



ECONOMIC DEVELOPMENT ASSESSMENT VILLAGE OF RYCROFT, ALBERTA

Dibbelt Northern Development Services

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Executive Highlights

Economic Development is the practice of selling your community to a potential buyer. The community is a commodity, hopefully one that someone wants to invest in. The buyer is a business, developer, or investor that is looking for a community to set up in.

1) First and foremost, the Village of Rycroft needs to target its economic development efforts to those areas most likely to be successful. For example, most small urbans lament the loss of a vibrant retail downtown. This is unfortunately a result of a number of factors such as the increase in online shopping, improvements in transportation, and outdated downtown buildings. But it does not mean the downtown area can't be re-conceptualized and re-purposed with a strategic vision and purpose guiding your Council decisions.

2) In order to successfully sell itself Rycroft must think of itself as the commodity for sale and then a number of factors need to be in place: A) you must have something that makes you stand out from the crowd to the buyer; B) there is market demand for what you are selling; C) you have available land, properties, housing, labour, water, utilities, etc ... the checklist of items a business, developer, investor needs to set-up in your community.

3) Also, Internal administrative processes need to be in place and these processes need to be development friendly. For example, land-use by laws need to be in alignment, "one-stop" packages with all the information needed to accept development and business applications; and next steps follow-up that engages the potential newcomer.

4) Property taxes and mil rates can be used as an economic advantage. The various levels of mil rates across the Peace Region can place one municipality ahead of another in the final decision of developers and investors.

5) Rycroft's biggest advantage is its location. At the juncture of Hwy 2 and Hwy 49; the average daily traffic that crosses that intersection on any given day is 8000+. Also, Rycroft's access to the CN rail-line is another advantage. These advantages can mitigate things like a higher mil rate depending on the needs of the developer / investor.

6) Esthetics. Plain and simple, people want to live in an attractive and well-maintained community.

7) This report recommends the Village of Rycroft focus on three areas of economic development:

- A. Downtown re-visioning incorporating local entrepreneurs,
- B. Highway frontage, high-value commercial products & services,
- C. Value-added agricultural developments and high-value agricultural services

Section 1 Background

In February of 2019, CAO, Peter Thomas approached the Peace Region Economic Development Alliance (PREDA) to review options for economic development opportunities for the Village of Rycroft. PREDA reviewed grant options to initially assist the Village, resulting in ultimately securing \$16K for this report from a partnership among PREDA (\$4000), GOA CARES (\$8000), and the Village (\$4000). A four-month timeline was set for the report - March 2019 to June 2019.

There are four primary purposes for conducting an economic development assessment:

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

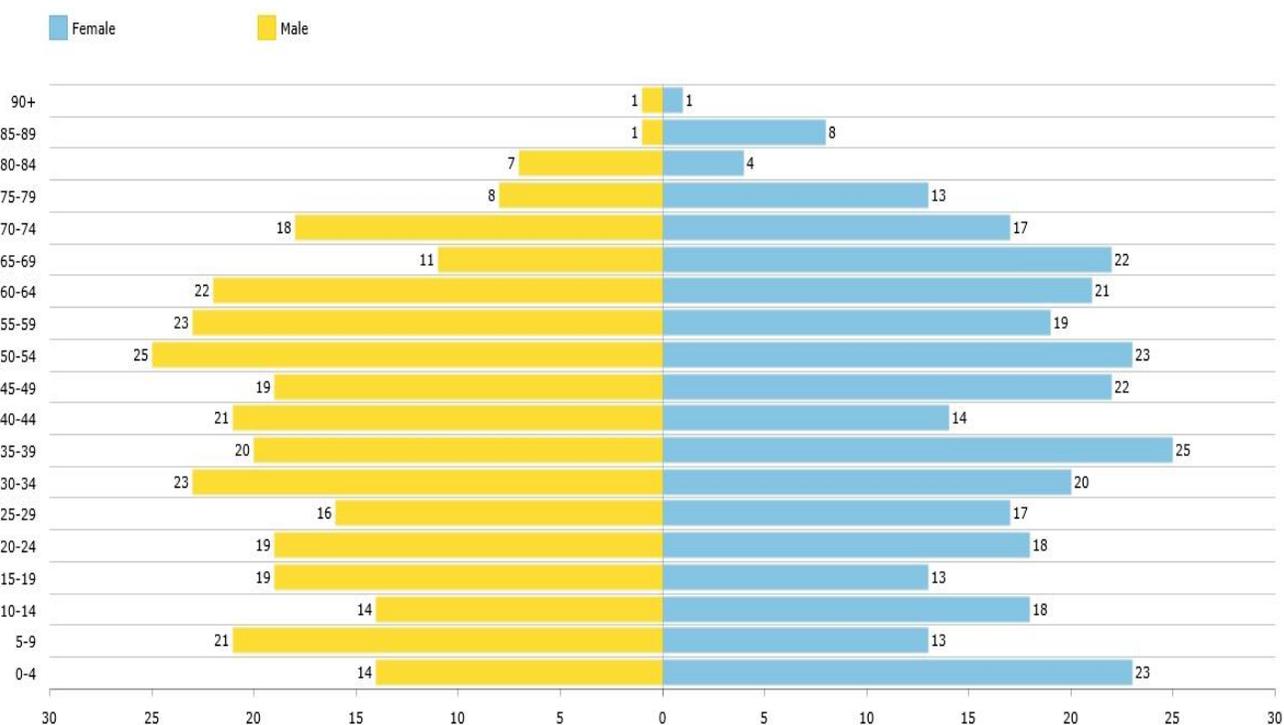
The Alberta Municipal Government Act states the primary purposes of a municipality is to: 1) provide good government; 2) provide services, facilities or other things that, in the opinion of Council, are necessary or desirable for all or part of the municipality; and 3) develop and maintain safe and viable communities.

In April 2015, electors of the Village of Rycroft petitioned the Minister of Municipal Affairs to conduct a viability review. A viability review addresses a municipality's governance, finances, and infrastructure to determine whether changes are required for the community to remain viable. A viability review may result in dissolution, whereby a municipality is no longer a separate legal entity and becomes a part of its neighbouring municipality. A viability review team for the Village of Rycroft was established in 2015 to review and recommend whether the Village was viable, and to develop a plan to address identified risk to the long-term viability of the Village. The review included consultation with Village residents and businesses.

