

DRAFT

**ECONOMIC
DEVELOPMENT
STRATEGY AND
ACTION PLAN**

2023-2028

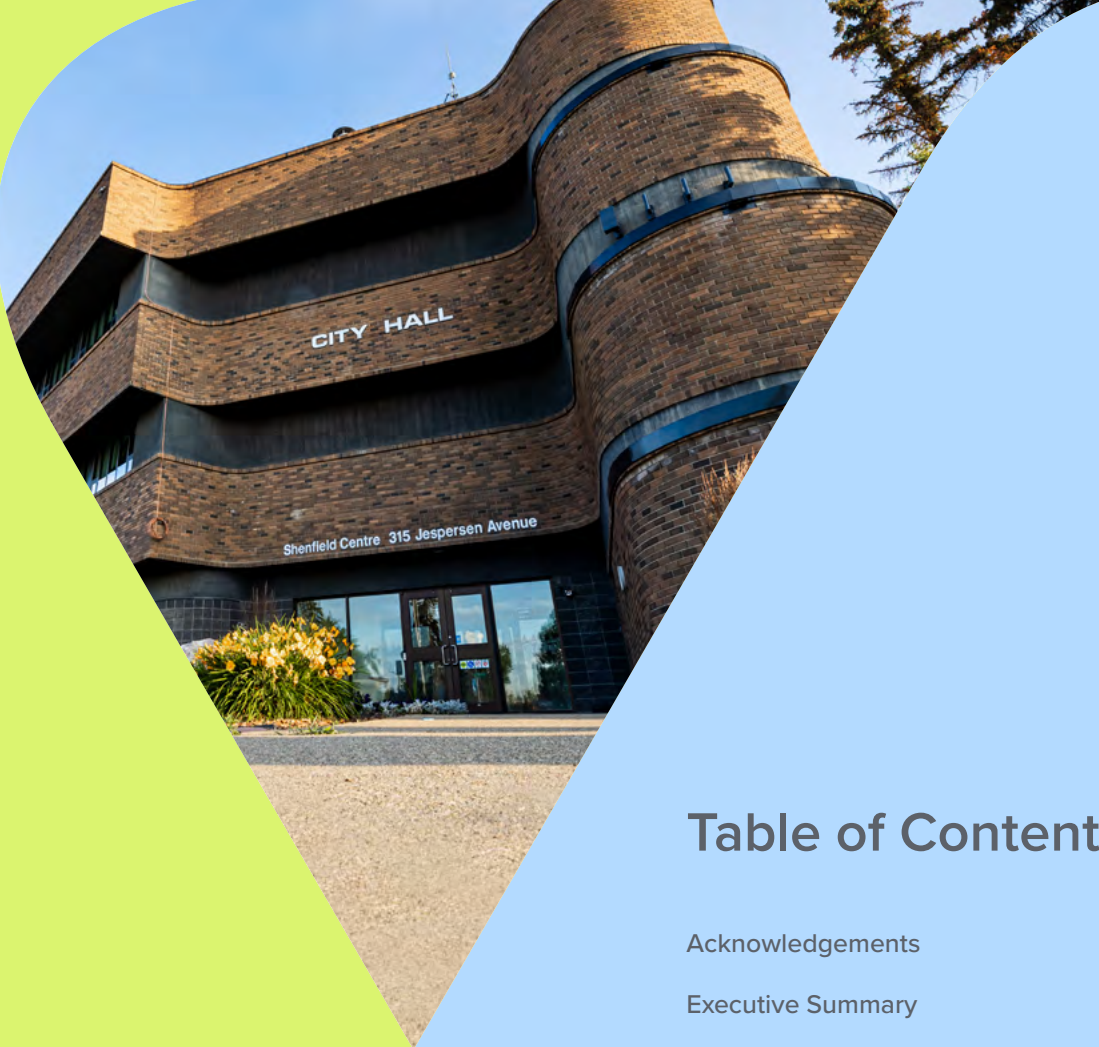


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We would like to thank those who participated in the one-on-one interviews to inform the development of the Economic Development Strategy 2023-2028. Participants included Edmonton Global, the Greater Parkland Regional Chamber of Commerce, the City Centre Business Association, the Northern Alberta Business Incubator, and the Northern Alberta Institute of Technology. We would also like to thank the business community who participated in one-on-one interviews and telephone surveys.

Members of the Economic Development Advisory Committee (EDAC)

(From left to right) Back row:

Anthony Worbeck, Bruce Mullett, Councillor Stuart Houston, Councillor Reid MacDonald, Kelly J. Rose, Councillor Jan Gillett

Front row: Charlene Bell, Robert Smith, Victor Moroz, Heather Shewchuk Missing: Frank DeAngelis



Executive Summary

The City of Spruce Grove has commissioned Deloitte to support the development of an update to the City's previous 5-year strategy completed in 2017.

The City of Spruce Grove (the City) is one of Alberta's fastest growing communities – the expectation is an increase from 37,645 residents in 2021 to 43,470 residents by 2029. Located 11 kilometers west of Edmonton, Spruce Grove is a community of choice in the Edmonton Metropolitan Region (EMR) as a fully urban regional service centre for other communities to the west of the EMR including the Town of Stony Plain and Parkland County.

The City's businesses and citizens benefit from excellent access to major transportation infrastructure including Edmonton International Airport, CN and CP rail intermodal facilities and the Yellowhead TransCanada Highway, Highway 16A and Highway 43 which offer connections to the Mackenzie and Alaska Highways. The Acheson Industrial Area, located immediately east of Spruce Grove, represents one of the largest and fastest growing industrial parks in western Canada and is a major source of employment and business service opportunities.

This report is an update to the **City of Spruce Grove – Economic Development Strategy and Action Plan – 2017-2022** and provides evidence-based direction to Spruce Grove's economic and business development efforts. The update reflects the current needs and aspirations of the community and the changing economic fortunes of the region and province. With a rapidly growing community, the impact of COVID-19, instability in commodity prices, the war in Ukraine and the promise of an expanded hydrogen economy, it is timely to conduct a review of the principles and objectives that underpin the strategic plan to ensure continued growth of the local economy.

Objectives and Outcomes

The City's 2022-2025 Strategic Plan reinforces the vision of a strong economy and has "Economic Prosperity" as one of its four main themes. The strategic plan's statement from City Council declares:

"We will continue to support economic development strategies that will position the City for success in a rapidly changing global economy. Investing in our City Centre, supporting the small business community, and enabling businesses to succeed are all key priorities that will drive local investment and employment opportunities for residents. Ultimately, the goal is for Spruce Grove's local economy to continue to grow and diversify, demonstrating long-term sustainability in a thriving community."



Spruce Grove has thrived despite external economic challenges and benefited from the Edmonton Metropolitan Region's status as a major logistical centre for resource development in Northern Alberta and ongoing growth in the number and size of manufacturing, construction, and professional, scientific, and technical service firms. Spruce Grove has attracted investment and expansion in population-based employment sectors of the economy which support resident and visitor attraction.

Maintaining Sustainable Growth

A major component of achieving ongoing prosperity will be maintaining reasonable and competitive levels of taxation for both residential and non-residential ratepayers. An aspirational 'target' for achieving this was to move toward an 80/20 residential/non-residential split over the life of the 2017-2022 Economic Development Strategy. As of 2022, the City has achieved an 81.8/18.2 split and with the continued rapid rate of residential growth in the community, Spruce Grove will need to be aggressive and creative to maintain this desired tax ratio over the next five years.

The City of Spruce Grove also recognizes the importance of transitioning to green energy and the economic benefits that come from a lower carbon economy. The City is supportive of businesses that are adopting new clean technologies and that are taking advantage of new opportunities that have arisen from the burgeoning hydrogen economy in Alberta and the Edmonton Metropolitan Region.

The strategic update builds on the considerable success of the previous strategy and works to strike a balance between building and maintaining Spruce Grove's excellent quality of life while supporting economic diversification and business support.

Diversity, Equity, Inclusion, and Belonging as a Core Value

The City has adopted Diversity, Equity, Inclusion, and Belonging (DEIB) as a core value in shaping policies that support and build a sense of community. This promotes the fair treatment and full participation of all people, especially in the workplace, including populations which have historically been under-represented or subject to discrimination based on identity, disability, or other factors. It often requires deliberate, and often courageous actions that acknowledge and eliminate the societal inequities ingrained in people, processes, and systems. The recognition and implementation of this value is increasingly important to workforce recruitment and retention, attracting entrepreneurial and other talent, and competing for investment.

High Level Economic Development Strategy 2023-2028

GOALS AND OBJECTIVES

GOAL 1 Build Our Quality of Place Experience

- Objective #1 Support investment, redevelopment, and revitalization of City Centre.
- Objective #2 Provide engaging public spaces and places that are supported by a wide variety of programs and activities for residents, visitors, and businesses.
- Objective #3 Promote our community and regional amenities to support tourism marketing and event hosting.

GOAL 2 Focus on Business Retention and Expansion

- Objective #4 Maintain a competitive business, fiscal, and regulatory climate that projects a customer service mindset.
- Objective #5 Provide convenient and up-to-date access to a range of information products, advisory services, and business development programs.
- Objective #6 Expand engagement with the business community to help identify and resolve issues and take advantage of opportunities.
- Objective #7 Support workforce development, recruitment, and attraction.

GOAL 3 Enhance Investment Attraction

- Objective #8 Pursue a targeted approach that prioritizes sectors and opportunities based on likelihood of success and highest return.
- Objective #9 Engage with business and municipal stakeholders to market Spruce Grove as a place to live, visit, invest, and operate a business.
- Objective #10 Collaborate with regional municipalities, governments, and institutions to raise the profile of the Edmonton Metropolitan Region in national and international markets.

GOAL 4 Ensure Adequate Supply of Market-Ready Employment Lands

- Objective #11 Invest in an integrated approach to provide infrastructure, services, and policy framework that supports an adequate future supply of industrial and commercial lands.
- Objective #12 Work with developers and property owners toward achieving the highest and best use of employment lands to generate higher value assessment and job growth.

GOAL 5 Support Entrepreneurship and Innovation in Spruce Grove

- Objective #13 Explore expanded support for business start-ups and scale-ups.
- Objective #14 Promote access to digital technology and other business innovation support services.

Targets and Outcomes

The underlying need is to grow the non-residential assessment base as essential to maintaining reasonable and competitive levels of taxation for both residential and non-residential taxpayers. An aspirational target for achieving this has been to move toward an 80/20 residential/non-residential split. The City has made significant progress in moving from 14.7% non-residential in 2012 to 18.2% in 2022 despite very rapid residential growth. The City will need to continue being aggressive and creative in its efforts to attract non-residential development to achieve the 80/20 split and exceed this target within the timeframe of this strategy.

Financial and Budget Implications

The updated Spruce Grove Economic Development Strategy 2023-2028 is intended as a high-level plan focused on the growth and diversification of the local economy over the next five years. It does not include specific financial cost estimates for individual projects or actions. Costing and implementation plans will be done through the development of individual business cases which will be incorporated into the annual budgetary process and brought forward for City Council approval.

Methodology

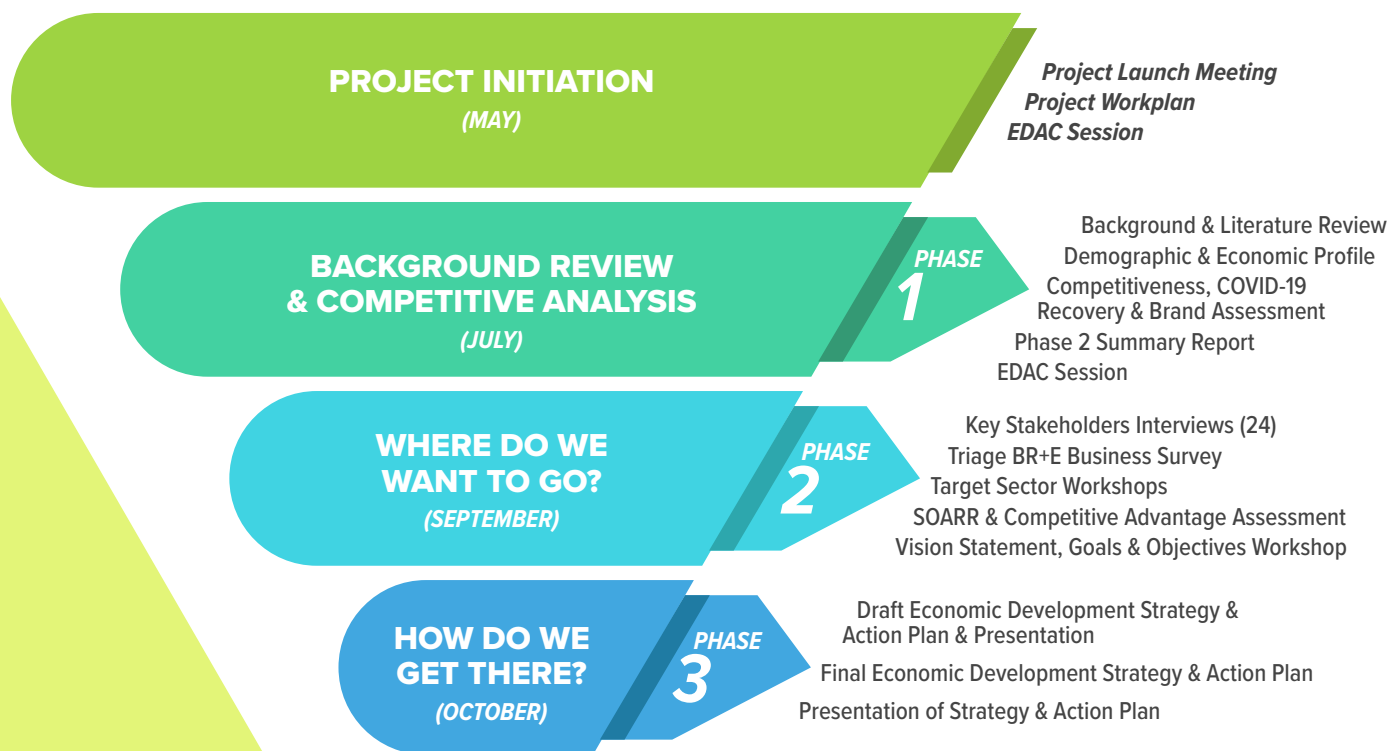
The primary outcome for the project is an updated City of Spruce Grove Economic Development Strategy and Action Plan 2023-2028 (the Strategy). The deliverables for this project include:

- Identifying key economic development objectives and targets for the next five years.
- Developing branding/messaging to engage external investors, developers, and businesses.
- Assessing the impacts of key technology changes including digitization and artificial intelligence, transition to a low carbon economy and regulatory changes related to climate action.

- Supporting business retention and expansion programming.
- Building on the success of the last Strategy and Action Plan in identifying opportunities for economic diversification and leveraging regional partners to advance its economic growth objectives.

Project Stages

The project team has developed a phased methodology to achieve the required deliverables.



Business and Community Consultation

The project team developed an extensive stakeholder engagement program to solicit input and secure support for the City's economic development agenda. Consultation included a business survey, one on one interviews, workshops and small group discussions through the summer and fall of 2022. Stakeholders were business leaders, key community and regional stakeholders, economic development partners and elected officials and senior staff from the City of Spruce Grove.

The project team completed 24 one-on-one interviews with private and public sector representatives including representation from land developers, real estate agents, restaurants, fitness facilities, commercial businesses, and industrial businesses. Stakeholders in public service were also interviewed and included representatives from Edmonton Global, the Greater Parkland Regional Chamber of Commerce, the City Centre Business Association (CCBA), the Northern Alberta Business Incubator (NABI), and the Northern Alberta Institute of Technology (NAIT). Additional one-on-one engagements with department heads within the City were conducted. From this engagement, themes began to emerge such as a general satisfaction with doing business within Spruce Grove, a belief that commercial business expansion in the City is primarily due to the City's fast growth, the amount of red tape when working with the City is a major barrier, and improving marketing efforts when looking to attract new businesses.

A Triage BR&E survey was conducted with businesses within the City of Spruce Grove. A total of 102 businesses responded to a random sample telephone/online survey with a total response rate of 28.5% which is a very high rate in comparison to other similar market research that is conducted. The survey results showed that businesses in the City are in support of pursuing additional commercial or industrial growth, and that the most important priority for businesses is improving the development and permitting process within the City.

Multiple presentations were made to the Economic Development Advisory Committee (EDAC) to solicit feedback on the previous economic development strategy, preliminary results of both the Triage BR&E results and the SOARR analysis. These sessions also garnered input on data collected that will inform the final strategy. The EDAC presentations informed subsequent workshops and interviews with the Corporate Leadership and staff at the City of Spruce Grove and innovation stakeholders.

The research and stakeholder engagement during the project resulted in a completed SOARR analysis designed to enable the project team to develop the final Economic Development Strategy 2023-28.

ENGAGEMENT HIGHLIGHTS



One-on-One Interviews

24 interviews were completed with organizations such as the Chamber of Commerce, City Centre Business Association, Edmonton Global, NABI, NAIT, and private sector business



Triage BR&E Survey

102
Respondents
28.5%
Response
Rate



EDAC & City Workshop Sessions

Engagement was completed throughout the project with the Economic Development Advisory Committee, Department Heads, and Corporate Leadership Team

Strategic Planning Process

The strategy development process began in May of 2022 with a review of background documents to establish the current policy and planning context for updating the economic development strategy and related action plan. This included relevant municipal and regional plans, staff reports and economic development programming and initiatives underway in the region.

Spruce Grove's Economic Development Strategy and Action Plan Update has also been informed by a comprehensive analysis of the local and broader regional economy. Current and emerging business and industry sector trends have been reviewed with relevant background studies and reports that directly impact the City's current and future economic development activities.



Over the last decade, the City has added more than 11,474 people or **44% growth.**

The results of the background research were used to inform stakeholder consultation efforts which included one on one and group interviews, business and community surveys and a public meeting. A SOARR assessment (strengths, opportunities, aspirations, risks, and results) was prepared that provides further indication of the City's value proposition for the attraction of business and residential investment.

It is important to note that the previous strategy *City of Spruce Grove – Economic Development Strategy and Action Plan – 2017-2022* has been implemented successfully, with significant accomplishments that include a balanced residential and non-residential tax base, investments in municipal infrastructure, and strong population and business growth.

This updated report and related background work will be used to build a stronger understanding of the current context for growth and development of the community, the programming and initiatives that are supporting this growth, and the needs and aspirations of the community through the next 5 years. This information is critical for ensuring a successful and sustainable economic future for Spruce Grove.

Situational Analysis

Strong Population and Employment Growth

Spruce's Grove's location and proximity to Edmonton's population, employment base, quality of life amenities and assets, and employment lands make the City a prime location for both residents and business.

Spruce Grove is home to a rapidly growing population, surpassing the growth rate of the Edmonton CMA.

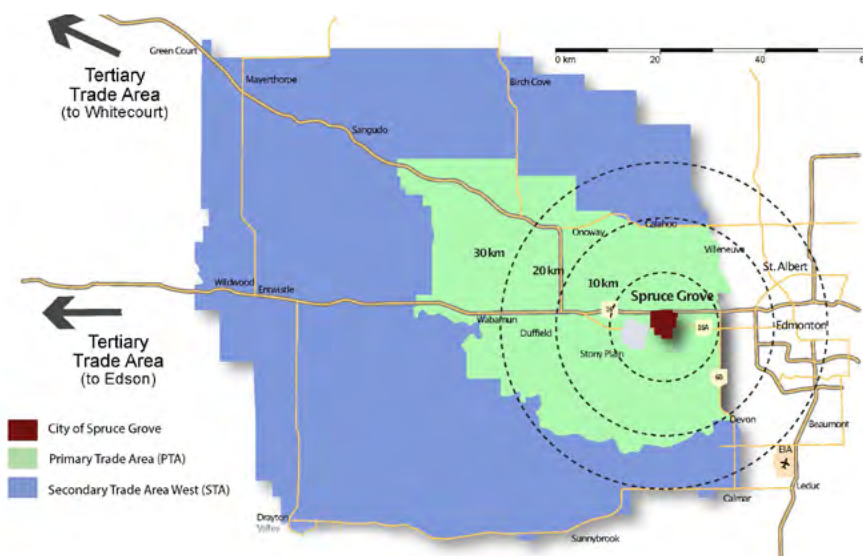
In 2021, the population of Spruce Grove reached 37,465. Over the last decade, the City has added more than 11,474 people or 44% growth. The City is projected to continue to see population growth over the next decades, reaching 43,470 people by 2029 (15% increase), and almost doubling in population by 2059 (73,042 people – 94% increase).

