TOWN OF BEAUMONT

NICHE MARKET STUDY

FINAL REPORT

June 24, 2011
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</table>
1. Introduction – The Importance of Community Sustainability

Retention and growth of existing businesses, new business attraction, jobs, investment, residential development and new commercial/industrial assessment – these are just some of the benefits to be realized through a well-focused economic and community development strategy. They are also essential, some would say critical, for the Town of Beaumont at this point in time.

Long term community sustainability depends on the ability to maintain a healthy balance and harmony between economic, municipal fiscal/financial, social and environmental sustainability. While each is equally important, many would argue that economic sustainability is the ‘engine’ that ultimately drives and sustains a community.

Building Blocks of a Sustainable Community
Research has shown that ‘communities of choice’ are increasingly replacing ‘communities of necessity’ for many highly-skilled workers in the more suburban parts of North America. These individuals are increasingly looking to live in affordable, high quality of life communities – with excellent recreational amenities and clean, safe and family-oriented neighbourhoods – but they are also looking to minimize commuting times associated with travel to and from work.

Beaumont’s well-developed social and community infrastructure, natural environment and close proximity to Alberta’s main urban centres all contribute to the Town’s overall quality of life. Directly and indirectly, these quality of life attributes and perceptions will continue to be a major locational draw for both the Town's residential and business communities.

As the economy begins to pick-up momentum in the aftermath of the recent global recession, many Alberta communities are becoming more proactive (and, in some cases, much more aggressive) in promoting and pursuing economic development. In most cases, there is a strong fiscal dimension involved – the need to grow the commercial and industrial assessment base to maintain a stable assessment mix across all ratepayer categories.

Assessment composition – and trends in the assessment mix – are an important indication of municipal fiscal capacity. It is now widely accepted that non-residential properties typically yield municipal revenues that are higher than associated expenditures. Residential properties generally yield municipal revenues that are lower than associated expenditures.

A recent cost of service analysis undertaken by Nichols Applied Management for a range of urban, suburban and rural Alberta municipalities indicates that for every dollar of revenue from non-residential developments, the range of municipal service-based expenditures was only between $0.20 and $0.60.

In comparison, the analysis found that for every dollar of revenue from residential developments, the range of municipal service-based expenditures was typically in the range of $1.10 to $1.20.

Even though these are aggregated figures across 44 Alberta municipalities, they still underscore the importance of attracting new commercial and industrial development (and assessment).

The overall fiscal capacity of the Town of Beaumont to continue providing the services, programs and infrastructure that residents expect, while maintaining reasonable levels of taxation for both residential and non-residential ratepayers, will be critical to long term community sustainability.
Economic Sustainability: External and Internal Drivers

What is beyond our control and what can we influence?

- Global/Regional Economic Conditions
- Business/Investor Outlook
- Competition
- Technology
- Capital Markets
- Environmental Trends
- Trade and Investment
- Economic Restructuring
- Business Climate
- Municipal Competitiveness
- Quality of Life
- Infrastructure
- Partnerships/Alliances
- Business Retention and Growth
- Business and Industry Attraction
- Entrepreneurship/Innovation
- Economic/Business Development Strategy
2. Retail and Commercial Expenditure Pattern Survey and Analysis

Background

- A confidential, multi-client Expenditure Pattern Survey of Households in the Alberta Capital Region was undertaken in August/September 2010.

- Included in this survey was a series of random phone interviews with 326 ‘heads of households’ in the Town of Beaumont.

- This was a random, statistically significant survey that provides some interesting insights into the current expenditure patterns of Beaumont’s 4,113 households.

The following three questions were addressed in the Expenditure Pattern Survey of Households.

Question 1:

What percentage of your average monthly retail expenditures are spent in the Town of Beaumont?

a) All expenditures

Please provide a more detailed breakdown, by retail category.

b) Grocery/specialty foods/floral

c) Pharmacy (prescription and over-the-counter)

d) Health and beauty (fitness, barber, beauty salon, spa)

e) Adult clothing/shoes/fashion

f) Child clothing/shoes/fashion

h) Jewellery and accessories

i) Home electronics/appliances

j) Home furnishings/accessories

j) Hardware and home improvement
k) Books and multimedia
l) Sporting goods
m) Toys and hobbies
n) Full service restaurants
o) Fast food restaurants
p) Family entertainment
q) Financial/professional services (banking, insurance, legal, accounting)
r) Health services (doctor, dentist, optometrist)
s) Personal/household services (eye glasses/lens, travel agent, post office/courier, dry cleaning/laundry, veterinarian, plumber, etc.)
t) Alcohol/tobacco
u) Automotive (vehicle purchase, gasoline, maintenance, repairs)

**Question 2:**

*When you shop outside of Beaumont, what are the main reasons for doing so? You may provide up to four (4) responses.*

**Reasons for Shopping Outside Beaumont:**

a) Preference/habit (work in other municipality/work outside the Town of Beaumont)
b) Easy commute to other regional retail centres
c) More attractive/appealing retail experience
d) Better selection/quality/customer service
e) Better prices
f) Close to other amenities/services not available in Beaumont
g) Store not available in Beaumont
h) Bigger store available elsewhere
i) Other regional retail centres heavily advertised/promoted
j) Other reasons (randomly provided by respondents)

**Question 3:**

Where do you and the other employed members of your household work? In the Town of Beaumont? City of Edmonton? Leduc County? Strathcona County? Other?

Please identify the location of work for each employed household member.
Beaumont in the Alberta Capital Region

Beaumont is an integral part of the Alberta Capital Region – a vibrant, growing area of the province and a key engine of economic growth within the broader Alberta economy. The Capital Region is characterized by a diverse economy and a relatively youthful, well-educated and affluent population of approximately 1.1 million.

The median age of Capital Region residents is 36 years, overall educational attainment levels are relatively high, and personal per capita incomes are almost 20% higher than the Canadian average. From a demographic perspective, and relative to other mid-sized North American urban centres, this is a very attractive dynamic in terms of supporting future growth and development.

In 2008, the Capital Region’s population was estimated at 1,094,105. This reflects an increase of 43,757 from 2006 and an average annual growth rate of 2.06% – a further sign of the economic strength and diversity of the region’s 24-member municipalities. The critical mass associated with a regional population now well over a million residents – which includes a highly-educated and skilled workforce and leading-edge business, financial and educational services and infrastructure – is viewed by many as a key benchmark.

Increased supplier, distribution and logistics capabilities are another sign of the growing presence and heft of the Capital Region economy. With the critical mass available locally (population, purchasing power and overall demand), regional service and supply chains have not only expanded, they have diversified. The focus is now on serving the needs of the Capital Region and its immediate regional trading area which, together, account for a population base of about 1.5 million residents.

- This is the market and trading area dynamic at play for many businesses in the Town of Beaumont and it will be important that this regional perspective not be overlooked as opportunities are identified and strategies formulated in response to emerging challenges.

- This is particularly true in the retail/commercial sector, where work-related commuter flows in and out of the Town are among the highest of any municipality in the Capital Region.
Alberta Capital Region:
24-Member Municipalities and 1.1 Million Residents
Definitions

Local Retail Expenditure ‘Capture’ and Retention – Percentage of total or segmented retail expenditures made by local residents in the Town of Beaumont.

Retail Expenditure In-Flow – Retail expenditures made in the Town of Beaumont by non-residents.

Retail Expenditure Out-Flow and ‘Leakage’ – Retail expenditures made by local residents outside the Town of Beaumont.