In 2017, ratepayers of the Village of Rycroft voted in favor of remaining a Village. Subsequently the Government of Alberta Municipal Affairs released their viability review. One of the highlights identified in the viability review was that the Village had seen considerable turnover in staff and Council members; thus, creating an unstable environment for attracting development to a community. Additionally, Alberta Municipal Affairs in their viability review included a list of actions the Village must undertake to remain viable. The Council and administration have been working on the recommendations and have included the need to pursue economic development options as a priority.

Section 2 Population, Traffic Counts, and Mills Rates

A) Population Profile: This data gives you a snapshot of who lives in your community. The data can be invaluable when determining the programs and services that the municipality will invest in and offer to its residents. The diagram below shows the most current population spread of the Village of Rycroft – male vs. female and by age clusters of 4 years apart.



The raw data used to create this diagram is presented in the next table. For economic development purposes it is helpful to view population data with a “business opportunity lens”. Descriptors such as gender, single parent families, married vs. unmarried, the number of seniors living alone, etc... can add a deeper knowledge of certain age-clusters. For example, having a large pool of females, married, with children would be a good target market for yoga classes or paint nights. At the civic responsibility level, knowing how many of your older seniors are living alone can streamline your emergency response team during a power outage, a severe snowstorm, or an evacuation. For comparative purposes, a listing of the population data for all of the Central Peace is provided in [Appendix A](#).

Rycroft, Village Statistics Canada – 2016 Census			
Population; 2016	612		
Population; 2011	628		
Population - Age Groups	Total	M	F
0 to 4 years	40	15	25
5 to 9 years	35	25	15
10 to 14 years	35	15	15
15 to 19 years	35	20	10
20 to 24 years	35	20	20
25 to 29 years	35	15	15
30 to 34 years	45	25	20
35 to 39 years	45	20	20
40 to 44 years	35	20	15
45 to 49 years	40	20	20
50 to 54 years	55	25	25
55 to 59 years	40	20	20
60 to 64 years	45	25	20
65 to 69 years	30	10	25
70 to 74 years	30	15	15
75 to 79 years	20	10	15
80 to 84 years	10	5	0
85 to 89 years	10	0	10
90 to 94 years	0	0	0
95 to 99 years	0	0	0
100 + years	0	0	0
Average age	41.2	40.2	42
Married / Common	295	150	145
Average size families	2.8		
lone-parent families	25		
English only	590	295	300

As previously noted, knowing the profile of your community can help identify where municipal resources can be best allocated for programs and services. The following cluster descriptions indicate typical life phases for each group and the types of services and programs frequently offered through municipalities and community stakeholders.

0-4 Years: Pre-schoolers. Benefit from programs such as Moms & Tots, breastfeeding clinics, immunizations, Swim & Gym, etc. This age group is also a fore-teller of the upcoming demand for daycare and kindergarten.

5 to 14: School age youth. Benefit from after-school programs, school sport sponsorships, etc.

15 to 19: Highschool or recent graduates. Benefit from student employment programs, facilitation of post-secondary information sessions, safe socials, etc. This group is also the youngest pool of your labour force.

20 to 24 years: The group most likely to leave your community in pursuit of new adventures like college. Municipal post-secondary scholarships and internships benefit this group.

25 to 44 years: Parents. Frequently volunteer for activities involving their children.

45 to 64 years: Grandparents. Increased travel, more leisure time. Tends to actively support / volunteer for community level activities such as Festival of Trees, Ducks Unlimited, Municipal Councils, (i.e.... non-child related). Some may be taking care of their parents.

65 to 100+ years: Seniors. With each passing decade the need for assistance increases. Seniors services such as snow removal, safe-home health checks, and housekeeping can help a senior stay longer in their home. As seniors age the need for long-term care, and health care visits increases.

As previously noted, other profile descriptors such as gender, single parent families, married vs. unmarried, the number of seniors living alone, etc.... can add a deeper knowledge of certain age-clusters.

B) Dwelling Counts:

Dwelling Counts	Rycroft	Birch Hills	Spirit River. MD	Spirit River, Town	Saddle Hills
Total private dwellings	316	616	306	487	978
Occupied private dwellings	275	495	275	445	840
Owner (vs Rental)	65%	84%	100%	79%	90%
Occupancy / Vacancy Rate	87% / 13%	80% / 20%	89% / 11%	91% / 9%	85% / 15%

The table above shows the dwelling counts for the municipalities in the Central Peace. Of the total number (316) of private dwellings recorded in Rycroft, 275 were occupied. Knowing this one can easily calculate the vacancy rates for the community. Vacancy rates are frequently reviewed by potential newcomers / business investors as they (or their staff) need a place to live. However, vacancy rates can be deceptive. For example, perhaps the vacancies are derelict. Having an intimate knowledge of the available housing in your community can only be achieved by walking around your town and checking the property details with your administration.

Another metric shown in the table above is the percent of the occupied dwellings that are owned (vs rentals). Note that for Rycroft, home ownership is significantly less than the rural municipalities. This is not uncommon in northern small urbans. Rural ownership frequently includes land which requires much more commitment (and most likely generational ownership). One of the challenges that comes with lack of ownership is the lack of commitment to “up-keep and beautification” of the exterior of the home. Interestingly, 93% of the occupied private dwellings in Rycroft are single detached houses.

