

Agenda

DEVELOPMENT & INFRASTRUCTURE COMMITTEE MEETING

Wednesday, February 20, 2019

3:30 PM

City Hall, Boardroom 2-1

1. INVEST MEDICINE HAT - 2018 ANNUAL REPORT

The Administrative Committee received for information - February 13, 2019

Information

Notes:

Representatives from Invest Medicine Hat will be in attendance.

2. REPEAL RURAL RESIDENTIAL DEVELOPMENT POLICY NO. 0103

The Administrative Committee supported the recommendation - February 13, 2019

Adoption

Notes:

3. MOTION TO CLOSE MEETING TO THE PUBLIC

Notes:

In-Camera:

Planning & Development Services Business Item (FOIP Section 21 and FOIP Section 24)

Adjournment

INVEST MEDICINE HAT – 2018 ANNUAL REPORT

FEBRUARY 13, 2019

ISSUE:

Review of the Invest Medicine Hat (IMH) 2018 Annual Report put forward by RAMECO Inc.

RECOMMENDATION:

It is recommended through the Administrative Committee and the Development & Infrastructure Committee that City Council receives this Briefing Note and Annual Report for information.

COUNCIL STRATEGIC PRIORITY:

Economic Vitality

Growing and diversifying our economy with increased employment and industry investment opportunities remains a key focus for City Council and regular reporting from IMH is intended to assist in the understanding the local economy and the value derived for money invested in this service.

KEY RISKS:

Health, Safety and Environmental Impact:

N/A

Financial Impact:

Funding Request:	No	If yes, amount: \$0.00
Budgeted Item:	Yes	Funding Source: Operating
Funding Explanation:	The 2017-2018 approved Operating Budget within the Business Support Office (BSO) provides sufficient funding for the Investment Attraction Services Agreement.	
Budget Amendment Form?	No	

The original two year contract (September 2015 – August 2017) value was \$842,000.00 with a sixteen month extension (September 2017 – December 2018) for a value of \$538,666.67.

Legal / Policy Impact:

RAMECO Inc. is expected to fulfill terms of the Agreement signed in September 2015 and the extension signed in 2017, including quarterly and annual reports on performance.

Public Implications:

The community is well served by having a professional company working strategically to attract and grow investment opportunities in Medicine Hat and region.

BACKGROUND:

Under the terms and conditions of the Agreement, IMH is required to provide reports that include local, regional and national economic statistics and data analysis, trends analysis, economic development strategies and performance indicators, information on business and industry visitations, industrial contacts external to the city, and provide updates on measurable deliverables. This information is intended to assist City Council in understanding the activity undertaken and results achieved over the course of the year. The Report outlines what efforts were put forward by RAMECO Inc. to achieve the deliverables of the Agreement (Attachment #1).

The 2018 Annual Report includes a Balanced Scorecard intended to report on performance in the areas of customer service, financial performance, stakeholder relations, and learning and growth (Attachment #2).

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

N/A

IMPLEMENTATION PLAN:

RAMECO Inc. representatives will attend a City Council meeting to present an overview of IMH activities.

PREPARED BY & DATE:	Sandra Blyth, Business Support Officer, Land & Business Support	February 8, 2019
REVIEWED BY & DATE:	Grant MacKay, Manager, Land & Business Support	
APPROVED BY & DATE:	Stan Schwartzenberger, Commissioner of Development & Infrastructure	
ATTACHMENTS:	Attachment #1: IMH 2018 Annual Report Attachment #2: Balanced Scorecard Annual Report 2018	

50° 02' 30" N 110° 40' 39" W
INVEST
MEDICINE HAT

ANNUAL REPORT 2018

January 1 - December 31, 2018



Tim Garforth-Bles,
Masterpiece Retirement

ABOUT THIS REPORT

Welcome to our 2018 Annual Report.

This report covers the period from January 1 - December 31, 2018. It covers Invest Medicine Hat's performance and impact in four core areas of research and analysis, investment attraction, marketing communications, and stakeholder relations.

Our reporting scope includes activities over which Invest Medicine Hat has direct control. We report on our performance as part of our commitment to transparency and accountability to our stakeholders.

ABOUT INVEST MEDICINE HAT

Invest Medicine Hat is the City of Medicine Hat's contracted investment attraction effort. Managed by Rameco Consulting Group, Invest Medicine Hat provides research and analysis, investment attraction, marketing communications, and community engagement services for the City of Medicine Hat.

Our objective is to lead the transformation of Medicine Hat into a high performing economy. We work with the private sector to create high quality, sustainable jobs that contribute to a positive quality of life for all residents of Medicine Hat.

Visit www.InvestMedicineHat.ca to learn more.



Chelsea Siggelkow,
Roset by Reid

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Cover photo: Supplied by Aurora Cannabis, showing progress of Aurora Sun project as of November 2018.



Ryan Jackson,
Rameco Consulting

MESSAGE FROM RYAN JACKSON, CHIEF EXECUTIVE OFFICER

The past year was transformational for Medicine Hat and region. A parade of major announcements saw a diverse number of new industries take root. The positive economic impact of these new developments will be felt for many years to come.

The good news started in December 2017, when Capital Power's Whitla Wind Facility, located near Bow Island, was selected in the first round of the Renewable Electricity Program. The 298 megawatt facility will cost \$315 million to construct, and will employ 200 workers at peak activity levels this summer.

In March, news broke that cryptocurrency mining company Hut 8 would invest \$100 million to build a 42 megawatt data centre next door to the City of Medicine Hat's newly commissioned power plant. The Hut 8 data centre, now complete, has resulted in approximately 40 new technology jobs, not to mention a steady stream of revenue for the City of Medicine Hat's electric utility.

