isidore Housing Cooperative. Northern Sunrise County's proximity to Peace River, Nampa and Grimshaw provides potential residents / employees a wide variety of housing options, from single family to multifamily homes, condominiums, modular and manufactured homes and apartments.



**Section 3 Population and Traffic Counts – Identifying Customers**

Population Profile: This data gives you a snapshot of who lives in your community. The data can be invaluable when determining the programs and services that the municipality will invest in and offer to its residents. The diagram below shows the most current population combined for Northern Sunrise, MD of Peace, Northern Lights, Peace River, Nampa and Grimshaw. The raw data used to create the data presented in this section can be found in [Appendix B](#).

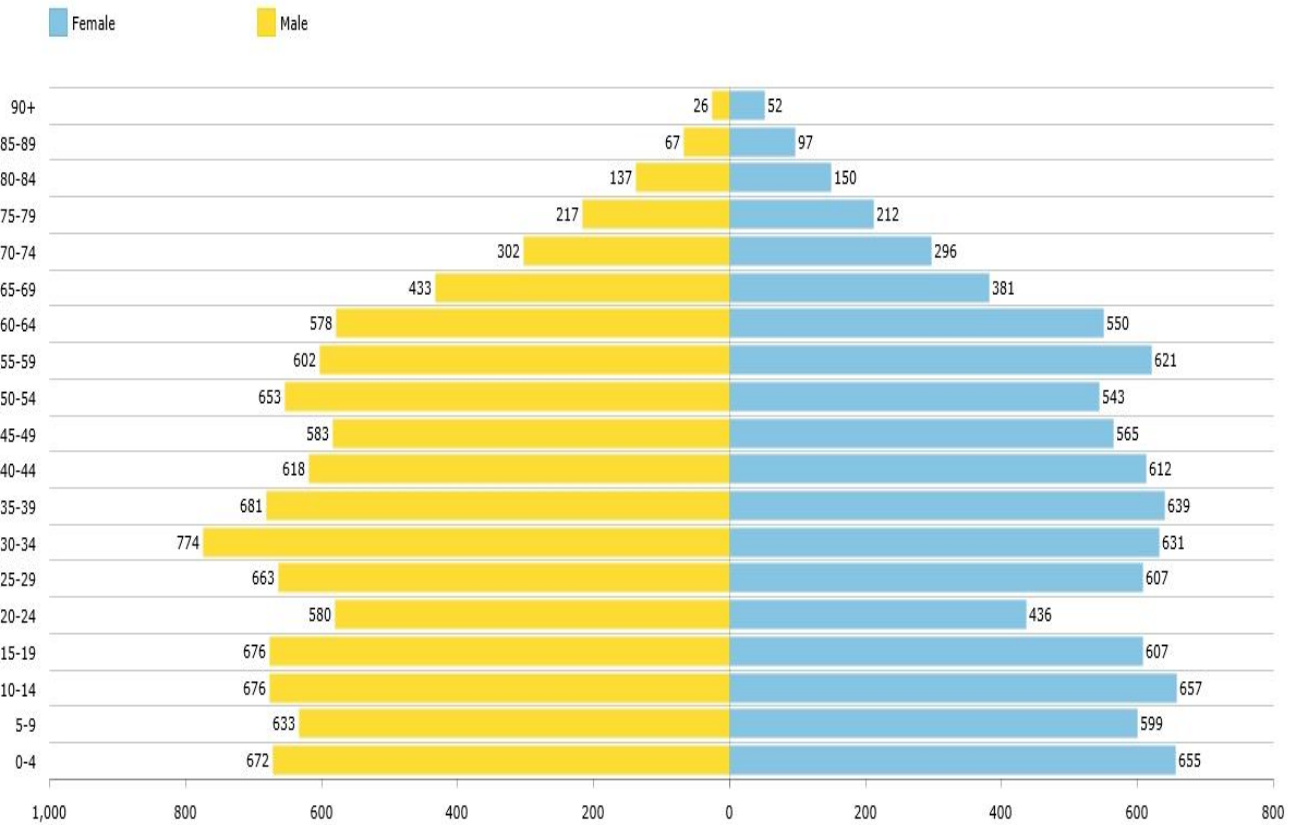
**Figure 1: Population of Northern Sunrise County and Selected Municipalities**



Source: Alberta Economic Dashboard (Adapted from Statistics Canada, Population Estimates)

Note: The graph shows the total population of the selected municipalities for the last five years. The data is confirmed up to 2016; which is when the last federal census was conducted. For 2017 and 2018, the population is estimated by Statistics Canada.

The pyramid figure shows the split of the population by gender.



Gender and age distribution are important elements of identifying potential customers already within your radius. In reference to the pyramid for example, if the County receives an application for a nail salon, the number of females in the region would be of interest to that business owner. Added details that increase knowledge of the customer base can aid in targeted marketing, promotions, and even hours of operation. Factors such as age, income, and marital status are examples of such details available from Statistics Canada. The numbers are dynamic, ever-changing and never 100% at any point in time but they do provide a baseline to help move forward into a business plan.

Note: Drop in numbers for 20 - 24 year olds in the pyramid. This is not unusual as this is typically the university / college cluster which tend to leave their home towns.



The radius population, which includes Northern Sunrise, MD of Peace, Northern Lights, Peace River, Nampa and Grimshaw is shown below.

<b>Population – Selected Radius NSC, MDP, CNL, NP, PR, GR</b>	
Age Group	Total
0 to 4 years	1285
5 to 9 years	1225
10 to 14 years	1245
15 to 19 years	1235
20 to 24 years	1045
25 to 29 years	1285
30 to 34 years	1360
35 to 39 years	1175
40 to 44 years	1145
45 to 49 years	1110
50 to 54 years	1305
55 to 59 years	1175
60 to 64 years	1045
65 to 69 years	730
70 to 74 years	510
75 to 79 years	400
80 to 84 years	275
85 to 89 years	140
90 to 94 years	50
95 to 99 years	30
100 years and over	5
<b>Total Population</b>	<b>17,775</b>
Average age	37.8

Relative to the economic development areas of focus suggested in this report, (e.g....Casino/Hotel, Specialty Foods), the older adult (45 to 65), with higher levels of income, would be the first recommended targeted group (e.g. has time and money to gamble). Note that there is a niche target of seniors that enjoy casinos, however, this group would not be big spenders and usually are incorporated as “social outings”. The table shows “45 to 65” year olds make up 26% of the current population.