Spruce Grove has also benefited from strong employment growth, despite the negative economic impact of COVID-19. Employment in Spruce Grove in 2021 was estimated to be 12,639 jobs, and is projected to grow by 10%, reaching 13,882 jobs by 2028 (an additional 1,243 jobs from 2022). Spruce Grove is a community of choice and a net exporter of workers with 9,535 commuting out to work (mostly to Edmonton) and 4,410 commuting to Spruce Grove to work. The employment composition in Spruce Grove suggests that the local economy has specialized in service industries, mostly around industries that provide services to the commuting population (e.g., restaurants, schools, grocery stores, personal care services). Service industries accounted for 82% of the City's jobs. The retail trade sector is, by far, the largest employer in Spruce Grove with 22% of the local employment. This sector is also projected to have the largest growth over this decade, adding more than 290 jobs by 2028. Sales and service occupations represent almost a third of Spruce Grove's jobs, the largest share among communities in the Tri-Municipal area and the Edmonton CMA.

Trade Catchment Area

Spruce Grove is no longer viewed simply as a bedroom community to Edmonton, but a thriving, prosperous, self-sustaining regional economic home to competitive, successful commercial and industrial companies. Spruce Grove's Retail Trade Area reflects a proven and established pattern of strong regional market penetration. Spruce Grove's Primary Trade Area extends approximately 40km west of Spruce Grove and includes approximately 110,000 residents, while the Total Trade Area that extends further west to include communities such as Mayerthorpe and Entwistle is over 150,000. Its commercial retail inventory continues to mature and evolve in-step with population growth outwards from the City of Edmonton. Spruce Grove has an estimated current retail inventory of just over 3.02 million square feet.

Ongoing and significant investment in the City Centre Area Redevelopment Plan through streetscape, Columbus Park and redevelopment projects is bolstering the attractiveness of living, working, and shopping in the City Centre, which will most importantly provide yet another valuable location for attracting and incubating strong businesses to the community. Further evidence that Spruce Grove's commercial attractiveness is no longer anecdotal, but proven is the number of active and prominent retail developments across the City including the



City Centre, Easton Commercial, Westwind Centre and Creekside Commons.

Spruce Grove has matured and evolved over the past decade as a proven, established, and successful regional retail market.

Business and Industry Sector Performance

As of December 2022, Spruce Grove was home to 1,269 business establishments with employees and another 2,214 non-employee businesses, for a total of 3,483 businesses.¹ Most of the businesses in Spruce Grove are small. 52% of businesses with employees have fewer than five employees and 83% have less than 20 employees. Spruce Grove recorded a business density of 93 businesses per 1,000 people, lower than the provincial density average of 124.

The largest industry sectors by total number of businesses are construction; real estate, rental, and leasing; and professional, scientific, and technical services. Spruce Grove also recorded a high concentration of mining, quarrying and oil and gas extraction related businesses, and construction businesses relative to Alberta.

The City's current industrial lands are, as a portion of the broader business community, underutilized compared to the region due in large part to the lack of servicing and low-density use of existing lands. While a key part of the City's business attraction is land availability for less intensive uses, intensification will be a priority to fuel long-term growth.

Industrial Land Considerations

With population and employment growth expected to continue, it is essential that the City provide for an adequate future supply of industrial land.

The City of Spruce Grove's Industrial Profile Analysis² found that the City's current industrial lands are underutilized in that they use more land than other industrial parks in the urban region relative to the building areas on them. As a peripheral City, land valuation allows businesses to utilize more land without having to build larger buildings. The analysis states that Spruce Grove could respond to these factors in the future as the land values increase or market-driven development shifts. While a key part of the City's business attraction is the availability of land for less intensives uses, intensification is a trend that will become more evident over time. Currently, Spruce Grove has a limited provision of light industrial land used in which offices and smaller scale warehouse and wholesale functions coexist in a more business park format.

Spruce Grove's ratio of 3.0 employees per acre is lower than industry standards. This suggests that future growth in newer industrial and business parks could attract higher density land uses or more light industrial types of land uses to supplement the medium and heavy industrial uses that are currently more common in the City.

From the Industrial Land Strategy, considering Spruce Grove's current supply and net demand projections, the City will have a deficit in employment lands in the upcoming years, a net deficit of 174 acres by 2026, 405 acres by 2036 and 474 acres by 2046. Most of the demand will be for large parcel sizes and buildings for industrial related uses.³ As a result of this, the Economic Development and Business Development team at the City launched an 18-acre industrial park pilot project to explore land and building development options.

1 Lightcast Statistics Canada Business Counts

2 City of Spruce Grove – Industrial Profile Analysis, January 2022 (Developed by FBM)

3 Industrial Land Strategy, Spruce Grove, Alberta – October 2020.

A Business First Approach

The current Economic Development Strategy mandates that the City maintains a competitive business, fiscal and regulatory climate and an open for business attitude and approach to business and industrial attraction. The strategy also directs the City to build a customer and service mindset in its regulatory approvals process. The City of Spruce Grove has taken many of the right actions to attract investment to the City when developing their website marketing materials. The dedicated Invest Spruce Grove website has strong demographic and site selection information for investors and the City has taken active steps to address concerns of businesses such as entering an agreement with TELUS to provide a fibre optic network throughout the City. There are areas that could be further refined for investment attraction such as developing stronger value propositions for the key industries of the City and providing additional information that is crucial for large investment decisions. Overall, the City of Spruce Grove provides a strong baseline of information which can be shared with potential investors.



Edmonton Global

Since Edmonton Global's launch in 2017, the organization has worked to raise the region's profile and attract Foreign Direct Investment. As of the 2021 annual report Edmonton Global has supported 17 final investment decisions representing \$1.9 billion in capital expenditures expected to generate 3,000+ construction jobs and 600+ permanent operating jobs.⁴ Now that the organization has been established and is generating results, Spruce Grove will need to continue to engage with Edmonton Global on a regular basis to ensure the City's value proposition is well understood and that leads are shared in a timely manner.

Investment Attraction

A central component of the economic context in Spruce Grove is understanding its economic competitiveness to attract and retain business and industry investment. Significant work has been done in the region to identify target sectors for investment attraction and establish their value propositions such as a large skilled workforce and short commutes to work.

Building on the EMR's competitiveness, Spruce Grove is competitively positioned with lower taxes; infrastructure linkages including rail, road, and telecommunications; a young and growing population with affordable living and good quality of life.⁵

4 Edmonton Global Annual Report, issuu.com/edmontonglobal/docs/2021_eg_annual_report_issu

5 A Competitiveness Review of the Tri-Municipal Region, Nichols Management, 2020

Environmental Considerations

The City of Spruce Grove recognizes the importance of transitioning to green energy and the economic benefits that come from transitioning to a low carbon economy. The City is supportive of businesses that are adopting new clean technologies and are taking advantage of new opportunities from green energy diversification including the burgeoning hydrogen economy in Alberta and the Edmonton Metropolitan Region. The City has also developed a Climate Change Action Plan to limit future climate change.





Target Sector Competitiveness

Spruce Grove's strongest competitive positioning is aligned to those of the EMR with agri-food, energy sector services, manufacturing fabrication, and processing, transportation, warehousing, and logistics as the four sectors where alignment with the EMR and the investment attraction efforts of Edmonton Global represent logical priority areas. Spruce Grove's target sectors are broadly consistent with and build on the strategic areas of focus developed by Edmonton Global for attracting investment and building key industries. Cross-referencing these sectors with the data from the background review and demographic and economic profile, a set of sectors emerged as key targets for investment attraction.

Spruce Grove's has additional strengths in its commercial market. This market has grown over the past decade and benefits from the City's large Trade Catchment Area of over 150,000 people. The sustained population growth in Spruce Grove and its Trade Catchment Area will be crucial for the City to continue to grow its commercial market.



Agri-food Overview

AGRI-FOOD

Key strength in the region and represents a significant opportunity to attract new businesses in this sector, building on research assets, strength of primary agriculture and existing regional food processing. Positioned to leverage crossover activity in manufacturing, agri-food, transportation, and logistics. The sector requires access to industrial land, utilities, workforce, and transportation routes. Spruce Grove’s location, access to workforce and proximity to the Food Development Centre make the City an attractive option.

Strengths	Opportunities
• Food Processing Development Centre provides research and development support for agricultural processing • National and international agri-food businesses are well established and operate successfully in Spruce Grove • The University of Alberta houses one of the strongest agricultural research programs in the country • A good supply of trades that are required to maintain equipment and access to educated professionals in the food sciences • Industry-led research centres, including DuPont Pioneer’s seed research facility in Strathcona County • Strong rail linkages with CN and CP • Proximity to agricultural land provides good access to local inputs, excellent soil quality in the region • Proximity to Acheson industrial area supports a concentration of businesses and workforce	• Digital agriculture (Industry 4.0 concepts) in production aligns with regional strengths • Hemp and cannabis production, including edibles and oils • Introducing a pulse fractionation facility in the region • Increase clustering within producers, encouraging the use of by-products/waste for input in other production • Requirement for lower cost, less skilled workforce aligns with a segment of workforce underutilized in energy and manufacturing sectors • Local craft brewing and distilling⁶

6 Tri-Municipal Economic Development Strategy 2021

Energy Sector Services Overview

ENERGY SECTOR SERVICES

Energy Sector Services is a well-established sector, with maturing firms that have defined products and services. Opportunities exist within the sector to build off the existing firms, education institutions, technologies, and services. This includes those firms that utilize crane and energy service companies in the region and NAIT's Spruce Grove Campus that focuses on crane and hoisting equipment operation. The sector is positioned to leverage crossover activity in manufacturing, agri-food, and transportation warehousing and logistics. Energy firms and the Province of Alberta have made significant investments into cleantech and hydrogen energy systems. There are significant regional education and R&D assets for this sector in the region.⁷

Strengths	Opportunities
• Very well-developed supply chain, serving as an international logistics hub for energy services • Strong relationships between producers and service companies, including collaboration on equipment and processes • Proximity to new artificial intelligence and technology clusters in Edmonton, including the University of Alberta innovation cluster • The deep labour pool of skilled trades and professional • Cluster development between companies, academia and applied researchers on energy • Regional institutions (NAIT, University of Alberta) have various centres focused on applied research and training in the sector • Large-scale fabrication and modular construction capacity in the region	• Downstream investment in value-added production (ex. petrochemical processing in AIHA) diversifies the production base and creates new supply chain opportunities • Conversion of electrical generating plants within the Region to gasification could create opportunities for local suppliers • Grid-scale geothermal, a growing international market, allows for leveraging of the Region's deep knowledge of insitu drilling and field servicing • Leverage existing core competencies in energy services to expand cleantech • Encourage local businesses to invest in technology to support increased productivity⁸ • Utilize the existing infrastructure to support business opportunities surrounding the supply chain of the hydrogen economy

⁷ A Competitiveness Review of the Tri-Municipal Region, Nichols Management, 2020

⁸ Tri-Municipal Economic Development Strategy 2021



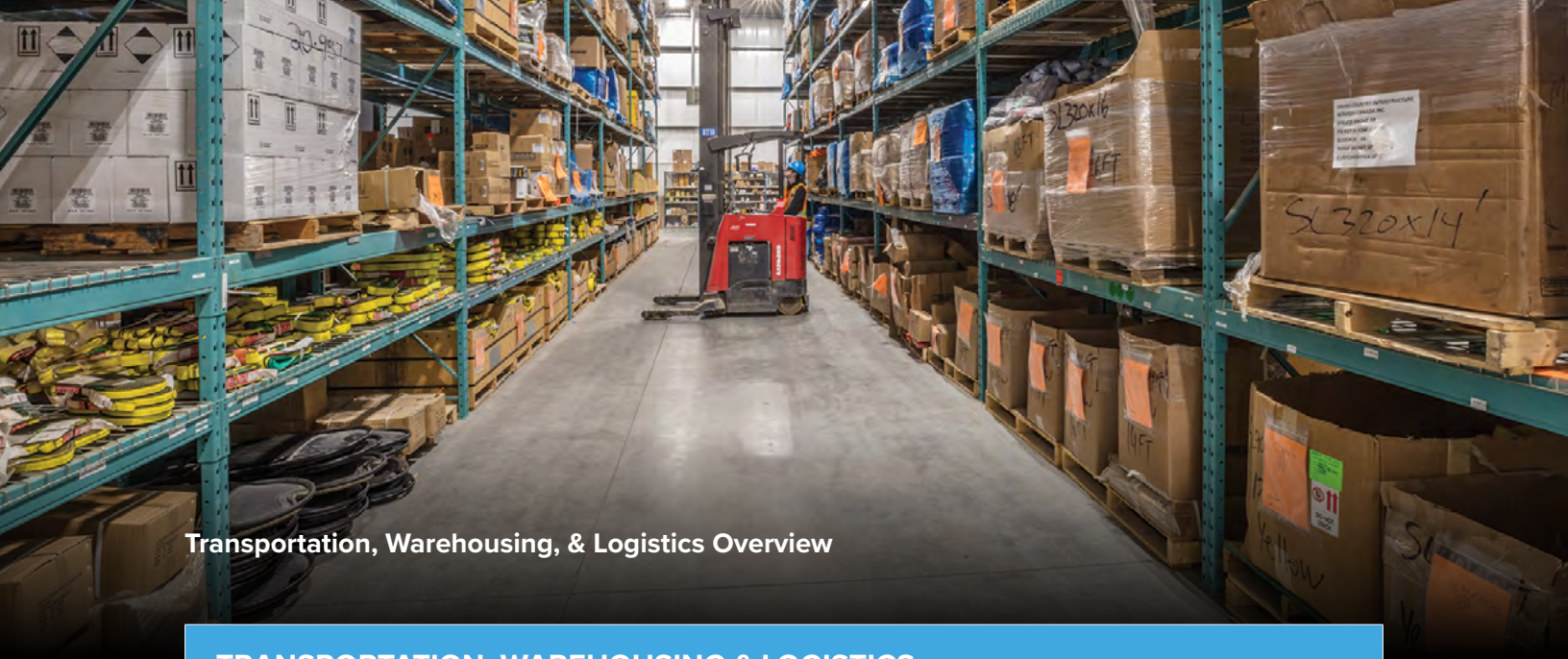
Manufacturing, Fabrication, & Processing Overview

MANUFACTURING, FABRICATION & PROCESSING

Manufacturing is concentrated in Spruce Grove. Local industrial parks well suited to small-scale, high-tech operations where access to technical workforce is the primary concern. The sector has crossover with other sectors such as agri-food, energy, transportation, and logistics. There are significant regional education and R&D assets.

Strengths	Opportunities
• The Advanced Materials & Asset Reliability Management Program from InnoTech Alberta provides services such as materials testing, electrical discharge machining, technology development & evaluation, and field support for Alberta businesses⁹ • Sizeable workforce with metalworking/machining and welding skillsets, supported by well-recognized education and training programs at NAIT • NAIT Productivity Improvement Centre (PIC) including a hub for applied research • Alberta Centre for Advanced MNT Products focuses on electronics hardware development, embedded systems and firmware, sensors, control systems and autonomous transportation technologies • Lower electricity and natural gas costs in the EMR • Proximity to new artificial intelligence, machine learning, and technology clusters in Edmonton, including the University of Alberta innovation cluster and AMii (Alberta Machine Intelligence Institute) that provide support for training, applied research and technology adoption	• Interest in the region for advanced manufacturing processes • Modern manufacturing techniques are highly reliant on information technology and require reliable high-speed internet connectivity • Strong existing metal fabrication cluster and existing supply chains can pivot to complimentary markets • Alberta population size approaching critical mass, a factor influencing manufacturers market selection • Rapid real-time analytical capabilities of IoT technology can benefit the existing manufacturing of complex equipment in the region

9 InnoTech Alberta, <https://innotechalberta.ca/services/advanced-materials-asset-integrity/>



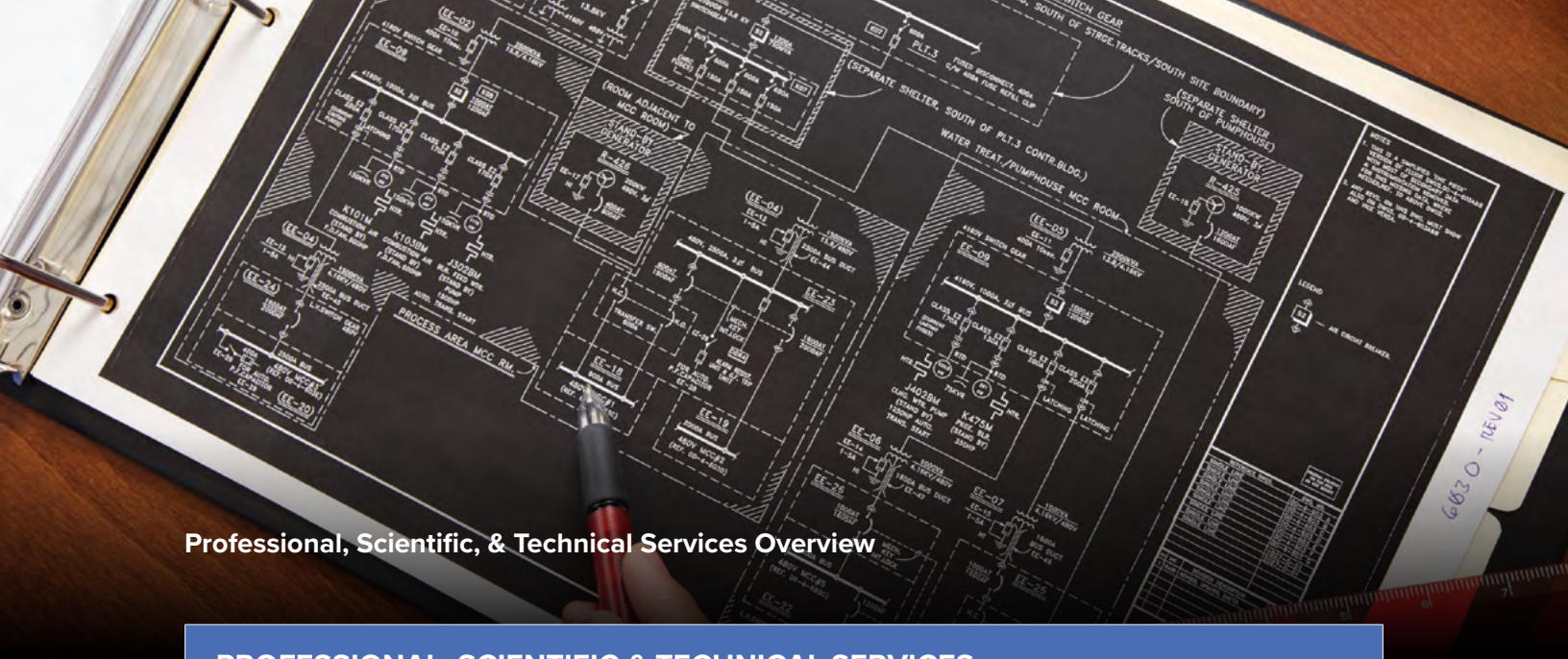
Transportation, Warehousing, & Logistics Overview

TRANSPORTATION, WAREHOUSING & LOGISTICS

Spruce Grove’s location to the west of Edmonton and proximity to Acheson industrial zone supports opportunities for smaller scale transportation, warehousing, and logistics services. Significant regional education and R&D assets also support this sector and supply chain upheaval has created long term structural challenges creating new opportunities for local suppliers, transportation, and logistics service providers.