In April, Aurora Cannabis announced that the world's largest purpose-built cannabis production facility would be located on 71 acres of land in Box Springs Business Park. Upon completion, Aurora Sun will employ more than 450 people, making it the largest private sector employer in the city, increasing annual gross domestic product by \$20 million, and reducing the unemployment rate by a full percentage point.

Bookending the year, in December Cancarb announced that parent company Tokai Carbon had made a final investment decision to expand thermal carbon black production by 20%. Starting in spring 2019, Cancarb will undertake a \$40 million expansion project that will result the creation of nine new full time positions.

As if half a billion of new industrial activity wasn't enough, the commercial building boom of 2017 extended itself into 2018, with construction ongoing throughout the city. Notable commercial projects that broke ground in 2018 include Travois Ale Works on 3rd Street, Grit City Distillery on South Railway, Stringham LLP's office building on Gershaw Drive, Pilot Flying J's travel centre on the Trans-Canada, Seymour Pacific Developments' apartment complex in Southlands, the Canalta / Co-op commercial development on Strachan Road, and two new hotels located in the south end of the city.

As our community continues to evolve and grow, so too does Invest Medicine Hat. We remain committed to our core mandate of attracting investment to Medicine Hat by providing research and analysis, marketing and communications, investment attraction project management, and community engagement services on behalf of the City of Medicine Hat. How well we engage on issues related to these priorities, and how good we are at integrating them into our business strategy, defines our ability to achieve our vision of leading the transformation of Medicine Hat into a high performing economy.

Our annual report is a time for us to reflect on our progress and to hold ourselves accountable to our stakeholders for our performance. Importantly, it also helps us understand what we need to do to get better. We remain committed to being transparent in discussing our progress and the challenges related to our performance. This report is a testament to the dedication of our team to delivering on that commitment. I thank them for their efforts, welcome your comments on our work, and thank you, as always, for your support.

Sincerely,

Ryan Jackson
Chief Executive Officer



Darren Cahoon and Thomas Hamilton,
Hamilton Cahoon Law

RESEARCH AND ANALYSIS

Research and analysis forms the basis of our investment attraction strategy. Through continuous research we are able to assist investors looking for in-depth information about Medicine Hat as well as proactively identifying investment opportunities for promotion and development.

Summary

This year we completed four quarterly economic report cards that deepened our understanding of the local economy; we mapped out two new opportunities where Medicine Hat offers investors a globally competitive advantage; we updated two existing opportunities to better reflect current market conditions; and, we updated our list of major employers, our real estate summary, and our community profile.

Quarterly Economic Report Cards

In order to better understand Medicine Hat's key economic drivers, we publish a quarterly economic report card. Key findings from 2018's economic report cards include:

- Unemployment rate trended downward from ~6% in December 2017 to ~5% in December 2018
- Year-over-year population remained stable
- Economic impact analysis of Aurora Sun:
 - Construction total gross output impact of \$116.9 million including total gross domestic product impact of \$49.9 million, total employment impact of 331 jobs, and total labour income impact of \$30.7 million
 - Operating annual gross output impact of \$52.7 million including annual gross domestic product impact of \$19.2 million, annual employment impact of 455 jobs, and annual total labour market impact of \$18.6 million
- New project impact on local labour market analysis suggests:
 - The employment rate has dropped to 2016 levels, providing a potential base of 5,600 workers from which to draw
 - New industrial and commercial employers will put upward pressure on wages, as well as increasing in-migration

Economic report cards are available at www.investmedicinehat.ca/resources.

Opportunity Assessments

This year we completed two new opportunity assessments and updated two existing opportunity assessments.

Controlled environment agriculture was found to be a viable investment attraction target assuming power and labour availability. For companies seeking a location for their large scale greenhouse operation, Medicine Hat offers competitive electricity and labour advantages, available land, as well as market access.

Cannabidiol (CBD) production and processing was found to a viable investment attraction target given the fast-growing nature of the industry, proximity to industrial hemp and cannabis feedstock, and the regulatory certainty provided by the Canadian government as compared to other jurisdictions. Companies seeking a location for CBD production and processing will be well served to consider investing in Medicine Hat.

Craft malting and hops production were found to be viable opportunities given the fast growing nature of the craft beer and spirits industries in Alberta and nation-wide. While craft malting is well-suited to light industrial urban operations, hops production and processing is best suited to regional farm operations.

5%

Medicine Hat's
unemployment declined from
6% to 5% year-over-year.



Andy and Jen Schmunk,
Grit City Distillery

Throughout the year, we actively promoted these opportunities to potential investors as detailed in our marketing report.

Opportunity assessments are available at www.investmedicinehat.ca.

MARKETING AND COMMUNICATIONS

We recognize that our research and analysis program is of little use if it is not communicated effectively and efficiently. This is why we openly share our findings via our content marketing strategy, communicating directly with industry at trade shows, over the phone, and via email. It is this direct appeal to industry, backed by journalistic-quality content, that is key to our industry leading response rate and ability to generate qualified leads.

Summary

This year we attended eight trade shows, published 62 new stories highlighting local success stories, sent 12 email newsletters, recorded eight podcasts, published 12 Business Beat columns in the Medicine Hat News, and maintained four social media accounts. We leveraged our content to execute three direct marketing campaigns, including our first inbound digital marketing campaign.

Throughout the year, our newsletter readership grew from 1,045 to 1,414, our Facebook followers nearly doubled, from 688 to 1,184, our LinkedIn followers grew from 332 to 597, Twitter increased from 804 to 944 followers, and Instagram grew from zero to 1,010 followers.