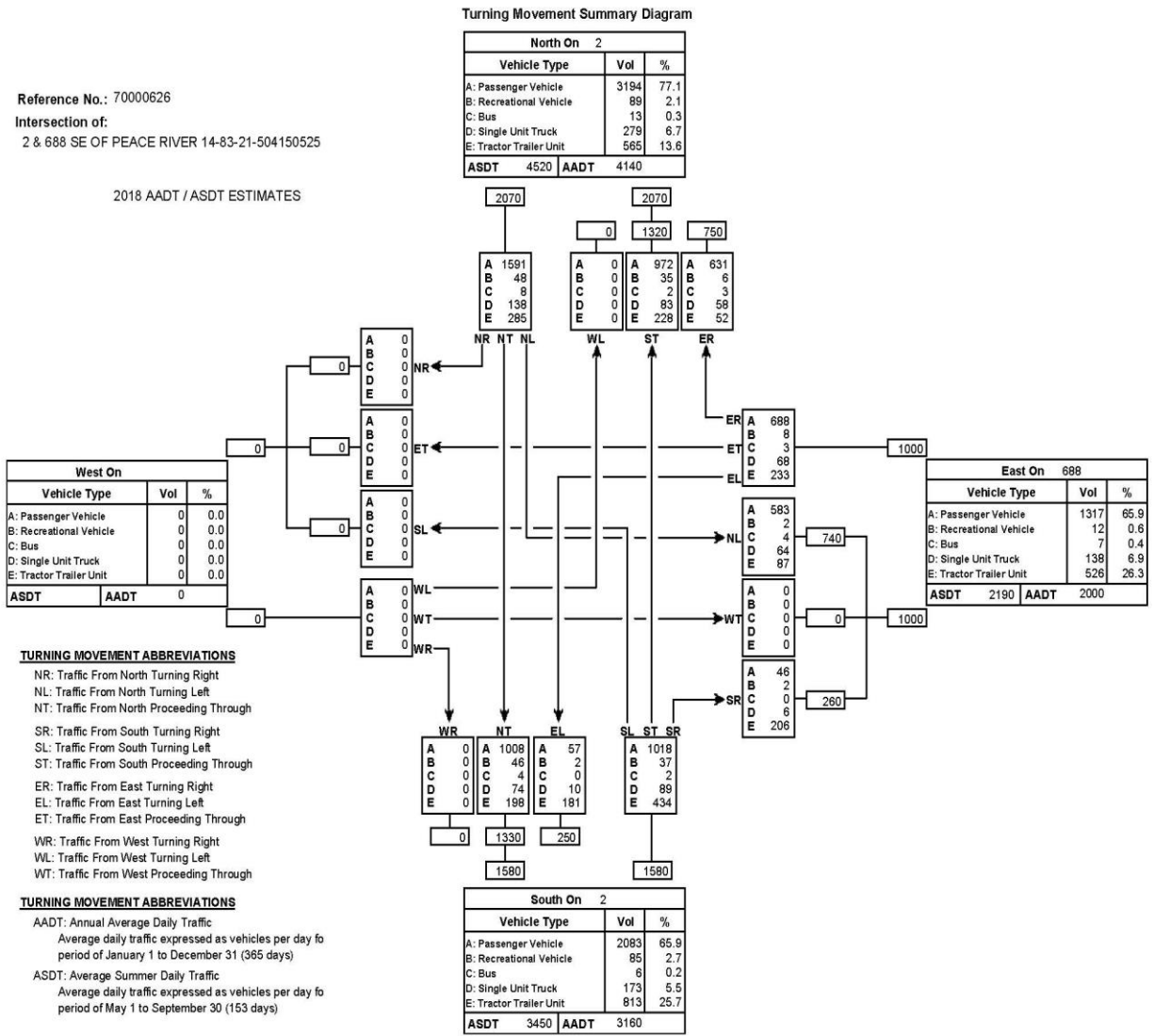
The added dimension of income level for the radius selected is shown below. Note the average income is higher within the selected radius when compared to the whole Census Division (#17). This a positive direction toward the target market.

<b>Average Income (after tax) \$ Two Person Households</b>						
DV 17	Northern Sunrise	Peace No. 135,	Northern Lights	Nampa,	Peace River	Grimshaw
89,700	104,547	106,969	96,950	79,147	110,936	108,137

NOTE: In companion with this report is an attachment of a **Peace Region Retail Trade Profile**. This report was completed on behalf of all the municipalities within the Peace Region Economic Development Alliance (PREDA). The report provides an overview of the population, it’s purchasing power and spending habits, the businesses in the area, and identified potential areas for new business development (Appendix C).



**Traffic Counts:** Population numbers reflect who lives in your radius NOW and help to identify the first level of a customer base in a business plan. Collectively casinos, restaurants and specialty shops also lend themselves well to drive-through transient traffic. Fortunately, the Department of Transportation has a traffic counter located on the corner of Hwy 2 and HWY 688, a key juncture relative to Sunrise Park. Data is collected daily and available for download. Dept. Annual summaries are presented in a schematic (below), that show the average daily number of vehicles, the direction the traffic is coming from, and the type of vehicle recorded (shown for demo only a larger print-out is in Appendix D).



The amount of information presented in these schematics is invaluable for projecting potential customers. They are frequently used by site locators and investors. These schematics are available for 5 years for the Hwy 2 & Hwy 688 junction.

When analyzing the traffic schematic for valid market numbers it is critical to track the directional arrows to isolate through-fare traffic and left / right turning traffic. There is over-lap. For example, when only through-fare traffic from the north is tracked there were 1330 vehicles recorded. This is because from the original number coming down from the North, on average 740 vehicles turn left onto Highway 688. This number is also included in the “Average Daily Traffic = 2000” for HWY 688. **Hence over-lap.**

**From the schematic, on average, on any given day there are 2650 vehicles counted.**

- 1330 vehicles coming down from the North on Hwy 2 that drive through the junction.
- 1320 vehicles coming up from the South on Hwy 2 that drive through the junction.
- 740 vehicles coming down from the North on Hwy 2 that turn left onto HWY 688
- 260 vehicles coming up from the South on Hwy 2 that turn right onto HWY 688.

The table shows the percentage breakdown of the average daily traffic counts by vehicle type.

Percent Type of Traffic at HWY 2 & HWY 688 Juncture	
Passenger Vehicles	68%
RV's	2%
Buses	1%
Single Unit Axle	7%
Tractor Trailers	23%

Traffic counts add another layer of a potential customer base for SGBP. Also, depending on the type of new business, for example, an industrial truck wash, the number of tractor trailers would be an important factor to consider.

## Section 4 Agriculture in the Peace Country



Northern Sunrise County is surrounded by agriculture. The County sits in the middle of the most northern agriculture region in the world – affectionally referred to as the Peace Country. Over the decades and generations of collective farming knowledge, the Peace Country has become internationally renowned for its superior agricultural products. The table shows the active agriculture land across the Peace Country and the top agriculture products this land is dedicated to.



Photo – Mighty Peace Tourism Member -Pure Instincts

Northwest Alberta 2016 - Cropland (Acres) - By Municipality							
By Type of Crop							
Acres / Product	Canola	Wheat	Alfalfa Mixes	Dry Field Peas	Barley	Tame Hay Fodder	Oats
Canada 93,382,638	20,606,778	23,436,513	9,276,755	4,291,872	6,696,068	4,851,167	3,159,687
Alberta 25,261,781	6,165,746	7,008,542	3,056,701	1,909,491	3,413,856	1,161,521	822,185
<b>NW-AB</b>	<b>#1</b>	<b>#2</b>	<b>#3</b>	<b>#4</b>	<b>#5</b>	<b>#6</b>	<b>#7</b>
<b>3,934,383</b>	<b>1,293,166</b>	<b>948,882</b>	<b>459,467</b>	<b>432,825</b>	<b>263,288</b>	<b>204,012</b>	<b>192,481</b>
N. Sunrise	71,533	55,349	9,867	15,431	5,648	7,373	2,521
Big Lakes	38,843	29,340	27,583	6,925	8,617	32,814	6,603
Clear Hills	43,061	46,722	46,918	63,360	20,883	19,441	21,311
N. Lights	109,552	92,300	45,851	x	31,541	17,885	14,006
Mackenzie	118,761	68,991	33,505	50,299	24,231	9,273	52,983
Greenview	79,474	57,714	49,491	13,496	17,914	32,822	20,410
County GP	156,661	109,731	123,235	42,233	73,873	39,224	23,207
Smoky River	259,729	194,602	7,689	48,672	16,940	4,336	3,734
Birch Hills	149,018	82,982	17,053	41,159	25,842	3,081	3,557
Spirit River	45,252	32,390	5,812	30,525	7,492	3,765	5,046
Saddle Hills	78,833	81,914	55,547	48,325	17,269	19,165	23,632
Fairview	99,265	66,825	17,149	21,561	7,440	5,027	6,341
Peace	35,335	22,505	8,061	22,253	3,559	5,596	4,324

Also, located within Northern Sunrise County is a grain terminal (currently owned by Richardson Pioneer) with a capacity of 44.5 Metric tonnes and direct access to CN Rail. This grain terminal (Nampa) is one of 12 available in the Peace Country. The tables below show the grain terminals in the Peace Country and the volume / type of raw grains that were exported (by rail car) from the Region for the 2017-2018 crop year.