Retail/Commercial Development Opportunities

Key drivers include:

- Population Growth – 12,586 (2010); an increase of 6.7% over 2009.
- Family Incomes and Affordability – One of the highest median family income levels in Alberta; affordable high-end market housing and a wide range of housing options.
- Continued Strong Population and Income Growth
- Strong Family Formation Consumption Drivers – 25% of the population is under the age of 15; 60% under the age of 40.
- Mid-Quartile Retail Productivity – Sales per square foot ratios for branded franchise outlets are typically 2\textsuperscript{nd} and 3\textsuperscript{rd} quartile when compared to all Alberta franchises.

Retail/Commercial Development Challenges

Key ‘constraints’ include:

- Strong Regional Competition
- High Retail Out-Flow in Several Key Retail Categories – Presence of regional competitors may be difficult to overcome.
Large Commuter Workforce – With the survey showing that upwards of 70% of Beaumont’s working age residents are employed outside the Town (and a relatively small in-flow of non-residents commuting into the Town each week to work), it should not be too surprising that retail expenditure out-flow is pervasive. There is little doubt that most residents who work outside the Town are directly contributing to a fairly significant out-flow of retail expenditures from their home community. They do this through purchases they are making close to where they work rather than in retail outlets located in Beaumont – in many cases, even where selection, price and retail experience are deemed to be comparable.

Batch Shopping – Given that most shopping is typically done in batches – largely for convenience purposes – this means that other items are likely being purchased at the same time as the item(s) that initially prompted the visit to the out-of-town store/mall. This further compounds the expenditure leakage taking place.
- **Well-Entrenched Shopping Preferences and Habits** – The key question is how to break these preferences and habits and reconnect local consumers to local retail opportunities.

- **Lower Retail Productivity** – Particularly in the Central Business District (CBD); emerging ‘blue-on-blue’ competition between new developments (Gallerie Beaumont) and CBD businesses. Each area will have to find its own niche, but experience shows that a more aggressive and proactive approach will need to be taken to provide the impetus for a revitalized CBD.

- **Promotion and Awareness** – A targeted ‘Shop Beaumont’ campaign? An earned media campaign promoting Beaumont businesses and the benefits of shopping locally?

### What are the total household consumption expenditures of Beaumont residents?

- Total household consumption expenditures of Beaumont’s 4,113 households were estimated to be between $290 million and $310 million in 2010. On a per capita basis, this is one of the highest levels of total household consumption expenditure activity in Alberta.

- Clearly, this reflects the fact that Beaumont has some of the highest family incomes in Alberta, as well as relatively high levels of new family formation taking place within the community.

- Nichols Applied Management’s Disaggregated Sub-Regional Consumption Expenditure Model estimates the mid-point of this expenditure range to have been $296,744,724. This is reflected in the graphic on the next page.

- Although these total (or aggregate) household consumption expenditure levels are truly impressive by any measure, it must also be noted that overall expenditure leakage across all retail categories, excluding shelter, is estimated at about 55.5%.

- In fact, it would appear that Beaumont has one of the highest retail leakage rates when compared to comparable-sized suburban communities across Alberta. This represents both a challenge and an opportunity for Beaumont’s long term economic and community development strategy.
**Town of Beaumont**

**Total Household Consumption Expenditures of Residents – 2010***

\[
4,113 \times \$72,148 = \$296,744,724
\]

*Nichols Applied Management estimate. Confidence range: $290 million to $310 million.

**Source:** Statistics Canada, Average Household Expenditures by Selected Metropolitan Area and Nichols Applied Management Disaggregated Sub-Regional Consumption Expenditure Model, 2008-2010.

**Note:** Includes Food, Shelter, Household Operation, Household Furnishings and Equipment, Clothing, Transportation, Health Care, Personal Care, Recreation, Reading Materials and Other Printed Material, Education, Tobacco Products and Alcoholic Beverages, Games of Chance (Net Amount) and Miscellaneous Consumption Expenditures. Excludes Personal Income Taxes, Personal Insurance Payments and Pension Contributions, and Donations and Other Contributions.

- Nichols Applied Management’s Disaggregated Sub-Regional Consumption Expenditure Model also provides a more detailed breakdown of average household consumption expenditure activity in 2010. This is shown in the table on page 15.
## Town of Beaumont:
### Average Household Consumption Expenditures of Residents – 2010*

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Average Expenditures Per Household</th>
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<tbody>
<tr>
<td>Total Current Consumption Expenditures</td>
<td>$72,148</td>
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<tr>
<td>Food</td>
<td>8,948</td>
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<tr>
<td>Shelter</td>
<td>19,087</td>
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<tr>
<td>Household Operation</td>
<td>4,501</td>
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<tr>
<td>Household Furnishings and Equipment</td>
<td>2,797</td>
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<td>Clothing</td>
<td>4,217</td>
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<tr>
<td>Transportation</td>
<td>16,876</td>
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<td>Health Care</td>
<td>2,598</td>
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<tr>
<td>Personal Care</td>
<td>1,496</td>
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<tr>
<td>Recreation</td>
<td>6,286</td>
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<tr>
<td>Reading Materials and Other Printed Material</td>
<td>349</td>
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<tr>
<td>Education</td>
<td>1,462</td>
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<tr>
<td>Tobacco Products and Alcoholic Beverages</td>
<td>1,823</td>
</tr>
<tr>
<td>Games of Chance (Net Amount)</td>
<td>321</td>
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<tr>
<td>Miscellaneous</td>
<td>1,387</td>
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</tbody>
</table>

*Nichols Applied Management estimate.

**Source:** Statistics Canada, Average Household Expenditures by Selected Metropolitan Area and Nichols Applied Management Disaggregated Sub-Regional Consumption Expenditure Model, 2008, 2009 and 2010.

**Note:** Excludes Personal Income Taxes, Personal Insurance Payments and Pension Contributions, and Donations and Other Contributions.
Detailed Expenditure Pattern Survey of Town of Beaumont Households

The Expenditure Pattern Survey of Beaumont Households was undertaken, in conjunction with a larger survey across the Alberta Capital Region, in August/September 2010. The survey included:

- a series of random phone interviews with 326 ‘heads of households’ in the Town of Beaumont; and
- a random, statistically significant sampling that provides some interesting insights into the current expenditure patterns of Beaumont’s 4,113 households.

**Question 1** responses are outlined on the next three pages and are broken down into the following analytical components:

- Retail Categories with High Capture Rates (highlighted in green);
- Retail Categories with Medium Capture Rates (highlighted in yellow); and
- Retail Categories with High Retail Out-Flow (highlighted in red).

**Question 2** responses have been ranked from the most frequent to the least frequent and show the key drivers behind retail out-flow and leakage from Beaumont’s retail sector.

Not too surprisingly, **Question 3** responses confirm what previous Town of Beaumont surveys have also found – that more than 70% of Beaumont’s working age residents are employed outside the Town. The City of Edmonton, Leduc County, Strathcona County and the Edmonton International Airport were, in order of frequency of response, all cited as major employment centres for Beaumont residents.

These weekday and weekend out-bound commuter flows are among the highest found anywhere in Alberta, again when comparing Beaumont to all comparable-sized suburban communities.

**Open-Ended Survey Responses**

Finally, the higher-frequency themes and issues which emerged as general commentary during the 326 phone interviews are also provided. By higher-frequency it is meant that at least 20%-25% of those providing unprompted, open-ended responses raised that particular theme, issue or made a similar comment.