Strengths	Opportunities
• Good air-cargo supported by an integrated ecosystem provides access to foreign markets via EIA¹⁰ • Multiple cargo-handling facilities, including access to cold-chain logistics capabilities • Good access to ground transportation and routes that connect Edmonton to key markets in the United States • Rail routes include CN and CP national line, provide a shipping advantage to Asia over many U.S. locations	• Global growth in online retail, accelerated by the pandemic will drive TW&L locally • Growth of local TW&L market could grow because of reshoring supply chains brought on by pandemic-influenced challenges, particularly involving essential goods • The Spruce Grove Transportation Master Plan indicates a potential connection of Highway 628 and the Whitemud Freeway, which would address Spruce Grove business park access constraints • The proposed extension by Alberta Transportation of the over-dimensional load corridor would open fabrication, logistics and support service opportunities • Big data, including real-time monitoring requirements, drive business to locations with dependable high-speed internet¹¹

10 A Competitiveness Review of the Tri-Municipal Region, Nichols Management, 2020
 11 Tri-Municipal Economic Development Strategy 2021



Professional, Scientific, & Technical Services Overview

PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES

Spruce Grove's status as a community of choice in the region has attracted a significant number of Professional, Scientific and Technical Services firms that are able to serve clients worldwide. Key sub-sectors include export engineering, software development, and environmental services. These firms are typically export-oriented, enablers of the other key sectors, and provide essential services for the community's future growth. Other population-based industries such as legal services and real estate and rental and leasing also make up the Professional, Scientific and Technical Services firms in Spruce Grove as part of the extensive commercial base that exists. Focusing on export-oriented businesses as part of the economic development strategy allows the City to focus its efforts on new wealth-generating industries and overall growth of its economy.

Strengths	Opportunities
- Statistics Canada recorded 254 PSTS businesses in Spruce Grove, 5 of these businesses have 20+ employees - Regional institutions (NAIT, University of Alberta) have various centres focused on applied research and training in the sector - Proximity to new artificial intelligence and technology clusters in Edmonton, including the University of Alberta innovation cluster 90% of all premises in Spruce Grove have access to high-speed fibre optic broadband connectivity - Over 560 employed in this sector in Spruce Grove - Key Sub-Sectors: - Architectural, engineering, and related services: 19 businesses with employees, 86 jobs - Computer systems design and related services: nine businesses with employees, 102 jobs - Management, scientific and technical consulting services: 40 businesses with employees, 45 jobs	- Recruitment of PSTS professionals to Spruce Grove attracted by quality of life - Big data, including real-time monitoring requirements, drive business to locations with dependable high-speed internet - Continuing to drive interconnectivity between sectors through technology adoption and new service development to support increased productivity ¹² - An emerging software development and specialized design services cluster supporting the construction sector is growing in Spruce Grove - An emerging environmental services cluster is growing in Spruce Grove, supporting both the construction and energy services sectors

SOARR Assessment

A Strengths, Opportunities, Aspirations, Risks and Results (SOARR) Analysis is a forward-looking model for reflecting on strategic planning. It assembles the research and consultation insights and serves as the pivot between ‘what has been learned’ and ‘what needs to happen.’

The SOARR takes elements of what would traditionally be affiliated with a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis and, through the Appreciative Inquiry (AI) approach, focuses on the Results – thereby building on what works best to ensure continued success.

The concepts underpinning the SOARR model are outlined in the figure below.

The SOARR (Strengths, Opportunities, Aspirations, Risks and Results) assessment that follows reflects on the information and insight that has been gathered and provides further indication of Spruce Grove’s ability and capacity to support the attraction, retention, and expansion of economic investment.



S

STRENGTHS

What can we build on?

- What are we doing well?
- What key achievements are we most proud of?
- What positive aspects have individuals and enterprises commented on?

- Location and status as a regional service and commercial centre for the Edmonton Metro's western communities with a reputation as a community with a high quality of life.
- Rapid population growth (44% increase from 2011 to 2021), projected to reach 43,470 residents by 2029 (15% increase).
- Employment projected to grow by 10%, reaching 13,882 jobs by 2028 (an additional 1,243 jobs).
- Relatively diverse and affordable housing options.
- Spruce Grove has a well-established commercial base and citizens are increasingly able to access comprehensive retail and services from lawyers, accountants, realtors, health care professionals, financial planners, insurance brokers, and others without having to leave the City.
- Public sector investment in quality of life and community infrastructure (Broadband, City Centre Re-Development, Spruce Grove Civic Centre, Industrial Land).
- City Council and EDAC are supportive of development and actively champion the aspirations of the City.
- Actively targeting commercial, industrial, and residential development opportunities.
- Spruce Grove's population has a higher household income compared to the Edmonton CMA and over 50% of the labour force has a post-secondary diploma, degree, or certificate, most of whom have a college degree.
- 93% of businesses surveyed indicated they would recommend Spruce Grove to other businesses.
- Businesses are optimistic about revenue growth in the next 12 months.
- Cellular phone service, availability of property for purchase or lease, relationship with local government for business needs, and the existing road network were highly rated by businesses in the City.
- A high concentration of energy sector services, manufacturing, fabrication & processing and transportation, warehousing, and logistic operations.
- Spruce Grove is a community of choice and a net exporter of workers with 9,535 commuting out for work and 4,410 commuting to Spruce Grove to work.
- The retail trade sector comprises 22% of local employment and is projected to have the strongest rate of growth through 2028.



OPPORTUNITIES

What are our best possible future opportunities?

- What changes in demand do we expect to see in the future?
- What external forces or trends may positively affect development?
- What are the key areas of untapped potential? What weaknesses or threats can be converted into SMART improvements?

- Continue to leverage the NAIT campus to attract business investment to Spruce Grove and advocate for an expanded campus and programming as part of their 2023 strategic planning exercise.
- Enhance proactive developer support and programming (marketing, development incentives/relief) to support industrial investment and new office buildings.
- Explore partnerships with Indigenous communities in the region to lobby for infrastructure upgrades, funding, tourism, and industrial land development.
- Lobby to secure a build out of Highway 628 is a priority as it opens lands south of 16A to further development.
- Establish a business incubator and accelerator that connects to the region's innovation eco-system.
- Introduce a City Centre Storefront Improvement Program to stimulate local property owner and business investment in buildings and catalyze future redevelopment.
- Create dedicated tourism team that targets events marketing and sports tourism, leveraging local and regional assets investments.
- Leverage historic and projected population growth to position the City as a community of choice for business investment.
- Growth in agribusiness and food processing represents an opportunity to attract new businesses in this sector, building on research assets, strength of primary agriculture, local demand, and export opportunities.
- Leverage growth in the region's clean tech industries, Alberta's investment into hydrogen energy systems, carbon capture, utilization, and storage, and significant education and R&D assets to attract industrial investment to Spruce Grove.
- Leverage Spruce Grove's strategic location on East West highways and relative access to Edmonton International Airport. A big highway for Spruce Grove is Hwy 43 North to Grand Prairie, Peace River, NE BC.
- Local industrial parks well suited to small-scale, high-tech manufacturing and fabrication operations where access to technical workforce is the primary concern.
- Spruce Grove's location and proximity to the Acheson industrial zone supports opportunities for smaller scale transportation, warehousing, and logistic operations.
- Support the expected growth of the 20 local businesses identified in the business survey results.
 - Expanding businesses were spread across a variety of sectors including energy services, construction, professional scientific and technical services, manufacturing, logistics and healthcare.

A

ASPIRATIONS

What do we care deeply about achieving?

- What are we deeply passionate about?
- As a region, what difference do we hope to make (e.g., to residents, for institutions, to businesses)?
- What does our preferred future look like?

- Continue to grow the favourable residential / non-residential assessment split.
- A vibrant and accessible City Centre with surrounding residential densification and mix of affordable housing formats.
- Strategic redevelopment and infill in City Centre commercial and residential lands.
- A defined community and cultural identity reflected through programming, festivals, and events.
- Effective regional collaboration with Parkland County and Stony Plain.
- Leverage the marketing, investment readiness and investment attraction activities of Edmonton Global.
- Continue to attract a diverse range of industries to ensure the long-term sustainability of economic growth.
- Diverse and affordable housing that satisfies the needs of a young and growing population.
- Spectator seating and recreation facilities to support events and sports tourism opportunities.
- Improved employment density and quality of employment opportunities.
- Improved targeting of high value workforce and industries.
- Identify Spruce Grove's niche in the innovation and entrepreneurship ecosystem.
- Increased availability of serviced industrial land that meets the demand of business and industry.
- Stronger integration with Stony Plain and Parkland County to support joint transportation systems, cultural events, and other services where regional collaboration creates stronger outcomes.

R

RISKS

How will we recognize and mitigate or eliminate potential risks?

- What challenges do we need to be aware of?
- What policy shifts could impact our aspirations?
- What contingencies should we have in place to address threats or unexpected consequences?

- The growing net deficit of serviced industrial lands will limit the City's ability to build a balanced, diverse economy and put an increased burden on the City's residential population.
- The lack of housing format density and diversity in the City's housing stock will limit its ability to attract a broad range of workers and incomes to the City.
- The lack of infrastructure investment south of the railway tracks will limit the City's ability to effectively leverage future industrial land.
- Some stakeholders felt there was more priority placed on attracting new business and investment to Spruce Grove at the expense of retaining and expanding existing businesses in the community.
- The City is not known as a location for entrepreneurship or innovation and lacks supportive programming or facilities as compared to other comparative communities.
- Access to capital is a challenge for start-ups and companies considering expansion; without better access the community may lose the opportunity to be the recipient of investment.
- Continued reliance on the growth of service industries and population-based employment (82% of the City's jobs) resulting in an increasing number of residents commuting out for higher value employment.
- Technology shifts and a generational shortage of skilled and unskilled labour will have a negative impact on local business operations and investment attraction opportunities.
- Spruce Grove (as well the Greater Parkland region) lacks an identifiable brand in terms of investment attraction. What is the community/region known for? This is key to marketing in a very competitive environment.
- Proximity to the much larger Acheson Industrial Area provides strong competition within the region for attracting industrial investment. However, this can also be seen as an opportunity for supply chain industries in Spruce Grove to service a large industrial market in close proximity.

R

RESULTS

How will we know we are succeeding?

- What are the key goals we would like to accomplish in order to achieve these results?
- What meaningful measures will indicate that we are on track toward achieving our goals?
- What resources are needed to implement our most vital projects and initiatives?

- A balanced residential to non-residential tax base ratio (80% residential, 20% non-residential).
- An increase in the diversity of local employment with higher quality jobs and increases in income levels.
- A range of housing options that appeal to different income levels and age.
- Increased cultural and quality of place amenities across the community.
- A revitalized City Centre with active streets, well-performing businesses, and few vacancies.
- Expanded selection of incentives and support programs available for businesses to encourage growth and new investment.
- An increased number of businesses and employees in Spruce Grove's industrial areas in target sectors.
- An increased number of residents that live and work in the community.
- The growth of a tourism economy with an increased number of tourists, annual festivals, and cultural events.
- Increased number of start-ups and innovative companies in Spruce Grove.



Building on the Previous Strategy

In updating the Economic Development Strategy consideration has been given to the success of the implementation efforts over the last five years. The City has made significant strides and completed 39 of the 57 actions identified in the previous strategy, while the other 18 are still in progress as they had timeframes for completion beyond the 5-year horizon of the plan – for example, City Centre revitalization. The new strategic update recognizes these accomplishments and identifies new opportunities these completed actions have created.



SOME MAJOR SUCCESSES

The City of Spruce Grove has achieved major successes since the last strategy update, these include:

- **Industrial Land Development:** The City completed an Industrial Land Strategy which created a broader understanding of the need for additional industrial land. From this, the Economic and Business Development Department created a pilot program approved by council to develop a brand new 18-acre industrial sub-division with serviced lots set to come online in 2023. Developing these lands is an essential step for Spruce Grove in taking a proactive approach to investment readiness and attraction.
- **Balanced Tax Ratio:** Despite the City growing its population over 10% since 2016, and consistently being one of the fastest residential construction markets in the Edmonton Metro Region, Spruce Grove achieved an 81.8/18.2 residential non-residential tax ratio in 2022. This is a major achievement during a period of intense residential development. Due to the split mill rate, non-residential assessment accounts for 24% of the City's tax revenues.
- **Fibre Optic Broadband Investment:** The City of Spruce Grove took proactive action to enhance the community's ability to attract businesses by investing in broadband infrastructure. The \$54 million investment partnership with Telus for enhanced broadband infrastructure was completed in late 2022 and provides high-speed fibre optic access to over 90% of all residential, commercial, and industrial lands in Spruce Grove.
- **City Centre Revitalization:** The City Centre Area Redevelopment Plan was completed and approved in 2020 with an investment in infrastructure and streetscape improvements that broke ground in 2022 and will be staged over a period of 5 years at a total cost of more than \$35 million. An example of this is the redevelopment and recent opening of new Columbus Park in the City Centre.
- **Infrastructure Investments:** Spruce Grove has made significant investments into its infrastructure including the High Load Corridor Project, major water line replacement and drainage improvements in the industrial area, the \$73 million Civic Centre at Westwind, the \$54 million Fenwyck Heights seniors supported living development, and construction of Pioneer Road from Highway 16A to Grove Drive.
- **Online Approvals:** The City has made significant strides to reduce the red tape for the private sector and to streamline development approvals. To help accomplish this, the City launched the CityView Portal in 2022 and now all application development approvals, permits and licenses are online. In 2021 the City had a total building permit value over \$220 million.
- **Edmonton Global:** Spruce Grove has been a key supporter of Edmonton Global and contributes to the regional organization's success. Now that Edmonton Global has established itself, Spruce Grove is well positioned to respond to investment inquiries.

These successes drive all the key elements of Spruce Grove's ongoing development, improving the quality of life for residents and making it easier for businesses to choose the City as **a location to invest.**

Economic development in Spruce Grove is a highly integrated effort touching on all aspects of community development from marketing to City Centre Revitalization, to ensuring a continuum of housing and the provision of necessary infrastructure to support the growth of the business community. Recognizing the context of the community's success is essential, Spruce Grove has shown resilience through the COVID-19 pandemic, continuing to attract new residents and businesses while up against regional competition from Acheson. The discussion that follows highlights the more significant elements of the City's economic development agenda.



Strategic Goals – Determining Priorities

Based on research, engagement, and work completed on the previous Economic Development Strategy the project team recommends continuing to work to achieve an 80/20 assessment split, grow the number of residents working in Spruce Grove, further the diversification of the industrial base to reduce energy dependence and attracting redevelopment to the City Centre. The following strategic goals are designed to achieve these targets. While the vision and goals of the previous strategy remain sound, several factors have emerged during the updating of the Strategy that have a direct bearing on the City's economic development agenda.



Build Our Quality of Place Experience

Spruce Grove has successfully maintained its status as a community of choice through the COVID-19 pandemic. By continuing to invest in the quality of life the City is known for and growing the visitor economy, Spruce Grove can enhance its reputation and support its rapidly growing population. Projections completed by RUNWITHIT Synthetics indicate that as the oil and gas industry peaks in 2030 the hydrogen and clean energy workforce will continue to grow into 2044. This workforce is projected to be younger, more diverse and female dominated with a higher appreciation for quality of place amenities and experience. Continuing to invest in this strategic priority supports the City's ongoing growth well beyond the next five years.

Tourism is an essential aspect of quality of life as residents and visitors often desire the same high-quality amenities. With COVID-19 receding, there are new opportunities for the City to take a more proactive stance in this sector and continue to strengthen the high quality of life for residents in Spruce Grove.



Focus on Business Retention and Expansion

Continuing to enable growth through existing businesses with Spruce Grove's well established BRE program is the highest return on investment activity for the economic development department. BRE activities help create and preserve local employment while supporting a high quality of life and balanced tax base. These businesses are invested in Spruce Grove and will continue to invest and provide new investment leads. Relationship development, improved understanding of business communities' sectors and issues, and consistently providing value to local businesses is a long-term commitment. The COVID-19 pandemic has strengthened the connectivity between local governments and the business community creating opportunities to support ongoing technology adoption, workforce development and collaborative investment attraction.

Continuing to enhance the Labour Market Information that is being captured and sharing these highlights with appropriate educational institutions such as the University of Alberta or the Northern Alberta Institute of Technology allows for stronger programs to be developed that are specific to the needs of the labour force in Spruce Grove.

The City has enhanced its client relationship management (CRM) system with HubSpot in efforts to better track the work of the BRE team and communicate those results more clearly to the community.

Enhance Investment Attraction

Spruce Grove is already a community of choice for residents but improving economic diversity to maintain a balanced tax ratio and support more people living and working in the community are essential pursuits.

Economic development's central role in marketing and branding is well understood in the industry and effective communication is an essential tool. Spruce Grove has actively marketed the municipality and invested in significant upgrades to its investment attraction website and materials. The City has also engaged with Edmonton Global since its inception to ensure Spruce Grove's value proposition is well understood by those tasked with bringing the EMR to the world.

Continually refreshing materials and updating the datapoints that resonate with investors is a core competency of the Spruce Grove team, however there are always opportunities to retarget and align new campaigns in coordination with regional partners. Showcasing new investments and profiling local businesses in target sectors will continue to be a key aspect supporting the City's success.





Ensure Adequate Supply of Market-Ready Employment Lands

Maintaining Spruce Grove’s investment readiness includes ensuring a comprehensive inventory and supply of shovel ready employment lands and spec buildings that support the attraction and retention of targeted investment. Maintaining the balanced 80/20 residential non-residential tax ratio needs to be continually supported through the development of industrial land to support the projected residential development. Considering the current supply and net demand projections, Spruce Grove will have a deficit in employment lands in the upcoming years with a net deficit of 174 acres by 2026, 405 acres by 2026 and 474 acres by 2046. Most of the demand will be for industrial-related uses.¹³ The City has taken steps to develop 18 acres of industrial land for sale in 2023 but more aggressive action will be necessary for Spruce Grove to meet the projected demand.

A major component of the City’s continued success will be the establishment of additional investment ready lands and buildings. Spruce Grove has taken the first proactive step in this space and can do more. Developing the City’s infrastructure south of the railway tracks will be a long and costly endeavor but is essential if the community wants to prioritize long-term sustainable growth.

Support Entrepreneurship and Innovation in Spruce Grove

Supporting economic diversification and investment requires the provision of forward-thinking regional infrastructure that supports innovation, entrepreneurship, and technology-based enterprises.

The economy is increasingly driven by innovation and technology adoption. Spruce Grove’s investments in broadband infrastructure have supported future proofing the City and giving the business community the opportunity to access this necessary service locally. The region is home to innovative companies supporting technology adoption and a broad network of research institutions and entrepreneurial support programming. These supports enable new and existing businesses to innovate through business planning, networking and government and private sector resources.

The competitiveness reviews completed as part of the Tri-Municipal Economic Development Strategy and the Economic Development Strategy update indicate that Spruce Grove is considered ‘outside the action’ of the broader Edmonton innovation ecosystem and can improve its position as a regional player to attract innovative firms.

Leveraging regional services by improving local businesses’ access to these supports and attracting businesses that are ready to scale up are higher ROI activities compared to replicating services. Working with existing incubators like NABI (Northern Alberta Business Incubator) and using their support networks help new startups and scaling firms to land in Spruce Grove. The more access to technology, innovation and support Spruce Grove can provide or secure through partnerships, the more attractive it will become to businesses, start-ups, and entrepreneurs.

Strategic Plan – Goals, Objectives, & Actions

Council's Commitment Statement

The City of Spruce Grove's Corporate Strategic Plan lays out the following commitment statement for the community:

"We are a Council that is committed to the community; to ensuring all residents at all stages of life feel a sense of belonging and are encouraged to grow forward, together. As community builders, we want to enable a dynamic City that provides opportunities to recreate, experience culture, grow a business and gather as a community. As a Council we want to ensure all are welcome; that we grow our City within our means in a fiscally responsible way and actively engage our residents as we set the direction for our City. Now is the time to strengthen our community connections, finding ways to bring people together again.