Content Marketing

Email continued to form the cornerstone of our marketing efforts, as it proves to be the most effective marketing tool for distributing opportunities and stories, and generating leads. In 2018, approximately 32% of subscribers opened the newsletter, compared to an industry standard open rate of 18%.

Invest Medicine Hat's marketing strategy serves two purposes: to generate leads, and to establish Invest Medicine Hat as a business authority. To that end, 2018 was the year when Invest Medicine Hat landed on the front page of the Calgary Herald. This development was a direct result of our monthly newsletters, as one of our readers is a Calgary Herald business reporter.

Content marketing activity generated 23 leads, converted to 12 opportunities.

Direct Marketing

In May, we delivered an unmanned aerial vehicle direct mail campaign. The campaign improved awareness of Medicine Hat's aerospace and defense assets among the UAV industry, and provided valuable insight into the needs of that industry. The campaign generated 224 leads, but didn't result in any opportunities.

In September and October, we focused on an inbound digital marketing campaign to promote our industrial hemp processing opportunity. The campaign relied on e-newsletters, retargeting advertising from our website, and automated email marketing. It was Invest Medicine Hat's first inbound digital marketing campaign, and generated 12 leads.

In December, we delivered a food processing direct mail campaign to 149 food manufacturers. The campaign was designed to leverage the plant protein supercluster, which received \$150 million in funding to attract plant protein processors to Western Canada. The purpose of this campaign was to gain industry intelligence and position Medicine Hat as an ideal location for a food manufacturing facility.

3

Invest Medicine Hat delivered three direct marketing campaigns, including its first all-digital inbound marketing campaign.



Terry Booth,
Aurora Cannabis

Conclusion

Marketing activity in 2018 generated over 861,000 total impressions, resulting in 459 leads and 12 opportunities in key target sectors. Throughout the year, Invest Medicine Hat increased its reputation as a business authority in Alberta, as evidenced by newsletter growth, inclusion on the front page of the Calgary Herald, and becoming a resource for trade and investment officers around the world.

ONLINE STATISTICS

Website

	2017	2018
Users	24,857	20,089
Sessions	31,285	24,644
Page Views	49,877	40,330
New Users	25,332	18,218
Bounce Rate	79%	78%

Newsletter

	2017	2018
Recipients	1,045	1,414
Open Rate	36%	31%
Click Rate	4.6%	4.7%
Industry Average Open Rate	18%	
Industry Average Click Rate	2.2%	

62

Invest Medicine Hat published 62 articles on growing Medicine Hat businesses.

Social Media

	Facebook		LinkedIn		Twitter		Instagram	
	2017	2018	2017	2018	2017	2018	2017	2018
Users	688	1,184	332	597	804	944	NA	981
Engagements	23,033	33,373	2,464	5,374	NA	NA	NA	NA
Unique Reach	376,767	283,277	NA	NA	NA	NA	NA	NA
Total Impressions	542,900	423,088	129,731	166,059	123,296	272,733	NA	NA



Jacques LeBlanc and Todd Weibe,
Travois Ale Works

TRADE SHOWS

In 2018 we attended eight trade shows. Business travel generated 56 new contacts, 7 new leads, and helped us better understand market dynamics of key target sectors.

Date	Name	Contacts	Leads
Feb 28 - Mar 2	Lethbridge Ag Expo	10	1
June 7 - 8	Canadian Cannabis Summit	15	1
June 12 - 14	Global Petroleum Show	6	3
June 13 - 15	Social West	4	0
June 14	Leaf Calgary Meet-up	2	0
June 27 - 28	WestDef	11	1
Sept 25 - 26	Chemistry Canada Summit	5	0
Nov 6	WeCann Conference	3	1

459

Marketing activity generated 459 leads in petrochemicals, agribusiness, and aerospace and defence, and others.

INVESTMENT ATTRACTION

Invest Medicine Hat is the lead agency on internal and external investment attraction to Medicine Hat. We promote and develop investment opportunities in partnership with industry partners in key target sectors.

Summary

This year we played a role in three successful investment attraction projects, including Aurora Sun, a \$150 million investment that will create more than 450 new full-time jobs. Also this year, we converted three leads to active investment attraction projects that we expect will close in 2019; these projects represent potential for \$65 million of direct investment and creation of 160 new jobs. Eight projects were marked as closed and lost.

Closed Won

This year, we met with many local small business owners to offer advice, including True North K9 Compound, regarding Medicine Hat's first private dog park, which has since opened at 1503 Semrau Drive NW.

456

Investment attraction projects generated approximately 456 new jobs and over \$150,000,000 in direct investment.

In February, Grit City Distillery owners Jen and Andy Schmunk announced they would begin renovations on a newly acquired 2,000 square foot building on South Railway Street, making good on a strategic investment opportunity identified by Invest Medicine Hat in April 2017. The distillery opened in November and is producing vodka and gin made from local botanicals and grains.

In April, Aurora Cannabis announced a 1.5 million square foot cannabis production facility would be constructed in Medicine Hat. The announcement was the end result of a two year effort by Invest Medicine Hat to attract a cannabis producer to the city. Aurora Sun will begin operations in mid-2019 and will employ more than 450 people once fully operational.

Project #	Sector	Lead Source	Est. Amount	Est. Jobs	% Prob.	Comments
18	Agribusiness	Direct Mail	\$150,000,000	450	100	Aurora Sun
29	Retail	Referral	\$150,000	1	100	K9 Compounds
36	Food Processing	Web	\$1,000,000	5	100	Grit City Distillery



Cancarb Expansion Announcement

Negotiation and Review

Throughout the year we worked on a number of projects related to technology, hemp and cannabis production and processing, petrochemicals, tourism and recreation operations, logistics, and various small businesses.