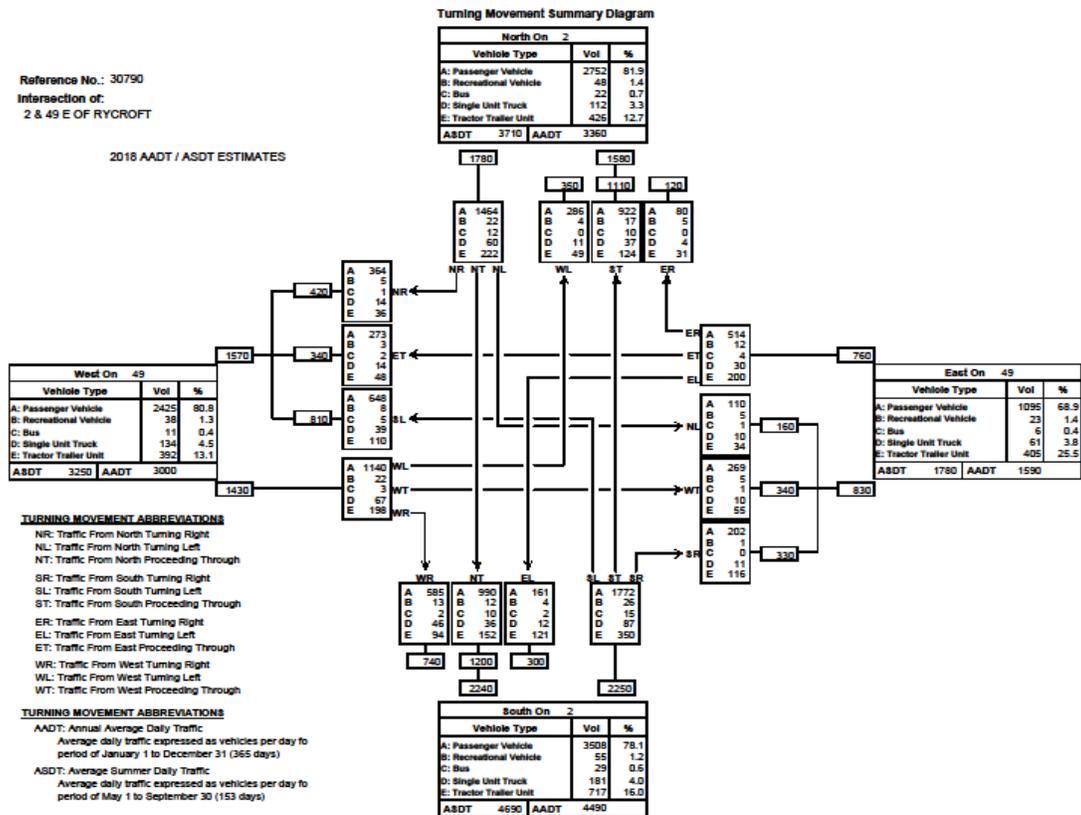
C) Traffic Counts:

Being in the heart of the intersection of two provincial highways increases Rycroft’s attractiveness for highway frontage business investors / opportunities. The table below shows the average annual daily traffic (AADT) at the HWY 2 and HWY 49 juncture.

Rycroft - HWY 2 at HWY 49 - Average Annual Daily Traffic (AADT) 2018				
	East on 49	West on 49	South on 2	North on 2
Passenger	1095	2425	3508	2752
Recreational	23	38	55	48
Bus	6	11	29	22
Single Unit Truck	61	134	181	112
Tractor Trailer	405	392	717	426
Total AADT 2018	1590	3000	4490	3360

ECONOMIC DEVELOPMENT ASSESSMENT VILLAGE OF RYCROFT, ALBERTA

The data presented in the above table is very simplified. To get a much better appreciation of the complexity of traffic flow analysis a schematic like the one below is much more useful; especially for identifying economic development opportunities; higher value commercial corners, and highway frontage developments.



Note: A larger copy of the traffic flow schematic is provided in [Appendix B](#); it is presented here only to show the complexity and highlight the information that could be extracted upon reviewing it in detail. The information presented in the traffic flow schematic is available in ten-year trends from Alberta Transportation.

The traffic flow schematic is daunting! However, when looked at closely one can garner a lot of information on traffic patterns by type, and apply this information to making decisions on business opportunities for highway developments. For example, the schematic shows the traffic counts that are coming from the North down Highway 2. At the juncture the driver has three options, turn left (NL), turn right (NR), or go straight through (NT). The schematic not only shows you how many drivers (for example) are coming down from the North and turn right (NR); it also shows the type of vehicle.

Understanding and applying this type of data can be critical in helping a business set-up a high-value truck stop vs. a seasonal low-value ice cream shop in the radius of this juncture. Site locators and business investors look for this information. Council and administration’s knowledge of this information is critical to the successful economic development efforts to attract investors and businesses.

D) Businesses In Rycroft:

In 2018 there were 78 businesses registered in Rycroft. The graph below shows the ten-year trend for businesses registered, the highest year being 2010 with 85 businesses registered. The table shows the businesses by classification.



Industry Classification	2018	2016	2014	2012	2010
Accommodation and food services	5	5	5	6	6
Administrative and support,	3	3	6	4	3
Agriculture, forestry, fishing and hunting	14	16	12	13	18
Construction	8	11	11	12	12
Educational services	0	1	1	1	1
Finance and insurance	1	0	0	0	0
Health care and social assistance	1	2	2	2	2
Information and cultural industries	2	1	2	2	2
Manufacturing	2	2	1		2
Mining, quarrying, and oil and gas	5	7	5	6	5
Other services	6	6	4	6	8
Professional, scientific and technical	1	1	1	3	3
Public administration	1	1	1	1	1
Real estate and rental and leasing	5	5	3	4	3
Retail trade	5	6	6	5	5
Transportation and warehousing	12	11	10	8	8
Wholesale trade	7	5	5	5	6
Total Registered Businesses	78	83	75	78	85

Overall the number of registered businesses in Rycroft has been stable, fluctuating by only a few across each year. The variable that would be more telling is the size of the business. Almost all of the businesses in Rycroft are small businesses – 98.7%.

E: Agriculture

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

ECONOMIC DEVELOPMENT ASSESSMENT VILLAGE OF RYCROFT, ALBERTA

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

Located just a few kilometers south of Rycroft is the largest collective of throughput capacity grain terminals in Alberta. Together the grain terminals in Rycroft have the “any point in time” capacity to handle 95,570 tonnes of food-grade grains.

Grain Terminals in Peace Country		
FALHER	Agrocorp Processing Ltd.	7,200
GRIMSHAW	Viterra Inc.	32,760
HIGH LEVEL	Richardson Pioneer Limited	6,500
MCLENNAN	Cargill Limited	27,800
NAMPA	Richardson Pioneer Limited	44,580
RYCROFT	Cargill Limited	25,500
RYCROFT	Grain Millers Canada Corp.	4,070
RYCROFT	Louis Dreyfus Company	24,000
RYCROFT	Richardson Pioneer Limited	42,000
SEXSMITH	Viterra Inc.	30,250
SMOKY RIVER	Viterra Inc.	41,420

Note: As of February 2019 - Alberta has 83 primary grain terminals with a total capacity of 2M tonnes.

