What We Heard Report

City of St. Albert 2023

Business Leaders Forum



Foreword

This report was completed by X5 Management, an Edmonton-based Consulting firm, for the May 31, 2023, Business Leaders Forum. X5 Management was hired by the City of St. Albert to provide facilitation services for the forum and an independent report summarizing the discussion and key themes. This report will be published on the City of St. Albert Business Forum webpage at stalbert.ca/forum.

Introduction

The inaugural Business Leaders Forum was hosted by the City of St. Albert's Economic Development Department, and it took place at the St. Albert Inn and Suites on May 31, 2023.

This interactive event brought together more than 30 local business leaders to give their recommendations to municipal leaders on two major topics which included 'Business and Development Incentives' and 'Sustainable Energy'. The café style format involved hearing a series of brief, topic driven introductions from a subject matter expert, followed by a series of thought-provoking questions. Then, the business leaders broke out into small groups to have discussions and come up with answers for each question.

After each breakout discussion, the facilitator (Gordon Sheppard from X5 Management) led a full group discussion so that the best answers for each question could be shared. A notetaker (Ingrid Carleton) recorded the highlights, along with gathering responses from the worksheets that were filled out by participants.

The following sections give a brief introduction for each topic along with a summary of the business leader's responses for each question.

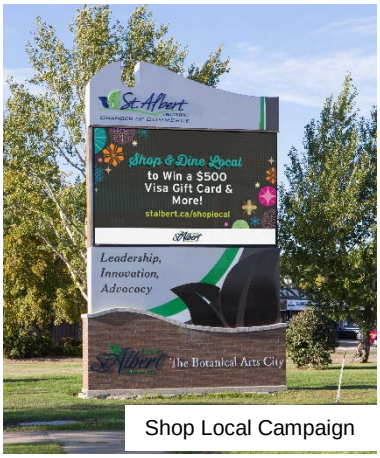
Business and Development Incentives – Questions and Answers

Mike Erickson, Director of Economic Development for the City of St. Albert was the subject matter expert for this topic. He led the discussion by introducing key concepts followed by specific questions. Here is a summary of the questions and responses.

Question 1

If the City were to introduce investment and development incentives, what outcomes should be incentivized to provide the greatest benefit to St. Albert?

Shop Local



Shop Local Campaign

One major outcome from targeted incentives would be to encourage people to 'shop local' ("work, spend, stay, live"), which would result in more money being spent in St. Albert. Local retailers would win, and this would also encourage more private investment to develop retail pockets across the city.

High Value Local Jobs

Proper incentives could attract companies that provide long-term, high-value local jobs (e.g., technology companies, large companies like Amazon).

This type of incentive would create a strong return for the whole community because new workers will increase local spending and the local tax base (e.g., from buying homes and paying property taxes).

Business Diversification and Boom/Bust Reduction

Incentives could result in building a balance of different sized business along with more diversified businesses from across sectors. This would also reduce over dependency on a single sector (e.g., oil and gas) and help to reduce the boom/bust cycle.

Grow Different Areas of the City

Another incentives outcome would be to attract businesses to areas of St. Albert that are missing business services (e.g., infrastructure, utilities), and possibly limit the abundance of services specifically within areas where business services are already heavily offered.

Proper incentives could also result in the development of ‘brownfield’ areas (e.g., an old gas station, or industrial property that requires specific recovery measures).

Incentives could also spur more infill development resulting in higher density and an increase in the property tax base.

Attract Mid to Large Sized Employers

Attracting mid to large sized employers could have a trickle-down effect because they would buy services from local support companies (e.g., IT, Engineering, Human Resources, Office Supplies, Cleaning Services etc.)



Uline St. Albert Distribution Centre

Attract Developers

A potentially high impact outcome would be to incentivize more developers to choose St. Albert.

Question 2

How should the City strike a balance between the desire to be a competitive, business/development- friendly jurisdiction and not over- incentivizing? Why?

Be Practical

Make it easier for businesses to go through the municipal requirements process, and look into low interest business loan scenarios.

Know Your Neighbours

The City of St. Albert should be very strategic with incentives, and look at what is attracting businesses to other regions.

Pick A Niche

Instead of trying to be all things to all businesses, there may be an opportunity for the city to focus on specific areas and excel in those areas.

Don’t Ignore Underserved Sectors

Figure out who is being targeted with current incentives, and then look for other opportunities. A lot of it seems to be going to housing and construction, while more could go to retail and other small businesses.