In February, we met with the Canadian Consulate in Denver and a potential investor interested in learning more about the potential for industrial hemp processing in Medicine Hat. The project, to extract cannabidiols, made significant progress through 2018. We will continue to work on bringing this investment to Medicine Hat through 2019.

In August, a real estate developer identified Medicine Hat as the location for a logistics warehouse. The proponents are currently working through the development process with plans to begin construction in spring 2019.

In September, we travelled to High River to meet with potential investors about establishing a waste-to-energy facility in Medicine Hat. Shortly thereafter news broke that Cielo Waste Solutions and Renewable U had selected Medicine Hat as a potential location. We continue to work with the company on various aspects of project development.

Project #	Sector	Lead Source	Est. Amount	Est. Jobs	% Prob.
37	Logistics	Referral	\$15,000,000	5	90
25	Agribusiness	Referral	\$30,000,000	150	70
13	Recreation	Referral	\$30,000,000	15	50
19	Petrochemical	Web	\$60,000,000	10	50
31	Retail	Web	\$250,000	5	50
10	Energy	Referral	\$2,000,000	10	30
14	Petrochemical	Web	\$60,000,000	30	30
40	Energy	Referral	\$20,000,000	5	20
41	Food Processing	Referral	\$1,000,000	5	20
43	Tourism	Referral	\$8,000,000	20	20
44	Agribusiness	Referral	\$50,000,000	0	20
45	Agribusiness	PR	TBD	5	20
21	Petrochemical	Referral	\$60,000,000	30	10
27	Retail	Web	\$50,000	2	10



Closed Lost

Ten opportunities in technology, manufacturing, and renewable energy were lost due to regulatory uncertainty, industry specific changes, or lack of investor readiness. In other words, the projects were not feasible.

Project #	Sector	Lead Source	Est. Amount	Est. Jobs	% Prob.	Comments
15	Food Processing	Web	\$1,000,000	5	0	Selected another location
16	Agribusiness	Web	\$500,000	5	0	Not feasible
20	Energy	Referral	\$2,500,000	2	0	Not feasible
22	Technology	Web	\$100,000,000	150	0	Not feasible
20	Energy	Referral	\$2,500,000	2	0	Not feasible
23	Technology	Web	\$100,000,000	30	0	Not feasible
30	Tourism	Referral	\$5,000,000	5	0	Not feasible
32	Technology	Web	\$100,000,000	40	0	Not feasible
33	Energy	Referral	\$70,000,000	100	0	Not feasible
34	Agribusiness	Web	\$5,000,000	5	0	Not feasible

COMMUNITY ENGAGEMENT

Investment attraction and economic development is a team sport. Which is why we engage, not only with the private sector, but also with investment attraction and economic development organizations locally, provincially and internationally. Our work in this regard helps us to build our referral network, deepens our understanding of international markets, and enhances Medicine Hat's standing around the world.

Summary

In 2018, we attended 58 stakeholder meetings and visited 75 local companies. Throughout the year we were invited to speak at conferences, present at meetings, and collaborate on investment attraction projects. Our community engagement efforts helped to enhance Medicine Hat's standing across Alberta and around the world.

Stakeholder Relations

In June, Invest Medicine Hat was a panel speaker at WestDef, Canada's premiere defence and security conference hosted by the Western Canadian Defense Industries Association, a regional non-profit association representing over 250 companies, government agencies and academia. We presented opportunities in airport development and unmanned aerial vehicles to 190 attendees.

Also in June, Invest Medicine Hat collaborated with Palliser Economic Partnership and the Government of Alberta to have a presence at Global Petroleum Show. This trade show hosts over 50,000 international and domestic oil and gas executives from 110 countries.

Throughout the year, we deepened trade relationships with international trade offices in Japan, Korea, China and the United States. This activity resulted in an opportunity that has progressed throughout 2018, with potential to create 150 new jobs. Additionally, we collaborated with Protein Industries Canada and hemp and cannabis industry stakeholders on a number of industry development projects.

14

Projects in the negotiation/
review phase are estimated to
generate nearly 300 new jobs
and up to \$336,300,000 in
direct investment.



Carole Woolfrey-Harris,
Dueck's Sewing Centre

Stakeholder Relations Summary

Sector	Groups Engaged
Agribusiness	5
Petrochemicals	3
Renewable Energy	2
Manufacturing	0
Innovation and Entrepreneurship	2
Aerospace and Defence	2
Land Development	3
Government and Non-Profit	41
Total	58

Company Visits

In 2018, we attended 75 company visits which resulted in 62 business articles and 40,330 website page views, plus enhanced with relations with, and increased understanding of, the local business community. Real Estate Investment companies noted Medicine Hat's investment attraction efforts and low vacancy rates make Medicine hat an attractive investment opportunity.

Company Visits Summary

Sector	Companies Engaged	Articles Produced
Agribusiness	3	1
Petrochemicals	0	0
Renewable Energy	4	2
Manufacturing	12	8
Small Business	24	24
Aerospace and Defence	1	0
Land Development	26	24
Oil and Gas	0	0
Technology	5	3
Total	75	62

75

75 engaged companies resulted in the publication of 62 articles and over 40,000 website page views.



Justin Cunningham,
Reliance Insurance



Chris Weber and Jay Hern,
The Green Exchange

861,000

Invest Medicine Hat generated over 800,000 impressions across four social media channels, up from 795,000 in the 2017 reporting period.