ECONOMIC DEVELOPMENT ASSESSMENT VILLAGE OF RYCROFT, ALBERTA

In 2018 the grain terminals in Rycroft handled almost 900,000 tonnes of raw agriculture products – the largest crop being Canola. This grain ends up in Rycroft to be transloaded to railcars – all delivered by grain trucks from around the Peace Country.

Northwest Alberta – Deliveries to Primary Elevators 2017-18 Thousand Metric Tonnes					
Production	1,162,200	197,700	265,900	1,296,900	399,400
Delivery Point / Crop	Wheat	Oat	Barley	Canola	Peas
NAMPA	131.9	-	3.1	166.8	14.8
RYCROFT	234.1	-	23.8	402.0	133.9
HIGH LEVEL	56.7	-	3.7	56.2	21.5
SMOKY RIVER	139.0	0.1	13.6	160.2	40.3
SEXSMITH	166.5	-	64.0	134.8	63.3
MCLENNAN	151.8	-	-	132.0	20.0
FALHER	34.7	-	-	-	23.7
GRIMSHAW	108.9	-	50.4	173.1	73.5
Total Delivered	1,023,700	100	158,700	1,225,000	391,100
% of Production Delivered to Grain Terminals	88%	<1%	60%	94%	98%

From an economic development perspective, the amount of grain deliveries driving through the Rycroft area should be detailed to a greater knowledge level. The types of services that could be offered through Rycroft to this niche market may prove to be quite lucrative. For example, hopper car / container specialized cleaning services; a special harvest festival to coincide with the peak delivery season, a partnership with the grain terminals, grain dealers, truckers to provide “off the road” temporary housing with private beds and showers; heavy equipment road-side lube and tire shops – in essence Rycroft could position itself as the “service center of excellence” for agricultural product truck drivers and grain brokers. Collecting information on the needs of these grain haulers could be achieved with a simple survey at the dispatch booths located at the grain elevators (in partnership with the grain terminal owners).

F: Mil rate and Property Costs

There are a number of factors that come into play when a business or individual makes a decision to locate in a community. Land and property values are important. Rycroft has affordable land and properties in comparison to its competition. Rycroft, however, also has a high mil rate. Fortunately, the Rycroft Village Council has identified this and has made efforts to reduce their mil rates. This can be difficult as a municipality needs to ensure they take in sufficient revenue to provide municipal services. The following tables are made up of 33 Peace region municipalities. The data comes from Alberta Municipal Affairs, June 2019. [Appendix C](#) presents a list of the mil rates in the Peace Region.

Five highest NON-RESIDENTIAL mil rates in the Peace Country	
Municipality	Non-residential mil rate
Village of Hines Creek	36.72
Town of McLennan	29.00
Village of Berwyn	28.53
Village of Rycroft	20.91
Birch Hills County	18.18

Five lowest NON-RESIDENTIAL mil rates in the Peace Country	
Municipality	Non-residential mil rate
M.D. of Greenview	7.83
Town of Wembley	10.81
Town of Grimshaw	10.82
Town of Beaverlodge	12.44
Northern Sunrise County	13.00

Five highest RESIDENTIAL mil rates in the Peace Country	
Municipality	Residential mil rate
Town of McLennan	19.00
Village of Hines Creek	17.11
Village of Liouville	16.12
Town of Falher	12.17
Town of Manning	11.42

Five lowest RESIDENTIAL mil rates in the Peace Country	
Municipality	Residential mil rate
Clear Hills County	1.30
M.D. Greenview	2.70
County of Grande Prairie	4.04
County of Big Lakes	4.31
M.D. of Peace	4.34

The above tables provide a snapshot of where Rycroft sits in the region with regard to property taxes. Rycroft has the fourth highest non-residential mil rate in the region while its’ residential mil rate is in the high average. While the residential mil rate is important for attracting residents other factors such as living in a desirable location or locating in your home region are all factored in a person’s decision to buy a residence in a specific municipality. As an example, people farming in the MD of Spirit River, may decide to retire and downsize to either Rycroft or Spirit River, because they view those communities as home.

The following table focuses on municipalities that would be in direct competition with the Village in attracting a commercial development where rail and road corridors are relevant. This would include a value-added industry such as an agricultural milling company.

Rycroft Industrial Competition

Municipality	Residential mil rate	Non-residential mil rate
Village of Rycroft	10.0	20.9
M.D. of Spirit River	7.2	15.5
Town of Spirit River	11.1	13.5
Town of Sexsmith	7.6	16.5
County of Grande Prairie	4.0	13.5
Town of Falher	12.2	15.7
M.D. of Smoky	5.3	16.3
City of Grande Prairie	10.2	16.4
M.D. of Greenview	2.7	7.8
Saddle Hills County (Woking)	3.9	12.6

The municipalities in the above table were chosen as competition to Rycroft based on agricultural statistics and transportation corridors. Rycroft and the surrounding region handle the most agricultural products along with the Smoky River region. An agricultural value-added business would want rail access and excellent highway access. Despite the higher mil rate in Rycroft, Rycroft does have the advantage of having serviced property. Most industry requires potable water in addition to gas and power. Most rural municipalities lack potable water and often other utilities need to be put in at the developers cost. This can often be the deciding factor in where an industry chooses to locate.

Section 3 Descriptive Overview of The Village of Rycroft

The Village of Rycroft was incorporated in 1944, and is an historic railway stop. The Village, known as the "Hub of the Peace", is located 68 kilometers north of the City of Grande Prairie and eight kilometers east of the Town of Spirit River. It sits at the junctures of Highway 2 and Highway 49. The main industry is agriculture, with retail, oil, transportation, and education contributing to the economy. In 2017 the population of Rycroft was 612. There were 316 private dwellings; of which 275 which were occupied. The Village serves a surrounding trading area of approximately 6,000 persons. The Village of Rycroft is included in the G5; a locally referred to group of municipalities (Birch Hills County, The MD of Spirit River, Saddle Hills County, and the Town of Spirit River) that work together on regional projects, challenges, and opportunities.