These open-ended responses, all of which were recorded and analyzed, provide additional insight into the current expenditure pattern behavior and activities of Beaumont residents.
**Beaumont: Retail Categories with High Capture Rates**

High Retail Capture Rate (60%-80% of Respondents)

What percentage of your average monthly retail/commercial service expenditures are spent in the Town of Beaumont? (326 Random Respondents)

<table>
<thead>
<tr>
<th>Category</th>
<th>0-20%</th>
<th>21-40%</th>
<th>41-60%</th>
<th>61-80%</th>
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<tr>
<td>a) All expenditures</td>
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<td>b) Grocery/specialty foods/floral</td>
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<td>c) Pharmacy (prescription and over-the-counter)</td>
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<td>d) Health and beauty (fitness, barber, beauty salon, spa)</td>
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<td>e) Adult clothing/shoes/fashion</td>
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<td>f) Child clothing/shoes/fashion</td>
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<td>g) Jewellery and accessories</td>
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<td>p) Family entertainment</td>
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<td>q) Financial/professional services (banking, insurance, legal, accounting)</td>
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<td>r) Health services (doctor, dentist, optometrist)</td>
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<td>s) Personal/household services (eye glasses/lens, travel agent, post office/courier, dry cleaning/laundry, veterinarian, plumber, etc.)</td>
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**Beaumont: Retail Categories with Medium Capture Rates**

Medium Retail Capture Rate (60%-80% of Respondents)

What percentage of your average monthly retail/commercial service expenditures are spent in the Town of Beaumont? (326 Random Respondents)

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**Beaumont: Retail Categories with High Retail Out-Flow**

High Retail Expenditure Out-Flow (60%-80% of Respondents)

What percentage of your average monthly retail/commercial service expenditures are spent in the Town of Beaumont? (326 Random Respondents)

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<td>j) Hardware and home improvement</td>
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<td>k) Books and multimedia</td>
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<td>l) Sporting goods</td>
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<td>m) Toys and hobbies</td>
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<td>n) Full service restaurants</td>
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<td>o) Fast food restaurants</td>
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<td>p) Family entertainment</td>
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<tr>
<td>q) Financial/professional services (banking, insurance, legal, accounting)</td>
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<tr>
<td>r) Health services (doctor, dentist, optometrist)</td>
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<tr>
<td>s) Personal/household services (eye glasses/lens, travel agent, post office/courier, dry cleaning/laundry, veterinarian, plumber, etc.)</td>
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<tr>
<td>t) Alcohol/tobacco</td>
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<tr>
<td>u) Automotive (vehicle purchase, gasoline, maintenance, repairs)</td>
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</tbody>
</table>
Reasons for Shopping Outside the Town of Beaumont

When you shop outside of Beaumont, what are the main reasons for doing so? You may provide up to four (4) responses. (326 Random Respondents)

<table>
<thead>
<tr>
<th>Reasons for Shopping Outside of Beaumont</th>
<th>% Responding (Multi-Choice Format)</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy commute to other regional retail centres</td>
<td>47%</td>
<td>Rank 1</td>
</tr>
<tr>
<td>Preference/habit (work in other municipality/work outside Town of Beaumont)</td>
<td>44%</td>
<td>Rank 2</td>
</tr>
<tr>
<td>Better prices</td>
<td>41%</td>
<td>Rank 3</td>
</tr>
<tr>
<td>Close to other amenities/services not available in Beaumont</td>
<td>39%</td>
<td>Rank 4</td>
</tr>
<tr>
<td>More attractive/appealing retail experience</td>
<td>35%</td>
<td>Rank 5</td>
</tr>
<tr>
<td>Store not available in Beaumont</td>
<td>33%</td>
<td>Rank 6</td>
</tr>
<tr>
<td>Better selection/quality/customer service</td>
<td>23%</td>
<td>Rank 7</td>
</tr>
<tr>
<td>Bigger store available elsewhere</td>
<td>15%</td>
<td>Rank 8</td>
</tr>
<tr>
<td>Other regional retail centres heavily advertised/promoted</td>
<td>7%</td>
<td>Rank 9</td>
</tr>
<tr>
<td>Other reasons (randomly provided by respondents)</td>
<td>2%</td>
<td>Rank 10</td>
</tr>
</tbody>
</table>

Open-Ended Survey Responses:

What did we hear from Beaumont residents?

The higher-frequency themes and issues which emerged during the 326 phone interviews are outlined below. Once again, by higher-frequency it is meant that at least 20%-25% of those providing unprompted, open-ended responses raised that particular theme, issue or made a similar comment.

- **Work-Related Commuter Flows a Major Influence on Consumer Expenditure Patterns**

  “I work in Edmonton and it is just a whole lot more convenient to shop there than it is to shop in Beaumont. And I hate to say it but this includes groceries, drug store purchases and other items I know are also available and competitively-priced in Beaumont.”
“When you work next to South Edmonton Common, why would you ever want to shop anywhere else? The place has it all and the prices are about as good as it gets.”

“Sometimes I pop into the Safeway across the road from where I work in Sherwood Park to buy a few items before beginning the commute home. The problem is I never end up buying just a few items, it’s always more convenient to just buy everything I need.”

“As a family where both my wife and I work in Edmonton, we seem to have locked into a habit where we do virtually all of our grocery shopping close to where we work rather than where we live.”

“Shopping outside our home community close to where we work is probably a bad thing I would guess…and not a good thing for Beaumont’s tax and employment base…but I’m not sure what can be done to break this habit that we and I would expect many other residents are now hooked on.”

Batch Shopping Prevalent and Beaumont Viewed as a ‘Convenience’ Retail Centre by Many Residents

“We do all our shopping in Edmonton, usually on the weekend. The only items we purchase in Beaumont are the items we run out of during the week…milk, pop, gasoline and other stuff that can’t wait.”

“Beaumont is like a convenience store, we use it when we have to, while Edmonton is where we spend most of our money for everything we buy. Am I supposed to feel guilty, I hope not.”

“When I shop in Beaumont it is to save time in picking up something I need quickly. When I have time, I shop in the City where selection, prices and quality are way better.”

“Although we have lived in Beaumont for over 10 years, we do all of our major shopping elsewhere. I know Beaumont’s retail offering has improved recently; maybe we’ll have to try it out more in the future. But I just can’t see the Town really hoping to compete with a Wal-Mart, Costco or the South Edmonton Common mega-shopping centre which are so close by.”

“Beaumont gets the $10, $20 and $30 I spend when I am jammed and need stuff quick and close by. The City gets the $100, $200 and $300 I spend when I’ve got time and want to shop for value, selection and a quality retail experience with all the other amenities close by.”
Perceived Price Competitiveness, Selection, Quality and the Overall Shopping Experience are All Key Retail Draws

“Beaumont can never hope to compete with big, bad Edmonton when it comes to retail. They have the stores, malls and power centres that have the quality goods and services, selection and prices that families truly appreciate in tough economic times.”

“The retail flavour and total experience of a West Edmonton Mall, a Southgate Mall or a South Edmonton Common are impossible to compete with...those are the cold hard facts as to why so many of us are shopping outside of Beaumont. Heck, we don’t even have all the stores and retail line-up that most residents need to visit each month.”

“Beaumont will need to focus on being the best it can be in the retail niche we are now establishing...one focused on a competitive advantage based on the convenience of not having to drive too far for a loaf of bread or a litre of milk when this is all we need.”

“I save a fortune by buying my groceries at Costco in south Edmonton and, as a result, that’s where I do all my grocery shopping. I can save a couple of hundred bucks every two weeks by doing this...that’s more important to me and my family than shopping locally.”