YEAR-OVER-YEAR COMPARISON

	Sept 2015 - Aug 2016	Sept 2016 - Dec 2017	Jan - Dec 2018
Research and Analysis			
Largest Employers	Updated	Updated	Updated
Community Profile	Updated	Updated	Updated
Real Estate Profile	Updated	Updated	Updated
Opportunity Assessments	15	7	2
Sector Profiles	1	3	1
Economic Report Cards	3	4	4
Marketing			
Web Pages Published	15	102	62
E-newsletters	4	12	12
Direct Mail Campaigns	0	2	3
Podcast	0	2	8
Website Page Views	N/A	50,000	40,330
Social Media Impressions	121,000	795,000	861,880
Investment Attraction			
Trade Shows	5	14	8
Leads Generated	12	77	509
Site Visits	11	34	21
Opportunities	8	34	21
VA Angels Events	1	2	1
Community Engagement			
Company Visits	21	76	75
Stakeholder Events	14	64	58





50° 02' 30" N 110° 40' 39" W

INVEST MEDICINE HAT

Suite 1, 660 Second Street SE
Medicine Hat, Alberta
T1A 0C9

www.investmedicinehat.ca

Balanced Scorecard 2018

CITY VISION
A Growing Economy
Vibrant Communities in a Developing City
Financial Responsibility
Sustainable Environment and Infrastructure
Effective Leadership and Governance

City Mission for IMH: Continue to execute both the strategic plan and marketing/promotion plan to provide critical information to strategic markets that will result in increased awareness and investment in Medicine Hat and southeast Alberta and align investment attraction processes and procedures to City requirements as determined by the Development Investment Readiness Team (DIRT) to refine when and how developer opportunities are transitioned to the City.

IMH Mission: To work with potential investors and entrepreneurs to develop opportunities in key sectors, specifically manufacturing, agri-business, petrochemicals, professional services, and energy.

CUSTOMER SERVICE	MEASUREMENT	ACTUAL 2017	TARGET 2018	Q1	Q2	Q3	Q4	TOTAL ACTUAL	FY 2018% (% to Target)
	1. Leads Generated	77	600	243	79	23	164	509	85%
	2. Inbound Site Visits with Opportunities	9	8	9	5	3	4	21	263%
	3. Outbound Site Visits to Target Geographies / Sectors / Companies	14	12	2	7	2	1	12	100%
	4. Opportunities Generated	34	35	9	5	3	4	21	60%
	a. # Generated from National/International Sources	n/a	17	5	1	1	1	8	47%
	5. Opportunities Landed (Lead Win!)	5	3	2	1	0	0	3	100%
	6. Consultations with Existing Industry	76	80	17	18	22	18	75	94%
	7. E-Newsletter Subscriber Increase	1045	200	63	185	33	41	322	161%
8. Customer Satisfaction Surveys	Pending	Pending	0	0	0	0	0	n/a	

City Mission for IMH: To work closely with the City BSO to provide legal entity and governance structure options for the possible transition of the City's investment attraction services into a not-for-profit legal entity and present these options, along with base research materials and supporting documents, to the City for consideration by March 1, 2018.

IMH Mission: To develop a governance structure options report.

FINANCIAL PERFORMANCE	MEASUREMENT	ACTUAL 2017	TARGET 2018	Q1	Q2	Q3	Q4	TOTAL ACTUAL	FY 2018% (% to Target)
	9. Governance Structure Options	n/a	Y/N	Y	N/A			Y/N	
	10. Revenue Generation from Other Sources	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	0%
	11. Revenue Generation from City of Medicine Hat	\$ 415,333.34	\$ 404,000	\$202,000	\$ -	\$202,000.00	\$ -	\$404,000	100%

City Mission for IMH: Engage regional stakeholders (economic and business development agencies) to ensure open communication and foster regional collaborative efforts.

IMH Mission: To work with local and regional business and economic development stakeholders to share information that supports business development. The Consultant will recognize that investment attraction is a team sport and that it takes a common vision to succeed. The Consultant will proactively collaborate on projects as the opportunity presents itself.

STAKEHOLDER RELATIONS	MEASUREMENT	ACTUAL 2017	TARGET 2018	Q1	Q2	Q3	Q4	TOTAL ACTUAL	FY 2018% (% to Target)
	12. Regional Stakeholder Projects / Partnerships	1	4	1	3	2	5	11	275%
	13. Provincial/ National / International Stakeholder Relations	n/a	30	7	3	2	6	18	60%
	14. Stakeholder Satisfaction Survey	Pending	Pending	0	0	0	0	0	0%

City Mission for IMH: Operating a professional office in Medicine Hat with trained and qualified staff capable of providing professional information and support services to people interested in investing in Medicine Hat. AND revise key performance indicators to improve reporting of performance measurement of IMH's activities.

IMH Mission: To conduct strategic marketing of Medicine Hat's value proposition – affordability, live-ability, market access, climate, culture – to potential investors using custom content, social media, and personal selling. To leverage resources and collaborate with regional economic development stakeholders to build local capacity. Will provide: a quarterly economic report card (including economic analysis demographics, labour market, construction, and special topic); a quarterly opportunity assessment highlighting specific business opportunities in target sectors; and other research as required by investors.