Quality of Life Assets Potential newcomers, especially those with children, will review schools, housing, and recreational facilities as a component of determining if a community is the right fit for them and their family. The small urban options available to a newcomer include Rycroft and Spirit River.

However, properties that may be available in the rural areas that radiate the Village also present choices for the newcomer. Council and administration must work together to continue investment in and upkeep of the Village's community assets to maintain their attractiveness to potential new residents. Following is brief list of the highlights of the Village's quality of life assets.

Education: The Rycroft School is part of the Peace Wapiti School Division and has an approximate enrollment of 110 students from Kindergarten to Grade 8. Students from Grade 9 – 12 are bussed to the high school in Spirit River, just west of the Village.

Recreation Centres: The Rycroft Arena is a hub for winter sports and is open from October – March, with plans to make it a year-round facility in the future. Eight kilometers into the Town of Spirit River also provides the MacLean Arena (skating & hockey) and the Richardson Pioneer Central Peace Aquatic Centre; an outdoor swimming facility.

Agricultural Society and Community Centre: Both of these facilities are large enough to host trade shows, dances, movies, concerts, and music festivals. The Village of Rycroft is a hub for local "gate to plate" agricultural producers that oversee a very active Farmer's Market and provide leadership to the Agricultural Society.

Health Services: Rycroft accesses health care at the newly built Central Peace Health Complex and the Community Health Center in Spirit River. Services include, but are not limited to: mental health services, diabetes prevention and wellness, immunizations, prenatal classes, home care, diagnostic imaging, emergency and laboratory services, and palliative care.

Outdoor Recreation: There are numerous ski hills and golf courses, and many campgrounds, and opportunities for boating, hunting and fishing.

Services & Industry: Most essential services are available within town limits: however, some business owners have expressed concern that they are just hanging on, waiting for a turn around in the economy. The Village requires a business license which is an excellent way for the Village to maintain a business inventory. The Village does not have a Chamber of Commerce.

In Rycroft, like most rural communities in Alberta, industry has slowed down. The decline in the oil industry, the increase in the minimum wage and the implementation of a carbon tax have had an effect on industry. Rycroft however, has weathered the storm better than others. While they have seen some business closures, they have also welcomed new industry such as Millar Richardson. Rycroft maintains a Coop Grocery store, fuelling stations, accommodation and unique industries such as Peace Country Memorials.

Housing: Housing is essential to attract new residents. Industry looks at housing availability when they look to moving into a municipality. A business that may have 10 employees may need housing for 10 families. They may also need housing for senior executive staff. In order to attract employees housing is necessary.

Rycroft has 316 private dwelling units with 275 being currently occupied. Housing types range from older singlewide trailers to more modern high-end homes. An average three-bedroom home would run about \$150,000, considerably less than other Peace Region communities. Prices in Rycroft vary from \$50,000 up to \$500,000. Residential lots start at around \$10,000.

Transportation: Rycroft's rail access and utility infrastructure makes it an ideal location for large scale developments. Industry related transportation is one of Rycroft's best-selling features and should always be highlighted to its best advantage.

Section 4 Selling the Village of Rycroft

In order to successfully sell itself the Council and administration must think of itself as a commodity for sale and then a number of factors need to be in place.

1. The community must have something that makes it stand out from the crowd to the buyer. There are 352 municipalities in Alberta, varying from summer Villages to cities. The buyer intends to put his business in one of those municipalities. Most municipalities market themselves as “the best place to live, work and play.” But are they really? It is essential a municipality knows its faults and is honest about them. A potential new business will do their homework and find out anyway. So what makes Rycroft better than all the rest? What makes Rycroft a contender?

2. Many factors, including marketing region, transportation, access to commodities, access to a labor force, property prices, property taxes, etc... all impact a buyer’s decision on where to locate. Ultimately the buyer wants to make money. Can they make money locating their business in Rycroft?

3. Demand for the product. In the case of retail and hospitality, there must be sufficient population to support the business. In today’s high labor, high tax (carbon tax) environment, more and more restaurants are closing. Hotels are suffering. The decline in the oil industry has greatly impacted not only the accommodation industry, but also service industries, from laundry services to fuel to groceries. Less people and fewer people with the financial resources have made these businesses less viable.

Appendix D presents the Retail Trade Profile for the Central Peace Region.

4. Marketing region refers to the region from which a business can draw customers. Rycroft has an excellent location and draws from about 6,000 people plus through traffic on the highway to and from Grande Prairie. On average a grocery store needs approximately 4000 people to be sustainable. The number varies for the type of business. The one exception is niche stores, butcher shops, high-end ladies’ fashion, giftware, antiques and similar stores that people will travel to specifically to shop there.

5. Because of the financial challenges in setting up a new business, or even assuming ownership of an existing one, the cost of setting up a business in Rycroft is crucial. Land and building values are important. Equally important however, is the quality of the existing infrastructure. Fifty-year-old wood structures downtown are not in high demand. Any retail chains will be looking for new-build highway frontage. Downtown frontage will largely be utilized by local entrepreneurs setting up a local business. There is also a trend toward converting downtown frontage to either residential or joint commercial/residential.

6. Property costs and availability greatly impact the decision of a business to locate in your community. It is important to have an inventory of available properties and contact information of the owners.
7. Incentives to attract or sustain businesses is controversial. Providing tax incentives to new developers can anger existing business owners who invested in the community with no such incentives. On the other hand, waiving taxes to attract new businesses can be the incentive a business needs to locate in your community. [Appendix E](#) presents Municipal Affairs' Q&A sheet on the latest guidelines for tax incentives.
8. In addition to property prices, property taxes can have a huge impact on where someone will set up business. The Village of Rycroft, while recently lowering their mil rates, has at 20.91 the third highest non-residential mil rate in the Peace region. The Town of Spirit River, a couple kilometres down the road sits at 13.5 and the MD sits at 15.5. What that means is a property assessed at \$100,000 in Rycroft would pay roughly \$2000 a year in property taxes while a similarly assessed property in the Town of Spirit River would pay \$1350 and in the MD \$1550.
9. Other factors can mitigate the mil rate. Location, location, location. Rycroft sits at the juncture of two provincial highways. There are approximately 8000 vehicles traveling north and south on Highway 2 through Rycroft everyday. Of that total number approximately 1200 turn west toward the BC border and another 340 continue west from Highway 49. We also know about 1400 vehicles head east on Highway 49 toward courtesy corner. Rycroft's traffic volume is a drawing card.
10. Access to labor and housing. Rycroft sits strategically in the middle of the G5. There are 316 dwelling units in Rycroft with a mix of housing ranging from older single wide trailers to modern luxury style homes. There also appears to be local investors that would consider building rental properties if the need arose. Labor is an issue, but not specific to Rycroft.
11. There is a reason consumers have turned to online shopping. Online catalogues let consumers easily and comfortably shop from their home, peruse the products, select what they want, go to the shopping cart, and identify all applicable costs. Similarly, investors and developers want a simple one stop process to working with a community. Everything must be in one place, easily accessible and with a knowledgeable municipal representative that walks them through the process.

