

Alberta's Industrial Heartland Association - Membership Agreement

Recommendation

That Executive Committee recommend to City Council:

That the City of Edmonton execute the Acknowledgement and Agreement to be Bound by Unanimous Membership Agreement as set out in Attachment 1 of the November 28, 2017, Regional and Economic Development report CR_4981.

Executive Summary

Alberta's Industrial Heartland Association promotes, on behalf of multi-jurisdictional group, eco-industrial development for a large area of land including the Edmonton Energy and Technology Park to specifically attract the energy industries and associated upgraders. The City of Edmonton has been a member of the Alberta Industrial Heartland Association since 2010. The approval and signing of the Acknowledgement Agreement would legally formalize this relationship.

Report Body

Background

Alberta's Industrial Heartland Association was formally incorporated in 1999 with the municipalities of Fort Saskatchewan, Lamont County, Strathcona County, and Sturgeon County as the original members. The Alberta's Industrial Heartland Association's municipal members recognize that joining resources would enhance their effectiveness in attracting business to the region, improve planning, and ensure complementary use of resources. Each of these member municipalities provided strategic direction to the Alberta's Industrial Heartland Association through their representatives on the Board of Directors.

At the November 24, 2009, City Council meeting approval was given for Administration to make a formal application for the City to have full membership in the Alberta's Industrial Heartland Association. At the December 16, 2009, Alberta's Industrial Heartland Association meeting, the Board of Directors voted unanimously to accept the City of Edmonton as a full member.

The industrial heartland is comprised of two areas; 533 square kilometres (205 square miles) of industrially zoned land extending into the City of Fort Saskatchewan and the Counties of Lamont, Strathcona and Sturgeon. In addition, there are 49 square

kilometres (20 square miles) in the northeast part of the City of Edmonton, known as the Edmonton Energy and Technology Park.

Membership Agreement

In 2010, following City Council's direction that Administration should pursue full membership in the Alberta's Industrial Heartland Association (the Association), the Alberta's Industrial Heartland Association's Operating Unanimous Membership Agreement was amended to include the City. All members at that time signed the amended membership agreement. The City of Edmonton has since then paid their membership fees and continues to pay these fees.

In 2015, as part of an effort to review and confirm the terms of the original agreement, it was discovered that neither the City, the Alberta's Industrial Heartland Association, nor its members were able to locate an executed version of the membership agreement.

As a result, the Association developed an Acknowledgement and Agreement to be Bound by Unanimous Membership Agreement (the "Acknowledgement Agreement"). The Acknowledgement Agreement incorporates the terms of the 2010 Operating Unanimous Membership Agreement and allows the municipal members to confirm their acceptance of those terms.

The Acknowledgement Agreement was presented at the February 26, 2015 Association Board Meeting. After discussion at the Board Meeting, each of the municipalities agreed to conduct a legal review of the terms and conditions of the original agreement prior to execution. Administration has been advised that all other municipal members of the Alberta's Industrial Heartland Association have now signed the Acknowledgement Agreement.

The full text of the Acknowledgement and Agreement to be Bound by Unanimous Membership Agreement for execution by the City is included as Attachment 1 to this report.

Budget/Financial Implications

Since 2010, the City of Edmonton has paid an annual membership fee of \$212,000 which is covered by approved, ongoing funding.

Legal Implications

The City of Edmonton has been operating as a full member of the Alberta's Industrial Heartland Association since 2010 and the Alberta's Industrial Heartland Association's Bylaws give the City the right to appoint a representative to the Board of Directors. However, as executed versions of the original Operating Unanimous Membership Agreement cannot be located, the City's status as a legal member of the Alberta's Industrial Heartland Association is uncertain. Execution of the Acknowledgement and

Agreement to be Bound by Unanimous Membership Agreement (Attachment 1 to this report) would resolve this uncertainty and provide the City with formal legal membership in the Alberta's Industrial Heartland Association.

Policy

The Way We Prosper

- Policy 5.2 Goal 2 - Edmonton - Internationally Renowned as a Powerhouse of Industry
 - Strategic Objective 2.1: Unparalleled growth in business development and investment in energy services and technologies.
 - Strategic Objective 2.2: Canada's northern region looks to Edmonton for expertise in resource and industrial development.
 - Strategic Objective 2.3: New sectors and markets have emerged and businesses thrive as they capitalize on Edmonton's economic and innovation strengths

Public Engagement

There was no public engagement undertaken for this membership agreement with the Alberta Industrial Heartland Association, as the City of Edmonton has been operating as a full member since 2010.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Edmonton Region is a catalyst for industry and business growth			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Catalyze Investment to diversify tax base.	Non-residential real growth (%)	27.3% in 2016	To be determined.
	Edmonton Region Non-residential building permit value	\$2.34 Billion in 2016	\$2.79 Billion by 2018

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations

Goverance	Non-approval of the membership agreement would impact the City's reputation as a reliable economic development partner	1 - Rare	4 - Severe	4 - Low	City Council has current information on the progress of the Alberta's Industrial Heartland Association actions and outcomes	
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Attachments

1. The Acknowledgement and Agreement to be Bound by Unanimous Membership Agreement for execution

Others Reviewing this Report

- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Campbell, Deputy City Manager, Communications and Engagement