LEARNING & GROWTH	MEASUREMENT	ACTUAL 2017	TARGET 2018	Q1	Q2	Q3	Q4	TOTAL ACTUAL	FY 2018% (% to Target)
	15. Quarterly Economic Report Cards		4	4	1	1	1	1	4
16. Quarterly Business Opportunity Assessments		4	4	1	1	1	1	4	100%

DEFINITIONS

- Leads Generated** - Research and networking to identify high growth companies within target industries
- Inbound Site Visit** - When a "lead" visits Medicine Hat to look at land and meet with IMH; the lead is converted to an opportunity at this point
- Outbound Site Visits** - Number of visits to national / international jurisdictions / companies for F2F meetings / investor forums (hosted / attended) to create awareness and build relationships
- Opportunities Generated** - A company that has: made a site visit to Medicine Hat; has defined a project (scope, budget, and timelines); due diligence check has been provided / completed; has maintained a working relationship.
 - Generated from National / International Sources** - Intended to measure the value of leveraged relationships with, and referrals from national / international companies, consultants, trade specialists, government Ministries / embassy, site selectors, chambers of commerce, media)
 - Generated from Social Media / Website** - Intended to measure the value of digital marketing.
- Opportunities Landed (Win!)** - qualified companies converted to an investment (land / property purchased, construction initiated, jobs provided)
- Consultation with Existing Industry** - number of F2F meetings with local existing businesses in target sectors
- Annual E-marketing Target Audience Expansion** - Increase in number of e-newsletter subscribers
- Customer Satisfaction Survey** - To be developed and will measure items important to customers such as timelines, quality of service, levels of performance. Customers are local entrepreneurs, local businesses, external businesses wanting to invest, consultants (site selectors, realtors)
- Governance Structure Options** - provided options for the possible transition of the City's investment attraction services to a not-for-profit legal entity.
- Revenue Generation from Other Sources** - amount of public sector funding (cash only) committed to IMH and tracked quarterly. May include grants and sponsorships.
- Revenue Generation from City of Medicine Hat** - 2018 Service Agreement expires December 31, 2018.
- Regional Stakeholder Projects / Partnerships** - level of projects/partnerships by regional stakeholders (financial sponsors, development groups, training institutions, immigration and labour agencies, government) that partner/collaborate for services (i.e. investment promotion / joint marketing), project development (i.e. research/analysis) with or without formal partnership agreement, participate on IMH committees or serve in advisory or board positions to assist with operational decision making,
- Provincial / National / International Stakeholder Relations** - Outreach to key national and international influencer agencies (trade and industry associations, investment agencies, chambers of commerce, media)
- Stakeholder Satisfaction Survey** - To be developed and will gauge satisfaction with reported results and with frequency and depth of the communications they receive. Stakeholders are financial sponsors, development groups, training institutions, local governments.
- Quarterly Economic Report Card** - minimum of 4 report cards including economic analysis, demographics, labour market, construction, and a special topic.
- Quarterly Business Opportunities Assessment** - minimum of 4 reports highlighting a specific business opportunity in the key sectors of agri-business, petrochemicals, manufacturing, oil and gas, and professional services, and other research as required by investors.

REPEAL RURAL RESIDENTIAL DEVELOPMENT POLICY NO. 0103

FEBRUARY 13, 2019

ISSUE:

Under Section 638.2(1) of the *Municipal Government Act (MGA)*, every municipality must compile and keep updated a list of any Policies that may be considered in making planning decisions by January 1, 2019 and the outdated Rural Residential Development Policy No. 0103 was identified as no longer applicable.

RECOMMENDATION:

It is recommended through the Administrative Committee and the Development & Infrastructure Committee that City Council approve repealing the Rural Residential Development Policy No. 0103.

COUNCIL STRATEGIC PRIORITY:

City Government

Repealing this Policy will reduce the number of planning Policies that could be considered when making a decision on a new development or subdivision. Streamlining planning processes and repealing redundant Policies will reduce the potential for creating unnecessary red tape, enhance efficiency, and improve customer service. Improvements in efficiency will reduce costs to the city.

KEY RISKS:

Health, Safety and Environmental Impact:

N/A

Financial Impact:

Funding Request:	No	If yes, amount: N/A
Budgeted Item:	No	Funding Source: N/A
Funding Explanation:	N/A	
Budget Amendment Form?	No	

Legal / Policy Impact:

N/A

Public Implications:

N/A

BACKGROUND:

The Rural Residential Development Policy No. 0103 was identified while staff were conducting research to satisfy the requirements of Section 638.2(1) of the *MGA*. This new section of the *MGA* requires municipalities to list every Policy on the internet that may be considered when making planning decisions, and the department on January 1, 2019 satisfied this requirement.

Policy No. 0103 was drafted 35 years ago by the now defunct South East Alberta Regional Planning Commission to provide guidelines for developing country residential developments. This Policy refers to development and environmental requirements that in 2019 are contained within the South Saskatchewan Regional Plan, the Municipal Development Plan, Municipal Servicing Standards Manual, and the Land Use Bylaw (LUB). Provincial legislation, environmental standards, and City servicing standards have changed significantly over the past 35 years and this Policy is no longer relevant for making planning decisions.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

Updating the Policy is not recommended as the general environmental and development guidelines listed in Policy No. 0103 are now contained within other current planning Policies and the LUB.

