

## Update: Economic Development – for Heartland

<b>Initiative Title:</b>	Alberta Industrial Heartland Association (AIHA)
<b>City Council Sponsor(s):</b>	Mayor D. Iveson/Councillor E. Gibbons
<b>Supporting Department and Lead Staff:</b>	Sustainable Development, Gary Klassen/Paul Ross

---

### BACKGROUND:

- Founded as a not-for-profit association in 1998, Alberta Industrial Heartland Association (AIHA) has been recognized as one of Canada's Top 10 economic development groups. The Heartland region covers a geographic area of 582 square kilometers and comprises of Canada's largest hydrocarbon processing region with more than 40 companies that employ greater than 7000 people.
- AIHA is made up of five municipal partners (City of Edmonton, City of Fort Saskatchewan, Lamont County, Strathcona County and Sturgeon County). The City of Edmonton became an AIHA partner in 2011. AIHA is also supported by three associate members (The towns of Bruderheim, Gibbons and Redwater) that follow the directions set by the Association but do not participate in the decision making process.
- AIHA is governed by a Board of Directors, represented by the Mayor/Reeve or elected official designate identified by each of the 5 municipal members. Councillor Ed Gibbons is the City of Edmonton designated board member. The Board of Directors shape the policy and strategic priorities for AIHA.
- The Chair for the AIHA is a 2 year rotating position that is replaced by the vice chair at the end of the term. Councillor Ed Gibbons is currently the vice chair. The other Board members hold the position of Director. The Board appoints an Executive Director who is accountable for the operations of the Association and reports directly to the Board. The Board also appoints a Secretariat that provides advisory support to the Board and is comprised of Chief Administrative Officers (CAO) or designate. The Secretariat meets regularly to review with the Executive Director the goals and objectives, key strategic issues and challenges for the Heartland region. Gary Klassen, General Manager of Sustainable Development represents Edmonton on the Secretariat.
- AIHA partners collaborate to provide a common approach to promote and support industrial development in the Heartland region. AIHA strives to create a dedicated approach for hydrocarbon industrial servicing and infrastructure, complementary regional industrial planning, advocacy of value-added services and support for eco-industrial planning practices.
- It is ever more critical for Edmonton to leverage its industrial advantages to endorse shared regional industrial interests. Edmonton will continue to collaborate with municipalities in the region to create a sustainable model for industrial growth for the region.
- The region faces energy infrastructure, market access and social license challenges that will require a collective response to ensure complimentary economic value for affected industries and the municipal partners.

**DESIRED OUTCOMES:**

- The City along with its AIHA partners will continue to promote the joint strengths of the region as a logistic, transportation and business hub. Currently, \$19 billion of industrial projects are underway in the Heartland region related to bitumen, natural gas and service industries. AIHA has engaged investors from China, Korea and Taiwan to shift focus from Alberta's reliance on North America alone for its products and services. Edmonton's collaborative effort in the region has either a direct or indirect impact on its economic prosperity by providing greater revenue for the city through increased industrial activity and employment opportunities for its citizens.
- Edmonton Energy and Technology Park (EETP) is an eco-industrial area that is a part of AIHA. EETP identifies four special areas (Chemical Cluster, Business Park, Manufacturing and Logistics), that will allow Edmonton an opportunity to tap into the regional strength in chemical manufacturing and other hydrocarbon value-chain opportunities with particular focus on eco-industrial development.
- Administration is undertaking an investment readiness initiative for the EETP to create a more competitive position for attracting industrial investment opportunities. The initiative includes reviewing the EETP Area Structure Plan, updating zoning, creating servicing solutions, and building on its eco-industrial approach. Additionally, Administration will also focus on investment attraction activities in 2014 by implementing a comprehensive industrial business development and marketing program.
- Administration along with its AIHA partners will develop a collective strategy to respond to address challenges in transportation and logistics, shale gas opportunities and social license issues.
- Administration will continue to advance Edmonton as a favourable destination for industrial investment in the Heartland region based on the City's business climate, tax regime (no machine and equipment tax, low property taxes and no municipal business tax), access to services, infrastructure and labour and industrial development catalyst programs like the revolving industrial servicing fund incentive. Administration considers it important to position Edmonton as a location with strong industrial infrastructure capability (particularly in the EETP) and programs and policies that can support dynamic industrial growth.

**ALIGNMENT WITH STRATEGIC DIRECTION:**

- The Initiative closely aligns with *The Way We Prosper (TWWP)* 10-year strategic goal to 'diversify Edmonton's economy'. The initiative supports the *TWWP* objectives to advance industrial growth and regional partnerships, including the following *TWWP* goals and strategic objectives:
  - Goal 1: A confident and progressive global image
    - Strategic Objective 1.2: Edmonton delivers a well coordinated and best-in-class metropolitan marketing campaign
  - Goal 2: Internationally renowned as a powerhouse of industry
    - Unparalleled growth in business development and investment in energy services and technologies
  - Goal 3: An unrivalled, competitive business climate
    - Strategic Objective 3.1: A City committed to business
    - Strategic Objective 3.2: The priority needs of business and industry are effectively supported

**START-UP BUDGET REQUIREMENTS:**

- No new budget allocation is required for this Council Initiative.
- Support to the Mayor and Council will be provided by Sustainable Development department and by the City's economic development partner EEDC.

**TARGET DATE FOR COMPLETION OF PROJECT PLAN:**

- Program plans are developed and evaluated on an ongoing basis.
- Broad regional performance measures and targets would be established in the TWWP implementation plan (currently under-development)