Expand Our Boundaries

Instead of just focussing efforts locally/regionally, there is an opportunity to be aware of international initiatives and investment opportunities that could support our city.

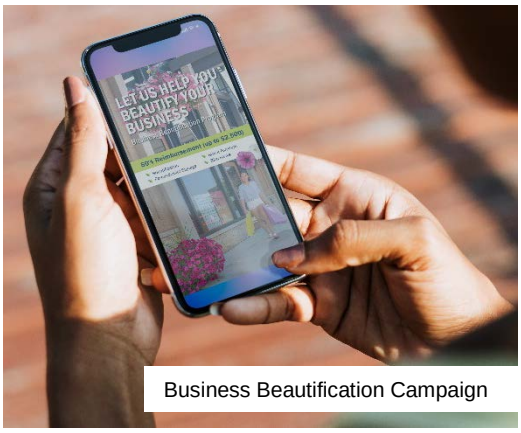
Incent to Attract and Stay and Grow

Instead of just focussing on attraction, put an equal amount of effort into incenting businesses to stay and grow.

Question 3A

Does the inequality of incentives matter? Why or why not?

Incentives Have to Be Unequal



Business Beautification Campaign

If you make incentives equal, you don’t achieve anything. For example, if you give the right people $100 and they get something done with it, then you have made a good investment. But if you give $100 to everyone, and many of them don’t have the skills to use it effectively, then it would be a poor investment.

In addition, it’s not an equal proposition for existing businesses to not have access to the new programs and incentives that are aimed at attracting new businesses.

Also, the City of St Albert itself is too big for small grants, and too small for big grants.

Finally, incentives should be tailored based on size and scale and should strive to be equitable as opposed to equal.

Know the Context

Inequality matters in context. For example, if marginalized communities will be impacted by incentives, then it matters. But when incentives are put into established, specific sectors, then you may not have to be as concerned.

What's the Point?

Before we have the conversation about equality of incentives, Council and the City need to identify what we are trying to achieve.

Question 3B

How can this inequality be mitigated?

Open to Everyone

Ensure that incentives are open to all comers.

Be Clear

Set clear guidelines and keep open lines of communication so that everyone can benefit.

Sustainable Energy – Questions and Answers

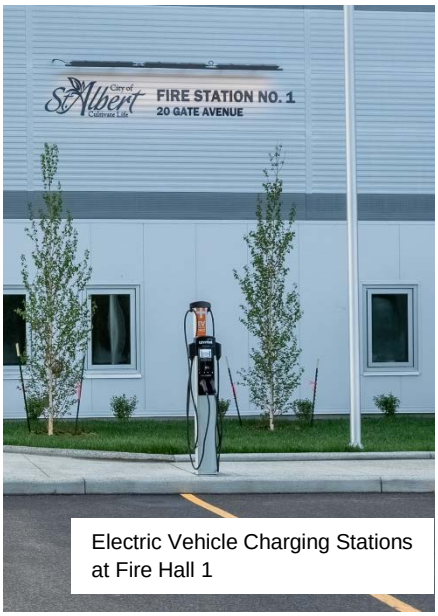
Gage Tweedy, a Municipal Energy Specialist for the City of St. Albert was the subject matter expert for this topic. He led the discussion by introducing key concepts followed by specific questions. Here is a summary of the questions and responses.

Question 1

As the City of St. Albert continues to leverage sustainable energy technologies, what benefits would you like to see?

Lower Energy Costs

Investing in sustainable energy could have significant impact on lowering energy costs for businesses and residents.



Electric Vehicle Charging Stations at Fire Hall 1

Energy Independence

Local sustainable energy solutions will help mitigate dependence on outside sources of energy.

Avoid Disincentives

It may be expensive to change from traditional energy sources to sustainable energy sources, so it is important to choose the path forward wisely so that disincentives (like the cost to switch to new sources of energy) are avoided.

Predictability

If sustainable energy sources can provide more predictable energy costs, then perhaps flat rates could even be considered, which would benefit businesses and residents

Meeting International Environmental Expectations

More and more, international companies are questioning our green methods, which will make investments in sustainable energy a plus when that investment helps to attract companies from around the world.

Question 2

What are the barriers to adopting more sustainable energy technologies in St. Albert?