<b>Grain Terminals in Peace Country</b>					
FALHER	Agrocorp Processing Ltd.				7,200
GRIMSHAW	Viterra Inc.				32,760
HIGH LEVEL	Richardson Pioneer Limited				6,500
MCLENNAN	Cargill Limited				27,800
NAMPA	Richardson Pioneer Limited				44,580
RYCROFT	Grain Millers Canada Corp./ Louis Dreyfus Company / Richardson / Cargill				90,000
SEXSMITH	Viterra Inc.				30,250
SMOKY RIVER	Viterra Inc.				41,420
<b>Northwest Alberta – Deliveries to Primary Elevators 2017-18</b>					
<b>Thousand Metric Tonnes</b>					
<b>Production</b>	<b>1,162,200</b>	<b>197,700</b>	<b>265,900</b>	<b>1,296,900</b>	<b>399,400</b>
<b>Delivery Point / Crop</b>	Wheat	Oat	Barley	Canola	Peas
NAMPA	131.9	-	3.1	166.8	14.8
RYCROFT	234.1	-	23.8	402.0	133.9
HIGH LEVEL	56.7	-	3.7	56.2	21.5
SMOKY RIVER	139.0	0.1	13.6	160.2	40.3
SEXSMITH	166.5	-	64.0	134.8	63.3
MCLENNAN	151.8	-	-	132.0	20.0
FALHER	34.7	-	-	-	23.7
GRIMSHAW	108.9	-	50.4	173.1	73.5
<b>Total Delivered</b>	<b>1,023,700</b>	<b>100</b>	<b>158,700</b>	<b>1,225,000</b>	<b>391,100</b>
<b>% of Production Delivered</b>	<b>88%</b>	<b>&lt;1%</b>	<b>60%</b>	<b>94%</b>	<b>98%</b>

There may be an opportunity for Northern Sunrise County to pursue a value-added agriculture industry. The County should look at potential grants to develop a business case for a specific agriculture commodity. It is anticipated that once the international political arguments subside there will be a resurgence of interest in Canadian agriculture from international buyers. Exports of Alberta agricultural products are listed in [Appendix E](#). If Northern Sunrise County is interested in developing a business case PREDA can assist with a small amount of funds through the Municipal Project Fund to leverage against provincial / federal grants.

## Section 5 Mil Rate and Property Costs

There are several factors that come into play when a business or individual decides to locate in a community. Land and property values are two of these factors. The availability of land and the cost (both serviced and unserved) is especially important to new developments. Property taxes associated with land can be an impeding factor or a competitive advantage.

Property taxes are determined by the municipality. The tables below provide a snapshot of where Northern Sunrise County sits in the region with regard to property taxes. Northern Sunrise County has the fifth lowest non-residential mil rate in the region while it's residential mil rate would place sixth lowest. While the residential mil rate is important for attracting residents, other factors, such as living in a desirable location, could impact a person's decision to buy a residence in a specific municipality.

Highest Non-residential mil rates in the Peace Country	
Municipality	Non-residential
Village of Hines Creek	36.72
Town of McLennan	29
Village of Berwyn	28.5342
Village of Rycroft	20.91
Birch Hills County	18.1823

Lowest Non-residential mil rates in the Peace Country	
Municipality	Non-residential
M.D. of Greenview	7.828
Town of Wembley	10.8091
Town of Grimshaw	10.8199
Town of Beaverlodge	12.4432
Northern Sunrise County	13

Highest Residential mil rates in the Peace Country	
Municipality	Residential
Town of McLennan	19
Village of Hines Creek	17.11
Village of Girouxville	16.123
Town of Falher	12.17
Town of Manning	11.4225

Lowest Residential mil rates in the Peace Country	
Municipality	Residential
Clear Hills County	1.3022
M.D. Greenview	2.7
County of Grande Prairie	4.04436
County of Big Lakes	4.305
M.D. of Peace	4.3405
Northern Sunrise	5



The following table focuses on municipalities that would be in direct competition with Northern Sunrise County in attracting a commercial development where rail and road corridors are relevant. This would include a value-added industry such as an agricultural milling company. While the municipalities may not be adjacent to the County their proximity to commodities, road and rail, make them a competitor.

<b>Northern Sunrise County - Industrial Competition</b>		
<b>Municipality</b>	<b>Residential mil rate</b>	<b>Non-residential mil rate</b>
Village of Rycroft	10.041	20.91
M.D. of Spirit River	7.2	15.527
Town of Spirit River	11.0886	13.5071
Town of Sexsmith	7.5777	16.4687
County of Grande Prairie	4.04436	13.4765
Town of Falher	12.17	15.661
M.D. of Smoky	5.3	16.308
City of Grande Prairie	10.2087	16.374
M.D. of Greenview	2.7	7.828
Saddle Hills County (Woking)	3.87672	12.6
M.D. of Peace	4.3405	13.77
Village of Nampa	5.48	14.23
Town of Grimshaw	7.9128	10.8199
County of Northern Lights	6.2016	14.0093
Northern Sunrise County	5	13

The municipalities in the table were chosen as competition to Northern Sunrise County based on agricultural production and transportation corridors. Rycroft and the surrounding region handle the most agricultural products along with the Smoky River region. An agricultural value-added business would want rail access and excellent highway access. As these areas are the major grain transport locations, they have an advantage.

In the case of service industry developments in SGBP, Northern Sunrise County does have the advantage of having serviced property. Most industry requires potable water in addition to gas and power. Most rural municipalities lack potable water and often other utilities need to be put in at the developers cost. This can often be the deciding factor in where an industry chooses to locate.

Foreign investors when looking at locating in Alberta, tend to look at Alberta's larger centres and along the QE2 Highway between Edmonton and Calgary. When looking north, they tend to look at Grande Prairie and the surrounding County of Grande Prairie. Based on the previous table, comparing both of their mil-rates, it is clear why so much development is happening in the County.

Another key factor in helping an industry decide where they will locate is the level of municipal readiness and service. How ready a municipality is with all development documents; are the relevant land-use-bylaws in place, and how knowledgeable the staff are, can make the difference between one municipality and the other.

**Property Inventory** Something that can slow down or lose a development is not having property immediately available. It helps to have a running inventory of available properties in Northern Sunrise County, so you are able to supply something quickly. The Economic Development Officer of Northern Sunrise County has a portfolio "ready" which includes a list of properties, relevant Land-Use By-Laws, application forms, and contact sheets for utility services and development inspectors to help expedite developments. Excellent!

Serviced vs unserviced This is important when you are sending a proposal to a potential business. If you are building a business case for a new development on the tracks or a retail business downtown it helps to know what is available and an approximate price point. Some developers want to invest immediately. Being delayed by not knowing what property is available, what the development process is, what services are available or having unhelpful staff can send a development elsewhere. Every community says they are open for business but are you really?

Municipally held and private Northern Sunrise County already has a property inventory of municipally and privately-owned land.

The reality is industry will base their decision on a combination of these factors. Developers may also be looking for serviced land, high speed internet or an existing site with infrastructure. Developers from outside the region also have concerns around access to workers and housing for their employees. **Considering all the mentioned factors above, Northern Sunrise County is in an excellent position to attract industry into the Region, and to Sunrise Park.**



## **Section 6 Potential Opportunities**

Based upon the review of previous economic development efforts, feedback from current business owners, research data, and the County's level of readiness, it is recommended that Northern Sunrise County focus on three development opportunities within the Park:

1) Restaurant/Cafe; 2) Specialty Foods / Products; and 3) Multi-purpose venue - Hotel/Casino

### **Opportunity #1 Restaurant / Café**

One of the key businesses Northern Sunrise County wishes to attract to the Park is a restaurant. There are several key factors that potential restaurants look for when selecting a site. Traffic and market area are key for the success of restaurants.

According to an IBIS World report (<https://www.ibisworld.com/industry-trends/market-research-reports/accommodation-food-services/single-location-full-service-restaurants.html>) on single location full service restaurants, 67% of a restaurant costs go directly to wages and purchases expenses. Additionally, the average profit margin for a restaurant, after removing all other costs, is only 6.2 percent.

The report also identified that the industry is exposed to the following threats and opportunities:

- Consumers are becoming increasingly aware of issues related to weight and obesity, fatty food intake and food safety issues. Consumers are now more aware of the health issues associated with fatty foods and are increasingly going out of their way to avoid them. The healthy eating index is expected to remain strong but flatten by 2018. This factor remains a threat to industry operators, especially those with limited to no healthy alternatives.
- Factors that influence the growth of consumer spending, such as taxes, consumer sentiment and the economy, also affect demand for this industry. Additionally, any spike in unemployment generally leads to a decline in spending. Conversely, when economic conditions are good, consumers will be more likely to spend money on eating at restaurants. Consumer spending is expected to increase after 2018, presenting a potential opportunity for the industry.

A report conducted by the Perry Group International,( <https://www.perrygroup.com/>) (hospitality industry experts) revealed that most restaurants close during their first year of operation. Seventy percent of those that make it past the first year close their doors in the next three to five years. Ninety percent of the restaurants that are still operating past the five-year mark will stay in business for a minimum of 10 years.