“Grocery prices in Beaumont are getting more competitive, but still fall way short of the prices and selection available in Edmonton. While I’d like to shop more in Town, it’s just too expensive for the bulk of our monthly purchases.”

Community Branding a ‘Two-Edged Sword’

“Beaumont is a fantastic residential community, but the reality is that it has always been and will continue to be a bedroom community to Edmonton. The City is where most of us go to shop, for entertainment, or to see a movie.”

"I moved here because Beaumont is a great place to live and raise a family, not because it's a major regional commercial centre...which it isn't. Does it really matter that I shop 20-30 minutes down the road?"

“Many of us moved here for a quiet, affordable family lifestyle. The fact that we didn’t have a full service community in terms of retail, commercial and professional services was never a problem until recently when the powers that be suddenly realized that the 800 pound gorilla in the room was a municipal assessment base that was becoming far too depend on residential taxes alone.”
“Beaumont should strive to retain more retail dollars locally. We must work smarter if we are to be more than just a bedroom community for Edmonton.”

“It will be critical that the Town of Beaumont become a full service retail centre capable of better meeting the needs of its own residents. This will not detract from the strong residential community brand that has emerged, but will only complement it in the future.”

“Can Beaumont maintain its quiet bedroom community image while developing a more fulsome retail and commercial presence? This will be a must to maintaining the future sustainability and municipal autonomy we currently enjoy. If we fail, we will likely be amalgamated in some way, shape or form at a later date. This would be a real tragedy.”

Economic Diversification and Long Term Community Sustainability Dependent on Retail Sector Retention and Growth

“Small business retention and business development strategies will be critical to the sustainability of Beaumont as an independent municipal entity. Retail businesses, entrepreneurs and small businesses are the foundation of our community and must be supported by residents if we are to maintain our proud heritage and independence.”

“Shopping in Beaumont is something that ends up benefiting the entire community... jobs are created, taxes are paid and community investments and good community causes supported by local businesses. Should we shop local...yes, and for our own collective self-interest.”

“The municipal government needs to work with local business interests to develop a retail sector retention and growth strategy. No more lip service or platitudes, let’s get on with it.”

“Retail businesses present the biggest opportunity for immediate economic growth in Beaumont. Too many of our hard-earned dollars are being spent outside the community, with the result that other communities are seeing the spending and employment benefits. Let’s wake up and seize this opportunity.”

“Most residents of Beaumont end up having to commute all over the place to work. Why should we have to commute all over the metro-Edmonton region to shop and get a good price and good selection as well? Let’s create some good jobs at home so we don’t spend so much time commuting back and forth.”

"Growing Beaumont’s retail sector and retail employment should be Job #1."
3. Economic Development Opportunities Roadmap

**Locational Attributes and Challenges (Nichols Applied Management Community Perception Focus Group Sessions/July-September 2010)**

- **Beaumont’s Key Locational Strengths:**
  - A Strong and Diverse Regional Economy
  - Quality of Life
  - Affordability
  - Proximity to Edmonton and Edmonton International Airport
  - Easy Commuting Times to/from Work, Shopping and Complementary Entertainment/Recreational Amenities
  - One of the Fastest Growing Communities in Canada
  - Some of the Highest Family Incomes in Alberta
  - Strategic Location
  - Safe and Family-Oriented Neighbourhoods
  - A Full Service Community
  - Good Schools

- **Beaumont’s Key Locational Challenges:**
  - Large Commuter Workforce
  - Strong Regional Competition in Retail/Commercial/Business Services
  - High Retail Expenditure Out-Flow in Several Key Retail Categories
  - Beaumont Viewed Primarily as a Bedroom Community
  - Awareness, Promotion and Branding
  - External Business Audience Perceptions
Workbook Responses and Submissions (Nichols Applied Management Community Consultations/February-April, 2011)

- A Niche Market Study Workbook was posted to the Town of Beaumont website and circulated directly to various community/stakeholder groups to encourage the broadest possible input into the economic development opportunities component of the project.

- Respondents were reassured that their submissions were being provided to the consultant on a ‘not-for-attribution’ basis, again to encourage open and honest feedback on each of the five questions contained in the Workbook.

- As of April 8, 2011, 102 responses and submissions had been received. The higher-frequency and more illustrative responses are noted below.

QUESTION #1 (Brand/Values):

In your view, what are the key attributes that help define Beaumont as a community or location of choice for residents and businesses alike?

✓ Current feedback generally confirms list on page 24.

✓ A number of specific references to Beaumont’s close proximity to Nisku-Leduc County business/industrial parks, Alberta’s Industrial Heartland, the Edmonton International Airport, and the emerging Port Alberta transportation and logistics hub.

✓ Competitive non-residential taxes and a business-friendly municipal government.

✓ A designated Capital Region Board Priority Growth Area.

✓ Highly attractive demographics and a proven track record of sustainable growth and development. In other words, a strong business case for continued residential and retail/commercial growth.

✓ Proposed 50th Street corridor upgrades should further enhance the appeal, ambience and infrastructure that ultimately defines Beaumont’s main commercial ‘artery’ or ‘gateway.’ Many of these upgrades are long overdue.
In your experience, how do people/businesses outside the community see Beaumont?

✓ Again, general agreement with the list on page 24...both ‘positives’ and ‘negatives.’

✓ A real sense, however, that Beaumont continues to be viewed by many non-residents as simply a growing, higher-end bedroom community to Edmonton. There was fairly widespread agreement and concern that this narrowly-defined brand was failing to generate sufficient regional attention and interest in the many business development opportunities available within the community.

✓ Many respondents also noted that the perceptions of non-residents have been shaped by a 50th Street commercial gateway that has historically left much to be desired.

Are you comfortable with this perception? If not, what would you like to change?

✓ In some cases yes, in others no. The danger is seen as one of a faulty or inaccurate perception becoming reality in the minds of businesses looking to expand or relocate in the southern or southeastern Capital Region.

✓ A re-branding of Beaumont as both a residential and business ‘community of choice’ was seen by many as being essential to future retail, commercial and light industrial growth.

✓ Improved awareness of potential business development opportunities was also viewed as being critical. Many felt that Beaumont is not currently on the ‘radar’ or ‘top-of-mind’ with many high-growth retail, commercial and industrial companies, even those which already have a significant presence in the Capital Region.

✓ A commitment to holding the line on municipal non-residential taxes and exploring municipal incentives to encourage increased business attraction and/or expansion of existing businesses.

✓ A widely-held desire to see the municipality become much more proactive, rather than reactive, in pursuing new economic and business development.
QUESTION #2 (Top of Mind Issues):

As the economy appears poised for sustained recovery and growth, and after all the economic turmoil of the past few years, what are the ‘Top 5’ issues Beaumont will need to confront?

✓ Maintaining sustainable economic growth and development consistent with long-held community values and aspirations (balancing growth and development with an equally strong commitment to environmental and social sustainability, maintaining Beaumont's French Village Guidelines, the community's small town feel and ambience, etc.).

✓ Completing the 50th Street corridor upgrades and turning this into a ‘signature gateway’ for the community. The project, however, remains a work-in-progress and needs to be completed sooner rather than later.

✓ Better signage and streetscaping along the 50th Street commercial corridor, both at the north end commercial district and through the Central Business District.

✓ Short-Term: Increased retail/commercial development and assessment.

✓ Transitioning home-based businesses into storefront operations.

✓ Growing small businesses into medium-sized enterprises.

✓ More opportunities for residents to work locally.