We are committed to you – your families, your businesses and our City. We are committed to Spruce Grove."

The commitment statement supports the theme of Economic Prosperity, the strategic plan states:

"We will continue to support economic development strategies that will position the City for success in a rapidly changing global economy. Investing in our City Centre, supporting the small business community and enabling businesses to succeed are all key priorities that will drive local investment and employment opportunities for residents. Ultimately, the goal is for Spruce Grove's local economy to continue to grow and diversify, demonstrating long-term sustainability in a thriving community.

Building on these commitments and the exemplary work the City has completed in the previous strategy, the update to the economic development strategy is designed to drive the community forward and achieve this vision for Spruce Grove.

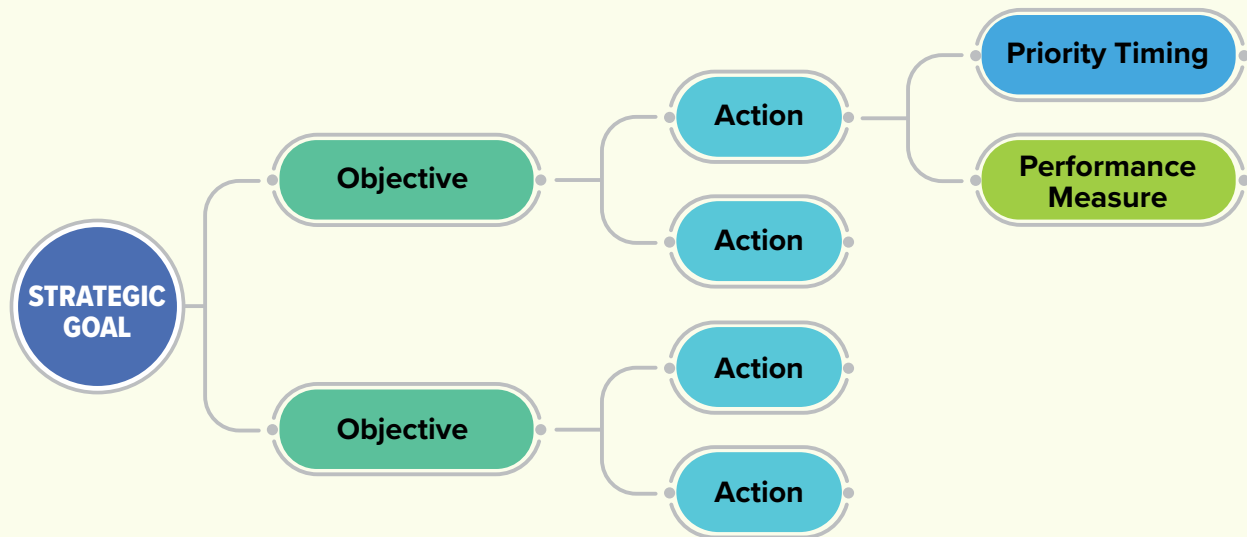
Strategic Action Plan

Goals, Objectives, Actions Defined

The City of Spruce Grove Economic Development Strategy and Action Plan 2023-2028 is underpinned by four high level goals, intended to anchor and qualify all strategic initiatives or ensuing actions on the part of the City over the next five years. The goals support the City's overarching vision for the community and the desired outcomes of the economic development planning process.

It should be noted that the list of actions is a prioritized starting point based on community input and research at a point in time. It is by no means an exhaustive or comprehensive list of all the potential actions for the City of Spruce Grove. New actions will emerge and will need to be assessed against the goals and objectives for the plan.

For the purposes of the Spruce Grove Economic Development Strategy and Action Plan 2023-2028 the **GOALS, OBJECTIVES** and **ACTIONS** contained in the Plan are presented in the following structure:



Strategic Goals:

The vision and desired outcomes that emerged from the strategic planning process and a view of the aspirations of the City's citizens and community stakeholders.

Objectives:

How these goals are to be achieved and what is expected to be accomplished in the next five years.

Actions:

The direction the City and its stakeholders will undertake to combat the essential issues or opportunities that must be addressed over the length of the plan.

Priority Timing:

The timeframe for implementing the Action. Priority timings are either a Short-term (S), build out to 2024, Long-term (L), build out to 2027, or Continuous (C) over the timeframe of the Strategy.

Performance Measures:

The key benchmarks that will demonstrate successful results from implementing the Action.

Strategic Goal #1 – Build Our Quality of Place Experience

Objective #1	Support investment, redevelopment, and revitalization of City Centre.	Priority Timing		
		S	L	C
Action #1	Examine strategies for incentivizing reinvestment in the City Centre including, but not limited to, strategic land acquisition by the City, potential use of incentives, and government grants.			
Action #2	Develop an investment pro-forma for the City Centre to support investment attraction.			
Action #3	Continue to engage with and support the City Centre Business Association (CCBA) in the delivery of programs and events, branding and promotion of City Centre redevelopment efforts.			
Action #4	Implement a City Centre Storefront Improvement Program (SIP) to encourage property owners to reinvest in their buildings.			
Objective #2	Provide engaging public spaces and places that are supported by a wide variety of programs and activities for residents, visitors, and businesses.	Priority Timing		
		S	L	C
Action #5	Support the update and implementation of the Cultural Master Plan by examining opportunities for growth in cultural and creative industries across the City.			
Action #6	Continue to support the planning and build-out of the Civic Centre and other community amenities which provide a quality of life that attracts new businesses and residents.			
Action #7	Encourage the revitalization of the City Centre as a community gathering spot and destination for unique retail, office, restaurant, and entertainment opportunities.			
Objective #3	Promote our community and regional amenities to support tourism marketing and event hosting.	Priority Timing		
		S	L	C
Action #8	Develop a Tourism Marketing Strategy which promotes the attractions, amenities, and facilities in Spruce Grove and the region including the development of a Destination Guide and Tourism Ambassador Program.			
Action #9	Develop an event hosting program that utilizes City facilities to attract significant competitive, cultural, business, and entertainment events.			
Action #10	Continue to work with the Greater Parkland Regional Chamber of Commerce for the delivery of visitor regional information services and business educational and training programs.			

Strategic Goal #1 – Performance Indicators

Quantitative Indicators

- Number of events attracted and hosted in Spruce Grove and the City Centre
- Approval of additional full-time resources to support event and tourism promotion
- Investment and redevelopment expenditures in the City Centre
- Ongoing implementation of the City Centre Area Redevelopment Plan recommendations
- New businesses in the City Centre along with new redevelopment or infill projects
- Financial investment and uptake by property and business owners of the Storefront Improvement Program

Quantitative Indicators

- Emergence of the City Centre as a destination within the community and further market penetration of the wider retail trade area

Strategic Goal #2 - Focus on Business Retention and Expansion

Objective #4	Maintain a competitive business, fiscal, and regulatory climate that projects a customer service mindset.	Priority Timing		
		S	L	C
Action #11	Participate in the update of the Municipal Development Plan due in 2024 to ensure that economic development issues and priorities are captured in the final plan.			
Action #12	Undertake periodic cost analyses which compare Spruce Grove's competitive position with other municipalities in the Edmonton Metropolitan Region.			
Action #13	Participate in red tape reduction efforts in cooperation with the Economic Development Advisory Committee (EDAC) to ensure policies and regulations do not create unnecessary constraints and costs for business.			
Objective #5	Provide convenient and up-to-date access to a range of information products, advisory services, and business development programs.	Priority Timing		
		S	L	C
Action #14	Provide a one-stop window for access to business information, programs, and wayfinding services in navigating municipal approval and compliance processes for local businesses and investors.			
Action #15	Update the Retail and Office Market Analysis every two years including a consumer intercept survey and better definition of Spruce Grove's trade catchment.			
Action #16	Continue to produce a monthly economic development newsletter with the target of growing the subscriber base from the current 400 recipients by 50%.			
Action #17	Continue to update the three Here We Grow profiles, Finding Success brochure, and City map.			
Objective #6	Expand engagement with the business community to help identify and resolve issues and take advantage of opportunities.	Priority Timing		
		S	L	C
Action #18	Formalize an early Business Visitation Program including the implementation of the HubSpot customer relationship management (CRM) platform.			
Action #19	Work with the Greater Parkland Regional Chamber of Commerce in supporting theme-based business workshops and other outreach activities to assist small businesses.			
Action #20	Explore opportunities to connect with local Indigenous communities on potential business and workforce opportunities.			
Objective #7	Support workforce development, recruitment, and attraction.	Priority Timing		
		S	L	C
Action #21	Work with businesses to access workforce recruitment support through training, job fairs, and immigration through the Temporary Foreign Workers Program and other channels.			
Action #22	Support initiatives to expand access to settlement services for new arrivals to Canada which support integration into the labour force.			
Action #23	Utilize regional data sources captured to inform LMI Database (Information captured through BR&E meetings, Census Reports, etc.)			
Action #24	Capture labour market needs from local businesses and community leaders.			
Action #25	Act as a connector between educational institutions and the business community by sharing insights from the LMI database.			

Strategic Goal #2 – Performance Indicators

Quantitative Indicators

- Number of companies assisted through business attraction, retention, and attraction efforts
- Complete updates to the Retail Trade Gap Analysis, Industrial Profile Analysis, Industrial Sector Targeting Strategy and Comparative Cost Survey
- Number and value of building permits
- Number of business licenses
- Invest Spruce Grove website traffic
- Data points added to existing LMI database
- Number of new educational programs in Spruce Grove
- Number of new students graduating through programs educational programs in Spruce Grove

Quantitative Indicators

- Spruce Grove's reputation as a good location for business
- Level of engagement with the business community
- Improved awareness of Spruce Grove as a destination for the labour force
- Improved reputation of Spruce Grove as a place to learn



Strategic Goal #3 – Enhance Investment Attraction

Objective #8	Pursue a targeted approach that prioritizes sectors and opportunities based on likelihood of success and highest return.	Priority Timing		
		S	L	C
Action #26	Update the Industry Sector Targeting Study every two years including consideration of supply chain management opportunities within the region.			
Action #27	Explore opportunities to attract additional medical facilities, affordable housing, and aging in place accommodations. Work with developers to bring additional multi-family sites to market.			
Action #28	Identify gaps in our retail, hospitality, and personal services sectors and work with developers to attract commercial investment.			
Action #29	Work with NAIT on their campus development plan in Spruce Grove and opportunities to attract companies that have synergy with their training and applied research programs.			
Objective #9	Engage with business and municipal stakeholders to market Spruce Grove as a place to live, visit, invest, and operate a business.	Priority Timing		
		S	L	C
Action #30	Provide a full concierge service for investors in Spruce Grove to access data relevant to investment decisions, relevant programming, and way finding services for navigating municipal approval and compliance processes.			
Action #31	Partner with developers in residential, commercial, and industrial marketing campaigns such as “Back to the Sweet Life” as needed to support new investment.			
Action #32	Attend targeted trade shows such as ICSC Conferences that provide a venue for promoting development opportunities and access to major retail companies and institutional investors.			
Objective #10	Collaborate with regional municipalities, governments, and institutions to raise the profile of the Edmonton Metropolitan Region in national and international markets.	Priority Timing		
		S	L	C
Action #33	Participate as a shareholder of Edmonton Global to attract investment and promote export development in collaboration with the Economic Development Network representing the 15 member municipalities.			
Action #34	Engage with Parkland County, Stony Plain, and Acheson Business Association on the potential for establishing an economic development brand and identity for the western side of the metropolitan region.			

Strategic Goal #3 – Performance Indicators	
Quantitative Indicators - Number of followers on social media platforms - Number of visitors to the economic development website - Number of visitors and information requests through the Visitor Information Centre	Quantitative Indicators - Achieve a stronger identity for Spruce Grove as a viable business and industrial location - Continue to produce the range of information products in demand by investors and business stakeholders

Strategic Goal #4 - Ensure Adequate Supply of Market-Ready Employment Lands

Objective #11	Invest in an integrated approach to provide infrastructure, services, and policy framework that supports an adequate future supply of industrial and commercial lands.	Priority Timing		
		S	L	C
Action #35	Ensure the City's long-term capital plan addresses future infrastructure needs, including the extension of the Boundary Road and Pioneer Road sanitary sewer trunk lines, required for the orderly development of existing and annexed lands south of Highway 16A.			
Action #36	Advocate for the construction of Highway 628 as a heavy haul route with Alberta government funding to relieve potential traffic pressures on Highways 16 and 16A in future years.			
Action #37	Review the state of the road and utility infrastructure in the older industrial areas to ensure that it meets a heavy haul standard and incorporate any recommendations for improvement in the corporate plan.			
Action #38	Market the new, fully serviced City-owned 18-acre industrial park on Century Road.			
Action #39	Participate in the Collaborative Economic Development (CED) initiative to examine ways for Spruce Grove to collaborate with other regional municipalities on significant economic development opportunities through joint investment in infrastructure or other measures.			
Action #40	Support the continued build-out of an integrated regional and local transit service.			
Objective #12	Work with developers and property owners toward achieving the highest and best use of employment lands to generate higher value assessment and job growth.	Priority Timing		
		S	L	C
Action #41	Explore strategies to incentivize higher value commercial and industrial investment targeted at bringing on new lands, buildings, spec buildings, redevelopment, and infill opportunities			
Action #42	Promote redevelopment of the Highway 16A corridor to better utilize derelict or underdeveloped sites and open new commercial lands.			
Action #43	Continue to review and implement the recommendations of the Industrial Land Strategy intended to increase the supply of serviced industrial lands.			

Strategic Goal #4 – Performance Indicators

Quantitative Indicators	Quantitative Indicators
- Growth in non-residential tax assessment - Growth in local employment - Overall supply of serviced employment lands - Absorption rate of industrial, commercial, and residential lands - Amount of gross floor area built out for commercial and industrial use - Absorption rates for residential, commercial, and industrial lands	- Progress on build-out of Westwind lands and redevelopment of the City Centre and Highway 16A corridor - Ensure that lack of appropriate infrastructure does not become a constraint on orderly growth and development

Strategic Goal #5 – Support Entrepreneurship and Innovation in Spruce Grove

Objective #13	Explore expanded support for business start-ups and scale-ups.	Priority Timing		
		S	L	C
Action #44	Explore a SmartStart program in partnership with Community Futures to provide mentorship and entrepreneurial support to new small businesses.			
Action #45	Support the creation of a start-up support network in complementary sectors.			
Action #46	Explore the feasibility to establish a business incubator and accelerator in Spruce Grove, including engagement with potential partners such as the Northern Alberta Business Incubator (NABI) and tri-region municipalities. This includes consideration of a virtual innovation hub.			
Objective #14	Promote access to digital technology and other business innovation support services.	Priority Timing		
		S	L	C
Action #47	Review and implement where feasible the remaining recommendations in the Fibre Optic Broadband Strategy including engineering standards for conduit installation in new subdivisions.			
Action #48	Investigate opportunities for “Smart City” applications made possible by the build out of a fibre optic network across the community.			
Action #49	Partner with groups such as the University of Alberta to develop digital economy programming that supports local business technology adoption and entrepreneurial growth.			
Action #50	Establish a database of existing regional innovation programming to improve access to resources.			
Action #51	Promote innovation and technology adoption by connecting Spruce Grove industries with research and development resources such as the Artificial Machine Intelligence Institute (AMII), Alberta Innovates, NAIT, etc.			

Strategic Goal #5 – Performance Indicators

Quantitative Indicators

- Creation of a start-up network for identified sectors in Spruce Grove
- Adoption of SmartStart Program
- Number of workshops and engagement opportunities to promote innovation

Quantitative Indicators

- Improved awareness of innovation and entrepreneurship support services
- Enhanced awareness of the importance of innovation and entrepreneurship
- Improved reputation of Spruce Grove as a location for innovation and entrepreneurship



Ken Morrison Realtor Spray Park at Jubilee Park

APPENDIX A:

Environmental Scan

Background and Document Review

A detailed review of all relevant municipal and regional reports and policy documents has been conducted for the City of Spruce Grove. The documents and policies identified have been analyzed comparatively to uncover areas of thematic overlap. The policies have been cataloged according to common themes to observe patterns – in essence, to find the “common threads” among them.

The following observations are important, as they highlight themes that are strongly represented in the current policy framework internally, and where there is alignment with external policies in areas of importance. Further, it allows the identification of gaps that exist where key themes and areas of importance do not currently have prominence in the municipal policy framework. If these gaps represent key objectives or priorities that are identified through the research and community engagement process, they heighten awareness for further examination to ensure effective alignment with future priorities.

The common threads identified among the policies and documents examined include:

- Quality of place and community profile
- Land-use (Zoning, Investment Readiness)
- Regional competitiveness
- Business Development
- Infrastructure development

The table on the next page presents a common threads matrix, showing the association between each theme relative to the documents it has been identified in via a series of check marks. A single check mark (✓) indicates the document has some content relating to the theme, but it is not a primary focus of the document, while a double check mark (✓✓) indicates there is a primary focus on the theme. While these documents were reviewed for the Document Background Review, only documents with relevant content for the development of the Strategy were included in further analysis.



COMMON THREADS ANALYSIS

Document Review	Quality of place and community profile	Land-use	Regional Competitiveness	Business Development	Infrastructure Development
City of Spruce Grove – Corporate Plan 2022-2024	✓			✓	⇓
City of Spruce Grove – Strategic Plan 2018-2035	✓	✓		✓	⇓
Edmonton Metropolitan Region Growth Plan – Amended January 15, 2020-		⇓	⇓		⇓
The City of Spruce Grove – Economic Development Strategy and Action Plan – Update 2017-2022	⇓	⇓		⇓	⇓
City of Spruce Grove Mid-Year Development Report 2018		✓		✓	
City of Spruce Grove – 2018 Development Activity Report		✓		✓	
City of Spruce Grove Mid-Year Development Activity Report 2019		✓		✓	
City of Spruce Grove – 2019 Development Activity Report		✓		✓	
City of Spruce Grove – 2020 Development Activity Report		✓		✓	
City of Spruce Grove Mid-Year Development Activity Report 2021		✓		✓	
The City of Spruce Grove – City Centre Area Redevelopment Plan	✓	⇓			⇓
The City of Spruce Grove – Strategic Plan 2022-2025 Draft	⇓			✓	
City of Spruce Grove – Land use Bylaw		⇓			
City of Spruce Grove – Bylaw C-960-16 - Consolidation of Bylaw C-711-09 Municipal Development Plan Bylaw and all Amendments Thereto	⇓	⇓			⇓
Tri-Municipal Economic Development Strategy			⇓	⇓	
Al-Terra Engineering - OSOW Corridor Feasibility Study					
Top Reasons to Invest in the Edmonton Metropolitan Region			⇓		
2019 Edmonton Global Strategic Plan			⇓		
The Conference Board of Canada - Alberta's Energy and Demographic Prospects to Weaken Alberta's Outlook to 2045	✓		⇓		
The Conference Board of Canada – Recovery Bolstered by Robust F Prices Alberta's Two-Year Outlook			⇓		
Edmonton Global Advanced-Manufacturing Fact Sheet			⇓		
Edmonton Global Food & Agriculture Fact Sheet			⇓		
Town of Stony Plain – Economic Development Strategic Plan – 2019 Update		✓	⇓	⇓	

Document Review

	Quality of place and community profile	Land-use	Regional Competitiveness	Business Development	Infrastructure Development
Edmonton Global - Growing Opportunity – A Policy Strategy for Value-Added Investment in Alberta and the Edmonton Metropolitan Region		≡			
Edmonton Global - Incentives and Investment Attraction – A Review of the Edmonton Metropolitan Region's Competitive Position		≡	≡		
Edmonton Global – Going Global – A Guide to Competing in a Globalized Economy		≡	≡		
Port Alberta – Foreign Trade Zone Programming		≡			
Edmonton Global Hydrogen Economy Fact Sheet		≡			
Edmonton Global Life Sciences Fact Sheet		≡			
Edmonton Global Road to Recovery: Resiliency		≡	✓		
Taxes and Sources of Capital in the Edmonton Metropolitan Region		≡			
Edmonton Global Technology Fact Sheet		≡			
Edmonton Global - Edmonton Metropolitan Region Overview		≡		✓	
Edmonton Global EnergyTech: Innovations in Programming Sensors and Artificial Intelligence (AI) Fact Sheet		≡			
Edmonton Global Plant Protein Fractionation Fact Sheet		≡			
Edmonton Global Plant Protein Food & Beverage Manufacturing Fact Sheet		≡			
Edmonton Global Pharmaceuticals Research & Development Fact Sheet		≡			
Edmonton Global CBD Nutraceuticals Fact Sheet		≡			
Edmonton Global Health AI Fact Sheet		≡			
Industrial Land Strategy, Spruce Grove, Alberta – Altus Group		≡			≡
City of Spruce Grove, Industrial Profile Analysis, 2022		≡			≡
Retail & Office Market Analysis, City of Spruce Grove, 2022		≡			≡
EY (Ernst & Young) – FDI (Foreign Direct Investment) Business Case: Health AI		≡			
EY – Identification of Hydrogen Opportunities for the Edmonton Metropolitan Region		≡			
EY – FDI Business Case: Nutraceuticals Draft Report		≡			

Regional Strengths

The City of Spruce Grove is situated within the boundaries of the Edmonton Metropolitan Region (EMR). The EMR is a collection of diverse communities that cooperate to bolster regional strengths while competing in a global market. The EMR represents 30% of Alberta's gross domestic product (GDP), and its population is expected to grow by one million over the next 30 years.¹⁴ Edmonton Global is the Economic Development Organization for the EMR and collectively sells the strength of the region to qualified investors to grow the region's economy and create jobs.