Year One Failures - According to the Perry Group, many restaurants, particularly independent establishments, fail during their first year because they are undercapitalized. Many restaurant owners don't have contingency plans in place for construction overruns or other unexpected opening expenses, and this leaves them short on money before they even open their doors. Of those that make it to the formal launch, many do not have sufficient funds to cover their operating costs. To have enough money to operate properly, fledgling restaurants should have enough money in the bank to cover their immediate costs plus an additional food and beverage reorder, two payroll cycles and six months of rent.

The Community Futures (CF) in Peace River cites similar statistics.

*“From our experience, 90% of all independent restaurants in our loan portfolio have failed. Failure was a result of many things, but in common with all was being undercapitalized and poor management.”*

*“Yet 100% of the franchises we have/had in our portfolio are successful. This is mainly due to location research by the franchise, rigorous screening of candidates, significant cash investment by the owners, intensive training, systems for streamlined operations and brand recognition/shared marketing dollars. In my opinion, restaurant franchises in our region have a much better success rate than independents.”*

*“From a financing perspective traditional banks generally stay away from restaurants as they have a very high failure rate. They would possibly entertain a loan with 50% down if there was a building involved (for security) in the deal and it was a franchise. They would likely not look at an independent restaurant.”*



*“As for how much capital they need to get started, it comes down to two things: Kitchen Equipment, Leasehold Improvements. If the restaurant needs a deep fryer, kitchen costs increase tremendously, as they would need a fire suppression hood on the roof of their building which can cost between 20K – 25K. Food inventory is a minor expense.”*

*“It costs approximately \$3,972.80 per seat to open a small restaurant in Canada (taking into account basic kitchen and lease hold improvements, chairs, tables, etc..). In your client’s case that would be approximately \$158,912.00. If it is an independent restaurant, it will be difficult to get financing, even with us. CF would want to see that the client has least 5 years’ experience managing a restaurant and 50% down payment. (80,000.00).”*

Deb Kayln, the CF Business Analyst In all likelihood, it may be difficult to find an entrepreneur that has the financial capital to get started. Add to that the lack of viable retail space adds to the challenge. Should a local property owner see value in building a strip mall with retail space for lease the probability would increase.

**Economic Development Surveys** In a survey of the 15 businesses located in SGBP (February 2019) all respondents stated that they would like to see a restaurant. Fourteen stated a convenience store and four identified a car wash/truck stop as a need. Sunrise Park (including the County’s administration building) represents 127 employees. A restaurant survey, also completed by the Economic Development Officer of Northern Sunrise County, provides some insight into the eating habits of the County’s residents.

---

### Restaurant Survey

“How often do you eat out?” 40% cited once a week, 29% cited Twice a week and 31% stated one a month.

“What time of day are you most likely to visit a restaurant?” 53% stated supper, 38% stated lunch and 9% said breakfast.

“What day of the week are you most likely to visit a restaurant?” 56% said it didn’t matter, 21% cited weekdays and 21% choose weekends.

The majority of respondents at 53% said they spend between \$11 and \$19 each per meal and 35% picked between \$20 and \$34.

Fifty three percent of respondents wanted the option of selecting healthy food. And 23% said a healthy option was important: 21% said it was unimportant.

When asked what would attract you to a new restaurant more than 50% stated menu options, food quality, prices and location. Least important were uniqueness, kid friendly, and a liquor license.

Unsurprisingly when asked “What business would you like to see on the East Hill? Restaurant and convenience store were the most common answers.

---

Based on traffic counts, area population and local consumer feedback it would seem a restaurant and a convenience store would be viable options for the East Hill. However, based on the failure rate statistics, in order to attract a restaurant some form of incentive may be required to make this happen. Financial institutions are very wary about financing a restaurant. Even the Community Futures, a lender-of-last-resort is hesitant and usually will require the investor to have 50% of the capital required. Both will require a business plan.

Northern Sunrise County has two options to attract a restaurant into SGBP:

Option 1      Encourage a local entrepreneur to start a restaurant.

This will be a challenge. There is limited infrastructure in place for a restaurant to move into. There are available bays in SGBP, renting for \$10 a square foot. Commercial lease space in Peace River runs between \$11 and \$15 per sq. ft.

According to [Yourbusiness.azcentral.com](http://Yourbusiness.azcentral.com) the standard minimum formula for a full-service dining establishment is five square feet of kitchen space per restaurant seat: A 40-seat restaurant, for example, calls for a 200-square-foot kitchen. Fast-food quick-service operations and restaurants that use prepackaged convenience foods and need less in the way of storage and prep areas will get by with less space.

The average kitchen size is 30 percent of the total square footage of the restaurant. In fast-food or other quick-service restaurants, the majority of space is devoted to kitchen and storage areas. Seating space typically makes up less than 45 percent of the total area.

Based on a 40-seat restaurant the owner would need approximately 800 square feet. Based \$10 a square foot, the restaurant owner would be looking at \$8,000 per month for a leased space not including utilities. They would also need to consider infrastructure improvements, kitchen equipment and furnishings. Then there would be operational costs, food and supplies, wages, marketing etc....





This option would be a daunting one and would require the individual to do a comprehensive business plan for two main reasons: one they will need financing and two they need to be realistic about the costs and potential revenues otherwise they too will be part of the 90% that don't make it.

#### Option 2      Attract a franchise restaurant

Statistics show franchise restaurants have the greatest chance of survival. Attracting one though can be a challenge. Franchises do their due diligence, part of the reason they tend to be successful. Northern Sunrise County has also done its due diligence gathering census data, completing a restaurant survey of local employees, traffic counts and developing marketing material for the County. Ultimately a local entrepreneur would need to be identified that would be willing to pursue this option

Franchises, however, are not inexpensive. The minimum cash required for a Subway is \$130,000, A&W \$300,000, Harvey's \$270,000 and St.-Hubert \$360,000. Additionally, most franchises scout out an area to ensure the location will be successful. It is also not uncommon for head office to own the infrastructure.

In some cases, such as Tim Hortons, an existing franchise holder has the rights to a specific territory. The Peace River Tim Hortons owner has the rights to the NSC region. Should the owner see value in locating a Tim Hortons on the East Hill a business case would need to be made to Tim Hortons headquarters to justify a new location. This often includes evaluating if the site has the traffic volumes and would a new location cannibalize an existing location.

A franchise restaurant such as Tim Horton's has its own unique challenges, however it may be worthwhile to investigate other options such as Esquires Coffee (<https://www.esquirescoffee.com/>) with locations around the world, including Grande Prairie. Also, while not a franchise, Jeffries Cafe Co. (<https://www.jeffreyscafe.ca/>) also located in Grande Prairie may be worth pursuing to see if they would consider a location in the Park.



**Opportunity #2 Specialty Foods / Products**

Introducing the idea of approaching Jeffery’s Café, a very successful local non-franchise restaurant, in the previous section brings us to the next potential opportunity for SGBP – special foods / products. In essence **Special Foods / Products** have customers that will “purpose travel” to buy items from them. This added element of customer loyalty increases the probability of success. Having an eating establishment that includes a unique concept like either craft beer, on-site coffee roasting, fresh baked goods, or local products can increase the success factor. For example, Almyra’s in Grimshaw, AB has a clientele list of hundreds of Peace Country women who shop exclusively at her “custom service store” there for Christmas ball-gowns and high-end brand name business clothes. Almyra’s offers a unique product that is not easily available to women in the Peace Country – she has been in business for 40 years! COBS bakery, COBS recently opened a franchise in Grande Prairie that specializes in artisan rye, sourdough and leaven breads in paper bags! (very important to bread aficionados). Also, all regions in Canada are seeing a growth of local food preferences and events.

COBS Bread started in 1980 in Australia as a family run business called Bakers Delight. There are now over 600 Bakers Delight locations in Australia and New Zealand. COBS Bread has capitalized on this success with [over 115 bakeries in Canada](#) and is on track to establish 200 bakeries in Canada by 2022. COBS Bread offers substantial assistance, including financing and requires approximately \$150-250K liquid capital on a total investment between \$650K-\$750K + tax. .



*Taste of High Prairie Promotes Local Food - Sept 7, 2019*

*Taste of the Peace – Grow the North Premiere Evening*

**Alberta on the Plate** is a 10-day/9-city provincial dine around program that celebrates Alberta local food and drink. Each menu showcases local farms, producers, breweries and distilleries as part of Alberta Local Food Week.

