

# CUSTOMERS CONNECTIONS COMPETITIVENESS

## EDMONTON: PRIMED FOR MORE INDUSTRIAL GROWTH

With Alberta's thriving energy sector driving Edmonton's diverse economy, a wealth of resources within easy reach, established and robust markets on the doorstep, growing key international markets and a well-established and cost-competitive business environment, Edmonton offers a wealth of economic opportunity today – and growth potential that promises a prosperous future.

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## ACCESS TO RESOURCES AND FEEDSTOCKS SUPPORT INDUSTRIAL DEVELOPMENT

Driving Edmonton's economic engine is its proximity to and connection with Alberta's energy and natural resources.

As the major research, manufacturing, supply and service hub for Northern Alberta, Edmonton is home to a diversified base of business and industry selling to and servicing Alberta's massive oil sands and oil and gas sector as well as agriculture and forestry.

Located within the Greater Edmonton area is Alberta's Industrial Heartland (AIH), Canada's largest chemical and hydrocarbon processing. AIH is home to 15 world-scale hydrocarbon processing facilities.

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**Economic momentum in Edmonton tops any Western Canadian city.**

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## STRONG LOCAL AND GLOBAL CUSTOMER BASE

Both domestic and international markets offer strong opportunity. Domestic customers are located within Alberta's energy sector and throughout Western Canada.

Internationally, Alberta is a major exporter of energy and agricultural resources and manufactured products. The U.S. is the largest international market followed by a rapidly growing and increasingly diverse customer base in Asia.

Edmonton's manufacturing, construction and supply and servicing sectors offer the best opportunities for growth. The annual GDP of the Edmonton census metropolitan area (CMA) ranks in the top three nationally out of 27 metropolitan areas.

As Alberta's largest manufacturing centre, the Edmonton CMA's manufacturing sector is projected to grow by 5.2% and 6.4% annually through 2014<sup>2</sup>. Fuelled by Alberta's energy sector, markets for manufacturing – particularly metal fabrication and machinery manufacturing – are demanding a wide range of products.

Construction activity illustrates Edmonton's economic strength. The Province of Alberta's recent inventory highlights over \$200 billion of active projects either under construction or proposed to start by 2014, with nearly \$160 billion in the Edmonton service area<sup>3</sup>.

Emerging enterprises are looking at processing either by-products or agricultural waste into fuel or new products such as innovative 'green' building products.



## DIVERSIFIED ECONOMY OFFERS RANGE OF EXPANSION AND RELOCATION OPPORTUNITIES

Edmonton's strength lies in its diverse range of strong economic sectors. A thriving regional customer base supports local business growth and also attracts internationally renowned leaders in:

- engineering,
- construction,
- industrial manufacturing,
- petrochemical processing,
- environmental technologies,
- transportation and logistics,
- finance, management and information technology, and
- a diversified range of supply and service businesses.

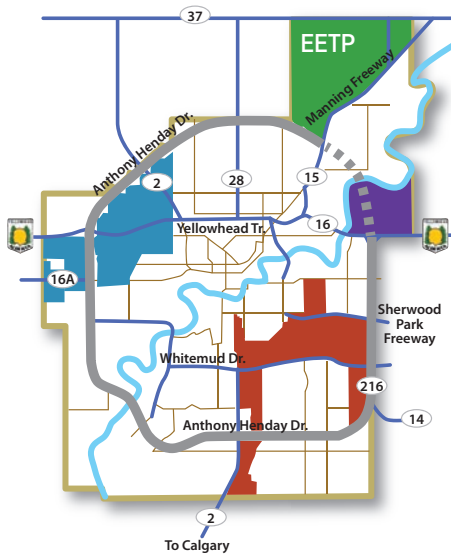
## EDMONTON WASTE MANAGEMENT CENTRE OF EXCELLENCE

Edmonton is also a world leader in waste management innovation.

The Edmonton Waste Management Centre of Excellence (EWMCE) is a collaborative hub for innovative research, technology development and training. The EWMCE incorporates the resources and facilities of all its members, representing almost \$1 billion in assets.

# INDUSTRIAL DISTRICTS READY FOR BUSINESS

Edmonton's four designated Industrial Districts and the Edmonton Energy and Technology Park (EETP) cater to a range of industrial and mixed-use enterprises. All districts are located along major transportation corridors and offer more than 7,000 gross hectares (more than 17,400 gross acres) of available vacant land.<sup>1</sup>



## EDMONTON ENERGY AND TECHNOLOGY PARK<sup>1</sup>

The Edmonton Energy and Technology Park (EETP), located in northeast Edmonton and part of Alberta's Industrial Heartland (AIH), represents a new vision for eco-industrial growth in Edmonton.