IMPLEMENTATION PLAN:

N/A

PREPARED BY & DATE:	Erin Onoferychuk, Superintendent of Planning, Implementation – Planning & Development Services	February 8, 2019
REVIEWED BY & DATE:	Imran Ahmed, Manager of Development Services, Planning & Development Services Kent Snyder, General Manager – Planning & Development Services	
APPROVED BY & DATE:	Stan Schwarzenberger, Commissioner of Development & Infrastructure	
ATTACHMENTS:	Attachment #1: Rural Residential Development Policy No. 0103	



Medicine Hat
The Gas City

POLICY

Title: RURAL RESIDENTIAL DEVELOPMENT POLICY		Number: 0103
Reference:	Adopted by City Council: April 15, 1985 RHA H	Supersedes:
Prepared by: SE ALBERTA REGIONAL PLANNING COMMISSION		

STATEMENT

IN ORDER TO PROPERLY GUIDE AND CONTROL RURAL RESIDENTIAL DEVELOPMENTS WITHIN THE CITY LIMITS, THE FOLLOWING THREE TYPES OF DEVELOPMENTS WILL BE ALLOWED:

- A. SINGLE PARCEL RURAL RESIDENTIAL (SRR) – MEANS A SINGLE PARCEL DEVELOPMENT AND/OR SUBDIVISION ON LAND NOT INTENDED TO BE SERVICED WITH MUNICIPAL WATER OR SEWER SYSTEMS.
- B. MULTI-LOT RURAL RESIDENTIAL (MRR-1) – MEANS A MULTI-LOT RURAL RESIDENTIAL DEVELOPMENT WITH MUNICIPAL WATER OR SEWER SYSTEMS.
- C. MULTI-LOT RURAL RESIDENTIAL (MRR-2) – MEANS A MULTI-LOT RURAL RESIDENTIAL DEVELOPMENT AND/OR SUBDIVISION LOCATED ON LAND SUPPLIED WITH COMPLETE MUNICIPAL SERVICES, INCLUDING WATER AND SEWER SYSTEMS.

PURPOSE

To provide land use classifications and controls which will allow the development of rural residential lots within the predominantly urban setting established within the City of Medicine Hat. In allowing for this type of development, this policy recognizes the importance of maintaining the integrity of the General Municipal Plan's growth strategy; maintaining the quality of the water in the ground within the development and the South Saskatchewan River; and protecting the environment and wildlife habitants in the areas where development may occur.

It is the intent of the Land Planning Committee to incorporate the contents of this policy into the Municipal General Plan and Land Use By-law at a subsequent date.

This policy is subject to any specific provision of *The Municipal Government Act* or other relevant legislation or union agreement.

Policy 0103 – Rural Residential Development Policy		PROCEDURE
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BACKGROUND

As of 1 January, 1984 the City of Medicine Hat acquired an additional 3,118 ha (7,702 acres) of land through annexation proceedings. The justification of this rather large scale annexation was based on the following factors:

	Hectares	(Acres)
Land required for development (estimate)	710.5	(1,755)
Airport protection, land to square off boundaries and jurisdictional control (estimate)	1,214.6	(3,000)
River Valley Development Plan Area – land and water	781.0	(1,929)
Land Physically Isolated from Improvement District	295.1	(729)
Portion of South Saskatchewan River not annexed previously	117.0	(289)
Total	3,118.2	(7,702)

The above information indicates that 1,509.7 hectares (3,729 acres) of land has been incorporated within the City limits based on reasons other than the City's development requirements as established in the General Municipal Plan.

It is already apparent that the City will have to deal with various types of development and/or subdivision proposals of an urban nature involving agricultural land. The City has already received two development /subdivision proposals, one of which contains a rather large scale rural residential development.

The City of Medicine Hat will have to be very careful in dealing with development proposals on agricultural land in order to avoid premature conversion of this land and to maintain the integrity of the General Municipal Plan's growth strategy. In addition, there is a possibility of polluting the River and its tributaries with sewage effluent if the location and density of rural residential development and/or subdivision are not prudently controlled. Groundwater and surface water pollution may occur as a result of improper disposal of sewage or breakdown of septic tank systems. Groundwater supplies can be depleted and critical wildlife habitat may be encroached upon or destroyed if development and/or subdivision proposals are not handled properly.

Studies show that residents of rural residential developments like to have a rural lifestyle, yet expect such urban services as paved roads, garbage collection, street lighting and fire and police protection. In other words, they want to have the best of both worlds. There is a tendency for these residents to exercise political pressure for a higher level of municipal services and lower taxes.

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1. DEFINITIONS

In order to properly guide and control rural residential developments within the City limits, the following three types of developments and/or subdivisions may be identified.

- 1.01 Single Parcel Rural Residential (SRR) – means a single parcel development and/or subdivision on land not intended to be serviced with municipal water or sewer systems.
- 1.02 Multi-Lot Rural Residential (MRR-1) – means a multi-lot rural residential development and/or subdivision with a maximum of 30 lots on land not intended to be serviced with municipal water or sewer systems.
- 1.03 Multi-Lot Rural Residential (MRR-2) – means a multi-lot rural residential development and/or subdivision located on land supplied with complete municipal services, including water and sewage systems.

2. PROCEDURES

The development control criteria together with an appropriate “proposal review process” for the three types of rural residential development and/or subdivision are outlined below.

- 2.01 Development Control Standards Applicable to the Three Types of Development:
 - (a) According to the Southeast Alberta Regional Plan, the conversion of better agricultural land to non-agricultural uses which are not provided for in the General Municipal Plan should be avoided wherever alternative courses of action are reasonably available.
 - (b) Land which is within 1 – 100 year floodplain is not considered suitable for rural residential development.
 - (c) Wet, low lying areas with high water tables (i.e. water table levels within 2.1 metres of the ground surface) shall be avoided unless adequate provision is made for satisfactory drainage and sewage disposal systems.
 - (d) Land which has an average gradient in excess of 15% or which is subject to instability (slumping, erosion, subsidence, etc.) is not considered suitable for development.
 - (e) The City shall where necessary, designate an area or areas as being environmentally sensitive in accordance with the provisions of the General Municipal Plan, the Southeast Alberta Regional Plan, and the Planning Act.
 - (f) The development of land in the vicinity of the Airport shall be properly controlled in order to avoid conflicts with the Airport’s operations.
 - (g) Any development and/or subdivisions on the top of the banks of the South Saskatchewan River and its tributaries shall occur in a manner which ensures soil stability, water quality, protection of critical wildlife and habitat and the aesthetic and scenic qualities of the area.

