

Subject: Formation of an Economic Development Corporation**APPROVALS:****Annette Antoniak**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT the Chief Administrative Officer be directed to take all steps necessary to incorporate the Wood Buffalo Economic Development Corporation; and

THAT upon Council's appointment of the first Board of Directors for the Wood Buffalo Economic Development Corporation, Administration is directed to transfer the \$8,000,000 budget allocation for the Small Business Workforce Support Program, and the unexpended 2017 Recovery Operating Budget allocation of \$40,000 to the Wood Buffalo Economic Development Corporation, subject to any terms and conditions which may be imposed at the discretion of the Chief Administrative Officer.

Summary and Background:

On June 22, 2010, Council unanimously passed a resolution directing that administration prepare a bylaw to establish an Economic Development Advisory Committee. The resolution to establish an Economic Development Advisory Committee remains outstanding.

In 2017, a group of community leaders, representing various business and organizations throughout the Municipality, came together to form an ad hoc task force with the intent of exploring ways and means of promoting economic development within the region. Shortly, thereafter, the task force approached municipal administration with the concept of creating an arms' length entity responsible for economic development and tourism.

The proposed Wood Buffalo Economic Development Corporation (WBEDC) is modeled after the highly successful Edmonton Economic Development Corporation (EEDC). In drafting the Wood Buffalo model, the task force worked closely with Mr. Brad Ferguson, EEDC President and CEO, to ensure that the Wood Buffalo solution is focused, dynamic and sustainable.

Budget/Financial Implications:

Upon incorporation, the WBEDC would require financial resources to fulfill its mandate. There is presently \$8,000,000 remaining in the Small Business Workforce Support

Program, and a further \$40,000 in the 2017 Operating Budget for Recovery which would be transferred to the WBEDC. A portion of this funding would be used to offset initial operations until such time as the Board is fully established and has an opportunity to develop and present its proposed budget to the Municipality through the annual budget process.

In 2017, the Municipality's Operating Budget included \$2,158,129 for the economic development function, and a \$629,800 Community Investment Program grant to Fort McMurray Tourism. As municipal staff and programming would transfer to the WBEDC, it is anticipated that future allocations would be redirected to the WBEDC.

Over time, as the WBEDC moves to a more self-sustaining operation and is able to access provincial grants and other sources of funding, the reliance on municipal funds would decrease.

Rationale for Recommendation:

The creation of the Wood Buffalo Economic Development Corporation fulfills the outstanding resolution of Council, and establishes a dedicated corporate entity aimed at expanding and diversifying the local economy by focusing on attracting new business and investment to the Municipality, supporting existing business, attracting a variety of major events, building a sustainable visitor economy, encouraging the coordination of economic development policies and creating communications and marketing strategies designed to increase awareness of the Municipality and its offerings among local, national and international audiences.

Strategic Plan Linkages:

Pillar 1 - Building Responsible Government
Pillar 3 - Building a Vibrant Economy Together
Pillar 6 - Building a Sustainable Region

Attachments:

1. Memorandum of Association of the Wood Buffalo Economic Development Corporation
2. Fort McMurray Tourism Letter, dated November 3, 2017