✓ Long Term: Light industrial and/or business services development and assessment.

✓ A priority on business retention and growth and new business attraction strategies that address identified ‘gaps’ in Beaumont’s current retail offering and mix.

✓ Action Item: Implementing a results-oriented plan for revitalization of the Central Business District.

✓ Building a more inclusive business association which is even stronger and more strategic in orientation. This will be essential if Beaumont’s business community is to effectively work with the Town on ‘selling’ and ‘delivering’ on new business development.
QUESTION #3 (Strategy Content and Inter-Relationships):

Where do you see the future niche businesses and markets for business attraction and expansion in Beaumont? In other words, where are the opportunities for future commercial (and industrial) development?

- More development across all retail/commercial categories, and specifically in those areas where Beaumont is currently lacking a strong retail presence.
- White and green collar employment.
- Oil and gas-related back-office investments and/or relocations.
- Transportation/logistics and expanding Port Alberta back-office investments.
- Food services (including higher-end restaurants), accommodation and tourism.
- Knowledge-intensive businesses are looking for communities which have a high quality of life, affordability, family-oriented neighbourhoods and good schools. In the future, Beaumont will need to be much better at branding and promoting these attributes.
- Targeting business services – including scientific, technology-based and professional service providers.
- Health and wellness, medical and private fitness facilities.
- Developing small office complexes downtown and on the north side of Town as a means of attracting professional/business services firms and associated employment.
- A lack of available higher-end office space in Beaumont will be an impediment to business attraction in these areas if the planning and promotion of these types of developments does not begin today.
- Bringing home-based business out of the home and into the downtown Central Business District.
- The Central Business District is at a crossroads – re-development opportunities must be identified and actively pursued.
Is the Town well-positioned to capitalize on these opportunities? If there are gaps, what are they and what needs to be done to address them?

- Many expressed the view that Beaumont was not well-positioned to capitalize on emerging opportunities or to reposition itself in response to increased regional competition for new investment and employment.

- There was a strong sense that the municipality was not being aggressive enough with its economic development efforts and should play a much more proactive and leading role.

- Most felt that the Niche Market Study was an excellent first step in identifying opportunities, potential gaps in realizing these opportunities, and developing forward-looking, results-oriented strategies.

- Some argued that the municipality should encourage all owners of undeveloped properties to either develop them or sell them off.

- A number of others argued that it was important that the municipality provide more non-residential areas for future development.

- Increasing costs for municipal services will create a major gap to be filled if commercial/industrial assessment growth continues to lag residential growth.

QUESTION #4 (Strategic Partnerships and Alliances):

In your view, what is the scope for regional cooperation in economic development – with Leduc County and within the Capital Region?

- Good in some areas, but Leduc County’s approval of the East Vistas residential development (which was opposed by the Town) is seen by some as being at odds with the principles of sound regional planning and a logical, cost-effective build-out of residential infrastructure over the next 5-20 years.

- A feeling that Beaumont should work closely with regional neighbours where it makes sense and where increased cooperation will clearly benefit all parties. In other areas, such as business/industry attraction, regional neighbours could end up being regional competitors and a 'Beaumont First' approach will likely be required.
QUESTION #5 (Next Steps):

What are your expectations for the Niche Market Study?

✓ Generally seen as the first step in Beaumont’s ‘game plan’ for a more targeted and results-oriented economic and community development action plan.

✓ Will provide recommendations on the range of industries and businesses with significant longer term growth prospects.

✓ Will offer some initial guidance on the potential role of municipal incentives in supporting targeted industry/business attraction.

✓ Will serve as an important 'call-to-action' for the Town and for community stakeholders.

✓ Will provide the impetus for a shift to a more proactive and aggressive economic and community development strategy.

➢ Page 31 summarizes Beaumont's 'Top 10' locational strengths – as identified by the 326 Beaumont residents (‘heads of households’) surveyed in August/September 2010 and the 102 residents who responded to the Niche Market Study Workbook in February-April, 2011.
Beaumont's ‘Top 10’ Locational Strengths and Business Case Drivers

<table>
<thead>
<tr>
<th>Strength Area</th>
<th>Business Case Drivers</th>
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<tr>
<td>Quality of Life</td>
<td>Residential Development</td>
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<td></td>
<td>➔ Supports Business Retention, Growth and New Business Attraction</td>
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<tr>
<td>Proximity to Major Regional Markets</td>
<td>Jobs and Investment</td>
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<td></td>
<td>➔ Business/Transportation Cost Advantages</td>
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<tr>
<td>Affordability and Competitive Cost Structures</td>
<td>Benefits Residents, Small Business and Industry</td>
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<tr>
<td>Proximity to Major Transportation Routes</td>
<td>Enhances Commuter and Transportation Logistics</td>
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<td>Full Service Community</td>
<td>Attractive to Families and Retirees</td>
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<tr>
<td></td>
<td>➔ Helps Drive Residential Development</td>
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<tr>
<td>Competitive Business Climate</td>
<td>Drives Business Growth and Development</td>
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<tr>
<td>Sustainable Community</td>
<td>A Community of Choice for Families, Business and Industry</td>
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<tr>
<td>Tourism, Culture and Recreation</td>
<td>Benefits Small Business and Generates Retail In-Flow</td>
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<tr>
<td>Proximity to Edmonton/Anthony Henday Ring Road/Highway 2 Corridor</td>
<td>Access to Major Markets</td>
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<td></td>
<td>➔ Access to Large-Scale Commercial/Business Services</td>
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<tr>
<td>Potential Commercial/Industrial Development Sites</td>
<td>➔ Competitively-Priced Sites Available</td>
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<tr>
<td></td>
<td>➔ Supports Industrial/Business Growth and Expansion</td>
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4. Key Objectives

The following objectives are intended to frame and help guide implementation of Beaumont’s Niche Market Study recommendations and recommended action items. They should also provide the basis for measuring performance and for fine-tuning or updating the strategy, as required.

These objectives flow from the previous sections of this report and are intended to provide some additional context for the specific strategy elements and action items which follow in Section 6. The objectives below are not listed in any particular order.

A Sustainable Community

✓ This is the fundamental goal of any community and one of the biggest challenges facing Beaumont as it looks out over the short-, medium- and longer term – particularly from a municipal fiscal and financial sustainability perspective.

✓ Although it is clearly outside the primary scope of this study, a quick assessment of the Town’s overall fiscal capacity and flexibility shows that it is becoming increasingly constrained. Why? Because more and more of the burden of municipal taxation is now falling on residential ratepayers or is being debt-financed.

✓ Put simply, current trends are far from being sustainable in terms of the Town’s ability to continue providing the services, programs and infrastructure that residents have come to expect, while maintaining reasonable levels of taxation for both residential and non-residential ratepayers. The only sustainable, long-term solution is to grow the commercial and industrial assessment base in order to:

1) maintain a stable assessment mix and ratepayer affordability and competitiveness across all ratepayer categories; and

2) maintain the longer term fiscal and financial autonomy of the Town of Beaumont.

A More Diversified Economic Base

✓ A more diversified economy is a more resilient economy. Diversification tends to reduce the risk of being overly exposed to any particular sector of the economy – or, for that matter, to a particular business segment or company (i.e., in the event of a downturn in that sector). It reflects the old economic adage of ‘not putting all your eggs in one basket.’
A Regional Commitment to Value-Added and Supply Chain Integration

✓ Adding value to existing service, resource processing and manufacturing supply chains – whether regionally or across Alberta – will represent a huge area of opportunity over the next decade.