Edmonton Global, as the lead economic development organization for the EMR, has developed various strategies and marketing documents for the region to identify the region's strengths and gaps. Edmonton Global has narrowed its focus to these five transformational opportunities where the EMR has a competitive advantage. These opportunities are hydrogen, food and agriculture, life sciences, global logistics, and high technology.¹⁵ Edmonton Global further breaks down these opportunity areas into other opportunity areas. These more specific opportunities include Plant Protein Fractionation; Plant Protein Food and Beverage Manufacturing; Nutraceuticals; Pharmaceutical Manufacturing; EnergyTech – Innovations in Programming Sensors and Artificial Intelligence; Pharmaceuticals Research and Development; and Health Artificial Intelligence.¹⁶

There are several actions that have been identified to help the region grow in the Edmonton Metropolitan Region Growth Plan. Those actions relevant to Spruce Grove are the encouragement of intensification of urban areas including brownfield sites to optimize existing and planned infrastructure; support employment growth in major employment areas and local employment areas and encourage the growth of institutional, health and education sectors; promote the diversification and growth of the agricultural sector including urban agriculture in an urban context; and supporting the development of market affordable and non-market housing and support services.¹⁷

The Oil and Gas sector, which is directly tied to Edmonton Global's clean technology priority sector is a crucial industry in Alberta. The outlook for the sector is strong in the short term due to the increased demand for Canadian oil, and the sanctioning of Russian oil exports.¹⁸ As a result of this, Alberta's real GDP growth is expected to be 5.9% in 2022 and 4.3% in 2023.¹⁹ The long-term outlook for the Oil and Gas sector is weaker as factors such as an aging population, and the expected decline in oil production due to the federal government's plan to reduce dependencies on fossil fuels over the next 20 years.²⁰

14 Edmonton Metropolitan Region Board, *Edmonton Metropolitan Region Growth Plan*, 2017, amended 2020.

15 Edmonton Global, *Edmonton Global Annual Report 2021*, 2021.

16 Edmonton Global, <https://edmontonglobal.ca/>, 2022.

17 Edmonton Metropolitan Region Board, *Edmonton Metropolitan Region Growth Plan*.

18 The Conference Board of Canada, *Recovery Bolstered by Robust Oil Prices – Alberta's Two-year Outlook*, 2022.

19 Ibid.

20 The Conference Board of Canada, *Alberta's Energy and Demographic Prospects to Weaken – Alberta's Outlook to 2045*, 2022.

The low taxes in Alberta which are attributable to the oil and gas sector allows the province to have the lowest combined provincial and federal tax rates in Canada and is among the lowest in North America at 23%.²¹ Within the EMR Spruce Grove has competitive local non-residential municipal property tax rates of \$0.008718 per \$1,000 of assessed value, which ranks as the fifth lowest rate among municipalities within the EMR.²²

Sectors of Focus

Edmonton Global has further developed their priority subsectors which allow for greater specificity when attracting new industry to the region.²³ These sub-sectors include Petrochemicals, Clean Tech, Agri Tech, Cannabis & Hemp, Health AI, Alternative Energy, Nanotechnology, Video Games and Digital Media, and Autonomous Vehicles.²⁴ Select sub-sectors from Edmonton Global crossover into more than one main priority sector for the EMR.

The Tri-Municipal Economic Development Strategy for Spruce Grove, Parkland County, and the Town of Stony Plain identifies transportation, warehousing and logistics, value-added agriculture, and energy services, as key sectors of strength in the region that align closely with the strengths of the EMR.²⁵ In these sectors, there are opportunities for technology adaptation, automation, and AI applications to continue to grow the regional economy and help insulate the region from external economic forces.



The City of Spruce Grove's Economic and Business Development department lists, Transportation and Supply Logistics; Engineering, Procurement, Construction; Agri-Food Processing; Wholesale Trade; Manufacturing Fabrication & Processing; Energy Sector Services; Event Tourism; Environmental Products, Services and Technologies; Destination Retail, Hospitality, Entertainment & Accommodation; and Film Productions as key industries for the City and are the primary focus for the department.²⁶ Several of these priority sectors for the City of Spruce Grove overlap with existing regional strengths and priority sectors for the Tri-Municipal region, as well as the EMR.

The table on the following page brings the above analysis together and more clearly identifies priority sectors for the EMR, Tri-Municipal Region, and the City of Spruce Grove and where there is overlap in the priorities for the regions. From the table, value-added agriculture and energy services are identified sectors where all three regions have identified the sector as a priority. Transportation, warehousing, and logistics are a priority sector for the Tri-Municipal region and Spruce Grove, while manufacturing fabrication and processing is a priority sector for Edmonton Global and Spruce Grove.

21 Edmonton Global, *Taxes and Sources of Capital in the Edmonton Metropolitan Region*, 2021.

22 Ibid.

23 Edmonton Global, <https://edmontonglobal.ca/>, 2022.

24 Ibid.

25 MDB Insight, *Tri-Municipal Economic Development Strategy*, 2021.

26 City of Spruce Grove Economic & Business Development, *Key Industries*, 2022.

SECTOR OF FOCUS	Edmonton Global	Tri-Municipal Region	Spruce Grove
Agri Tech	✓		
Autonomous Vehicles	✓		
Cannabis & Hemp	✓		
Clean Tech	✓		
Destination Retail, Hospitality, Entertainment & Accommodation			✓
Energy Sector Services	✓	✓	✓
EnergyTech – Innovations in Programming Sensors and Artificial Intelligence	✓		
Engineering, Procurement, Construction			✓
Environmental Products, Services and Technologies			✓
Event Tourism			✓
Film Productions			✓
Manufacturing Fabrication & Processing	✓		✓
Nanotechnology	✓		
Pharmaceuticals Research and Development and Health Artificial Intelligence	✓		
Transportation Supply and Logistics		✓	✓
Value-added Agriculture	✓	✓	✓
Video Games and Digital Media	✓		
Wholesale Trade			✓

City of Spruce Grove Council's Strategic Plan

The City of Spruce Grove has established their own strategic plan to the year 2035. The strategy established three strategic priority areas, where people choose to live, where people choose to experience community, and where people choose to grow a business.²⁷ The long-term vision from this strategic plan has been incorporated into Spruce Grove's 2022-2024 Corporate Plan and is a touchstone for nearly every strategic initiative of the City. The economic and social state of the City are identified as crucial factors for the City and are directly tied to growing the City's tax base, and the number of services Spruce Grove can provide to its citizens.²⁸ The shorter-term strategic plan draft for 2022-2025 continues to develop the themes of community and economic prosperity. The four key pillars of community connections, environmental sustainability, economic prosperity, and governance in action, make up the priorities for City Council.²⁹ From this short-term strategy, various actions have been identified to help grow the City's economy including, connecting businesses with relevant support programs, implement the City's industrial land strategy, and review and build on current incentives to encourage greater investment and infill development.³⁰ The City of Spruce Grove is heavily committed to equity, diversity and inclusion in all the work that they do.

27 The City of Spruce Grove, *Building an Exceptional City – Strategic Plan 2018-2035*, 2018.

28 The City of Spruce Grove, *Corporate Plan 2022-2024*, 2022.

29 The City of Spruce Grove, *Strategic Plan 2022-2025 Draft*, 2022.

30 Ibid.

Other Existing Strategies and Strengths of Spruce Grove and Surrounding Region

In 2019 the Town of Stony Plain updated their economic development strategic plan. There was significant mention of working collaboratively with the City of Spruce Grove to develop a workforce survey as well as starting discussions to create a partnership to attract a large-format retail base that would service a population West of Edmonton.³¹ Captured as part of a survey that informed Stony Plain's Economic Development Strategy was that respondents believed that Stony Plain was losing new business development to Spruce Grove. Residents of Stony Plain also noted that they often travel to Spruce Grove for cheaper product purchases. The economic Development strategy for Stony Plain lists many different initiatives for both the regional focus for Stony Plain, and the national and international focus for investment attraction.³²

In early 2019, Spruce Grove, Stony Plain, and Parkland County entered a formal partnership to strategically align their respective land use, servicing, and infrastructure plans by developing a regional plan Tri-Municipal Region.³³ From the Economic Development Strategy that was developed out of this partnership came shared strategic priorities for investment readiness, innovation and entrepreneurship, investment attraction, and business retention and expansion.³⁴ These are all important considerations when working together and fit within the Edmonton Global framework of regional collaboration and the strategy calls out partnering with Edmonton Global to establish a tri-regional lead generation pipeline.³⁵

The City of Spruce Grove is actively undertaking efforts to improve its residential/non-residential tax assessment to an 80/20 split. The table below shows the improvements the City has made since 2012, improving to 81.8/18.2 in 2022 from 85.3/14.7 in 2012.

Tax Assessment Split and Value 2012-2022

Year	Assessment Split	Residential	Non-Residential	Total
2022	81.77 / 18.23	\$4,796,697,904	\$1,069,104,455	\$5,865,802,359
2021	81.74 / 18.26	\$4,927,972,934	\$1,100,961,250	\$6,028,934,184
2020	81.76 / 18.24	\$4,917,704,082	\$1,097,266,965	\$6,014,971,047
2019	82.08 / 17.92	\$4,847,128,600	\$1,058,064,976	\$5,905,193,576
2018	82.28 / 17.72	\$4,772,269,878	\$1,027,604,271	\$5,799,874,149
2017	82.28 / 17.72	\$4,785,683,639	\$1,030,473,838	\$5,816,157,477
2016	82.44 / 17.56	\$4,327,536,688	\$921,547,526	\$5,249,084,214
2015	83.55 / 16.45	\$3,892,600,203	\$766,272,666	\$4,658,872,869
2014	84.15 / 15.85	\$3,568,252,434	\$672,272,270	\$4,240,524,704
2013	84.96 / 15.04	\$3,319,595,330	\$587,680,466	\$3,907,275,796
2012	85.27 / 14.73	\$3,167,692,409	\$547,266,006	\$3,714,958,415

31 Town of Stony Plain, *Economic Development Strategic Plan 2019 Update*, 2019.

32 Ibid.

33 MDB Insight, *Tri-Municipal Economic Development Strategy*.

34 Ibid.

35 MDB Insight, *Tri-Municipal Economic Development Strategy*.

The City of Spruce Grove has also taken actions to improve the permit development process to increase the yearly value of total building permits. From the chart below, we can see that due to the pandemic in 2020, total permit values declined, but have since rebounded strongly in 2021 and continued through the first nine months of 2022.

Total Building Permit Value 2012-2022

Year	Total Building Permit Value
2022	\$181,697,579
2021	\$220,633,521
2020	\$80,363,249
2019	\$103,079,186
2018	\$150,501,357
2017	\$135,536,175
2016	\$114,339,720
2015	\$188,837,233
2014	\$243,664,370
2013	\$194,239,902
2012	\$165,324,439

Quality of Place and Community Development

The City of Spruce Grove has paid considerable attention to being a desirable place to live for its citizens, improving services and growing the community. The 2022-2024 Corporate Plan identifies the top social needs for the City including housing support, financial benefits, and tax preparation.³⁶ To support these needs of the community, the Community Social Development department is continuing to partner with various organizations in Spruce Grove to provide specialized services.³⁷

As part of the short-term strategic plan for the City of Spruce Grove, several actions have been identified to promote community connection and belonging. Developing a framework that incorporates the principals of diversity, inclusivity, equity and belonging lens into the decision-making process is a worthy goal and planning is a worthy objective of the strategy and will create strong ripple effects throughout the community as more citizens will feel as if their needs are being supported.³⁸ Actions have also been identified to support an inclusive approach to community development, reduce barriers, improve access, and increase participation for City facilities, and to have park and recreation facilities designed for multiple benefits and accommodate a diversity of people and activities.³⁹

Land-use and Infrastructure Investment

Land-use and investment into infrastructure is a key consideration when looking at economic development for a municipality, and Spruce Grove has indicated that it is important to the City by stating that Spruce Grove will develop up to date forward-looking municipal development plans and long-term capital plans to ensure adequate supplies of serviced land.⁴⁰ In the short-term, the City of Spruce Grove has laid out some actions to incorporate environmental considerations into infrastructure investments in the City.⁴¹ This includes developing strategies for the City's approach to electric vehicles and considering the economic development of charging stations.⁴²

³⁶ The City of Spruce Grove, *Corporate Plan 2022-2024*.

³⁷ Ibid.

³⁸ The City of Spruce Grove, *Strategic Plan 2022-2025 Draft*.

³⁹ Ibid.

⁴⁰ The City of Spruce Grove, *Building an Exceptional City – Strategic Plan 2018-2035*.

⁴¹ The City of Spruce Grove, *Strategic Plan 2022-2025 Draft*.

⁴² Ibid.

The City of Spruce's Grove Corporate Plan identifies a dedicated 1% tax increase to provide a dedicated revenue stream for critical infrastructure repair, maintenance and replacement.⁴³ As part of the 2022 budget for the City, major projects including the Civic Centre Development, City Centre Area Redevelopment Plan, and a new Transit Hub/Park & Ride facility have received budget and investment in 2022.⁴⁴

A key objective of the City Centre Development Plan is to attract mixed-use commercial and higher density residential above development investment to the City Centre to increase housing supply and provide diversity in housing mix and price.⁴⁵ The retail market in Spruce Grove has continued to grow and become a self-sufficient regional retail market,⁴⁶ with a primary trade catchment area of 150,000 which is larger than what most big chains' requirements are for new developments.⁴⁷ As a large retail centre, the City of Spruce Grove has 3.2 million square feet of combined retail and office space.⁴⁸ Even though Spruce Grove is a large retail centre, there still remains excess demand for physical retail space.⁴⁹ Easton and Creekside Common are well positioned to absorb this demand.⁵⁰ On the industrial side of land use, there is currently 721 acres of net developed land, and 2.31 million square feet of building space on this land.⁵¹ It is projected that there will be a small surplus of 116 gross acres of employment lands by 2046.⁵²

To achieve this surplus, the City of Spruce Grove has identified industrial expansion areas to accommodate for growth over the next 30 years.⁵³ These lands will require development and annexation to bring them under Spruce Grove's jurisdiction and the ability to capture taxes from their use.

Broadband connectivity is an increasingly important factor in investment attraction and the 2020 Industrial Land Strategy for Spruce Grove indicated that there was a gap in broadband connectivity across all industrial properties and a desire for fibre optic for faster connection speeds.⁵⁴ This is an important factor across the greater region as Edmonton Global has made a recommendation to the Province of Alberta to invest in digital infrastructure through a combination of 5G and expanding the broadband network to improve the competitiveness of the province in a digitally focused economy.⁵⁵ The City of Spruce Grove has taken action to address the gap in broadband connectivity and has entered into an agreement with TELUS in 2021 to build out a fibre optic network which would provide access to over 90% of the premises in Spruce Grove at a cost of \$54 million.⁵⁶

43 The City of Spruce Grove, *Corporate Plan 2022-2024*.

44 Ibid.

45 The City of Spruce Grove, *City Centre Area Redevelopment Plan*, 2020.

46 FBM, *Retail & Office Market Analysis*, City of Spruce Grove, 2022.

47 The City of Spruce Grove, *Commercial Here We Grow Profile*, 2021.

48 Ibid.

49 FBM, *Retail & Office Market Analysis*, City of Spruce Grove.

50 Ibid.

51 The City of Spruce Grove, *Industrial Here We Grow Profile*, 2021.

52 Altus Group, *Industrial Land Strategy*, Spruce Grove, Alberta, 2020.

53 Ibid.

54 Ibid.

55 Edmonton Global, *Road to Recovery: Resiliency*, 2020.

56 City of Spruce Grove, *TELUS and the City of Spruce Grove investing \$54 million to connect the City to the gigabit-enabled fibre optic network, dramatically increasing wireless and Internet speeds throughout the region*, August 27, 2021.

Potential Role of Incentives

Developing Incentives to Encourage Land and Building Development

Incentives are not essential, but they are increasing in popularity amongst Alberta's municipalities because of recent provincial legislation. The City of Spruce Grove needs to be aware of what its competitors are doing and make informed decisions based on the costs and benefits of providing incentives. The 13 municipalities who have agreed to the Collaborative Economic Development Initiative (CED) for the Edmonton Metropolitan Region have agreed in principle to co-invest with each other to attract businesses to the region and would share proportionately in the tax-revenue generated compared to the total investment from each municipality. By using this framework agreed upon by the CED members, Spruce Grove can establish regional development incentives to support further development of its employment lands.

Example Municipal Incentive Programming

Municipalities have access to several tools to incentivize new development and supporting infrastructure that ranges from developing new business parts and infrastructure, providing inexpensive land and structured incentive programming. The following list of example incentives could be implemented to incentivize land or building development, or disincentivize leaving land undeveloped.

The City of Spruce Grove has also identified improving the resilience of their water management and natural infrastructure as part of the overall goal to mitigate the effects of climate change.⁵⁷ This will be done by reporting on the annual inspections and maintenance of sanitary, water, and stormwater systems and updating flood mapping and the City's Stormwater plan to anticipate the impact of climate change.⁵⁸ The City of Spruce Grove is currently undertaking a Utility Fiscal Review to review all related charges and fees and update policies and bylaws accordingly.⁵⁹ This Utility Fiscal Review would separate the utilities into four separate segments, water, sanitary sewer, waste management, and stormwater management, allowing for the separation of revenues, expenses, and reserves for each segment.⁶⁰ The City of Spruce Grove is also undertaking Industrial Watermain and Surface Rehab to reduce the impact of older systems as they near the end of their lifespan.⁶¹

57 The City of Spruce Grove, *Strategic Plan 2022-2025 Draft*.

58 Ibid.

59 The City of Spruce Grove, *Corporate Plan 2022-2024*.

60 Ibid.

61 Ibid.

- **Municipal Level Tax Incentives:**
The Province of Alberta's Bill 7 allows municipalities to create a non-residential tax incentive bylaw to reduce development taxes.
- **Federation of Canadian Municipalities (FCM) Brownfield Grant Program:**
This federal program provides capital for brownfield sites' redevelopment.
- **Development Incentive Programs:**
These programs provide additional funding to developments that align with community investments. (e.g., Façade improvement)
- **Industrial Infrastructure Cost Sharing Program:**
These programs can include entitlement of front-end developers to recover portions of their over expenditures such as incremental tax revenue directly resulting from the construction of cost-sharable infrastructure and development levies collected
- **Vacant Land Tax:**
A type of property tax imposed on vacant land at a rate that would apply to the possible development allowable given the site's existing zoning.
- **Storefront Improvement Program:**
A program designed to stimulate local business investment in buildings and catalyze future redevelopment.