### Opportunity #3 Multi-Purpose Venue Hotel / Casino

**Hotel** Having a hotel located on the East hill is one potential opportunity that would draw traffic off HWY 2 toward the Sunrise Road loop. There are several potential locations along the loop but ideally the corner of Highway 49 and Highway 688 would be ideal.

Two major hotel operators were contacted for information on the hotel industry.

1. Felix Seiler, COO with Holloway Lodging which operates: • [Best Western Grande Prairie](#) • [Days Inn and Suites Whitecourt](#) • [Holiday Inn Hotel & Suites Grande Prairie](#) • [Quality Inn & Suites Grande Prairie](#) • [Super 8 Drayton Valley](#) • [Super 8 Grande Prairie](#) • [Super 8 High Level](#) • [Super 8 Slave Lake](#) • [Super 8 Whitecourt](#)
2. Jackie Clayton, Vice President Public Relations and partnerships with Pomeroy Hotels which has hotels across the Peace Region, Alberta and British Columbia.

Additionally, research was done to assess the opportunity and costs of a new hotel in the region.

#### Hotel Industry Representatives Feedback

On average Holloway Lodging plans for \$135,000 per room construction cost. A 20-room hotel by their standard would be approximately \$2.7 million. A 40-room hotel would be about \$5.4 million.

Holloway Lodgings pays approximately \$1.1 million in property tax in Grande Prairie for their five hotels. The implementation of carbon tax has cost them an additional \$250,000 in Grande Prairie and the increased minimum wage amounts to \$500,000.

In the Peace Region, Grande Prairie is experiencing the highest occupancy rates for hotels at 60%, the figure at which they break even. In 2016 they were down to 40%. In the last 10 years they were below 60% half the time. Their highest occupancy was 72% in 2014.

Threats identified:

- Online travel agencies such as Expedia, Priceline, Booking.com – commissions up to 16%
- Airbnb, private accommodation
- Industry Work Camps – less regulations, less taxes, built in three months, portable
- Supply increase – increases competition
- Government regulations, increased ease of unionization, minimum wage, carbon & property tax
- Changes to temporary foreign worker program – locals do not want the jobs
- Technology – phones, Wi-Fi, cable – every room still needs a landline, though no one uses it.
- Social media – reviews.

During the boom years several new hotels opened in Peace River. Unfortunately, the economy dropped and there is an over abundance of available rooms in Peace River and has resulted in a decline in occupancy and room rates. This also makes the probability of attracting a stand-alone hotel improbable. However, if done in conjunction with a casino the possibility of it becoming a destination increases its viability.

Based on the slow economy and the decline of development in the oil and gas industry and the cost associated with building a hotel, the likelihood of attracting a new hotel is slim. However, as stated, a combination multi-purpose venue like a hotel/casino does offer possibilities and could also address the restaurant and convenience store sought after by Sunrise Park survey respondents.

---

**Casino** Alberta has five First Nations casinos: Casino Dene (Cold Lake), Eagle River Casino & Travel Plaza (Whitecourt), Grey Eagle Casino (Calgary), River Cree Resort and Casino (Edmonton) and Stoney Nakoda Casino (Kananaskis). All five First Nations casinos are governed by the Alberta Gaming and Liquor Commission under the guidelines of the First Nations Gaming Policy. First Nations casinos **must be located on reserve land** and operate Under the same rules as off-reserve casinos.

There are also twenty-three non-reservation casinos making a total of twenty-eight casinos currently operating in Alberta. Calgary has six casinos including one First Nation casino (Grey Eagle Casino). Edmonton has six casinos and one nearby First Nations casino (River Cree Resort Casino). Additionally, there are casinos in; Fort McMurray, Camrose, Lethbridge (2), Medicine Hat, Grande Prairie (2), Red Deer (2), Balzac, and St. Albert.

Demand for gambling depends on disposable income which is influenced by employment, taxes and interest rates. High gas prices can also adversely affect spending levels, particularly when someone must travel a distance to visit a casino. When consumer spending declines, discretionary expenses, such as gambling and travel, are among the first to be cut.

According to several reports the gambling industry has struggled over the past five years due to an overall reduced demand for gambling. Canada is not the only country experiencing a slowdown in gambling; spending on games of chance has declined throughout the Western world over the past five years, following a sustained period of rapid growth. Furthermore, rising competition from new casinos and other gambling establishments in the United States has hurt the industry.

The industry has high and prohibitive barriers to entry. Each province differs in how it legislates and regulates gambling. Gaming organizations carry a range of regulatory forms which may be commercial, charitable, government owned, or owned by private companies under contract to provincial gaming authorities. As a result of this strict regulation, the number of industry establishments only grows when provincial authorities permit it to.

Alberta Gaming Liquor and Cannabis (AGLC) is responsible for the licensing, regulating and monitoring of gaming and liquor activities in Alberta. Casino gaming in Alberta is conducted and managed pursuant to the Criminal Code of Canada, the Gaming and Liquor Act, the Gaming and Liquor Regulation and the AGLC's Casino Terms & Conditions and Operating Guidelines (CTCOG).

---

*“There is a moratorium on new casinos within the province. This moratorium has been in place since 2008 and was most recently reviewed by Alberta Gaming Liquor and Cannabis (AGLC) Board in 2015. At that time the Board of the AGLC extended the moratorium indefinitely.” “The Board of the AGLC wishes to ensure that any new casino or REC facilities will benefit the community and that the growth of gaming in Alberta is carefully managed and controlled to ensure that new gaming facilities will not adversely affect Alberta's gaming market and the charities serviced by that market.”*

Bob Arnett, Manager Emerging Gaming Products, Gaming and Cannabis with AGLC

Casino's are a point of destination and, as in the case of the Eagle River Casino just outside Whitecourt, a travel stop for drivers, heading north and south. A casino in the SGBP would be a major attraction to encourage drivers to make the turn into the park. Casinos normally offer restaurant and lounge services and often include a hotel, all desired industries for the SGBP.

Casinos also offer the opportunity for not-for-profits to work in order to generate funds for their organization. This is not permitted on First Nation Casinos which must be located on reserve. A casino in Sunrise Park, regardless of the ownership would not be a First Nations Casino, therefore would be eligible for not-for-profits.

A review of Alberta casinos shows that in northwest Alberta there are no casinos between Grande Prairie and the Northwest Territory border, a 700km stretch. This becomes a challenge for non-profits wishing to work a casino to generate funds for their organization. Further, people travelling south toward Edmonton via Highway 49, would not be able to access a casino until either the Eagle River Casino outside Whitecourt, or the casino is St. Albert.

The combination of travel time and cost for volunteers to go to Grande Prairie is further exacerbated by a three-year waiting list to work the Grande Prairie casino. In 2017 – 2018 charitable organizations shared \$331 million in casino, raffle, bingos and pull tickets. The lack of a casino in northern Alberta greatly impacts our charitable and not-for-profits from accessing a fair share of these dollars. It should also be noted that First Nations have access to the *First Nation Development Fund*, which is funded by casinos on First Nation land.

<https://www.alberta.ca/first-nations-development-fund-grant-program>.

---

Northern Sunrise County EDO Lynn Florence, along with Dan Dibbelt and the County's Economic Development Committee Chair Norm Duval met with Sunrise Park landowners Romeo Lavoie and Marcel Ruel to discuss their property and their challenges in selling or developing their properties in the park. Marcel Ruel expressed interest in the Casino idea and was subsequently further pursuing this option.

Despite a moratorium, this opportunity is worth pursuing. A casino in the SGBP would draw people off HWY 2. It would also provide food services. A business case outlining the need for a casino, and the benefits to northern not-for-profits to be able to work casinos in the region is worth pursuing. This would likely require considerable lobbying to succeed.

Also, despite the moratorium, the number of slot machines in the province has significantly since 2008 (moratorium year). In Edmonton, the River Cree Casino has expanded to include a new smoking permitted Casino, The Starlight Casino in the West Edmonton Mall has expanded, and the Baccarat Casino has been replaced by the larger Grand Villa Casino in the Ice District.

It should be noted that the Grand Villa Casino recently reduced its hours to Thursday to Sunday from 12 pm to 1 am due to slow business. This is attributed to a number of reasons, but primarily lack of parking in the district. Should Northern Sunrise County wish to pursue a casino, they would need to ensure they are in favor as a Council and need to then ensure it is a permitted development within SGBP.