✓ Beaumont must not lose sight of the value-added opportunity if it wishes to broaden its economic base and develop a higher-value-added local economy.

Growth and Development of Existing Businesses (Downtown Revitalization)

✓ As in the past, much of Beaumont’s future growth and prosperity will depend on the entrepreneurial spirit of its small business community.

✓ It will be important that all community partners continue to encourage and support entrepreneurship and small business development. The primary focus should be on strengthening Beaumont’s business climate, specifically to facilitate business start-ups, retention and growth.

✓ In many respects, today’s highly-competitive and increasingly global economy means that existing business assets can no longer be viewed as captive assets.

✓ A competitive business and investment climate, high quality of life, modern infrastructure, and fair and competitive tax and regulatory frameworks are all very important to the continued growth and development of existing businesses.

✓ These linkages must not be overlooked. As the saying goes, the easiest businesses to attract are the ones you already have.

New Business Attraction

✓ Business retention, growth and attraction strategies are all critical to building a sustainable community. Attracting new businesses and industry to Beaumont – and more aggressively and proactively branding the Beaumont ‘business case’ – should remain key priorities.

✓ While recognizing the importance of small business in terms of employment growth and creating new economic opportunities, longer term prosperity will also depend on attracting larger firms which can compete effectively in regional and non-regional markets.

✓ Medium-sized firms, in particular, play a vital role in the economy. Their size often allows them to be more effective competitors, as well as providing them with greater flexibility to quickly adopt and utilize the latest technologies.
✓ An advantage mid-sized firms have is that they typically maintain much of the organizational flexibility found in smaller enterprises and can therefore respond quickly to emerging business and market development opportunities.

✓ Beaumont must continue to place a high priority on broadening its corporate base. This should include increased activity to attract medium-sized enterprises, and providing assistance and other business supports to smaller companies to help them grow and transition into medium-sized firms.

More Jobs Closer to Home

✓ With a return to sustained economic growth in Alberta, more opportunities will be made available for new businesses to take advantage of the local labour force available in and around Beaumont – and for residents to work closer to home.

Growing the Non-Residential Assessment Base

✓ New business attraction – together with expansion and growth of existing businesses – will help broaden and diversify the municipal assessment base. This will be essential to maintaining reasonable and competitive levels of taxation for both residential and non-residential ratepayers.

Enabling Conditions

Three fundamental pre-conditions or ‘enabling conditions’ have also been identified as being particularly important to successfully pursuing the above-noted objectives. These are each necessary for economic development and investment attraction, but not necessarily sufficient in and of themselves. They include:

✓ An Attractive Business, Fiscal and Regulatory Climate

Municipal policies, regulations and related compliance/approval processes directly affect and influence the cost of doing business in Beaumont. In fact, they are a big part of the Town’s business climate, perceived level of municipal competitiveness, and ability to attract new investment.

While Beaumont’s business, fiscal and regulatory climate remains competitive, it is a ‘mid-tier’ level of competitiveness relative to other Capital Region municipalities.

An ongoing focus on continuous improvement must be maintained and the linkages and inter-relationships between investment attraction, economic development and municipal fiscal and financial sustainability fully understood.
✓ **Education, Technology and Innovation**

Some estimates show that young people now entering the workforce will experience, on average, over four career changes during their working lives. An increasingly competitive and technologically-driven business environment will further the demand for life-long investment in human resources – by government, the private sector, labour, educators and individual Albertans.

It is often stated that our people – and their collective capacity to adapt, innovate, problem-solve and to utilize the latest technologies to compete and succeed – are ultimately what drives economic competitiveness and prosperity.

Skills development and life-long learning must therefore continue to be actively promoted, not just in our schools and post-secondary institutions, but also in the workplace.

✓ **Building Partnerships and Alliances**

Although the Town will continue to be a key player, this report is not just the Town’s strategy. This is a community-based strategy.

As such, the strategy elements which follow will almost always be based on partnerships and alliances – both old and new – to ensure effective implementation. These are to be encouraged.
Recommended Economic Development Objectives for Beaumont

- A Sustainable Community
- A More Diversified Economic Base
- A Renewed Commitment to Value-Added
- Growth and Development of Existing Businesses (Downtown Revitalization)
- New Business Attraction
- More Jobs Closer to Home
- Growing the Non-Residential Assessment Base

Enabling Conditions:

- An Attractive Business, Fiscal and Regulatory Climate
- Education, Technology and Innovation
- Building Partnerships and Alliances
5. High-Potential Growth Areas

Eight industry/sectoral clusters have been identified as having significant growth potential for Beaumont over the next 10 years. This is not to say that other industries or sectors are unimportant, but rather that these eight are very well-positioned in terms of their potential to contribute to future growth and development.

These high-potential growth areas have been identified based on Nichols Applied Management’s proprietary *Business Competitiveness Location Model*, complemented by a series of in-depth interviews with key industry leaders and decision-makers across a range of industry/sectoral clusters.

For the purposes of this report, the *Business Competitiveness Location Model* focused specifically on the following competitiveness and locational attributes of Beaumont (relative to other Capital Region and Alberta municipalities).

- competitive strengths, core competencies and critical mass already present within the Beaumont economy, or surrounding economic region
  - tax and regulatory framework
  - relative cost structures – input, production and service delivery costs
  - business infrastructure – general
  - transportation infrastructure and efficiencies
  - workforce amenities – quality of life and affordability
  - workforce skills and educational levels
  - market access, reach and potential
  - business climate proxies
  - innovation and entrepreneurial (small business) proxies
  - proximity to current and future high-growth areas – regional economic integration and collaboration
- a review of current and projected business activity levels – including longer term opportunities and growth prospects within each cluster

- an illustrative business case based on a range of business activity and economy-wide growth scenarios

- the potential for each cluster to generate jobs, investment and direct, indirect and induced economic activity within the Town of Beaumont

**Economic Development Outcomes**
The eight clusters or high-potential growth areas which follow are not listed in any particular order, and include:

- **Retail and Commercial** – challenges yes, but there are numerous niche market opportunities available which will need to be prioritized and pursued. Additional details on existing retail gaps and possible short-, medium- and longer term business development opportunities were provided earlier in this report.

- **Small Business and Entrepreneurship** – this will remain the heart and soul of the Beaumont economy and must continue to be given a high priority.

With an aging population, it is widely expected that many Alberta business owners will be selling, transferring or otherwise exiting their businesses over the next decade. According to a recent survey by the Canadian Federation of Independent Business (2007), this number could be as high as seven in ten, yet almost half of these business owners say they have no plan at all for how this transition will actually take place.

A challenge or an opportunity? Clearly, entrepreneurial skills development and business mentoring are areas requiring increased attention and/or more focused outreach activities. What role can the Town play? What role can be played by local business leaders?

**Strategic Objectives**

1) Supporting entrepreneurship, new business start-ups and helping existing businesses grow and succeed.

2) Helping transition targeted high-growth-potential businesses into medium-sized enterprises.

3) Ensuring effective and integrated small business programming across all levels of government.

4) Identifying specific regulatory provisions that can be improved to make small business regulation more cost-effective and efficient.

- **Service, Supply and Backroom Operations Supporting the Region’s Increasingly-Diversified Hydrocarbon Processing Sector** – Alberta's Industrial Heartland is now Canada's largest hydrocarbon processing region and one of the world's most attractive locations for oil and gas (including oil sands-related upgrading and manufacturing), petrochemical and chemical investment. The 582 square kilometre region is home to more than 40 world-class companies with a combined capital investment of over $25 billion.
Beaumont's location relative to Alberta's Industrial Heartland and the Capital Region's major service/supply centre resident within the Nisku-Leduc County and south Edmonton business/industrial parks is clearly an advantage to be further leveraged for investment attraction purposes.