Incentive Recommendations from the Spruce Grove Industrial Land Strategy

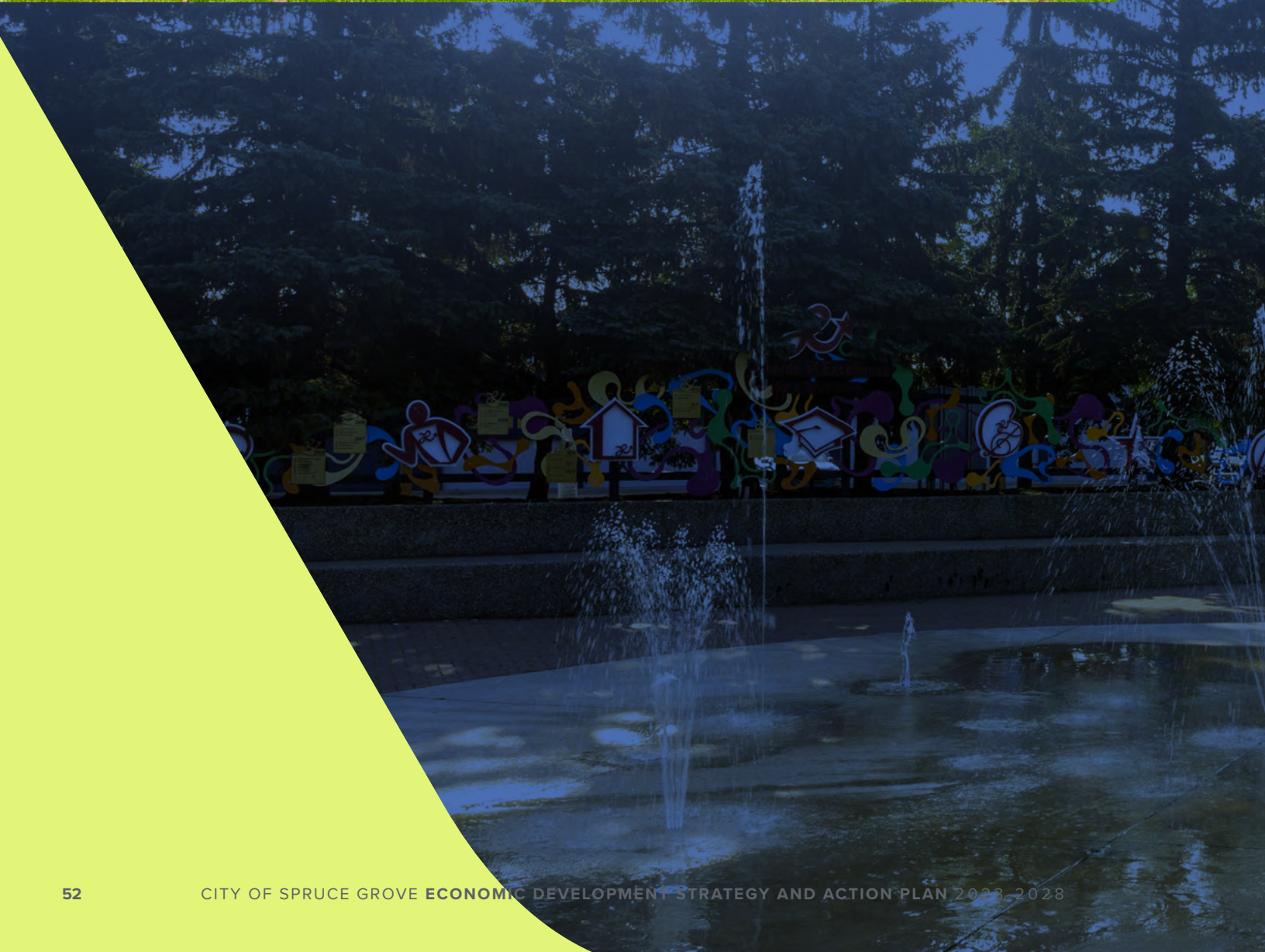
The Spruce Grove Industrial Land Strategy that was developed in 2020 lists several incentive recommendations to increase the amount of land and buildings that are developed for industrial users in Spruce Grove. These recommendations are as follows:⁶²

- Streamline the Industrial Development Approvals Process
- Adjust Non-Residential Municipal Tax Rates for Industrial Properties
- Evaluate Further Opportunities to Defer Front-End Costs for Industrial Land Development

As part of the Spruce Grove Industrial Land Strategy, the above incentive recommendations for the City are further developed and list specific actions that can be taken in consultation with the development community within Spruce Grove.

62 Industrial Land Strategy, Spruce Grove, Alberta – October 2020.





APPENDIX B:

Community and Demographic Economic Analysis

Introduction

This report includes data for the City of Spruce Grove and compares it with the communities of the Tri-Municipal area (Parkland County and Stony Plain), and the Edmonton Census Metropolitan Area (CMA). The following data sources were used in developing this economic baseline analysis for Spruce Grove.

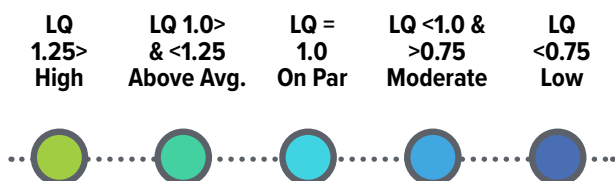
- Statistics Canada, Canadian Business Counts, December 2021
- Tri-Municipal Economic Development Strategy (Manifold Data Mining, 2019)
- Statistics Canada, Census Profile, 2021
- Statistics Canada, Census Profile, 2016
- Statistics Canada, National Household Survey, 2011
- EMSI Economic Modeling, 2022

Notes on Data

- The December 2021 Canadian Business Counts were used to determine the total number of registered businesses in Spruce Grove. Statistics Canada's Canadian Business Counts Data provides a record of business establishments by industry and size. This data is collected from the Canada Revenue Agency (CRA). The business data collected for Spruce Grove included all local businesses that met at least— revenue, or are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years.
- The 2021 Census of Population is the latest and most widely available data product offered by Statistics Canada. To the date (June 2022) the data available through the Census profiles include population, age of population, and dwelling trends.
- The 2016 Census data was collected to determine commuting patterns. The 2016 Census is the latest numbers provided by Statistics Canada showing the commuting flows between place of residence and place of work.

Definitions

As part of this economic baseline analysis, the Location Quotient (LQ) Analysis was completed to determine the **concentration of industries (businesses) in Spruce Grove** relative to the Edmonton CMA and the Province. It reveals what makes a region unique. The LQ's Classifications are as follows:



Summary of Key Findings

Demographics

Spruce Grove is home to a rapidly growing population, surpassing the growth rate of the Edmonton CMA. During the last decade, the City has added more than 11,474 people or 44% growth. The City is projected to continue to see population growth over the next decades, reaching 43,470 people by 2029 (15% increase), and almost doubling in population by 2059 (73,042 people – 94% increase). Currently, Spruce Grove population is comparatively young to those in the region, the province and Canada. This trend will change as Spruce Grove's young seniors and elderly population are projected to almost triple by 2059.

Spruce Grove has a low share of immigrants. Immigrants are important for communities as they are a source for skilled and unskilled labour and could supplement the labour market as the replacement rate of workers continue to decline (natural births vs. deaths). The ability to attract immigrant to the City may also be limited by the limited housing dwelling type (mostly single-detached and single-family units).



Employment

Spruce Grove is a net exporter of workers. Approximately 30% of the City's labour force lived and worked in the City. Meanwhile, 70% commuted out (mostly to Edmonton).

The employment composition in Spruce Grove suggests that the local economy has specialized in the service industries, mostly around industries that provide services to the commuting population (e.g., restaurants, schools, grocery stores, personal care services). The service industries accounted for 82% of the City's jobs. The retail trade sector is by far the largest employer in Spruce Grove with 22% of the local employment. This sector is also projected to have the largest growth over this decade, adding more than 290 jobs by 2028.

Sales and service occupations represent almost a third of Spruce Grove's jobs. The largest share among communities in the Tri-Municipal area and the Edmonton CMA.

Business Characteristics

Across Spruce Grove, there are 1,269 business establishments with employees and another 2,214 non-employer businesses with at least \$30,000 in annual sales, for a total of 3,483 businesses. Most of the businesses in Spruce Grove are small 52% of businesses with employees have fewer than five employees and 83% have less than 20 employees. Spruce Grove recorded a business density of 93 businesses per 1,000 people, this is lower than the provincial density of 124. The largest industry sectors by total number of businesses are construction; real estate, rental, and leasing; and professional, scientific, and technical services.

Spruce Grove also recorded a high concentration of mining, quarrying and oil and gas extraction, and construction relative to Alberta. The City's current industrial lands are as a portion of the broader business community underutilized compared to the region. While a key part of the City's business attraction is the availability of land for less intensives uses, intensification will be an important priority to fuel long-term growth.



Demographic Characteristics

Population Growth

In 2021, Spruce Grove had a population of 37,645, an increase of 10% since 2016; this translates into 3,537 additional residents to the City. The ten-year outlook shows a 44% growth since 2011: a total of 11,474 new residents. The City's population has continued to grow at a faster rate than communities in the Tri-Municipal area, the Edmonton CMA, and Alberta.

Figure 1 – Population Growth, 2011-2021

Census Year	Spruce Grove	Parkland County	Stony Plain	Edmonton CMA	Alberta
2011 NHS	26,171	30,568	15,051	1,159,869	3,645,257
2016 Census	34,108	32,737	17,189	1,321,441	4,067,175
2021 Census	37,645	32,205	17,993	1,418,118	4,262,635
5-year Change	3,537	-532	804	96,677	195,460
% Change	10 %	-2%	5%	7%	5%
10-year Change	11,474	1,637	2,942	258,249	617,378
% Change	44%	5%	20%	22%	17%

Source: Statistics Canada, 2011 NHS, 2016 Census, 2021 Census

Population Projections

According to projections developed for the Tri-Municipal Economic Development Strategy (2019), by 2029, the City is projected to have 43,470 people. This number is projected to reach 73,042, almost doubling the local population. The City will maintain its growth, which will continue to create important demands for infrastructure. Projection for Alberta were not available.

Figure 2 – Population Projections, 2021-2059

Year	Spruce Grove	Parkland County	Stony Plain	Edmonton CMA
2021 Census	37,645	32,205	17,993	1,418,118
2029 Projection	43,470	35,969	20,289	1,652,457
2059 Projection	73,042	51,918	33,782	2,511,445
2021-2029 Change	5,825	3,764	2,296	234,339
% Change	15%	12%	13%	17%
2021-2059 Change	35,397	19,713	15,789	1,093,327
% Change	94%	61%	88%	77%

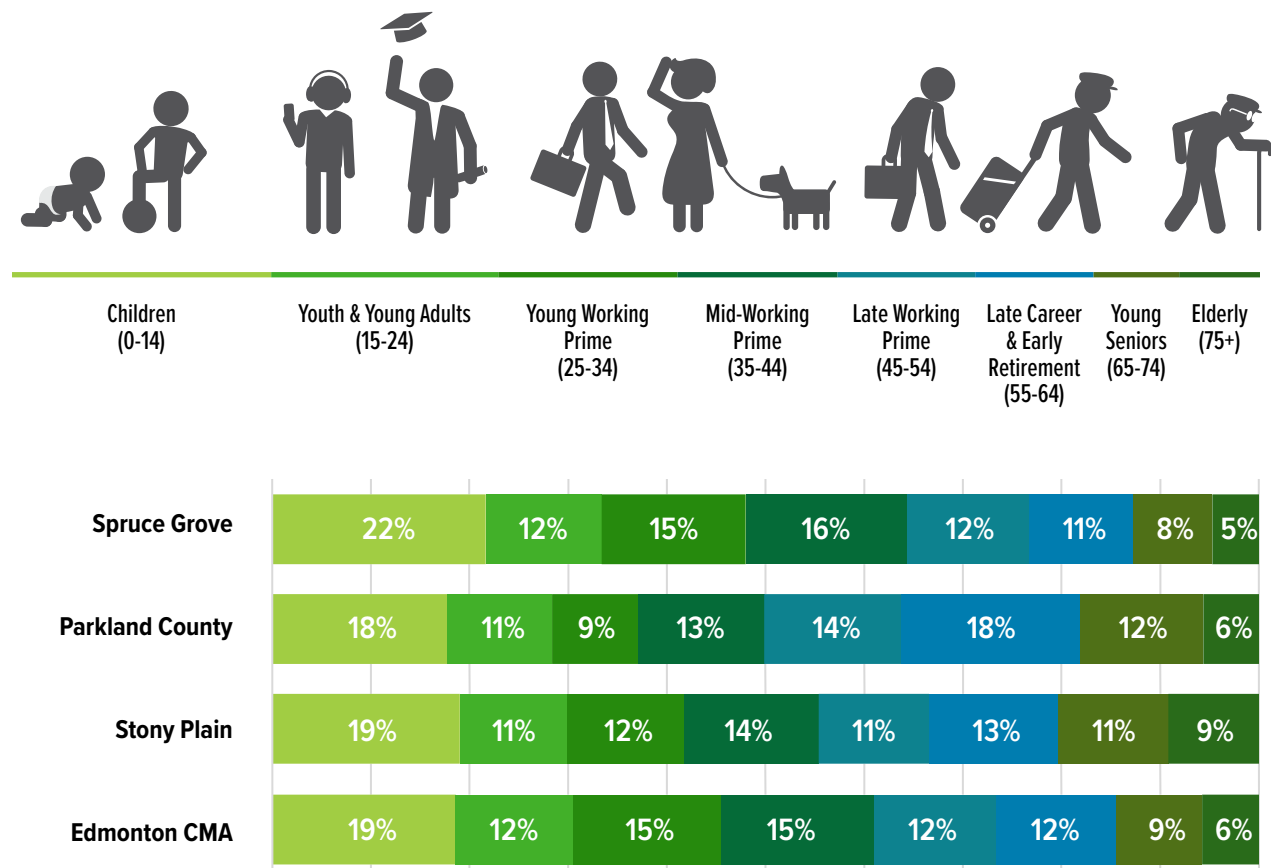
Source: Tri-Municipal Economic Development Strategy, March 2021

Population Age

Most of the population in Spruce Grove are between the ages of 0 to 14 years, the youngest age cohort. In fact, Spruce Grove is home to a relatively young population compared to broader geography levels. Spruce Grove's median population age by 2021 was only 36, compared to 37.6 for the Edmonton CMA, 38.4 for Alberta, and 41.6 for Canada.

Spruce Grove has a high population of working age people. Approximately 43% of the population in Spruce Grove is within the “working prime” age cohorts (people between the ages of 25 and 54). Spruce Grove also had a lower share of young seniors and elderly at 13%, compared to the communities in the Tri-Municipal area, and the Edmonton CMA.

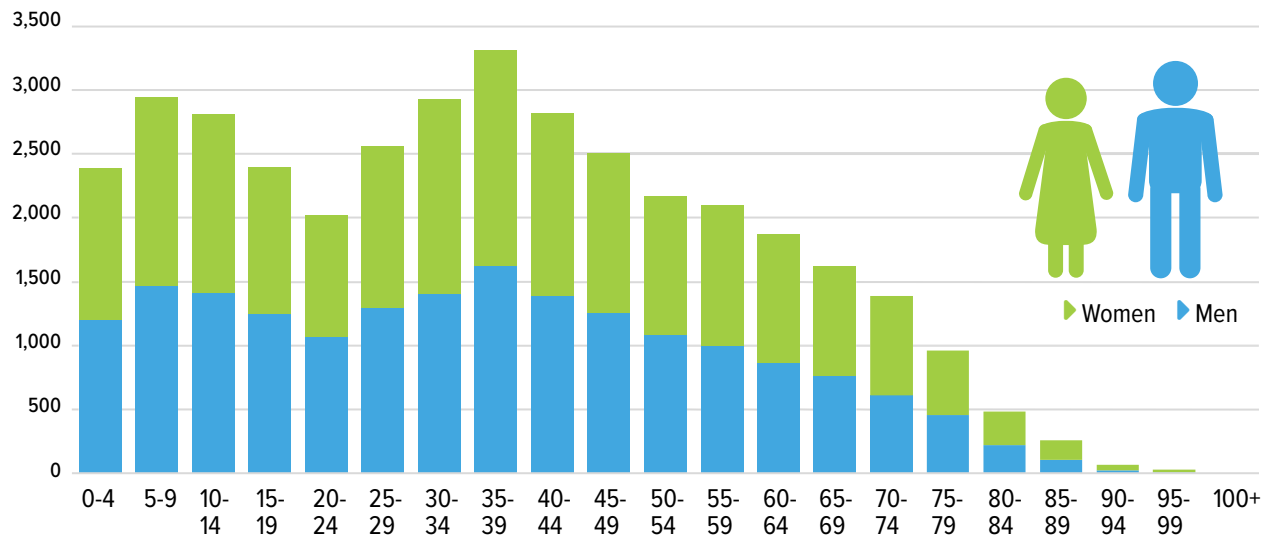
Figure 3 – Population Share by Age Group, 2021



Source: Statistics Canada, 2021 Census

A more detailed view of the Spruce Grove's age cohorts shows that the largest group by 2021 are individuals between the ages of 35 to 39 (9%), followed by children between the ages of 5 to 9 (8%).

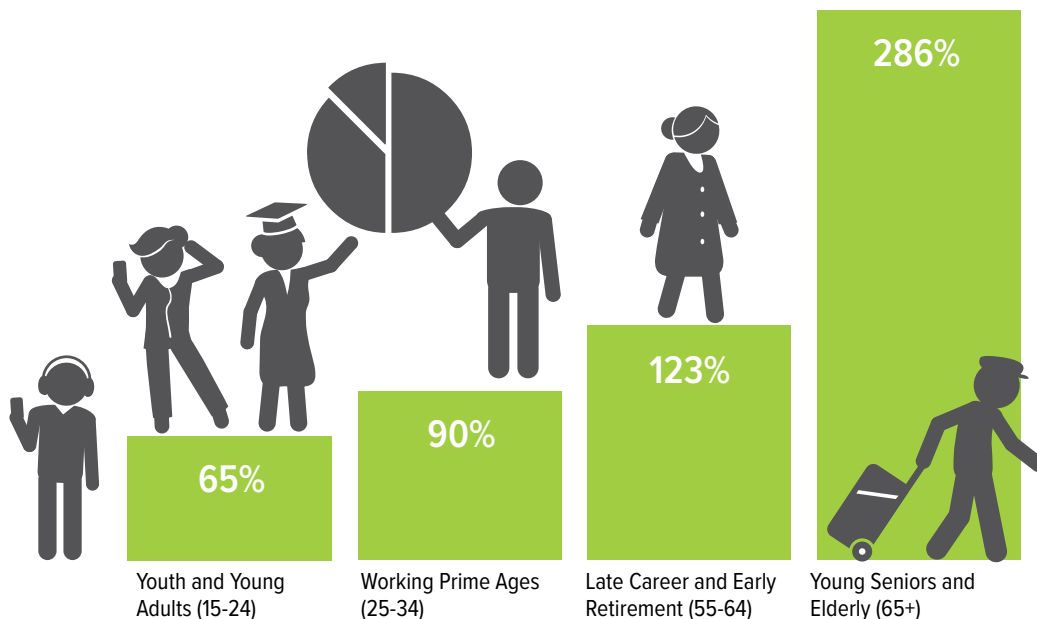
Figure 4 – Population by Gender and Detailed Age Cohort, City of Spruce Grove, 2021



Source: Statistics Canada, 2021 Census

Spruce Grove has a relatively young population but like most Canadian communities, Spruce Grove will see a rapid growth within the older population cohort. By 2059, the young seniors and elderly population will experience the fastest growth at 286%, followed by late career and early retirement populations. Meanwhile, the working prime ages, and youth and young adult will grow 90% and 65% respectively.