---



A casino on the top of the East Hill could be an architectural jewel for the Peace Region, with exquisite landscaping, a fountain, and out-side eating areas it has the potential to be a very popular pull-over location.



## Section 7 Financial Mentoring

Financing a new venture can be challenging. Traditional financial institutions have tightened their lending rules, particularly in northern and rural locations. While they remain a valid funding option, for those entrepreneurs with limited resources or collateral there are other options.

---

Futurpreneur Canada is a non-profit organization offering loan financing, mentoring and business resources for those aged between 18 and 39.

[http://www.futurpreneur.ca/en/landing-pages/general-landing-page/?tactus=ppc&gclid=CjwKCAjwvJvpBRAtEiwAjLuRPWXxDUUeTEy-XJpDRp3Lt0-IEYtYEz\\_-Sj789-hk1SoWALPuMke5BxoC\\_TUQAvD\\_BwE](http://www.futurpreneur.ca/en/landing-pages/general-landing-page/?tactus=ppc&gclid=CjwKCAjwvJvpBRAtEiwAjLuRPWXxDUUeTEy-XJpDRp3Lt0-IEYtYEz_-Sj789-hk1SoWALPuMke5BxoC_TUQAvD_BwE)

Services provided through Futurpreneur:

- Apply for up to \$60,000 to launch or buy a new business or to grow one that's been fully operating for less than 12 months.
  - Get matched with an experienced mentor to help you build confidence and tackle your toughest challenges for up to two years.
  - Learn key skills like business planning, marketing and cash flow management through our online and in-person business resources.
- 

Agricultural Financial Services Corporation (AFSC) has supported, for more than 45 years, primary agricultural producers, commercial and agribusinesses in Alberta through its lending programs. Through partnerships with producers and businesses, AFSC helps maintain a profitable agriculture sector in the province and also healthy rural communities. Loan capital can be sourced directly by AFSC or through partnerships with other financial institutions.

AFSC offers loans for agriculture, agribusiness and small business enterprises in Alberta.

- All AFSC lending products have a maximum lending limit of \$15 million to an individual or any group of connected individuals or companies
  - Long-term competitive interest rates, convenient repayment options
  - Flexible terms, ability to lock in an interest rate for up to 20 years, and no pre-payment penalties
  - The Rural Business Loan Program provides Alberta's small and medium-sized commercial and manufacturing businesses in rural Alberta with an alternative source of fixed-rate term loans with interest rates between 5% and 7%.
-

Community Futures Alberta The 27 Community Futures offices across Alberta offer loans and business development services that are purpose built for rural Alberta. The Peace River Community Futures Office serves Northern Sunrise County. Clients will be connected with a business analyst, get a loan application started, and access free business counselling and low-cost business coaching and training. Community Futures offices apply flexible loan criteria and options to help you start a new business, buy a business, open a franchise, expand into new markets, invest in technology, give your business a facelift and help young entrepreneurs get their first loan.

Services include: Help with writing a business plan. Marketing plan or business expansion strategy. One-on-one coaching and business mentoring. Securing financing

---

Additionally, Northern Sunrise County should consider an entrepreneurial business plan grant. Attached as Appendix F is a suggestion for an entrepreneurial grant. The grant would award five local residents \$2000 to work with the Peace River Community Futures on developing a business case. For new startups a business plan is essential. Additionally, a business plan is required when applying for financing.

## **Section 8      Cooperatives**

It can be difficult to convince an investor from outside the community to invest in a community when local residents won't do likewise. And it can be difficult to convince local people to invest when the economy is slow. It is important to be prepared when someone walks into the County office looking for an opportunity to invest in the community. That doesn't always happen and there are steps the County can take to try and encourage local investment.

Cooperatives are not a new concept in northern Alberta. Most residents have a "Coop number" which they use to shop for groceries and gas. Our region has seed coops, water coops and housing coops. According to the Government of Canada:

A co-operative is a legally incorporated corporation that is owned by an association of persons seeking to satisfy common needs such as access to products or services, sale of their products or services, or employment. While co-operatives serve a wide variety of functions, they generally fit one of the following four types:

- A **consumer co-op** provides products or services to its members (such as a retail co-op, housing, financial, health-care or child-care co-op).
- A **producer co-op** processes and markets the goods or services produced by its members, and/or supplies products or services necessary to the members' professional activities (such as independent entrepreneurs, artisans, or farmers).
- A **worker co-op** provides employment for its members. In this type of co-op, the employees are the members and the owners of the enterprise.
- A **multi-stakeholder co-op** serves the needs of different stakeholder groups—such as employees, clients, and other interested individuals and organizations. This type of co-op is usually found in health, home care and other social enterprises.

In Canada, a co-operative must incorporate under a specific co-operative *Act* at the provincial, territorial or federal level. These *Acts* govern all types of co-operatives, with the exception of financial co-operatives which are governed by separate legislation. The nature of the co-operative business model and how they operate is largely defined by these *Acts*. Whatever the governing *Act* may be, co-operatives share three common characteristics in areas of ownership, governance and distribution of profits.

**Ownership:** A co-operative is a business jointly owned by its members who use its products or services. In some cases, co-operatives can have members who do not use its services or products (e.g. support members, investor members).

**Governance:** Co-operatives are democratically controlled businesses with the governing principle “one-member, one-vote”. This right is exercised at the co-operative's annual general meeting (AGM), where members can vote directly for the board of directors. This democratic governance structure is reinforced by the co-operative's by-laws and the legislation under which the co-operative is incorporated (provincial, territorial or federal).

**Distribution of Profits:** Any surplus of a co-operative is owned by the member-owners who can decide how to distribute the profits at the AGM, which can include the following decisions:

to allocate either part or all of the surplus to the general reserve for future investments;  
and ,to distribute the profits to all the members in the form of patronage dividends based on the individual member's usage of the co-operative over the past fiscal year.

In addition, depending on the governing legislation, a co-operative may become a non-profit entity. These non-profit co-operatives do not provide members with a patronage dividend. All surpluses are directed eventually into the general reserve.

Co-operatives First is a business development organization funded in full by [the Co-operative Retailing System and Federated Co-operatives Limited](#). They focus on promoting and supporting business development based on the co-operative business model with the intent to increase rural and Indigenous economic development across western Canada. The organization helps community leaders understand the benefits and versatility of the co-operative business model by providing the mentorship and tools to create cooperatives.

Cooperatives First offers Co-ops 101 which delivers an [introduction to the co-op model](#). Operating a co-operative can be a little different than other business models and it's important for volunteers, staff and boards to understand this difference. Co-operatives First provides basic training for those involved in a co-operative.

The co-operative business model is versatile and can succeed in any industry. Creating an investment coop would allow investors to review potential opportunities for SGBP, as well as other areas of the County.

---

#### **DID YOU KNOW? – These Businesses Are CO-OPs**

**Associated Press** Recognizable media companies, such as the [New York Times](#), [Torstar](#), and the [Globe and Mail](#), are often part of large media co-operatives that provide a shared source of content that can be broadcasted in local markets. [The Canadian Press](#) in Canada, and the [Associated Press](#) in the United States of America, are co-operatively owned organizations that conduct investigative journalism, hold a global presence and share content with local broadcasters and media outlets. The use of these co-operatives ensures that smaller, local newspapers can access the same content as media giants. The Associated Press' shareholders consist of over 1700 newspapers and over 5000 television and radio broadcasters.

**Home Hardware** Each [Home Hardware](#) store is independently owned by a local entrepreneur. Each of the more than 1000 stores are shareholders in the larger Home Hardware co-operative that provides collective marketing and wholesale distribution. The co-operative, founded in the 1960s was led by [Walter Hachborn](#) to offer competitive prices to local stores at a time when hardware stores encountered challenging economic conditions. The access to high quality wholesale products at competitive prices has allowed the network of stores to gain a significant portion of the hardware market and is recognized as one of the industry's leaders in Canada. Home Hardware's brand has focused on its Canadian history and quality products rather than its co-operative business structure.

**Green Bay Packers** Many professional sports teams maintain a very strong connection to their community and fans. In some cases, this is built into the business structure of the team when they organize as a co-operative. The most notable example of this is the [Green Bay Packers](#), who are the only remaining community-owned non-profit team in the NFL. The Packers have over 360,000 shareholders and no single member can hold more than 4% of the over 5 million issued shares. This structure has allowed the team to remain functional despite being in the smallest market in all professional sports in America.