12. Land Use Bylaw. It is essential that the LUB be up-to-date and has been thoroughly revised to allow developments you want in your municipality. In the time it takes for a municipality to rezone a property to accommodate a potential business, that business can locate in another community. Ensure your LUB reflects Council's vision of what businesses they want where in the community.

13. Equally important is aftercare. People love online shopping and Costco, because if they are unhappy with their purchase, they can send it back for a full refund. Well, a municipality can't do that. But what it can do is ensure that once a business moves into town, they do their due diligence and follow up to ensure the business is happy. Visit the new business. Promote it on the municipal website. And utilize the business.

14. Esthetics. Plain and simple, people want to live in an attractive and well-maintained community. We want pretty streets (that doesn't mean paved) with cared for yards, free of derelict buildings and yards full of junk. Rycroft has an unsightly premises bylaw but is it working?

Section 5 Industry Site Locators

Site locators looking for potential opportunities for investors generally lean toward Alberta's larger centres and along the QE2 Highway between Edmonton and Calgary. When looking north, they tend to look at Grande Prairie and the surrounding County. However, a developer looking for property with excellent highway access and rail access would also compare properties not only in the City and County of Grande Prairie; Sexsmith, Woking (Saddle Hills County), the M.D. of Spirit River and the Village of Rycroft would also be reviewed. Based on mil rates alone a developer's rated preference would first be Woking (Saddle Hills County), then the County of Grande Prairie, then the M.D. Spirit River, then the City of Grande Prairie, then the Town of Sexsmith, and finally the Village of Rycroft.

Fortunately, a number of other factors come in to play. For example, if property costs were given the highest ratio of importance to the investor the list would likely be first the Village of Rycroft, then Woking and then the M.D. of Spirit River and Sexsmith, and lastly the City and County of Grande Prairie. Based solely on rail access it would be a tie between The Village of Rycroft, Sexsmith, the M.D. of Spirit River and the County of Grande Prairie. Based on Agricultural deliveries, it would be Rycroft and the M.D. of Spirit River, followed by the County of Grande Prairie and Sexsmith.

Another key factor in helping an industry decide where they will locate is the level of municipal readiness and services in place. How ready a municipality is with all development documents, relevant land use bylaw's in place, and access to knowledgeable staff, can be the tipping point between one municipality and the other.

The reality is industry bases their decision on a combination of these factors. For value-added agricultural businesses, Rycroft rates highly. Developers may also be looking for serviced land, high speed internet or an existing site with infrastructure. Developers from outside the region also have concerns around access to workers and housing for their employees. This was also a statement of concern from businesses interviewed.

1. Rycroft Property inventory

Something that can slow down or lose a development is not having property immediately available. It helps to have a running inventory of available properties in Rycroft for someone looking for a property, so you are able to supply something quickly.

a. Serviced vs unserviced

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

b. Municipally held and private

- i. The Village of Rycroft already has a property inventory of municipally owned land. The municipality should also have a list of privately-owned properties including whether the property is serviced and what infrastructure is in place.

2. Rycroft Land Use Bylaw

The Village of Rycroft's Land Use Bylaw outlines the various zoning districts of the Village along with what is a Permitted Use and what is Discretionary Use. Any development that is not listed under permitted use must then go to the Development Officer who is appointed by the Rycroft Village Council to act as the Development Authority. Under Commercial District, Limited Highway Commercial, Highway Development Restricted and Industrial District, everything is Discretionary. While some Councils feel this gives them greater control over developments in these districts, it also deters developers from pursuing opportunities as they do not know if a proposed development would be approved until they put in a development permit. And they can't put in a development permit until they

have purchased or leased the property. Rycroft Council should revisit their Land Use Bylaw to determine what they would consider permitted uses for the various districts. Because of the decline in rural downtowns, Council may also wish to look at allowing as discretionary main floor residential in this zone, so long as there is a commercial venture in the front.

Rycroft's Land Use Bylaws should also broaden the definition of modular home to "modular building". There are examples in the Peace region of modular apartment buildings, and it is not uncommon to see a modular building on commercial and industrial sites used as office buildings.

MODULAR BUILDING means a development that is built off-site and designed to be transported and assembled on a permanent foundation at the building site. Upon arriving at the site for placement is ready for year-round occupancy. A modular building may include residential, commercial, industrial and institutional buildings. This definition does not apply to manufactured homes, recreational vehicles or industrial camp trailers.

Section 5.2 of the Rycroft LUB states "a development permit application for a use which is not listed as a "permitted use" or a "discretionary use" in the subject district shall be refused." It may be worthwhile to review all definitions to ensure acceptability and inclusion of a wide variety of businesses in each land use category. While it is simple to say that the development officer has the authority to approve any application, the wording of this section could deter people from even trying.

Section 6 Economic Development Opportunities

As previously highlighted, the Village of Rycroft needs to focus on three primary economic development opportunities:

- A. Downtown re-visioning incorporating local entrepreneurs,
- B. Highway frontage, high-value commercial products & services,
- C. Value-added agricultural developments and high-value agricultural services

Opportunity A: Downtown development: Small rural, urban municipalities are having challenges maintaining their downtowns. Older buildings are hard to fill. Government policies on minimum wage and taxes are making it more expensive to run a business, internet shopping is increasingly popular, and a slow economy means people spend less.