Figure 5 – Population Projections by Selected Age Groups, City of Spruce Grove, 2021-2059

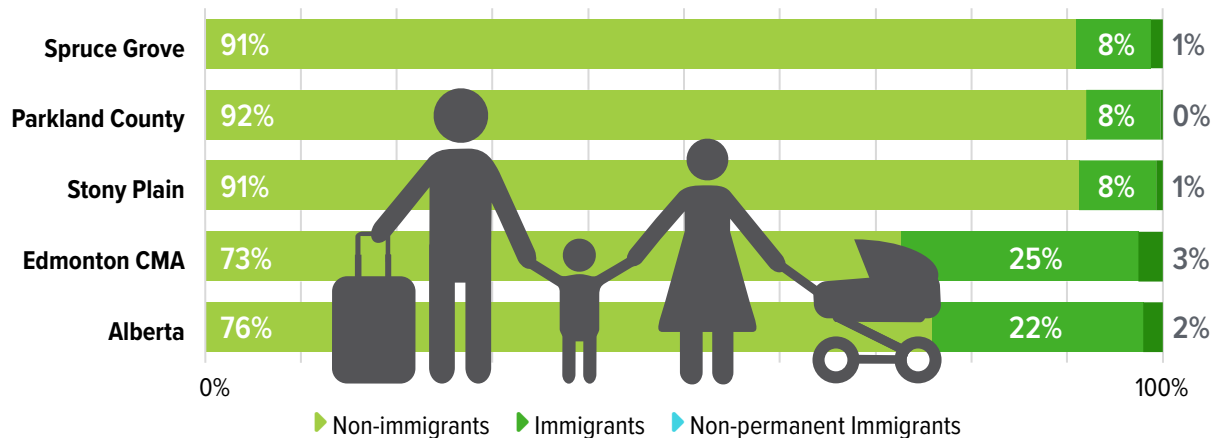


Source: Tri-Municipal Economic Development Strategy, March 2021

Immigration

In 2019, Spruce Grove had a larger share of non-immigrants¹ in its population. Neither Spruce Grove nor the Edmonton CMA had significant levels of non-permanent resident populations, each with no greater than 3% of the population. Spruce Grove maintains a lower proportion of immigrants compared to the Edmonton CMA and Alberta. This indicates that Spruce Grove may have difficulty attracting newcomers. This may present a challenge for the City in the future as immigrants are a good source of both skilled and unskilled labour².

Figure 6 – Immigration, 2019

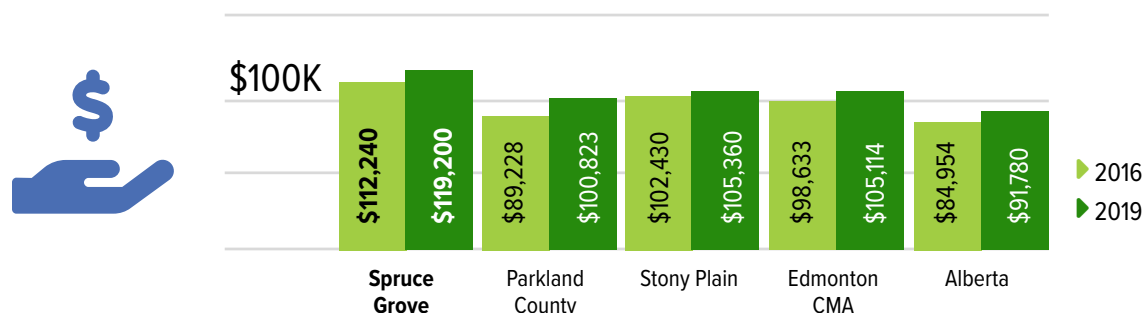


Income

According to the Alberta Regional Dashboard, in 2016 and 2019, Spruce Grove had a higher median household income compared to Parkland County, Stony Plain and the Edmonton CMA. The growth experience by the City between 2016 and 2019 was

the second largest among comparators (+%,6960), just behind Parkland County. Traditionally, higher household incomes translate into more disposable income that can be spent on local goods and services.

Figure 7 – Median Household Income, 2019



Source: Alberta Regional Dashboard

¹ Non-immigrants: refer to persons who are Canadian citizens by birth.

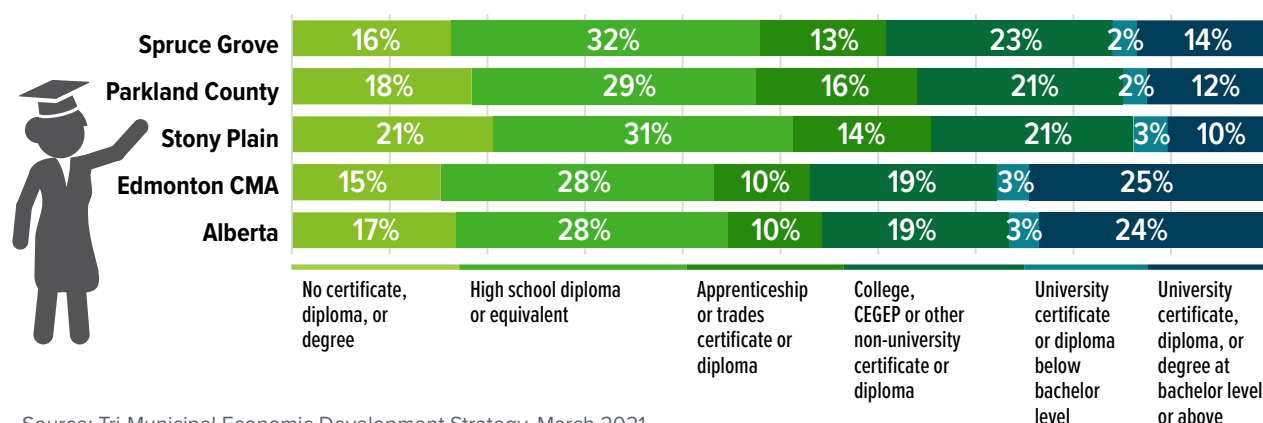
² Spruce Grove Economic Development Strategy and Action Plan 2017-2021

Educational Attainment

The educational profile of a community reveals its ability to adequately staff existing and new businesses. According to 2019 estimates, Spruce Grove had a lower proportion of the labour force with some form of university education compared to that of the Edmonton CMA overall. Spruce Grove

also has a higher proportion of its population with an apprenticeship or trades certificate or diploma, and college, CEGEP or other non-university certificate compared to the Edmonton CMA. Only 16% of Spruce Grove's population have no certificate, diploma, or degree.

Figure 8 – Educational Attainment (Population Aged 15 Years and Over), 2019



Source: Tri-Municipal Economic Development Strategy, March 2021

In 2019, Spruce Grove had a higher proportion of its workforce with a post-secondary degree in areas such as architecture, engineering, and related technologies (16%), business, management, and public administration (10%), and health and related services (9%). These were also the major fields of study among all comparators.

Figure 9 – Major Field of Study, 2019

Field of Study	Spruce Grove	Parkland County	Stony Plain	Edmonton CMA	Alberta
No post-secondary certificate, diploma, or degree	48%	47%	51%	43%	44%
Education	4%	3%	4%	4%	4%
Visual and performing arts and communications technologies	1%	1%	1%	2%	2%
Humanities	2%	1%	1%	2%	2%
Social and behavioral sciences and law	4%	3%	3%	5%	5%
Business, management, and public administration	10%	9%	9%	11%	11%
Physical and life sciences and technologies	1%	1%	1%	3%	2%
Mathematics, computer, and information sciences	1%	1%	1%	2%	2%
Architecture, engineering, and related technologies	16%	19%	16%	15%	14%
Agriculture, natural resources, and conservation	1%	2%	1%	1%	2%
Health and related fields	9%	8%	8%	9%	8%
Personal, protective and transportation services	4%	3%	4%	3%	3%
Other fields of study	0%	0%	0%	0%	0%

Source: Tri-Municipal Economic Development Strategy, March 2021

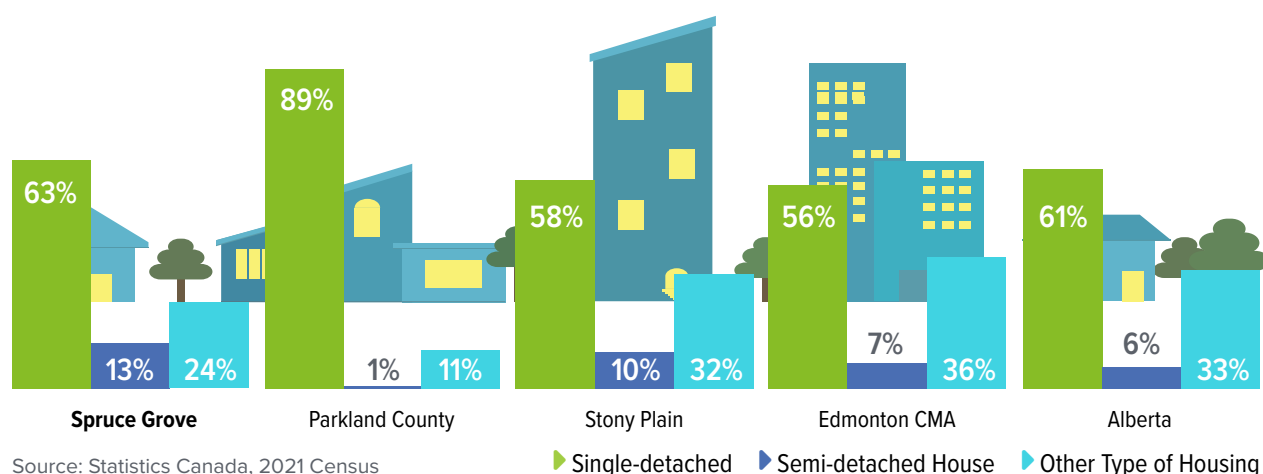
Dwellings

As per the 2021 Census, Spruce Grove had approximately 14,275 occupied private dwellings. As shown in the figure below, the City's existing housing stock is predominately comprised of single-detached dwellings (i.e., low-density units) at 63%. Spruce Grove high density buildings (apartments, row houses, movable dwelling) represented 24% of the City's dwellings. It is understood that a wide variety of housing types is needed to support a younger cohort, newcomers, single households,

and seniors. This will, in turn, attract and encourage residents to live, work, and or retire in the City.

According to the Canadian Mortgage and Housing Corporation (CMHC), Spruce Grove saw a total of 1,429 dwellings starts between 2017 and 2021, and a total of 1,336 housing completions during the same period. Most of the housing starts and completions in Spruce Grove are single-detached units.

Figure 10 – Occupied Private Dwelling by Type, 2021



Key Takeaways

- Spruce Grove has a young population compared to the broader Edmonton CMA and Alberta population. The City's population is projected to increase, specially in the older age cohorts, and considering the low immigration levels in the community, this might cause labour shortages in the future.
- Most of the housing stock in Spruce Grove is single-detached and single-family housing. Most recent housing starts, and housing completions have also been single-detached housing. This style of development has broader impacts on other services, including transportation, decreasing the ability to provide public transportation while also increasing the costs of municipal servicing.
- A wide variety of housing option is also needed to attract people to the area, high density housing and rental options are particularly important for young workforce.
- Over 50% of Spruce Grove's labour force has a post-secondary diploma, degree, or certificate, most of whom had a college degree. A highly educated population also translates into a higher median income. Spruce Grove recorded a larger house income compared to the Edmonton CMA. High incomes traditionally translate into a higher disposable income and more spending in local businesses.

Employment Characteristics

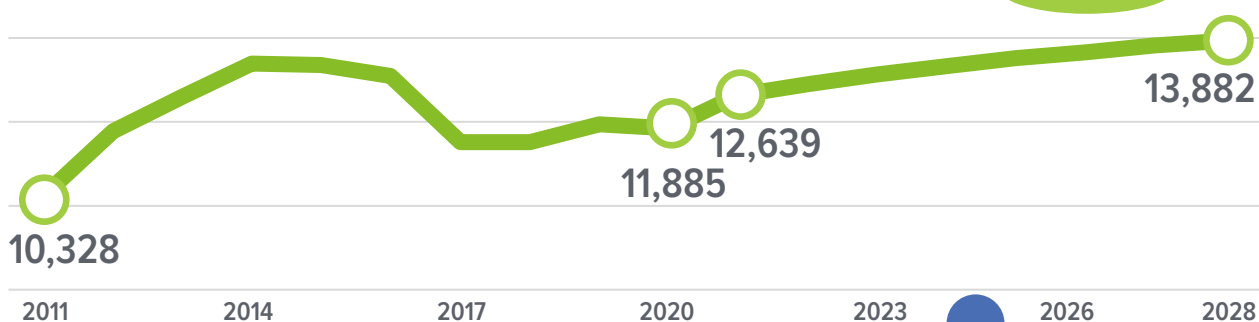
Historical Growth

In 2021, employment in Spruce Grove was estimated at 10,328 jobs. By 2019, the number of jobs in the area reached 11,983 (1,655 additional jobs – 16% growth). With the beginning of the COVID-19 pandemic in 2020, local jobs suffered a slight decline, approximately 98 fewer jobs were estimated for the City. Compared to the overall impact of the COVID-19 in Alberta and the Edmonton CMA (both experienced a 9% decline in jobs during the same period), Spruce Grove was more resilient to the pandemic negative impacts in employment.

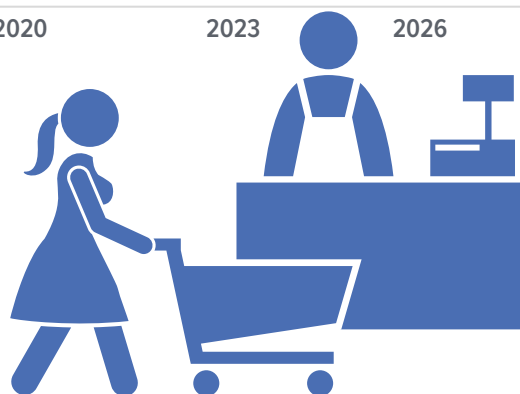
In 2021, employment in Spruce Grove was estimated at 12,639 jobs: an additional 754 jobs from the previous year. This trend is expected to continue over the upcoming years. According to EMSI projections, employment in Spruce Grove will add more than 1,240 jobs by 2028, representing a 10% increase.



Figure 11 – Employment in Spruce Grove, 2011-2028



Source: EMSI Analyst, 2022



Employment by Industry Sector

Spruce Grove's economy gravitates mostly around the service sector. The goods-producing sectors, which tend to be export base industries, only represent 18% of Spruce Grove's jobs (2,244 jobs).

In 2021, the largest industry sectors by employment in Spruce Grove were retail trade (2,831 jobs – 22%

of jobs), construction (1,738 jobs – 14% of jobs), health care and social assistance (1,363 jobs – 11% of jobs), and accommodation and food services (1,227 jobs – 10% of jobs). Spruce Grove has a significantly larger share of jobs in retail trade compared to Parkland County, Stony Plain, the Edmonton CMA and Alberta.

Figure 12 – Employment by Industry Sector (2-Digit NAICS), 2021

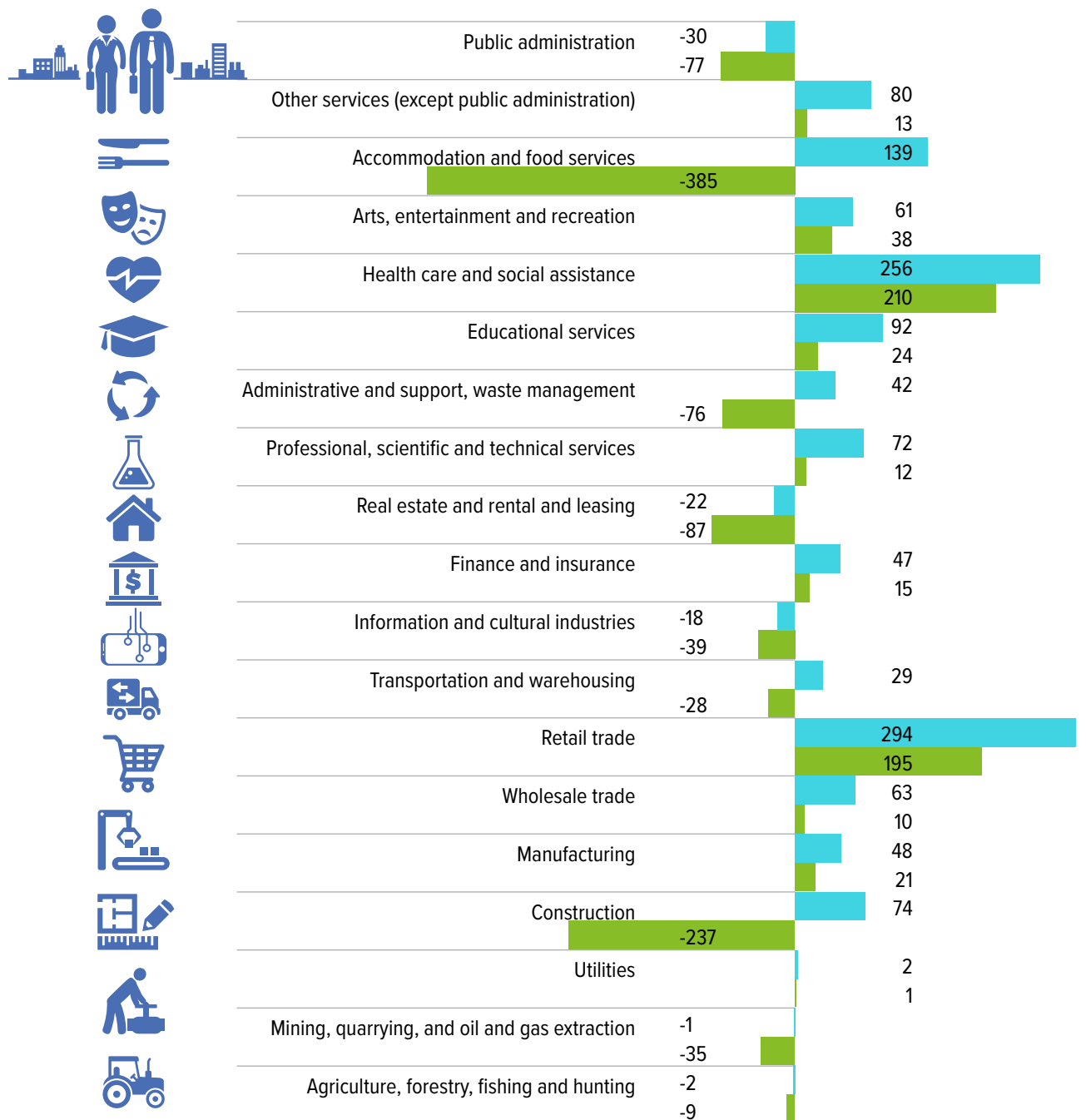
Description	Spruce Grove	Parkland County	Stony Plain	Edmonton CMA	Alberta
Retail trade	22%	4%	14%	12%	11%
Construction*	14%	22%	13%	11%	10%
Health care and social assistance	11%	1%	18%	11%	12%
Accommodation and food services	10%	2%	6%	6%	6%
Educational services	7%	3%	7%	7%	7%
Other services (except public administration)	7%	3%	7%	5%	5%
Professional, scientific, and technical services	4%	5%	6%	8%	8%
Transportation and warehousing	3%	12%	2%	5%	5%
Administrative and support, waste management and remediation services	3%	5%	3%	4%	5%
Finance and insurance	3%	1%	3%	3%	3%
Manufacturing*	3%	10%	5%	6%	5%
Wholesale trade	3%	13%	3%	5%	4%
Arts, entertainment, and recreation	3%	3%	1%	2%	2%
Public administration	2%	1%	5%	7%	5%
Real estate and rental and leasing	1%	3%	3%	2%	2%
Unclassified	1%	1%	1%	1%	1%
Information and cultural industries	1%	0%	1%	1%	1%
Mining, quarrying, and oil and gas extraction*	1%	4%	1%	2%	4%
Agriculture, forestry, fishing, and hunting*	0%	4%	1%	1%	2%
Utilities*	0%	3%	0%	1%	1%
Management of companies and enterprises	0%	1%	1%	0%	1%

Source: EMSI Analyst, 2022 | *Goods-producing industries

Compared to 2016, the industries that added more jobs to the Spruce Grove's economy were health care and social assistance (+210 jobs), and retail trade (+195 jobs). During this time, some industries experienced important declines, this is the case of workers in the accommodation and food services, which lost 385 jobs between 2016 and 2021.