The intended land uses within the EETP include an integrated cluster of secondary and tertiary industries connected with energy value-added industries, manufacturing, logistics and associated research and technology sectors that will incorporate eco-industrial principles such as sustainable development, industrial ecology and efficiency, land use compatibility, innovative infrastructure and environmental protection.



## EDMONTON – A VERY COST-COMPETITIVE ENVIRONMENT

Overall, Edmonton offers many sectors a very cost-competitive operating environment. KPMG's Competitive Alternatives 2010 rating found between 2 – 15% differential to a U.S. baseline for various manufacturing, research and development and IT sectors with an average advantage of 4.3%.

## EDMONTON INDUSTRIAL DEVELOPMENT COSTS

Edmonton offers a wide range of land available for development. Land prices vary based on size, zoning and location, from \$30,000 with rural or partial servicing to \$350,000 per acre for fully serviced land.

Developers pay for the cost of municipal improvements, such as roads and utilities, within the lands they develop and are required to contribute to the costs of municipal improvements serving a larger area when these improvements are triggered by the development.

## INDUSTRIAL OPERATING COSTS

### UTILITY COSTS

Average utility costs vary significantly according to the nature of the business or industry and are billed based on a combination of consumption and fixed costs.

Edmonton's gas utility costs are highly competitive compared to other North American cities and its water and power rates are competitive.

### PROPERTY TAXES

Edmonton has enviably low per-square-foot property taxes for manufacturing operations<sup>4</sup>:

- Edmonton \$1.33
- Vancouver \$2.15
- Chicago \$2.35
- Toronto \$4.72
- Houston \$6.91

### LABOUR COSTS

Edmonton continues to enjoy very competitive location-sensitive labour costs for an average manufacturing operation<sup>4</sup>:

- Vancouver 1.3% more
- Toronto 3.3% more
- Houston 6.7% more
- Chicago 13.7% more

# SUPPORTING BUSINESS AND INDUSTRIAL DEVELOPMENT

## PLANS AND ZONING ENSURE QUALITY DEVELOPMENT

Area Structure Plans (ASPs) lay out an area's long-term development plan while Edmonton's Municipal Development Plan (MDP) offers the overarching policy and strategy framework that ensures consistent, quality planning and development within the city. Edmonton offers five categories of industrial land use zones: business industrial, light industrial, medium industrial, heavy industrial and agricultural industrial reserve.

## PLANNING AND REGULATORY ENVIRONMENT BALANCES ENVIRONMENT AND BUSINESS INTERESTS

The City of Edmonton supports the needs of business and industry, striving to streamline its planning and review process while ensuring due diligence is completed.

Some developments may require an environmental protection assessment mandated by the provincial and federal governments. These regulate water use, the disposal and treatment of wastewater, air quality etc.

The planning process is transparent and City staff are available to assist developers and investors to understand what is needed for timely approval.

# EDMONTON OFFERS COST-COMPETITIVE BUSINESS ENVIRONMENT

Edmonton's buoyant economic environment offers a cost-competitive business environment for many sectors and compares well against global competitors.

KPMG's 2010 Competitive Alternatives Guide to Business Locations ranked Canada as the most cost-competitive country of the other nine established industrial nations surveyed, with a cost advantage of 5% over the United States.

**Greater Edmonton enjoys a favourable competitive cost advantage of between 3-15%<sup>5</sup> depending on the industry sector evaluated.**

With resource prices forecast to remain strong and significant growth anticipated from the manufacturing, petrochemical production, engineering technology and the supply and service sectors linked to Alberta's energy sector, Edmonton is a city with momentum and ready for an even brighter future.

## EDMONTON SUPPORT SERVICES FOR BUSINESS AND ENTREPRENEURS

**City of Edmonton incentive programs:** encourage end use development.

- Revolving Industrial Servicing Fund
- Revolving Servicing Fund for Commercial Development
- Development Incentive Program

**City of Edmonton Industrial Services Team:** facilitates industrial investments by assisting developers, investors and realtors to find the right location for their development and ensuring the development process is streamlined and efficient.

**Edmonton Economic Development Corporation (EEDC):** promotes economic development and tourism development, and manages the Shaw Conference Centre and the Edmonton Research Park.

**Edmonton's Regional Airshed:** The Alberta Capital Airshed Alliance (ACAA) helps industrial facilities in the Edmonton region meet or exceed the ambient air quality surrounding the site as required by Alberta Environment.



1 CIBC World Markets, January 2012  
2 Conference Board of Canada, Metropolitan Outlook, Winter 2012  
3 Government of Alberta  
4 2010 Competitive Alternatives City Profiles, KPMG  
5 KPMG 2010 Competitive Alternatives Report

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