ECONOMIC DEVELOPMENT ASSESSMENT VILLAGE OF RYCROFT, ALBERTA

For these reasons, the Village should focus on how it wants to recreate its downtown. The lack of high-speed internet is a challenge for many rural based businesses. The Village should pursue options to introduce high speed internet to the community. There are a variety of options available. Both Telus and Eastlink have started offering high speed internet into smaller communities such as Peace River and Grimshaw. Other regions such as Big Lakes and Saddle Hills County have pursued bringing high speed internet in themselves. Another company based out of Grande Prairie would also be worthwhile pursuing. It is recommended that the Village of Rycroft invite GP Networks to a Council meeting to discuss internet options. Gp Optix has provided high speed internet to the communities of Wembley and Valhalla and specializes in smaller rural communities. Note: GP Optix Kobus De Jager Business Manager & CEO 780.296.4993

Local entrepreneurs identifying niche markets and filling voids in a region are viable options. There are a number of unique niche businesses in the Peace region. Grimshaw has Johnny's Sausage and Almyrias, Beaverlodge has the Butcher Shop and Fairview has a craft brewery. The market radius for unique shops is much higher than for traditional retail and therefore more sustainable in a small rural community.

PREDa recently held an entrepreneur workshop in the communities of Grimshaw, St. Isidore and Rycroft. The sessions brought in speakers to talk about everything from demographics, franchises, human resources and business financing. While Grimshaw and St Isidore had ½ dozen registrations, no one from the Rycroft region attended. The sessions were advertised in the local paper, Move Up magazine and on the radio. This would suggest a lack of entrepreneurial spirit in the region. However, entrepreneurs can be timid about bringing their ideas to a public forum.

Appendix F presents a draft suggestion for an entrepreneurial grant. A \$2000 grant would be awarded to 2 local residents to work with the Peace River Community Futures on developing a business case for their unique business. For new startups a business plan is essential. Additionally, a business plan is required when applying for financing.

Investment Co-ops are also an option to help local business get started and be supported by local residents. Ratepayers are more willing to invest in their own community; however, sometimes the cost can be forbidding. An investment Co-op is a group of investors that has been created to invest in local opportunities. More information on Co-ops can be sourced from Cooperatives First <https://cooperativesfirst.com/>. Cooperatives First will come to Rycroft at no charge to meet with residents interested in creating a Co-op.

Opportunity B: Highway Commercial: The Village should create a promotion package detailing traffic counts (as supplied in section 2 of this report), to potential drive-thru restaurants such as Tim Hortons, A & W and Subway, to locate on highway frontage. The normal process would be to contact the franchise owner who owns the territory. In the case of Tim Hortons, a probable contact is Tracy Allard who owns two Tim Hortons in Grande Prairie. A business case would need to be submitted to her and she would submit to Tim Hortons headquarters if she is interested in pursuing this opportunity. The Village could open a discussion with existing highway frontage businesses and landowners to assess interest from them to move forward with this opportunity.

In addition to drive thru restaurants the Villages' location lends itself to other development including storage, manufacturing, servicing and processing. These are difficult to attract with cold calls. Instead the Village needs to be prepared for them when they call. The Village needs to ensure they have a promotional package detailing available residential properties, Village advantages, commercial land/building availability, taxes and incentives, information on the development process and all necessary contacts.

Opportunity C Value-added Commodity developments: The Village of Rycroft is truly an agricultural hub. Rycroft has the highest grain terminal output of wheat, canola and peas and the third highest output of barley in the Peace Region. Deliveries to the primary elevators in 2018 show Rycroft receiving 402 metric tonnes of canola 133.9 metric tonnes of peas, and 234.1 metric tonnes of wheat. In 2108 the grain terminals in Rycroft handled 900,000 tonnes of raw agriculture products!

Grain truck traffic (and farmers) heading to Rycroft to deliver commodities also opens the door to attract businesses that cater to these drivers needs. Rycroft should further investigate opportunities in attracting farm equipment and supply shops to the Village. An option for the Village may be to personally survey grain delivery drivers (and farmers) as to where they shop for farm products and supplies, what types of services they need for their trucks, professional certifications, paperwork assistance, etc. ... to assess if there is a business case to service this target market in Rycroft.

Section 7 Other Considerations

Community Beautification Many rural communities take looks for granted. An unattractive municipality looks poorly attended to and that can reflect on the impression on how the municipality is run. The Village of Rycroft has an unsightly premises bylaw in place. It is essential to review it and determine how successful it is.

Rycroft is fortunate to have a number of new housing developments. New developments encourage others to build new housing within the Village, often replacing older unkempt properties. In order to further encourage this type of residential development Rycroft needs to implement efforts to encourage proper house and yard care. Presented in the Appendix G is a sample of a community beautification contest the municipality can hold. Prize baskets can be made up of gifts from local businesses. Winning properties can also be featured in the local paper and on the Village website.

Vision & Mission Statement The Village needs to develop a vision and mission statement. While this may seem unimportant, having a vision and mission statement provides a guiding principle for Village employees, Council and ratepayers.

Municipal Processes One of the most important things a municipality must do to encourage business development is to be prepared. When a potential business arrives at the Village office, the administration should be prepared with a complete package of material a business requires to move forward. If you are not prepared there are other municipalities out there that are. This includes not just businesses but residential as well. Packages should be differentiated between business and residential with a public relations type letter from the Council included. The Village should invest in the creation of professional packages and always have a few on hand at the reception area for walk-in inquiries.

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

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

Targeted Marketing

There are very few companies looking at expanding into northern Alberta, although there has been some interest from foreign investors, predominately China and India. Their interest has been in canola and peas and their interest is in value adding. The downturn in the economy, and the recent dispute between China and Canada has slowed this interest down substantially. How long this will last is uncertain. However, Rycroft should be prepared should the interest return.

The Government of Alberta has an international marketing team that works with municipalities and industry to encourage foreign investment in Canada. The website <https://investalberta.ca/alberta-international-offices/> will provide the Village with substantial information on what these offices do, where they are located and how they can help.

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

The Canadian Agricultural Partnership program is a five-year, \$3 billion federal-provincial-territorial investment in the agriculture, agri-food and agri-based products sector that began in April 2018 and is the successor of the 2013-18 Growing Forward 2 partnership. The programs offered are varied and many can assist with value-added products, research and innovation, and feasibility studies. For more information visit <https://cap.alberta.ca/CAP/>.