**Saskatchewan Roughriders** Borrowing from the Packer model, the [Saskatchewan Roughriders Football Club](#) is also [a co-operative with 2 share classes](#). The fan loyalty of these two clubs is legendary, and both the Riders and the Packers are top of class in their respective leagues for brand recognition and financial stability.

Other professional sports teams in western Canada with a claim to being community-owned include the [Winnipeg Blue Bombers](#) and the [Edmonton Eskimos](#).

Northern Sunrise County’s Economic Development Officer Lynn Florence has begun working with Nampa and Lac Cardinal Regional Economic Development to bring in a 2-hour workshop focused on how decisions are made, a co-op’s connection to its shareholders and other features of this business model. The workshop will include representatives from other Alberta CO-OPs to speak about their journey.

## **Section 9      Municipal Process and Procedures**

One of the most important things a municipality must do to encourage business development is be prepared. When a potential business arrives at the County office, the administration should be prepared with a complete package of material a business requires to move forward with their business application. If you are not prepared there are other municipalities out there that are. This includes not just businesses, but residential, as new industry also needs to consider the needs of their employees. Packages should be differentiated between business and residential.

<b>Business &amp; Residential Packages</b>		
Commercial Property Inventory (For Business Packages)	Residential Property Inventory	LUB Relevant Zoning Types
Utilities & Contacts	Utility capacity	CN Contacts (Business)
Building Inspector Contacts	List of Quality of Life Assets (e.g. Schools, Medical, Recreation)	Banking & Business Directory
Residential Property Taxes	List of Residential Municipal Services	Commercial Taxes / Licenses (Business)

The County should also develop a visitation/follow up protocol for any new or potential businesses. One of the most common complaints from businesses is that communities work to attract them to their municipality and then once they settle in, no one from the municipality checks in to see how they are doing or if the municipality can assist them in anyway. Northern Sunrise County is excellent at follow-up and they should ensure this continues. Likewise, when a developer comes to the County, the administration should do follow up calls to see if the developer needs any additional information or assistance.

**Targeted Marketing** There are very few companies looking at expanding into northern Alberta, although there has been some interest from foreign investors, predominately China and India. Their interest has been in canola and peas and their interest is in value adding. The downturn in the economy, and the recent dispute between China and Canada has slowed this interest down substantially. How long this will last is uncertain. However, Northern Sunrise County should be prepared should the interest return. International investors are still shy about investing in Alberta’s north, however, utilizing the Government of Alberta’s international offices, opportunities still exist. The Government of Alberta has an international marketing team that works with municipalities and industry to encourage foreign investment in Canada. The website <https://investalberta.ca/alberta-international-offices/> will provide substantial information on what these offices do, where they are located and how they can help.

. Alberta Foreign Trade Offices		
Beijing	Korea	Singapore
Guangzhou	Mexico	Taiwan
Hong Kong	New Dehli	United Kingdom
Japan	Shanghai	Washington

There are also funds available through the *Canadian Agricultural Partnership program*, a five-year, \$3 billion federal-provincial-territorial investment in the agriculture, agri-food and agri-based products sector that began in April 2018 and is the successor of the 2013-18 Growing Forward 2 partnership. The programs offered are varied and many can assist with value-added products, research and innovation, and feasibility studies.

**Website and Townfolio** As part of Northern Sunrise’s marketing, it is important to have an investor ready webpage linked on the main website. On that link economic development relevant data (basically everything included in the marketing package) should be included and designed for easy downloading and printing. Basic data such as census information, household income, dwelling units etc.... are also helpful for developers and investors looking at Rycroft. The cost both in both time and money to gather the information for inclusion on the website is very high. Townfolio (<https://jointownfolio.com/>) provides this service for a yearly fee and updates your community profile from trusted and current data on a regular basis. Several Peace Region municipalities have secured the services of Townfolio and indicate it is well worth the money. A typical rural municipality would be charged a \$3000 annual fee.

## **Section 10    Municipal Incentives**

Northern Sunrise County may wish to weigh the option of creating incentives for the Park. Landowners in the Park had expressed challenges in attracting buyers for the properties because of the price. The lots are serviced which increase their price compared to unserviced lots elsewhere. Offering incentives in the Park may help in attracting buyers and bringing in the desired development the County wants.

Incentives have been explored and implemented by various municipalities. The intention is to attract growth. The negative is how to implement incentives without causing issues with existing industry that did not benefit from subsidies. Municipalities deal with incentives in different ways. Overall incentives do not always work, however, occasionally they can make a difference.

---

Assiniboia, Saskatchewan (<https://www.assiniboia.net/>)

The Town of Assiniboia , with a population of 2424 is located 175 km southeast of Regina. The Town is serviced by Highways 2 and 13. Their economic drivers are agriculture and some manufacturing. They offer six development incentives:

- New Commercial and Industrial Construction
- New commercial and industrial Expansion/addition
- Manufacturing Business in Commercial and industrial zones
- Main Street Revitalization
- Public Art
- New residential Construction.



**New Commercial and Industrial Construction** A two-year tax abatement for new construction to assist in offsetting the costs of business start-up.

- First year – 100% land and improvements
- Second year – 50% of the amount of the increased assessment on improvements
- Tax exemption includes both municipal and school levies on improvements only.

**New Commercial and Industrial Expansion /Addition** A two-year tax abatement for new construction that serves to increase the commercial assessment of the existing improvements on the land. This includes additions to an existing building, the replacement of an existing building or the addition of a new building. Interior alterations or renovations may qualify if they serve to increase the taxable assessment.

- First year – 100% of the amount of increased assessment on improvements.
- Second year – 50% of the amount of increased assessment on improvements.
- Tax exemption includes both municipal and school levies on improvements only.

**Manufacturing Business in Commercial and Industrial Zones** To encourage manufacturing businesses to locate, operate and provide employment opportunities within the Town of Assiniboia, Council may negotiate and enter into an agreement on tax incentives that:

- Includes abatement of both municipal and school division tax levies up to a maximum of five years.
- Includes abatement of municipal tax levies in excess of five years.

---

Unity, Saskatchewan (<https://www.townofunity.com/>)

The Town of Unity Saskatchewan is located at the intersection of Highway 14 and Highway 21, and the intersection of the CNR and CPR main rail lines. Unity is 200 km west-northwest of Saskatoon, Saskatchewan, and 375 km southeast of Edmonton, Alberta. The Town offers four incentives, three of which are residential.

The **Commercial and Industrial Incentive Policy** provides support in the form of a 3-year phase-in of property tax on new construction and expansion to existing commercial and industrial properties in the Town of Unity.

- No property tax shall be levied in the initial year of commercial or industrial construction, except for the land tax.
- The Town of Unity is willing to negotiate with any prospective business enterprise the price of Town owned land and Town services such as water and sewer laterals, street improvements, building permits and property tax.
- All new commercial and industrial developments commencing after January 1<sup>st</sup>, 2004 shall receive a three-year tax exemption of the assessments of expansion.



- Construction materials should be purchased locally from business(es) situated within the municipal boundary of the Town of Unity. Prior to implementation of this policy and exemption of assessment, receipts for construction materials may be requested by the Town of unity for review.
  - A net increase in assessment greater than \$25,000 due to new construction and/or renovations of a commercial and/or industrial development is required to be eligible for this policy.
- 

### **Nipawin, Saskatchewan (<http://www.nipawin.com/>)**

The Town of Nipawin, Saskatchewan, population 5609 people is located on Highway 55 which connects the Manitoba Border to Meadow Lake and on Highway 35 to the US Border. Nipawin is situated on the Canadian Pacific Railway.

Nipawin offers a New and Expanding business Incentive:

- The tax exemption will be applied to any increased assessed value of an existing building due to new construction or renovation.
  - The tax exemption will also be applied to the assessed value of any expansion of new construction on bare land.
  - Exemption does not apply to the assessment of bare land.
  - Both municipal and education property taxes are to be exempt
  - The exemption shall be:
    - 100% exempt in years one through four
    - Full taxation in year five.
  - In lieu of a four-year tax exemption, a business may apply the estimated value of the municipal portion of the tax exemption to the municipal costs related to land purchase, or improving or installing municipal services, for example water and sewer, road upgrades, and paving.
- 

### **Mundare, Alberta (<https://www.mundare.ca/Business-Opportunity>)**

Mundare, Alberta, 80 km east of Edmonton is offering commercial lots in the centre of Town for one dollar and a compelling business plan.