Looking forward to 2028, the industry sectors expected to add the largest number of jobs include retail trade (+294 jobs), health care and social assistance (+256 jobs), and accommodation and food services (+139).

Figure 13 – Employment Forecast by Industry Sector (2-Digit NAICS),
City of Spruce Grove 2016-2028



Source: EMSI Analyst, 2022

2016-2021 Change 2021-2028 Change

A deeper analysis shows that the largest industry subsectors (4-digit NAICS) in Spruce Grove are full and limited-service eating places (1,120 jobs), followed by elementary and secondary schools (709 jobs). These subsectors are also expected to add the largest number of jobs in Spruce Grove by 2028.

Figure 14 – Top Industry Subsectors (4-Digit NAICS) by Employment Forecast,
City of Spruce Grove, 2021-2028

NAICS	Description	2021 Jobs	2028 Jobs	Net Change	% Change
7225	Full-service restaurants and limited service eating places	1,120	1,243	123	11%
6111	Elementary and secondary schools	709	767	58	8%
4451	Grocery stores	603	648	45	7%
2382	Building equipment contractors	331	358	27	8%
8121	Personal care services	319	363	44	14%
2371	Utility system construction	315	340	25	8%
2361	Residential building construction	301	292	-9	-3%
4481	Clothing stores	274	298	24	9%
4441	Building material and supplies dealers	254	278	24	9%
6233	Community care facilities for the elderly	219	271	52	24%
4529	Other general merchandise stores	212	253	41	19%
4521	Department stores	209	234	25	12%
5617	Services to buildings and dwellings	206	196	-10	-5%
6244	Child day-care services	203	224	21	10%
2383	Building finishing contractors	202	189	-13	-6%
5221	Depository credit intermediation	197	222	25	13%
9130	Local, municipal, and regional public administration	194	182	-12	-6%
2381	Foundation, structure, and building exterior contractors	188	198	10	5%
2389	Other specialty trade contractors	181	182	1	1%

Source: EMSI Analyst, 2022



Employment by Occupational Category

As mentioned earlier, Spruce Grove's economy gravitates mostly around the service sector. In 2021, the sales and services occupations employed 3,826 people in Spruce Grove, representing 30% of jobs in the City. The share of sales and service jobs in Spruce Grove is considerably higher than those in the Tri-Municipal communities and the Edmonton CMA.

Trades, transport and equipment operators and related occupations ranked second in terms of employment (17% of local jobs). The share of trades jobs in the City was like those in the broader Edmonton CMA.

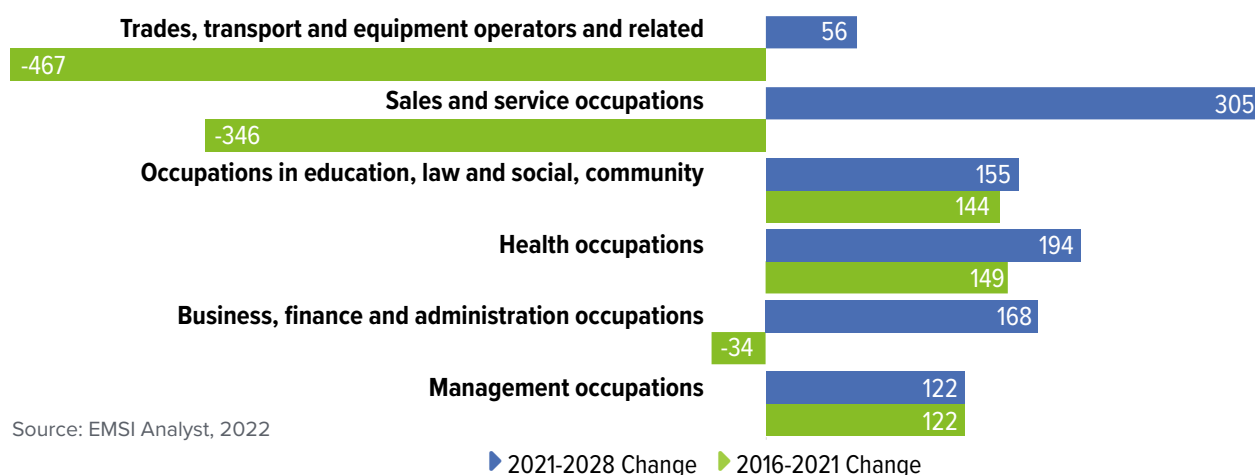
Figure 15 – Employment by Occupational Category (1-Digit NOC), 2021

Description	Spruce Grove	Parkland County	Stony Plain	Edmonton CMA	Alberta
Management occupations	9%	11%	10%	8%	9%
Business, finance, and administration occupations	13%	16%	14%	17%	16%
Natural and applied sciences and related occupations	5%	8%	6%	8%	8%
Health occupations	7%	1%	11%	8%	7%
Occupations in education, law and social, community and government services	11%	4%	14%	11%	10%
Occupations in art, culture, recreation, and sport	3%	2%	2%	2%	2%
Sales and service occupations	30%	13%	22%	21%	22%
Trades, transport and equipment operators and related occupations	17%	34%	16%	17%	17%
Natural resources, agriculture, and related production occupations	2%	4%	2%	2%	4%
Occupations in manufacturing and utilities	2%	5%	2%	3%	3%
Unclassified	1%	1%	1%	1%	1%

Source: EMSI Analyst, 2022

Between 2016 to 2021 there were important declines in occupations such in the trades category, and sales and service. The projected outlook for these occupations shows a more positive trend. The trades occupations, however, will not see a significant growth, capable to bring the occupational category to 2016 levels.

Figure 16 – Employment Forecast by Selected Occupational Category (1-Digit NOC), 2016-2028



A deeper analysis shows that the largest occupational subcategories (4-digit NOC) in Spruce Grove are retail salespersons (653 jobs), followed by retail and wholesale trade managers (431 jobs). Retail and wholesale trade managers, and retail salespersons were also among the sectors with the largest projected growth. These two occupations will add 145 jobs by 2028.

Figure 17 – Top Occupational Categories (4-Digit NOC)
by Employment Forecast, Spruce Grove, 2021-2028

NOC	Description	2021 Jobs	2028 Jobs	Net Change	% Change
6421	Retail salespersons	653	710	57	9%
0621	Retail and wholesale trade managers	431	510	79	18%
6611	Cashiers	369	391	22	6%
6711	Food counter attendants, kitchen helpers and related support occupations	368	402	34	9%
6211	Retail sales supervisors	311	377	66	21%
6622	Store shelf stockers, clerks, and order fillers	292	301	9	3%
4030	Secondary and elementary school teachers and educational counsellors, N.E.C.	209	217	8	4%
6513	Food and beverage servers	190	176	-14	-7%
4032	Elementary school and kindergarten teachers	190	216	26	14%
4214	Early childhood educators and assistants	179	186	7	4%
6322	Cooks	177	184	7	4%
0712	Home building and renovation managers	166	176	10	6%
7511	Transport truck drivers	165	162	-3	-2%
6341	Hairstylists and barbers	157	175	18	11%
1311	Accounting technicians and bookkeepers	145	153	8	6%

Source: EMSI Analyst, 2022

Commuting Patterns in Spruce Grove

Spruce Grove is a net exporter of workers, approximately 4,130 people live and work in the City. Another 4,410 people come from other communities to work in Spruce Grove, and 9,535 people commute out of the City to work. This means a total net outflow of 5,125 workers.

Most of the people commuting out of Spruce Grove have the City of Edmonton as their main destination (60%). On the opposite direction, most of the workers coming out of the City have Parkland County as their place of residence.

Figure 18 – Commuting Flows, Spruce Grove, 2016



Source: Statistics Canada, 2016 Census

Key Takeaways

- In 2021, Spruce Grove employment was estimated at 12,639 jobs; this represents 33% of the Tri-Municipal area jobs, and 2% of the Edmonton CMA employment.
- The City’s employment has been affected by previous oil price fluctuations. Despite this, Spruce Grove showed resiliency during the pandemic. While Edmonton and Alberta experienced a decline of 9% in 2020, Spruce Grove only saw a 1% decline.
- Spruce Grove is a net exporter of workers. As a result, local jobs have specialized in providing services to the commuting population. The service economy represents 82% of the local jobs, and almost a third of local jobs are in sales and service occupations.
- The largest industry sub-sectors by employment in Spruce Grove are full-service and limited service eating places (1,120 jobs), elementary and secondary schools (709 jobs), and grocery stores (603 jobs). The first two sector are also projected to experience the largest employment growth, adding 123 jobs and 58 jobs respectively.
- Overall, the local employment is projected to grow by 10% in the upcoming years, reaching 13,882 jobs by 2028 (an additional 1,243 jobs).

Business Environment and Structure

A business characteristics assessment was completed to understand the number and type of businesses in Spruce Grove using the Canadian Business Counts. Specifically, businesses in the City were profiled by total employee number, size of business establishments by employees, and businesses by industry. The Canadian Business Counts are based on tax filings and should not be compared with local business registrations on licenses.

Business Characteristics in Spruce Grove

As of December 2021, approximately 3,483 businesses were recorded in Spruce Grove. The figure below shows the total businesses in the City, the majority of which were businesses without employees (i.e., sole proprietorships). Approximately 2,214 businesses fall under this category. A total of 1,269 businesses with employees were recorded in Spruce Grove, 52% of these businesses employed one to four people.

As shown in the figure below, the following sectors have the highest proportion of business establishments by industry in 2021. These include businesses without employees and businesses with employees.

- **Construction** – 572 businesses (16% of total businesses)
- **Real estate and rental and leasing** – 520 businesses (15% of total businesses)
- **Professional, scientific, and technical services** – 377 businesses (11% of total businesses)

Industry sectors with the highest number of businesses without employees in 2021 slightly differ from the highest total business establishment proportions. However, the largest industries were like the overall total. The highest sole proprietorships in 2021 were in:

- **Real estate and rental and leasing** – 466 businesses (21% of total businesses without employees)
- **Construction** – 339 businesses (15% of total businesses without employees)
- **Professional, scientific, and technical services** – 254 businesses (11% of total businesses without employees)

The top industry sectors with employees in 2020 were:

- **Construction** – 233 businesses (18% of total businesses with employees)
- **Retail trade** – 165 businesses (13% of total businesses with employees)
- **Other services** (except public administration) – 129 businesses (10% of total businesses with employees)

Business establishments in Spruce Grove are characterized by micro-businesses, with 52% of businesses employing between 1-4 workers, and 32% of businesses are small businesses with between 5-19 employees. It is important to note the small number of medium- and large-size firms in the City's economy. Small firms are generally the major source of new products and ideas, while mid-size and large businesses are typically more export-oriented and generate higher operating surpluses. A healthy mix of small, medium, and large firms ensures that a community can capitalize on innovation and entrepreneurship opportunities and at the same time attract and grow investment. Micro and small businesses are also more susceptible to fluctuations in the economy.

Figure 19 – Canadian Business Counts, Spruce Grove, December 2021

Description	With Employees	Without Employees	Total
Agriculture, forestry, fishing, and hunting	8	34	42
Mining, quarrying, and oil and gas extraction	27	37	64
Utilities	2	0	2
Construction	233	339	572
Wholesale trade	54	37	91
Information and cultural industries	14	9	23
Finance and insurance	37	116	153
Real estate and rental and leasing	54	466	520
Professional, scientific, and technical services	123	254	377
Management of companies and enterprises	4	33	37
Administrative and support, waste management and remediation services	55	80	135
Educational services	15	22	37
Health care and social assistance	69	141	210
Arts, entertainment, and recreation	17	18	35
Accommodation and food services	72	20	92
Other services (except public administration)	129	134	263
Public administration	1	0	1
Manufacturing	49	37	86
Retail trade	165	92	257
Transportation and warehousing	62	107	169
Unclassified	79	238	317
Total	1,269	2,214	3,483

Source: EMSI Analyst, 2022 – Canadian Business Counts

Business Characteristics in Spruce Grove

Spruce Grove's industries were benchmarked against the Edmonton CMA and Province at the 2-digit industry sub-sector levels to determine the business concentration. Key insights are described below:

- Spruce Grove has a high concentration of businesses in the mining, quarrying, and oil and gas extraction (LQ 2.47), and construction (LQ 1.39) as a factor of the Edmonton CMA.
- Spruce Grove has a high concentration of businesses in the construction sector (LQ 1.55), manufacturing (LQ 1.46), and retail trade (LQ 1.35) as a factor of the province.

Figure 20 – Concentration of Businesses in Spruce Grove (LQ), December 2021

Description	LQ Edmonton CMA	LQ Alberta
Agriculture, forestry, fishing, and hunting	0.53	0.15
Mining, quarrying, and oil and gas extraction	2.47	0.95
Utilities	0.88	0.44
Construction	1.39	1.55
Wholesale trade	1.09	1.23
Information and cultural industries	0.87	0.93
Finance and insurance	0.81	0.88
Real estate and rental and leasing	1.02	1.03
Professional, scientific, and technical services	0.89	0.83
Management of companies and enterprises	0.94	1.16
Administrative and support, waste management and remediation services	1.00	1.11
Educational services	1.05	1.12
Health care and social assistance	0.77	0.97
Arts, entertainment, and recreation	1.03	1.03
Accommodation and food services	0.96	1.03
Other services (except public administration)	1.04	1.15
Public administration	0.13	0.19
Manufacturing	1.20	1.46
Retail trade	1.24	1.35
Transportation and warehousing	0.74	0.87
Unclassified	0.90	0.99
Total	1.00	1.00

Source: EMSI Analyst, 2022 – Canadian Business Counts – Deloitte LLP

In terms of subsectors, industries with significant numbers of businesses in Spruce Grove, recording higher concentration in these sectors, include:

- **As a factor of Edmonton CMA:** foundation, structure, and building exterior contractors; other specialty trade contractors; other professional, scientific, and technical services; child day-care services; commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance; and support activities for mining, and oil and gas extraction.
- **As a factor of Alberta:** building finishing contractors; foundation, structure, and building exterior contractors; other specialty trade contractors; building equipment contractors; other professional, scientific, and technical services; personal care services; child day-care services; and commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance.

Figure 21 – Top 20 Business Sectors (4-Digit NAICS) and Concentration (LQ),
Spruce Grove, December 2021

Description	Total Businesses Spruce Grove	LQ Edmonton	LQ Alberta
Lessors of real estate	386	0.96	0.96
Unclassified	317	0.90	0.99
Management, scientific and technical consulting services	130	1.08	0.95
Building finishing contractors	102	1.19	1.36
Other financial investment activities	97	0.74	0.81
Residential building construction	93	1.04	1.17
Foundation, structure, and building exterior contractors	91	1.94	2.21
Other specialty trade contractors	90	1.78	1.96
General freight trucking	85	0.88	1.07
Building equipment contractors	76	1.17	1.30
Full-service restaurants and limited service eating places	76	1.00	1.18
Services to buildings and dwellings	70	0.96	1.17
Other professional, scientific, and technical services	61	1.42	1.35
Personal care services	61	1.18	1.38
Child day-care services	60	1.82	2.20
Accounting, tax preparation, bookkeeping and payroll services	58	1.05	1.05
Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	57	1.65	1.63
Support activities for mining, and oil and gas extraction	55	2.57	1.16
Offices of real estate agents and brokers	54	1.09	1.19
Architectural, engineering, and related services	54	0.76	0.60

Source: EMSI Analyst, 2022 – Canadian Business Counts – Deloitte LLP

Spruce Grove Industrial Inventory

The information presented in this section summarizes some of the key findings presented by the City of Spruce Grove's Industrial Profile Analysis³. The Study was carried out over the period July to November 2021.

Industrial Density

The Industrial Profile Analysis found that the City's current industrial lands are underutilized in that they use more land than other industrial parks in the urban region relative to the building areas on them. As a peripheral City, land valuation allows businesses to utilize more land without having to build larger buildings. The analysis states that Spruce Grove could respond to these factors in the future as the land values increase or market-driven development shift. While a key part of the City's business attraction is the availability of land for less intensives uses, intensification is a trend that will become more evident over time. Currently, Spruce Grove has a limited provision of light industrial land used in which offices and smaller scale warehouse and wholesale functions coexist in a more business park format.

Industrial Overview

Spruce Grove ratio of 3.0 employees per acre is lower than industry standards. This suggests that future growth in newer industrial and business parks could attract higher density land uses or more light industrial types of land uses to supplement the medium and heavy industrial uses that are currently more common in the City.

The following summarizes the total industrial area business composition (existing and proposed) in Spruce Grove.

- Total Gross Lands in the Industrial Area (Including Future ASP Industrial): **+/- 1,700 ac**
- Total Gross Land Zoned Industrial M1 (Excludes Future Lands): **+/- 754 ac**
- Total Net Land Developed & Occupied Lands Zoned Industrial M1: **+/- 565 ac**
- Total Net Developed Land for Sale/Lease and Lots Under Development: **+/- 31 ac**
- Total Net Undeveloped Land for Sale/Lease: **+/- 67 ac**
- Total Area Structure Plan Prepared Potential Industrial Land: **+/- 642 ac (gross)**
- Total Building Space (est.): **+/- 2.79 million sf**
- Estimated Industrial Vacancy Rate as of November 2021: **+/- 4.3%**
- Number of businesses: **245**
- Number of Employees (est.): **+/- 2,277**



3 City of Spruce Grove – Industrial Profile Analysis, January 2022 (Developed by FBM)

A detailed description of all industrial districts in Spruce Grove is presented in the table below. The column heading acronyms used in the table are the following: **TNLA**: TOTAL NET LAND AREA | **TBS**: TOTAL BUILDING SPACE | **ESCR**: ESTIMATED SITE COVERAGE RATIO | **EPDA**: EMPLOYEES PER DEVELOPED ACRE

Figure 22 – Industrial Profile Analysis, Spruce Grove, 2022

Industrial District	TNLA (est.) acres	TBS (est.) sf	ESCR	# Businesses	Vacant Lots/Units	# Employees (est.)	EPDA (est.)
Madison Industrial Lands	80	231,787	0.60%	29	6	176	2.2
Diamond Industrial Lands	109	704,407	0.15%	51	1	582	5.4
Shep Industrial Lands	114	548,686	0.11%	67	8	517	4.5
Yellowhead Industrial Lands	126	504,627	0.09%	45	2	375	3
Spruce Grove Industrial Park	168	489,730	0.07%	38	19	437	1
Campsite Business Park	33	99,703	0.07%	13	5	111	3.4
Public Works Quarter	54 (+18 future developable areas)	123,019	0.03%	1	1	58	0.6
Grove Industrial Park	28	46,923	n/a	1	6	19	1

Source: City of Spruce Grove – Industrial Profile Analysis, January 2022

Employment Land Requirements

Considering the current supply and net demand projections, Spruce Grove will have a deficit in employment lands in the upcoming years, a net deficit of 174 acres by 2026, 405 acres by 2026, and 474 acres by 2046. Most of the demand will be for industrial-related uses.

Key Takeaways

- Spruce Grove recorded 3,483 businesses by December 2021. Most of whom were sole proprietorships (no employees). The largest industry sectors in Spruce Grove by number of businesses included construction, real estate, rental, and leasing, and professional, scientific, and technical.
- Industry sectors with a high concentration of businesses in Spruce Grove compared to the Edmonton CMA were in mining, quarrying and oil and gas extraction, and construction.
- The City's current industrial lands are underutilized. While a key part of the City's business attraction is the availability of land for less intensives uses, intensification is a trend that will become more evident over time. Intensification is also necessary, considering the projected industrial land deficits.
- Employment densities could be increase with changing land use intensification.