In fact, dispersed operational locations are now being looked upon as a strategic post-911 advantage in certain industries, as well as a means of better accommodating, retaining and servicing more knowledge-intensive backroom support staff.

How can or should these opportunities best be pursued? Where are the current deficiencies in real/perceived community attributes and competitive strengths? What are the necessary ‘pre-cursors’ which will need to be put in place to be successful?

- **Office Development** – the medium-term forecast is seen as supporting one to two smaller office complexes in Beaumont if the right developer/tenant arrangements can be facilitated, promoted and put in place. This will not happen on its own and will need to be actively, strategically and tactically pursued.

- **Eco-Industrial Services and Technology Development** – white and green collar jobs represent the high-paying, value-added jobs of today – and tomorrow. Beaumont will need to leverage its high quality of life/high standard of living brand to appeal to these highly-skilled, knowledge-intensive companies and workers.

  A clean, healthy environment and environmental leadership at the municipal level are often cited when residents are asked what they like about living in Beaumont. It will be important that the Town continues to highlight and showcase its solid environmental credentials and reputation.

  This is a big part of the Beaumont brand and has the potential to appeal to those individuals and companies – particularly those in the rapidly expanding environmental business sector – who value environmental leadership.

- **Business and Professional Services** – business and professional services (consulting engineering, procurement and construction services, computer software design/development, web-based services, medical and legal services, financial services, etc.) have also been identified as a high-potential growth area for Beaumont.

  Quality of life and strategic location will once again be the key drivers in attracting these types of firms and employees. These attributes will need to be
fully leveraged in all business attraction/economic development promotional materials and related messaging.

A consolidation and relocation of existing smaller-scale medical and other business/professional services could provide the impetus for one of the new office complexes being recommended. This would be somewhat similar to the Queen Street Professional Building development recently completed in Spruce Grove.

- **Transportation and Logistics Backroom Operations** – again, this time related to the Port Alberta transportation and logistics hub emerging in and around the Edmonton International Airport. Beaumont's strategic location and designation as a Capital Region Board Priority Growth Area are both inherent strengths that can be promoted as part of the overall business case for pursuing these types of business attraction opportunities.

- **Destination Retail, Hospitality and Food and Accommodation Services** – tourism remains one of the Capital Region’s largest industries and Beaumont should continue to place a priority on expanding its share of the growing and increasingly specialized/differentiated regional market.

  Destination retail (in other words, retail outlets that can attract non-residents), a higher-end hotel and restaurant(s) should remain economic development priorities for Beaumont.

- Nichols Applied Management's proprietary *Business Competitiveness Location Model* is essentially based on a series of business case framework 'test regressions' for each of the industry/business clusters being analyzed. The inputs and proxies used are outlined on pages 37-38 and the outputs are the validated industry/business clusters that are consistent with the core competitive strengths, locational attributes and economic development/investment attraction competencies found within the local/regional economy.

- The *SWOT Matrix and Assessment* on page 43 summarizes Beaumont's major business development/industry attraction strengths, weaknesses, opportunities and threats.
Beaumont: A Capital Region Board Priority Growth Area
### SWOT Matrix and Assessment

<table>
<thead>
<tr>
<th>Strengths:</th>
<th>Weaknesses:</th>
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<tbody>
<tr>
<td>- positive long term economic forecast</td>
<td>- strong regional competition and market penetration of urban/suburban retail,</td>
</tr>
<tr>
<td>- affordable, higher-end housing and family-friendly neighbourhoods</td>
<td>commercial, business and professional services</td>
</tr>
<tr>
<td>- competitive cost structures and non-residential taxes</td>
<td>- Beaumont has one of the highest retail leakage rates in Alberta (approximately 55.5%)</td>
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<tr>
<td>- close proximity to major markets</td>
<td>- Beaumont is often narrowly perceived as simply a bedroom community to Edmonton</td>
</tr>
<tr>
<td>- excellent transportation infrastructure and access to major transportation corridors</td>
<td>- branding and brand awareness</td>
</tr>
<tr>
<td>- availability of competitively-priced commercial/light industrial land</td>
<td>- Beaumont not 'top-of-mind' for businesses looking to expand or relocate</td>
</tr>
<tr>
<td>- high quality of life, full service communities</td>
<td>- tax base becoming overly dependent on residential assessment</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities:</th>
<th>Threats:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- recovering and resurgent Alberta economy</td>
<td>- City of Edmonton: major retail, commercial, industrial, transportation and business/</td>
</tr>
<tr>
<td>- Beaumont's business, fiscal and regulatory climate is competitive relative to other nearby suburban, urban and rural jurisdictions</td>
<td>professional services hub with critical mass and market reach well beyond its borders</td>
</tr>
<tr>
<td>- promotion/branding of Beaumont's business case and value proposition for industry attraction/business growth</td>
<td>- retail leakage remains significant (South Edmonton Common is now and by far the major retail destination for Beaumont residents)</td>
</tr>
<tr>
<td>- a range of specific niche market opportunities are identified throughout this report</td>
<td>- bedroom community or full service community?</td>
</tr>
<tr>
<td>- effective cooperative/collaborative stakeholder partnerships being put in place to take full advantage of emerging opportunities</td>
<td>- continuing out-migration of younger residents to pursue education, jobs and a city lifestyle</td>
</tr>
<tr>
<td>- available commercial/light industrial sites</td>
<td>- a relatively narrow assessment base could ultimately undermine existing affordability advantages</td>
</tr>
</tbody>
</table>
6. Priorities, Directions and Recommended Action Items

Previous sections have outlined the Town of Beaumont’s investment attraction/economic development priorities and objectives and these, collectively, represent the Niche Market Study’s fundamental ‘call to action.’ This section builds on this analysis and recommends a number of specific strategy elements and action items to be pursued.

Budgetary realities and constraints will, of course, also play an important role in determining which action items to pursue and when. While this is recognized, these are decisions to be made at a later date and in the context of a more fulsome review of the budgetary resources available and the competing demands being made for these resources.

Brand Awareness and Effectiveness

6.1 Quality of life, affordability, family-friendly neighbourhoods, good schools and a strong sense of community are all significant locational draws for both residential and business development. These attributes need to be more effectively promoted and branded.

6.2 There is no point in chasing every opportunity that is out there, only some will fit within a community's competitive strengths and advantages. Eight industry/sectoral clusters are being recommended as having significant growth potential for Beaumont over the next 10 years. These include:

1) Retail and Commercial
2) Small Business and Entrepreneurship
3) Service, Supply and Backroom Operations Supporting the Region’s Increasingly-Diversified Hydrocarbon Processing Sector
4) Office Development
5) Eco-Industrial Services and Technology
6) Business and Professional Services
7) Transportation and Logistics Backroom Operations
8) Destination Retail, Hospitality and Food and Accommodation Services
6.3 The Town of Beaumont to develop an annual competitiveness and business climate profile to more effectively support targeted business/investment attraction activities.

6.4 Develop a more business-oriented marketing, promotion and branding strategy that effectively communicates the full range of available business development opportunities.

This is not intended to criticize the current marketing, promotion and branding strategy. Quite the contrary, it is just another reminder that the investment attraction 'game' has gotten a lot more serious in the post-recession period – and that Beaumont will need to step up and respond accordingly.