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2.02 Single-Parcel Rural Residential (SRR)

(a) Development Control Standards

- (1) Development and/or subdivision of a rural residential lot may be allowed where the lot is separated from the major part of the existing parcel by a physical barrier such as a water course, major irrigation canal, railway, or major coulee and the proposal meets the following conditions:
 - (i) Any or all of the physical barriers which demarcate the lot are unlikely to be moved in the foreseeable future.
 - (ii) It is impractical to farm or graze the land.
- (2) Development and/or subdivision of a corner of a parcel irrigated by a pivot irrigation system shall not be permitted.
- (3) The location and characteristics of land are such that development of the land can occur in accordance with the relevant provisions of the Medicine Hat General Municipal Plan and the Land Use Bylaw.
- (4) Adequate provisions shall be made for a potable water supply and a private sewage disposal system.
- (5) The size of a single-parcel rural residential development and/or subdivision shall be a maximum of 4 hectares (10 acres) or as determined by appropriate approving authorities.
- (6) Where appropriate, the developer shall be required to enter into a servicing and development agreement with the City.
- (7) A limited number of cattle may be permitted on the property by the Municipal Planning Commission having due regard to lot sizes, location of the site and other relevant considerations.

(b) Development Proposal Review Process

In due course, Section 71, Agricultural District – ‘A’ of the Land Use By-law should be amended to include ‘Single-Parcel Rural Residential Development’ in the “Discretionary Uses” category in order to deal with development proposals of this type without having to amend the by-law for each application.

2.03 Multi-Lot Rural Residential (MRR-1)

(a) Development Control Standards

- (1) Depending on the suitability of the soil to accommodate sewage disposal systems, no lot shall be less than 0.6 hectare (1.5 acres) and more than 1.6 hectares (4.94 acres) in size. Larger size lots could be unmanageable, create problems with weeds and cause conflicts between neighbours and the municipality.
- (2) A development and/or subdivision of this type shall be limited to a maximum of 30 lots.
- (3) The provision of an adequate and dependable water supply is of particular concern for a development involving a number of lots. The City must evaluate this type of development and/or subdivision with respect to water supply according to the following criteria:
 - (i) Where groundwater is to be the source of water supply, groundwater tests in conformity with Alberta Environment guidelines should be a prerequisite for City approval of a development and/or subdivision with six or more lots. The guidelines require that a technical evaluation of groundwater potential be prepared by a recognized professional consultant or other qualified individual.

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- (ii) The report shall be submitted to Alberta Environment for evaluation and, on the basis of their evaluation, it may be determined by the City whether or not sufficient groundwater is available for the proposed subdivision, or whether more detailed field tests are necessary to properly evaluate the groundwater potential.
- (iii) A well(s) supplying a central water distribution system for a development and/or subdivision must be licensed under the Water Resources Act. These systems are covered by Alberta Environment's guidelines. Individual water wells with conventional tanks and tile fields are preferable as central well and water distribution system would place a heavy burden on the individual septic tank and field systems.
- (iv) On-site water supply for a development and/or subdivision is preferable to other alternatives. Alternative means of supply may be acceptable provided the applicant can demonstrate that a sufficient and continuous supply of potable water will be available to the development. The City will evaluate the proposed arrangements and ensure that the requirements of the local Health Unit and Alberta Environment are met.
- (4) Developers shall be required to enter into a servicing and development agreement with the City with respect to adequate provisions of services.
- (5) An appropriate method of sewage effluent disposal shall be determined by local soil conditions. The soil must be capable of absorbing and filtering effluent in order to prevent groundwater or surface contamination.
- (6) The City will follow and apply Alberta Environment guidelines for determining soil permeability and water table levels when assessing soil suitability. Developers should be encouraged to consult with the Provincial Plumbing Inspector before decisions are made regarding the type and location of sewage disposal systems.
- (b) Development Proposal Review Process
 - (1) A developer proposing a development of this type shall be required to apply simultaneously for an appropriate subdivision approval and land use change. The reason for the concurrent approval processes is to permit a comprehensive technical review of the development proposal before making a decision on the land use change. A decision on the subdivision application will not be made until the necessary changes to the Land Use By-law and General Municipal Plan have been made.

2.04 Multi-Lot Rural Residential (MRR-2)

(a) Development Control Standards

A proposed development and/or subdivision of MRR-2 type shall be subject to the following development control requirements:

- (1) Lots shall not exceed 0.4 – 0.8 hectares (1-2 acres) in area. Diversity and flexibility should be achieved by varying lot sizes within such a development.
- (2) Development and/or subdivision shall only occur at a pace which allows the City to provide proper services.
- (3) Development and/or subdivision of any additional phases shall not be allowed until the current phase is 75% developed by the developer. A staged program for parks development will be required.

This policy is subject to any specific provision of *The Municipal Government Act* or other relevant legislation or union agreement.

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- (4) A developer shall be required to enter into a servicing and development agreement with the City to provide full municipal services including parks.
- (b) **Development Proposal Review Process**
A development proposal of this type will generally involve a rather large scale development which may involve major land use and servicing implications and shall be subject to the city's Area Structure Plan requirements. Therefore, a comprehensive technical review of the development proposal must be completed before any changes to the General Municipal Plan and the Land Use By-law are made. The subdivision process in this case should be initiated after the adoption of the Area Structure Plan.