The Village may want to be pro-active and select it's focus and prepare a business case to support one or more value-added agricultural business cases. In addition to the above support the province also offers the CARES grant (<https://www.alberta.ca/community-regional-economic-support-program.aspx>) for the development of business cases and strategic plans. The grant is a 50/50 cost shared grant. However, Rycroft as a member of PREDA, can also apply for a PREDA Municipal Project Fund to cover a portion of their 50 percent. Once a business case is complete, the Government of Alberta international offices will assist with promoting the project. There are a few PREDA members who have taken this proactive strategy and have presented their business cases to various potential investors through trade shows and visiting investors. Appendix H presents a summary sheet of Alberta's export products by country in 2018.

Website and Townfolio

As part of the Villages' marketing, it is important to have an investor ready webpage linked on the main website. On that link economic development relevant data (basically everything included in the marketing package) should be included and designed for easy downloading and printing. Basic data such as census information, household income, dwelling units etc... are also helpful for developers and investors looking at Rycroft. The cost both in both time and money for the Village to gather the information for inclusion on the Village website is very high. Townfolio (<https://jointownfolio.com/>) provides this service for a yearly fee and updates your community profile from trusted and current data on a regular basis.

Section 8 Closing Comments and Recommendations

Attracting businesses to your municipality is not an easy task in rural northern Alberta. Most businesses look to the larger centres where they will have a larger client base and greater foot and vehicle traffic. Many businesses try to locate next to large major retailers because their shoppers will see the smaller retailer and stop in to see what they have. Rural urbans are also a challenge because many people in communities like Rycroft, have the convenience of “popping” into Grande Prairie where the selection is greater, and the prices are often lower.

Rycroft is fortunate for a community of its size to have a grocery store. Most Villages do not have one. Despite that good fortune, it can be assumed that most Rycroft ratepayers, have a Costco card and likely make a habit out of shopping at the large city retailers. The failure of local residents to shop local is a common complaint among small-town retailers.

Rycroft is also fortunate to be in a very strategic location with enough distance between itself and Grande Prairie that it should be able to support a reasonable variety of retail services. It is also the agricultural hub for the Peace Region with excellent transportation routes and services that are very attractive to industry that requires rail and/or truck services.

In order to move forward and make Rycroft a community of choice for developers, entrepreneurs and investors, Rycroft should implement the following ideas:

1. Focus on three primary development opportunities:
 - A. Downtown re-visioning incorporating local entrepreneurs,
 - B. Highway frontage, high-value commercial products & services,
 - C. Value-added agricultural developments and high-value agricultural services

As discussed in this report, narrowing the Village’s focus will reduce the time and cost of marketing and increase the chance of success. The commodity data and traffic counts presented in this report should be used to target specific drive thru restaurants and value-added processors. Additionally, the volume of traffic from producer vehicles delivering to Rycroft identifies an opportunity to attract farm supply retailers.

2. Continue with the trend to bring non-residential mil rights in line with its competition.
Mil rates matter. Local investors and entrepreneurs will invest locally because it is home. But a large-scale value-added processor will take mil rates into consideration.
3. Look into development incentives. New legislation amends the Municipal Government Act to allow municipalities to offer property tax incentives to non-residential properties to attract investment and development.
4. Look into options to bring in highspeed internet. The Village of Rycroft Council should further investigate the opportunity to invite GP Networks to present to the Council a model to bring in high speed internet. Today, many businesses need high speed internet. Additionally, Rycroft could attract home based entrepreneurs and employees that require high speed internet.
5. Update website and incorporate economic development. Rycroft has put out an RFP for new website development. The Village should ensure there is an economic development tab and include info on commodity production, traffic counts, available properties and the LUB. Also include all information relevant to development process and contact lists for all service providers. Rycroft should also solicit a quote from Townfolio on providing statistical data, which they routinely update, for the webpage.
6. Update Land Use bylaw. The Village's LUB should be updated. Council should determine what businesses are permitted for each land use section, eliminating any doubts a developer may have for purchasing a property. Rycroft should amend the definition of modular and should consider main floor residential in the back of commercial properties.
7. Create up-to-date property inventory. Create an updated list of available properties and contact information for all properties, including rental properties. A new business owner may want to purchase a residential property right away, or they may need to know rental properties are available for staff.
8. Create an economic development committee. It is important to keep in touch with your business community. [Appendix I](#) presents the parameters for a committee. The committee would exist in advisory capacity. Business owners often get leads on potential opportunities long before the Village Council knows about it.

9. Implement an entrepreneur grant. This grant would award two local residents \$2000 to work with the Peace River Community Futures on developing a business case for their unique business. For new startups a business plan is essential. Additionally, a business plan is required when applying for financing.
10. Develop a beautification strategy - **Looks matter.**
11. Vision and Mission: While this may seem unimportant, having a vision and mission statement provides a guiding principle for Village employees, Council and ratepayers.
12. Research grants (<https://cap.alberta.ca/CAP/>) to develop a business case for a value-added agricultural commodity.
13. Assemble a Business / Residential Information Package and have it professionally printed and packaged with a public-relations letter from Council.

In closing, the Village of Rycroft can follow several simple steps to increase their opportunity of attracting economic development. However, to follow-through on the suggestions presented in this report there needs to be a significant time commitment from current administration. If this is not feasible the Village needs to prioritize funds to create a position that is dedicated to implementing the Council's economic development directives. Proactive, strategic economic development is an investment that needs to be supported through committed finances and staff resources.

Appendices

- A Central Peace Population Chart
- B Traffic Flow Schematic
- C Mil Rates and Debt Limits in the Peace Region
- D Retail Trade Profile – Central Peace
- E Property Tax Incentives – GOA Q&A Sheet
- F Entrepreneurial Grants
- G Community Beautification Contest
- H Alberta Exports 2018
- I Economic Development Committee Parameters

Resources

Information for this report has been collected from a variety of data sources:

Statistics Canada – 2016 Population Census

Statistics Canada – 2016 Agricultural Census

Canadian Grain Commission

Alberta Transportation

Industry Canada – Trade

Alberta Economic Development & Trade

Alberta Municipal Affairs

Invest Alberta - International Trade Offices

Peace Region Retail Trade Profiles (PREDA)

Northern Commodities – Production, Exports, and Mode of Transport (PREDA)

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