6.5 Develop earned media and social media strategies to more effectively build awareness of the Beaumont business case and strong community of choice attributes.

6.6 Review and assess a range of possible 'Shop Beaumont' branding initiatives and incentives aimed at reconnecting local consumers with local retail outlets.

Organizing to Compete and Succeed

6.7 Beaumont’s Business Advisory Committee should remain a key vetting and validation group for implementing a more aggressive, proactive and results-oriented economic development strategy. This is no longer ‘just another committee that provides advice’ but, rather, a committee which has tremendous expertise and experience related to the investment attraction/economic development agenda outlined in this report.

Why is this so important in 2011? Because how we organize to compete for new investment and business growth – and how we tap into the economic and business development experience, expertise and networks available within the community – will ultimately determine how successful the Town is in pursuing new economic development, attracting new investment and maintaining long-term municipal fiscal/financial sustainability.

6.8 Given the seriousness of the longer term fiscal and financial sustainability challenges currently facing the Town, it is recommended that outside expertise be brought in to work with the Town’s Economic Development Officer, Town Administration and the Beaumont Business Advisory Committee to deliver on an aggressive, targeted and results-oriented commercial/industrial investment attraction strategy.
An Attractive Business, Fiscal and Regulatory Climate

6.9 Municipal governments, being the closet to the citizens they serve, are in a good position to facilitate, assist and contribute to building an attractive, competitive local business environment. It will be critical that Beaumont maintains a competitive business, fiscal and regulatory climate, specifically to:

- encourage and support business retention and growth; and
- enhance targeted business and industry attraction efforts.

6.10 Ensure that Beaumont's non-residential taxes and mill rate structures remain competitive with neighbouring municipalities.

6.11 Identify opportunities to more effectively leverage the Capital Region Board Priority Growth Area designation in ongoing investment/business attraction activities.

6.12 Complete the 50th Street corridor upgrades and commercial gateway rebranding as soon as possible.

Business Retention, Growth and New Business Attraction

6.13 Establish a multi-stakeholder Niche Market Study Implementation Committee with a Council-approved mandate to coordinate and oversee implementation and to track future performance and results achieved. This should include, either directly or indirectly, members of the Beaumont Business Advisory Committee.

6.14 A multi-stakeholder committee should be established to evaluate and assess the specific needs of Beaumont's small business sector, including home-based businesses. This committee would examine the potential role to played by business incubators, other business-mentoring models and/or Business Revitalization Zones in further nurturing small business growth and development.

6.15 Beaumont should establish stronger links with provincial and federally-funded business information/business support services to ensure that these are adequately addressing the needs of local businesses and entrepreneurs.

6.16 Priority should also be given to developing a Beaumont-focused youth entrepreneurship and mentoring program to ensure a strong and vibrant entrepreneurial culture remains one of Beaumont's competitive strengths.
6.17 The Town's Economic Development Officer to assess Beaumont's retail/commercial gaps and associated expenditure leakage and, subsequently, identify specific opportunity areas and initiatives aimed at mitigating these significant retail expenditure out-flows. Once again, Where are the specific opportunities? and What is the execution strategy for delivering results?

Municipal Incentives

6.18 The Town to review and assess the potential use of municipal incentives, specifically to encourage and support further commercial and/or light industrial investment.

Step #1 – Getting the Competitive Fundamentals Right

✓ Municipal competitiveness – maintaining a competitive business, fiscal (municipal taxes and levies) and regulatory climate.

✓ Commercial/industrial land prices/off-site levies (serviced/unserviced land ‘value proposition’).

✓ Quality of life and community amenities are key locational advantages.

✓ The importance of regulatory effectiveness and efficiency in influencing business location or expansion decisions.

✓ Building a customer service mindset in the regulatory approvals process.

✓ Projecting an open-for-business attitude and approach to business/industrial attraction.

✓ Role of incentives for business attraction, ‘critical mass’ or ‘destination’ projects.

Step #2 – Identifying and Closing Competitiveness Gaps

What does the Municipal Government Act (MGA) say about the use of municipal incentives? What constraints does it impose? What are our competitors doing?

Municipal incentives take many forms and are not just tax concessions. In fact, there are now many examples of other more subtle types of incentives that have either been used by Alberta municipalities in the past, are currently available or are under development. These include:

- municipal front-ending of infrastructure costs;
- municipal land assembly; and
- incentivized municipal land sales (at cost or at minimal mark-up to cost).

These types of incentives should continue to be explored and – where necessary – used to help facilitate and spur economic development.

Transparency and fairness are the core principles and guidelines to be used in discussing and evaluating proposed municipal incentive structures. Staying true to these principles, and utilizing a facts-based fiscal impact model analysis and ‘net positive impact’ approach to decision-making, will most often be the key to broad public acceptance of a specific incentives package.

### Business Revitalization Zones

Allows a municipality, under certain conditions provided in the regulations, to impose a business revitalization zone tax in the business revitalization zone.

Section 50 A council may by bylaw establish a business revitalization zone for one or more of the following purposes:

(a) improving, beautifying and maintaining property in the zone;

(b) developing, improving and maintaining public parking;

(c) promoting the zone as a business or shopping area.

Section 51(1) A business revitalization zone is governed by a board consisting of members appointed by council under the business revitalization zone bylaw.

Section 52(1) In this section, “approved budget” means a budget of the board of a business revitalization zone that has been approved by council.
Cancellation, reduction, refund or deferral of taxes

Section 347(1) If a council considers it equitable to do so, it may, generally or with respect to a particular taxable property or business or a class of taxable property or business, do one or more of the following, with or without conditions:

(a) cancel or reduce tax arrears;
(b) cancel or refund all or part of a tax;
(c) defer the collection of a tax.

Proposal of local improvement

Section 393(1) A council may on its own initiative propose a local improvement.

(2) A group of owners in a municipality may petition the council for a local improvement.

Contents of plan

395(1) A local improvement plan must

(f) state the portion of the estimated cost of the local improvement proposed to be paid

(i) by the municipality,

(ii) from revenue raised by the local improvement tax, and

(iii) from other sources of revenue…

Conclusions

✓ A fair amount of flexibility and discretion to act.

✓ What, if any, flexibility does Beaumont have to act?

✓ Transparency – key principle.

✓ Fairness – key regulatory (legal) guideline.
✓ Opportunity to innovate – absolutely!

✓ A one-size-fits-all policy or a customized approach? Both can be accommodated.

✓ A slippery slope? A race to the bottom?

✓ Tax concessions are permitted, subject to transparency/fairness principles and guidelines.

✓ Municipal front-ending of infrastructure is one of the more common approaches.

✓ Local Improvement Plans and Community Revitalization Levies are another approach often used by larger and medium-sized Canadian and U.S. municipalities.

✓ Municipal land assembly can provide significant benefits to a developer.

✓ Municipal land sales and land sale financing can also be an effective incentive.

✓ Fiscal/financial sustainability – any municipal incentives being considered should have a direct and/or indirect net positive impact on the municipality’s longer term financial position.

✓ When to pull the trigger?

✓ Payback periods should be neutral or ‘reasonable’ for other ratepayers.

✓ Fiscal impact models are a useful tool for analyzing multi-year financial impacts.

Municipal incentives are just one tool which can be utilized in leveraging and securing specific niche market business development opportunities.

Other tools – increasing awareness and promotion of opportunities, community affordability, quality of life and the favourable business cost structures and other logistical advantages that exist within the Beaumont and area economy – would appear to be much more significant in the overall scheme of things.
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