The Town of Mundare is offering entrepreneurs a Main Street lot for one dollar on the condition that buyers obtain a development permit and begin construction within one year, with construction to be completed within one year of the start of construction. All lots have been sold and there is a waiting list should one of the buyers back out.

The lots are zoned downtown commercial. The general purpose of this District is to allow commercial development appropriate for the downtown business district of the municipality,

involving high-density development. The regulations do not allow uses which are obnoxious or involve excessive outside storage. Permitted Uses include:

- Eating establishments, Office uses, Personal service shops, Retail stores, Manufacture or treatment of products essential to the retail business conducted on the premises provided that the floor space area used is not greater than 400sq.m (4306Sq.ft.), and such activity does not involve the use of hazardous chemicals or the killing of animals for meat. Suitable manufacturing uses including a bakery, the manufacture of candy, confectionary, ice cream or jam

Discretionary uses include:		
Alcohol retail sales	Entertainment establishments	Parking lots
Amusement establishments	Gas Bars	Service stations
Bowling alleys	Hotels	Shopping centre
Childcare facilities	Institutional uses	Theatres
Commercial schools	Medical clinics	Vehicle and equipment sales/rental
Drinking establishments	Motels	Vehicle and equipment repair shops
		Veterinary services

### **Town of Bruderheim**

The Town of Bruderheim, population of 1155 is located just north of the junction of Highway 15 and Highway 45, approximately 47 km northeast of Edmonton. Bruderheim offers a Tax free for Three Year Policy.

- The land on which the residence or business is situated will be assessed for taxation
- The tax holiday will be calculated from January 1<sup>st</sup> following the start of construction. The tax holiday only applies to municipal property tax improvements.
- If an existing home or business is demolished to accommodate the construction of a new residence or building, the taxes for the period of the year following the date of removal will be abated for the current year and the above noted tax holiday shall apply.

### **Village of Thorsby** <https://www.thorsby.ca/>

The Village of Thorsby, Alberta, population of 1015, is located 38 km west of the City of Leduc, along Highway 39. The Town offers the Commercial Development Incentive Policy:

The purpose of this policy is to stimulate commercial expansion and new commercial development within the Village of Thorsby and to increase the long-term commercial assessment in Thorsby.

**New Business Construction** The first year is the year in which construction begins. The business owner must own the land being developed and the tax relief is for the municipal portion only. The Village of Thorsby will provide a five-year development incentive for new business construction as follows:

- First year – 100% land and building
- Second year – 100% of land and building
- Third year – 50% land and building
- Fourth year – 50% of land and building
- Fifth year – 25% land and building

#### **New Business established in an Existing Building**

- First year – 50% land and building
- Second and third year – 25% land and building

#### **Business expansion Incentive**

- First to Third year inclusive – 50% incentive of incremental increase of improvement, assessment resulting from expansion

---

The Alberta Government is passing legislation (Bill 7) that will expand a municipalities ability to offer tax incentives to developers and business owners. The multi-year tax incentives will provide another tool to encourage economic development and provide more incentives for brownfield property redevelopment to revitalize communities. Bill 7 will allow municipalities to decide if, and how, to implement the tax incentives by passing a single bylaw that will:

- offer incentives to reduce, exempt or defer the collection of property taxes for non-residential properties for up to 15 years, with the option for renewal
- establish an eligibility criteria and application process to streamline tax incentive offers, instead of requiring a separate council resolution or bylaw for each property

(See Appendix G)

## Section 11 Summary Recommendations and Closing Comments

Attracting businesses to your municipality is not an easy task in rural northern Alberta. Most businesses look to the larger centres where they will have a larger client base and greater foot and vehicle traffic. Many businesses try to locate next to large major retailers because their shoppers will see the smaller retailer and stop in to see what they have.

Rural urbans are also a challenge because many people in communities like Northern Sunrise County have the convenience of “popping” into Peace River or even Grande Prairie where the selection is greater, and the prices are often lower.

---

In order to move forward and make Northern Sunrise County a municipality of choice for developers, entrepreneurs and investors, the County should implement the following ideas:

1. Focus on three primary development opportunities:

Opportunity #1 Restaurant/Café

- Entrepreneur grant – see Appendix F
- Investment coop  
Local ratepayers are more willing to invest in their own community; however, sometimes the cost can be forbidding. More information on coops can be sourced from Cooperatives First <https://cooperativesfirst.com/>.

**The County’s Economic Development Officer is already in action setting up a Cooperatives First training workshop that will be open to the public.**

- Entrepreneur Bootcamp – **Again already running with ideas the County’s Economic Development Officer coordinated / and delivered this workshop during the course of building this report.**  
(Appendix H)

Opportunity #2 Speciality Foods / Products

- Expanding on the restaurant/café model, this would attract a niche opportunity and expand the client base. Ideas include a bakery franchise, craft brewery or coffee roasting, and local products

Opportunity #3 Multi-purpose private venue – Hotel / Casino

- NSC is presently working with County landowners and the Woodland Cree to further investigate this option

2. Look into development incentives

New legislation amends the Municipal Government Act to allow municipalities to offer property tax incentives to non-residential properties to attract investment and development. Investment into hospitality industry developments is challenging due to lack of physical infrastructure and competition from urban centres.

3. Create economic development tab on website

The County should consider an economic development tab and include info on commodity production, traffic counts, available properties, incentives, entrepreneurial grant, etc..... Also include all information relevant to development process and contact lists for all service providers. Northern Sunrise County should also solicit a quote from Townfolio on providing statistical data, which they routinely update, for the webpage.

4. Implement an entrepreneur grant

This grant would award five local residents \$2000 to work with the Peace River Community Futures on developing a business case for their unique business. For new startups a business plan is essential. Additionally, a business plan is required when applying for financing. Allow the grant recipient one year to implement their business case at which point it would become property of Northern Sunrise County to pursue other options.

5. Research grants (<https://cap.alberta.ca/CAP/> and develop a business case for a value-added agricultural commodity. In addition to the above support the province also offers the CARES grant (<https://www.alberta.ca/community-regional-economic-support-program.aspx>) for the development of business cases and strategic plans. The grant is a 50/50 cost shared grant. Northern Sunrise County, as a member of PREDA, can also apply for a PREDA Municipal Project Fund to leverage a portion of their 50 percent.

6. Assemble a developers/residential package

When a developer or entrepreneur comes to the County office, they want service. As such packages should be created to simplify the development process. Packages should be differentiated between business and residential.

Northern Sunrise County has several challenges in attracting hospitality/service industry developments into the SGBP, however, they are not unsurmountable. If the County considers a few actions to encourage development, they have the opportunity to duplicate the Gasoline Alley concept in Red Deer and create a loop drive through Sunrise park (Appendix I).

To do this, an anchor tenant, a business such as a hotel, a café, a bakery or a casino is needed to direct traffic into the loop. A niche business will benefit from the region's population and the volume of traffic, obvious from the traffic counts.

The county may need to look at incentives, whether they be tax deferrals, or the development of business case for specific businesses, to incentivise entrepreneurs or franchises to consider the SGBP.

Lynn Florence, Northern Sunrise County's Economic Development Officer was very active in participating in the creation of this report (research, surveys, Entrepreneur Bootcamp, Co-operatives First workshop for the Region!). She is also very involved with the business community at Sunrise Park. Continuing this relationship is crucial to identifying opportunities.





## **Appendices**

The following attachments are referenced within this report and included as part of the full reading of this report.

- A Sunrise Gateway Business Park – Proposed Phase Development Map**
- B Population Charts – By Gender and By Municipality**
- C Peace Region - Retail Trade Profile**
- D Traffic Schematic – 2018 Average Daily – HWY 2 & HWY 688 Alberta**
- E Agriculture Exports**
- F Request for Entrepreneurial Grant**
- G Alberta New Municipal Tax Incentives**
- H Entrepreneur Bootcamp - Agenda**
- I Map of Gasoline Alley – Loop Concept**

(Back Cover)



Aylward Research Services

10128 95<sup>th</sup> Avenue

Grande prairie, AB

780-527-6232

[mj@aylwardresearch.com](mailto:mj@aylwardresearch.com)