Energy Storage

New technologies have not caught up with the potential needs we have to store/use the amount of energy that is needed (e.g., the battery technology isn't ready for a company to invest in a fleet of transport trucks)

Complexity and Costs

There is a high level of complexity when it comes to implementing sustainable energy solutions. For example, we already understand that it costs a lot of money to build a public car-charging station. How much would have to be spent on infrastructure if every household in St. Albert wanted to install a car-charging station?

Affordability

With inflation concerns and pay-off timelines, can businesses afford to implement sustainable energy solutions?

Lack Of Information

Businesses might be able to do more with sustainable energy solutions if they were better informed about possible grants, tax breaks, upcoming municipal incentives etc.

Investment Timing

Technology evolves quickly. So, what happens if you invest in the wrong solution today, and it becomes outdated by the time you're done paying for it.

Fear Of the Unknown

People are reluctant to invest in sustainable energy because they fear what might happen. For example, what if a business makes an investment in a sustainable energy solution, and within a short time the regulations change which could require even more capital investment.

Potential Insurance Costs

As the insurance industry learns how to deal with backing sustainable energy solutions, it may be difficult to predict overall insurance costs.

Vilification Of the Issue

Under the current political climate, and given the history of the province, you can't even talk about sustainability because you're 'taking someone's job'.

Question 3

What approaches can the City, the private sector, and the public take to address and alleviate these barriers?

Clear Strategy

A clear strategy on sustainable energy solutions should be built through a collaborative approach between for profit, non-profit and the City.

One benefit of having a solid strategy will be to avoid diversifying too soon into possible solutions that may not last too long.



St. Albert Council Public Engagement

Communication Plan

It will also be important to execute a clear communication strategy, to overcome negative perceptions, help all stakeholders to remain open and build a common coalition so that the issue can be moved forward successfully.

One communication possibility might be for stakeholders to join together to do training and have information presentations on sustainable energy.

Subsidies and Rebates

The City could provide balanced subsidy and rebate programs when it comes to growing the sustainable energy footprint.

Question 4

The hydrogen economy is a growing focus and interest at the federal, provincial, and regional levels. What role should St. Albert adopt in this expanding industry?

Subsidization

Because of development costs, Hydrogen solutions will only work with government subsidies.

Cutting Edge

The City could put efforts into attracting companies that can do cutting edge research on Hydrogen. The City could also encourage producers who manufacture parts for the entire Hydrogen supply chain.

Avoid Early Adoption

It may be too early to adopt Hydrogen solutions, given the unknowns in the market. It might be better to become best in class once we have learned from other jurisdictions.

Partnerships

The city could strengthen its relationship with the new UCP government and find a way to work together to move the Hydrogen issue forward.

Question 5

What do you see as the biggest challenges and opportunities towards adopting hydrogen technologies?

Hydrogen Production Opportunity

You could potentially use wind and solar energy to generate the power needed to produce Hydrogen.



St. Albert Solar Panels

Too Big for St. Albert

Tackling the Hydrogen issue is too big a problem for the City of St. Albert because of the timeline and amount of capital and expertise that would be required.

Utilize Existing Infrastructure

It may be possible to use existing gas lines to move Hydrogen into communities, but the overall infrastructure needs would have to be explored to see if that is feasible in St. Albert.



2023 Business Forum

Conclusion

Overall, the Business Leaders Forum was highly valuable because the business leaders passionately shared suggestions and ideas that will truly influence how the City of St. Albert moves forward on these major issues. City officials indicated that the goal of the forum was to use the advice and ideas present by business leaders to help shape future City strategies, tactics and actions around business and development incentives, as well as sustainable energy.

On the topic of Business & Development Incentives, it was clear that the business leaders acknowledged that while incentives aren't always fair, if they are used in the right way, they can be highly impactful. The business leaders also pointed out the need to diversify what gets incentivised to help build a healthy economy that avoids energy sector boom/bust cycle.

On the topic of Sustainable Energy, the business leaders prudently pointed out that it is not necessarily in St. Albert's best interest to be a first mover in implementing solutions that might not last very long. But they also acknowledged the need to take action by bringing together key stakeholders to gather the right information so that a viable plan can be created an implemented for the benefit of the entire community.

The feedback for the overall event was positive and many of the business leaders expressed their interest in supporting forums like this in the future.

The business leaders also said they were grateful that key municipal leaders, including members of City Council and City Administration participated in this forum.

The next Business Leaders Forum will take place in the **fall of 2023**. For those interested in more information or participating in future Business Leaders Forums, please visit stalbert.ca/forum.